

# Phil Company, Inc.

Thursday, April 11, 2024

Financial results presentation material for the 1Q of  
the fiscal year ending November 30, 2024

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Phil Company, Inc. TSE Standard Securities code: 3267

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## **I Company Profile and Business Overview**

## **II 1Q Topics**

## **III 1Q Results**

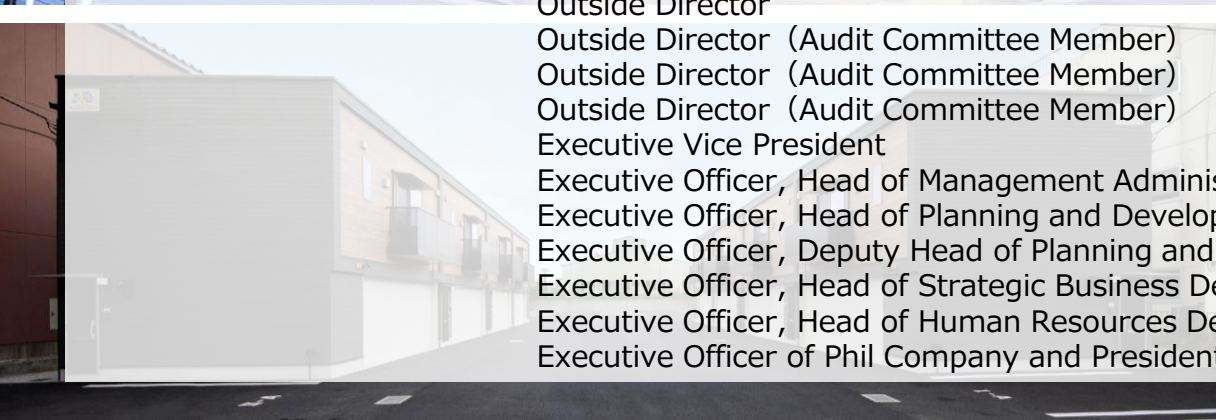


## **I Company Profile and Business Overview**

## **II 1Q Topics**

## **III 1Q Results**





**Company Name**

Phil Company, Inc.

**Established**

June 3, 2005

**Share Capital**

789,647,000 yen (as of November 30, 2023)

**Headquarters address**

1-12, 3-chome, Tsukiji, Chuo-ku, Tokyo, Japan

**Nature of business**

The Space Solutions business, which includes Phil Park aerial shop and other businesses

**Qualifications and Certifications**

Real Estate Transaction Business License from the Governor of Tokyo(4) No.87090  
First-class Architectural Office Registration from the Governor of Tokyo No.55919  
Construction Business License from Governor of Tokyo(General-5) No.131403

**Listed market**

Tokyo Stock Exchange Standard Market (Security Code : 3267)

**Executive**

Chairman of the Board  
President and CEO  
Outside Director

Outside Director (Audit Committee Member)  
Outside Director (Audit Committee Member)  
Outside Director (Audit Committee Member)

Executive Vice President  
Executive Officer, Head of Management Administration Division  
Executive Officer, Head of Planning and Development Division  
Executive Officer, Deputy Head of Planning and Development Division  
Executive Officer, Head of Strategic Business Department  
Executive Officer, Head of Human Resources Department  
Executive Officer of Phil Company and President of Phil Construction

Nobuaki Takahashi  
Mari kaneko  
Daisuke Yanasawa  
Naoto Matsumoto  
Kohei Kawanaka  
Hironori Yamoto  
Shingo Toyama  
Tsuyoshi Takeuchi  
Masataka Koezuka  
Hiroaki Fukushima  
Shinya Azusawa  
Masahiro Yoshimizu  
Takashi Takano

# “Phil Company” PURPOSE · VISION · VALUE

PURPOSE



Filling the ‘Sukima’ in the town with ‘creation’.

VISION



‘Community development’ tailored to your needs.

VALUE



Dedicate all our efforts to the community and our customers.





## Creating vibrancy and revenue in underutilized spaces above parking lots-that's our 'Space Solution Services'.

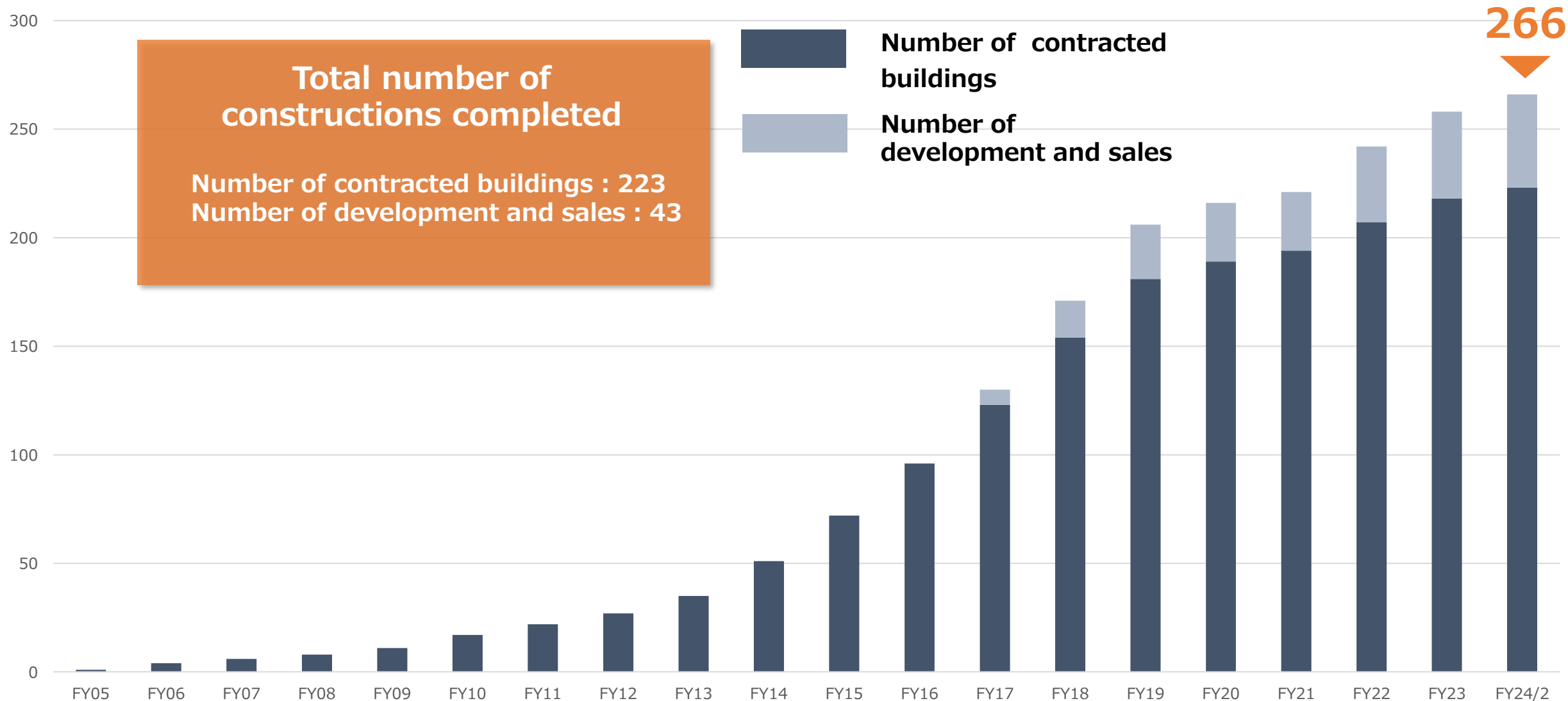
"What is the best land utilization plan for landowners?"

"What type of building space is needed in this location right now?"

With our unique perspective and approach, we guide landowners, tenants, and local residents to optimal solutions, while also handling the entire process from planning, design, construction, tenant recruitment, to management, all under one roof."

※Key tenants: Food and beverage, beauty, clinics, offices, and more."

# The achievements of Phil Park aerial shop



※Performance figures are as of February 2024.





**Creating a wide range of lifestyles for residents while generating stable income even in suburban areas through our rental housing with garages business.**

Our rental housing with garages business is ideal for utilizing land in suburban areas that are far from stations and difficult to utilize with typical apartments or condominiums. With an occupancy rate of over 95% and a waiting list of more than 7,000<sup>1</sup> registrations, we offer high profitability based on strong tenant demand, low investment hurdles, tax benefits, and numerous advantages.

※ Main purposes include residential use and second homes.

