

Financial Results for the Fiscal Year Ended March 31, 2022

We are aiming to be the real estate company of the world's most loved, trusted and selected by clients.

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May 13, 2022



SUN FRONTIER

**Securities Code :
8934**

Overview of Full-Year Results for the FY ended March 2022

Real Estate Revitalization Business drove performance. Profits exceeded plan.

(Unit: million yen)

	Results	Profit Margin	Year-on-Year	Growth Rate	Full-Year Forecast	Progression Rate
Net Sales	71,251	-	+11,618	19.5%	76,000	93.8%
Operating Profit	12,127	17.0%	+4,214	53.3%	12,000	101.1%
Ordinary Profit	12,215	17.1%	+4,691	62.3%	11,500	106.2%
Net Profit*	7,415	10.4%	+3,140	73.5%	7,400	100.2%

* "Net Profit" represents the profit attributable to owner of parent.

Performance Highlights

1) Year-on-year increase in Real Estate Revitalization Business contributed to achieving the profit targets

- The number of units sold in RP Business was 21 (23 in the previous fiscal year). Sales of four relatively large-scale mid- to long-term properties in high profit margin drove earnings (segment profit margin 29.2%, +4.9%pt year-on-year).
- The Office Division was working hard in commercialization. Sold as a high-occupancy, high-added-value replanning product. Maintained high quality and generated high profits even in the pandemic of COVID-19.

2) Real Estate Service Business grew steadily despite the prolonged pandemic of COVID-19

- Despite the prolonged period of the pandemic of COVID-19, business performance grew mainly in the brokerage business. Both sales (+15.7% year-on-year) and profit (+9.0% year-on-year) increased from the previous fiscal year. That was partly due to the earnings contribution from the acquired subsidiary.
- In the field of small and medium-sized office buildings in central Tokyo, each division brought together the expertise cultivated through creativity and ingenuity of each field and developed the business while cooperating. Despite the prolonged pandemic of COVID-19, we have accumulated achievements that are useful to clients by solving problems.

Trends in Consolidated Results

Operating profit, ordinary profit, and net profit saw a V-shaped recovery from the pandemic of COVID-19. Ordinary profit margin improved to 17.1%.

Increased year-end dividend by 2 yen.

(Unit: Million yen)

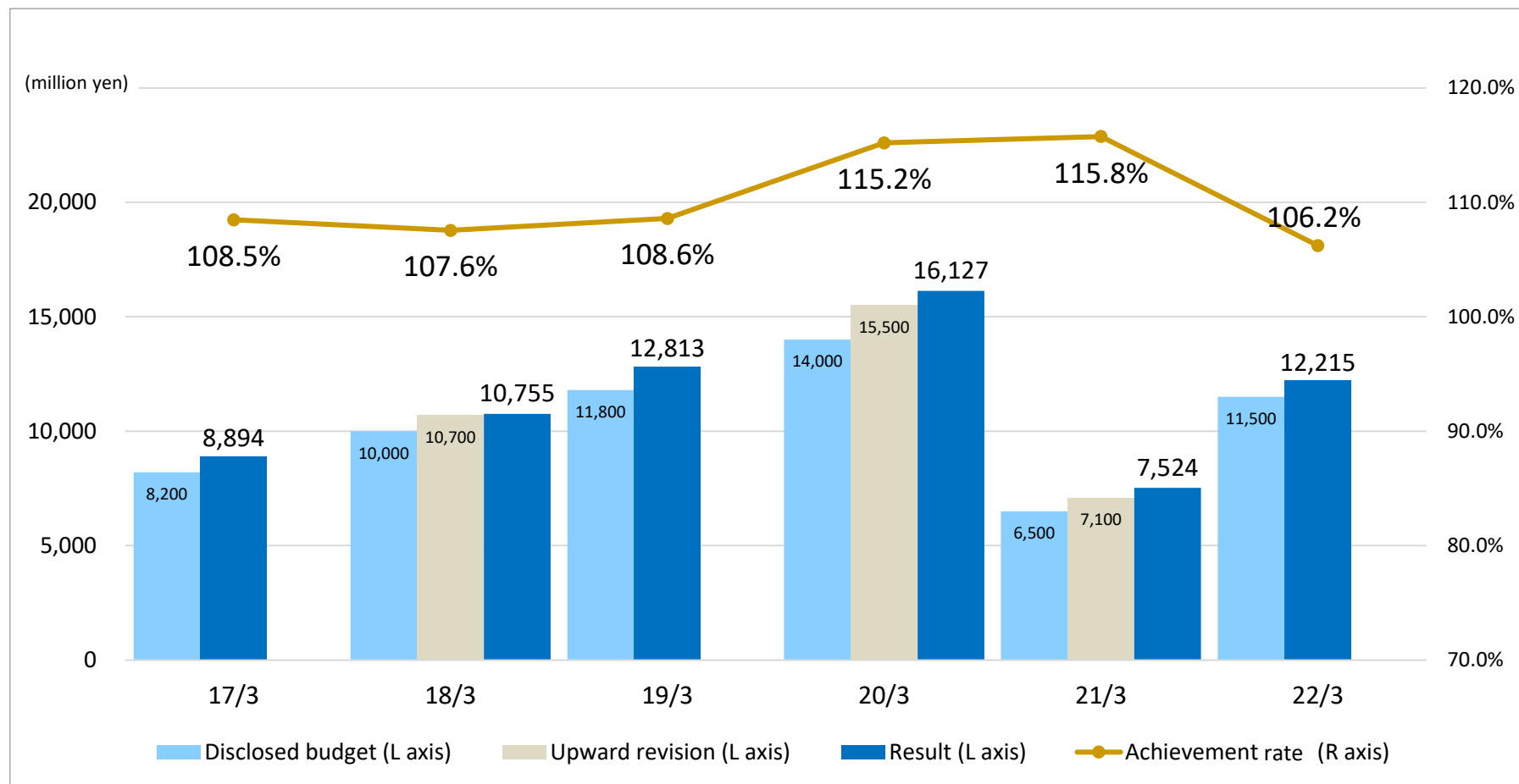
	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022
Net Sales	47,463	53,291	73,218	59,632	71,251
Operating Profit	11,239	13,305	16,571	7,912	12,127
Ordinary Profit (Ordinary Profit Margin)	10,755 (22.7%)	12,813 (24.0%)	16,127 (22.0%)	7,524 (12.6%)	12,215 (17.1%)
Net Profit*	7,420	8,783	10,666	4,274	7,415
Earnings per share	167.62 yen	180.35 yen	219.03 yen	87.77 yen	152.26 yen
Dividend per share	33.50 yen	38.50 yen	42.00 yen	42.00 yen	44.00 yen (Forecast) * 2

* "Net Profit" represents the profit attributable to owner of parent.

* 2 See page 15 for details.

Trends in Achievement Rate of Disclosed Budget

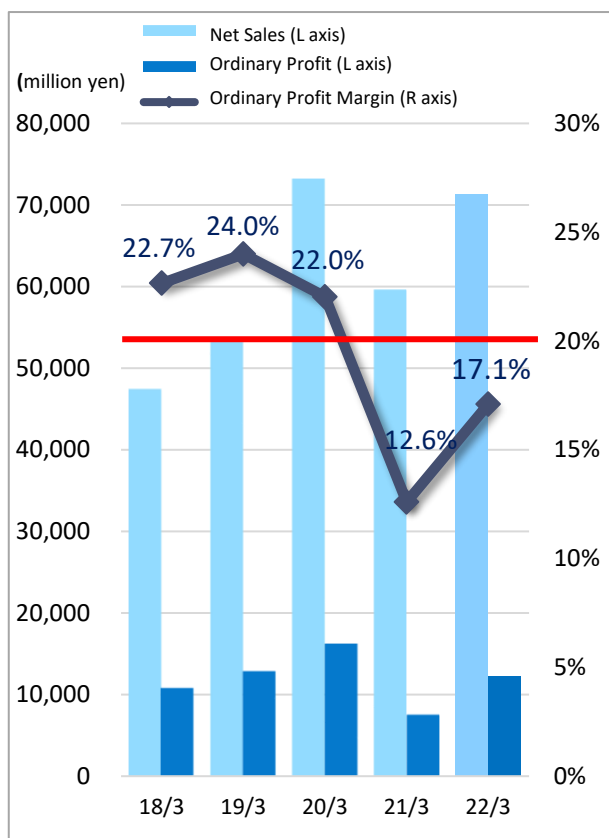
Ordinary profit continues to steadily achieve the budget at the beginning of the fiscal year.



Trends in Key Management Indicators

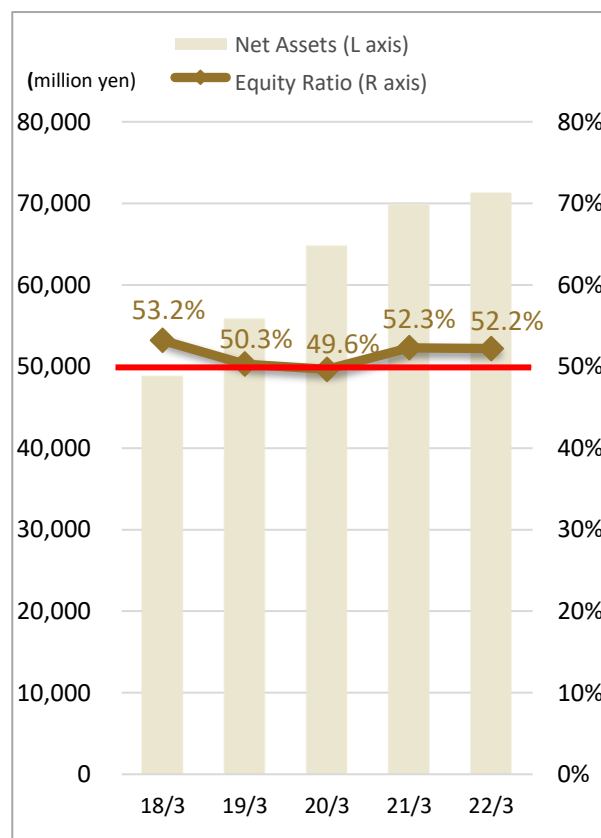
Changes in Ordinary Profit Margin

(Pursuing High-Value-Added Management)



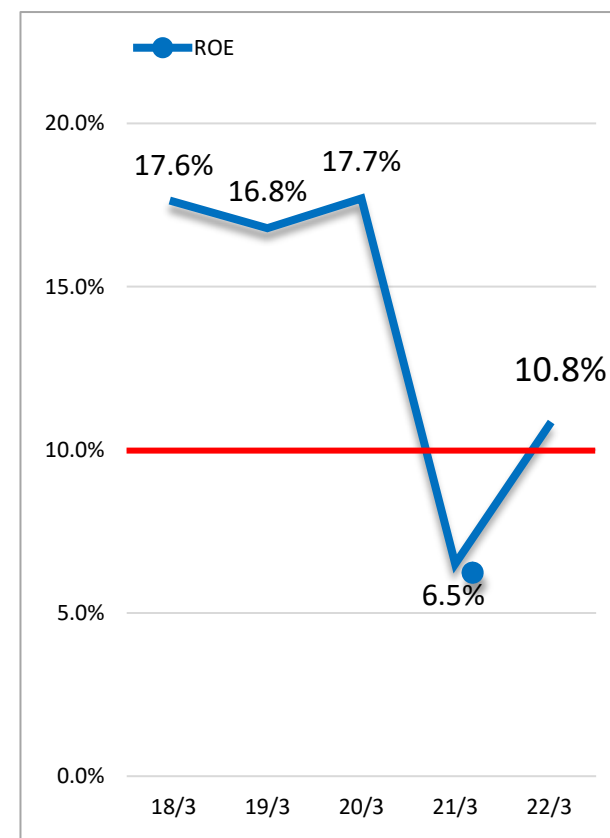
Changes in Equity Ratio

(Building a Stable Financial Base)



ROE

(Striving to improve capital efficiency)



Consolidated Income Statement

(Unit: million yen)

	FY ended Mar 2021	FY ended Mar 2022	Year-on-year Change	Composition Ratio
Net Sales	59,632	71,251	19.5%	100.0%
Real Estate Revitalization Business	36,284	55,958	54.2%	78.0%
Replanning Business	33,791	53,834	59.3%	75.1%
Rental Buildings Business	2,492	2,124	-14.8%	3.0%
Real Estate Service Business	6,182	7,154	15.7%	10.0%
Hotel and Tourism Business	13,419	6,911	-48.5%	9.6%
Other Business	4,221	1,695	-59.8%	2.4%
Adjustments	-475	-467	-	-
Gross Profit (Loss)	15,083	19,344	28.3%	100.0%
Real Estate Revitalization Business	9,880	17,053	72.6%	81.0%
Replanning Business	8,971	16,517	84.1%	78.5%
Rental Buildings and Sub-leases	908	535	-41.1%	2.5%
Real Estate Service Business	3,493	3,822	9.4%	18.2%
Hotel and Tourism Business	1,343	-1,503	-	-
Other Business	611	171	-72.0%	0.8%
Adjustments	-245	-199	-	-
Selling, General and Administrative Expenses	7,170	7,216	0.6%	
Operating Profit (Loss)	7,912	12,127	53.3%	
Non-operating Income	270	614	127.2%	
Non-operating Expenses	658	526	-20.1%	
Ordinary Profit (Loss)	7,524	12,215	62.3%	
Extraordinary Income and Loss	-61	-80	-	
Income Tax	3,224	4,726	46.6%	
Profit Attributable to Non-controlling Interests	-36	-6	-	
Profit Attributable to Owners of Parent	4,274	7,415	73.5%	

Income Statement Points

<Real Estate Revitalization Business>

In the RP Business, we sold four relatively large-scale medium- to long-term properties. Although the number of sales decreased from the previous fiscal year, both sales and profits increased significantly from the previous fiscal year. Gross profit margin was 30.7%, the same level as before the pandemic of COVID-19.

<Real Estate Service Business>

Both sales and profits increased in each business due to increased opportunities to respond to clients' changing needs and solve their problems in the pandemic of COVID-19.

<Hotel and Tourism Business>

The Hotel Operation Business posted a loss due to the opening costs associated with opening three new hotels and the prolonged pandemic of COVID-19. Sales of properties contributed to the performance in the previous fiscal year, resulting in the large reactionary decline.

Consolidated Balance Sheet - Assets -

<Cash and deposits> Increased 8.5 billion yen due to progress in conversion to cash, mainly through sales of medium- to long-term RP properties.

<Inventories> Decreased 8.7 billion yen due to sale, etc., of which, the number of RP projects decreased 7.9 billion yen due to sales exceeded purchase. The number of hotel projects decreased slightly due to sales progress in HIYORI OCEAN RESORT OKINAWA, etc.

<Non-current assets> Increased 8.2 billion yen due to the purchase of properties for rent income and the progress of hotel property construction.

(Unit: million yen)	FY 2020 As of March 31, 2020	FY 2021 As of March 31, 2021	FY 2022 As of March 31, 2022	Increase/decrease (compared to March 31, 2021)
Current assets	113,842	110,785	110,920	+135
Cash and deposits	18,627	21,508	30,053	+8,545
Inventories	91,766	86,087	77,340	-8,747
Breakdown) RP	71,353	71,349	63,424	-7,925
Hotel	17,019	13,917	13,516	-401
Overseas, etc.	3,395	821	220	-601
Other Current assets	3,448	3,189	3,527	+337
Non-current assets	16,450	16,700	25,591	+8,891
Property, Plant and Equipment	10,413	10,528	18,796	+8,268
Intangible assets	712	701	572	-128
Investments and Other assets	5,324	5,470	6,222	+752
Total assets	130,293	127,485	136,512	+9,026

Consolidated Balance Sheet

- Liabilities /Equity -



<Interest-bearing debt>

Increased 3.5 billion yen due to borrowing associated with purchase and construction progress. Interest-bearing debt balance was 51 billion yen.

