

Company Report

August 13, 2025

Strategy Advisors Inc.

Keita Fujino



FY08/25 Q3 Cumulative Financial Results Progressed Smoothly Relative to the Company's Full-year Forecast. The Acquisition of Development Land is Expanding as Planned.

Kasumigaseki Capital reported significant increases in both sales and profits in its cumulative Q3 FY08/25 financial results, with sales increasing 50.5% YoY to ¥50.54 billion, operating profit increasing 2.6x to ¥9.37 billion and net profit attributable to owners of the parent increasing 54.3% to ¥4.05 billion. Sales and operating profits are respectively 53.2% and 56.8% of the company's full-year FY08/25 forecasts, but as revenues are typically concentrated in Q4 each year, full-year results are likely to be in line with the company's forecasts.

Sales for Q3 (3-months) were ¥16.79bn, 1.3x higher than the same period last year and operating profit was ¥4.56bn, 2.8x higher. Although sales for the Q3 were lower than those for Q2, they still increased by 31.5% YoY and the gross profit margin for Q3 also rose significantly, leading to a significant increase in operating profit for Q3. Performance fees associated with the formation of a long-term fund specialized in frozen and refrigerated storage facilities are thought to have contributed to the increase in sales in Q3.

Inventories increased to ¥64.1bn at the end of Q3, compared to ¥48.6bn at the end of the previous fiscal year. Advance payments, consisting of deposits for properties before contracts, increased from ¥2.4bn to ¥3.02bn during this period, suggesting that the purchase of land and other properties is steadily increasing. According to company disclosures, the total amount of the pipeline and AUM increased significantly over the 6-months from ¥491.6bn at the end of the previous fiscal year to ¥598.2bn at the end of the first half.

The company's stock price fell at a sharper rate than that of the market, likely due to the Trump administration's tariff policies since April 2025, as well as the perceived lackluster profit progress and inventory growth in the first half of fiscal year 2025. However, as the market calmed down and concerns about earnings progress subsided, the company's stock price showed a self-sustaining recovery. When the company's Q3 earnings report was released in July, concerns about earnings performance were completely dispelled and the stock price rose. It is currently trading in the ¥18,000 range.

Stock Price & Trading Volume (1-Year)



Source: Strategy Advisors

Key Indicators

Stock Price (8/13/25)	18,360
52-Week High (7/31/25)	19,360
52-Week Low (4/7/25)	9,590
All-Time High (7/31/25)	19,360
All-Time Low (12/26/18)	594
Number of Shares Issued	9.9
Market Capitalization (¥bn)	181.2
EV (¥bn)	212.7
Equity Ratio (FY08/24, %)	34.6
ROE (FY08/24, %)	26.5
PER (FY08/25 CoE, x)	18.1
PBR (FY08/24, x)	6.7

Note: High and low prices are based on closing prices.

Source: Strategy Advisors

Kasumigaseki Capital | 3498 (TSE Prime)

While the company's stock price is expected to be affected by the Trump administration's economic policies and U.S. interest rate trends, its business is primarily domestically driven, with the exception of its Dubai overseas business; and it has many unique growth drivers, making it relatively less susceptible to global economic trends.

While the recent recovery in stock price has pushed the company's PER out of the bottom of its historical PER range and given that the company has historically maintained a high PER relative to its peers; reflecting its high profit growth potential, its current valuation is not particularly high relative to either its historical range or its peers.

Japanese GAAP - Consolidated

FY	Sales	YoY	Operating Income	YoY	Ordinary Income	YoY	Net Income	YoY	EPS	DPS
	(¥mn)	(%)	(¥mn)	(%)	(¥mn)	(%)	(¥mn)	(%)	(¥)	(¥)
FY08/24Q1-Q3	33,595	82.0	3,643	249.2	3,862	324.7	2,627	381.3	289.3	-
FY08/25Q1-Q3	50,549	50.5	9,370	157.2	7,898	104.5	4,053	54.3	411.8	-
FY08/21	14,295	78.5	1,328	306.9	1,037	475.6	793	489.9	121.4	20
FY08/22	20,780	45.4	2,141	61.2	1,732	67.0	1,018	28.3	132.9	30
FY08/23	37,282	79.4	4,442	107.4	4,119	137.8	2,050	101.4	253.2	60
FY08/24	65,685	76.2	8,537	92.2	7,860	90.8	5,020	144.8	541.7	170
FY08/25 CoE	95,000	44.6	16,500	93.3	15,000	90.8	10,000	99.2	1,014.1	240

Note: A 1:2 stock split was conducted in September 2021. EPS and DPS are adjusted.

Source: Company Data. Compiled by Strategy Advisors

1. FY08/25Q3 Cumulative Period Results

Considering Seasonality, Progress is Steady

Kasumigaseki Capital reported a significant increase in both sales and profits in its FY08/25Q3 cumulative financial results, with sales increasing 50.5% YoY to ¥50.54bn, operating profit increasing 2.6x to ¥9.37bn and net profit attributable to owners of the parent +54.3% to ¥4.05bn. Even in Q3 (3-months), sales increased 31.5% YoY to ¥16.79bn and operating profit increased 2.8x to ¥4.56bn, significant increases in both sales and profits.

Progress rates against the company's full-year forecast for FY08/25 were 53.2% for sales and 56.8% for operating profit. However, considering that progress rates in previous years were 56.0% and 42.9% respectively in FY08/24, when the initial forecast was achieved, progress in Q3 is favorable.

Figure 1. Summary of Quarterly Financial Results

(¥mn)	FY08/25 Q3 Cumulative (A)	YoY (%)	Progress Rate (%) (A)/(B)	FY08/25 Q1	YoY (%)	FY08/25 Q2	YoY (%)	FY08/25 Q3	YoY (%)	FY08/25 CoE (B)	YoY (%)
Sales	50,549	50.5	53.2	15,264	26.2	18,486	111.9	16,799	31.5	95,000	44.6
Gross Profit	21,199	104.6	NA	6,460	147.4	6,033	63.7	8,706	114.1	NA	NA
Gross Margin	41.9%	-	-	42.3%	-	32.6%	-	51.8%	-	-	-
Operating Income	11,828	76.0	-	3,490	78.2	4,197	78.9	4,141	71.5	-	-
SG&A Expenses	9,370	157.2	56.8	2,970	355.5	1,835	37.0	4,565	176.3	16,500	93.3
OP Margin	18.5%	-	-	19.5%	-	9.9%	-	27.2%	-	17.4%	-
Ordinary Income	7,898	104.5	52.7	2,882	632.6	1,272	-17.8	3,744	94.9	15,000	90.8
Net Income	4,053	54.3	40.5	2,002	790.3	451	-57.8	1,600	19.9	10,000	99.2

Source: Company Data. Compiled by Strategy Advisors

Gross Profit for Cumulative Q3 Increased Significantly

Cumulative Gross profit for the Q3 was ¥21.19bn and had increased significantly, +104.6% YoY. The gross profit margin for cumulative Q3 was 41.9%, a significant increase from 30.8% in the same period last year. By quarter, it was 42.3% in Q1, 32.6% in Q2 and 51.8% in Q3. It is presumed that Q3 included performance fees associated with the formation of a long-term fund specialized in frozen and refrigerated storage facilities. Based on the company's release, the properties that contributed to gross profit for the cumulative Q3 are as shown in Figure 2.

