



MEIWA ESTATE Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2023

May 16, 2023

Event Summary

[Company Name]	MEIWA ESTATE Co., Ltd.	
[Company ID]	8869-QCODE	
[Event Language]	JPN	
[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2023	
[Date]	May 16, 2023	
[Time]	10:00 – 10:41 (Total: 41 minutes, Presentation: 30 minutes, Q&A: 11 minutes)	
[Number of Speakers]	3	
	Hideaki Harada	President & CEO
	Koji Kakizaki	Executive Director, Executive Officer
	Shunsuke Yoshizawa	Executive Director, Executive Officer

Presentation

Summary

- In FY03/23, **net sales and profits were up YoY and exceeded full-year forecasts.**
 - We forecast a year-end dividend of **¥45, up ¥10 YoY.**
- Our FY03/24 outlook anticipates **sales and profit growth on an operating and ordinary profit basis.**
 - Contracts concluded already amount to **89% of our full-year condominium sales forecast, of ¥60 billion.**
 - We forecast an annual dividend of **¥50 per share, up ¥5 YoY.**
 - We expect profit attributable to owners of parent to decline due to the effect of taxes.
- We were **compliant with all Prime Market continued listing criteria** as of end-March 2023.
 - Our tradable share market cap came to **¥11.0 billion, exceeding the criterion of ¥10.0 billion.**
- **Our five-year strategy is off to smooth start.**
 - In the first year (FY03/23), we met targets for both net sales and profits.
 - Our strategy is proceeding ahead of target.

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Harada: I am Harada, President and CEO of MEIWA ESTATE. Thank you very much for taking time out of your busy schedule today to attend our earnings presentation.

Today, I would like to explain our financial results in line with the explanatory materials released on May 11.

Overall summary.

In the fiscal year ended March 31, 2023, sales and profits increased from the previous fiscal year. The results also exceeded the revised forecast announced in February.

The year-end dividend is expected to be JPY45, an increase of JPY10 from the previous fiscal year.

The outlook for the current fiscal year ending March 31, 2024, is that from sales to ordinary income will increase.

As for condominiums for sale, 89% of the planned full-year sales of JPY60 billion have been contracted.

The dividend will be increased by another JPY5 to JPY50.

As of March 31, 2023, all prime market continued listing criteria have been met. The only non-compliant tradable share market capitalization was JPY11 billion, exceeding the continued listing criteria of JPY10 billion.

Our Five-Year strategy, the medium-term management plan, is off to a good start. In the fiscal year ended March 31, 2023, the first year of the medium-term plan, we are ahead of schedule, with both sales and profits exceeding the plan.

Now, in turn, we will explain the details.

■ Consolidated Financial Results for Full-Year FY03/23

- Both net sales and profits increased. Net sales were ¥62.3 billion (up 8.9% YoY), ordinary profit was ¥4.9 billion (up 57.9% YoY), profit attributable to owners of parent was ¥4.4 billion (up 70.0% YoY), and EPS was ¥188.32 (up ¥78.28 YoY).
- We forecast a year-end dividend of ¥45 per share, up ¥10 YoY.
- In the Residential Development business, our efforts to differentiate ourselves from our competitors and develop high-value-added properties resulted in strong sales.
- Our gross profit margin in condominiums improved (from 20.1% to 22.8%).
- The Real Estate Agency business grew in scope as we increased our workforce and added and expanded stores. We maintained double-digit growth.
- In the Wealth Solution business for high-net-worth (HNW) individuals, we completed the delivery of two rental condominium buildings.
- Performance was favorable in the Condominium Management business, with switchover from other property management companies leading to a 7.8-fold increase YoY.

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First, I will explain our consolidated financial results for the fiscal year ended March 31, 2023.

Net sales were JPY62.3 billion, up 8% from the previous year. Net income for the period was JPY4.4 billion, a significant increase of 70% from the previous year.

The year-end dividend is expected to be JPY45, an increase of JPY10 from the previous year.

In the wealth solutions business, two rental condominiums buildings were delivered.

In the condominium management business, the number of units under management remained strong at 1,560 units due to the strong replacement of condominiums managed by other companies.

FY03/23 Consolidated Financial Results

- Net sales: ¥62.3 billion (up ¥5.1 billion YoY)
- Operating profit: ¥5.9 billion (up ¥1.7 billion YoY), ordinary profit: ¥4.9 billion (up ¥1.8 billion YoY)

(Millions of yen)

	FY03/22 Actual (Cons.)	FY03/23 Actual (Cons.)	Change	Change (%)	FY03/23 revised forecast (Announced Feb. 13, 2023)	Attainment (%)
Net sales	57,209	62,319	5,110	8.9%	62,300	100.0%
Gross profit	12,932	15,656	2,723	21.1%	15,200	103.0%
(Gross profit margin)	(22.6%)	(25.1%)	(2.5pp)	—	(24.4%)	—
SG&A expenses	8,762	9,714	951	10.9%	9,300	104.5%
Operating profit	4,169	5,941	1,771	42.5%	5,900	100.7%
(Operating profit margin)	(7.3%)	(9.5%)	(2.2pp)	—	(9.5%)	—
Non-operating income	129	132	2	1.7%	—	—
Non-operating expenses	1,139	1,083	-55	-4.9%	—	—
Ordinary profit	3,160	4,989	1,829	57.9%	4,600	108.5%
(Ordinary profit margin)	(5.5%)	(8.0%)	(2.5pp)	—	(7.4%)	—
Extraordinary income	6	6	0	0.0%	—	—
Extraordinary loss	24	145	121	499.3%	—	—
Profit before income taxes	3,142	4,850	1,708	54.4%	—	—
Profit attributable to owners of parent	2,597	4,415	1,818	70.0%	3,800	116.2%
(Profit margin)	(4.5%)	(7.1%)	(2.5pp)	—	(6.1%)	—

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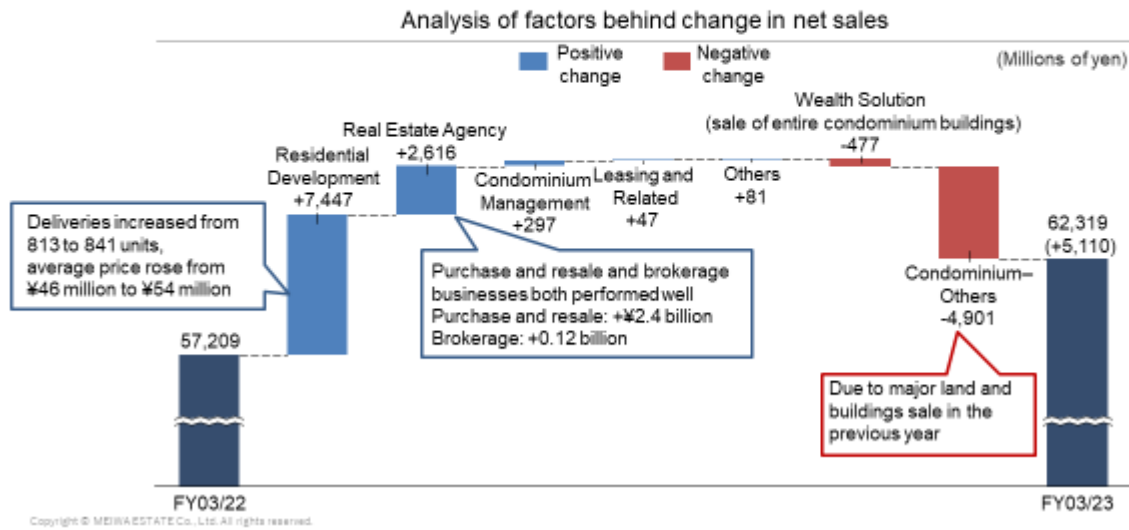
A summary of the consolidated P&L is shown in the description.

As I mentioned earlier, we achieved a significant increase in both sales and income over the previous fiscal year and landed ahead of our revised forecast for the full year.



Factors Behind Change in Net Sales (by Business Segment)

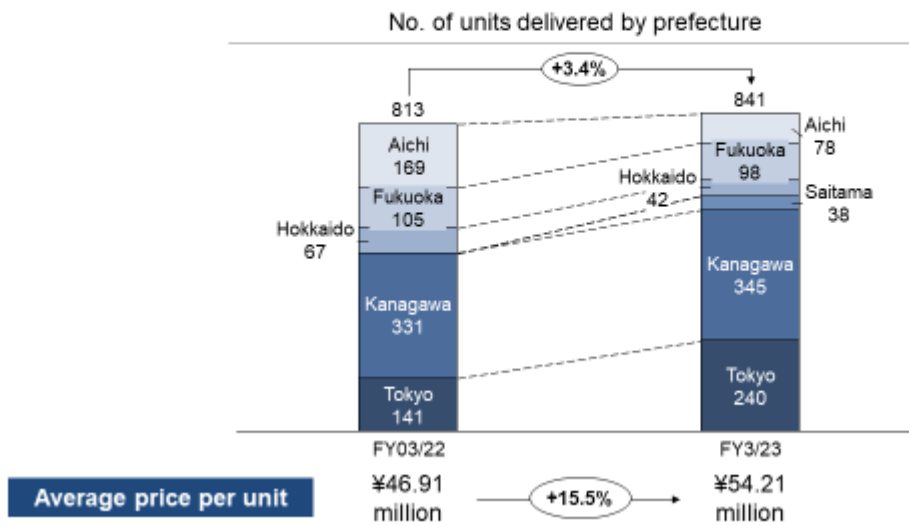
- The Residential Development and Real Estate Agency businesses performed well, with sales up year on year.



The increase in revenue was due to an increase in the number of condominiums delivered and an increase in the average price per unit, resulting in a JPY7.4 billion increase in revenue.

In the real estate agency business, on which we are focusing our efforts, sales increased by JPY2.4 billion in purchase and resale and by JPY120 million in sales brokerage.

- Volume was up only slightly, but a rise in the average price drove sales growth.



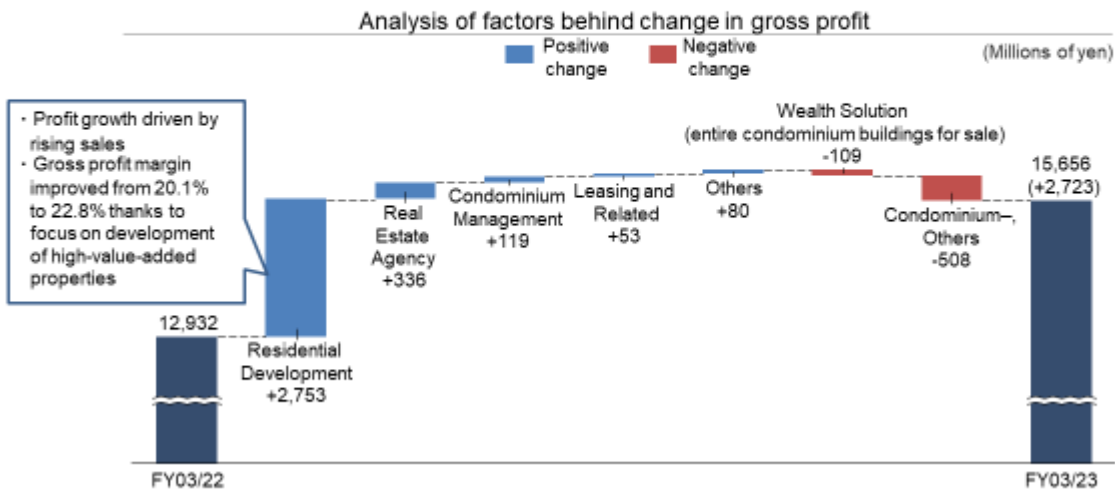
As for condominiums for sale, the number of units delivered increased by 3%, but the average price rose significantly by 15%, leading to an increase in revenue.