<Net assets>

Increased 4.6 billion yen mainly due to profit (7.4 billion yen) despite the payment of year-end dividend (2 billion yen) and interim dividend (1 billion yen).

Changes of Equity Ratio

End of FY March 2020	End of FY March 2021	End of FY March 2022
49.6%	52.3%	52.2%

(Unit: million yen)	FY 2020 As of March 31, 2020	FY 2021 As of March 31, 2021	FY 2022 As of March 31, 2022	Increase/decrease (compared to March 31, 2021)
Current liabilities	18,052	13,358	16,210	+2,852
Short-term borrowings, etc.	4,463	5,530	6,874	+1,344
Income Taxes payable, etc.	3,566	901	3,528	+2,627
Other Current liabilities	10,022	6,926	5,807	-1,119
Non-current liabilities	47,431	44,354	45,849	+1,495
Long-term borrowings and Bonds payable	44,906	41,991	44,169	+2,178
Other Non-current Liabilities	2,525	2,363	1,680	-683
Total Liabilities	65,483	57,712	62,060	+4,347
Shareholders' equity	64,690	66,916	71,260	+4,343
Others	119	2,856	3,191	+335
Total Net assets	64,809	69,773	74,452	+4,679
Total Liabilities and Net assets	130,293	127,485	136,512	+9,026

Operating Results by Business Segment

Real Estate Revitalization Business

(Replanning and Rental Buildings)



<Replanning Business>

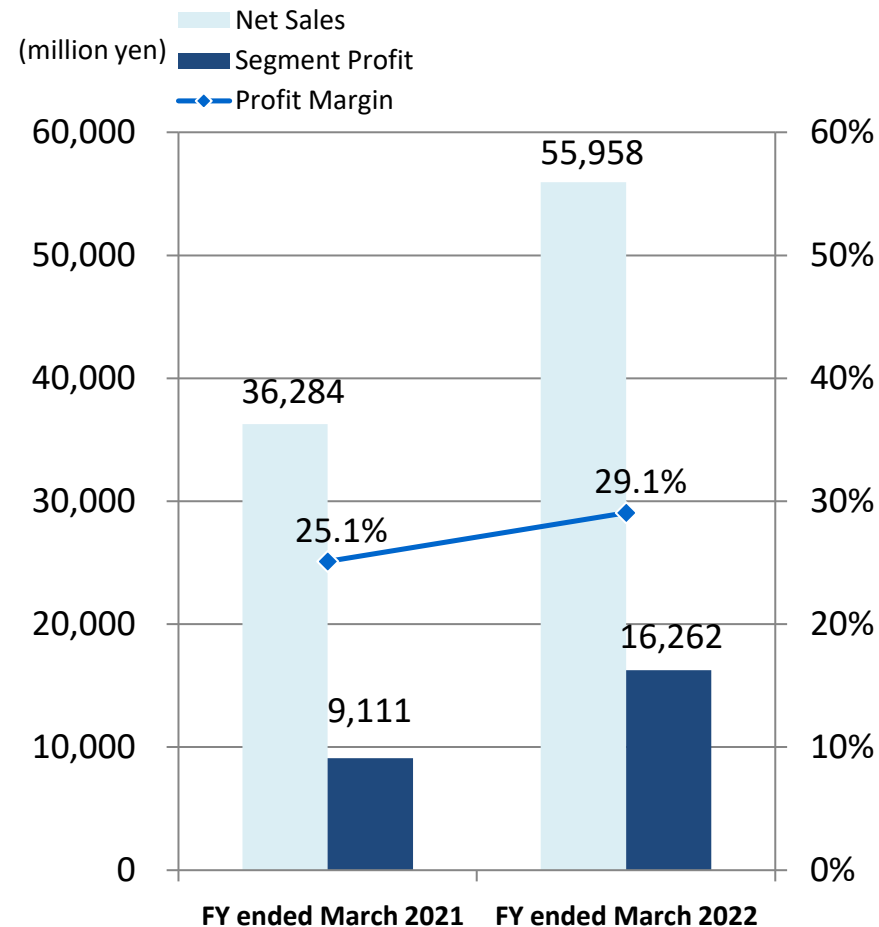
- Although the number of sales decreased to 21 units from the same period of the previous fiscal year (23 units), the profit increased due to the sales of medium- to long-term properties with high-profit margins.
- The average business period was 671 days (up 139 days year-on-year). The policy of the one-year business period (one-year holding period) of ordinary RP properties remains unchanged.

* In addition to the number of stocks at the end of FY2021 as shown below, there are 8 properties (11.8 billion yen) that have already been contracted for purchase by the end of March, 2022.

<Rental Building Business>

- In the Rental Building Business, sales decreased due to the sale of medium- to long-term properties that had been generating rent income. New properties were purchased for rent income.

(unit: million yen)	FY ended March 2021	FY ended March 2022	Increase/ Decrease
Net Sales	36,284	55,958	+54.2%
Replanning Business	33,791	53,834	+59.3%
Rental Building Business	2,492	2,124	-14.8%
Segment Profit (Note 1)	9,111	16,262	+78.5%
Replanning Business	8,202	15,727	+91.7%
Rental Building Business	908	535	-41.1%
Profit Margin	25.1%	29.1%	+4.0%pt
Replanning Business	24.3%	29.2%	+4.9%pt
Rental Building Business	36.4%	25.2%	-11.2%pt
Number of properties purchased	21	21	-
Number of properties sold	23	21	-2 cases
Number of stocks at the end of FY	54 (Note 2)	54 (Note 2)	-



(Note 1) "Segment Profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.

(Note 2) Projects of land purchase and development are included.

Operating Results by Business Segment

Real Estate Service Business



(Property Management, Building Maintenance, Brokerage, Leasing, Rental Conference Room, Rent Guarantee, etc.)

<Property Management / Building Maintenance>

- The PM business saw a slight decrease in sales and profit partly due to increased vacancies affected by the pandemic of COVID-19.
- Both sales and profit increased in the BM business due to M&A and an increase in entrusted properties.

<Brokerage>

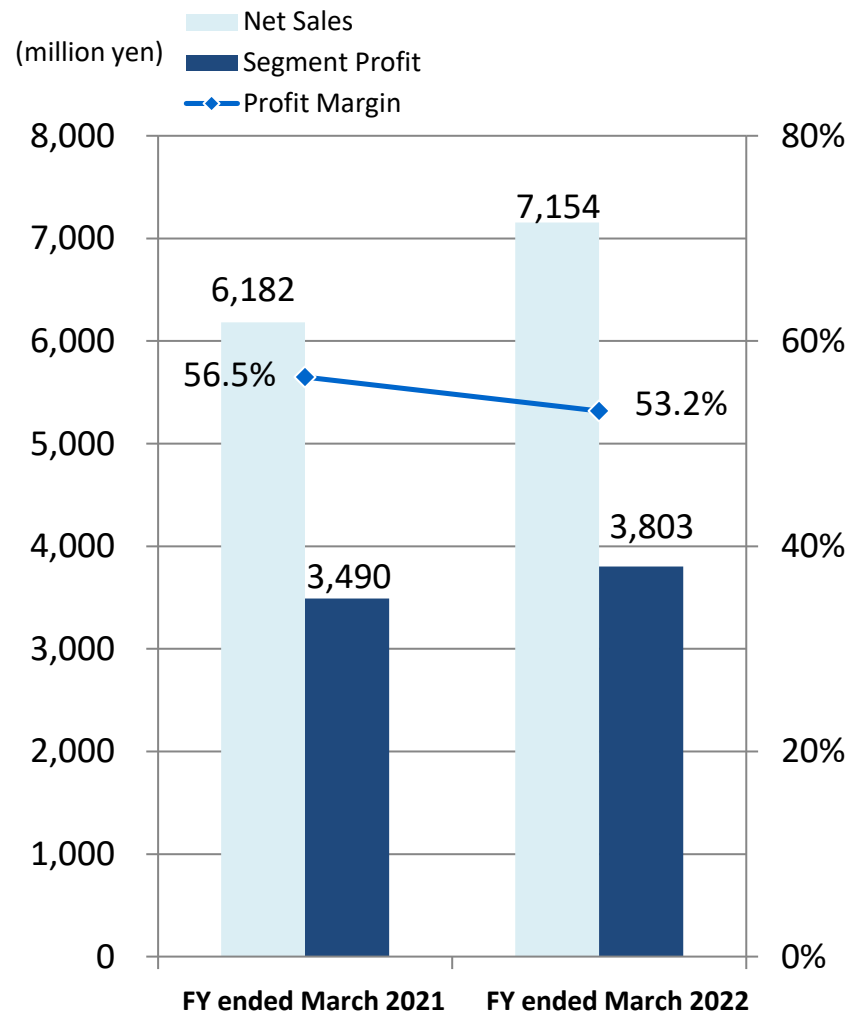
- Sales and profit increased in Brokerage due to steady progress in winning referrals from other divisions.
- Sales and profit increased in Leasing due to a rebound from the same period of the previous fiscal year, when office relocation stagnated.

<Rental Conference Room>

- Sales increased due to enhanced services, but profit decreased slightly due to increased costs for new store openings and floor expansion.

<Rent Guarantee>

- Profit Increased due to a decrease in number of delinquent payments in the pandemic of COVID-19 and an improvement in profit margins.



(Unit: million yen)	FY ended March 2021	FY ended March 2022	Increase/Decrease
Net Sales	6,182	7,154	+15.7%
Segment Profit	3,490	3,803	+9.0%
Profit Margin	56.5%	53.2%	-3.3%pt

Operating Results by Business Segment

Hotel and Tourism Business (Hotel Development, Hotel Operation, etc.)

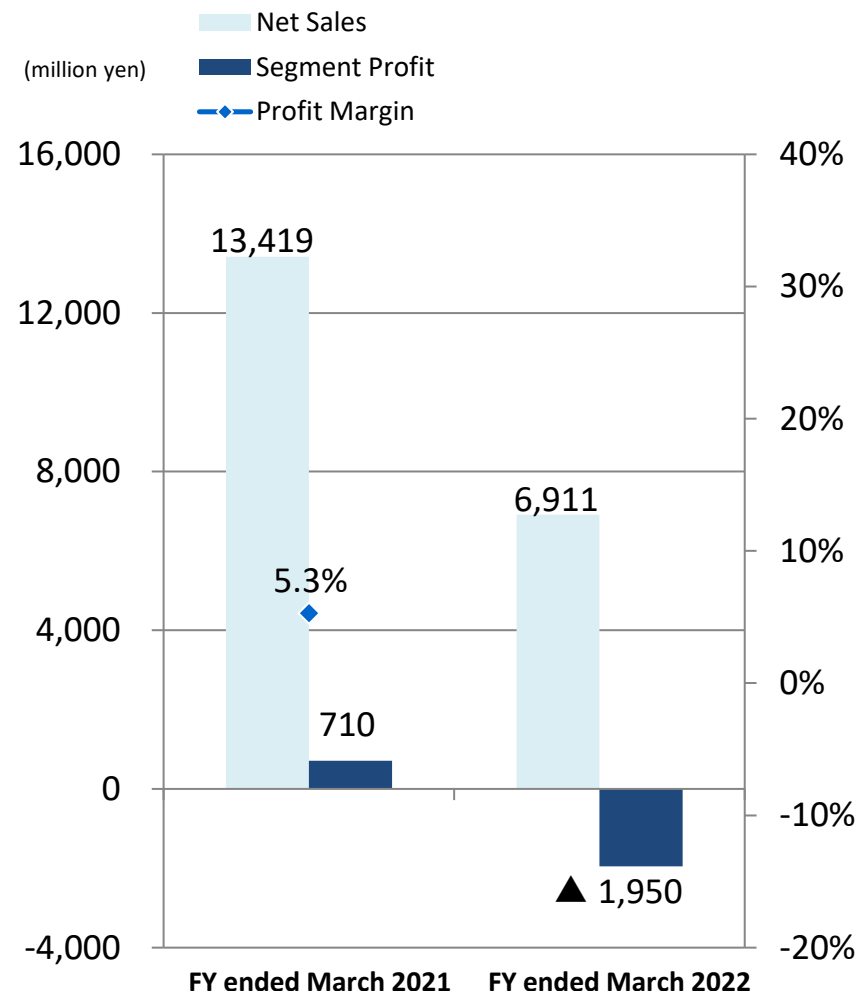
<Hotel Development Business>

- In HIYORI OCEAN RESORT OKINAWA sales, 43 rooms were delivered (cumulative sales: 202 rooms / total 203 rooms). Posted segment profit of 230 million yen (Profit margin 9.3%).

<Hotel Operation Business>

- As tourism demand did not recover, occupancy rates and room rates were sluggish mainly in urban hotels. Start-up expenses were recorded for three new hotels in the first and second quarter of the fiscal year. The fourth quarter also suffered a large loss due to the impact of Omicron variant.

(Unit: million yen)	FY ended March 2021	FY ended March 2022	Increase/Decrease
Net Sales	13,419	6,911	-48.5%
Hotel Development Business	11,378	2,548	-77.6%
Hotel Operation Business	2,041	4,363	+113.8%
Segment Profit	710	-1,950	-
Hotel Development Business	2,216	238	-89.3%
Hotel Operation Business	-1,506	-2,188	-
Profit Margin	5.3%	-	-
Hotel Development Business	19.5%	9.3%	-10.2%pt
Hotel Operation Business, etc.	-	-	-



(Note 1) "Segment Profit" is calculated by deducting specific costs of each segment, including interest expenses, sales commission and amortization of goodwill from gross profit.

Other Business (Construction Business and Overseas Development Business, etc.)

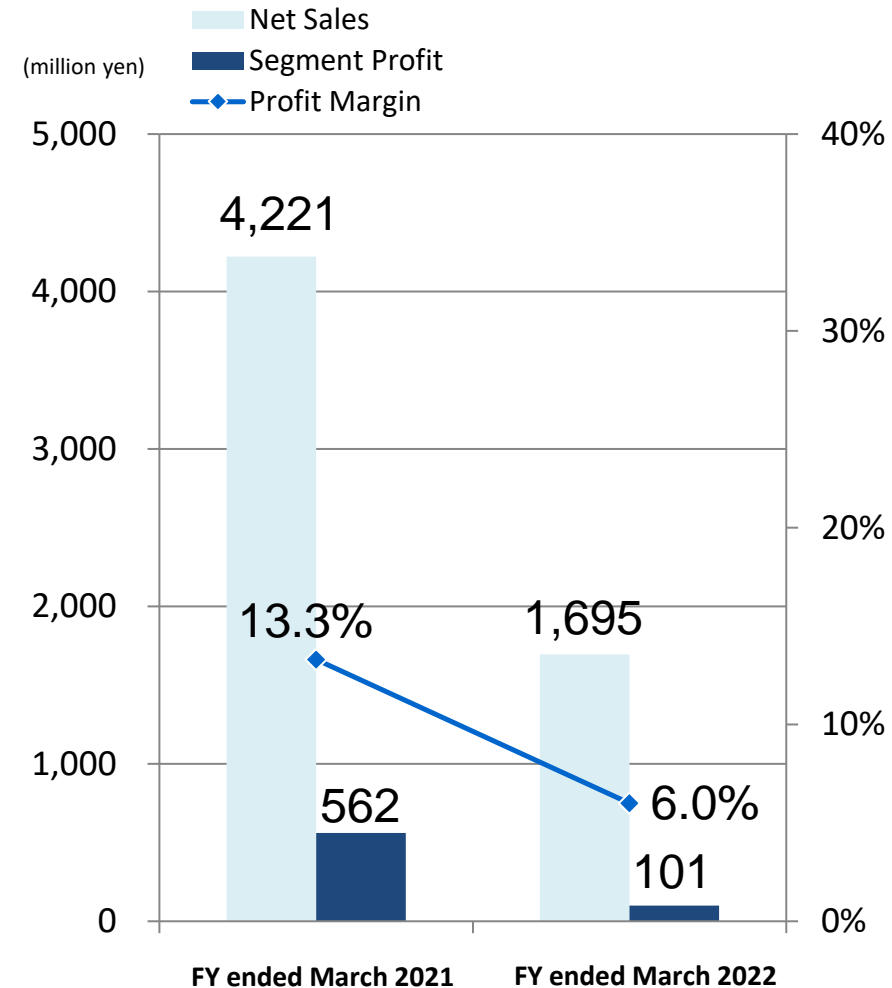
<Construction Business>

- Profit increased due to the performance of Communication Development Inc., whose shares were acquired through M&A in the previous fiscal year. Profit margin also improved.