Figure 2. Major Properties That Are Thought to Have Contributed to Gross Profit

	Release	Event	Business
FY08/25 Q1	2024/11/15	Land sale for Development of Hotel in Yufuin,Oita Prefecture	Hotel
	2024/11/26	Three Hotel Mid In properties (Meguro-Ekimae, Kawasaki-Ekimae and Kuramae-Ekimae)	Hotel
	2024/11/29	Land Sale for Hotel Rebranding Project in Naka Ward , Nagoya	Hotel
FY08/25 Q2	2024/12/19	Land Sale for Hotel Rebranding Project in Nagasaki	Hotel
	2025/1/27	Land Sale for Healthcare Facility Development in Suginami Ward, Tokyo	Healthcare
	2025/2/14	Sales of four Hotel Development Sites (Nagoya Marunouchi Hotel Project, Kanazawa Katamachi Hotel Project, Asahikawa Hotel Project and Ujiyamada Hotel Project)	Hotel
	2025/2/28	Majestic Vistas (1 Room) House for Sale in Dubai	Overseas
	2025/2/28	Land Sale for Development of Logistics Facilities in Koshigaya, Saitama Prefecture	Logistics
FY08/25 Q3	2025/3/27	The Royal Atlantis (1 Room) House for Sale in Dubai	Overseas
	2025/3/28	LOGI FLAG TECH Hachinohe I Project to Enter Management Phase and Conclusion of Asset Management Contract	Logistics
	2025/5/29	Land Sale for Development of Hotel in Shibuya Ward, Tokyo	Hotel
	2025/5/30	Launches Long-Term Fund Specialized in Refrigerated and Frozen Storage Facilities	Logistics

Source: Company Data. Compiled by Strategy Advisors

Hotel Sales Contributed to Revenues Through Q2

Regarding hotels, in Q3 there was the sale of a hotel development site in Shibuya Ward, and in the first half there had been the sale of land for the Nagasaki rebranded hotel project and 4 other hotel development sites, including the Nagoya Marunouchi Hotel. Of these, the Yufuin Hotel Project, which was recorded in Q1, is a project to build a hotel under the company's high-end brand, "seven x seven" and is estimated to have made a significant contribution to both sales and profitability. In addition, there appears to have been success fees for the "FAV LUX Kagoshima Tenmonkan" which opened in December 2024.

Land Sales Contributed to Both Healthcare and Logistics. Some Logistics Projects Have Entered the Operational Phase.

In the healthcare sector, the sales of a development site in Suginami Ward in Q2 appears to have contributed to the results. Performance fees (Q3) from the establishment of "Cold Storage Fund No. 1," a fund specializing in frozen and refrigerated warehouses that began operations in May 2025, contributed to performance.

Furthermore, an automated frozen warehouse in Hachinohe City, Aomori Prefecture, entered the operation phase on March 28, 2025, and it appears that a fund setup fee was earned (this is the first time that an automated frozen warehouse has entered the operation phase). Furthermore, asset management fees, which have been earned continuously since entering the

operation phase, are thought to have been contributing since Q3. Additionally, the Dubai project saw another sale in Q3, following a sale in Q2.

Selling, General and Administrative Expenses Increased Significantly, Mainly Due to Personnel & Advertising Expenses

Selling, general and administrative expenses for the cumulative third quarter were ¥11.82bn, up ¥5.10bn (76.0%) from the same period last year. Based on company documents for the first half of the year, the increase appears to be mainly due to personnel and advertising expenses.

Personnel expenses are due to an increase in personnel accompanying the expansion of business operations. Advertising expenses are thought to be mainly due to promotions such as hotel commercials and branding promotions, promotions for the "COLD X NETWORK" frozen storage service business launched at the Tokorozawa automated frozen warehouse and participation in events such as exhibitions. As the company's end customers are individuals for hotels and healthcare, and a wide range of shippers and transport companies for logistics, these advertising expenses are expected to be effective in expanding its business.

Foreign Exchange Losses Expanded Through Q3

In cumulative Q3, a foreign exchange loss of -¥420mn was recorded as a non-operating expense. By quarter, there was a foreign exchange gain of ¥260 million in Q1, a foreign exchange loss of -¥180mn in Q2 and a foreign exchange loss of -¥490mn in Q3. In cumulative Q3, there was a foreign exchange gain of ¥870mn in the same period last year. The foreign exchange gain/loss was mainly due to the revaluation of assets in Dubai using the exchange rate at the end of the quarter. The larger foreign exchange loss in Q3 is believed to have been due to the impact of the stronger yen towards the end of Q3.

The Effective Tax Rate, Which was Irregular in Q2, Will Return to Normal in Q3

The effective tax rate for corporate tax, etc. for cumulative Q3 was 35.6%, up from 31.0% in the same period last year. By quarter, it was 30.2% in Q1, 63.1% in Q2 and 30.6% in Q3. The large increase in the effective tax rate in Q2 is thought to be due to factors such as changes in the composition of revenue for subsidiaries with different effective tax rates. Q2 is considered to have been somewhat irregular.

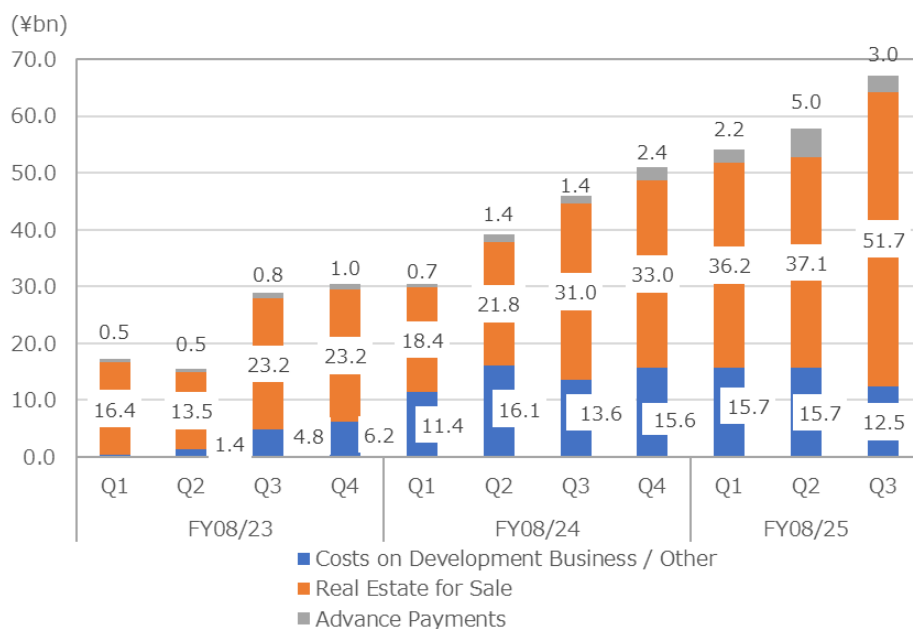
Inventories Also Increased Steadily

Inventories in Q3 were ¥64.17bn (of which ¥51.67bn was real estate for sale), up from ¥48.67bn (¥33.04bn) at the end of FY24/8, ¥51.87bn (¥36.16bn) at the end of Q1 and ¥52.75bn (¥37.07bn) at the end of the first half. In addition, advance payments, consisting of deposits and other payments for properties with a high probability of closing, were ¥3.02bn at the end of Q3, down from ¥4.96bn at the end of the first half; but up from ¥2.25bn at the end of Q1, which will likely support future increases in inventory.

The company's disclosed pipeline and AUM figures increased by ¥106.6 billion over six months, from ¥491.6bn at the end of FY08/24 to ¥598.2bn at the end of the first half. The company has not disclosed the pipeline and AUM figures for Q3, but considering the company's releases, it can be inferred that

the acquisition of development land and subsequent development are proceeding smoothly.