The large increase in the average price was mainly due to the higher ratio of Tokyo and Kanagawa compared to the previous period, with some condominiums in the Shonan area of Kanagawa Prefecture exceeding JPY100 million per unit.



Factors Behind Change in Gross Profit (by business segment)

- In the Residential Development business, gross profit increased thanks to increases in sales and improvements in the profit margin.



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Next, the increase in gross profit was mainly due to the effect of the increased sales and an improvement in gross profit margin from 20.1% to 22.8% in the residential development business.

Condominium prices in the Tokyo metropolitan area continue to rise. The condominiums we sell are no exception, and we aim to create products with particular attention to location, floor plans, and product planning.

High value-added products met customer needs, and sales progressed steadily, leading to higher profit margins.

- We developed high-value-added properties.



CLIO クリオ横浜ベイフロント
CLIO TOKYO BAY FRONT

Yokohama, Kanagawa
Total number of units: 49
Completed and delivered in March 2023



CLIO クリオ湘南江ノ島グランマーレ
CLIO SHONAN ENOSHIMA GRAND MARE

Fujisawa, Kanagawa
Total number of units: 68
Completed and delivered in March 2023



CLIO クリオ横浜蒔田公園
CLIO YOKOHAMA MATSUDEN

Yokohama, Kanagawa
Total number of units: 64
Completed and delivered in March 2023

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Shown on this slide are some of the properties delivered during the period under review.

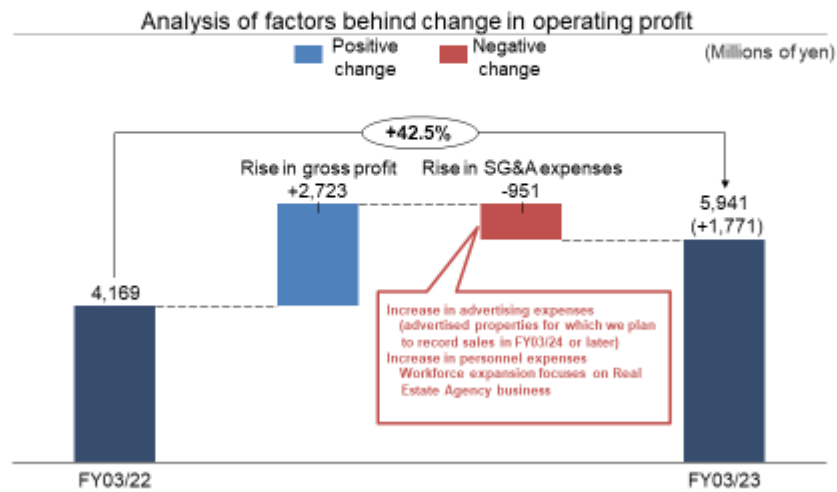
At the center of the slide, there is CLIO SHONAN ENOSHIMA GRAND MARE. Sales of this property have been very strong.

In the area of Enoshima in Shonan, where the scenic zone are preserved and buildings are only allowed to be built up to about six stories, however, in this part of the zone, tall buildings are allowed, and this particular building is 13 stories high. Because of that, the view of Mt. Fuji and Sagami Bay is very visible, creating very scenic units.

Therefore, sales were also very strong.

Factors Behind Change in Operating Profit (by Expense Item)

- A rise in gross profit absorbed a ¥0.95 billion increase in SG&A expenses that went to strengthen our selling power, thus driving operating profit growth.



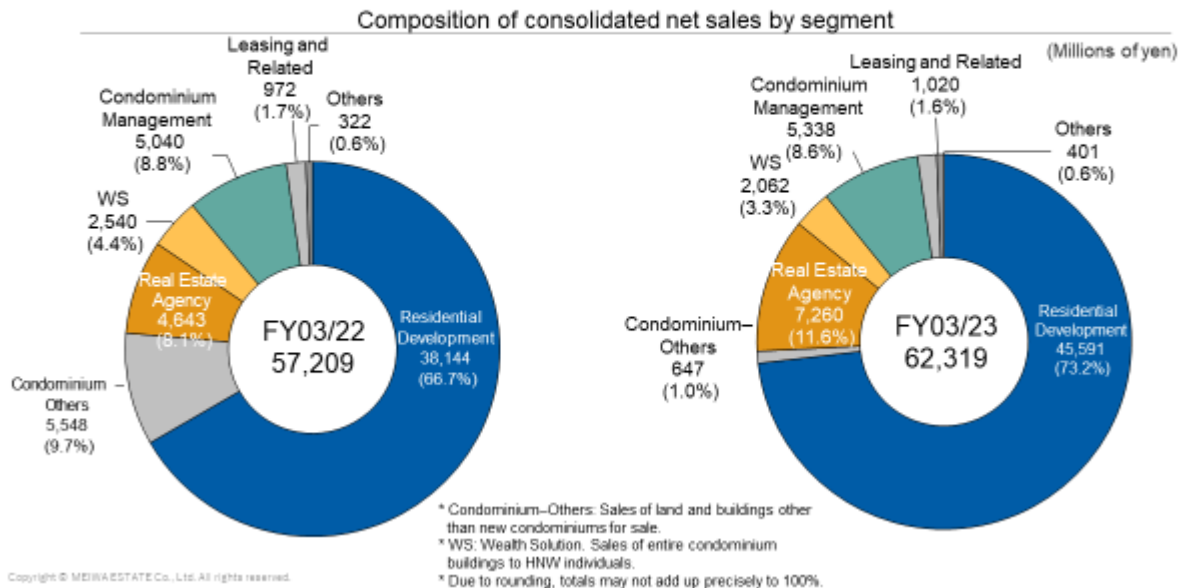
Next, I will discuss operating income.

Gross profit increased for the reasons I have just explained, but SG&A expenses increased due to aggressive sales activities, resulting in an increase in operating income of JPY1.7 billion from the previous year.

The increase in SG&A expenses is due in part to advertising expenses for properties that will be recorded as sales from the fiscal year ending March 2024 onward.

Since the Company's business model is based on selling properties prior to completion of construction, advertising expenses are recorded in advance of sales, and due to the business model, these expenses represent an upfront investment for growth in the following fiscal years and beyond.

In addition, personnel expenses increased due to an increase in the number of employees, mainly in the real estate agency business.



The sales composition by business segment for the fiscal year ended March 31, 2023, is as shown.

FY03/23 Topics

- In March 2023, our supply of properties in Kanagawa Prefecture reached 500.



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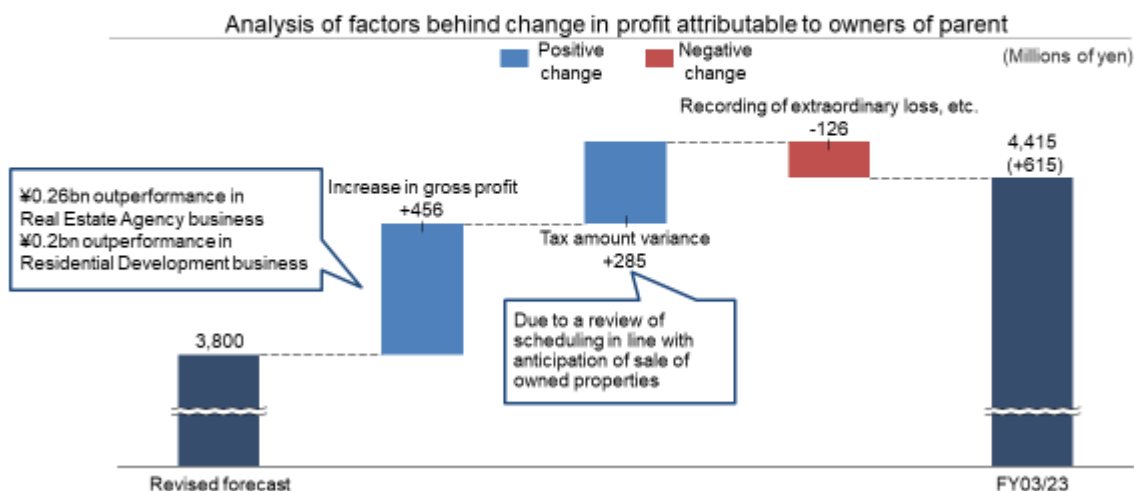
Topics for the period under review.

In March 2023, the cumulative number of properties supplied in Kanagawa Prefecture exceeded 500.

If you live in Kanagawa Prefecture, I am sure that many of you have seen CLIO condominiums in your neighborhoods.

Profit Attributable to Owners of Parent: Difference between Revised Forecast and Actual Figure

- Due to outperformance in gross profit and tax amount variance, etc., we saw a difference of ¥0.6 billion between actual profit attributable to owners of parent and our revised forecast.



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Net income exceeded the revised forecast announced in February by JPY600 million.

Gross profit was plus JPY0.4 billion due to an increase in gross profit, and both residential development business and real estate agency business were strong, exceeding the forecast by JPY0.2 billion each.

Other differences in tax amounts resulted in a positive JPY200 million.

These factors resulted in net income of JPY4.4 billion.



FY03/24 Consolidated Financial Results Forecast

MEIWA 明和地所

- Forecast calls for net sales of ¥83.0 billion, operating profit of ¥6.3 billion, and profit attributable to owners of parent of ¥3.8 billion
- Anticipated growth in net sales, operating profit, and ordinary profit

	FY03/23 results	FY03/24 full-year forecasts (Announced May 11, 2023)	Change	Change (%)
Net sales	62,319	83,000	20,680	33.2%
Gross profit	15,656	17,500	1,843	11.8%
(Gross profit margin)	(25.1%)	(21.1%)	(-4.0pp)	—
SG&A expenses	9,714	11,200	1,485	15.3%
Operating profit	5,941	6,300	358	6.0%
(Operating profit margin)	(9.5%)	(7.6%)	(-1.9pp)	—
Ordinary profit	4,989	5,200	210	4.2%
(Ordinary profit margin)	(8.0%)	(6.3%)	(-1.7pp)	—
Profit attributable to owners of parent	4,415	3,800	-615	-13.9%
(Profit margin)	(7.1%)	(4.6%)	(-2.5pp)	—

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Next, I will explain the consolidated earnings forecast for the fiscal year ending March 31, 2024.