<Overseas Development Business>

- Both sales and profits declined due to the previous year's rebound from the high-rise condominium project in Da Nang, Viet Nam (Net sales: 2.57 billion yen, Profit: 0.62 billion yen).

(Unit: million yen)	FY ended Mar 2021	FY ended Mar 2022	Increase/Decrease
Net Sales	4,221	1,695	-59.8%
Segment Profit	562	101	-81.9%
Profit Margin	13.3%	6.0%	-7.3%pt



Earnings Forecast and Growth Strategy

Business Environment Awareness

1. In the global economy, the situation in Ukraine, China's Zero-COVID-19 Policy, and monetary tightening weigh on the economy.

- ◆ Rising food and energy prices are accelerating inflation due to the situation in Ukraine.
- ◆ Interest rates will rise due to the quantitative monetary tightening by raising interest rates and absorbing funds in Europe and the United States to counter inflation.

2. The Japanese economy is being affected by the Russia-Ukraine crisis while the economic recovery within coexisting with COVID-19 is being pursued.

- ◆ The Bank of Japan continues to ease its monetary policy despite signs of rising prices such as energy prices.
- ◆ The depreciation of yen is progressing. This is due to the worsening trade balance caused by high crude oil prices, rising distribution prices, and the widening of the interest rate differentials between Japan and other countries in Europe and the United States.

3. In the central Tokyo office market, needs diversify due to the spread of hybrid work styles within coexisting with COVID-19.

- ◆ Although the average vacancy rate for central Tokyo offices has been flat and the average rent has continued to decline, demand has been improving in some areas.
- ◆ Investors' demand for real estate has been strong, but we need to pay attention to the outlook for interest rates as global monetary tightening is taking place.

4. In the hotel and tourism market, coexisting with COVID-19 has brought back the movement of people. Travel demand is recovering.

- ◆ In the tourism market, hotel occupancy rates rose as domestic travel recovered. Inbound travel recovery is yet to come.
- ◆ There is also a strong willingness to invest in hotels mainly by overseas investors. This is to recover the future travel demand.

Forecast for the Fiscal Year ending March 31, 2023

(Unit: million yen)	FY ended March 2022	FY ending March 2023 Forecast	Increase/ Decrease
Net sales	71,251	84,000	+17.9%
(1) Real Estate Revitalization Business	55,958	56,700	+1.3%
Replanning	53,834	54,700	+1.6%
Rental buildings	2,124	2,000	-5.8%
(2) Real Estate Service Business	7,154	7,300	+2.0%
(3) Hotel and Tourism Business	6,911	18,600	+169.1%
(4) Others	1,695	1,900	+12.1%
Adjustments	-467	-500	-
Gross profit	19,344	22,000	+13.7%
(1) Real Estate Revitalization Business	17,053	16,000	-6.2%
Replanning	16,517	15,500	-6.2%
Rental buildings	535	500	-6.5%
(2) Real Estate Service Business	3,822	3,900	+2.0%
(3) Hotel and Tourism Business	-1,503	1,800	-
(4) Others	171	300	+75.4%
Adjustments	-199	0	-
Selling General and Administrative Expenses	7,216	8,700	+20.6%
Operating profit	12,127	13,300	+9.7%
Ordinary profit	12,215	12,800	+4.8%
Profit	7,415	8,300	+11.9%
EPS (Earnings per share)	152.26 yen	170.44 yen	+11.9%

Key Points in Earnings Forecast

<Real Estate Revitalization Business>

- Sales and profits are almost unchanged from the previous fiscal year. The purchased properties accumulated toward the end of FY2021 are being developed for sale in or after the next fiscal year.

<Hotel and Tourism Business>

- Plan to sell hotel properties and expect profit growth.
- Hotel operations expect occupancy rates to improve as demand for accommodation recovers.

<SG & A expenses>

- Expect an increase in SG & A expenses based on investment plans of growth strategy including human resources, DX and marketing.

Dividend Forecast for the Fiscal Year ending March 2023



Following our basic policy for profit sharing, we are working to benefit our shareholders comprehensively. In this fiscal year, we have to seek business growth to achieve our financial target while coexisting with COVID-19 and keeping a close attention to rising interest rates. At the same time, in order to meet the expectations of shareholders who support us while securing internal reserves to maintain financial stability, we are going to maintain the year-end dividend of 23.0 yen per share. We expect an interim dividend of 23.0 yen and a year-end dividend of 23.0 yen, for a total of 46.0 yen.

Basic Policy for Profit Sharing

- 1) Strive to provide long-term and stable shareholder return
- 2) Secure investment funds for future growth
- 3) Maintain the stability of financial base

We are working to contribute to the overall benefit of our shareholders.

	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ending March 2023 (Forecast)
Earnings per Share	219.03 yen	87.77 yen	152.26 yen	170.44 yen
Dividend per Share	42.00 yen	42.00 yen	44.00 yen	46.00 yen
Dividend Payout Ratio	19.2%	47.9%	28.9%	27.0%

Medium-term Management Plan

Basic Policy and Growth Strategy in Medium-term Management Plan

Basic policy

Providing "a place where people gather and communicate with each other, and create social development and happiness for people"

Growth strategy

Office

Deepen and expand the Office Business

Hotel

Create a Services that go beyond satisfaction and excitement with a sharp concept

Overseas

Expand housing-related business in Viet Nam

M&A

Invest in peripheral businesses to expand the current business and invest in start-ups in growth fields

Key Points

ESG

Digital

Cash flow

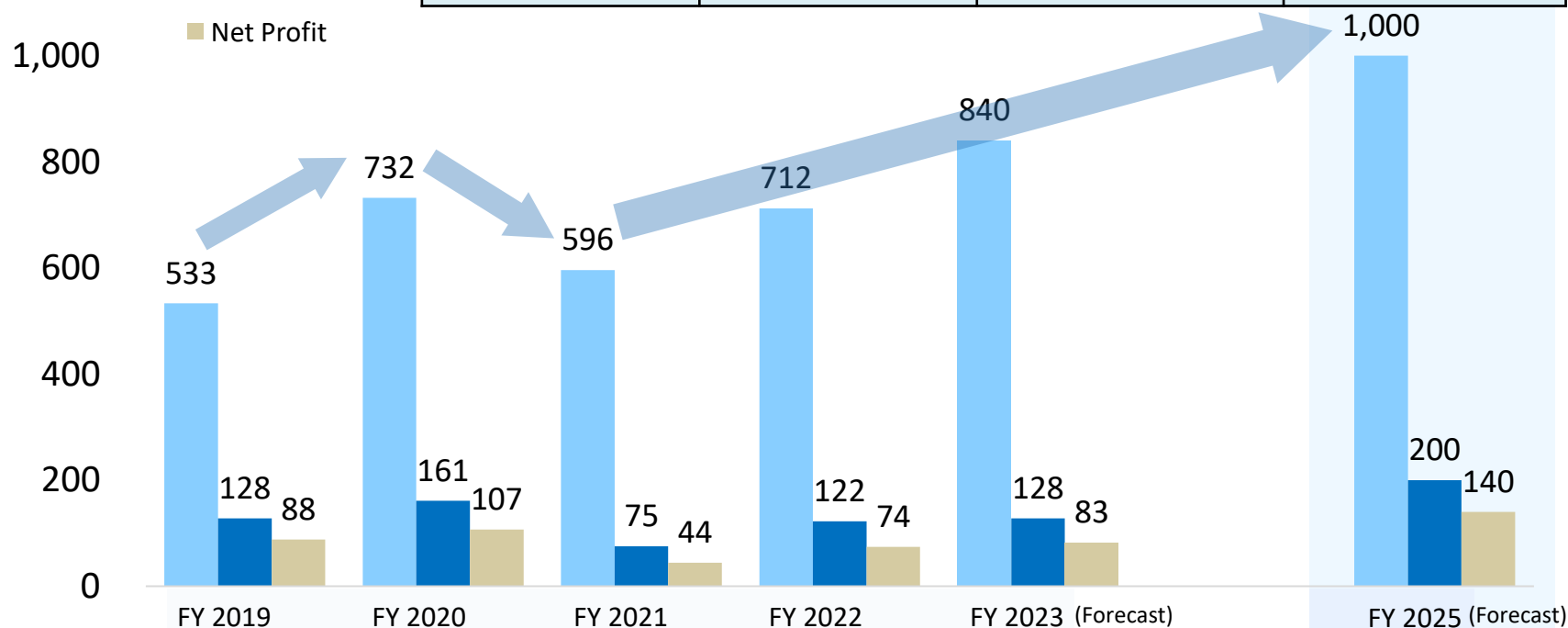
Marketing

Medium-term Management Plan

	FY ended March 2022 Results	FY ending March 2023 Forecast	FY ending March 2025 Target
Net sales	71.2 billion yen	84 billion yen	100 billion yen
Ordinary profit	12.2 billion yen	12.8 billion yen	20 billion yen
Net Profit	7.4 billion yen	8.3 billion yen	14 billion yen
Ordinary profit margin	17.1%	15.2%	20%
Equity ratio	52.2%	50% level	50% level
ROE	10.8%	10% or more	10% or more

(100 million yen)

■ Net Sales
■ Ordinary Profit
■ Net Profit



Medium-term Investment Plan (FY ended March 2022 – FY ending March 2025)

Office Business

Balance at the end of March 2021	72.8 billion yen
Investment amount	200 billion yen
Amount collected	182.8 billion yen
Balance at the end of March 2025	90 billion yen

Plan procurement and development to achieve business growth while recovering investments at a constant turnover rate.

Refocus on purchasing properties while holding back during the confusion caused by the pandemic of COVID-19.

Make sound investments in short-term, medium- to long-term, and new construction development.

Hotel Business

Balance at the end of March 2021	21.8 billion yen
Investment amount	7 billion yen
Amount collected	5.8 billion yen
Balance at the end of March 2025	23 billion yen

Complete the hotels under construction. Aim to achieve profitability in operating existing hotels. Collect funds through the sale of land and buildings, operating them effectively.

Planned hotel completed. Sell, collect, and reinvest.

Overseas Business

Balance at the end of March 2021	0.6 billion yen
Investment amount	8 billion yen
Amount collected	2.5 billion yen
Balance at the end of March 2025	6.1 billion yen

Continuously and systematically invest in condominium development projects for the future.

Land acquisition procedure is in progress for the next development projects.

Digitalization 3 billion yen

Continue to actively invest in data-driven management

Building database
Developing drone image analysis AI

M&A 5 billion yen

Systematically invest in peripheral businesses and growth areas to expand existing businesses

Diversification and customer expansion to create business synergies



Generate free cash flow

Ensuring positive free cash flow through systematic investment and recovery

Business Progress and New Initiatives

Replanning Business Create High Added Value and Contribute to Business Growth

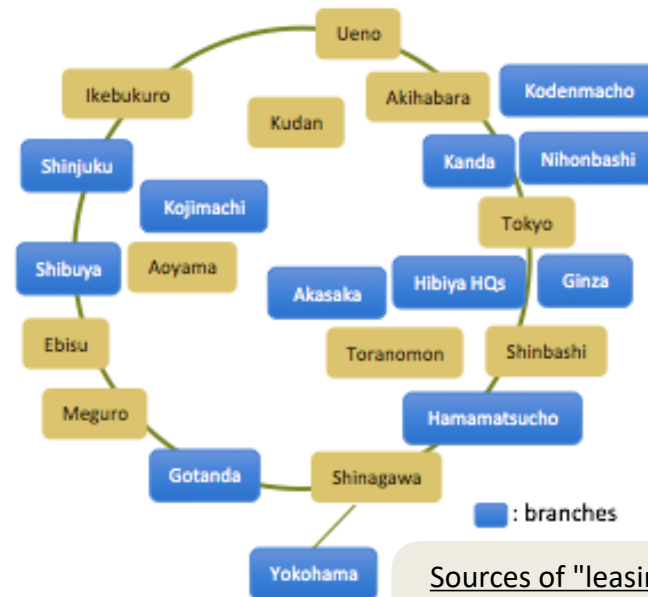


The sale of four buildings, which we have worked on over the mid- to long-term, contributed to our business performance.

Purchased five new mid- to long-term buildings for the future.

"Creativity," which has captured the new needs for the pandemic of COVID-19, offers replanning to a high added value building.

Even in the pandemic of COVID-19, we take advantage of "leasing power" to sell our properties as high-occupancy and high-profit buildings.



Sources of "leasing power"
Local branch network to flexibly respond to clients' problems

Completed New Office Buildings

Completed new buildings of "+ SHIFT", a refined brand that transcends conventional concepts and seeks a rich work style for a new era

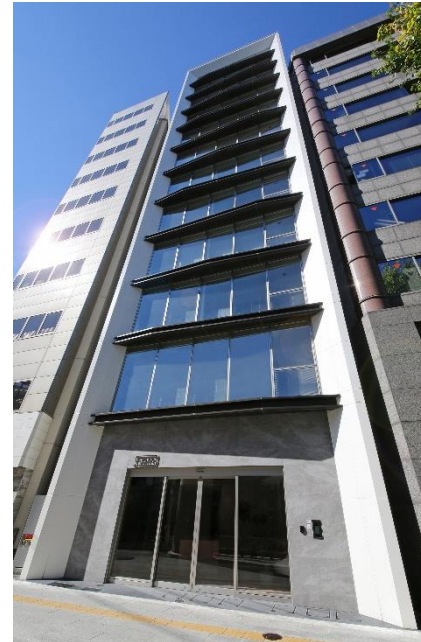


"+ SHIFT NOGIZAKA" opened in April 2021.



8-11-26 Akasaka, Minato-ku, Tokyo
1-minute walk from Nogizaka Station on Tokyo Metro Chiyoda Line
13-story building with a total floor area of 1,308.40 square meters

"+ SHIFT KANDA" opened in August 2021.



4-7 Kandaiwamoto-cho, Chiyoda-ku, Tokyo
2-minute walk from Iwamoto-cho Station on Toei Subway Shinjuku Line
8 floors above ground and 1 basement floor building with a total floor area of 1,045.67 square meters

Strengthen Initiatives for Small-lot Real Estate Property

Sell a nursery school, a medical and educational mall that contribute to the lives of local communities as small-lot products.



Thanks for the sale

No. 3 Setagaya Ward New Authorized Nursery School

5-52-11 Matsubara, Setagaya-ku, Tokyo
 5-minute walk from Higashi-matsubara Station on Keio Inokashira Line
 8-minute walk from Meidaimae Station on Keio Line and Keio Inokashira Line
 3-story building with a total floor area of 524.86 square meters

Attractive as an ESG investment that contributes to solving the shortage of authorized nursery school

Contributing to the development of Setagaya Ward, an easy-to-care town



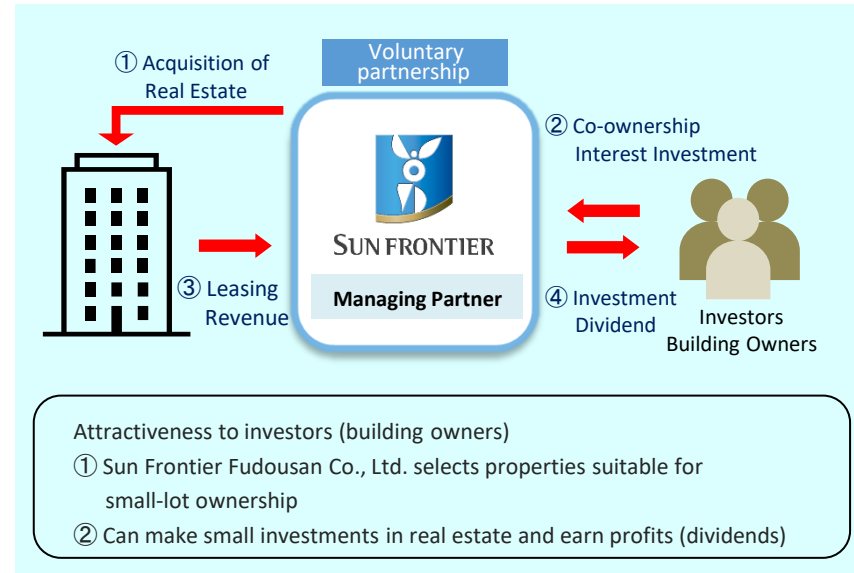
Now on sale

No. 4 Ota Ward New Medical and Educational Mall

2-28-4 Kitamagome, Ota-ku, Tokyo
 2-minute walk from Magome Station on Toei Subway Asakusa Line
 3-story building with a total floor area of 1,327.25 square meters

A new mall with the theme of "medical care and education" in which after-school childcare, English conversation school, etc. enter as tenants, centered on a drugstore with a large medical corporation and a dispensing pharmacy that has strengths in hemodialysis.