Figure 3. Changes in Inventory and Advance Payments (by Quarter)



Source: Company Data. Compiled by Strategy Advisors

Figure 4. Project Pipeline and AUM Trends

H1 FYE8/2025: Project Pipeline and AUM

**Built up projects steadily, up ¥106.6bn from the previous fiscal year-end.
Total project pipeline and AUM grew to ¥598.2bn.**

(Billions of yen, unless otherwise stated)

		As of Aug. 31, 2024		As of Feb. 28, 2025		Change (Amount)	Change (%)
		No. of projects	Project value*	No. of projects	Project value*		
Logistics	LOGI FLAG	19	247.5	22	297.6	+50.1	+20.2%
Hotel	FAV seven	44	158.0	51	210.1	+52.1	+33.0%
Healthcare	CLASWELL	15	37.0	16	39.5	+2.5	+6.8%
Alternative Investment	Overseas business	8	15.6	9	17.5	+1.9	+12.2%
	Residential funds (4 funds)	13	33.4	13 (4 funds)	33.4	± 0.0	—
Total		99	491.6	111	598.2	+106.6	+21.7%

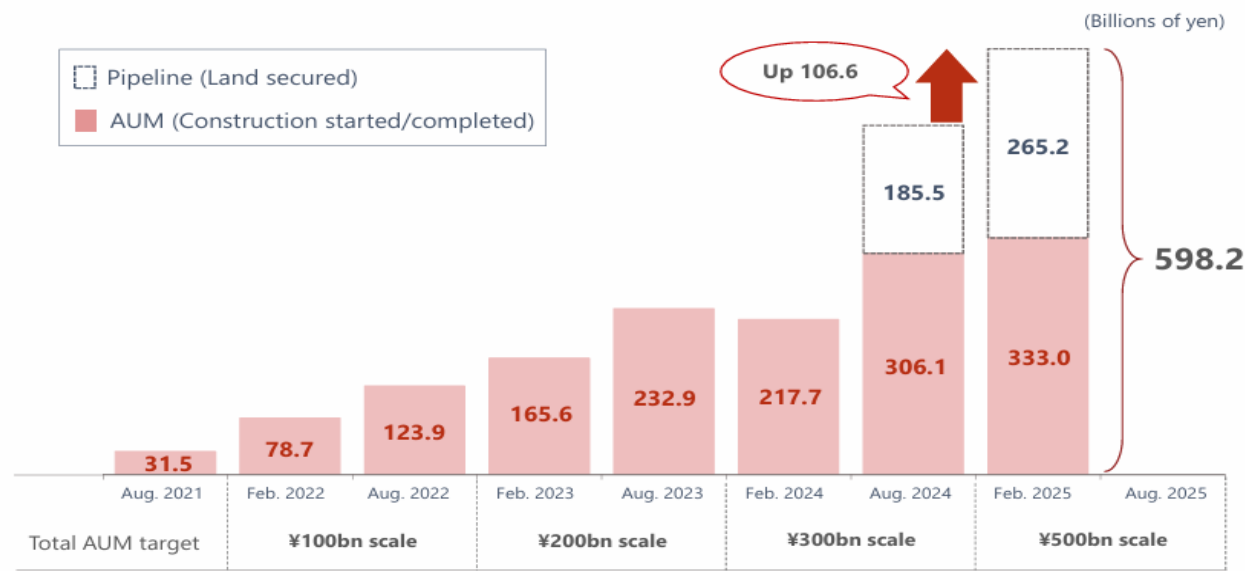
* Project value represents the total value of projects (including certain undisclosed projects) within each business on a cost basis.

Source: Company Data

Figure 5. Project Pipeline and AUM Trends

H1 FYE8/2025: Progress of AUM

Total project value, including the pipeline, reached ¥598.2bn.
Average size of new project wins grew ~2.5x in 4.5 years.



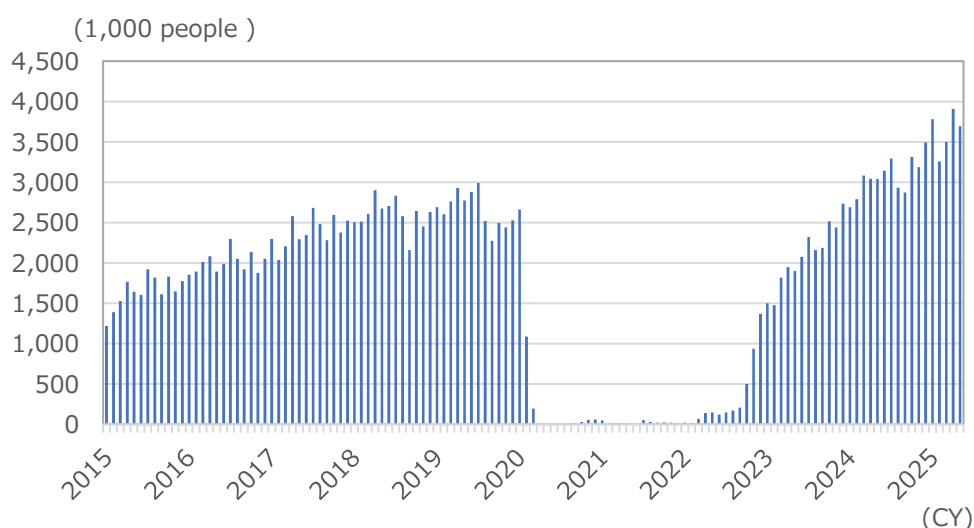
Source: Company Data

2. Recent Trends in Major Businesses

Hotel Business
Remains Strong

The number of foreign visitors to Japan continues to trend at a record high, reaching 21.51 million in the January-June period of 2025, a 21.0% increase compared to the same period last year. JTB predicts that the number will reach 40.2 million in 2025. Barring a significant appreciation of the yen, demand for the hotel business is expected to remain strong. The company develops hotels based on distinctive concepts such as hotels for large groups and the pursuit of self-hospitality through the promotion of digital transformation. It is estimated that occupancy rates are steadily increasing even in newly opened hotels.

Figure 6. Trends in the Number of Foreign Visitors to Japan (Monthly)



Source: Compiled by Strategy Advisors based on Japan Tourism Agency data

In the Logistics Business, Automated Storage Facilities Will Become More Advantageous Due to the Revision of the Building Standards Act

In logistics, the company is focusing on refrigerated storage facilities and is particularly differentiating itself with automated storage facilities. Refrigerated automated storage facilities contribute to reducing human error, preventing industrial accidents in harsh environments such as -25°C and improving the working environment. In addition, the Building Standards Act was revised in July 2024, changing the virtual floor height for calculating the floor area ratio of floorless automated storage facilities from 5 meters to 8 meters. This will increase the amount of storage capacity in automated storage facilities and improve efficiency.

Automated storage facilities have always had lower construction costs than traditional storage facilities because they do not have floors, but these regulatory changes are expected to further increase the advantages of automated storage facilities.

Expansion into Hazmat Storage Facilities

In logistics, the company acquired land in Kanagawa Prefecture for the development of a HAZMAT (hazardous materials) warehouse in Q2. HAZMAT storage facilities appear to be in short supply due to increased demand. Due to growing awareness of compliance in society, there has been an increase in the transfer of these storage facilities to storage locations for spray cans, cosmetics, alcohol disinfectants, etc., and in addition, the volume of lithium-ion batteries handled has also increased due to increased demand.