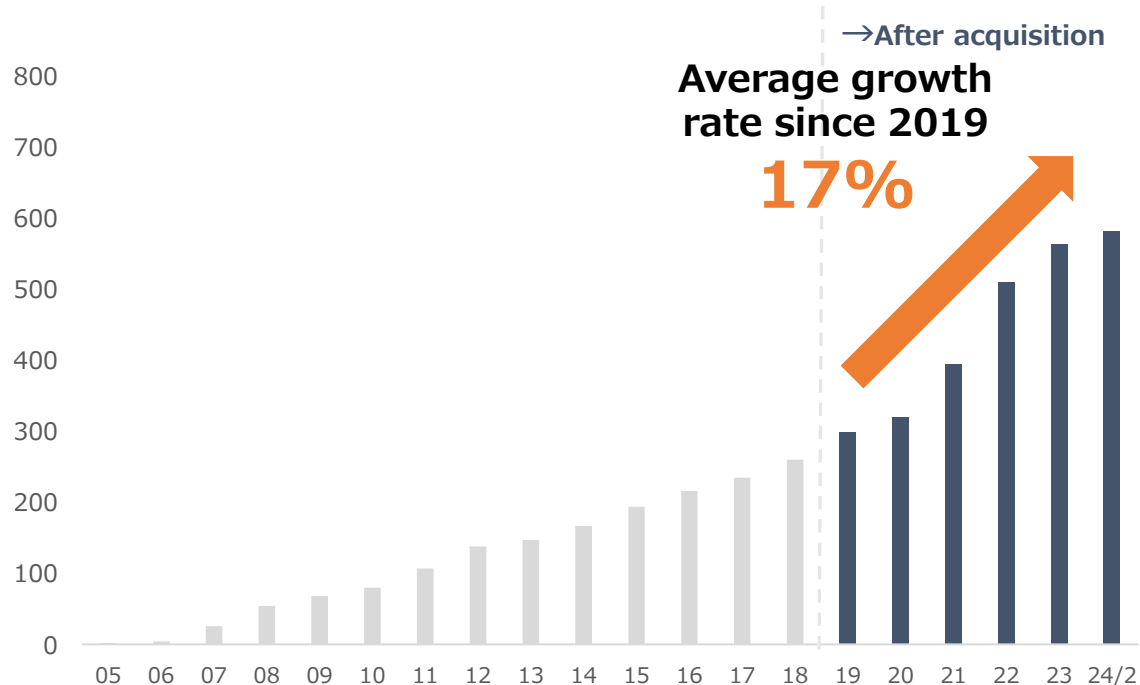
\*1 : As of February 2024



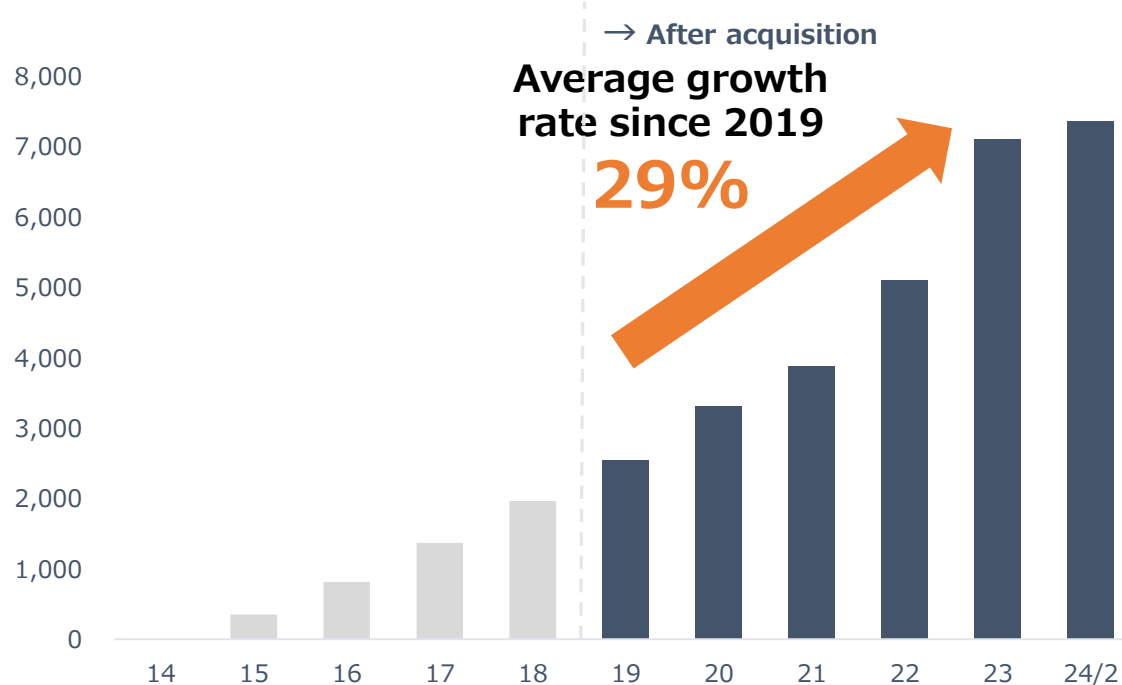
# The achievements of Premium Garage House

- The Premium Garage House brand has accelerated its growth rate since its acquisition in 2019.
- Despite the challenges posed by the COVID-19 pandemic, we have been growing steadily and plan to further expand our business in the future.

Number of completed Premium Garage Houses (cumulative)



Number of waiting list registration for Premium Garage Houses (cumulative)



※ Performance figures are as of February 2024.

## PhilPark Aerial shop

Contracted orders

- Cumulative results: 223 buildings
- Main locations: Urban [business districts](#) of Tokyo, Kanagawa, Saitama, Aichi, Kyoto, Osaka, Fukuoka, etc.

### Our Core Business

Land utilization products mainly in urban areas. Specializing in locations that are conventionally difficult to design for, such as spaces above parking lots, land along side streets, and narrow lots. We intend to continue to [assign human resources and allocate management resources](#) to this business.

Development and sales

- Cumulative results: 43 buildings
- Main locations: same as above

### Positioned to Complement Phil Park Contracted Orders

We purchase the land and do the planning. This model lists buildings as inventory [on the balance sheet](#) until sales are made. Planning and designing is relatively easy because we carefully select and acquire the most suitable land for Phil Park. Also, since we can make proposals to investors other than land owners, this contributes to [expanding the base of who we sell to](#). We intend to [expand selectively](#) going forward.



## Premium Garage House Rental housing with a garage

- Cumulative results: 90 buildings (excluding pre-acquisition results)
- Main locations: Suburbs of Tokyo, Kanagawa, Saitama, Chiba, Osaka, etc.

### Innovative Land-Use Product in Suburbs

This is a land-use product that can provide high yields even on land in suburban areas far from train stations, and has a [unique system](#) called “waiting list registration” that [pools applicants](#) for PGH. Demand is expected to grow and we intend to [aggressively pursue](#) this product.

- Cumulative results: 11 buildings
- Main locations: Areas within the above prefectures where financing is available

### A Style that can be Offered Under Limited Conditions

In general land in suburban areas is more [difficult to finance](#) than land in urban areas because it is more [difficult for financial institutions to evaluate](#) the value of the land. This means there might be a limited number of buyers. When acquiring land for PGH we do so only in [limited cases](#) where there is sufficient potential for tenants and sales.



■ The Phil Park aerial shop and Premium Garage House businesses each have significant potential markets.


Overall industry market size (TAM)<sup>\*1</sup>

Approximately 26.7 trillion yen

The annual total construction cost of buildings nationwide<sup>\*2</sup>

Target market size (SAM)<sup>\*3</sup>

**PhilPark** Aerial shop

 Premium Garage House  
Rental housing with a garage

Approximately 2.9 trillion yen

Approximately 2 trillion yen

<The method of calculation>  
Annual total construction cost of buildings in key areas  
× Percentage of plots based on PP standards (from 15 to 120 tsubo, within a 10-minute walk from the station) .  
<sup>\*4</sup>

<The method of calculation>  
Number of new construction starts for rental homes (row houses and apartment buildings) nationwide <sup>\*5</sup>  
× Proportion of plots meeting PGH standards (quadrilateral or larger, 50-300 tsubo) <sup>\*6</sup>  
× Unit price per PGH unit (22 million yen) .

- ※1 : TAM : Total Addressable Market
- ※2 : Using the Construction Starts Statistics Survey (Ministry of Land, Infrastructure, Transport and Tourism), the potential overall market size is calculated based on the total planned construction cost of buildings that commenced construction in Japan in 2022.
- ※3 : SAM : Serviceable Available Market
- ※4 : Using Miyagi, Tokyo, Saitama, Chiba, Kanagawa, Aichi, Kyoto, Hyogo, Osaka, and Fukuoka as the target areas, the proportion of PP standard plots is multiplied to calculate the result.  
(PP standard plots refer to the proportion of small-sized plots (15-120 tsubo) within a 10-minute walk from a train station (within a straight-line distance of up to 800m), using land data from G Space Information Center, and the estimation is expanded to other areas).
- ※5 : Using the 2022 Housing Starts Statistics Survey (Ministry of Land, Infrastructure, Transport and Tourism), the number of row houses and apartment units among newly constructed rental homes is calculated.
- ※6 : Using land data from G Space Information Center, the proportion of plots in the Tokyo Metropolitan Area and the three prefectures (Saitama, Chiba, and Kanagawa) that have a quadrilateral or larger shape and range in size from 50 to 300 tsubo is estimated and expanded to the entire country.

## I Company Profile and Business Overview

## II 1Q Topics

## III 1Q Results



- Goal of the Mid-term Management Plan: ‘Establishing a foundation and framework for sustainable growth’
  - Scaling existing businesses through business process reform and organizational restructuring.
  - At the same time, laying the groundwork for the next stage of growth.

**1<sup>st</sup> Reform**  
**Business Process Reform**  
 ~Scaling the Business Model

- Sales Reform
- Creating a mechanism to generate responses
- Efficiency improvement in cost management and estimation process
- Strengthening Property Management

**2<sup>nd</sup> Reform**  
**Organizational Restructuring**  
 ~Improving Employee Engagement

- Organizational Development
- Talent Development

**3<sup>rd</sup> Reform**  
**Business Portfolio Transformation**  
 ~Laying the Foundation for Further Growth

- Business Portfolio Transformation and Expansion
- Overview of New Business
- M&A and Alliance Strategy

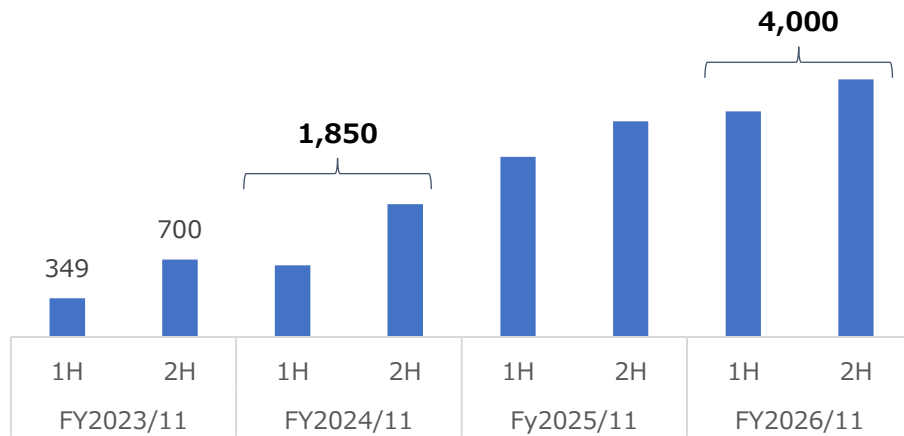
**November 2026**  
**Fiscal Year**

|                             |                 |
|-----------------------------|-----------------|
| Revenue                     | 15 billion yen  |
| Operating profit            | 1.2 billion yen |
| ROE                         | 20%             |
| Number of inquiries         | 4,000           |
| Number of proposals         | 450             |
| Number of contracted orders | 90              |
| Number of employees         | 130             |

