

COMPANY RESEARCH AND ANALYSIS REPORT

CREAL Inc.

2998

Tokyo Stock Exchange Growth Market

1-Jul.-2025

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<https://www.fisco.co.jp>

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Summary

Significant increases in sales and profit in FY3/25. Medium-term Management Plan formulated in aiming to achieve dramatic growth

CREAL Inc. <2998> (hereafter, also “the Company”) is the leading company in the online real estate investment market in the real estate investment crowdfunding market. The Company’s business makeup consists of one segment, the asset management platform business. It offers three services: CREAL, a real estate fund online market service for individual investors utilizing crowdfunding (investment amount from ¥10,000), CREAL PRO, an asset management service for large-scale real estate targeted at institutional and affluent investors, and CREAL PB, a medium- to long-term asset management service for actual real estate targeting individual investors. The Company also operates the Other segment, which includes property management and hotel operations.

1. Overview of FY3/25 results

In consolidated results for FY3/25, net sales were ¥41,823mn (up 98.7% year on year (YoY)), gross profit was ¥5,666mn (up 59.1%), operating profit was ¥1,968mn (up 100.8%), ordinary profit was ¥1,830mn (up 94.5%), and profit attributable to owners of parent was ¥1,351mn (up 108.7%), so net sales and profits all achieved substantial increases, with net income more than doubling compared to the previous fiscal year. With respect to sales by service segment, mainstay CREAL sales increased 94.9% YoY, driven by growth in the number of sales centered on residential properties. CREAL PRO sales rose 352.7% as a result of multiple asset sales mainly in hotels and generation of fund arrangement fees. CREAL PB sales climbed 15.6% amid growth in unit sales of sub-divided residences. Sales in Other gained 43.3% given the addition of revenue associated with the hotel operation business. On the profit side, CREAL secured a take rate on property sales exceeding plans, which boosted gross profit. Meanwhile, CREAL PRO, CREAL PB and Other achieved solid profit gains. With regard to expenses, cost of sales increased due to business expansion, but the Company reduced SG&A expenses by streamlining member acquisition initiatives and curtailing advertising and promotion expenses. As a result, each profit line item below operating profit outperformed results forecasts.

2. FY3/26 forecasts

For the FY3/26 consolidated forecast, the Company is forecasting a significant growth to continue, with gross profit to rise 30.8% to ¥7,410mn YoY, operating profit to grow 35.2% to ¥2,660mn, ordinary profit to increase 36.6% to ¥2,500mn, and profit attributable to owners of parent to rise 33.2% to ¥1,800mn. With the initiation of No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures, the Company has opted to limit disclosure to the respective profit line items absent disclosure of net sales forecasts effective from FY3/26, taking into account differences in revenue recognition compared to that associated with No. 1 and No. 2 projects under the Act on Specified Joint Real Estate Ventures. The Company will launch services beginning in 2Q FY3/26, pending licensing approval acquired from the relevant authorities. The Company anticipates gross profit gains in each of the services. The Company forecasts a significant increase in profits of 35.2% for CREAL through efforts to set up No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures, a 20.4% increase in profits for CREAL PRO through fee income, and a 19.8% increase in profits for CREAL PB through a higher number of investment property sales mainly to individuals. The Company forecasts a 133.1% increase in profits in Other as a result of it gaining momentum in generating hotel management income. The Company expects SG&A expenses to increase 28.4% as it steps up spending for personnel expenses associated with hiring in anticipation of the hotel management business shifting into full gear, personnel expenses associated with systems development for new asset management products, and advertising and promotion expenses for attracting investors and heightening recognition.

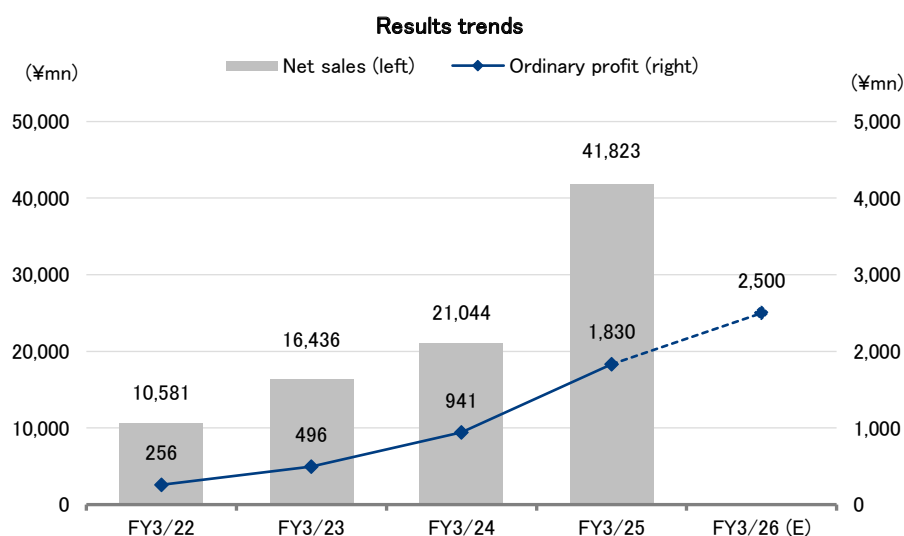
Summary

3. Medium-term Management Plan

In May 2025, the Company released its Medium-term Management Plan “Game Changer 2030.” It covers the five fiscal years from FY3/26 through FY3/30, during which time the Company aims to achieve targets by the plan’s final fiscal year consisting of ¥250.0bn in annual gross merchandise value (GMV), ¥27.0bn in gross profit, and ¥10.0bn in profit attributable to owners of parent. The Company has set compound annual growth rate (CAGR) targets consisting of 58% in annual GMV, 36% in gross profit, and 50% in profit attributable to owners of parent, thereby accomplishing dramatic growth as it aims to achieve its targets. It will implement various initiatives in pursuit of synergies among its business segments to achieve profit growth in all of the businesses. Additional financial targets include ROE of 40.0% (up 9.8 percentage points (pp) vs. FY3/25), equity ratio of 40.0% (up 30.2pp), and a dividend payout ratio of approximately 15% as an initial guideline (up 1.8pp). Looking five years ahead, the Company aims to enlist a Financial Product SPA (financial product manufacturer-retailer) model that involves combining multiple products and multiple assets by developing investment products based on real estate security tokens (ST) and alternative assets, in addition to the various services (products) it currently offers for real estate investment.

Key Points

- In FY3/25, major increases in sales and profit YoY
- Plans for significant growth of over 30% in each profit line item in FY3/26
- Formulation of Medium-term Management Plan serving as a “Game Changer” targeting net profit of ¥10.0bn in FY3/30



Source: Prepared by FISCO from the Company's financial results

Company profile

Made possible small online investments to expand real estate investment opportunities to individuals

1. Company profile

At the current time, the CREAL Group is comprised of five companies, the Company and its consolidated subsidiaries (CREAL Partners Inc., CREAL ASIA Pte Ltd, CREAL Hotels Inc., Usuki Securities Co., Ltd.). The Company's name of CREAL is derived from "clear real estate" and it incorporates the idea of wanting to provide investors with peace of mind and safety for real estate investment by eliminating the "closed nature of the industry" and the "asymmetry and lack of transparency of information,"* and instead devoting itself to providing "information transparency" and "online investment convenience."

* It refers to a situation in which there is a gap between the information that is held and that can be acquired between so called pro investors, such as real estate companies and institutional investors, and general individual investors.

Following the easing of regulations in the Act on Specified Joint Real Estate Ventures in 2017, in October 2018 the Company acquired the No. 1 and No. 2 specified real estate joint enterprise business operator licenses (electronic trading business) that has enabled it to provide a real estate investment crowdfunding service via the Internet. In November 2018, it started providing a real estate fund online market service using the Internet under the CREAL brand. This was actually the start of the Company's current business model and is serving as the driving force behind its high growth.