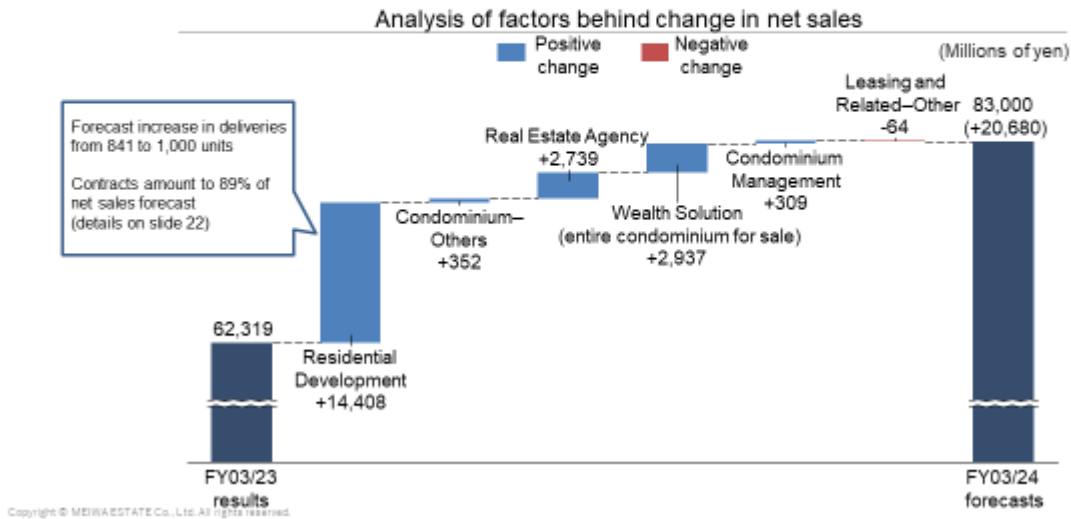
For the current fiscal year, we forecast net sales of JPY83 billion, an operating income of JPY6.3 billion, an ordinary income of JPY5.2 billion, and a net income of JPY3.8 billion.

We plan to increase both sales and profits in terms of net sales, operating income, and ordinary income. Net sales will increase by 33%, operating income by 6%, and ordinary income by 4.2%. Net income is projected to decrease due to the impact of the tax amount.



Factors Behind Change in Net Sales (by Business Segment)

- Forecast sales growth focuses on the Residential Development, Real Estate Agency, and Wealth Solution businesses



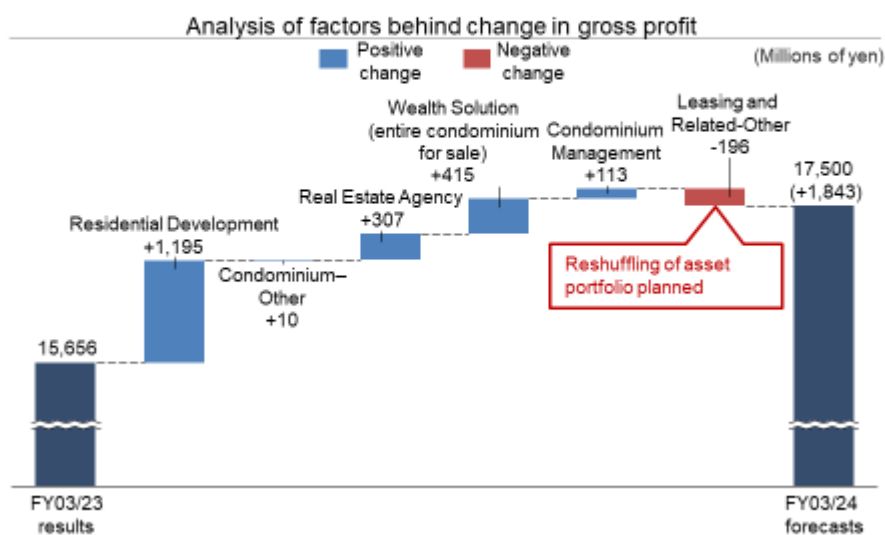
Sales are expected to increase by more than JPY20 billion, from JPY62.3 billion to JPY83 billion. The main reason for the increase is that delivery of condominiums for sale will increase from 841 units to 1,000 units.

Of the projected sales of JPY60 billion for condominiums for sale, almost 90%, or JPY53.4 billion, has already been contracted as of the beginning of the current fiscal year. Sales will be recorded at the time of delivery.

In addition, the real estate agency business and wealth solutions business are also expected to increase their respective revenues.

The wealth solutions business plans to sell four buildings, two of which have already been delivered and recorded as sales in April.

- Gross profit growth expected in all segments other than the Leasing and Related businesses



Gross profit is expected to increase by JPY1.8 billion, from JPY15.6 billion to JPY17.5 billion.

Except for the leasing and related business, where we plan to reshuffle of asset portfolio, we expect to increase income in all businesses.

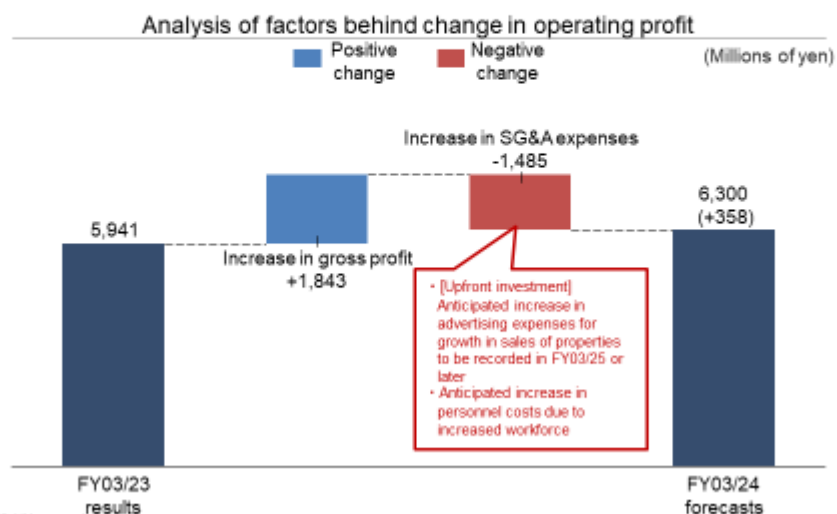
The gross profit margin is expected to decline.

For condominiums for sale, the decline is expected to be a reaction to the particularly high value-added condominiums in the fiscal year ended March 31, 2023.

In purchase and resale, we have adopted a policy of emphasizing a capital turnover ratio and have adopted a conservative plan for profit margins.

Factors Behind Change in Operating Profit (by expense item)

- We forecast a ¥6.3 billion in operating profit, with gross profit growth to compensate for a rise in SG&A expenses due to increase in supply (sale of properties to be booked in FY03/25 or later).



Operating income is expected to increase by JPY350 million, from JPY5.9 billion to JPY6.3 billion.

Since the Company plans to aggressively promote sales of properties that will be booked as sales in the fiscal year ending March 31, 2025, SG&A expenses are expected to increase by JPY1.4 billion, mainly due to advertising and promotional expenses, but the increase in gross profit will exceed the increase in SG&A, resulting in a projected increase in operating income.

FY03/24 Property Supply Plans

- We plan to supply 1,300 units, primarily in the greater Tokyo area.
- We will start to supply properties to be recorded as net sales in FY03/25 or later.

➤ Major project supply plans

Location	No. of units
Chuo Ward, Tokyo	27
Tato Ward, Tokyo	44
Shinjuku Ward, Tokyo	53
Yokohama, Kanagawa	26
Yokohama, Kanagawa	72
Yokohama, Kanagawa	57
Funabashi, Chiba	60
Kawagoe, Saitama	99
Sapporo, Hokkaido	73
Onojo, Fukuoka	36
Nagoya, Aichi	81

CLiO クリオ ラベルヴィ船橋 CLIO La Belle VIE FUNABASHI



Funabashi, Chiba
 Total number of units: 60
 Sales launched in April 2023
 Scheduled to be completed in October 2024

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The slide you see is a part of properties scheduled for supply this fiscal year.

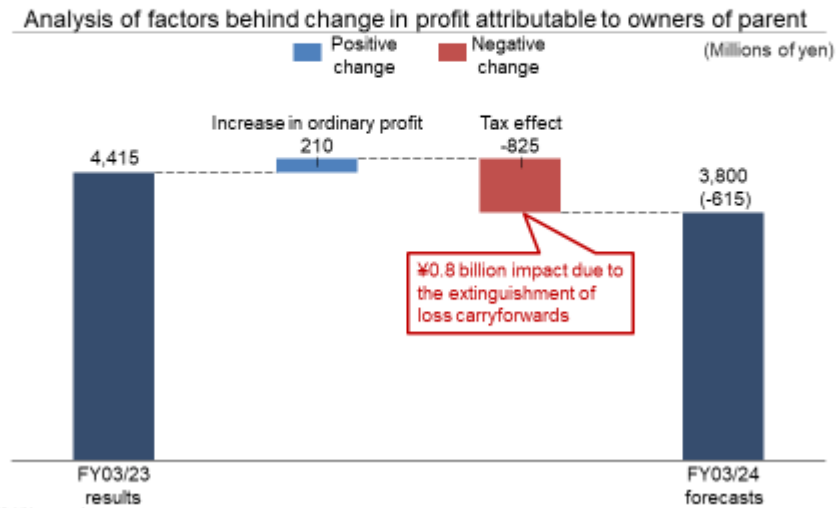
The number of units supplied in the previous fiscal year was 865, but this fiscal year the Company plans to supply 1,300 units, mainly in the greater Tokyo area, an increase of 1.5 times.

Therefore, advertising expenses are planned to increase. We will aggressively promote sales of properties that will be recognized as sales in the next fiscal year and beyond.



Forecast for Consolidated Profit Attributable to Owners of Parent

- In spite of growth in ordinary profit, we forecast a decrease in profit attributable to owners of parent due to a negative tax effect, of ¥0.8 billion.

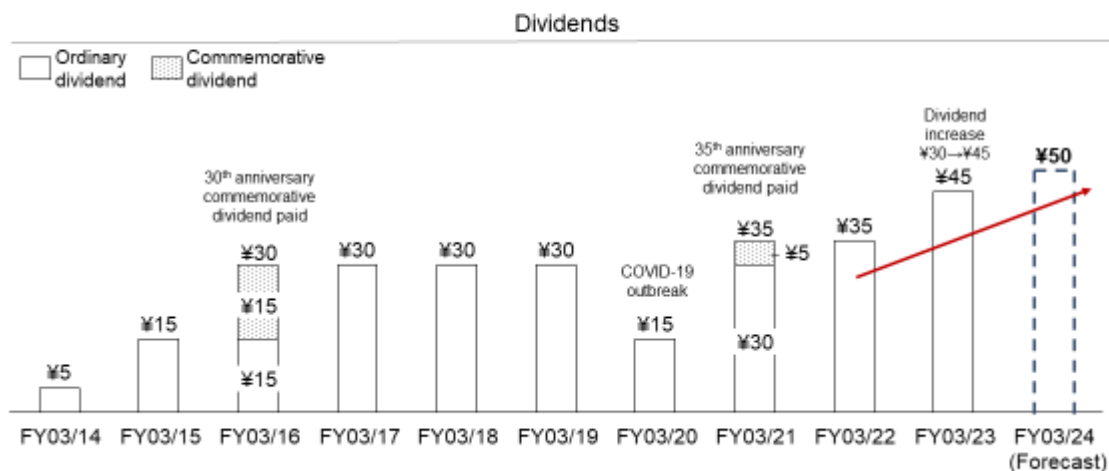


Operating income and ordinary income are expected to increase, but net income is expected to decrease due to the effect of the extinguishment of loss carryforwards.