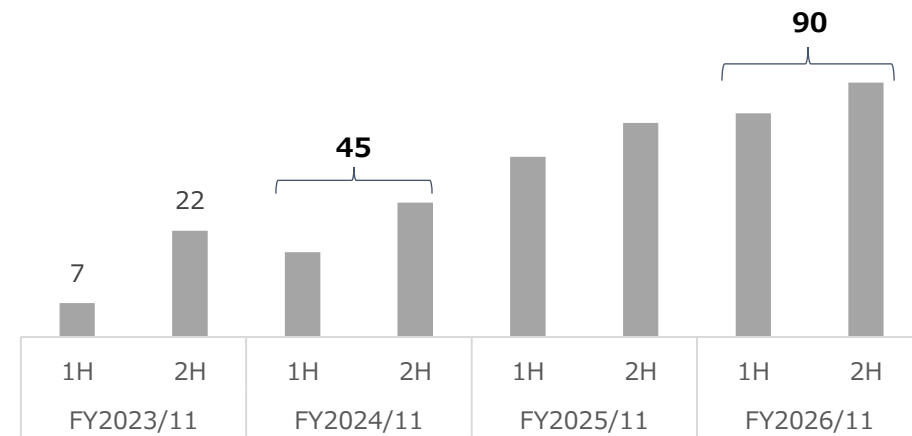
Improvement of Growth Potential  
 (Enhancement of Valuation)

Improvement of Shareholder Value

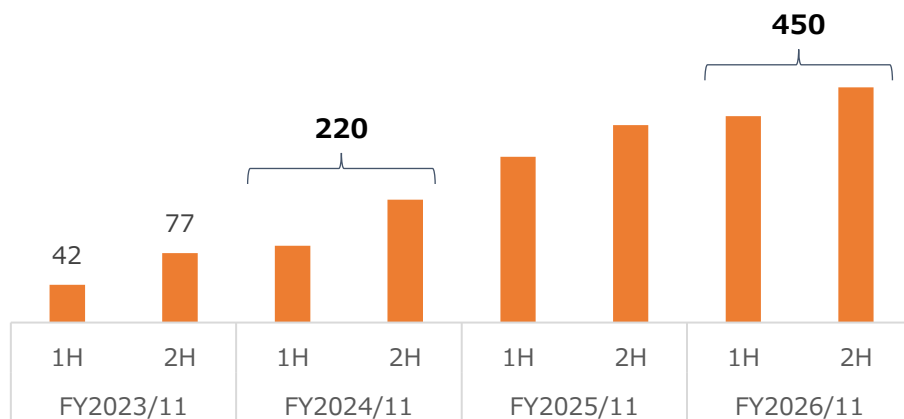
## Number of inquiries



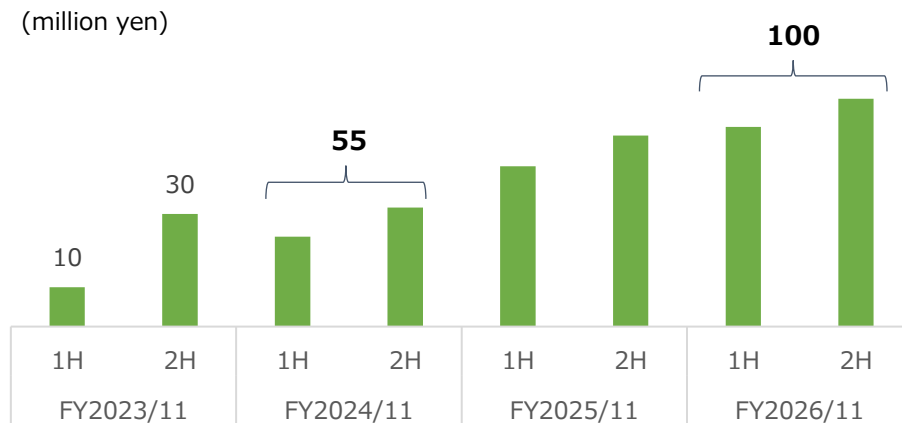
## Number of contracted orders



## Number of proposals

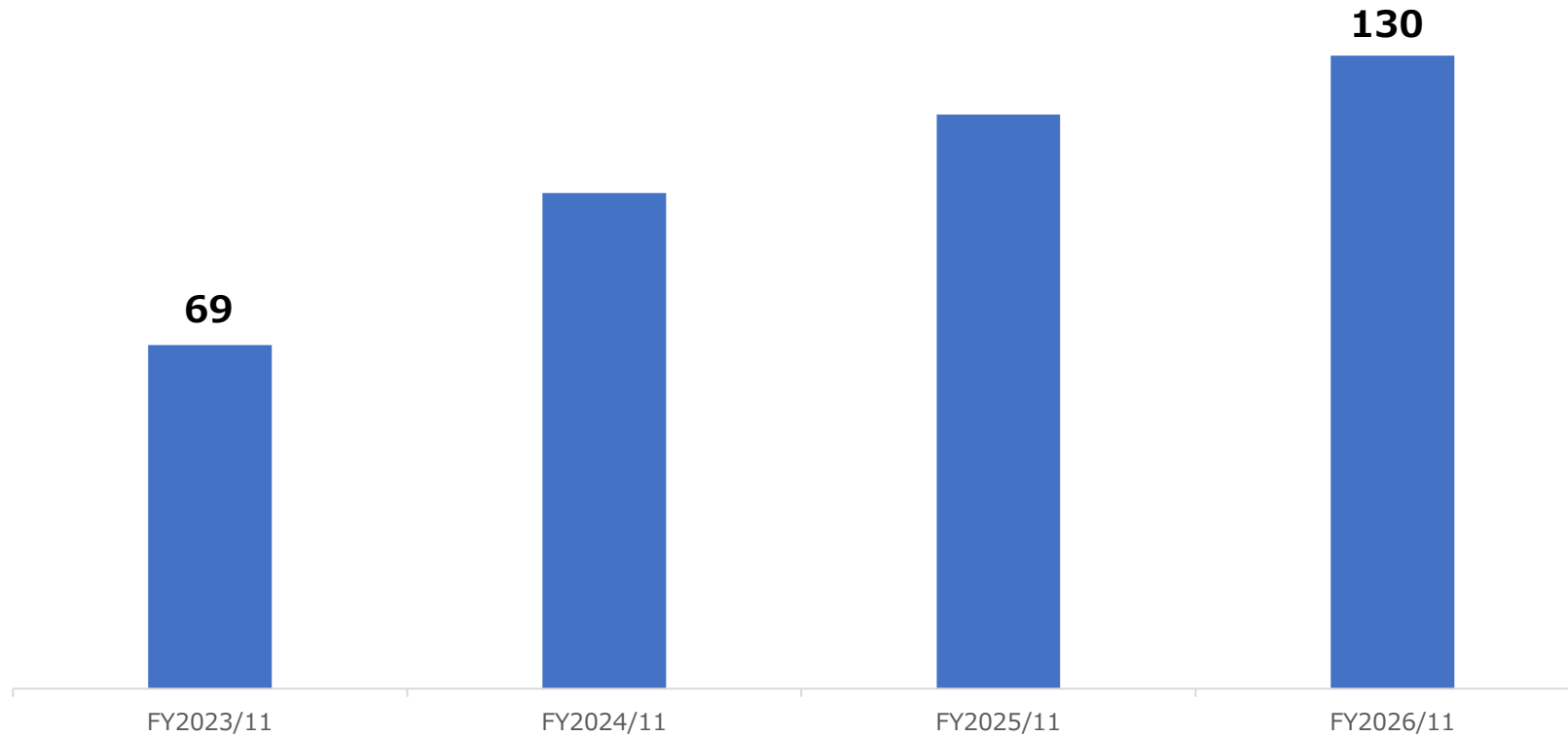


## Estimated Contracted Order Amount (When KPI Target is Achieved)



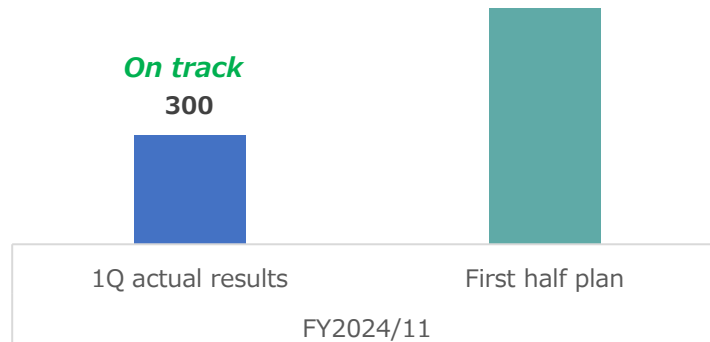


- Over the next 3 years, the number of personnel will expand to 130.
- To strengthen recruitment and enhance employee engagement, reducing turnover rate.

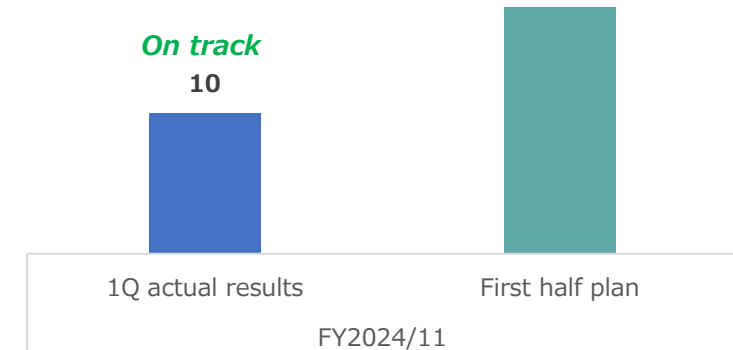


- The progress of the number of inquiries, number of proposals, and number of orders received is as expected.
- The increase in personnel is progressing behind the initial plan.
  - Delays in recruitment and an increase in retirements are the challenges.