◆ Business model for small-lot real estate products



◆ Ability to design defferentiated products to be selected

Appeal points reflecting clients' needs in line with market conditions

Stable income from long-term fixed lease tenants

Newly-built properties that are safe for long-term ownership

Reliable tenants who contribute to the community

We are also promoting the fifth commercialization project!

Opening New Stores and Expanding Floor Space to Meet Customer Needs



Developing various services to meet the needs of Coexist with COVID-19 and post COVID-19.
Fully compatible with web conferencing and online distribution as work styles change and diversify.

August 18, 2021

Vision Center Nishi Shinjuku Opened

On January 14, 2022, floor space in the building increased.
Due to popular demand, the floor space will be expanded again in May 2022.

5-minute walk from the south exit and west exit of JR Shinjuku Station, and 1-minute walk from Exit 7 of the underground passage of Shinjuku Station on Tokyo Metro and Toei Subway

Great access not only from Tokyo but also from other regions.
Total 7 rooms / 24 to 288 seats



1-22-2 Nishi Shinjuku, Shinjuku-ku, Tokyo 160-0023
Shinjuku Sanei Building, 1st, 2nd and 7th floors
(Reception: 1st floor)
<https://www.visioncenter.jp/nishishinjuku/>

January 14, 2022

Vision Center Tamachi Opened with Additional Floor Space

2-minute walk from JR Tamachi Station
1-minute walk from Toei Subway Mita Station

Convenient location with easy access to Shinkansen and airport
Total 26 rooms / 8 to 360 seats



5-31-19 Shiba, Minato-ku, Tokyo 108-0014
Round Cross Tamachi, 2nd and 4th floors
(Reception: 4th floor)
<https://www.visioncenter.jp/tamachi/>

February 25, 2022

Vision Center Yokohama Expanded and Opened

5-minute walk from JR Tokaido Line/Keihin Tohoku Line/Yokosuka Line/Sagami Railway Main Line Yokohama Station (West Exit)

Great access not only from Tokyo but also from other regions.
Total 15 rooms / 6 to 245 seats

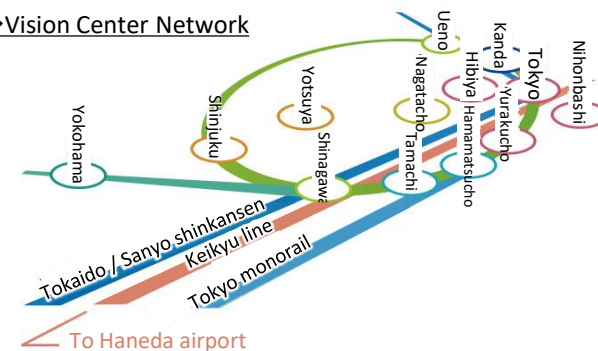


2-5-15 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa 160-0023
Premier Yokohama Nishiguchi Building, 3rd and 4th floors
(Reception: 3rd floor)
<https://www.visioncenter.jp/yokohama/>

- Hourly rental Vision Center: 9 sites
- Weekly / monthly rental Order Made Space: 6 sites
- Monthly rental offices (Vision Works, Vision Office): 4 sites

Total of 19 sites in operation

◆ Vision Center Network



Four New Hotels Completed as Planned

June 2021
OPEN

HIYORI Chapter Kyoto Tribute Portfolio Hotel



341 Shimizu-cho, Kawaramachi-dori Nijo-agaru, Nakagyo-ku, Kyoto-shi, Kyoto

4-minute walk from Kyoto Municipal Subway Tozai Line Kyoto Shiyakusho Station

Total 203 guest rooms

June 2021
OPEN

Tabi no Hotel Lit Miyakojima



596 Hirara Nishizato, Miyakojima, Okinawa

About 14 minutes from Miyako Airport by car

4-minute walk from Nishisatodori Iriguchi.

Total 111 guest rooms

July 2021
OPEN

Tabi no Hotel Lit Matsumoto



1-4-5 Fukushi, Matsumoto-shi, Nagano

4-minute walk from Ojoguchi Exit of Matsumoto Station by train

1-minute walk from Matsumoto Bus Terminal by bus

11 minutes from Nagano Expressway Matsumoto Interchange by car
Total 176 guest rooms

Completed in February 2022
Pre-opening scheduled for June 2022

Shijo Kawaramachi Onsen Sora Niwa Terrace Kyoto / Bettei Kamogawa



324 Inari-cho, Kawaramachi-dori Shijo-sagaru 2-chome, Shimogyo-ku, Kyoto-shi, Kyoto
1-minute walk from Hankyu Dentetsu Kyoto Kawaramachi Station
Sora Niwa Terrace Kyoto 102 rooms / Bettei Kamogawa 32 rooms



"Bettei Kamogawa" Delux Twin



"Sora Niwa Terrace Kyoto" Double Room



Rooftop "Sora Niwa Terrace" with a panoramic view of Higashiyama

Highly convenient for both business and leisure

We will strengthen the development of "Tabino Hotel" series.



Tabino Hotel Sado



Tabino Hotel Hida-Takayama



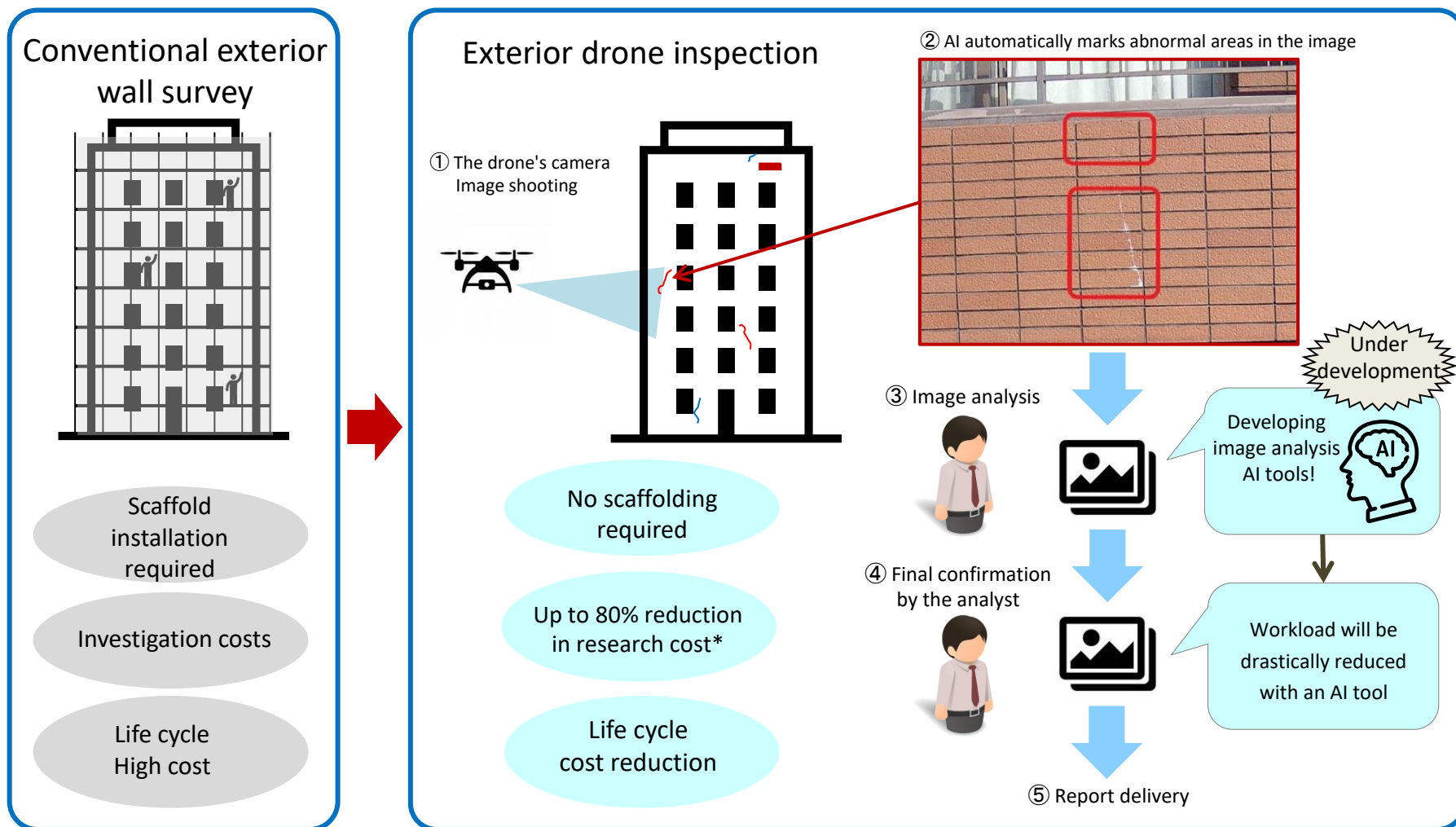
Tabino Hotel Kashima



Tabino Hotel Kurashiki Mizushima

Promote DX of Building Exterior Wall Survey

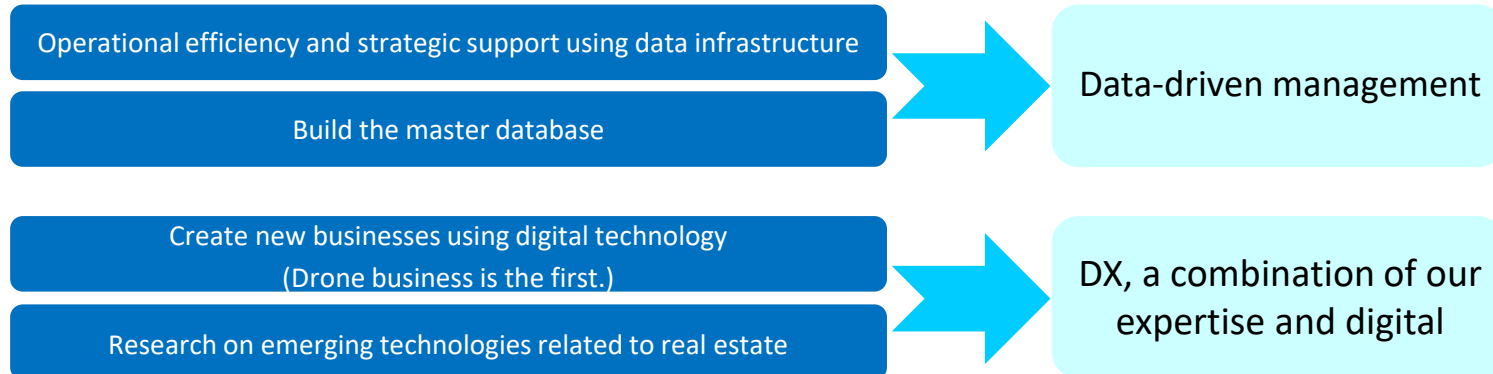
Implementing drone surveys of exterior walls. Greatly reduced survey time.



* Comparison with Consultative Survey

Strengthen DX and Marketing

Accelerate aggressive investment in DX, support operational efficiency and strategy, and create business



* Emerging technologies: local 5G, metaverse / NFT, STO / blockchain, BCP-DX, etc.

Strengthen marketing and enhance the social recognition and value of the corporate brand



Contribute to solving social issues through sustainable growth by raising awareness and expanding the customer base

Corporate Philosophy and Sustainability

Ideal System




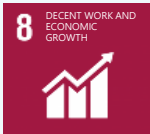





Company policy	Altruism
Management principle	We contribute to the prosperity of humankind and society with the aim of protecting all employees and pursuing both material and spiritual happiness in a spirit of coexistence.
Corporate philosophy	We improve our knowledge, skills, and personality with enthusiasm through our work. By concentrating on utilizing and distributing real estate stocks, we reduce the waste of non-renewable resources. That leads to the lasting prosperity of humankind and flora and fauna on the earth.
Vision	We aim to be the real estate company of the world's most loved and selected by clients as a professional in real estate utilization!
Major policy	Pursue trust, not profit. Change yourself, solve problems in clients' point of view, and exceed expectations!

Sustainability

Sustainability Vision

We will contribute to the realization of a sustainable society through business activities while respecting the heart of altruism, the Company policy.

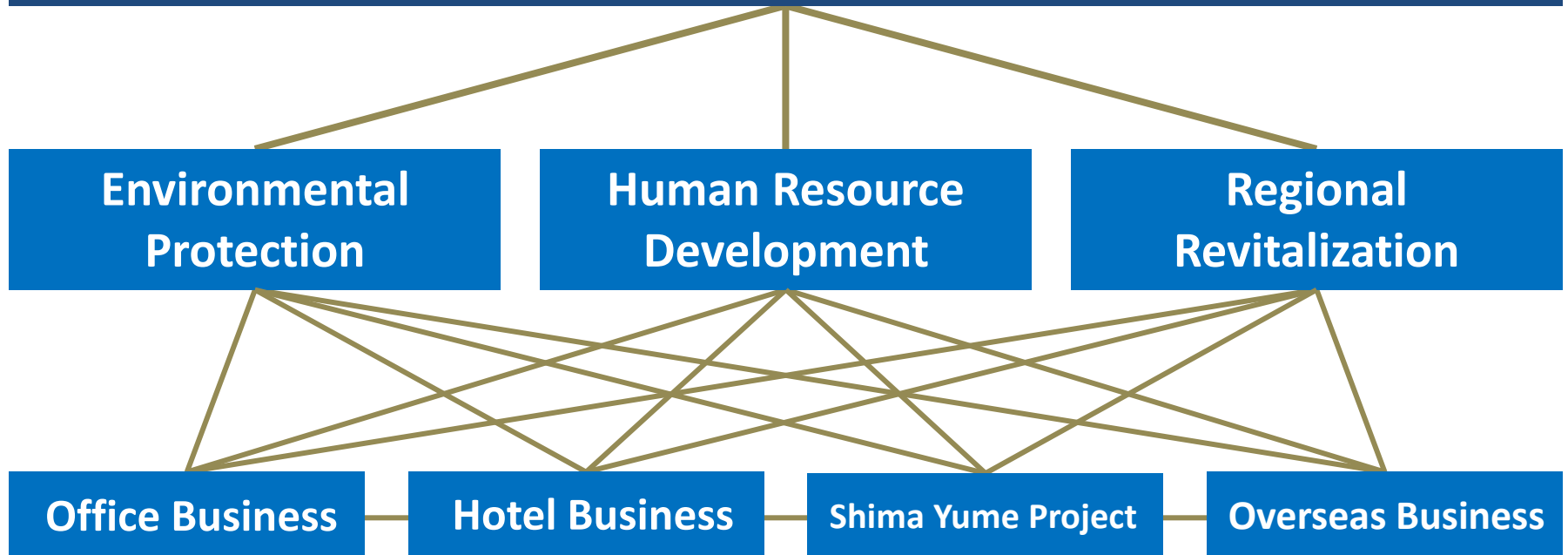
Materiality (Important Issues)