Dividends

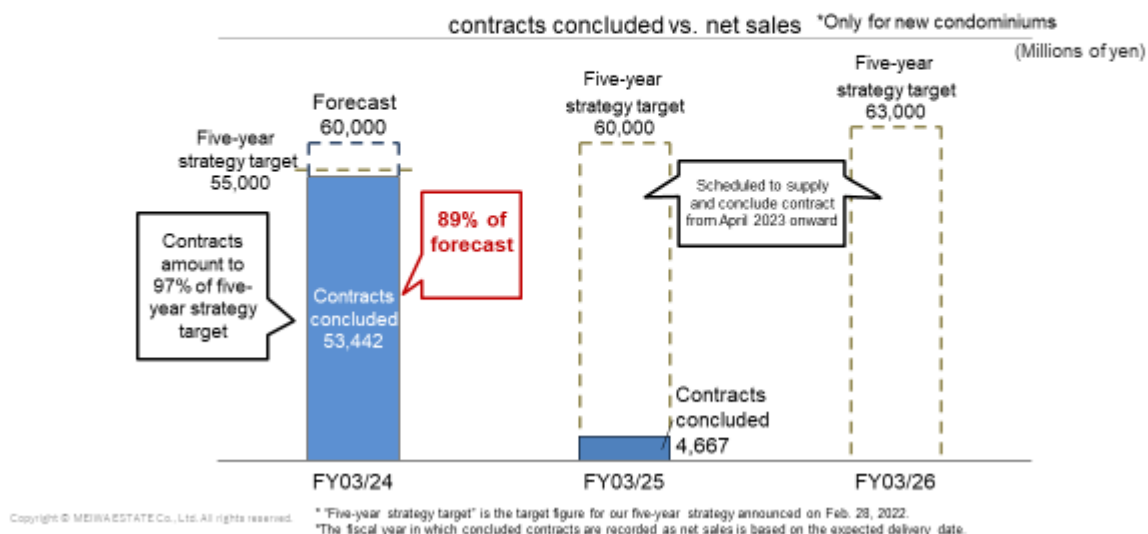
- We plan to pay dividends of ¥45 per share for FY03/23.
- We expect to pay dividends of ¥50 per share for FY03/24, an increase of ¥5 per share.
- We aim for stable dividends, with a payout ratio of around 30%.



For the fiscal year ending March 31, 2024, we plan to increase the dividend by JPY5 to JPY50 per share.

The dividend payout ratio is 30.9%.

- Sales contracts at the start of the term were equivalent to 89% of forecast net sales.



I will now explain the residential development business, which accounts for a large proportion of our sales.

This slide shows the status of contracts for condominiums for sale.

For condominiums for sale, sales are recorded at the time of delivery. Since sales had been proceeding smoothly in the fiscal year ended March 31, 2023, 89% of the JPY60 billion in sales planned for this fiscal year, or JPY53.4 billion, had been contracted as of the beginning of the fiscal year, and sales are expected to be recorded in the current fiscal year ending March 31, 2024.

Early sales of the remaining 11% will ensure steady achievement of the sales plan. At the same time, we will aggressively promote sales of condominiums for the next fiscal year ending March 31, 2025, and beyond.

The status of contracts will be explained in the quarterly financial results supplementary materials. We hope you will pay attention to this as a leading indicator of sales.

Residential Development Business: Main Properties Scheduled for Completion

- Below are the main properties scheduled for completion.
- Many properties are completely sold.



Setagaya, Tokyo
Total number of units: 26
Scheduled to be completed in August 2023

All units sold*



Setagaya, Tokyo
Total number of units: 46
Scheduled to be completed in March 2024

All units sold *



Shinagawa, Tokyo
Total number of units: 30
Scheduled to be completed in July 2023

All units sold *

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*As of March 31, 2023 23

Here are some of the major properties scheduled for completion this fiscal year. Many of the properties are already sold out.

The property at the center of the slide, CLIO SETAGAYA MATSUBARA THE CLASSIC, is located in the quiet Setagaya Ward, and with a total of 46 units, it is a property of a certain scale, with a wide variety of plans, such as maisonette plans and 100-square meter plans. The variety of plans, such as maisonette plans and 100-square-meter plans, made this a project that sold very well.

Residential Development Business: Main Properties Scheduled for Completion

- Below are the main properties scheduled for completion.
- Many properties already completely sold.



Fujisawa, Kanagawa
Total number of units: 28
Scheduled to be completed in June 2023

All units sold*



Chigasaki, Kanagawa
Total number of units: 88
Scheduled to be completed in June 2023

All units sold*



Yokohama, Kanagawa
Total number of units: 46
Scheduled to be completed in June 2023

All units sold*

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* As of March 31, 2023 24

The property in left side is CLIO KUGENUMAKAIGAN GRAND ROI.

As you may know, there used to be an old French restaurant called Mikasa Kaikan in Kugenuma, Shonan, and we acquired the land and built this condominium there.

Aimed at high-end customers, some of units are 100 square meters in size, with the largest unit being 170 square meters.

Sales were also very strong, meeting the needs of people who want to live in two locations while maintaining a home in Tokyo.

Residential Development Business: Main Properties Scheduled for Completion

- Below are the main properties scheduled for completion.
- Many properties already completely sold.

CLiO クリオレジデンス川崎南幸町
CLIO RESIDENCE KAWASAKI MINAMISAIYAMA



Kawasaki, Kanagawa
Total number of units: 95
Scheduled to be completed in February 2024

All units sold*

CLiO クリオレジデンス新札幌駅前
CLIO RESIDENCE SHINSAPPORO EKIMAE



Sapporo, Hokkaido
Total number of units: 118
Scheduled to be completed in March 2024

All units sold*

CLiO クリオ浜辺道ザサンマークス
CLIO WATANABE JIHO ZASAN MARKS



Fukuoka, Fukuoka
Total number of units: 42
Scheduled to be completed in March 2024

All units sold*

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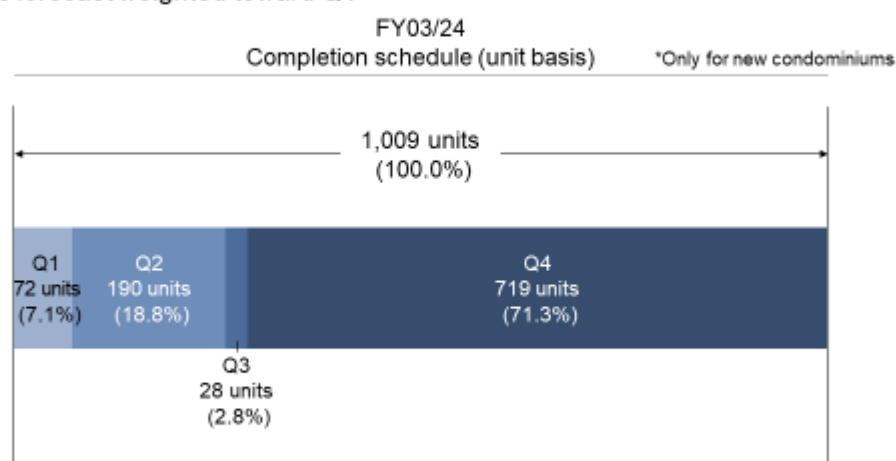
* As of March 31, 2023 25

At the center of the slide, CLiO RESIDENCE SHINSAPPORO EKIMAE is located close to Shin-Sapporo station, and also close to Chitose where the airport is located and downtown Sapporo, so sales have been performing well, with a very wide range of needs, from Sapporo residents to customers from Tokyo.

The convenience of being close to the airport and Sapporo as well as its location near train station have created an extremely high demand for the condominium, and sales have been strong.

Residential Development Business: Completion Schedule

- Property completions concentrated in Q4 FY03/24 (sales recorded upon completion and delivery)
→ Net sales forecast weighted toward Q4



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In this fiscal year, 70% of the construction is scheduled to be completed in Q4. Therefore, sales recorded are expected to be concentrated in Q4.

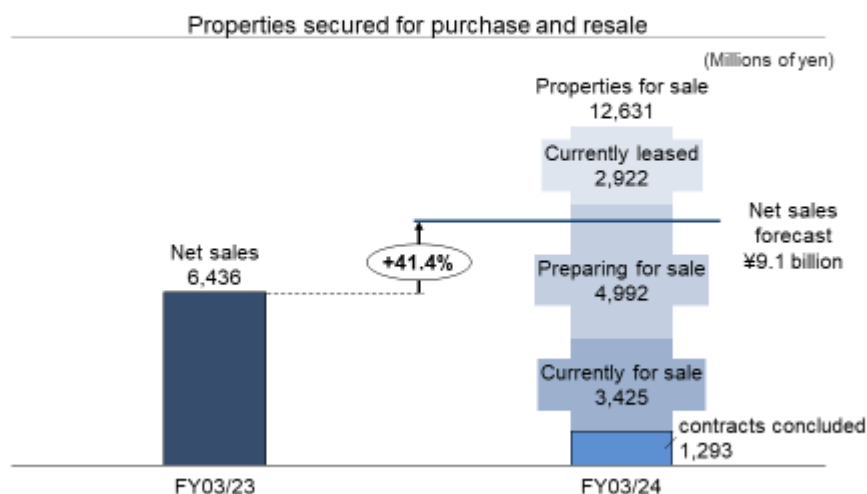
Since there are only a few condominiums scheduled for completion from Q1 to Q3, the Company plans to achieve limited quarterly results in terms of profit on sales in the residential development business.

The Company will continue to focus on achieving its full-year sales and profit targets.

Real Estate Agency Business: Purchase and Resale

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- We aim for ¥9.1 billion in purchase and resale net sales, up 41.1% vs. FY03/23.
- As of the start of the term, we have secured sufficient properties for sale.



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Next, I will explain the sales forecast for the purchase and resale business, on which we are focusing our efforts.