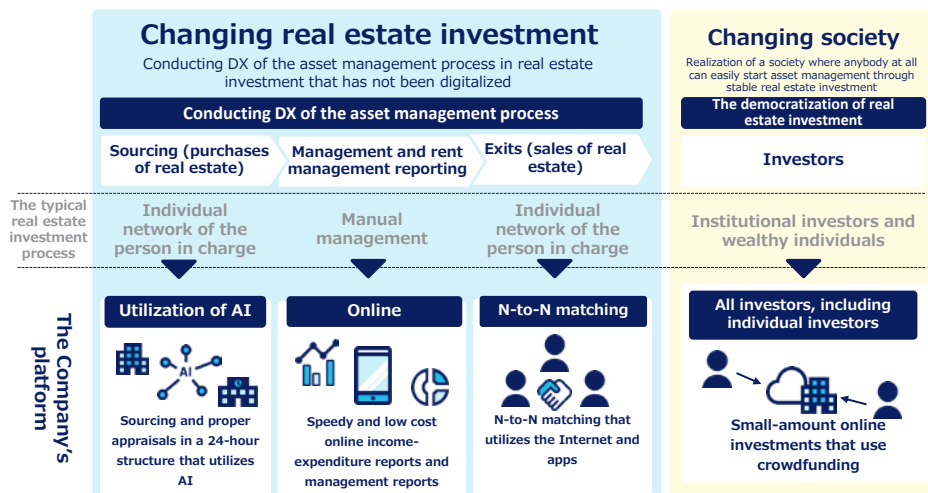
Against the backdrop of the closed nature of the industry, the lack of information transparency, and the lack of funds and specialist knowledge, real estate investment has high hurdles to entry for general individual investors. However, a major feature of the Company is that it has succeeded in opening the door to real estate investment through the digital transformation (DX) of the asset management process. From this, it has expanded its services by utilizing cutting-edge Fintech that uses AI and DX and the knowledge of its founding members and board members, business collaborations with well-known domestic and overseas companies, and by developing alliance services. It also provides many opportunities to invest in ESG real estate that has been difficult to invest in so far and is realizing both asset management and social contribution, and it has earned the trust of a wide range of customers, from individual investors through to institutional investors, by measures to mitigate investor risk, including a priority-and-subordinate investment method.

Compared to other industries, the real estate investment industry is an industry in which DX is lagging behind. The Company is aiming to greatly change real estate investment by progressing DX for many real estate investment management processes, including sourcing (purchases of real estate), management, and exits (sales of real estate). Specifically, the Company has integrated the typical real estate investment processes up to the present time of sourcing, management and rent management reporting, and exits into its proprietary platform through DX. For sourcing, rather than relying solely on the personal networks of responsible staff as was traditionally done, the Company can also conduct sourcing and proper appraisals using a 24-hour structure that utilizes AI. For management and rent management reporting, it has transformed the conventional manual operations, for example sending paper materials, by making it possible to send and receive online income-expenditure reports and management reports speedily and at low cost. Exits are also not restricted to the individual network of the person in charge, and it achieves N-to-N matching that utilizes the Internet and apps. Moreover, by using crowdfunding to make possible small-amount online investments, it is succeeding in expanding real estate investment from traditional institutional investors and wealthy individuals to all investors, including individual investors.

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Company profile

The Company's platform



Source: The Company's results briefing materials

2. History

The Company was established in May 2011 with the company name Bridge-C Inc. and changed its company name to Bridge-C Capital Inc. in October 2017. In November 2018, it launched the CREAL real estate fund online market service, the Company's main business. In March 2021, it changed its company name to the current name of CREAL Inc., and then in April 2022, it was listed on the Tokyo Stock Exchange Growth Market.

History

Date	Important event
May 2011	Bridge-C Inc. was established
January 2016	Registered as a Type II Financial Instruments Business, investment advisor and agency
October 2017	Changed the company name to Bridge-C Capital Inc.
March 2018	Increased capital to ¥100mn
October 2018	Acquired a non-specific license / electronic trading business
November 2018	Launched CREAL, a real estate investment crowdfunding service
March 2021	Changed company name to CREAL Inc.
April 2022	Listed on the TSE Growth market
January 2023	Concluded a capital and business alliance with SBI Holdings
November 2023	Wholly owned subsidiary CREAL ASIA Pte Ltd was established
July 2024	Established CREAL Hotels Inc.
November 2024	Business alliance with TAT Inc. Made an equity-method affiliate in December 2024
January 2025	Acquired Usuki Securities Co., Ltd. as a wholly owned subsidiary

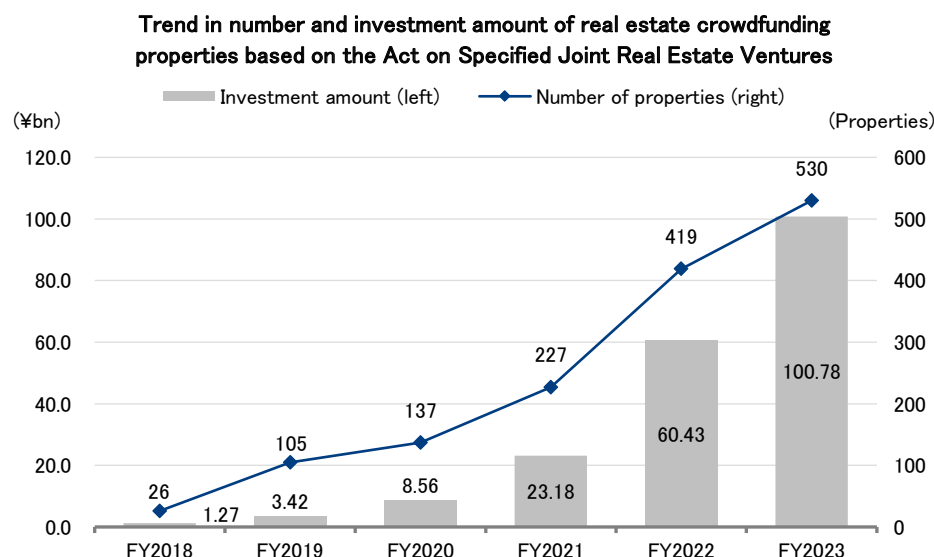
Source: Prepared by FISCO from the Company's securities report and website

Real estate crowdfunding investment amount increased 79.4 times over 5 years

3. Online real estate market trends

In March 2019, the Ministry of Land, Infrastructure, Transport and Tourism formulated Guidelines for Electronic Trading Business under the Act on Specified Joint Real Estate Ventures to further promote the Act on Specified Joint Real Estate Ventures and real estate crowdfunding based on the same act. The ministry also revised relevant regulations and notifications, and made improvements to other relevant systems. In September 2023, the ministry announced a practical guide for real estate crowdfunding to enable businesses conducting real estate crowdfunding in accordance with the Act on Specified Joint Real Estate Ventures to realize appropriate operation management systems and implement protection for investors. The guide explains the necessary organization and management structures, etc., for each practical phase, and summarizes business risk and trouble factors, necessary counter-measures, points, and other information, as well as introducing marketing innovations, strategies, and know-how for success in practical operations.

With the government's backing, real estate crowdfunding based on the Act on Specified Joint Real Estate Ventures has grown from 26 deals and investment of ¥1.27bn in FY2018 to 530 deals (up 1.26 times YoY) and ¥100.78bn (up 1.67 times) in FY2023. As a result, the average annual growth rate is 139.8% for the investment amount and 82.8% for number of deals, so a tremendous amount of growth can be seen. In Japan currently, there is a market centered on individuals, but going forward corporations are expected to become involved as has been the case overseas, so the scale is expected to expand further.