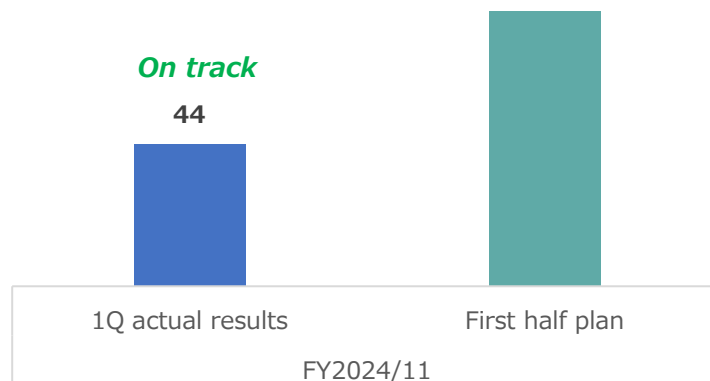
## Number of inquiries



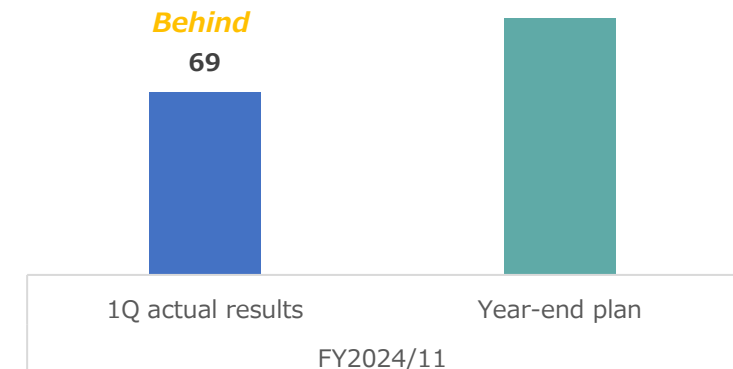
## Number of contracted orders



## Number of proposals



## Number of personnel



## Recruitment strengthening measures



- Progress management through the recruitment management system
- Clarification of talent requirements
- Accelerating the recruitment process and decision-making speed

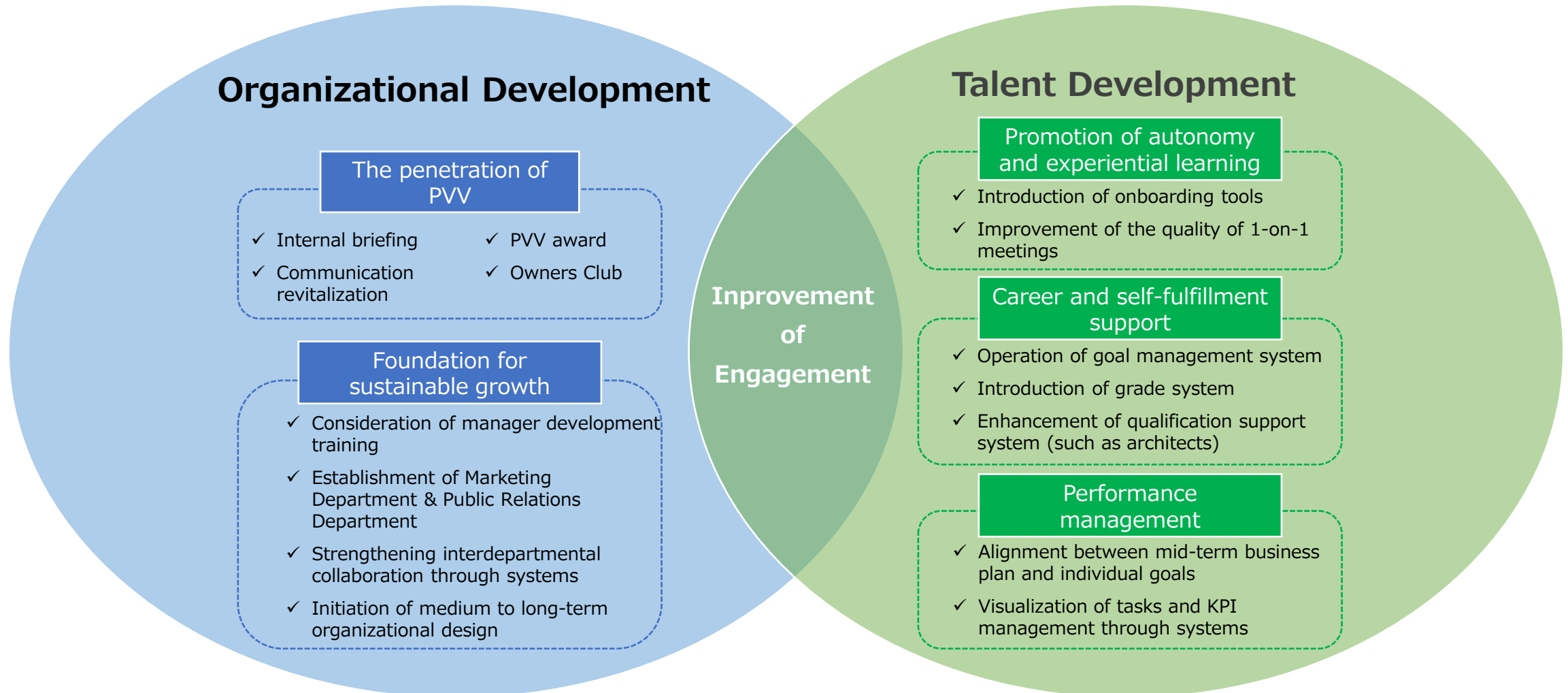
## Measures to suppress resignations

### (improvement of employee engagement).



- The penetration of PVV, revitalization of communication (awards, founder podcast, internal newsletter)
- Exit interviews (feedback)
- Enhancement of various personnel systems (performance evaluation, workstyle reform, employee benefits)
- Review of the compensation system





## **I Company Profile and Business Overview**

## **II 1Q Topics**

## **III 1Q Results**

## 3Q Results

**Sales : 606 million yen**  
**Gross profit : 207 million yen**  
**Operating profit :  $\triangle$  88 million yen**

### 1Q Highlights

- Despite a YoY decrease of 17% in sales, gross profit increased by 10%.
  - Amount of orders received exceeded 1 billion yen for the third consecutive quarter, reaching 1.09 billion yen.
  - The number of orders received, 10, is the highest for the first quarter.
- Selling and administrative expenses increased by 7% YoY, while operating profit remained at the same level as the previous year.
  - With the strengthening of the organizational structure, personnel expenses and outsourcing costs have increased.

### The Contracted Orders Scheme– PP

**No. of orders received : 5**  
**Amount of orders received : 721 million yen**

### The Contracted Orders Scheme– PP

**No. of orders received : 5**  
**Amount of orders received : 368 million yen**

### The Development and Sales Scheme

**Balance of development projects : 3,916 million yen**  
**No. of Units Sold and Delivered : 0**

1. PP : Phil Park aerial shop  
2. PGH : Premium Garage House



| (Thousands of yen)         | 1Q Result      |             |
|----------------------------|----------------|-------------|
|                            | Results        | YoY         |
| <b>Sales</b>               | <b>606,083</b> | <b>△17%</b> |
| <b>Cost of sales</b>       | <b>398,395</b> | <b>△26%</b> |
| <b>Gross profit</b>        | <b>207,688</b> | <b>+10%</b> |
| <b>Gross profit margin</b> | <b>34.3%</b>   | <b>—</b>    |
| <b>SG&amp;A</b>            | <b>296,342</b> | <b>+7%</b>  |
| —Personnel                 | <b>151,677</b> | <b>+11%</b> |
| —Outsourcing expenses      | <b>42,204</b>  | <b>+17%</b> |
| —Advertising expenses      | <b>6,605</b>   | <b>△30%</b> |
| —Others                    | <b>95,854</b>  | <b>+1%</b>  |
| <b>Operating profit</b>    | <b>△88,654</b> | <b>△1%</b>  |
| <b>Ordinary profit</b>     | <b>△96,589</b> | <b>△6%</b>  |
| <b>Profit</b>              | <b>△71,409</b> | <b>△5%</b>  |

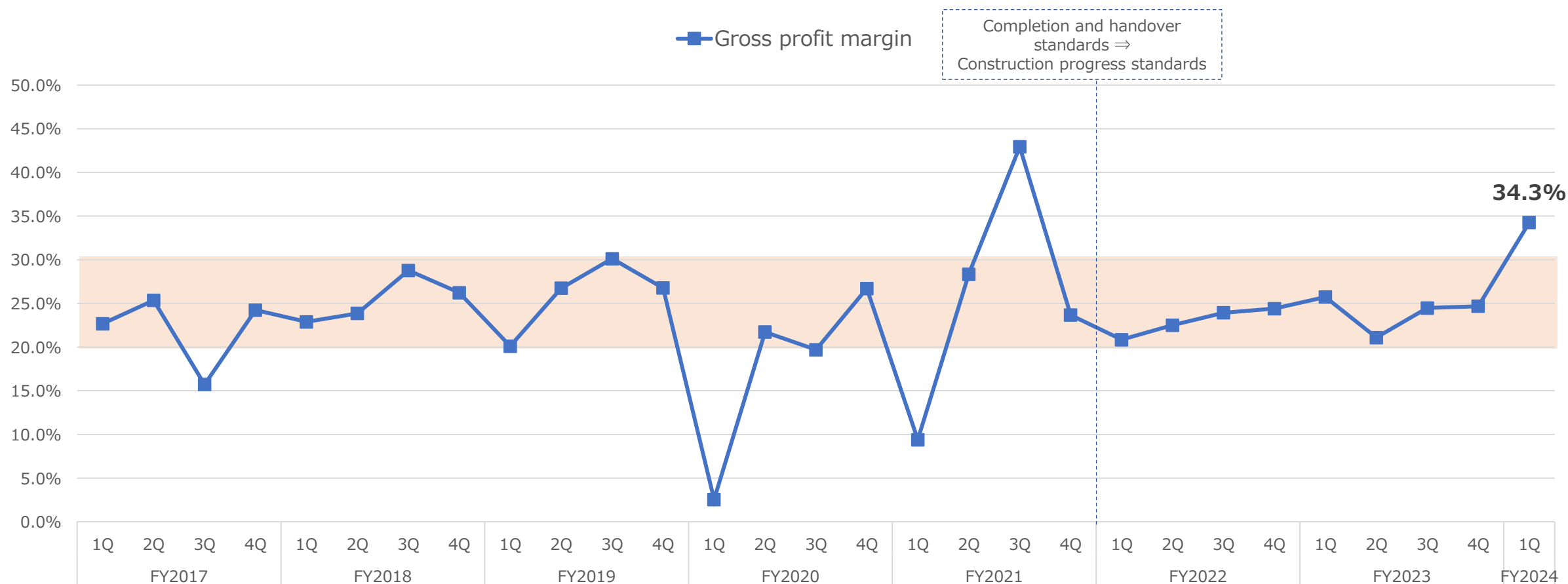
## Prior investment

By strengthening mid-career recruitment, personnel expenses have increased.  
 ※Personnel expenses include recruitment costs.