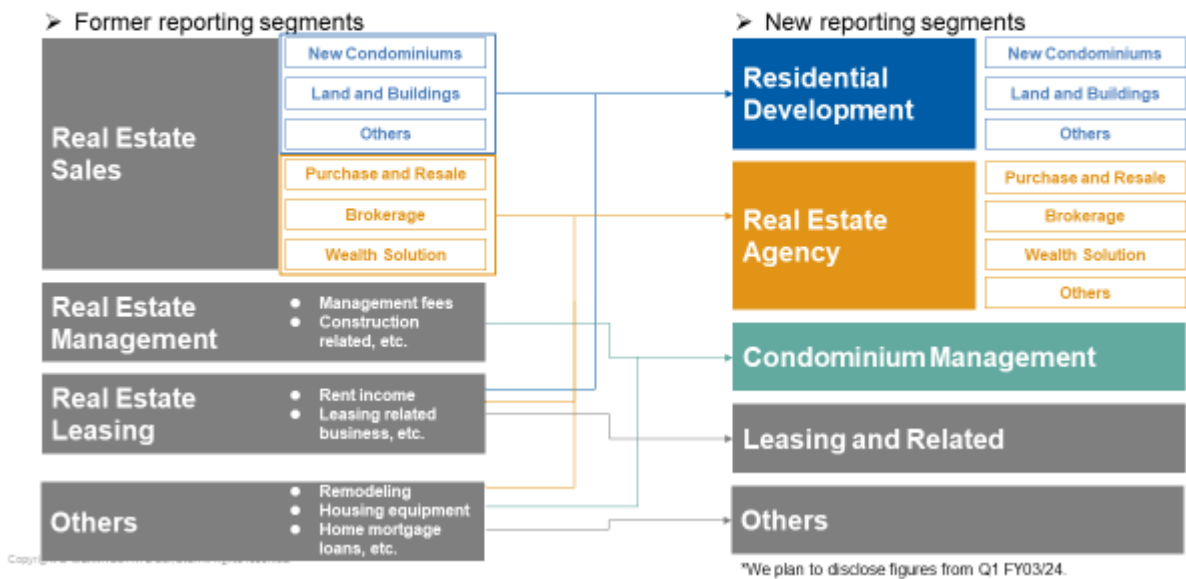
For the current fiscal year, we are targeting a 41% increase in sales from the previous year to JPY9.1 billion, while we have already secured sales materials worth JPY12.6 billion as of the beginning of the fiscal year. This includes JPY1.2 billion in contracts already signed and JPY3.4 billion in properties already on sale.

In addition, there are JPY4.9 billion in properties that are being renovated for sale. Since the sales preparation period is less than six months, it will be sales material for the current fiscal year.

We will continue to focus on purchase to secure further sales materials and aggressively promote sales to ensure steady achievement of the sales plan.

Change in Reporting Segments

- Change in reporting segments to suit our current management structure (effective from April 2023)



Beginning with the current fiscal year ending March 31, 2024, we plan to change segments reported in our financial materials as described, in accordance with our current business management structure.

Starting with the Q1 results, the new reporting segment will be used to announce the results.

- In **FY03/23**, the first year of our strategy, both net sales and profits exceeded targets.
- Our Residential Development and other businesses are **performing ahead of target**.
- In the Residential Development business, contracts at the beginning of the term amount to **97%** of the FY03/24 net sales target.
- The Residential Development business **secured enough properties for sale to cover through FY03/25**.
- **At the start of the term**, Purchase and Resale in the Real Estate Agency business **secured enough properties for sale to exceed sales targets for FY03/24**.
- **Brisk management contracts** obtained in the Condominium Management business **exceed the number of management units targeted for end-FY03/24**.

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I will now explain the progress of the “Five-Year strategy” ,medium-term management plan, announced in February 2022.

In the fiscal year ended March 31, 2023, the first year of the medium-term plan, net sales, ordinary income, and net income all exceeded the plan.

Results are moving ahead of the plan. Purchases for residential development business and purchase and resale in the real estate agency businesses have been strong, and sales materials have been well secured.

In the condominium management business, the number of managed units is progressing better than planned due to the strong replacement of condominiums managed by other companies.

Progress of Five-Year Strategy

- We are performing ahead of plan.
- The FY03/24 forecast for profit attributable to owners of parent is on a par with the FY03/26 target.

(Billions of yen)

	FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Net sales	59.0	74.0	84.0	90.0	100.0
Residential Development business	45.0	55.0	60.0	63.0	66.0
Real Estate Agency business	8.0	10.0	12.0	15.0	18.0
Wealth Solution business	1.2	4.0	6.0	7.0	10.0
Condominium Management business	5.2	5.3	5.5	5.6	5.8
Ordinary profit	3.7	4.2	4.8	5.5	6.0
Profit attributable to owners of parent	2.6	2.9	3.3	3.8	4.1

Plan achieved
▲ FY03/24 forecast

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In the first year, the fiscal year ended March 31, 2023, net sales, ordinary income, and net income all exceeded the plan.

The red line on the right is the forecast for the current fiscal year ending March 31, 2024.

The forecast for net income is at the level of the plan for the fiscal year ending March 31, 2026, which is about two years ahead of schedule.



Residential Development Business: Progress Against Sales Targets

- Sales performing steadily (contracts amount to 97% of target in FY03/24)
- Pursuing sales of properties to be recorded as sales in FY03/25 onward



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I will explain the progress of the Five-Year strategy by business segment.

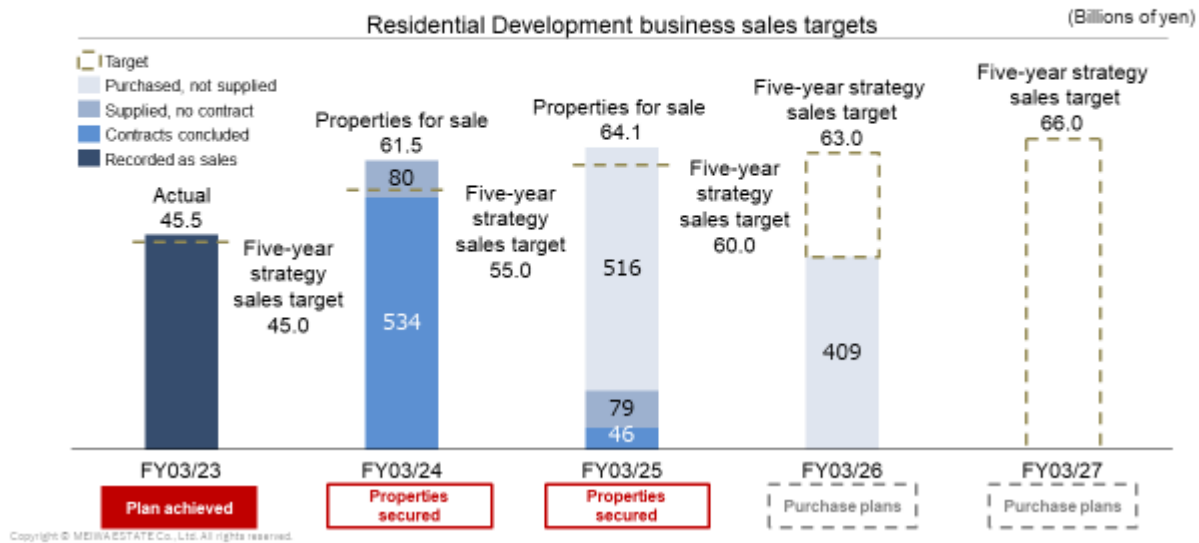
Sales in the residential development business have been strong, with 97% of the sales target of the plan having been contracted for the current fiscal year ending March 31, 2024.



Residential Development Business: Progress Against Sales Targets

MEIWA 明和地所

- Properties for sale secured sufficient through FY03/25
- Proceeding with purchases for FY03/26 and FY03/27



In the residential development business, purchasing is progressing well.

In the current fiscal year ending March 31, 2024, the second year of the plan, we have secured sales materials of JPY61.5 billion against the plan's sales target of JPY55 billion.

For the next fiscal year ending March 31, 2025, we have secured JPY64.1 billion in sales materials, compared to our target of JPY60 billion.

For the fiscal year ending March 31, 2026, the Company has secured JPY40.9 billion in sales materials, 64% of its JPY63 billion target.

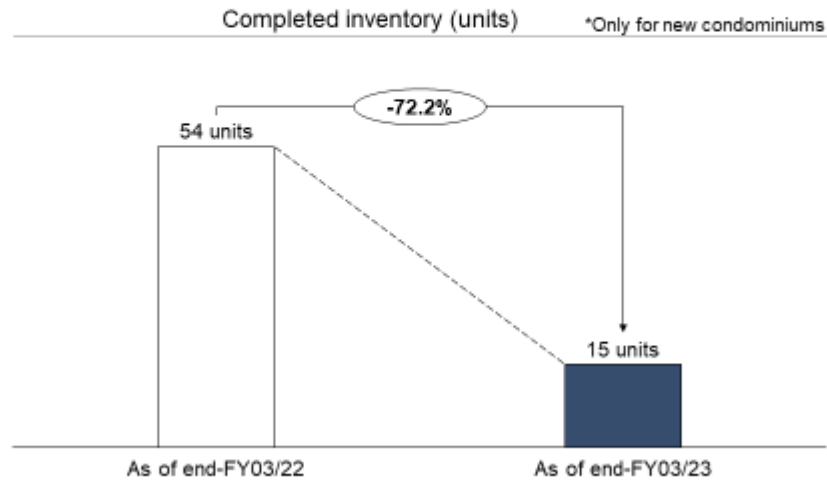
For the time being, the purchase of land for condominiums will not be a bottleneck in achieving the "Five-Year strategy".

In the current fiscal year, we will proceed to secure sales materials for the fiscal year ending March 31, 2026, and beyond, as well as steadily supply and sign contracts for condominiums that we plan to book sales for the next fiscal year, the fiscal year ending March 31, 2025 and beyond.

We will omit pages 34 and 35, as they are similar in content.

Progress of Residential Development Business

- Completed inventory at end of FY03/23 was low, at 15 units

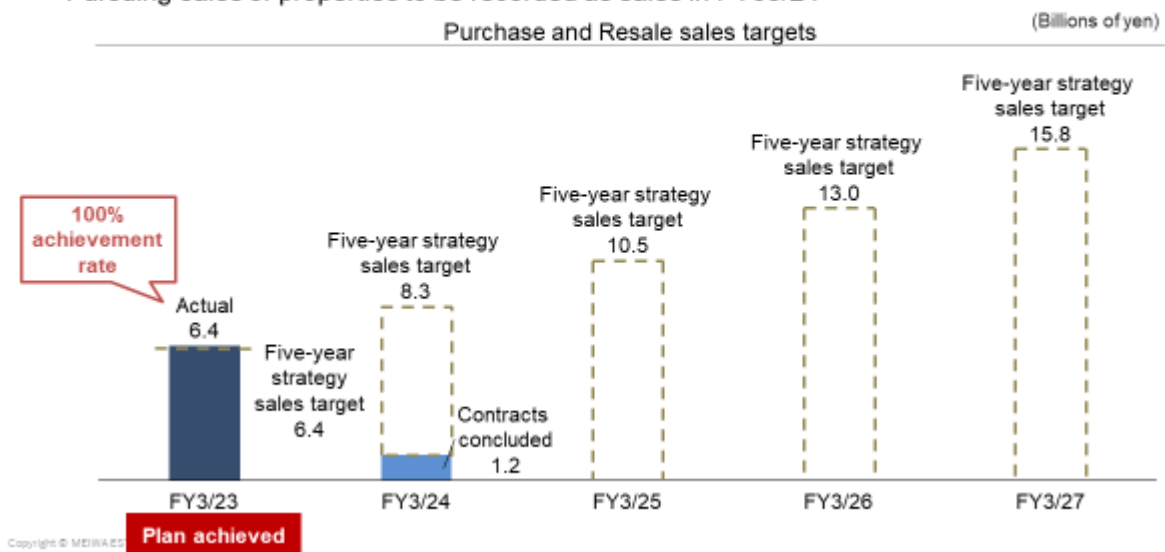


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The inventory of completed units at the end of March 2023 was 15 units, a very low level.

Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

- Plan achieved in inaugural year
- Pursuing sales of properties to be recorded as sales in FY03/24



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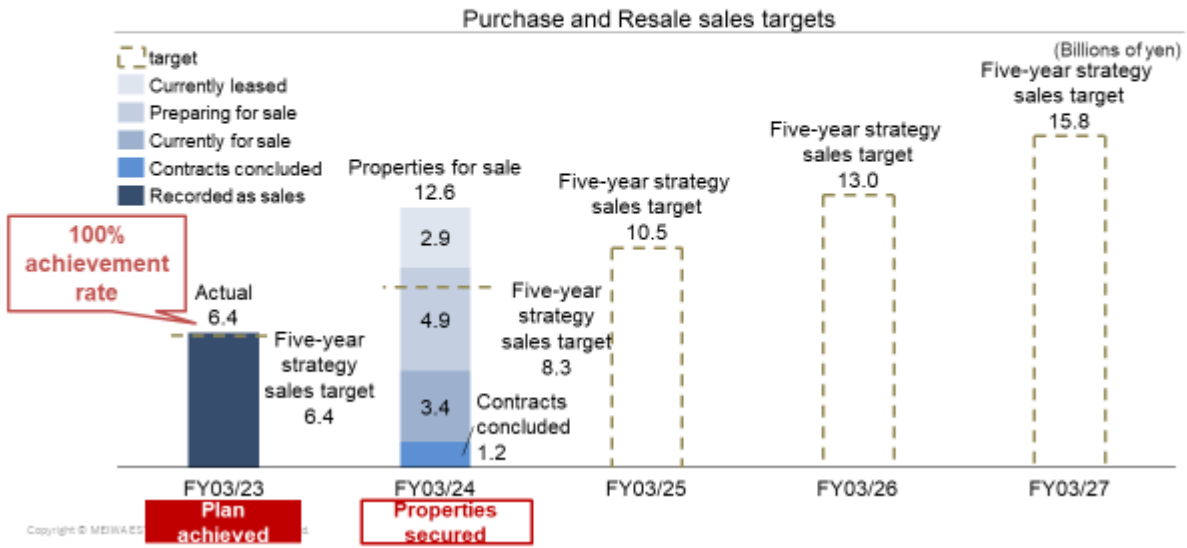
Next, I would like to discuss the real estate agency business.

Purchase and resale achieved the sales target for the first year of the“Five-Year strategy”.

For the current fiscal year ending March 31, 2024, we are targeting sales of JPY8.3 billion, of which JPY1.2 billion has already been contracted as of the beginning of the current fiscal year.

Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

- Ample properties for sale secured for FY03/24

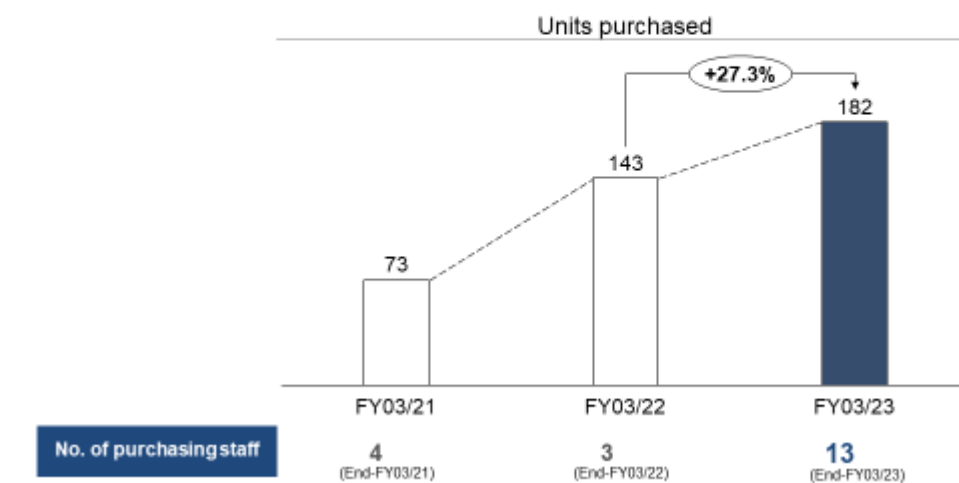


As I explained earlier, we have secured JPY12.6 billion worth of sales materials for the current fiscal year, and we aim to achieve our goal by aggressively promoting sales.

Pages 39 and 40 will be omitted since they are similar in content.

Progress of Real Estate Agency Business: Purchase and Resale

- In April 2022, we formed a team dedicated to purchasing, in order to strengthen our purchasing activities.
- In FY03/23, the number of units purchased increased by 27.3% YoY.



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I will explain how we are strengthening our structure in the real estate agency business, on which we are focusing our efforts.

Traditionally, we have mainly purchased through information via our brokerage stores, but in April 2022, we established a team specializing in purchasing to strengthen purchase and resale business.

The number of units purchased in March 2023, the first year of the plan, increased 27% YoY to 182 units as a result of increased staffing and further strengthening of relationships with real estate brokers, which led to an increase in the amount of information acquired.

Real Estate Agency Business, Brokerage: Progress Against Sales Targets

- FY03/23 net sales exceeded plan

(Billions of yen)

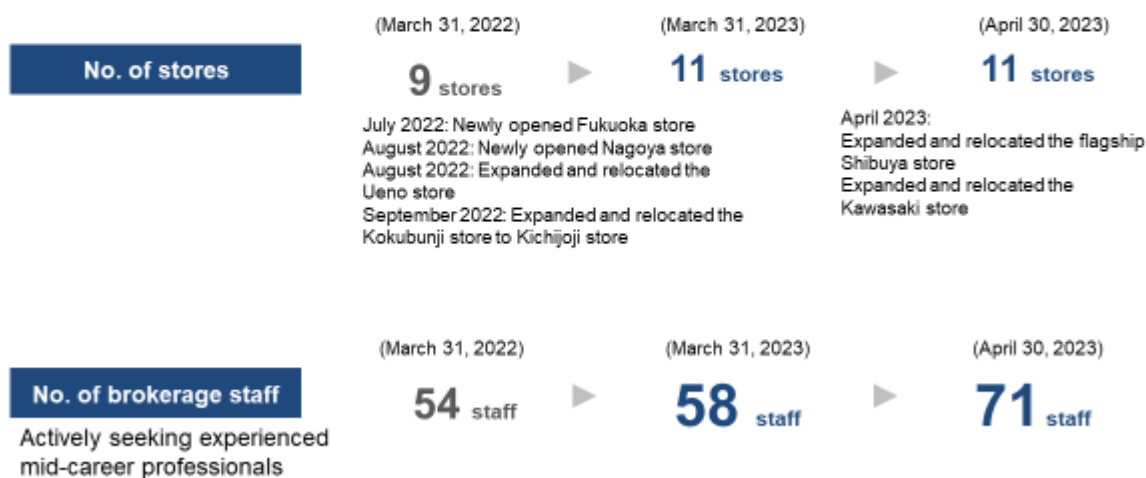
		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net sales (Real Estate Agency)	8.0	10.0	12.0	15.0	18.0
	Brokerage	0.6	0.7	0.8	0.9	1.1
	No. of stores	11	13	15	15	15
Progress	Net sales	0.8	—	—	—	—
	Progress against full-year target	137%	—	—	—	—
	No. of stores	11	—	—	—	—

Plan achieved

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Sales of sales brokerage exceeded the target of JPY600 million for the fiscal year ended March 31, 2023, the first year of the plan, with sales of JPY820 million, a 137% achievement rate.

- We are opening new stores and expanding our workforce.



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To strengthen the real estate agency business, in the fiscal year ended March 31, 2023, the first year of the Five-Year strategy, we proceeded to build new stores, expand and relocate stores, and increase the number of employees.

The Fukuoka store opened in July 2022 and the Nagoya store in August, bringing the total number of stores in the Tokyo metropolitan area, Sapporo, Fukuoka, and Nagoya to 11.

In addition, in August, the Ueno store was expanded and relocated to accommodate the expansion of business, and in September, the Kokubunji store was relocated to the Kichijoji store, which has a more extensive operating base.

In April 2023, the Shibuya and Kawasaki stores were expanded and relocated.

In addition, we will aggressively hire experienced personnel to increase our workforce and strive to improve the profitability of each store.

Condominium Management Business: Progress Against Sales Targets 明和地所

- In the inaugural year, FY03/23, both net sales and units under management exceeded our plans.
- Including units scheduled to commence management at the start of the period, the number of units under management reached the planned levels for FY03/24.

(Billions of yen)

		FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
Plan	Net sales	5.2	5.3	5.5	5.6	5.8
	No. of units under management (end of period)	45,000	47,000	49,000	51,000	53,000
Progress	Net sales	5.3	—	—	—	—
	Achievement rate	102%	—	—	—	—
	No. of units under management (end of period)	45,759	More than 47,902 ^{*1}	—	—	—
	No. of units scheduled to commence management (at start of period)	—	2,143 ^{*2}			
	Achievement rate	101%	102%			

Plan achieved

^{*1} This is the sum of the no. of units under management at end-FY03/23 and the no. of units scheduled to be managed on FY03/24 (as of the start of the period).

^{*2} This is the total of 1,009 units scheduled for completion of our own condominiums and 1,134 condominiums managed by other companies that have been contracted as of the start of the period.

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Next, I will explain the condominium management business.

In the fiscal year ended March 31, 2023, the first year of the plan, both net sales and the number of units under management exceeded targets.

In order to increase stock revenues, we have focused on sales efforts to replace condominiums managed by other companies, which has led to strong growth in management contracts.

For the current fiscal year ending March 31, 2024, the number of units under management on a contract basis as of the beginning of the fiscal year has already achieved the target.

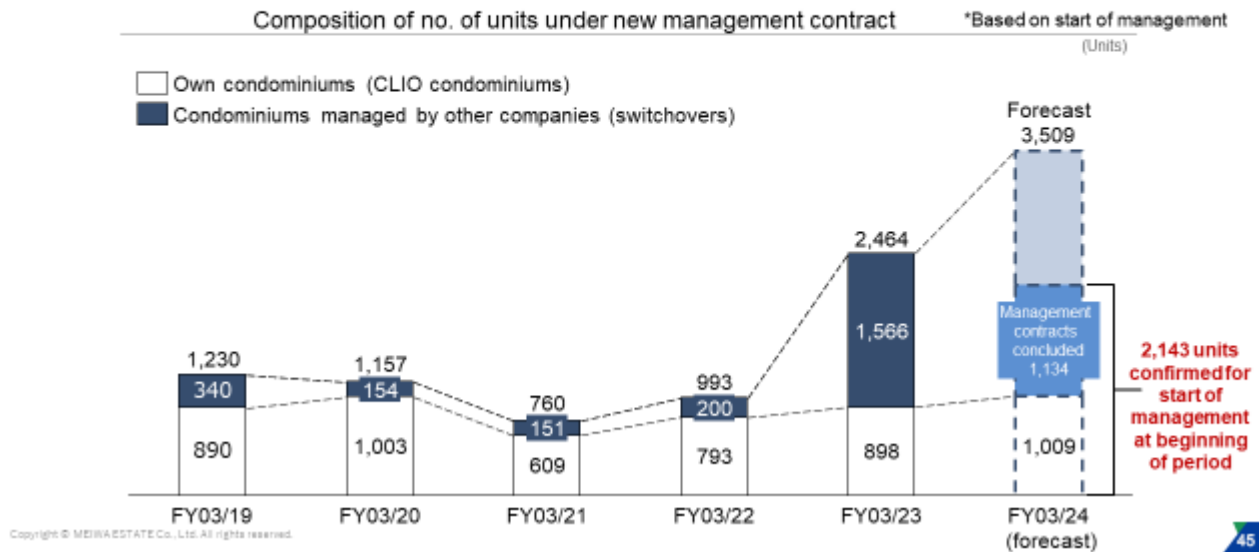
We will continue to focus on sales activities for winning new management contracts.