Source: Prepared by FISCO from the Handbook for Business Operators under the Act on Specified Joint Real Estate Ventures (Ministry of Land, Infrastructure, Transport and Tourism)

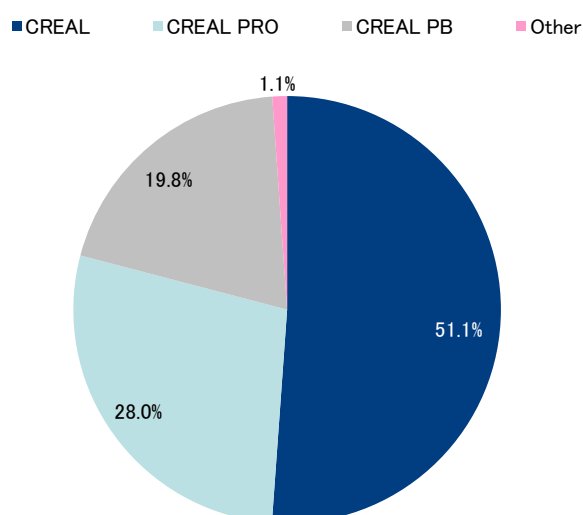
Business description and features

Mainstay CREAL for an online real estate fund market targeting individual investors

1. Business summary

As an asset management platform business, the CREAL Group provides four services that each have different types of investor, investment amounts, and investment targets: CREAL; CREAL PRO; CREAL PB; and Other. While pursuing a business concept in accordance with the targeted customer investment and management policy of each service, the Company has set the services as a single business segment, its only segment, with the intention of creating synergies between the services and conducting unified management of them. In the percentages of total net sales by service on FY3/25 basis, CREAL provides 51.1%, CREAL PRO 28.0%, CREAL PB 19.8%, and Other 1.1%.

Percentages of total net sales by service (FY3/25)



Source: Prepared by FISCO from the Company's results briefing materials

2. Features of each service

(1) CREAL

CREAL is a real estate fund online market service for individual investors utilizing crowdfunding, and it can manage assets starting from ¥10,000. It performs matching with the aim of managing surplus funds over the short term (within five years). As of the end of March 2025, the expected yield of the 27 funds the Company has formed and managed was 3.0 % to 10.0% (an average of 5.1%), and as of the end of May 2025, there was no loss of principal. There are few yen-based management products that can be expected to acquire yields of approximately 4–5% in the short-term, which can be said to be a tailwind for the market as well. In this situation, management by asset management professionals and being able to invest in diverse real estate, ranging from ESG properties such as nursery schools through to residences, hotels, and offices, are major factors differentiating the Company from its competition. CREAL's gross profit is calculated as GMV x Take Rate*, and it has an earnings structure in which the growth of GMV contributes greatly to the increase in profits of this service.

| * The percentage of the revenue taken by the management company relative to GMV. |

CREAL funds invest in specified properties. The funds are established once a certain level of invested funds are collected during the subscription period, and then fund management commences. The rental revenue obtained in fund management is distributed to investors in accordance with their invested amounts, and when the fund is wound up, the invested capital is returned through sale of the real estate. CREAL has a return target of expected dividend yield set by the Company in advance and enables investors to invest in various types of fund starting from one unit of ¥10,000, and all the investment steps, from investor registration through to conducting the investment, are completed online. In addition, all of the management processes after the investment, from property management through to management and sales, are carried out by the Company, which has sophisticated investment systems that utilize its advanced real estate investment expertise and IT technologies, making it possible for real estate fund management without having to spend additional time or effort or to have specialist knowledge.

In this service, the Company prioritizes information transparency and it publishes on its product introduction webpage detailed information and videos of interviews with the managers on the amount of funds raised and the expected yield (breakdown of income gains and capital gains), the expected management period, the expected date of the first dividend, and the real estate targeted for investment. It does not only disclose an overview and the locations of the real estate targeted, but it also discloses information on the project's investment risk and allowances for them, and third party reports by experts, including real estate survey report summaries and engineering reports. It also disseminates overview information, such as summaries of the property managers, the areas where the investment targets are located, and the market's macro-market. Furthermore, the Company provides information on examples of rentals and sales of similar properties as reference information for returns, and it also provides return simulations of the funds raised through the fund and the funds' usage.

Since CREAL was launched, the Company has focused on the creation of investment projects for the ESG real estate area, which include nursery schools, schools, and regional revitalization-related properties and for which it has been said to be difficult to supply funds in the past. The scale of investment in ESG real estate has been small and it lacks a track record as a target for asset management, so an issue so far is that it has been difficult to attract the attention of institutional investors. The Company is utilizing CREAL crowdfunding to play a role as a pipeline and interface to supply investment funds from individual investors, and it has succeeded in both contributing to society and providing appealing investment products.

Business description and features

This track record of investment in ESG real estate can be said to clearly demonstrate that the Company has a management policy of prioritizing the SDGs. It is one of very few asset management support companies developing its main services based on this type of concept as an ESG company and is both achieving excellent management results while also obtaining the support of a wide range of investors, including individual investors. This is one of the features of the Company and CREAL.

Also, CREAL separates the investment amount into the priority-and-subordinate parts of the investment from the view point of protecting investors, with the priority part and the subordinate part being the investment by the Company. It is a framework in which CREAL investors invest the priority part and they receive dividends and other returns as a priority ahead of the subordinate part (about 5%) invested by the Company. Through this structure, in the event that profits are not generated as expected, the Company bears the risk up to the upper limit of the subordinate amount that it invested. It conducts its subordinate investment together with the customers' investment, which increases the certainty that they will receive the priority part of dividends and the return of their principal. This generates peace of mind among investors and is a major factor behind increasing investors' trust in the Company.

One point that should be noted about CREAL's operation is that customer referrals from SBI SECURITIES Co., Ltd. were ramped up from FY3/24 under a capital and business alliance with SBI Holdings, and this has been driving CREAL's rapid growth. Moreover, SBI MONEYPLAZA Co., Ltd. has been active in introducing properties to its customers when the Company sells real estate.

CREAL PRO fee business, a service for large-scale real estate investment management

(2) CREAL PRO

This is an asset management service targeting large-scale real estate investment for professionals, of institutional investors and the extremely wealthy, with asset management starting from ¥100mn. It is structured to facilitate investment in real estate including ESG properties, residences, and hotels, and as it is mainly a fee business, the majority of sales are recorded unchanged as gross profit.

CREAL PRO is centered on brokerage work and work to form and manage private-placement funds mainly based on investment properties on which the Company has acquired information. Basically, it is a service that is managed for external investors, but it also includes a business in which some of the properties are owned, developed and managed by the CREAL Group (after increasing their value, they are published on CREAL and sold externally).

Moreover, the Company is developing services with an awareness of collaboration synergies with CREAL. Specifically, in addition to selling externally each of the properties in the small- to medium-scale properties portfolio managed by CREAL, it bundles properties on a scale of ¥5.0bn to ¥10.0bn and sells them in bulk to CREAL PRO customers such as institutional investors. Moreover, it carries out outsourced asset management work as CREAL PRO for the management of the relevant properties. This scheme has already been embodied in its track record in July 2021 of a transaction with then Allianz Real Estate, a company belonging to the major German life insurance group Allianz, and with Gaw Capital Partners, a major Hong Kong real estate investment firm, which it announced at the same time as it was listed in April 2022. It concluded a sales contract with a fund formed by Gaw Capital Partners for 13 condominium buildings (including those scheduled to be completed) that it uses CREAL to currently manage, or plans to manage, in Tokyo's 23 wards.

CREAL PB utilizes proprietary developed AI to make possible speedy purchases

(3) CREAL PB

This is an asset management service for individual investors. It targets actual real estate for long-term management (at least five years). Its major features include that it utilizes the AI developed by the Company to efficiently discover excellent properties from the real estate market (mainly pre-owned sub-divided residences in the metropolitan Tokyo area). Moreover, it provides a rich lineup of asset management products with investment classes that include not only residences, but also single building residences, and solar power. CREAL PB's gross profit is calculated as net sales x profit margin. Specifically, it is a scheme in which gains on sales are acquired through the Company purchasing the investment properties and selling them to individual investors. After sales as well, it provides various types of management-work services required by the investors, which creates a framework to receive not only gains on sales, but also to continuously receive rent management-related earnings, such as rent collection agency fees and contract-work fees, while also increasing convenience for individual investors.