Important issues	Vision	Policy	Mainly relevant SDGs
Environmental protection	Increase environmental sustainability by significantly reducing waste and greenhouse gas emissions, as a frontier of Real Estate Revitalization Business	<ul style="list-style-type: none"> ■ Extend the life and health of real estate ■ Energy conservation and reduction of environmental impact by Real Estate Revitalization Business ■ Expanded use of renewable energy 	  
Regional revitalization	Create sustainable growth of regional economies through offices, hotels, and tourism, as a frontier for sustainable regional revitalization	<ul style="list-style-type: none"> ■ Create buildings, offices, and spaces with “job satisfaction” and “creativity” that contribute to economic growth ■ Prevent and mitigate disaster through regional cooperation ■ Solve regional issues through community activation and creation 	  
Human resource development	Spread the concept of "altruism" that is indispensable for realizing a sustainable society, as a frontier of philosophy management	<ul style="list-style-type: none"> ■ Create workplaces with job satisfaction, creativity and growth opportunities ■ Respect and utilize diversity ■ Disseminate information on philosophy management to foster next-generation managers 	  

Business area

Contribute to solving social issues through real estate utilization, the core business

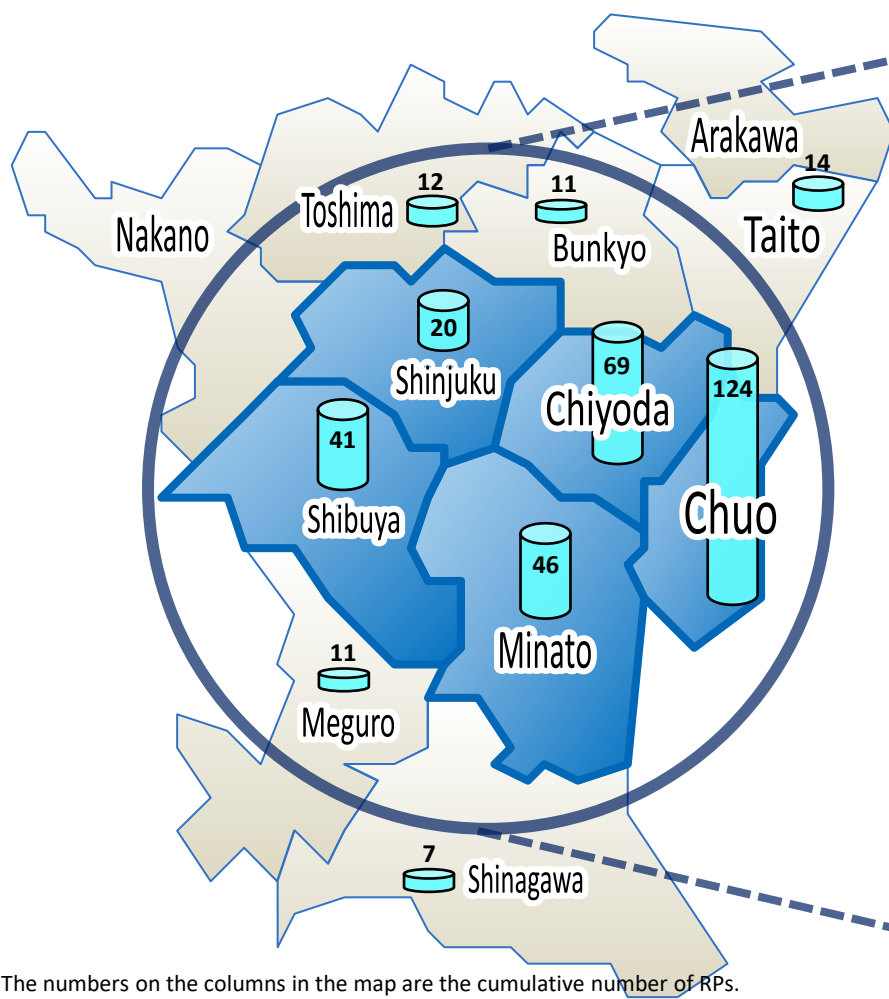
Realization of A Sustainable Society



Business Model

Strategy in Office Business

Provide services to solve every problem in clients, mainly in the five cities of central Tokyo.

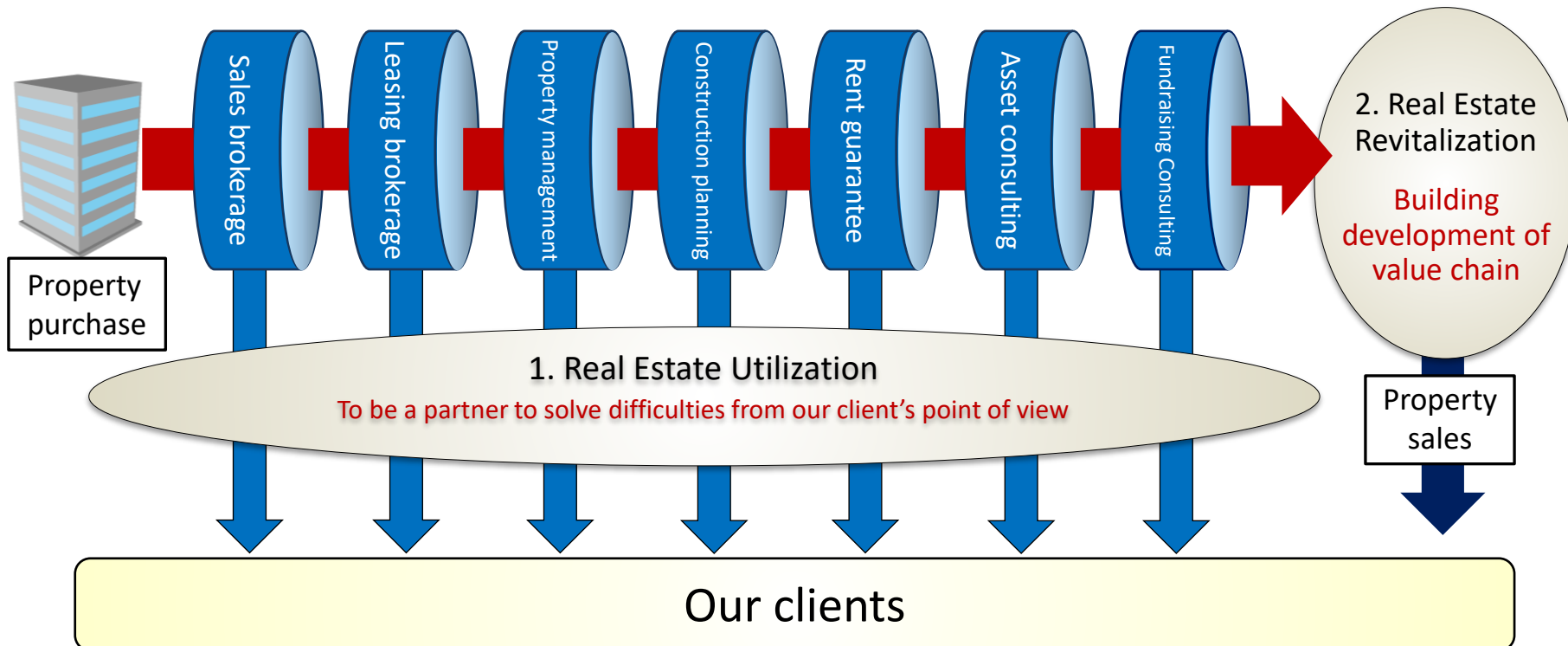


R P	Of the total number of RPs over 440 properties, 80% are located in the five wards of central Tokyo and adjacent wards. *As of the end of March 2022
Leasing Brokerage	A community-based network ten branches Ginza, Kanda, Nihonbashi, Kodemmacho, Kojimachi, Shinjuku, Shibuya, Gotanda, Hamamatsucho, Yokohama
P M	More than 80% of the 421 entrusted properties are located in the five cities of central Tokyo. *As of the end of March 2022
B M	Of the 203 buildings under comprehensive management, 85% are located in the five cities of central Tokyo. *As of the end of March 2022
Rent Guarantee	Of the 652 new contracts signed, 90% are in the five wards of central Tokyo. *Results for FY 2022
Rental Conference Room	18 of the 19 sites are located in the five cities of central Tokyo. *As of the end of March 2022/One site in Yokohama

* The numbers on the columns in the map are the cumulative number of RPs.

Strengths in Office Business

Solve various problems by in-house manufacturing from purchase to development, occupancy, sales and support, and by understanding our clients' intentions in detail.



1. Real estate utilization: Get close to our clients at the site and solve problems. Capture the source of added value from clients' voices.
2. Real estate revitalization: Reflect our expertise to increase asset value and the needs we have identified in revitalized buildings to increase their value and sell them.

Business Model for Replanning Business

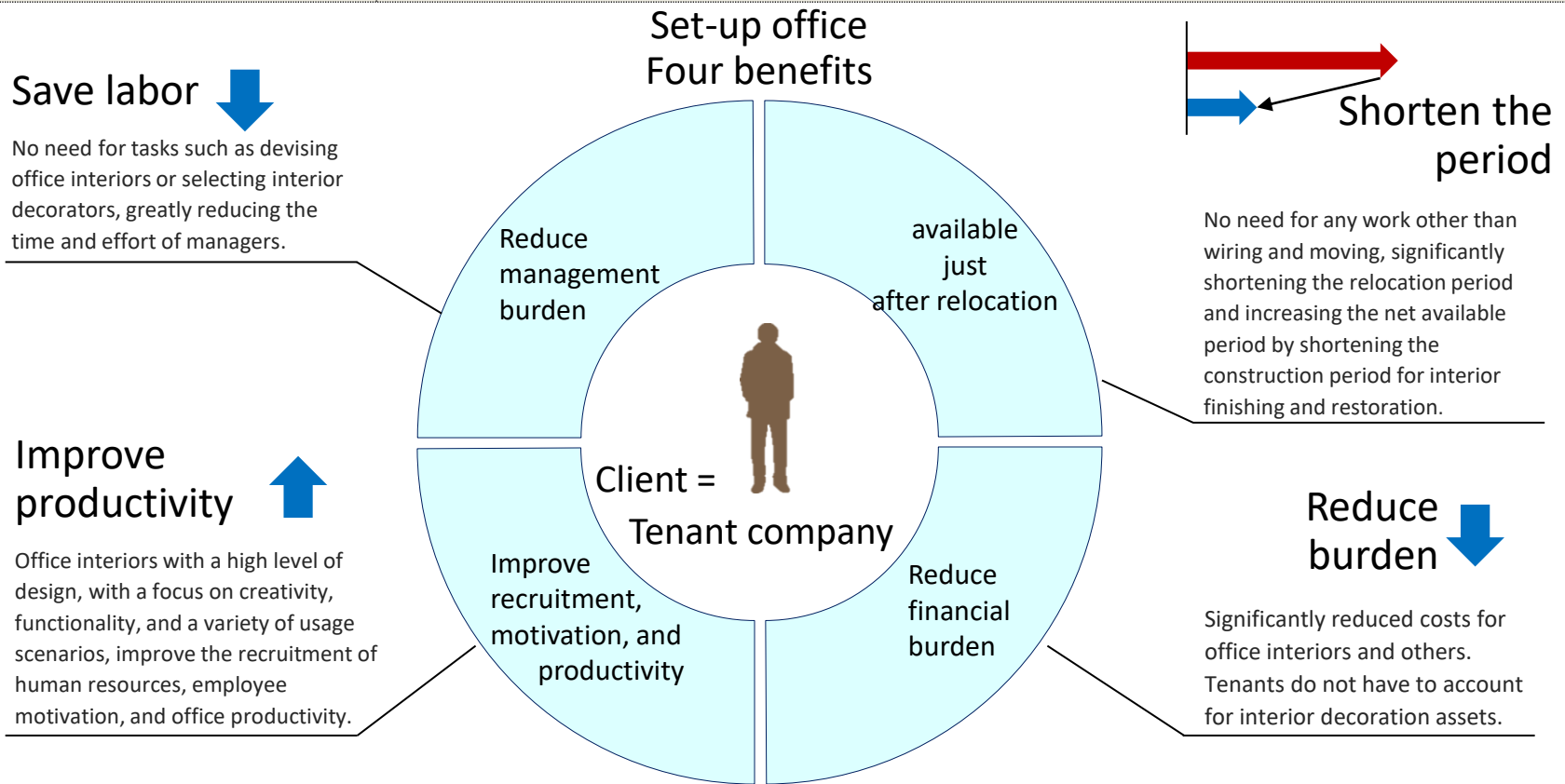
Renovate those office buildings with declining occupancy rates and in need of large-scale repairs into high-value-added real estate that is sought after by society through the renovation from the “clients’ point of view.”



Accelerate the Growth of Tenant Companies

Set-up offices focusing on the clients' point of view accelerate business growth.

Set-up office
 An office that differs from the interior of a normal rental office in that it has a reception area, reception room, and other facilities, as well as highly design-oriented interior construction in the office area, with some facilities and fixtures already installed.



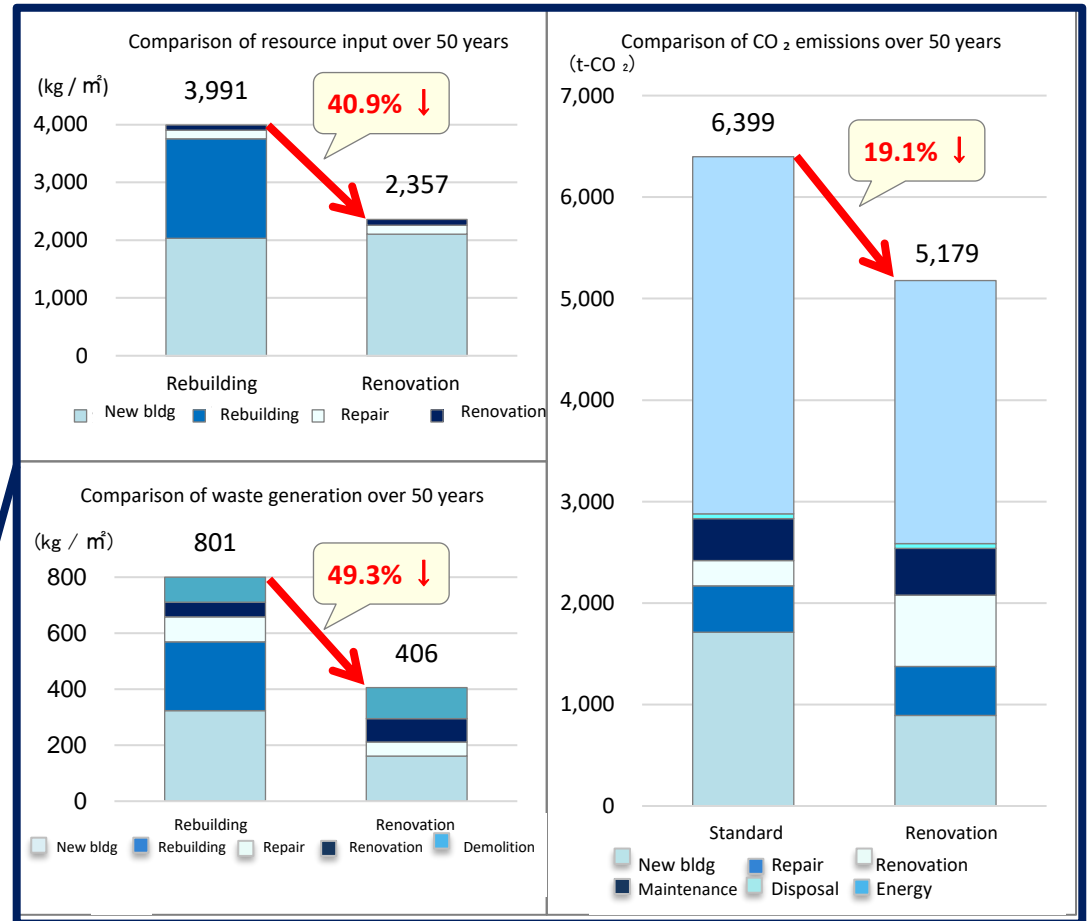
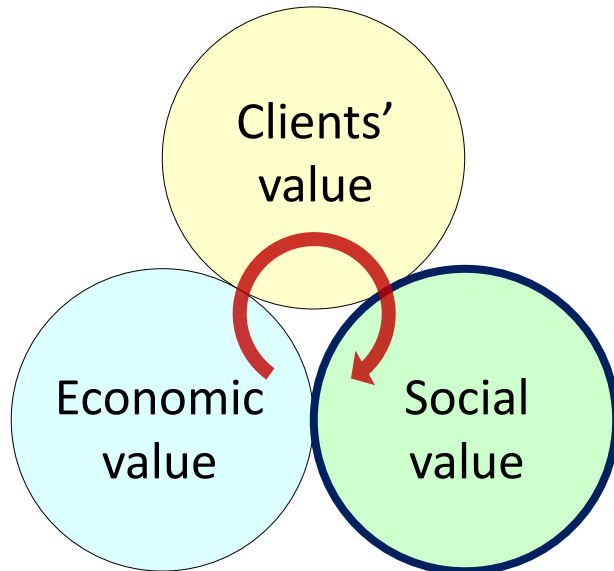
Create both Customer Value and Social Value

Contribute to the resolution of social issues through contributions to our clients' businesses.