Conventional HAZMAT storage facilities are small and scattered and because they are single-story structures, the floor area ratio is often not utilized due to the need to secure open space. However, by introducing automated storage facilities, the company's storage facilities can fully utilize the floor area ratio by ensuring a height of 20 meters even on single-story buildings.

Long-Term Operation of Specialized Refrigerated Storage Facilities establishing a Fund

The company has established "Cold Storage Fund No. 1 LLC," a long-term investment fund specialized in environmentally friendly refrigerated storage facilities, which began operations on May 30, 2025. The fund's assets include five refrigerated storage facilities, 2 three-temperature storage facilities, and one automated refrigerated warehouse, and its asset size of ¥82bn makes it one of the largest funds in Japan focusing on refrigerated storage facilities.

In addition, the company has been entrusted with asset management operations by the fund. On top of the fund setup fee for the formation of the fund, it will be able to receive stable asset management fees over the long term.

Figure 7. Assets Held by Cold Storage Fund No. 1, a Fund Specializing in Refrigerated Storage Facilities

Facilities	LOGI FLAG COLD Funabashi I	LOGI FLAG COLD Yokohama Kohoku I	LOGI FLAG Fresh Kyoto I	LOGI FLAG DRY & COLD Fukuoka Koga I	LOGI FLAG DRY & COLD Sendai Izumi I	LOGI FLAG TECH Tokorozawa I	LOGI FLAG COLD Atsugi I	LOGI FLAG COLD Osaka Ibaraki I
Asset Type	Frozen & Chilled	Frozen & Chilled	Chilled	3 Temperature Zone	3 Temperature Zone	Automated Frozen	Frozen & Chilled	Frozen & Chilled
Location	Funabashi City, Chiba	Yokohama Kohoku Area	Kyoto City, Kyoto	Koga City, Fukuoka	Sendai City, Miyagi	Saitama Tokorozawa Area	Atsugi City, Kanagawa	Ibaraki City, Osaka
Structure	Steel-framed, 5-story Bldg.	Steel-framed, 5-story Bldg.	Steel-framed, 2-story Bldg.	Steel-framed, 3-story Bldg.	Steel-framed, partially steel-framed reinforced concrete, 4 story Bldg.	Steel-framed, 2-story Bldg.	Steel-framed, 5-story Bldg.	Steel-framed, 5-story Bldg.
Site Area (㎡)	3,736.58	5,804.73	10,917.23	23,849.8	17,991.25	4,793.73	7,293.44	15,135.31
Floor Area (㎡)	6,959.95	10,978.57	12,012.23	35,901.07	36,758.14	4,170.16	14,256.52	28,488.34
Completion	Jan-2023	Jun-2023	Mar-2024	Jun-2024	Jun-2024	Aug-2024	Jun-2024	Jan-2025
Occupancy Rates	100%	100%	100%	100%	100%	100%	100%	100%

Note: Occupancy rates are as of May 30, 2025. Area is from official records. As the automated warehouse has an open - ceiling structure and no floor, the floor area is the volumetric area including the virtual floor.

Source: Company Materials. Compiled by Strategy Advisors.

3. Business Outlook

Steady Accumulation of Purchases Will Contribute to Future Sales Growth

As in previous years, revenues are expected to be concentrated in Q4 for FY08/25. The project pipeline on a cost basis, which indicates the scale of the business, reached ¥265.2bn at the end of the first half, and these will likely be recorded as sales from the second half onwards. As shown in Figure 8, the company has been accumulating procurements for announced

projects; and as the company designs and plans these projects and then sells them to external capital for development, sales are expected to expand.

The Scale of Each Project is Also Expanding

As shown in Figure 4, the business scale per project is also expanding. The business scale per project was ¥4.96 billion at the end of FY08/24 but had risen to ¥5.38 billion by the end of the first half of FY08/25. Although business scale and profitability do not necessarily correlate, it is inferred that large projects tend to be more efficient overall, which is expected to lead to improved profitability.

It is Believed That Investors' Expected Returns on Kasumigaseki Capital Have Not Increased

Interest rates are on the rise in Japan. Japan's 10-year government bond yield, which was around 0.6% at the beginning of 2024, rose to the 1.0% range at the beginning of 2025 and has recently been hovering around the 1.5% level. Interest rates appear to be under upward pressure as inflation rises. Meanwhile, the risk premium that investors consider for the company's projects is likely to have declined due to the company's proven track record. For this reason, the expected returns on the company's projects appear not to have risen despite rising interest rates in Japan. Therefore, there appears to be no negative impact on the profitability of the company's projects so far.

Figure 8. Main Property Acquisition Status

	Release	Real Estate Acquisition	Business
FY08/25Q1	2024/9/2	Acquired shares in Mid Inn Hotel	Hotel
	2024/10/1	Acquired shares in Tanda Kaiun	Hotel
	2024/11/20	Fujikawaguchiko Hotel Project development site	Hotel
	2024/11/26	Osaka Honmachi Hotel Project development site	Hotel
	2024/11/29	Rebranding hotel in Naka Ward, Nagoya	Hotel
	2024/11/29	Asakusa Kaminarimon Hotel Project development site	Hotel
FY08/25Q2	2024/12/20	Miyako Irabujima Hotel Project Development Site	Hotel
	2024/12/23	Izumo Hotel Project development site	Hotel
	2025/1/17	Kamakura City Yukinoshita Hotel Project development site	Hotel
	2025/1/31	HAZMAT automated warehouse development site in Kanagawa Prefecture	Logistics
	2025/1/31	Sendai Aoba Street Project development site	Hotel
	2025/2/14	Healthcare facility development site in Asahi Ward, Yokohama	Healthcare
	2025/2/27	Matsuyama Ichibancho Hotel Project development site	Hotel
	2025/2/28	Kusatsu Onsen Hotel Project Development Site in Gunma Prefecture	Hotel
FY08/25Q3	2025/4/25	Rebranding Hotel in Kobe City	Hotel
FY08/25Q4	2025/6/13	Naha City Higawa Hotel Project development site	Hotel
	2025/6/27	Healthcare facility development site in Minato Ward, Tokyo	Healthcare
	2025/7/1	Nanki Shirahama Hotel Project Development Site	Hotel
	2025/7/30	Rebranding hotel in Roppongi, Minato Ward, Tokyo	Hotel

Source: Company Data. Compiled by Strategy Advisors

Figure 9. Quarterly Revenue Trends (¥mn)

FY	08/24				08/25		Q3	Q4 CoE
	Q1	Q2	Q3	Q4	Q1	Q2		
Net Sales	12,094	8,723	12,778	32,090	15,264	18,486	16,799	44,451
Cost of Sales	9,482	5,039	8,711	23,893	8,803	12,453	8,094	
Gross Profit	2,611	3,685	4,066	8,197	6,460	6,033	8,706	
Gross Profit Margin	21.6%	42.2%	31.8%	25.5%	42.3%	32.6%	51.8%	
SG&A Expenses	1,958	2,346	2,415	3,303	3,490	4,197	4,141	
SG&A Expenses Ratio	16.2%	26.9%	18.9%	10.3%	22.9%	22.7%	24.7%	
Operating Income	652	1,339	1,652	4,894	2,970	1,835	4,565	7,130
OP Margin	5.4%	15.4%	12.9%	15.3%	19.5%	9.9%	27.2%	18.5%
Ordinary Income	-259	207	271	-897	-88	-563	-821	
YoY	-132	-126	-170	-234	-253	-238	-262	
Ordinary Income Margin	-53	381	548	-569	261	-185	-497	
Non-Operating Balance	-74	-48	-107	-94	-96	-140	-62	
Ordinary Income	393	1,547	1,921	3,999	2,882	1,272	3,744	7,102
Ordinary Income Margin	3.2%	17.7%	15.0%	12.5%	18.9%	6.9%	22.3%	16.0%
Extraordinary Income	19	237	8	234	92	-4	0	
Extraordinary Loss	0	0	0	312	0	3	20	
Profit before Tax	413	1,783	1,929	3,920	2,974	1,265	3,724	
Total Corporate Taxes	157	653	470	1,347	898	798	1,139	
(Corporate Tax Rate)	38.0%	36.6%	24.4%	34.4%	30.2%	63.1%	30.6%	
Net Income Attributable to Owners of Parent	224	1,068	1,335	2,393	2,002	451	1,600	5,947
Net Income Margin	1.9%	12.2%	10.4%	7.5%	13.1%	2.4%	9.5%	13.4%