Digital investment will continue, while advertising and promotional expenses will decrease.

Other selling and administrative expenses remained at the same level as the same period of the previous year.

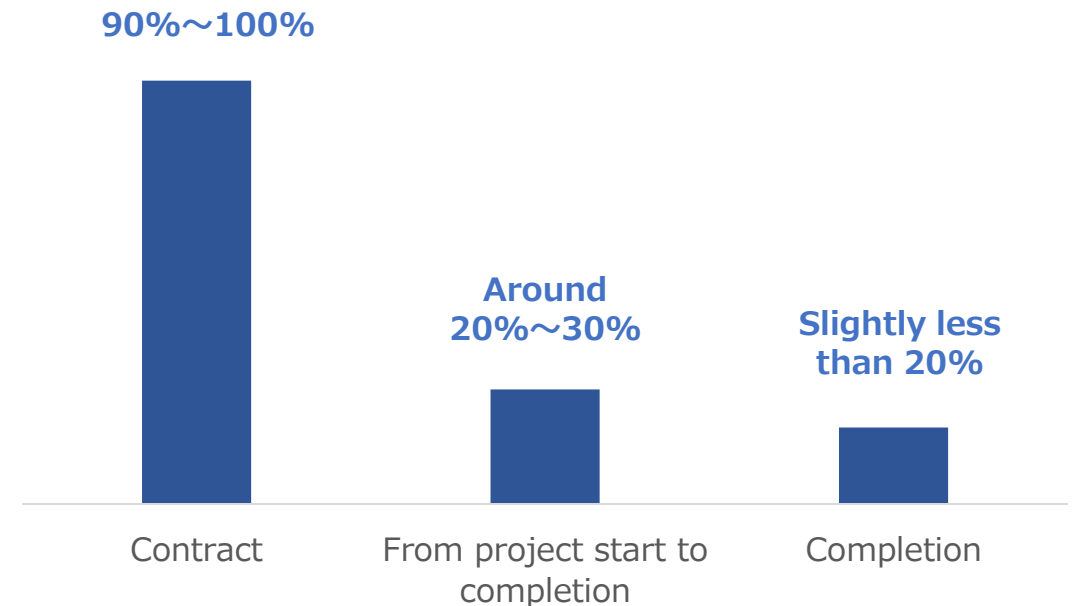
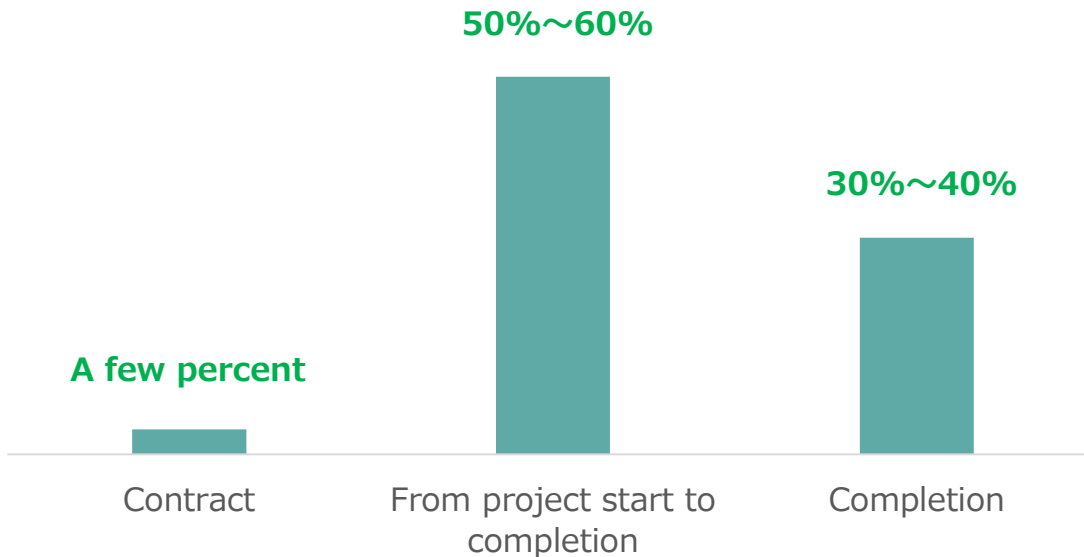
- The quarterly Gross profit margin has generally been in the range of 20% to 30%.
- Since the change in Sales recognition standards from November 2022, **it has consistently remained in the range of 20% to 25%.**
- **In the 1Q, while there were many orders, the amount of completed project revenue was low, resulting in a gross profit margin of 34%, which is a high level.**



- Recognize revenue based on the progress of the project in accordance with the construction progress criteria.
- The cost varies depending on each process and service, resulting in differences in profit margins.
  - At the time of contract: Planning and design (low sales, low cost)
  - From project start to completion: Design and supervision (low sales, low cost), construction subcontracting (high sales, high cost), and others
  - At completion: Construction subcontracting (high sales, high cost) and others

## Example of revenue recognition ratio for each process

## Example of gross profit margin for each process





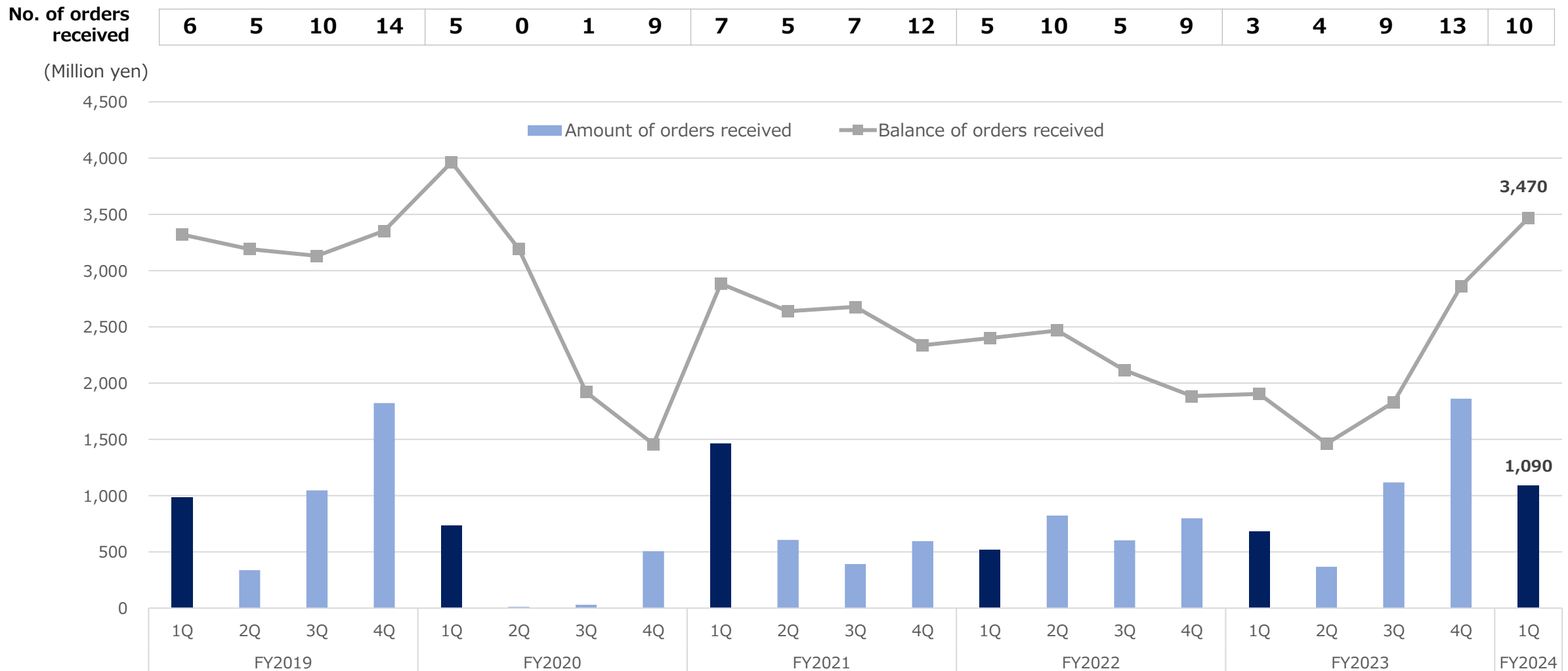
- Sales from Contracted Orders declined YoY.
- We will continue to accumulate sales revenue through Development and Sales from the 2Q onwards, even though there were no sales deliveries in the 1Q.