Condominium Management Business: New Management Contracts

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- FY03/23 saw a sharp increase in number of condominiums switching from other management companies (7.8x YoY).
- We will continue strengthening sales activities for winning new management contracts.



Here is the status of new management contracts.

The dark blue color is commissioned by replacing condominiums managed by other companies. White is entrusted with the CLIO condominiums sold by the Company.

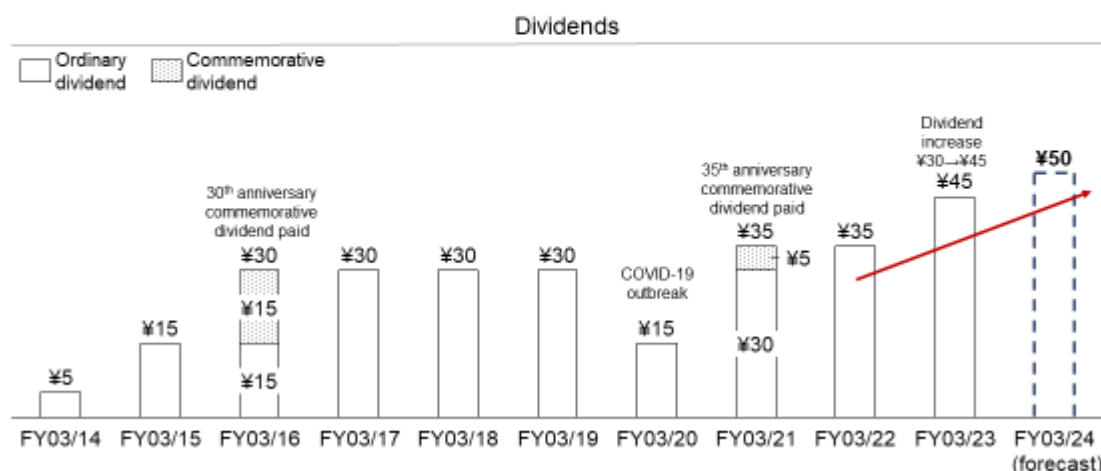
In the fiscal year ended March 31, 2023, we were newly contracted to manage 2,464 condominium units, 63% or 1,566 units of which were contracted through replacement. This is a 7.8-fold increase from 200 units in FY2022.

We will continue to strengthen sales activities for winning new management contracts and increase stock revenues.

This is the end of the explanation of the “Five-Year strategy”.

Dividends

- We plan to pay dividends of ¥45 per share for FY03/23.
- We plan to pay dividends of ¥50 per share for FY03/24, an increase of ¥5 per share.
- We aim for stable dividends, with a payout ratio of around 30%.



Next, I would like to discuss shareholder returns.

As I mentioned earlier, we plan to increase the dividend by JPY5 to JPY50 for the current fiscal year.

The Company aims to achieve a payout ratio of around 30% and to continuously strengthen shareholder returns through stable earnings growth.

Shareholder Benefits

- The introduction of a shareholder benefit program to improve share liquidity was announced in December 2022.
- Points will be awarded based on the number of shares held as of March 31 each year.

Shareholder benefit points are awarded based on the number of shares held

Number of shares held	Benefit points	Timing of reward
600 shares to 699 shares	4,000 points	Early May 2023
700 shares to 799 shares	6,000 points	
800 shares to 1,499 shares	12,000 points	
1,500 shares to 1,999 shares	20,000 points	
2,000 shares to 2,499 shares	25,000 points	
2,500 shares to 2,999 shares	30,000 points	
3,000 shares or more	50,000 points	

Click here for details on the MeIWA Estate Premium Club
<https://meiwajisyo.premium-yutairclub.jp/>

To improve share liquidity, we have introduced a shareholder special benefit plan, as announced in December 2022.

Compliance with Continued Listing Criteria (Prime Market)

- Compliance status as of March 31, 2023 is as follows.
- We met requirements for continued prime market listing for all criteria.

	No. of shareholders (people)	No. of tradable Shares (Units)	Tradable share market capitalization (billions of yen)	Tradable share ratio (%)	Daily avg. trading value (millions of yen)
Continued listing criteria (Prime Market)	800 people	20,000 units	¥10 billion	35%	¥20 million
Compliance status met?	Yes	Yes	Yes	Yes	Yes
As of March 31, 2023 ^{*1}	10,199 people	127,967 units	¥11.07 billion	54.5%	¥35 million
As of June 30, 2021 ^{*2} (As of the transition base date)	8,757 people	108,216 units	¥6.93 billion	43.4%	¥50 million

^{*1} For compliance status as of March 31, 2023, the daily average trading value is the average of the daily value for the one-year period from January 1, 2022 to December 31, 2022, as informed by the TSE on January 11, 2023. Other criteria are listed in accordance with "Status of Compliance with Listing Maintenance Standards (Distribution Standards)" received from the TSE.

^{*2} The status of compliance as of June 30, 2021 is calculated based on the distribution of the Company's share certificates, etc. as of the record date of the TSE.

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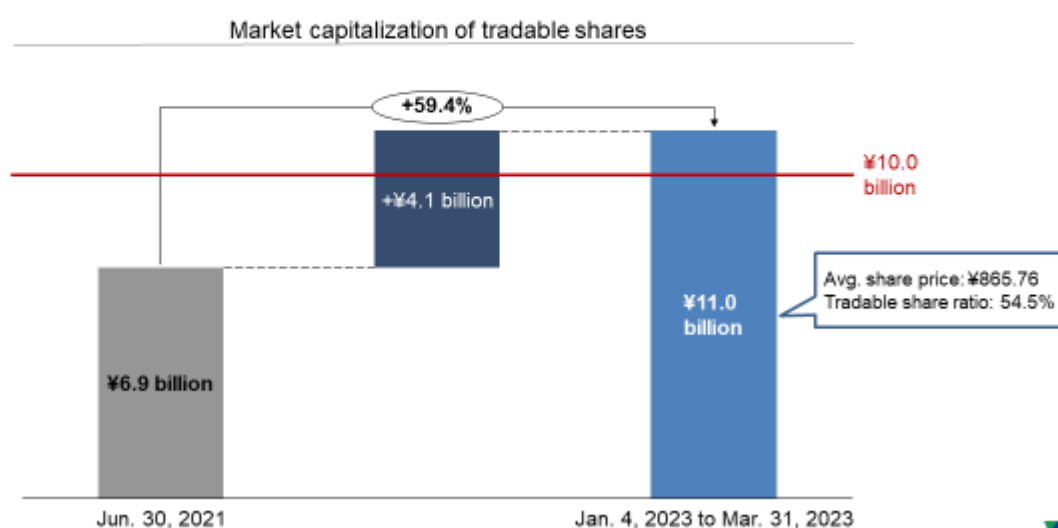
Next, I would like to explain the status of compliance with the continued listing criteria of prime market.

Here is the status of compliance with the criteria as of March 31, 2023.

As of the transition reference date, the tradable share market capitalization did not meet the criteria, but as of the end of March 2023, it had improved to JPY11 billion, confirming that all criteria had been met.

Market Capitalization of Tradable Shares

- Market capitalization of tradable shares was ¥11.0 billion as of March 31, 2023.
- We are in compliance with Prime Market continued listing criteria.

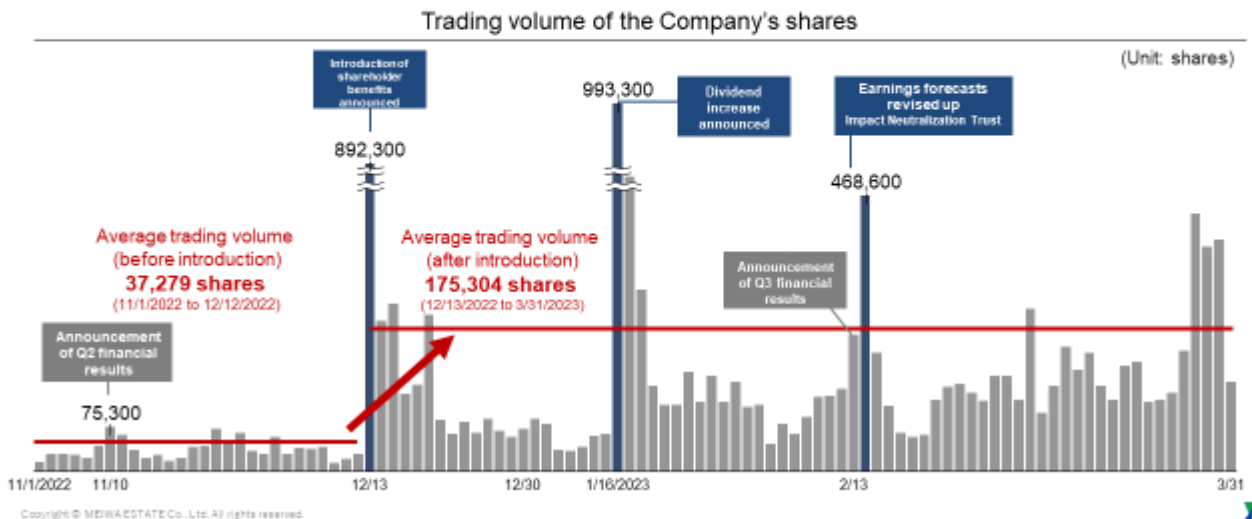


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The tradable share market capitalization increased 60% from JPY6.9 billion as of the transition reference date to JPY11 billion as of the end of March.

- Liquidity increased 4.7-fold upon introduction of a shareholder benefit program.



In the fiscal year ended March 31, 2023, the Company implemented measures aimed at increasing share liquidity.

The introduction of shareholder special benefits in December, the announcement of a dividend increase in January and upward revisions to earnings forecasts in February resulted in a 4.7-fold increase in average trading volume.

We believe that institutional investors are now more likely to invest in the Company due to its expanded liquidity.

- We pursued the following initiatives in FY03/23.