Source: Company Data. Compiled by Strategy Advisors

4. Recent Topics

Kasumigaseki Hotel REIT Investment Corporation Listed on the Tokyo Stock Exchange

Kasumigaseki Hotel REIT Investment Corporation, managed by Kasumigaseki Reit Advisors, a consolidated subsidiary of the company, received approval to list on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market on July 9, 2025. This fund will be Japan's first listed REIT specializing in developer-affiliated hotels.

31st August 2025 Stock Split

The company will carry out a 1:2 stock split with August 31, 2025, as the record date. The company has also previously implemented a shareholder benefit system that awards shareholder benefit points from the Kasumigaseki Capital Premium Benefit Club based on the number of shares held and the length of time they have been held; but has announced that it will be changing the settings for shareholder benefit points in response to the stock split.

5. Stock Price Trends and Outlook

From 2024 to 2025, Stock Prices Will Fluctuate Significantly Due to Earnings Expectations and Financial Announcements

When the First Half of FY08/25 Financial Results Were Announced, There Was a Large Short-term Drop

Stock Prices Recover as Market Calms and Concerns About Performance Are Dispelled

Although it Has Escaped from Previous Bottoms,

Entering FY08/25, the company's stock price rose sharply and reached ¥18,650 (closing price on October 4), following the announcement of its FY08/24 financial results on October 2, 2024 along with a new medium-term management plan ending in FY08/29. However, the announcement of the issuance of CB's on October 17 and the slump in REIT stock prices due to macro factors such as rising interest rates caused the stock price to fall to ¥11,170 on December 13. After that, the selling pressure subsided and the stock price rebounded, leading to a recovery to the closing price of ¥15,870 on February 14, 2025, after which it began to decline again.

The company's stock price has fluctuated significantly in the short term since April 3, 2025, when the entire stock market was in turmoil following the announcement of reciprocal tariffs by the US Trump administration. On April 7, the business day following the company's first-half financial results announcement (April 4), TOPIX fell 7.9% from the previous day, while the company's stock price fell 12.5%. While it is difficult to break down the factors behind this as it coincided with a sharp market downturn, one factor behind the company's larger decline compared to the overall market is thought to be that the market deemed the company's first-half financial results to be somewhat disappointing.

The first reason why the first half financial results were deemed somewhat disappointing was that gross profit and operating profit for Q2 (three months) were down compared to Q1. However, since the company's current revenues are mainly flow revenues and the timing of projects contributing to sales and profits varies from quarter to quarter, the trend in full-year results is likely to be more important.

Secondly, the fact that inventory at the end of 1H increased only slightly compared to the end of Q1 may have given rise to concerns that purchasing was slowing. However, as mentioned above, when considering advance payments and other factors, it appears that the procurement of development land is progressing smoothly and there is no significant risk to achieving the company's full-year forecast for FY08/25.

As the market subsequently calmed down, the above concerns faded, and the company's stock price showed a self-sustaining recovery, temporarily reaching the ¥14,000 range in June. Then, when the Q3 financial results were announced on July 3rd, concerns about business performance were completely dispelled, after which the stock price soared to ¥16,140 the following day, on July 4th. At one point, it reached the ¥19,000 range but is currently hovering in the ¥18,000 range.

The PER, calculated by dividing the company's forecast net income for FY08/25 by the number of fully diluted shares of the Euroyen CB issued in October last year, is just over 20 times. Due to the recent recovery in the share price, the company's PER has moved out of the bottom of its historical

Kasumigaseki Capital | 3498 (TSE Prime)

Valuations Are by No Means High

Less Susceptible to the Impact of Global Economic Trends

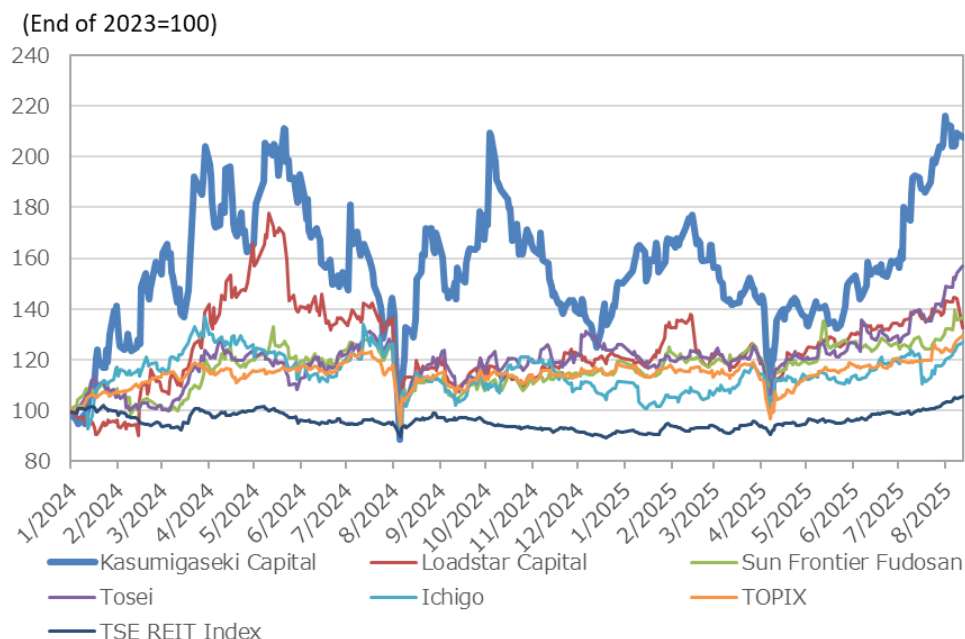
The Next Focus is the Likelihood of Achieving the Company's Forecasts for FY26/8

PER range. However, considering that the company has historically had a high PER compared to its peers, reflecting its high profit growth potential, the current valuation is by no means high compared to its historical range or its peers.

For the time being, the stock market is likely to be affected by the economic policies of the Trump administration and interest rate trends in the United States and it is expected that the company's stock will also be affected by these factors. However, fundamentally, the company is primarily a domestic demand-driven business, with the exception of its overseas business in Dubai. In addition, as the company has many unique growth factors, it can be said that it is relatively less susceptible to the impact of trends in the global economy. Furthermore, if the economic slowdown in the United States or Japan intensifies, interest rates are likely to come under downward pressure, which could be a positive aspect for real estate-related stocks that utilize external capital such as funds.