CREAL PB improves investment returns through utilizing AI and promoting DX for each of the series of processes relating to real estate investment. It is also progressing measures intended to increase the investment appeal and convenience for customers, including enhancing interface functions, and focusing on operational improvements and cost reductions.

One system worthy of note is CREAL buyer, which is a property assessment and evaluation system for investment projects. In CREAL buyer, AI developed by the Company to efficiently assesses and purchases properties is always learning from the enormous volume of data relating to purchases and sales of real estate, and it enables finding appropriate rent and price assessments according to factors such as location, area, floor space, building age and specs. It facilitates speedy purchasing negotiations by always selecting on the Internet high-performance properties with relatively inexpensive prices and rent and notifying the person in charge of purchase proposals when there is a promising property.

The Company developed CREAL concierge as a system to promote the increased efficiency of real estate investment management, and it is promoting DX for real estate investment management processes that so far have relied greatly on paper documents and face-to-face interactions. Through CREAL concierge, real estate owners, who are the Company's customers, can confirm online at any time their properties' rental status and financial performance, which leads to increased convenience for asset management. In December 2023, the Company digitalized special real estate documents (explanation of important matters, building drawings, report on investigation of important matters, etc.) that were not compliance with general electronic contract platforms, thereby increasing convenience for customers while also reducing operation costs such as revenue stamps, printing, and postage. It also has the function of showing the latest real estate that is being sold, so it fulfills the role of promoting the purchase of additional properties to real estate owners.

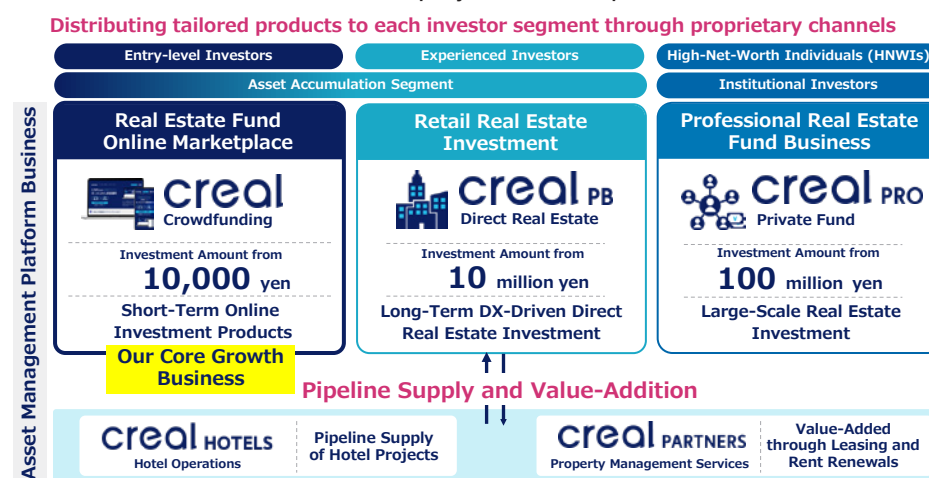
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Business description and features

(4) Other

The Company developed CREAL manager to improve the efficiency of property management work, and it has built a framework that can effectively manage real estate work, its primary service in Other, for pre-owned sub-divided residential real estate. Through CREAL manager, it promotes the integration of information that conventionally has been managed in a dispersed manner, such as on paper documents and in Excel files, and starting with contract management and the management of deposits and withdrawals, it automates the creation of detailed statements for owners and the mailing of documents to people requesting them. In such ways, it forms an effective work environment that has major advantages for both customers and the Company. Effective from FY3/25, the scope of the Other segment has been expanded to include the hotel management business through CREAL HOTELS.

The Company's service lineup



Source: The Company's results briefing materials

Results trends

Significant increases in sales and profit in FY3/25. CREAL PRO constitutes second pillar of growth

1. FY3/25 results trends

In consolidated results for FY3/25, net sales were ¥41,823mn (up 98.7% YoY), gross profit was ¥5,666mn (up 59.1%), operating profit was ¥1,968mn (up 100.8%), ordinary profit was ¥1,830mn (up 94.5%), and profit attributable to owners of parent was ¥1,351mn (up 108.7%), so net sales and profits all achieved substantial increases, with net income more than doubling compared to the previous fiscal year. Results outperformed the revised forecast of full-year results released in conjunction with the 3Q FY3/25 results across the board (the revised forecast was for net sales of ¥38,530mn, gross profit of ¥5,170mn, operating profit of ¥1,630mn, ordinary profit of ¥1,500mn, and profit attributable to owners of parent of ¥1,105mn). Net sales exceeded the forecast by 8.5%, gross profit by 9.6%, operating profit by 20.8%, ordinary profit by 22.0%, and profit attributable to owners of parent by 22.3%. The results forecast revision consisted of a downward revision to the initial forecast for net sales upon review of sales measures for CREAL fund properties, as well as upward revisions to profit forecasts at all levels given a higher likelihood of profits substantially outperforming initial forecasts due to expanded business scale and improved operational efficiency. Meanwhile, the Company achieved substantial growth in sales. This was attributable to growth in the number of sales centered on residential properties in the mainstay CREAL business, multiple asset sales mainly in hotels and fund arrangement fees generated in the CREAL PRO business, and steady growth in sub-divided residential unit sales. Moreover, sales in Other increased given the addition of revenue associated with the hotel management business. Gross profit was bolstered by a take rate on property sales exceeding plans in the CREAL business, higher asset sales in the CREAL PRO business, and increased sales in the CREAL PB business. Results in Other were strong due to growth in the number of managed units and recognition of hotel revenue. With regard to expenses, cost of sales increased as a result of efforts taken to strengthen the sales workforce accompanying business expansion, but the Company reduced SG&A expenses by streamlining member acquisition initiatives and curtailing advertising and promotion expenses. As a result, each profit line item below operating profit increased and consequently outperformed the initial and revised results forecasts.

Summary of the FY3/25 results

	FY3/24		FY3/25		YoY	
	Result	% of net sales	Result	% of net sales	Amount	% change
Net sales	21,044		41,823		20,778	98.7%
Gross profit	3,562	16.9%	5,666	13.5%	2,104	59.1%
Operating profit	980	4.7%	1,968	4.7%	987	100.8%
Ordinary profit	941	4.5%	1,830	4.4%	889	94.5%
Profit attributable to owners of parent	647	3.1%	1,351	3.2%	703	108.7%

Source: Prepared by FISCO from the Company's financial results

Results trends

2. Results trends by service

In the CREAL business, sales and profit increased significantly with net sales of ¥21,386mn (up 94.9% YoY) and gross profit of ¥2,219mn (up 54.4%). Net sales were 14.4% higher than the revised forecast of ¥18,700mn and gross profit was 12.1% higher than the revised forecast of ¥1,980mn. In FY3/25, although the CREAL business sold 22 properties (8 more properties than in the previous fiscal year), it was unable to secure high take rates in 1H due to focus placed on sales efforts of CREAL PRO. Nevertheless, CREAL managed to achieve profit growth bolstered by significant gains in property sales in 2Q and sales measures with greater emphasis on profitability. Although a majority of properties sold thus far have been single building residences with 18 such properties sold in FY3/25, the CREAL business has been making progress in diversifying assets along with expansion of its managed funds. Whereas the proportion of residential properties within the overall asset portfolio on the basis of the amount of funds raised, declined from 44.0% in FY3/24 to 20.0%, the share of hotel assets rose from 7.1% to 20.5%, and healthcare real estate (such as senior care facilities) increased from 4.2% to 13.8%. The average amount of funds raised has also grown, increasing from ¥720mn to ¥1.17bn per fund. In addition to a sharp increase in the absolute amount of profit per property sold, earnings have also been bolstered by efforts taken to improve labor productivity by curtailing operational costs related to asset appraisal and other such procedures. By persisting with this approach going forward, the CREAL business is poised to achieve sustainable growth underpinned by a stable earnings base.