## Changes in Sales Breakdown



# Status of Contracted Orders received

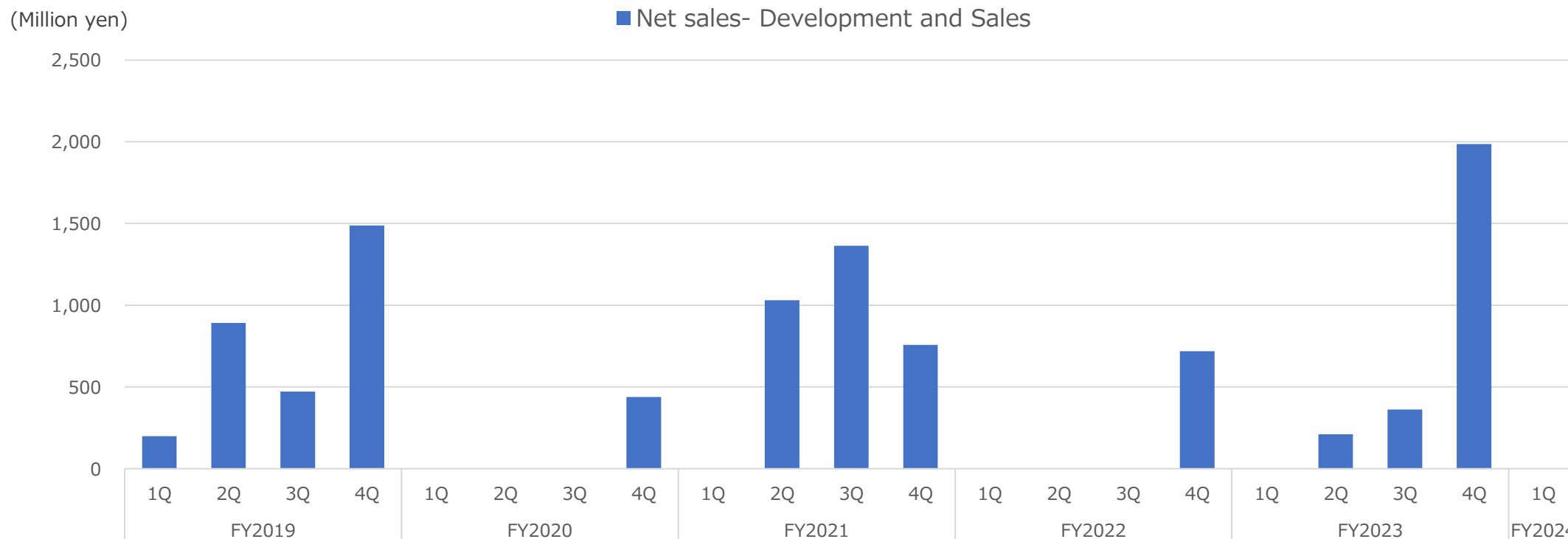
- The number of orders received, 10, is the highest for the 1Q.
- We have achieved 1 billion yen in amount of orders received for 3 consecutive quarters compared to the previous period, and for the first time in 4 years, our balance of orders received has exceeded 3 billion yen.



# The trend in Sales from The Development and Sales Scheme

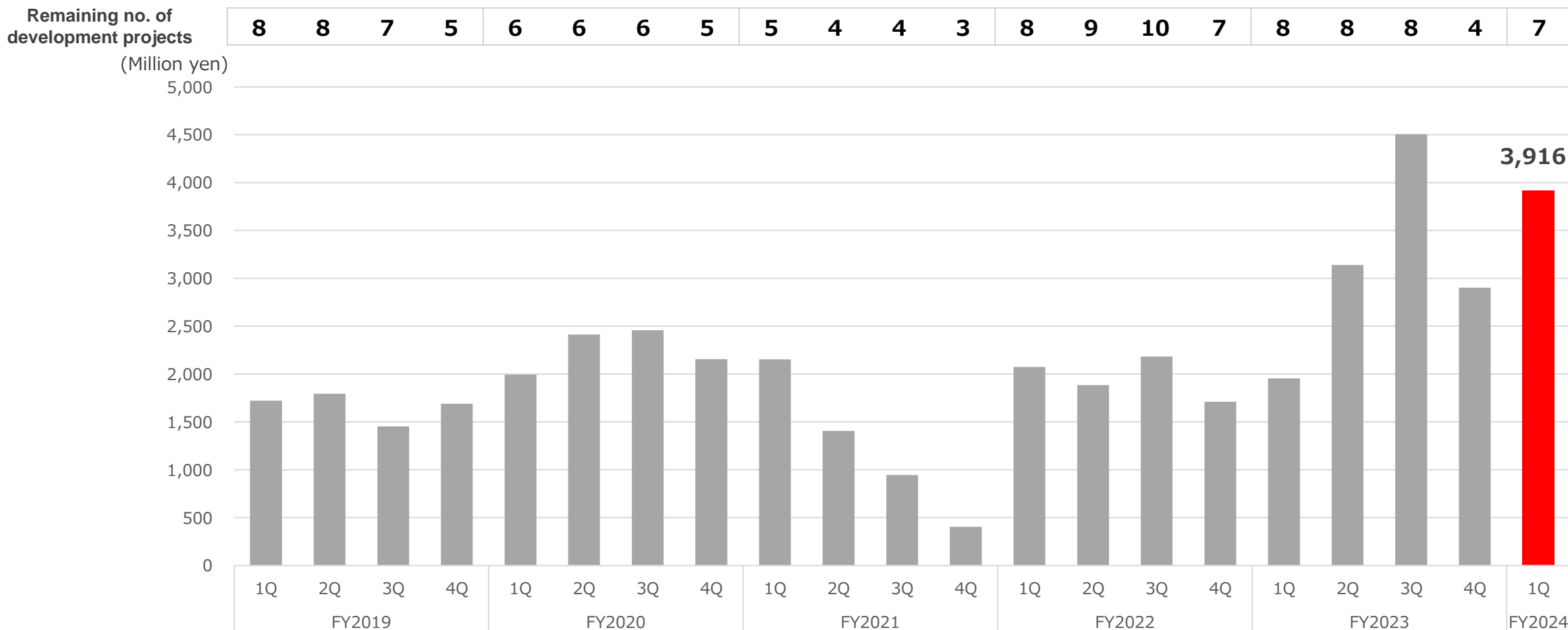
- There were no sales deliveries in the 1Q, but we conducted a total of 3 land acquisitions.
- Volatility in Development and Sales is an issue :
  - Aiming for a certain degree of leveling off mainly by increasing the number of numbers in the future.

|  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Balance of development projects(Billion yen) | 1.7 | 1.8 | 1.5 | 1.7 | 2.0 | 2.4 | 2.5 | 2.2 | 2.2 | 1.4 | 0.9 | 0.4 | 2.1 | 1.9 | 2.2 | 1.7 | 2.0 | 3.1 | 4.5 | 2.9 | 3.9 |
| Remaining no. of development projects        | 8   | 8   | 7   | 5   | 6   | 6   | 6   | 5   | 5   | 4   | 4   | 3   | 8   | 9   | 10  | 7   | 8   | 8   | 8   | 4   | 7   |
| No. of units Sold and Delivered              | 1   | 3   | 1   | 6   | 0   | 0   | 0   | 1   | 0   | 1   | 1   | 1   | 0   | 0   | 0   | 4   | 0   | 1   | 1   | 5   | 0   |



- We conducted a total of 3 land acquisitions in the 1Q, and the balance of development projects increased to 3.9 billion yen.
- Continuous acquisition of land to expand the sales pipeline for the next fiscal year and beyond.