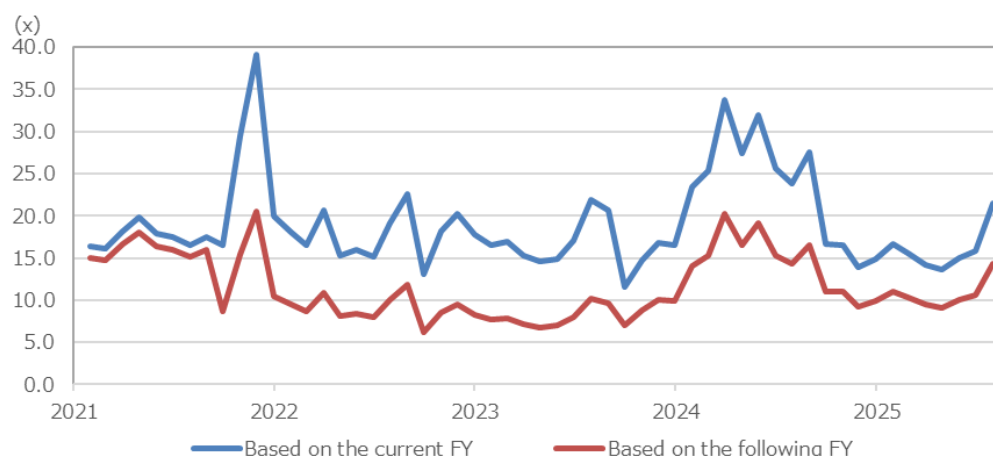
The company's current stock price appears to have factored in the achievement of its full-year FY08/25 forecast. The next focus will likely shift to the likelihood of achieving the company's forecast for a net income of ¥15 billion for FY08/26, as announced in its medium-term management plan. After the announcement of the FY08/25 financial results, there will likely be some time to confirm the likelihood of achieving the company's forecast for FY08/26, based on announcements such as the sale of development land, but once the stock price begins to factor in increased confidence in the achievement of the forecast, another rise in the stock price is expected.

Figure 10. Real Estate Investment Companies Stock Price Trends



Source: Strategy Advisors

Figure 11. Trends in PER



Note: FY08/25 forecast EPS is calculated by dividing the company's forecast net income by the number of diluted shares issued. FY26/8 forecast EPS is calculated based on the projected net income and diluted number of shares issued in the medium-term plan.
Source: Strategy Advisors

Figure 12. Profitability Comparison with Competitors

Code	Company Name	FY	Sales (¥bn)	Gross Profit Margin (%)	OP Margin (%)	Net Income Margin (%)	ROE (%)	ROA (%)	Leverage (Times)	Total Asset Turnover (Times)
3498	Kasumigaseki Capital	08/24	65.7	28.3	13.0	7.6	26.5	8.3	2.9	1.08
Real Estate Investment										
2337	Ichigo	02/25	83.6	30.5	19.5	18.2	14.0	3.9	3.6	0.22
3482	Loadstar Capital	12/24	34.4	38.8	33.3	20.0	30.6	7.5	4.2	0.38
8923	Tosei	11/24	82.2	42.8	22.5	14.6	13.9	4.6	3.1	0.31
8934	Sun Frontier Fudosan	03/25	103.2	31.2	20.6	13.7	14.7	7.0	2.1	0.51
	Average			35.8	24.0	16.6	18.3	5.7	3.3	0.35
Major Developers										
3003	Hulic	12/24	591.6	39.0	27.6	17.3	12.8	3.7	3.7	0.21
8801	Mitsui Fudosan	03/25	2,625.4	24.2	14.2	9.5	8.0	2.6	3.1	0.27
8802	Mitsubishi Estate	03/25	1,579.8	26.5	19.6	12.0	7.6	2.4	3.1	0.20
	Average			29.9	20.5	12.9	9.5	2.9	3.3	0.23
Hotel										
4681	Resorttrust	03/25	249.3	77.5	10.6	8.1	14.7	4.2	3.4	0.52
9616	Kyoritsu Maintenance	03/25	228.9	24.4	9.0	6.4	15.7	5.1	3.0	0.80
9722	FUJITA KANKO	12/24	76.2	21.0	16.2	12.0	35.4	9.7	3.7	0.81
	Average			41.0	11.9	8.8	21.9	6.3	3.4	0.71
Healthcare										
7061	Japan Hospice Holdings	12/24	12.1	17.4	10.6	5.3	20.9	3.8	5.3	0.72
7071	Amvis Holdings	09/24	42.5	40.2	25.0	17.5	24.9	11.7	2.2	0.67
9158	CUC	03/25	47.0	49.3	11.4	6.7	11.0	4.2	2.9	0.64
	Average			35.6	15.7	9.8	18.9	6.6	3.4	0.68

Source: Company Data. Compiled by Strategy Advisors

Kasumigaseki Capital | 3498 (TSE Prime)

Figure 13. Valuation Comparison with Competitors

Code	Company Name	Stock Price (Aug. 13) (¥)	Market Cap (¥bn)	PER (CoE) (x)	PBR (x)	ROE (%)	Dividend Yield (CoE) (%)	EV/EBITDA (Multiple)
3498	Kasumigaseki Capital	18,360	181.2	18.1	6.7	26.5	1.3	12.3
Real Estate Investment								
2337	Ichigo	423	177.5	11.1	1.6	14.0	2.7	16.7
3482	Loadstar Capital	2,780	46.2	6.0	1.8	30.6	3.0	6.6
8923	Tosei	3,125	151.5	10.8	1.7	13.9	3.1	12.2
8934	Sun Frontier Fudosan	2,228	108.0	7.0	1.1	14.7	3.4	6.0
	Average			8.7	1.5	18.3	3.1	10.4
Major Developers								
3003	Hulic	1,571.0	1,192.9	11.1	1.4	12.8	3.6	15.0
8801	Mitsui Fudosan	1,561.0	4,327.7	16.6	1.4	8.0	2.1	17.1
8802	Mitsubishi Estate	3,153.0	3,895.9	19.7	1.5	7.6	1.5	16.6
	Average			15.8	1.4	9.5	2.4	16.3
Hotel								
4681	Resorttrust	1,908	404.2	21.2	2.8	14.7	1.7	11.2
9616	Kyoritsu Maintenance	3,451.0	269.4	15.0	2.7	15.7	1.3	12.0
9722	FUJITA KANKO	11,440	137.1	15.7	5.8	35.4	0.3	9.2
	Average			17.3	3.8	21.9	1.1	10.8
Healthcare								
7061	Japan Hospice Holdings	1,136	9.6	8.5	2.7	20.9	2.2	8.6
7071	Amvis Holdings	725	70.7	12.2	2.1	24.9	0.6	8.9
9158	CUC	1,153	33.8	11.7	1.1	11.0	0.0	7.5
	Average			10.8	2.0	18.9	0.9	8.3

Note: Kasumigaseki Capital's PER (company forecast) is calculated as EPS, which is the company's forecast net income for the current period divided by the number of diluted shares. EBITDA in EV/EBITDA is calculated by adding the company's forecast operating income and the most recent actual depreciation expenses.