CREAL PRO net sales were ¥11,689mn (up 352.7% YoY) with gross profit of ¥2,492mn (up 95.8%). Net sales were 0.8% higher than the revised forecast of ¥11,600mn and gross profit was 8.8% higher than the revised forecast of ¥2,290mn. Factors contributing to the increase in net sales included the sale of a hotel in Osaka in 1H, along with fees earned from asset management work undertaken after the sale. The increases in sales and profit were underpinned by fee income generated from asset management work in 2H.

CREAL PB net sales were ¥8,281mn (up 15.6% YoY) with gross profit of ¥718mn (up 12.7%). Net sales were 6.2% higher than the revised forecast of ¥7,800mn and gross profit was 7.2% higher than the revised forecast of ¥670mn. The increases in sales and profit are attributable to a higher number of units sold in sub-divided residential properties for investment as a result of having augmented the sales force, in addition to having strengthened the sales system utilizing DX. Initiatives enlisting DX involved improving the corporate website so that users can navigate to the CREAL PB platform from their personalized My Page on the CREAL platform, while also streamlining operations by enabling online access to various procedures and after-sales services.

In Other, net sales were ¥465mn (up 43.3% YoY) with gross profit of ¥236mn (up 10.1%). Net sales were 8.1% higher than the revised forecast of ¥430mn and gross profit was 2.6% higher than the revised forecast of ¥230mn. The segment secured sales and profit gains due to income from the hotel management business, in addition to the property management work and rent management operations it has engaged in thus far. In the hotel management business, the Company established CREAL HOTELS and formed a business and capital alliance with TAT Inc. (TAT), through which it seeks to expand its know-how and pipeline related to the hotel management business. It also opened two hotels in Okinawa Prefecture upon having launched LACER as its own hotel brand. The Company has also set up corporate and reservation websites enlisting in-house systems development, thereby ensuring that its DX-enabled hotel operations are up and running.

Results trends

FY3/25 results by service

	(¥mn)		
	FY3/24	FY3/25	YoY
CREAL			
Net sales	10,974	21,386	94.9%
Gross profit	1,437	2,219	54.4%
CREAL PRO			
Net sales	2,582	11,689	352.7%
Gross profit	1,272	2,492	95.8%
CREAL PB			
Net sales	7,163	8,281	15.6%
Gross profit	637	718	12.7%
Other			
Net sales	324	465	43.3%
Gross profit	214	236	10.1%

Source: Prepared by FISCO from the Company's results briefing materials

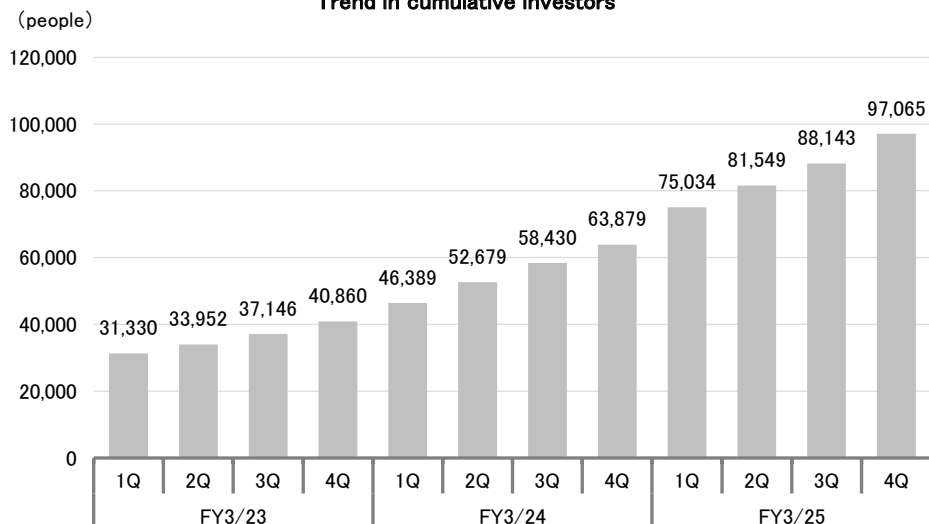
3. Trends in KPI

CREAL's gross profit comprises GMV x Take Rate, with the Take Rate made up of fixed fees comprising project origination, fund management handling and redemption fees, and fluctuating fees made up from profit sharing of capital gains made through funds' external sales; the combined total to date has been 8–10%. GMV is compiled and announced at the time of procurement (when soliciting funds), but CREAL's net sales and gross profit are recorded at the time of transaction settlement (time of property sale), so for many funds this generates a time lag of about one year between the closing of the GMV and recording of gross profit. Consequently, GMV is one of the most important KPIs as it indicates the scale of CREAL business as well as forming the leading indicator of gross profit. Meanwhile, CREAL PB calculates gross profit through net sales x profit margin. Also, CREAL PRO generates fee-based income, so the majority of its sales are recorded as gross profit. Given that gross profit in the mainstay CREAL business represents 39.2% of gross profit overall (in FY3/25), contributing significantly to the Company's profit growth, the Company considers GMV and the number of investor members to be particularly important, while also establishing KPIs for repeat investment rate, gross profits, and others.

GMV has grown substantially having reached a cumulative total of ¥73.32bn as of the end of FY3/25 (up 53.9% YoY). In terms of results for FY3/25, GMV increased 28.0% to ¥25.69bn, thereby falling short of projections in that the amount constituted 85.6% of the ¥30.00bn initial target. The Company expanded the scope of such business in part by diversifying its funds, but incurred the shortfall due to time required for setting up funds and also due to competition with other companies. Competition in the relatively new field of online real estate investment has been intensifying due to growth potential of the market. Confident in its position as a leading company in that market, the Company accordingly seeks to compete on the basis of its substantial service quality derived from its strengths in areas such as product development and marketing, rather than getting caught up in simplistic interest rate competition. As such, business performance is not cause for concern amid a situation where cumulative GMV has exhibited robust growth, despite having fallen short of the target. The cumulative total number of acquired investors, which is an important factor at the base of GMV, increased substantially by 52.0% YoY to 97,065 people. In FY3/25, the Company achieved its target under the full-year plan of gaining 30,000 customers in having acquired 33,186 customers (110.6% of the target). The Company successfully implemented its customer acquisition activities in collaboration with SBI SECURITIES and other financial institutions.