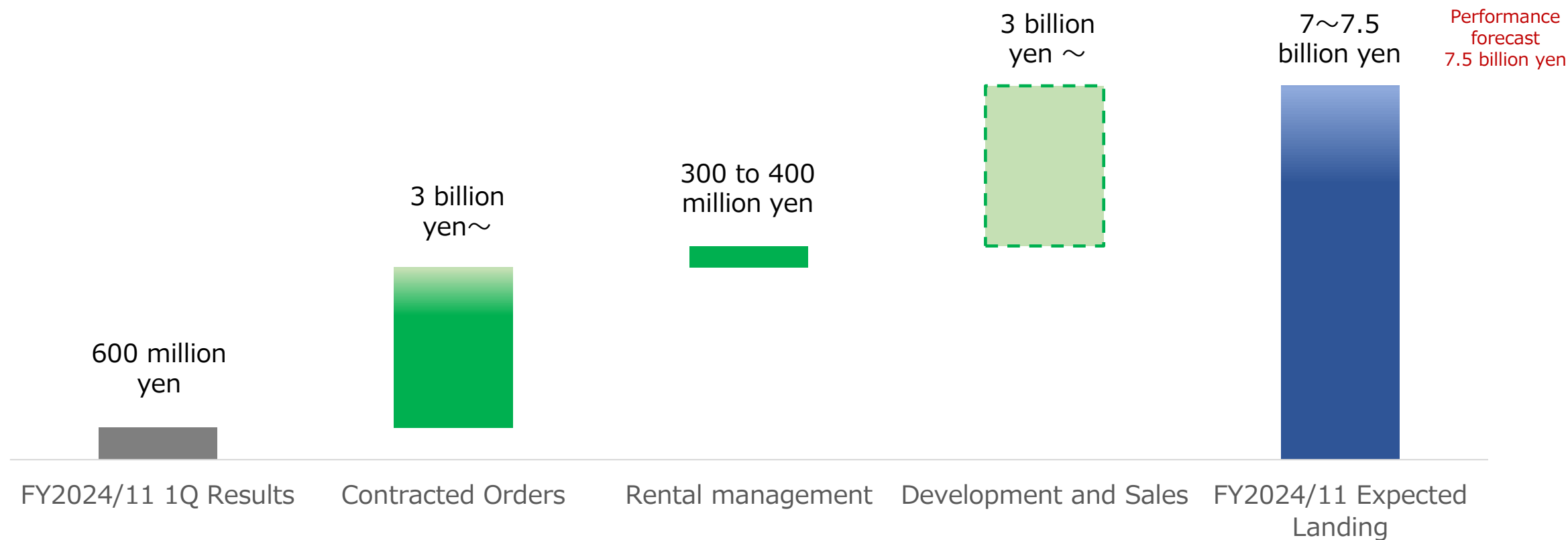
## Balance of development projects





# Image of achieving the full year forecast

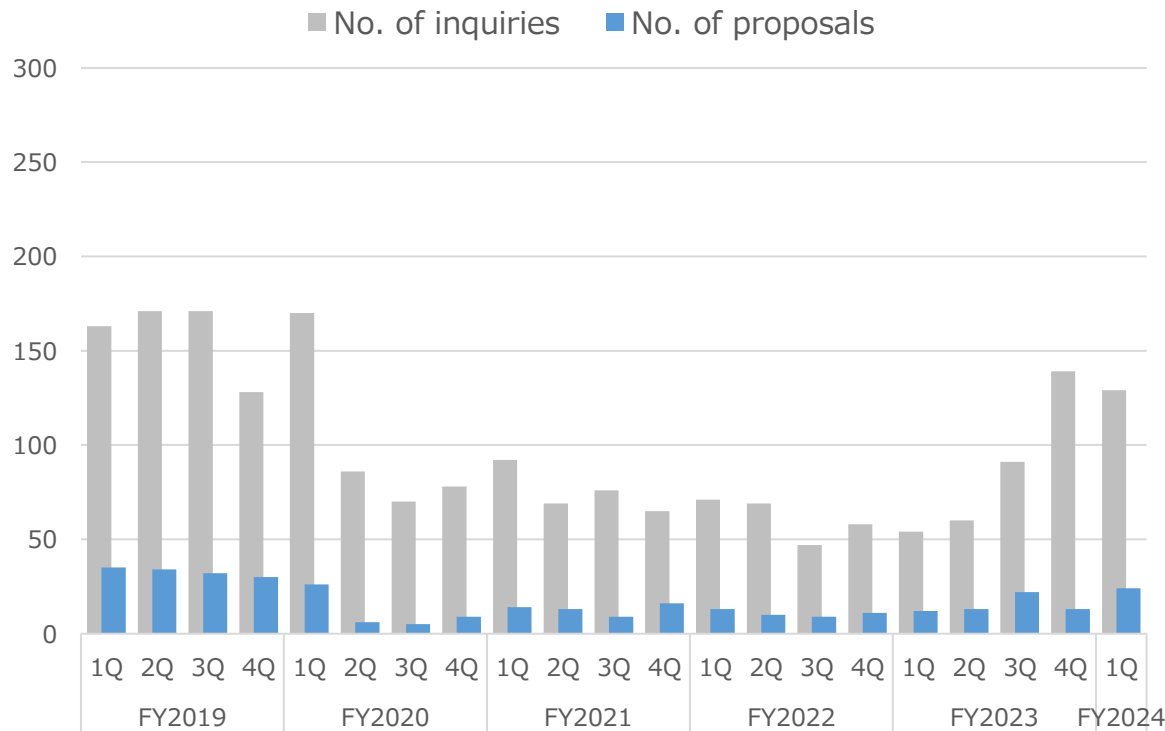
- Contracted Orders: Recording sales primarily based on the progress of existing projects.
- Rental management, etc.: Rental income, etc. of over 100 million yen per quarter.
- Development and Sales: We anticipate delivering and selling at least 6 units within this fiscal year.



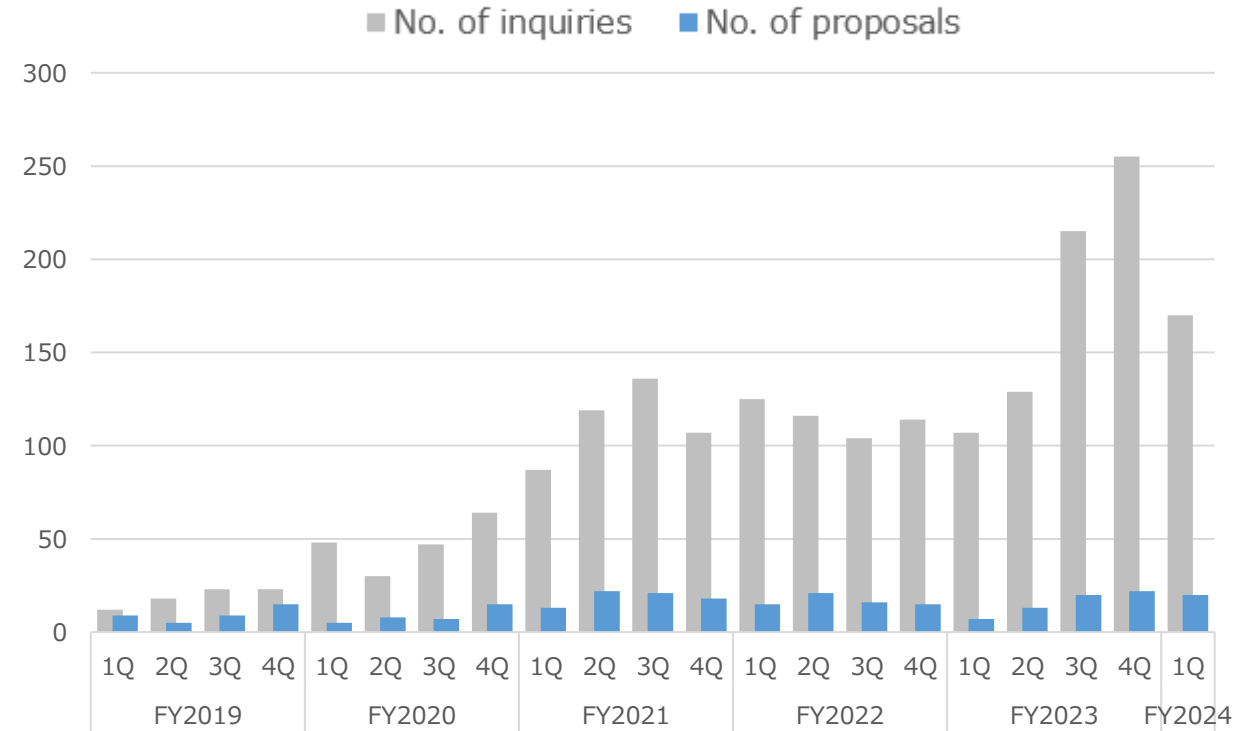
# Sales KPI related to Contracted Orders

- The number of inquiries decreased for both Phil Park and Premium Garage House.
- The number of proposals for Premium Garage House decreased, but the number of proposals for Phil Park increased.
- The conversion rate from proposals to contracts is over 20% for both.

## Phil Park



## Premium Garage House



No. of orders received

**26      8      5      13      11      5**

Proposal ⇒ Contracted

**20%      17%      10%      30%      19%      21%**

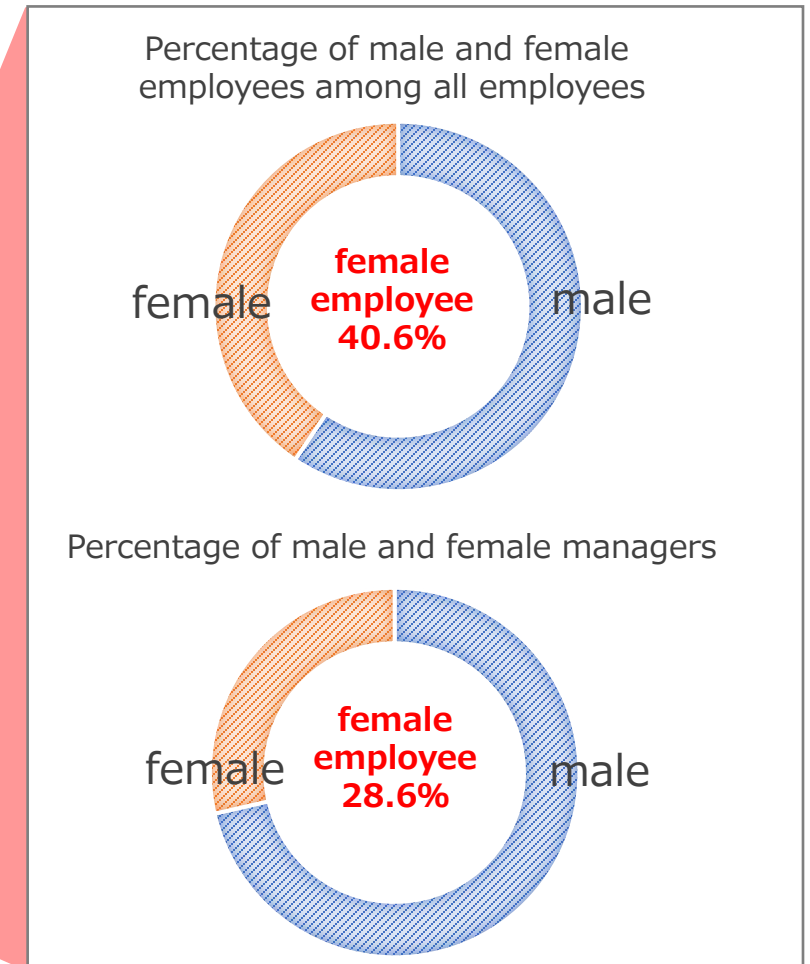
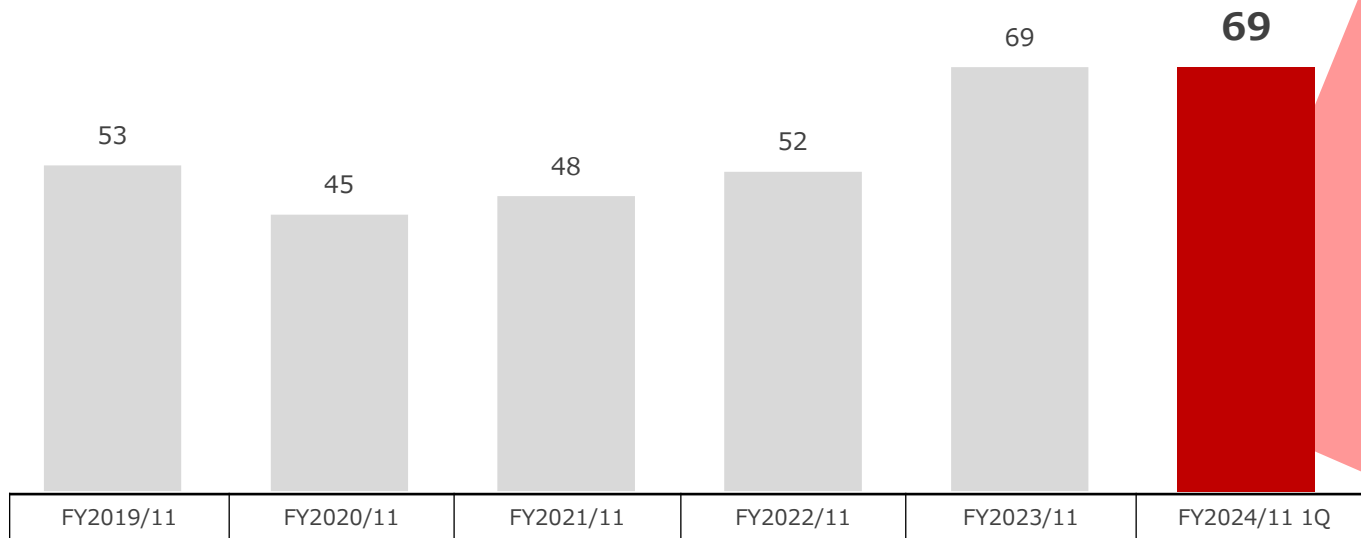
**9      7      22      16      18      5**