Contribute to the business growth of building owners and tenant companies through Replanning Business.

II

Reduce the waste of non-reproducible resources and contribute to the prosperity of humankind, plants and animals on the earth.



<Assumptions and rationale> Assuming a 30-year-old office building of approximately 3,000 square meters, the environmental contribution over a 50-year period (the service life of SRC office buildings) was estimated based on the Architectural Institute of Japan's LCA Tool (*).

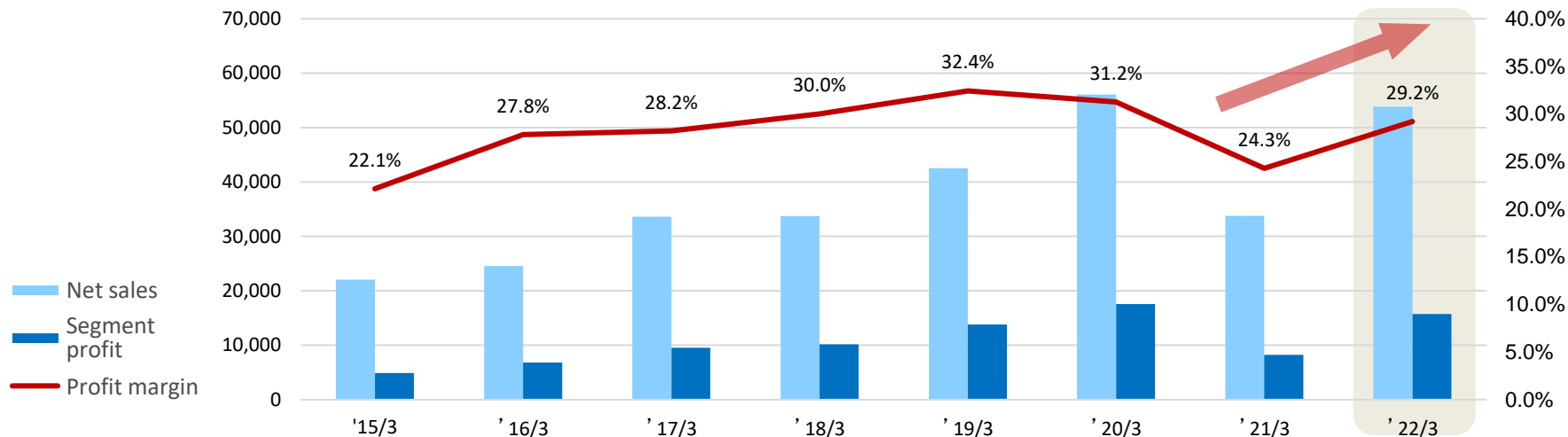
• Rebuilding: "In the case of rebuilding every 35 years" • Renovation: "Regeneration without destroying old buildings (long-life buildings)" • Standard: "Assuming a 30-year-old unrenovated building"

*Architectural I "LCA Tool for Buildings Ver5.0 - Evaluation Tool for Global Warming, Resource Consumption and Waste Management", estimated with the cooperation of Engineering Research Institute of Japan.

Continue High Profitability in Office Building Business

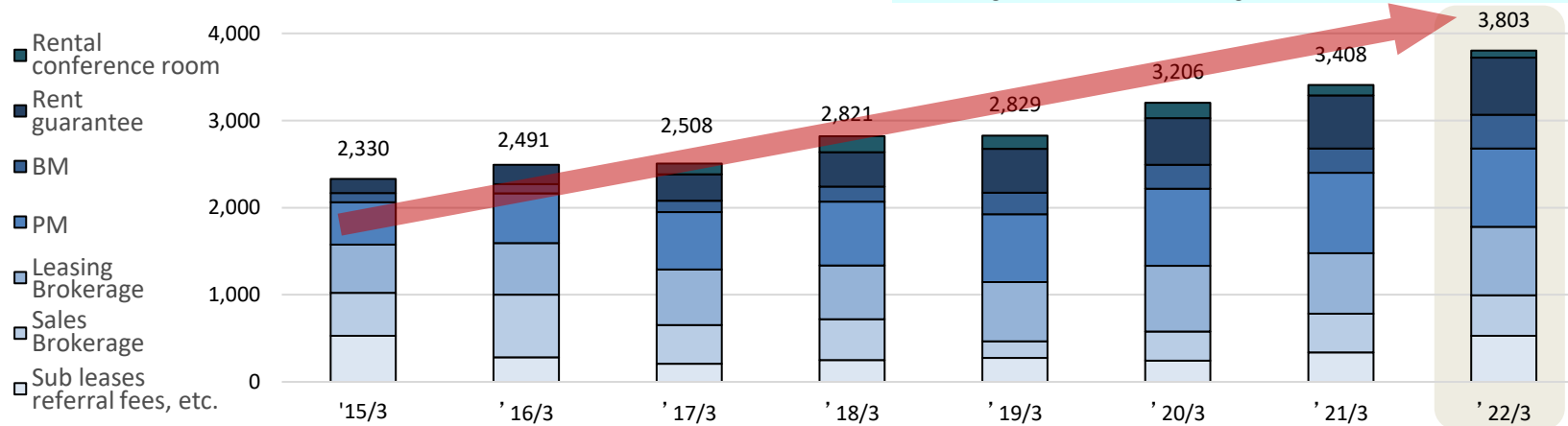
● Replanning Business maintains high segment profit margin

Despite the impact of market conditions, the Replanning Business maintains a high profit margin and have the ability to recover and continue to grow.



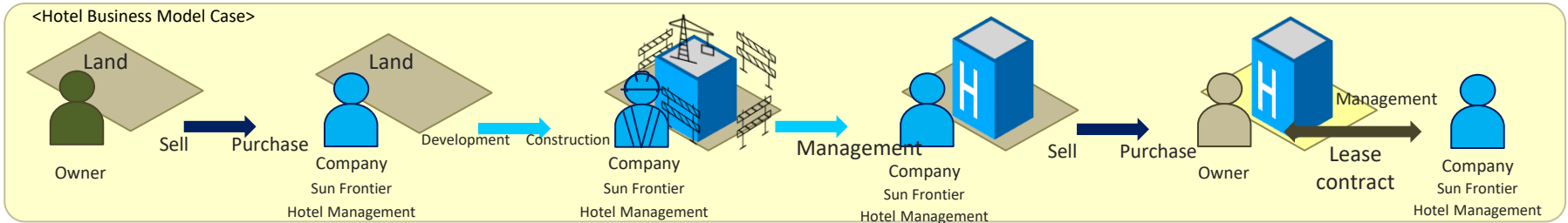
● Real Estate Service Business continues to grow steadily

In addition to Sales Brokerage, Leasing Brokerage, and PM, the Company has added BM, Rent Guarantee, and Rental Conference Room to its services, steadily increasing its stock business earnings.

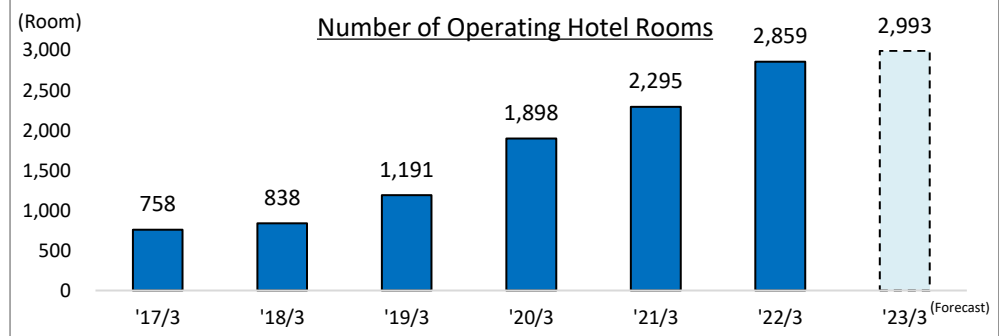


Business Models for Hotel Business Growth

Increase added value by developing and acquiring some properties in addition to operating revenues, and aim for growth through synergies with sales revenues.



Hotel name and location	Number of rooms	Acquisition and opening		Status
Spring Sunny H Nagoya Tokoname Station	194	2016.4	Acquired	Own
4 Sky Heart Hotels (excluding Shimonoseki)	564	2016.12	Acquired	Lending and leasing
Hiyori Hotel Maihama	80	2017.4	Newly constructed	Sold leaseback
Sado Resort Hotel Azuma	57	2018.4	Acquired	Own
Tabino Hotel Hida Takayama	80	2018.5	Newly constructed	Own (leased)
Sky Heart Hotel Shimonoseki	105	2018.6	Acquired	Own
Tabino Hotel Sado	111	2018.7	Newly constructed	Lending and leasing
Hiyori Hotel Osaka Namba Station	224	2019.5	Newly constructed	Lending and leasing
Courtyard by Marriot Osaka Honmachi	193	2019.1	Newly constructed	Lending and leasing
Hiyori Hotel Tokyo Ginza EAST	135	2019.12	Newly constructed	Own
Tabino Hotel Kurashiki Mizushima	155	2020.2	Newly constructed	Lending and leasing
Tabino Hotel Kashima	194	2020.4	Newly constructed	Own (leased)
HIYORI Ocean Resort Okinawa	203	2021.2	Newly constructed	Sold leaseback*
Hotel Osado	74	2021.4	Acquired	Own
HIYORI Chapter Kyoto	203	2021.6	Newly constructed	Own (leased)
Tabi no Hotel Lit Miyakojima	111	2021.6	Newly constructed	Own
Tabi no Hotel Lit Matsumoto	176	2021.7	Newly constructed	Lending and leasing
Sora Niwa Terrace Kyoto / Bettei Kamogawa	134	2022.6	Newly constructed	Own

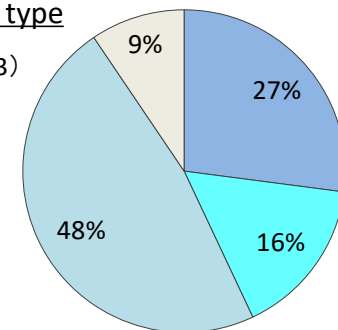


The company's model is to operate the hotel after development, sell it and lease it back, and 9% of the 2,993 hotel rooms have been achieved.

Percentage of hotel rooms by type

(Total number of hotel rooms: 2,993)

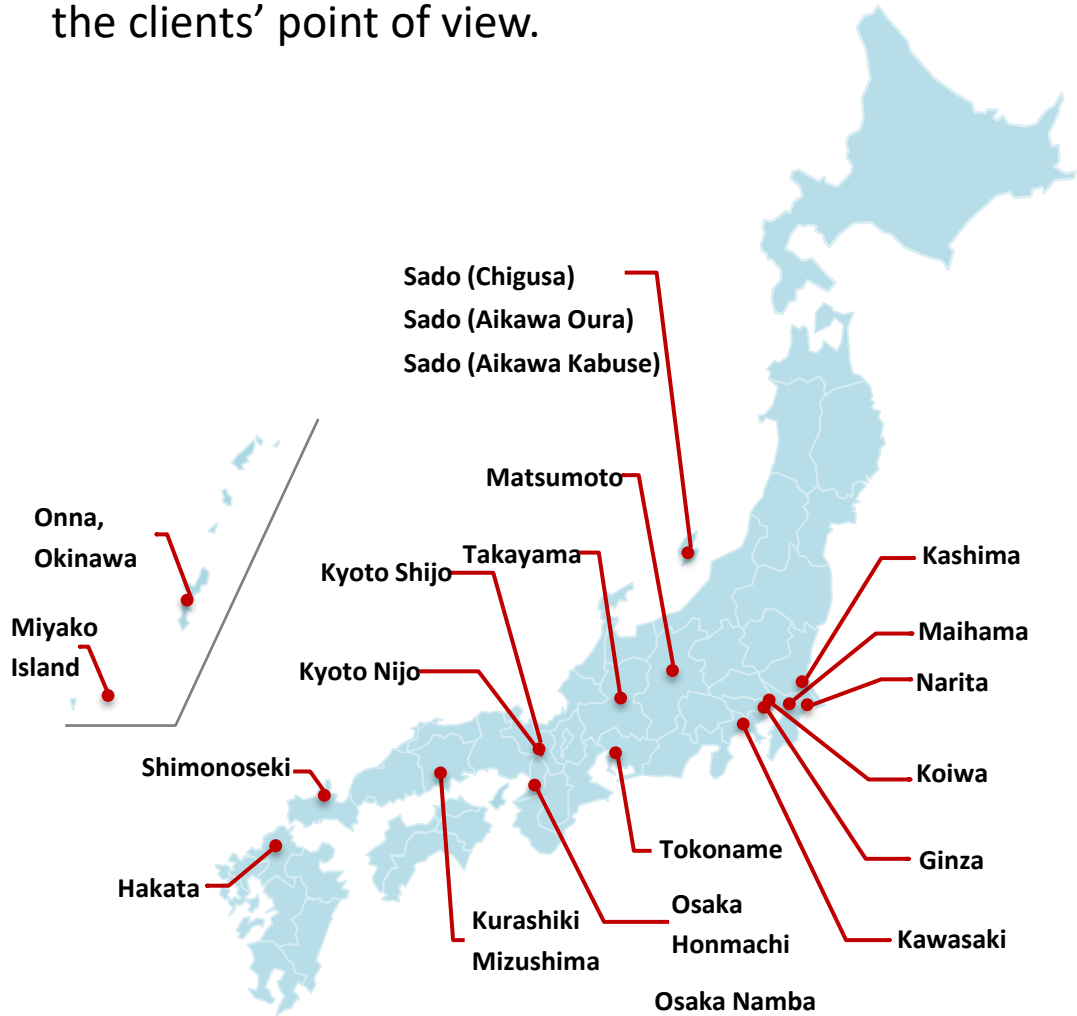
- Own
- Own (leased)
- Lending and leasing
- Sold leaseback



(As of May 2022)

Focus on Creating Enthusiastic Fans

Continue efforts to create enthusiastic fans by creating services that exceed expectations from the clients' point of view.