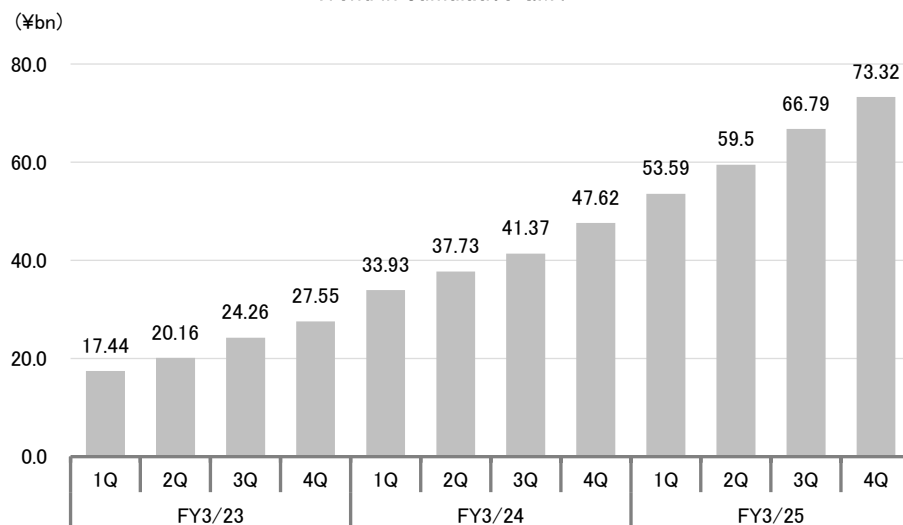
Results trends

Trend in cumulative investors



Source: Prepared by FISCO from the Company's results briefing materials

Trend in cumulative GMV



Source: Prepared by FISCO from the Company's results briefing materials

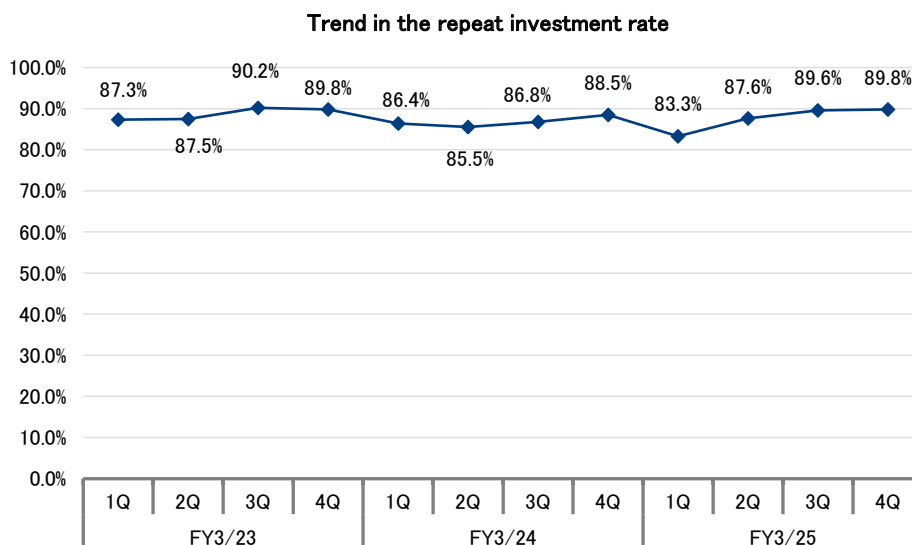
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Results trends

The repeat investment ratio* of CREAL investors, an important indicator related to GMV, was 89.8% in 4Q FY3/25, a 1.3pp increase from the same period of the previous fiscal year. The repeat investment rate rises and falls depending on the status of acquisition measures, etc. because the ratio depends in part on the percentage of investment made by new investors. Excluding 1Q, the rate remained strong throughout FY3/25, an average level of 87% was maintained. Investor acquisition can be considered strong, supported by the growing investment mindset among customers.

* The percentage of GMV for the quarter in question represented by the amount invested by investors who have invested in the past year

Through the above, CREAL has acquired highly loyal users who reinvest the same amounts as were returned to them or even higher amounts in new funds after the completion of fund management. Therefore, it can be understood to be an earnings structure with a stable-earnings-accumulation model similar to SaaS. Going forward, the further growth of GMV and the cumulative number of investors is expected due to the stronger partnership with SBI Holdings and focusing on expanding its funds, the re-investment plus new investor loop is expected to expand significantly. With its growth potential and stability, FISCO expects CREAL to serve as a growth driver for the Company's overall business, and to become a service with even higher growth potential.



Source: Prepared by FISCO from the Company's results briefing materials

Judgment of financial soundness based on balance sheet excluding special impacts of crowdfunding

4. Financial condition and management indicators

Total assets at the end of FY3/25 increased ¥17,187mn from the end of the previous fiscal year to ¥52,936mn. This was mainly due to an increase of ¥7,839mn in cash and deposits, an increase of ¥958mn in deposits, an increase of ¥6,232mn in real estate for sale, an increase of ¥867mn in cash segregated as deposits for securities business associated with acquisition of Usuki Securities, an increase of ¥5mn in margin transaction assets for securities business, and an increase of ¥730mn in shares of subsidiaries and associates related to TAT. Total liabilities were ¥47,663mn, an increase of ¥15,720mn from the end of the previous fiscal year. This was mainly due to an increase of ¥15,994mn in silent partner investment deposits for business expansion, a decrease of ¥2,680mn in short-term borrowings, an increase of ¥912mn in long-term borrowings, ¥751mn in deposits received for securities business associated with acquisition of Usuki Securities, and an increase of ¥5mn in margin transaction liabilities for securities business. Total assets increased ¥1,466mn from the end of previous fiscal year to ¥5,273mn. This was primarily attributable to increases of ¥35mn each in share capital and capital surplus as a result of exercising stock options and an increase in retained earnings from recording profit attributable to owners of parent of ¥1,351mn.

Features of the Company's financial condition include crowdfunding deposits of ¥2,654mn and silent partner investment deposits of ¥37,278mn recorded in liabilities, balanced out under assets by cash and deposits of ¥15,699mn, which includes ¥15,261mn related to crowdfunding, and real estate for sale of ¥30,711mn, which includes ¥27,186mn related to crowdfunding. Crowdfunding-related accounts make up 80.2% of the Company's total assets of ¥52,936mn. Silent partner investment deposits are investments by silent partners, so legally they do not have a repayment obligation, but they are recorded as liabilities on the balance sheet. For this reason, while these are reference figures, the effective equity ratio, calculated by excluding items related to accounting processes inherent in crowdfunding, stands at 39.8%*1. This is a higher level compared to the equity ratio of 9.8% based on the balance sheet. The current ratio is 110.3% when calculated from the balance sheet, but the actual ratio is 137.0%*2. As such, FISCO does not consider these levels to present an issue in terms of financial soundness.

*1 As for the main accounts and balances related to crowdfunding, crowdfunding deposits and silent partner investment deposits are excluded from total assets when calculated.

*2 As for the main accounts and balances related to crowdfunding, real estate for sale (only properties recruited with crowdfunding, ¥27,186mn) and cash and deposits (crowdfunding-related, ¥15,261mn) are excluded from current assets, and silent partner investment deposits and crowdfunding deposits are excluded from current liabilities when calculated.

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Results trends

Consolidated balance sheet and the main management indicators

	End-FY3/24	End-FY3/25	Change
(¥mn)			
Current assets	34,602	50,755	16,153
Cash and deposits	7,859	15,699	7,839
Deposits	1,680	2,638	958
Real estate for sale	24,478	30,711	6,232
Cash segregated as deposits in the securities business	-	867	867
Margin transaction assets in the securities business	-	5	5
Allowance for bad debts	0	0	0
Non-current assets	1,147	2,181	1,034
Property, plant and equipment	862	949	86
Intangible non-current assets	0	87	87
Investments and other assets	283	1,143	860
Total assets	35,749	52,936	17,187
Current liabilities	31,192	45,999	14,806
Short-term borrowings	4,699	2,019	-2,680
Current portion of long-term borrowings	504	1,090	586
Crowdfunding deposits	3,334	2,654	-680
Silent partner investment deposits	21,283	37,278	15,994
Deposits received in the securities business	-	751	751
Margin transaction liabilities in the securities business	-	5	5
Non-current liabilities	749	1,662	913
Long-term borrowings	722	1,635	912
Total liabilities	31,942	47,663	15,720
Interest-bearing debt	5,927	4,745	-1,181
Total net assets	3,806	5,273	1,466
Total liabilities and net assets	35,749	52,936	17,187
Profitability indices			
Return on Assets (ROA)	3.3%	4.1%	0.8pp
Return on Equity (ROE)	18.9%	30.2%	11.3pp
Operating profit margin	4.7%	4.7%	0.0pp
Stability indices			
Equity ratio	10.5%	9.8%	-0.7pp
D/E ratio	1.58 times	0.92 times	-0.7pp
Current ratio	110.9%	110.3%	-0.6pp

Source: Prepared by FISCO from the Company's financial results

■ Outlook

Outlook for profit growth again in FY3/26. GMV expansion driven by release of products under Act on Specified Joint Real Estate Ventures No. 3 and No. 4 schemes