Source: Company Data. Compiled by Strategy Advisors

Figure 14. Hotel Project List (As of July 30, 2025)

Opened

No.	Hotel	Opening	Floor Area (㎡)	# of Rooms
1	fav Hida Takayama	Oct-2020	1,696	38
2	fav Takamatsu	Nov-2020	1,937	41
3	fav Kumamoto	Nov-2021	2,956	67
4	fav Ise	Dec-2021	1,204	36
5	fav Hiroshima Stadium	Aug-2022	1,258	33
6	fav Hakodate	Aug-2022	1,377	30
7	fav Kagoshima Chuo	Nov-2022	2,226	51
8	fav Hiroshima Heiwa Odori	Dec-2022	2,463	51
9	fav Tokyo Nishinipori	Dec-2022	720	24
10	fav Tokyo Ryogoku	Mar-2023	729	19
11	FAV LUX Hida Takayama	Aug-2023	2,870	53
12	FAV LUX Nagasaki	Feb-2024	2,531	52
13	seven x seven Itoshima	Apr-2024	3,387	47
14	seven x seven Ishigaki	Sep-2024	11,058	121
15	FUV LUX Kagoshima Tenmonkan	Dec-2024	3,427	63
16	FUV LUX Sapporo Susukino	Jul-2025	4,230	84
17	BASE LAYER HOTEL NAGOYA NISHIKI	Jul-2025	4,106	186

Under Development

No.	Project Name	Scheduled Opening	Floor Area (㎡)	# of Rooms
1	edit x seven Fuji Gotemba	Sep-2025	3,843	49
2	FAV LUX Shodoshima	Nov-2025	4,635	45
3	Awajishima Sumoto Hotel PJ	Apr-2027	5,073	59
4	Yufuin Hotel PJ	Mar-2027	7,691	39
5	Miyazaki-shi Tachibana-dori Higashi Hotel PJ	Jun-2026	2,495	41
6	Nagoya Marunouchi Hotel PJ	Apr-2027	2,803	59
7	Kanazawa-shi Katamachi Hotel PJ	May-2027	3,760	59
8	Atami Ginza-cho Hotel PJ	Jul-2028	2,663	46
9	Hiroshima Miyajimaguchi Hotel PJ	Feb-2026	4,400	34
10	BASE LAYER HOTEL Fukuoka	Feb-2026	3,273	Planning
11	Asahikawa Hotel PJ	Jun-2027	3,307	64
12	Ujiyamada Hotel PJ	Dec-2026	2,919	49
13	Shibuya Ward Hotel PJ	Apr-2027	953	23
14	Nagasaki Hotel Rebranding PJ	Feb-2027	7,181	Planning
15	Nagoya Naka Ward Hotel Rebranding PJ	Winter 2026	7,461	Planning

Planning Stage

No.	Project Name	Scheduled Opening / # of Rooms
1	Shodoshimakobe Hotel PJ	Planning
2	Hakonegora Hotel PJ	Planning
3	Miyako Nishihama Beach Hotel PJ	Planning
4	Ginza Hotel PJ	Planning
5	Fujikawaguchiko Hotel PJ	Planning
6	Osaka Honmachi Hotel PJ	Planning
7	Asakusa Kaminarimon Hotel PJ	Planning
8	Miyako Irabujima Hotel PJ	Planning
9	Izumo Hotel PJ	Planning
10	Kamakura Yukinoshita Hotel PJ	Planning
11	Sendai Aoba-dori Hotel PJ	Planning
12	Matsuyama Ichiban-cho Hotel PJ	Planning
13	Gunma Kusatsu Hotel PJ	Planning
14	Kobe Hotel Rebranding PJ	Planning
15	Naha City Higawa Hotel PJ	Planning
16	Nanki Shirahama Hotel PJ	Planning
17	Roppongi Hotel Rebranding PJ	Planning

Note: Schedules and room numbers are subject to change depending on development status.

Source: Company Data. Compiled by Strategy Advisors

Figure 15. Logistics Warehouse Project Pipeline List

No.	Location	Asset Type	Floor Area (㎡)	Expected Construction Start	Expected Completion
1	Ichikawa City, Chiba	Frozen/refrigerated	8,609		Completed
2	Funabashi City, Chiba	Frozen/refrigerated	6,960	-	Completed
3	Yokohama Kohoku area	Frozen/refrigerated	10,979	-	Completed
4	Kyoto-fu, Kyoto	Frozen/refrigerated	12,012	-	Completed
5	Atsugi, Kanagawa	Frozen/refrigerated	14,257	-	Completed
6	Osaka Nanko area	Frozen, automated	25,247	Started	Oct-2027
7	Koga, Fukuoka	3 temperature band	35,901	-	Completed
8	Sendai, Miyagi	3 temperature band	36,758	-	Completed
9	Tokorozawa area, Saitama	Frozen, automated	9,579	-	Completed
10	Ibaraki, Osaka	Frozen/refrigerated	29,357	-	Completed
11	Narashino, Chiba	Frozen/refrigerated	8,441	Started	Apr-2026
12	Hachinohe, Aomori	Frozen, automated	15,918	-	Completed
13	Kawasaki, Kanagawa 1)	Frozen, automated	20,777	Started	Summer 2026
14	Kawasaki, Kanagawa 2)	Frozen, automated	27,130	Summer 2025	Winter 2027
15	Koshigaya, Saitama	Frozen, automated	14,362	Started	May-2027
16	Kobe, Hyogo	Frozen, automated	19,238	Winter 2025	Winter 2027
17	Nagoya, Aichi	Frozen, automated	20,345	Started	May-2026
18	Fukuroi, Shizuoka	Frozen, automated	74,000	Spring 2026	Winter 2028
19	Kanagawa	Automated HAZMAT	5,000	Spring 2026	Summer to August 2027

Note: Total floor area is rounded. Total floor area and schedule are subject to change depending on development status.

Since automated storage facilities have an open-air structure and no floor, the floor area is stated as the volumetric area including the virtual floor. A logistics facility that can handle three temperature zones: frozen, chilled and dry.

Source: Company Data. Compiled by Strategy Advisors.

Figure 16. Hospice Housing Project Pipeline (as of June 27, 2025)

Facilities Already Launched

No.	Facility Name	Location	Opening	Floor Area (㎡)	# of Rooms
1	Palme Sumikawa Hospice	Minami Ward, Sapporo City	Jul-2022	1,539	37
2	CLASWELL Sengawa	Chofu City, Tokyo	Jul-2023	3,178	70
3	Palme Sapporo Chuo Hospice	Chuo Ward, Sapporo City	Apr-2024	3,001	60
4	CLASWELL Kotake-Mukaihara	Itabashi Ward, Tokyo	Nov-2024	2,336	59
5	CLASWELL Shinanomachi	Shinjuku Ward, Tokyo	Feb-2025	1,770	48
6	CLASWELL Shimo-Shakujii	Nerima Ward, Tokyo	Mar-2025	2,093	50

Facilities Under Development

No.	Facility Name	Status	Scheduled Opening	Floor Area (㎡)	# of Rooms
1	Toyonaka City, Osaka	Under Development	Winter/Spring 2026	2,435	56
2	Suita City, Osaka	Under Development	Winter/Spring 2026	2,128	56
3	Fuchu City, Tokyo	Under Development	Early 2026	2,356	47
4	Fukuoka City, Fukuoka	Under Development	Summer 2026	2,369	51
5	Saitama City, Saitama (1)	Under Development	Winter/Spring 2026	2,628	60
6	Saitama City, Saitama (2)	Under Development	Early 2026	2,992	58
7	Nishinomiya City, Hyogo	Under Development	Fall/Winter 2026	2,201	44
8	Nerima Ward (2), Tokyo	Under Development	Fall 2026	2,363	57
9	Suginami Ward, Tokyo	Under Development	Fall 2026	2,149	50
10	Yokohama City, Kanagawa	Land Acquired	Spring 2027	2,498	51
11	Minato Ward, Tokyo	Under Development	Winter 2025	1,806	45

Note: The number of rooms and schedule may change depending on the development situation.