Brand development

Luxury Class
Shijo Kawaramachi Onsen Bettei Kamogawa
HIYORI OCEAN RESORT OKINAWA



HIYORI
HOTELS & RESORTS

Upper Class
Kasugazaki Onsen Hotel Osado
Sado Resort Hotel AZUMA
HIYORI Chapter Kyoto
Shijo Kawaramachi Onsen Soraniwa Terrace Kyoto
COURTYARD BY MARRIOTT Osaka Honmachi

Upper Middle Class
HIYORI Hotel Tokyo Ginza East
HIYORI Hotel Maihama
HIYORI Hotel HIYORI Hotel Osaka Namba Ekimae
Tabi no Hotel Lit Matsumoto
Tabi no Hotel Lit Miyakojima
Spring Sunny H Nagoya Tokoname Ekimae

Economy Class
DONDEN Highland Lodge Natural Resort Sado
Tabino Hotel Sado
Tabino Hotel Hida-Takayama
Tabino Hotel Kashima
Tabino Hotel Kurashiki Mizushima

Budget Class
SKY HEART Hotel Narita
SKY HEART Hotel Koiwa
SKY HEART Hotel Kawasaki
SKY HEART Hotel Hakata
SKY HEART Hotel Shimonoseki

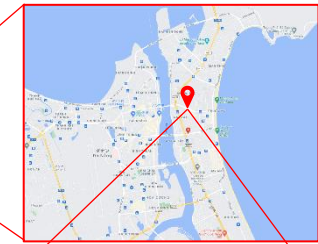
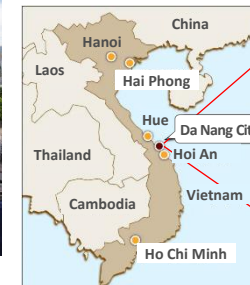
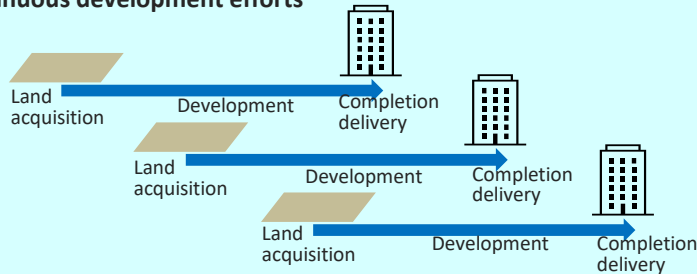
Business Model of Overseas Business

Contributing to the development of local communities by creating client's joy and happiness through the creation of new businesses.

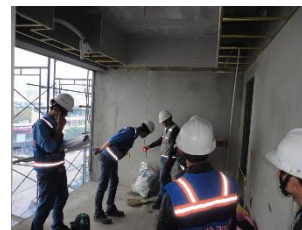
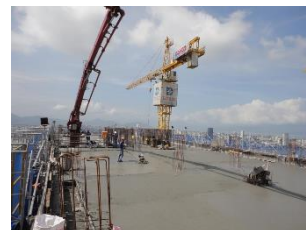
A total business that includes acquisition of land, development and construction, delivery after completion, and management and mediation.



Contribute to future performance through systematic and continuous development efforts



Rooted in the local community in Vietnam, we work together with local partners to ensure high construction quality, a safe, organized, and beautiful construction site.



Next project in progress!

Regional Revitalization Business “Island Dream Project” SUN FRONTIER

<We will energize Sado Island through tourism!>

When rural areas are energized, so Japan as a whole will be. As the number of visitors to Japan rapidly increases, spurred by fascination (culture, history, nature, food, hot spring, hospitality and others) that Japan is proud of, we will take on the challenge of regional revitalization projects that focus on the attractiveness and features unique to regions, in particular the regions that possess the “Wonderfulness of Japan.” With the addition of Osado in April 2021 and the Sado Outdoor Base in December 2021, the area will be further revitalized.



SADO OUTDOOR BASE
Sado Outdoor Base



• Tap room



• Cafe



• Item rental



• Rental bicycles

Sun Frontier Sado Inc.

Hotel Business

Tabino Hotel Sado



Hotel AZUMA



Transportation Infrastructure Project

Okesa Kanko Taxi



Kigaruni Rent a Car

New April 2021

Hotel Osado



Highlight Finding Project

Anaguchi-tei (Café & Restaurant)



Vacation Rental Le Blue Sado SAWANE



Tourism and Travel Business

Happy Sado Travel



DONDEN Highland Lodge



Video "The Sea of Clouds from the DONDEN Highland Lodge"

Web Advertising Business

Sado Biyori



New December 2021

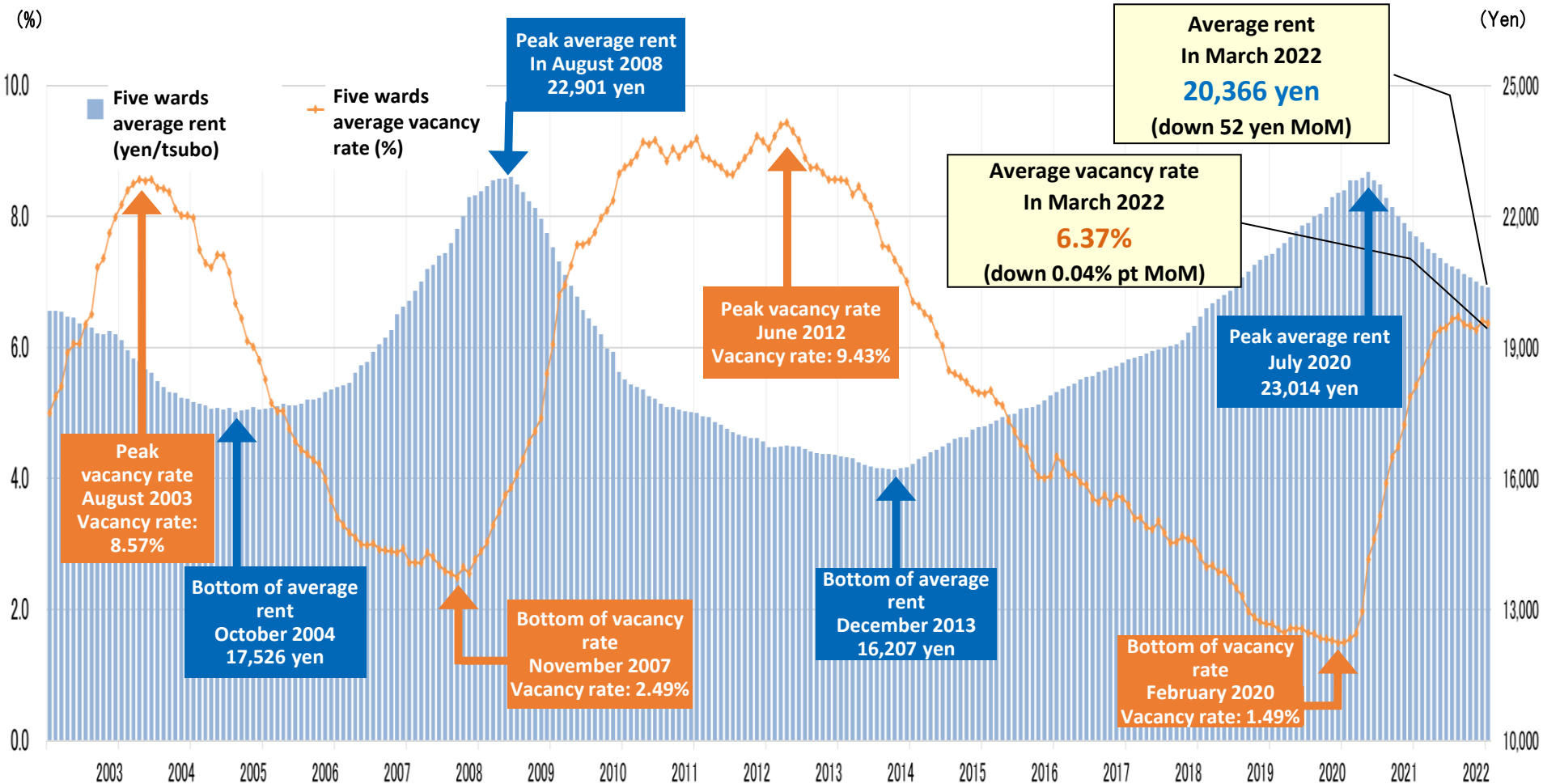
Sado Outdoor Base



Video "Adventure Island SADO"

Reference Materials

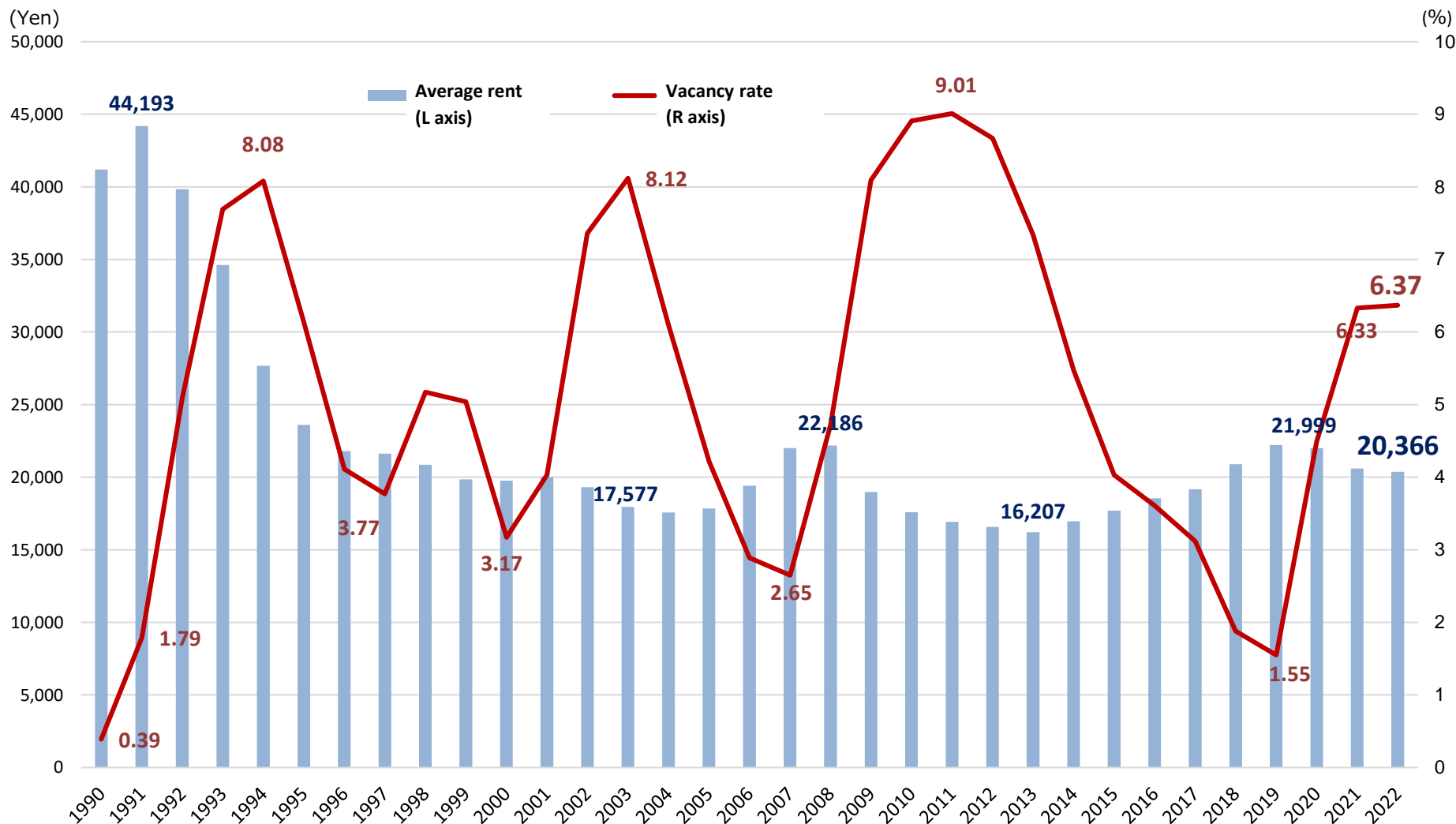
Trends in Office Vacancy Rates and Rents In Five Wards of Central Tokyo



* Source: Compiled by the Company based on Miki Shoji's "Office Report."

Office buildings with a standard floor area of 100 tsubo or more in five central cities of Tokyo are covered.

Long-term Trends in Office Vacancy Rate and Rent

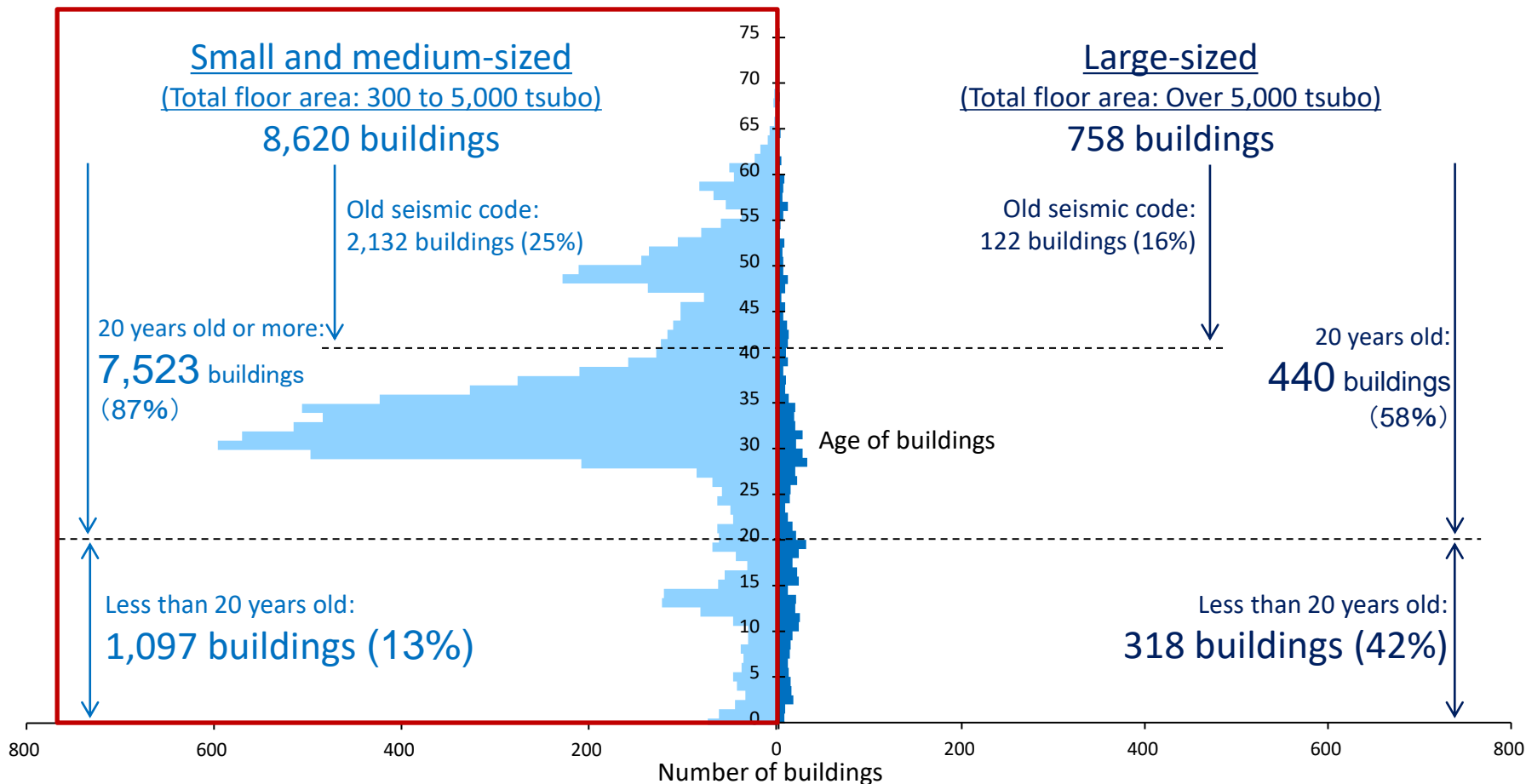


Source: Compiled by the Company based on Miki Shoji's "Office Report"
 Target office buildings with a standard floor area of 100 tsubo or more in five central cities of Tokyo are covered.
 Figures for 2021 and earlier are taken as of December of each year.