1. FY3/26 forecasts

For the FY3/26 consolidated forecast, the Company expects significant growth to continue following FY3/25 with gross profit to rise 30.8% YoY to ¥7,410mn, operating profit to grow 35.2% to ¥2,660mn, ordinary profit to increase 36.6% to ¥2,500mn, and profit attributable to owners of parent to rise 33.2% to ¥1,800mn. With initiatives for No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures shifting into full gear, the Company has opted to limit disclosure to the respective profit line items absent disclosure of net sales forecasts effective from results forecasts for FY3/26. Unlike No. 1 and No. 2 projects under the Act on Specified Joint Real Estate Ventures, where both revenue and expenses are recognized on a gross basis, No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures adopt a net revenue recognition approach in order to avoid lack of clarity in consolidated results caused by the coexistence of both models. With the Company having completed the process of filing licensing applications with the relevant authorities in relation to No. 3 and No. 4 business under the Act on Specified Joint Real Estate Ventures at the end of March 2025, it now plans to fully launch services upon obtaining licensing approval in 2Q. In FY3/26, gross profit is expected to increase by around 20% to over 30% across all services, including CREAL. With respect to CREAL, the Company anticipates a significant increase in gross profit of 35.2% YoY, generated by stepping up sales activities drawing on its sales pipeline of fund-owned properties acquired through FY3/25, and also by proceeding with efforts to set up No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures. This is attributable to the notion that No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures make it possible for the Company to recognize revenue not only at the time of property sale but also at the time of fund formation and throughout the fund lifecycle, unlike the No. 1 and No. 2 funds under the Act on Specified Joint Real Estate Ventures thus far. With CREAL PRO, although the Company has no plans to sell large-scale properties as it did in FY3/25, it projects a 20.4% increase in profit driven primarily by asset management fees and other such fee income. With CREAL PB, the Company projects a 19.8% increase in profit due to a higher number of investment property sales mainly to individual investors, underpinned by DX initiatives. In Other, the Company forecasts a 133.1% increase in profit amid expectations that it will gain momentum in generating hotel management income. The Company plans to increase SG&A expenses by 28.4% with the aim of aggressively investing in growth by stepping up spending for personnel expenses associated with hiring in anticipation of the hotel management business shifting into full gear, personnel expenses associated with systems development for new asset management products, and advertising and promotion expenses for attracting investors and heightening recognition.

As for KPIs, the Company aims to achieve significant growth in GMV to ¥40,000mn (up 55.7% YoY) in FY3/26. This ambitious target reflects expectations for a shorter revenue recognition period with respect to No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures, as well as the prospect of tapping into demand from corporate investors. Meanwhile, the target for the number of acquired investors is 35,000 people (an increase of 5.5%). FISCO views this as a conservative outlook, which takes into account the potential impact on the number of small investors due to an increase in funds for institutional and affluent investors accompanying a higher number of No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures.

Outlook

FY3/26 results outlook

		(¥mn)	
	FY3/24 Result	FY3/25	
		Forecast	YoY
Gross profit	5,666	7,410	30.8%
CREAL	2,219	3,000	35.2%
CREAL PRO	2,492	3,000	20.4%
CREAL PB	718	860	19.8%
Other	236	550	133.1%
SG&A expenses	3,698	4,750	28.4%
Operating profit	1,968	2,660	35.2%
Ordinary profit	1,830	2,500	36.6%
Profit attributable to owners of parent	1,351	1,800	33.2%

Source: Prepared by FISCO from the Company's results briefing materials

2. Outlook by service

(1) CREAL

a) Fund management conditions

The Company forecasts gross profit of ¥3,000mn (up 35.2% YoY) in FY3/26. As of the end of March 2025, the fund management balance stood at ¥28,647mn, which constitutes the property sales pipeline for FY3/26. Meanwhile, given that financial results for FY3/26 will also encompass No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures, the Company predicts that around two-thirds of gross profit will be attributable to property sales and around one-third of gross profit will be attributable to No. 3 and No. 4 projects under the Act on Specified Joint Real Estate Ventures. On a GMV basis, the Company estimates that the former (property sales) will amount to around ¥5.0bn and that the latter (No. 3 and No. 4 projects) will amount to around ¥35.0bn. With regard to the former, FISCO believes that the Company is likely to have no problem achieving results in line with the estimate given the sales track record of the CREAL fund. With regard to the latter, FISCO believes that the Company is highly likely to achieve its results forecasts, particularly given its progress in preparing for such projects and its fund arrangement capabilities.

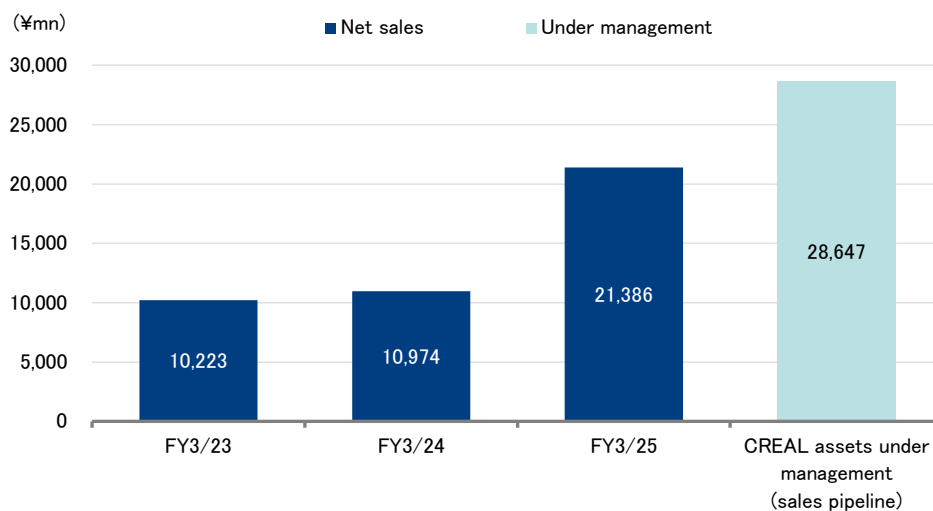
Outlook

CREAL fund management and redemption conditions

Completed external sale	Targeted properties	No. of properties
FY3/23	Residences	15
	Hotels	2
	Commercial facilities	1
FY3/24	Residences	10
	Logistics facilities	2
	Nursery schools	1
	Commercial facilities	1
FY3/25	Residences	18
	Hotels	1
	Commercial facilities	1
	Logistics facilities	1
	Other	1
Before the conclusion of a sales contract	Targeted properties	No. of properties
Under management	Residences	11
	Hotels	4
	Healthcare facilities	4
	Commercial facilities	3
	Logistics facilities	2
	Offices	2
	Nursery schools	1

Source: Prepared by FISCO from the Company's results briefing materials

CREAL fund management and redemption conditions



Source: Prepared by FISCO from the Company's results briefing materials

Outlook

b) IT investment

The Company is currently developing a fund system in anticipation of its launch of crowdfunding that utilizes SPCs upon having acquired licenses to serve as a No. 3 and No. 4 operator under the Act on Specified Joint Real Estate Ventures. The No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures differ significantly from the No. 1 and No. 2 funds under the Act on Specified Joint Real Estate Ventures in terms of their product schemes in that they allow for larger funds utilizing non-recourse loans. As such, the Company will launch such services promptly after acquiring licenses. In FY3/26, the Company will proceed with systems development with its sights set on FY3/27 release of its new real estate security token (ST)* product as a new service. Given that the Company primarily develops systems related to its proprietary services in-house, it will further enhance its workforce of highly skilled engineers, designers and other such professionals, which constitutes a strength of the Company. By integrating its advanced technical capabilities with its product development and marketing strengths, the Company achieves a sophisticated UI/UX unmatched by its competitors and builds solid barriers to market entry. Meanwhile, knowledge of new team members gained by enhancing the workforce will facilitate the Company's product development efforts.

* A real estate security token (ST) is a type of marketable security that is backed by real estate or real estate-related assets, issued and managed using blockchain or other digital technologies.

(2) CREAL PRO

The Company forecasts gross profit of ¥3,000mn (up 20.4% YoY) in FY3/26. In FY3/26, the Company does not plan to sell large-scale properties like it did in the previous fiscal year, but it aims to achieve increases in sales and profit by steadily amassing revenue associated with asset management and fund arrangement. It aims to achieve its results forecasts for CREAL PRO by furthermore pursuing synergies with CREAL and CREAL PB, given that it anticipates higher fee income generated due to an increase in the size of funds with respect to CREAL and a greater number of properties handled with CREAL PB.