		Policy	Initiative status and results
Improve our share price	Improve our earnings	<ul style="list-style-type: none"> • Increase our medium- to long-term profits • Maintain stable financial management • Expand stable businesses (expand recurring / fee businesses) 	<ul style="list-style-type: none"> • Steady progress on Five-Year strategy • Profits exceeded plan in inaugural year FY03/23
	Improve our stock valuation multiples (P/E, etc.)	<ul style="list-style-type: none"> • Improve liquidity, expand investor base • Enhance shareholder returns • IR enhancement • Review and publication of growth strategy 	<ul style="list-style-type: none"> • Announcement of dividend increase (January 2023) • Redefined dividend policy (January 2023) • Adoption of shareholder benefit program • Implementation of IR enhancements
Raise our ratio of tradable shares		<ul style="list-style-type: none"> • Optimization of shareholder composition • Retirement of treasury stock 	<ul style="list-style-type: none"> • Establishment of Impact Neutralization Trust (February 2023) • Implemented retirement of treasury stock (February 2023)

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In the fiscal year ended March 31, 2023, we implemented a number of initiatives, as described on the slide, to improve our stock price and raise our ratio of tradable shares.

Enhancement of IR

- The following is the current status of our IR enhancement measures.

- Implemented
- Partially implemented
- × Not implemented

	As of Apr. 2022	As of May 16, 2023	Upcoming
Medium-Term Management Plan	○: Published	○: Explained progress in Q2 and Q4	• Medium-term plan to be updated on a rolling basis (full year)
Financial results briefing	-: Distributed recording	○: Live streaming in Q2 in person + live in Q4	• Conduct for 1H and full-year
Q&A session in briefing meetings	×: Not provided	○: Provided in Q2 and Q4	• Conduct for 1H and full-year
Quarterly financial results presentation material	-: Provided for 1H and full-year	○: Now available	• Provide quarterly updates
IR website (Japanese)	○: Provided	○: Renewed	
IR website (English)	×: Not provided	○: Now available	
Translate IR materials into English	×: Not provided	○: Now available	• Content to be expanded
Briefing meetings for individual investors	-: Radio Nikkei	○: Held one time	• To be held on May 27 and July 11
External reports (Japanese, English)	×: Not provided	○: Released	• To be updated quarterly
One-on-one meetings	×: None	○: 5 meetings held	• To be offered and implemented for each quarterly results announcement

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The IR enhancements are shown in the table you see.

Enhancement of IR: Briefings by President & CEO

- We spoke at results briefings and individual investor events in FY03/23.

➤ Addresses made in FY03/23

Event	Date	For institutional investors and analysts	For individual investors	Details
FY03/22 financial results briefing	May 26, 2022	Yes		<ul style="list-style-type: none"> • Videos explaining FY03/22 financial results and FY03/23 earnings forecasts
Q2 FY03/23 financial results briefing	November 15, 2022	Yes		<ul style="list-style-type: none"> • Live streaming of Q2 FY03/23 financial results, progress of Five-Year strategy, etc.
IR seminar for individual investors	February 17, 2023		Yes	<ul style="list-style-type: none"> • In-venue + live streaming of Company profile, shareholder returns, etc.

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For the fiscal year ended March 31, 2023, I have participated in two financial results briefings and one event for individual investors.

Enhancement of IR: Plans for Briefings by President & CEO

- Addresses are planned for multiple events in FY03/24, as well.

➤ Addresses planned in FY03/24

Event	Date	For institutional investors and analysts	For individual investors	Details
FY03/23 financial results briefing	May 16, 2023	Yes		<ul style="list-style-type: none"> • Overview of FY03/23 financial results, FY03/24 earnings forecast, progress of Five-Year strategy, etc. • In-venue and live streaming
IR seminar for individual investors	May 27, 2023		Yes	<p>Speaker</p>  <p>President and CEO Hideoji HARADA 代表取締役社長 原田 英明 (はらだ ひでおじ)</p>
IR seminar for individual investors	July 11, 2023		Yes	
Q2 FY03/24 financial results briefing	Mid-November 2023	Yes		

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We plan to hold several events in the current fiscal year ending March 31, 2024.

Information sessions will be held for individuals in May and July.

In November, when the semi-annual results are available, we plan to hold a 1H financial results presentation for institutional investors and analysts, similar to this presentation, and we hope that you will attend.

Enhancement of IR: 1on1 Meetings

- Five one-on-one meetings held in February and March 2023
- Now accepting requests for meetings for May and June 2023

➤ Status of one-on-one meeting implementation

Meeting destination	Date	Participants from Meiwa Estate		
		Koji Kakizaki Executive Director & Executive Officer	Shunsuke Yoshizawa Executive Director & Executive Officer	Satoshi Ibaraki Executive Officer & General Manager of Corporate Planning Department
Securities Company A	Feb. 2023	Yes	Yes	Yes
Securities Company B	Mar. 2023	Yes	Yes	Yes
Securities Company C	Mar. 2023	—	—	Yes
Securities Company D	Mar. 2023	—	—	Yes
Report issuing company	Mar. 2023	Yes	—	Yes

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In addition, five one-on-one meetings were held during the fiscal year ended March 31, 2023, to further deepen understanding of the Company. We will actively hold this event for this term as well, so please let us know if you have any requests.

We would appreciate the opportunity to meet with you to explain our company and exchange ideas.

This is the end of the presentation. Please see the details of each initiatives on the next page and onward for reference. We would also appreciate it if you could read the material on the status of each segment on page 65 and onward.

Thank you for your kind attention.

Question & Answer

Moderator [M]: I would now like to start the question-and-answer session.

A staff member will hold a microphone for you. Please use the microphone to ask a question after saying your company name and name.

We will also be accepting questions from participants who are watching the live webcast today, so please fill in the chat box on the viewing screen with your questions and send them back to us.

If anyone has any questions, please raise your hand. Members of the audience, how about your questions? Okay, I will take the microphone now.

Questioner [Q]: Thank you for your presentation.

In your earlier explanation, almost 90% of the contracts have already been signed for the current fiscal year, and I have a feeling that the focus is on condominiums to be delivered in the next fiscal year, or later. Please tell us about the current condominium market, and whether there have been any changes in the sales environment.

In addition, although sales materials have already been secured to a certain extent, what are your views on construction costs, rising land costs, and rising costs, and what measures, if any, do you have in mind?

This is my first question.

Harada [A]: Regarding the current overall economic situation, I will answer that question myself.

With the rise in land and construction costs and COVID-19 changing the needs of customers, I believe that there has been a marked increase in prices not only for newly-constructed condominiums, but also for existing condominiums over the past few years.

It is very difficult to predict what will happen in the future, but land availability is already very limited, and the main buyers right now are so-called power couples with annual household incomes of about JPY15 million to JPY20 million who are willing to acquire condominiums. They are moving forward with the acquisition of condominiums. Considering this, I do not see the situation as one in which adjustments would change so drastically.

There is a lot of noise about a financial crisis in the US right now, then if something like that were to happen, I don't know what the market would be like, but I think that the current needs and prices will remain firm.

Regarding construction costs and other matters, Mr. Kakizaki, Executive Director, will explain.

Kakizaki [A]: Yes. Now, let me explain the situation.

As for construction costs, as you pointed out, they are on an upward trend, or rather, they have remained almost at a constant high level.

In this context, we have built strong relationships with construction companies, and to be more specific, we have adopted various measures, such as changing equipment specifications to those with the same functions

at the inexpensive price. We are also making efforts to reduce costs by taking the initiative in placing orders and separating some of the orders.

Therefore, even in this environment, we believe that we have been able to control construction costs to a certain degree.

That is all.

Questioner [Q]: Thank you very much.

The second question is about the PBR of the footprint. The TSE also made a recommendation, and your company is working to strengthen its appeal to overseas investors and individual investors, but the current PBR is below 1x at around 0.7x. What are the issues facing your company in this area, and if there are any measures or initiatives that you would like to further promote as improvement measures?

Harada [M]: Regarding PBR, Yoshizawa will explain.

Yoshizawa [A]: Yes. Let me explain.

As you mentioned, our P/B ratio is now 0.6x. The TSE and the Nihon Keizai Shimbun have been talking about the measures to be taken by companies that have less than one times. We will take this seriously and work to improve the PBR.

First of all, we will strive to improve our P/B ratios by constantly taking various measures, such as asset turnover, profitability, and the way we respond to our customers' needs.

That is all.

Questioner [Q]: Thank you very much. Incidentally, what kind of policies are you currently implementing or planning to implement to increase the turnover and profitability of such assets?

Yoshizawa [A]: Now, we are working on the fixed assets and inventories, which we hold for a bit long term, and we will improve them as soon as possible. Therefore, we are taking measures such as impairment of assets to increase the turnover of assets by selling them early.

That is all.

Questioner [M]: Thank you.

Moderator [Q]: Thank you very much. Now, I will read out the questions of those who are participating in this live webcast.

Purchase and resale is growing. Please tell us about your current profit margin, and how you differentiate yourself from other companies, specifically company names such as A, B, and C?

The above questions have been received. Thank you.

Harada [M]: I will let Kakizaki explain the current question.

Kakizaki [A]: Yes. Let me explain.

Regarding the differentiation of our purchase and resale business, our company is originally from a developer background, and we have created a brand called “tukurite”, and we are following this concept.

Therefore, there are many companies involved in the purchase and resale business, and we are applying the know-how we have cultivated in the field of newly built condominiums for sale to the purchase and resale of condominiums, and we are trying to brand these condominiums even though they are purchase and resale.

Naturally, in the purchase and resale business, construction costs have been rising in the same way as in the case of newly built condominiums for sale, but we have been able to address this issue by separating some orders and by building close relationships with renovation contractors. We are also building close relationships with remodeling contractors and are doing this in our own way.

So, in a nutshell, I think that not many other companies are branding their products for purchase and resale, but we are trying to differentiate ourselves by doing so under the brand name of “tukurite”.

That is all.

Moderator [Q]: Thank you very much. Now, I have one more question in the chat box that I would like to read.

How do you see the real estate market in the future in an environment of fluctuating economic conditions? What measures will be taken to address this?

The above questions have been received. Thank you.

Harada [A]: The real estate market is expected to remain firm, and as I mentioned earlier, the amount of land available for new construction in the metropolitan area is decreasing. In short, the demand continues to outstrip the supply, so naturally, very well-located used condominiums are also in high demand. I think that unless this land issue is resolved, the current situation in the real estate market, will not change easily.

However, the real estate market has experienced the collapse of the bubble economy and the Lehman shock many times in the past, so I do not intend to say that I am completely certain about this. Depending on the situation, there is a possibility that such a thing may happen.

We cannot not purchase sales materials in respond to the possibility, and we will continue to prepare sales materials at the current sales level, while monitoring and researching the situation by using our experience and other resources. If the situation changes, we will respond to it promptly.

When something happens, the difference between life and death is how quickly and speedily we can proceed with the matter. We are focusing on developing our business while keeping this in mind and keeping a close eye on the current situation.

Moderator [M]: Thank you very much.

If you have any questions, please raise your hand. If you are joining us in live webcast, please fill in your questions in the chat box. Nothing?

Are there any additional explanations from the Company?

Harada [M]: It's okay.

Moderator [M]: Thank you very much.

With that, we will conclude the question-and-answer session. For further inquiries, please contact the corporate planning department.

Also, since today is a rare opportunity, if you would like to exchange business cards, please proceed to the front of the room.

This concludes the financial results briefing for MEIWA ESTATE. Thank you very much for your time today.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

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