Age Distribution of Office Buildings in Tokyo's 23 Wards

Solving social issues through the revitalization and utilization of aging small-to- medium-sized buildings

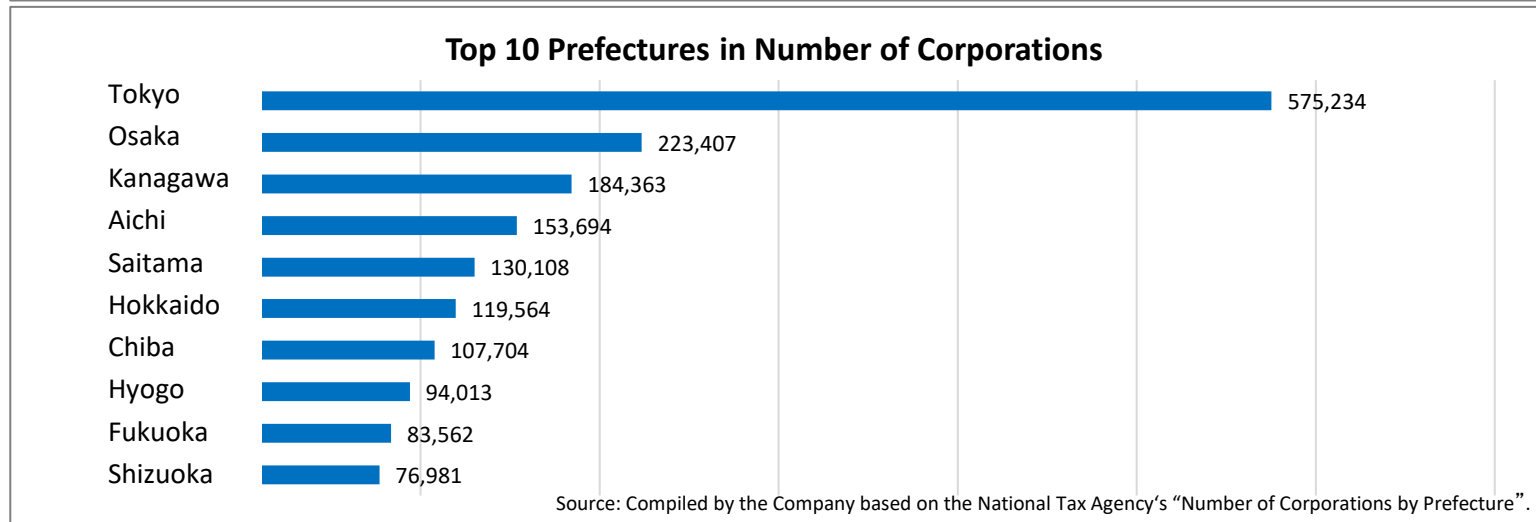
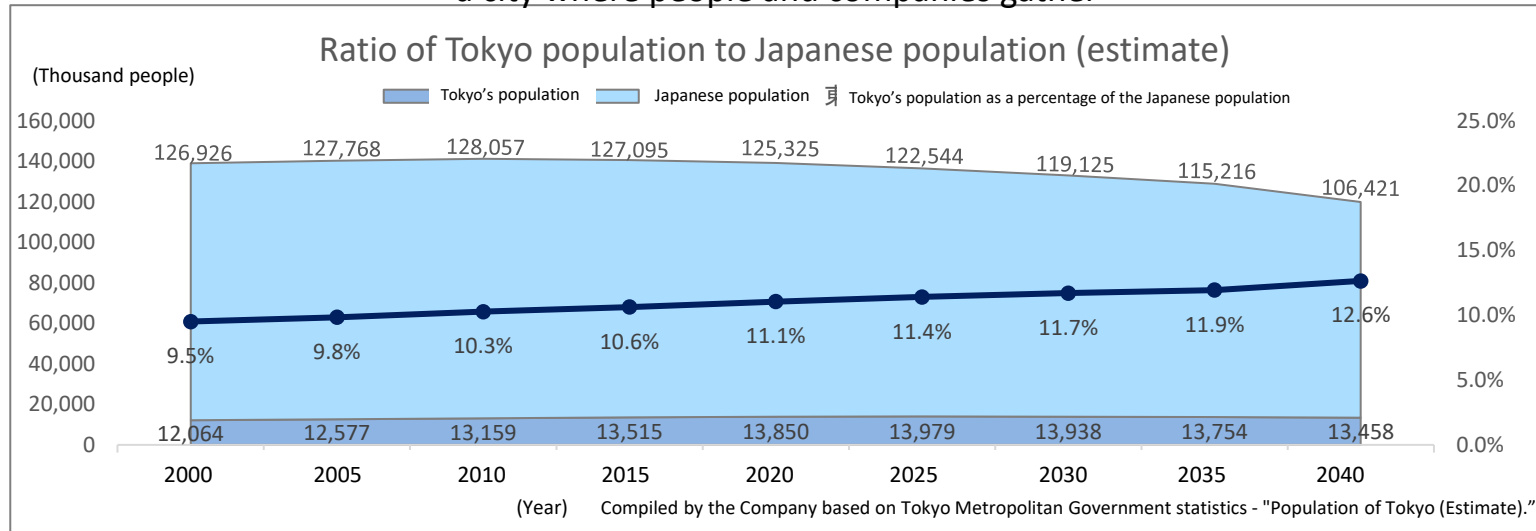
Tokyo 23 wards 9,378 buildings



Source : Created by us based on "Tokyo 23 cities Office Pyramid 2022 (based on the number of buildings)" (Xymax Real Estate Institute)

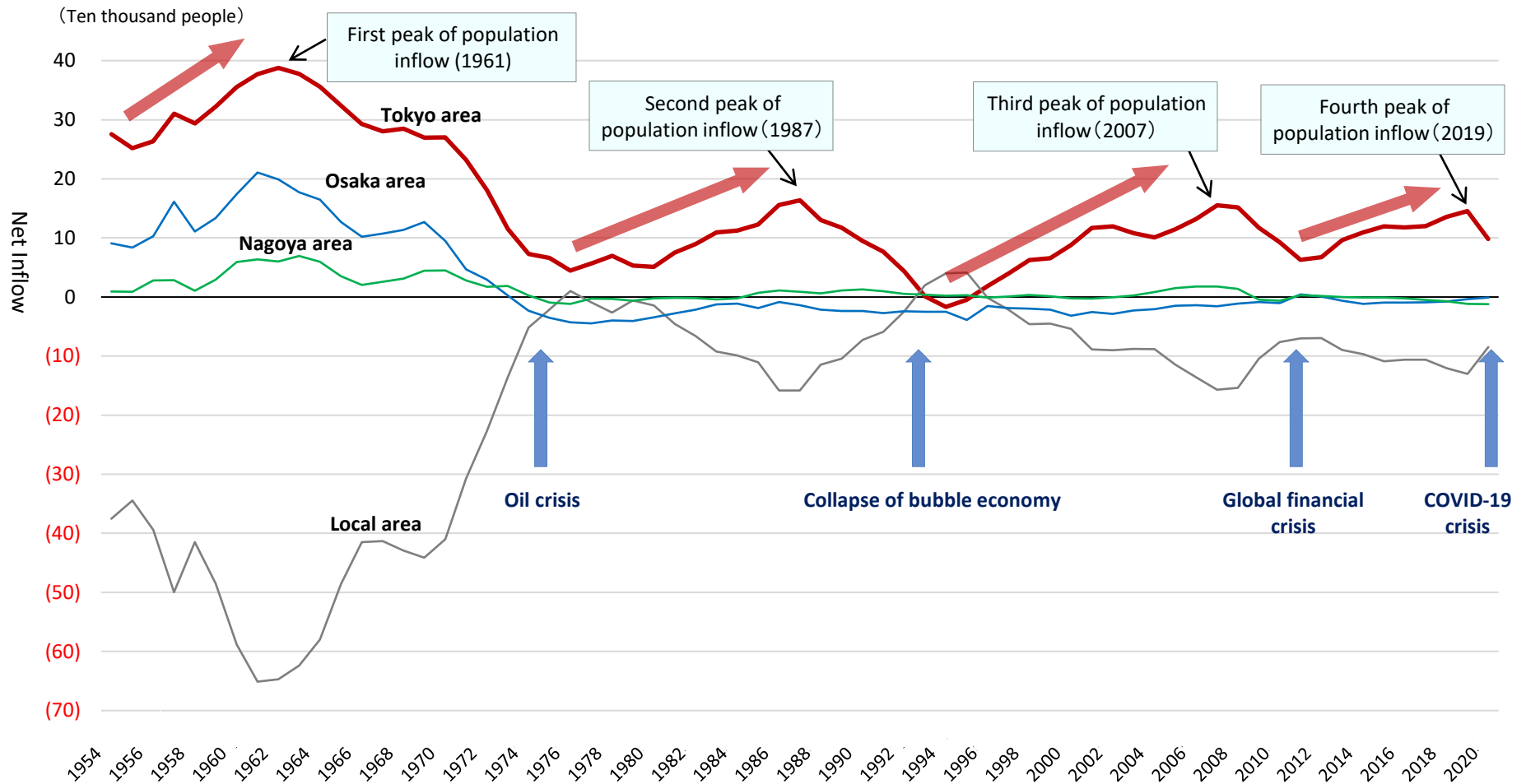
Market Size and Number of Corporations in Tokyo

Contributing to the development of society and the happiness of people in Tokyo,
a city where people and companies gather



Population Movement in the Three Major Metropolitan Areas and Local Areas

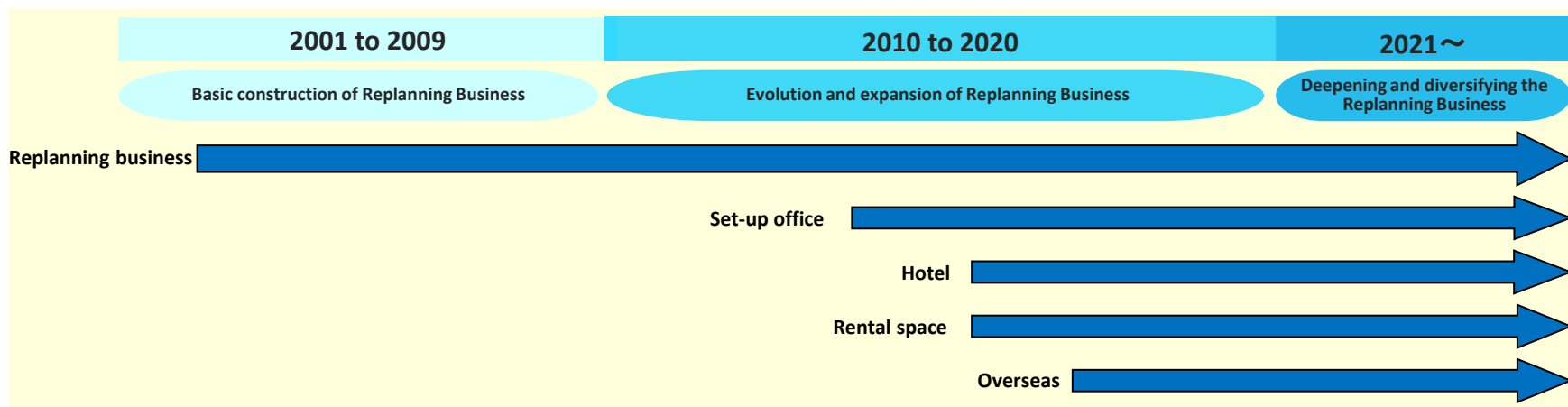
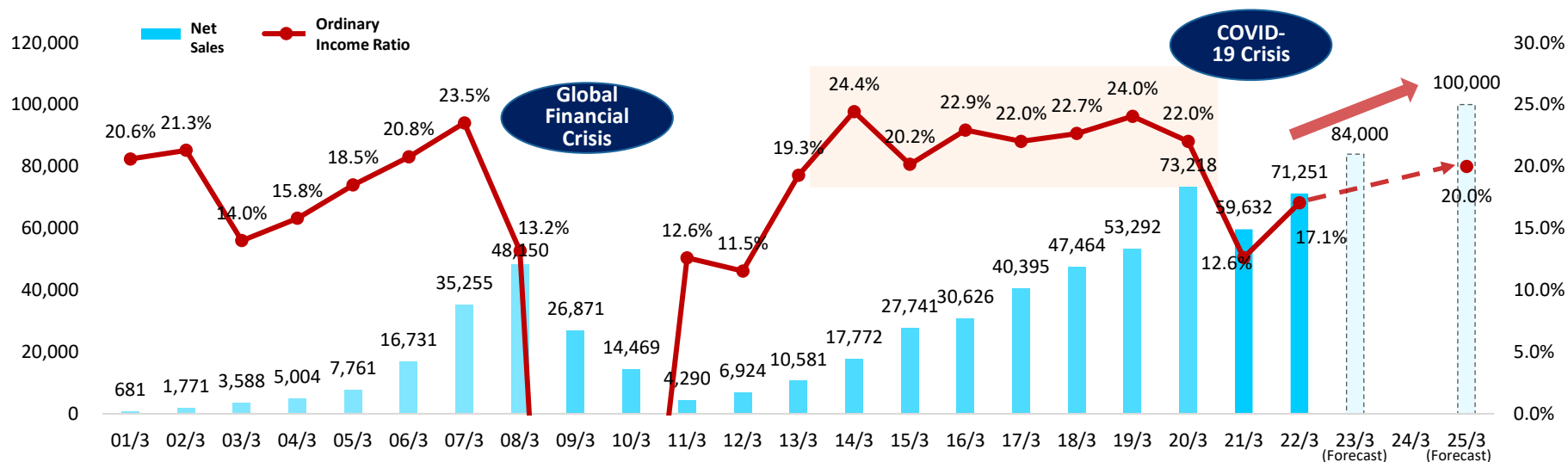
The past economic crisis was the starting point for the number of people moving into the Tokyo area to increase.



Source: Compiled by the Company based on "Number of people moving in by place of residence before the move and number of people moving out by place of residence after the move" from the Statistics Bureau of the Ministry of Internal Affairs and Communications.

Transition and Present

Change, challenge and create new value with the Sun Frontier Spirit



Corporate Profile

Company Name	Sun Frontier Fudosan Co., Ltd.
Location of Head Quarters	2-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo
Date of Foundation	April 8, 1999
Date of Listing	February 26, 2007 (First Section of Tokyo Stock Exchange)
Capital Stock *	11,965 million yen
Representative	Tomoaki Horiguchi, Chairman Seiichi Saito, President
Number of Consolidated Employees *	696 full-time employees (1,228 including part-timers and temporary workers)
Average Age of Employees*	36.2 years old
Business Profile	<p>Real estate revitalization</p> <p>Real estate service } Real estate management, brokerage, construction planning, non-payment guarantee, operation of rental buildings, asset consulting</p> <p>Hotel and tourism</p>
Accounting Month	March
Listed Market	Tokyo Stock Exchange Prime (Code number: 8934)



Full-time directors
 From the left in the front row : Seiichi Saito, President and Representative Director ; Tomoaki Horiguchi, Chairman and Representative Director.
 From the left in the back row: Mitsuhiro Ninomiya, Director; Yasushi Yamada, Senior Managing Director; Izumi Nakamura, Executive Vice President; Kenji Honda, Director.

(*As of the end of March 2022)

We will appreciate your further supports.

- ◆ The purpose of this document is to provide information that can be used as a reference, not for soliciting or promoting you to purchase a specific product. Please make your decision by your own discretion and responsibility when you make an investment. If you want to purchase shares of our Company, please contact securities companies.
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- ◆ Although we have made every effort to ensure the contents of this document, we can not guarantee their accuracy or certainty. Please note that they are subject to change or cancellation without notice.

<Inquiries about this document>
Sun Frontier Fudousan Co., Ltd. IR Desk
Phone : +81-3-5521-1551
[URL : https://www.sunfrt.co.jp/](https://www.sunfrt.co.jp/)
Mail : ir-contact@sunfrt.co.jp



SUN FRONTIER