Source: Company Data. Compiled by Strategy Advisors

Kasumigaseki Capital | 3498 (TSE Prime)

Figure 17. Income Statement (¥mn)

FY	08/19	08/20	08/21	08/22	08/23	08/24	08/25 CoE
Net Sales	5,352	8,008	14,295	20,780	37,282	65,685	95,000
YoY	32.4%	49.6%	78.5%	45.4%	79.4%	76.2%	44.6%
Cost of Sales	3,559	5,693	9,885	14,601	27,183	47,125	
Gross Profit	1,793	2,315	4,410	6,178	10,099	18,559	
Gross Profit Margin	33.5%	28.9%	30.8%	29.7%	27.1%	28.3%	
SG&A Expenses	1,094	1,989	3,081	4,036	5,656	10,022	
Operating Income	699	326	1,328	2,141	4,442	8,537	16,500
YoY	88.9%	-53.4%	307.4%	61.2%	107.5%	92.2%	93.3%
OP Margin	13.1%	4.1%	9.3%	10.3%	11.9%	13.0%	17.4%
Non-Operating Income	12	8	7	84	249	347	
Interest and Dividend Income	0	3	0	3	3	5	
Non-Operating Expenses	71	154	299	493	572	1,025	
Interest Expense and Discount	39	83	175	337	370	667	
Ordinary Income	639	180	1,037	1,732	4,119	7,860	15,000
YoY	86.8%	-71.8%	476.1%	67.0%	137.8%	90.8%	90.8%
Ordinary Income Margin	11.9%	2.2%	7.3%	8.3%	11.0%	12.0%	15.8%
Extraordinary Income	0	218	675	89	45	498	
Extraordinary Loss	0	201	676	275	191	312	
Pretax Profit	639	197	1,035	1,546	3,973	8,045	
YoY	84.1%	-69.2%	425.4%	49.4%	157.0%	102.5%	
Pretax Profit Margin	11.9%	2.5%	7.2%	7.4%	10.7%	12.2%	
Total Income Taxes	204	73	245	508	1,487	2,627	
(Corporate Tax Rate)	31.9%	37.1%	23.7%	32.9%	37.4%	32.7%	
Net Income	435	123	789	1,038	2,486	5,417	
Net Income Attributable to Non-Controlling Interests	0	-11	-3	20	435	397	
Net Income Attributable to Owners of Parent	435	134	793	1,018	2,050	5,020	10,000
YoY	90.8%	-69.2%	491.8%	28.4%	101.4%	144.9%	99.2%
Net Income Margin	8.1%	1.7%	5.5%	4.9%	5.5%	7.6%	10.5%
EPS (¥)	81.7	21.7	121.4	132.9	253.2	541.7	1,014.1

Source: Company Data. Compiled by Strategy Advisors

Kasumigaseki Capital | 3498 (TSE Prime)

Figure 18. Balance Sheet (¥mn)

FY	08/19	08/20	08/21	08/22	08/23	08/24
Current Assets	5,794	7,125	10,705	25,759	37,350	67,066
Cash & Deposits	572	2,179	3,607	5,393	5,897	11,064
Accounts Receivable	134	29	137	233	265	1,203
Inventory	4,076	3,920	5,141	18,704	29,410	48,670
Allowance for Doubtful Accounts	-1	0	0	-8	-13	-16
- Current						
Other Current Assets	1,013	997	1,820	1,437	1,791	6,145
Fixed Assets	1,146	1,312	4,321	4,666	6,418	10,474
Tangible Fixed Assets	947	774	3,276	3,236	2,382	4,488
Intangible Fixed Assets	19	21	76	74	78	778
Investments & Other Assets	179	517	968	1,356	3,956	5,207
Total Assets	6,944	8,440	15,040	30,437	43,780	77,549
Current Liabilities	1,751	2,593	4,139	13,889	16,166	22,130
Trade Payables	0	0	0	0	0	0
Interest-Bearing Debt	863	2,054	2,725	11,873	13,023	16,227
Others	888	539	1,414	2,016	3,143	5,903
Fixed Liabilities	3,635	1,973	5,994	7,187	15,932	27,678
Interest-Bearing Debt	3,490	1,920	4,779	6,532	15,260	25,661
Deferred Tax Liabilities	0	0	398	348	358	1,177
Others	145	53	817	307	314	840
Net Worth	1,556	3,873	4,906	9,360	11,681	27,739
Shareholders' Equity	1,556	3,863	4,833	9,218	11,106	27,125
Capital	408	1,586	1,643	3,514	3,549	9,287
Capital Surplus	313	1,495	1,561	3,438	3,453	9,206
Retained Earnings	834	914	1,644	2,529	4,145	8,673
Accumulated Other	0	-3	-1	-21	-56	-274
Comprehensive Income						
Stock Acquisition Rights	0	12	46	80	134	180
Non-Controlling Interests	0	0	28	82	496	708
Liabilities & Net Assets	6,944	8,440	15,040	30,437	43,780	77,549
Equity Capital	1,556	3,860	4,832	9,197	11,050	26,851

Source: Company Data. Compiled by Strategy Advisors

Kasumigaseki Capital | 3498 (TSE Prime)

Figure 19. Cash Flow Statement (¥mn)

FY	08/19	08/20	08/21	08/22	08/23	08/24
Cash Flows from Operating Activities						
Net Income Before Taxes and Other Adjustments	639	197	1,035	1,546	3,973	8,045
Depreciation and Goodwill Amortization	141	148	199	269	300	536
Increase/Decrease in Accounts Receivable	-106	104	-106	-96	-31	-636
Increase or Decrease in Inventory	-2,426	376	322	-12,812	-9,399	-10,014
Other Operating Cash Flows	-750	-540	-478	-596	-2,771	-6,377
Total	-2,502	285	972	-11,689	-7,928	-8,446
Cash Flows from Investing Activities						
Expenditures for Acquisition of Tangible Fixed Assets	-245	-109	-1,664	-203	-465	-1,899
Proceeds from Sales of Property, Plant and Equipment	0	8	0	9	15	54
Expenditures for Acquisition of Intangible Fixed Assets	0	-10	-8	-4	-15	-249
Expenditures for Acquisition of Investment Securities	0	-76	-61	-264	-702	-2,419
Proceeds from Sales of Investment Securities	0	0	0	0	8	8
Other Investment Cash Flow	-49	-259	92	26	6	-304
Total	-294	-446	-1,641	-436	-1,153	-4,809
Cash Flows from Financing Activities						
Net Increase/Decrease in Short-Term Interest-Bearing Debt	219	1,138	46	1,526	3,126	4,367
Net Increase/Decrease in Long-Term Interest-Bearing Debt	2,113	-1,525	2,060	9,343	6,920	4,137
Share Issuance	462	2,312	0	3,568	0	10,894
Expenditures for Acquisition of Treasury Stock	0	-199	0	-321	-178	0
Dividend Payment	0	-55	-63	-132	-240	-489
Other Financing Activities Cash Flow	-32	-3	152	-83	-123	-496
Total	2,762	1,668	2,195	13,901	9,505	18,413
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0	-4	0	10	79	4
Increase in Cash and Cash Equivalents	-34	1,503	1,527	1,786	502	5,163
Cash and Cash Equivalents at Beginning of Period	606	572	2,075	3,603	5,390	5,893
Impact of Changes in Scope of Consolidation	0	0	0	0	0	0
Cash and Cash Equivalents at End of Period	572	2,075	3,603	5,390	5,893	11,056
Free Cash Flow	-2,796	-161	-669	-12,125	-9,081	-13,255

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 damages which an investor may suffer as a result of placing reliance on the information or analysis contained in this report.

In principle, the copyright of this report belongs to the publisher. It is prohibited by law to copy, sell, display, distribute, publish, modify, distribute or use for commercial purposes any information provided in this report without the publisher's consent.



Strategy Advisors

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