(3) CREAL PB

The Company forecasts gross profit of ¥860mn (up 19.8% YoY) in FY3/26. Continuing on from the previous fiscal year, the Company will strengthen the CREAL PB sales system enlisting DX solutions in seeking to increase the number of property sales. It will appeal to the more than 97,000 investors on the CREAL platform who are interested in direct real estate investment in seeking to reach more customer segments by lowering hurdles to investment in leveraging DX solutions to simplify investment procedures. While the primary investment properties of CREAL PB will remain sub-divided residences, the Company also plans to extend investor options by developing fractional ownership products and other such offerings.

(4) Other

The Company forecasts gross profit of ¥550mn (up 133.1% YoY) in FY3/26. The Other segment is poised to achieve significantly higher sales due to the hotel management business, in addition to rent management income being generated thus far. With respect to hotel operations under the LACER brand, the Company will continue to promote efficient management practices through operations that require fewer people and less workload enlisting DX solutions. The Company will advance DX initiatives with respect to various guest services, such as mobile hotel room keys as well as mobile check-in and check-out in hopes of enhancing hotel guest convenience while streamlining staff operations. Furthermore, the Company aims to achieve results enlisting DX solutions on the dual fronts of amassing hotel operations expertise and contributing to financial performance particularly by taking a data-driven approach to improving customer value.

Growth strategy

Formulation of Medium-term Management Plan aiming to achieve ¥10.0bn in net profit through dramatic growth of CREAL and other businesses

1. Formulation of Medium-term Management Plan “Game Changer 2030”

In May 2025, the Company released its Medium-term Management Plan “Game Changer 2030.” It covers the five years from FY3/26 through FY3/30, during which time the Company aims to achieve targets by the plan’s final fiscal year consisting of ¥250.0bn in annual GMV, ¥27.0bn in gross profit, and ¥10.0bn in net profit. The Company has set compound annual growth rate (CAGR) targets consisting of 58% in annual GMV, 36% in gross profit, and 50% in net profit, thereby accomplishing dramatic growth as it aims to achieve its targets. Over the duration of the Medium-term Management Plan, the Company will implement various initiatives in pursuit of synergies among its business segments to achieve profit growth in all of the businesses. Additional financial targets include ROE of 40.0% (up 9.8pp vs. FY3/25), equity ratio of 40.0% (up 30.2pp), and a dividend payout ratio of approximately 15% as an initial guideline (up 1.8pp).

(1) Five-year vision

With the objective of serving as a Game Changer by rolling out new products, the Company will develop investment products based on real estate security tokens (ST) and alternative assets*, in addition to the various services (products) it currently offers for real estate investment. The Company will develop a diverse range of products primarily suited to institutional investors, affluent investors, and customers with investment experience, thereby addressing various needs in deploying multiple options encompassing products optimally tailored to each investor segment. This will accordingly entail its approach of promoting its so-called “Financial Product SPA” (financial product manufacturer-retailer) model in offering multiple products developed for diverse investment needs, combined with multiple assets that serve as alternatives to traditional investment assets. As the first phase in planning and developing new investment products, the Company will hasten its growth by launching No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures as well as real estate ST products. The Company aims to achieve growth in annual GMV of up to ¥250.0bn by promoting its CREAL ST (tentative name) real estate security tokens, in addition to No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures.

* The term “alternative assets” refers to private equity, infrastructure, hedge funds, and investment assets other than publicly traded stocks and bonds.

Growth strategy

(2) Service-specific approaches

With CREAL, the Company seeks to achieve accelerated profit growth by extending its range of No. 3 and No. 4 funds under the Act on Specified Joint Real Estate Ventures. Its key initiatives are: (1) Accelerating GMV growth through the use of No. 3 and No. 4 licenses under the Act on Specified Joint Real Estate Ventures, managing funds off-balance sheet, and pursuing the benefit of income stream stability, (2) Strengthening hotel operations and residential rent management functions to ensure a stable supply of projects and increased asset value, and (3) Enhancing the asset pipeline with a focus on prevailing societal trends. Through these initiatives, the Company aims to solidify its position as a leading company in the industry. The Company forecasts that the online real estate investment market will expand to ¥7.79tn by 2032. It accordingly aims to develop this market by leveraging CREAL ST to attract institutional and affluent investors. In terms of real estate ST product design, some such products offer yields of over 4%, which is lower than the yields of around 5% offered by No. 1 and No. 2 products under the Act on Specified Joint Real Estate Ventures. For tax purposes, however, real estate ST products allow for the option of separate self-assessment taxation (unlike the comprehensive taxation applied to No. 1 and No. 2 funds), enabling investors to offset gains and losses against those from equities and other conventional investments. Such tax advantages are likely to draw investor attention due to the substantial convenience they offer in portfolio management. Efforts are also underway to develop new fund schemes in anticipation of growth in fund size and prolonged investment durations going forward. Key initiatives in this regard include: (1) Collaborating with newly acquired Usuki Securities and developing systems in preparation for service launch in 1H FY3/26, (2) Designing products that leverage synergies with existing services, and (3) Promoting marketing activities to attract investors.

For CREAL PRO, the Company will focus on expanding fee income through consistent fund formation and accumulation of managed assets of the growing CREAL platform, while also strengthening relationships with institutional and affluent investors. For CREAL PB, the Company will continue to enhance cross-selling with CREAL while also securing non-recurring and recurring revenue enlisting DX solutions. As the head of a leading company in the industry, the Company's President and CEO Daizo Yokota was appointed as Representative Director of the Real Estate Crowdfunding Association for Japan, an industry trade organization. In that capacity, he established the industry's sole crowdfunding business operator association in December 2024 through a merger with a related organization. It is hoped that this integration will lead to further industry growth and heightened market demand by culminating in more projects registered in the real estate crowdfunding database and by strengthening ties with the Diet Members Caucus for the Promotion of Real Estate Crowdfunding, LDP.

2. Acquisition of Usuki Securities

In January 2025, the Company announced its full acquisition of Usuki Securities as a wholly-owned subsidiary. Usuki Securities is a well-established securities company with a 74-year history, and had been exploring solutions enlisting DX to address limitations of face-to-face sales. Meanwhile, the business partnership was also driven by the Company's need to enter new securities businesses such as real estate ST as well as digital bonds in the future. Bringing Usuki Securities under the Company's umbrella also provides access to licenses associated with type I financial instruments business. The Company is also expediting its efforts to carry out PMI in terms of integrating both business operations and management, particularly with the aim of swiftly applying the securities business expertise of Usuki Securities to development of services going forward, thereby underpinning further growth.

■ Shareholder return policy

Decision made to pay inaugural dividend of ¥30.0 per share for FY3/25

In March 2025, the Company announced its first-ever dividend payment. It will accordingly pay a year-end dividend of ¥30.0 per share for FY3/25. Whereas the Company has recognized shareholder returns as an important management priority thus far, it has been placing emphasis on supplementing internal reserves and undertaking investment to achieve further growth, taking into account its current stage of growth. The Company has decided to initiate dividend payments based on its favorable FY3/25 results and the judgment that it is now in a position to provide shareholder returns on a consistent and sustainable basis. The Company's policy at this point is to target a dividend payout ratio of around 15%, with the intention of advancing its dividend policy while balancing dividends and growth investment going forward.

In addition, the Company announced a stock split in May 2025 in conjunction with its FY3/25 earnings release. In providing an environment conducive to investment by reducing the investment unit price, the Company seeks to enhance the liquidity of its shares and expand its investor demographic. The stock split will be executed at a ratio of five shares for each share of common stock held by shareholders listed on the final shareholder registry on the record date of September 30, 2025. For FY3/26, the Company anticipates a year-end dividend of ¥30.0 per share and a dividend payout ratio of 13.2%. Without taking the aforementioned stock split into account, the total annual dividend amounts to ¥35.0 per share, an increase of ¥5.0 from FY3/25.

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