**24%      20%      30%      24%      29%      25%**

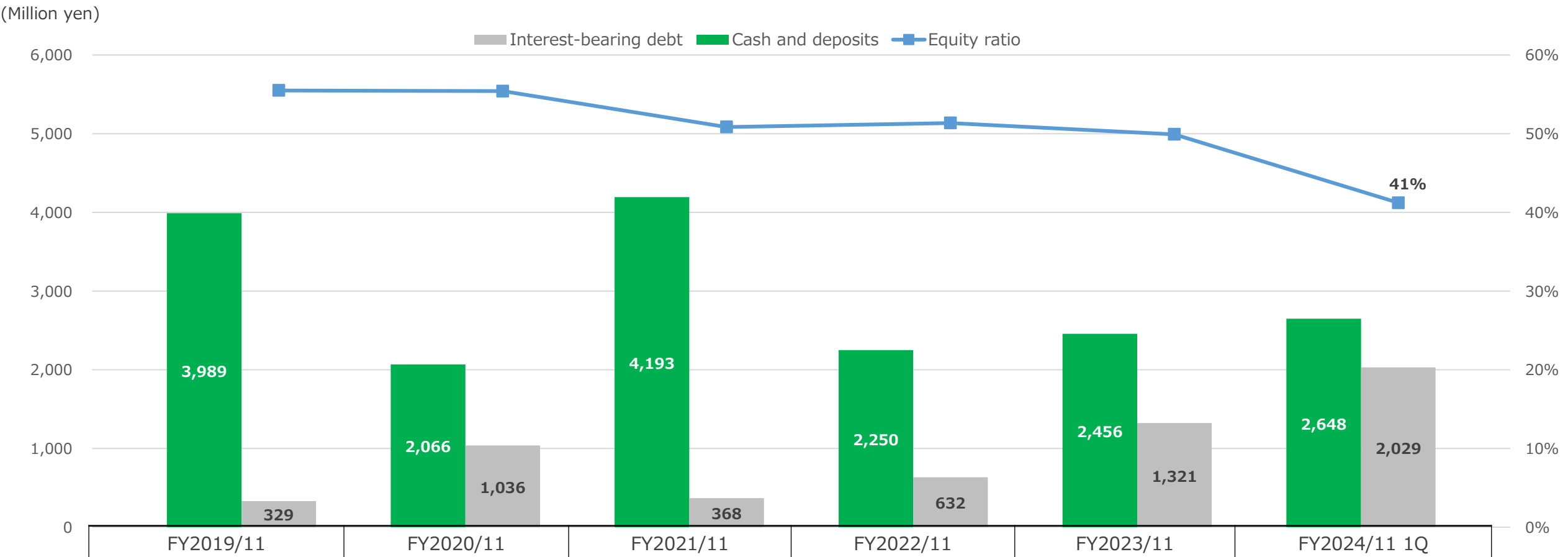
- We will continue to focus on mid-career recruitment, mainly in the sales.
- More than half of the employees are assigned to sales and construction, creating a stable Contracted Orders structure.

| Employees    | November 30, 2023 | February 29, 2024 |
|--------------|-------------------|-------------------|
| Sales*1      | 32 people         | 34 people ↑       |
| Construction | 16 people         | 14 people ↓       |

## Consolidated Number of Employees



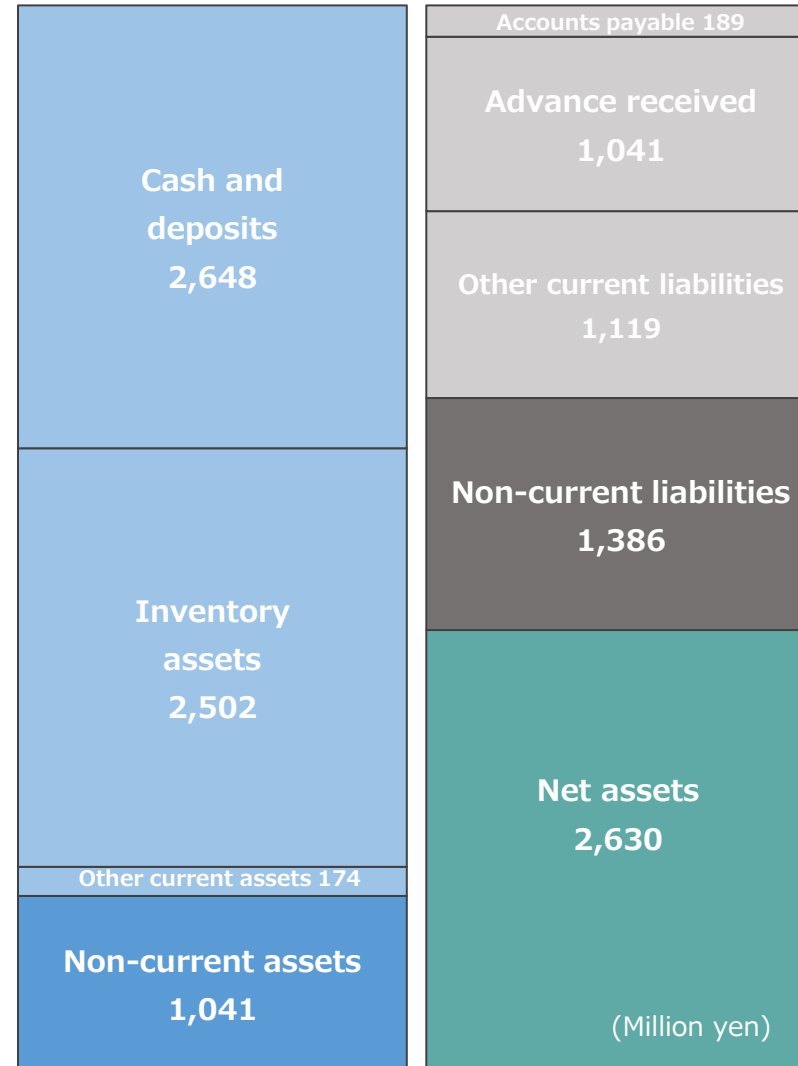
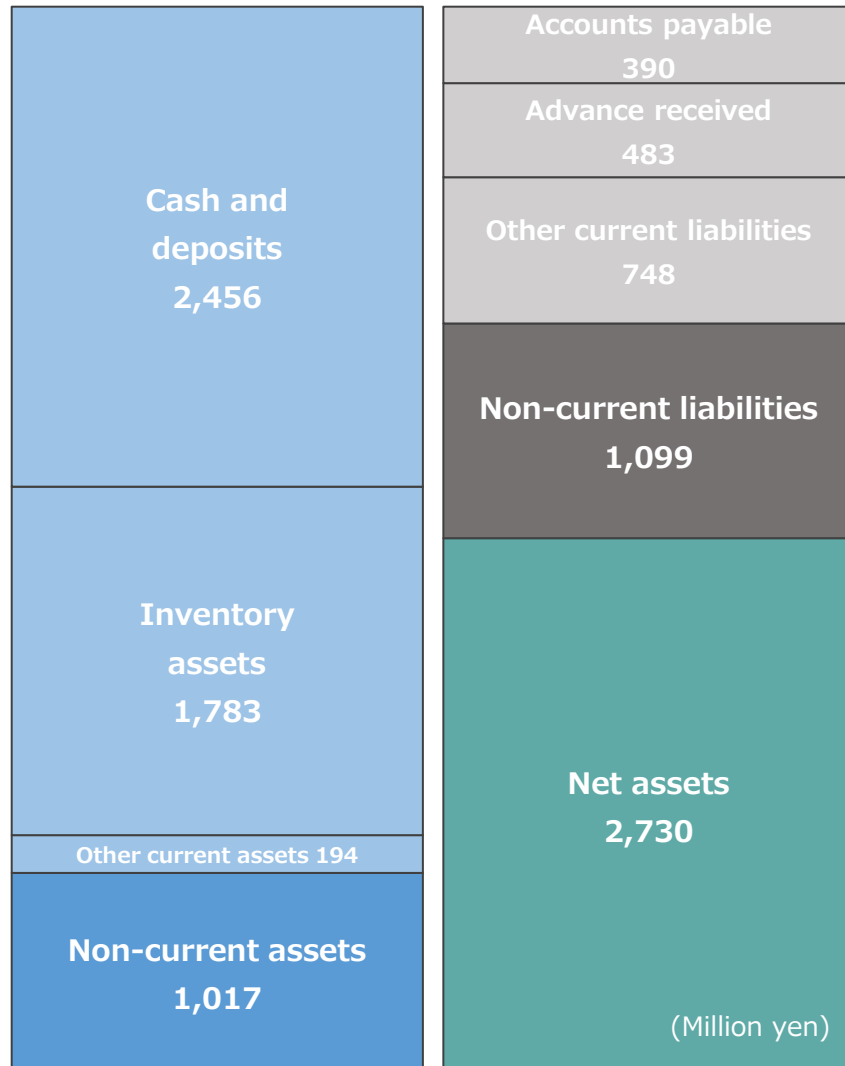
- The equity ratio is 41%, maintaining a healthy financial condition.
- The increase in interest-bearing debt is due to the increase in borrowing for land acquisition for development projects.





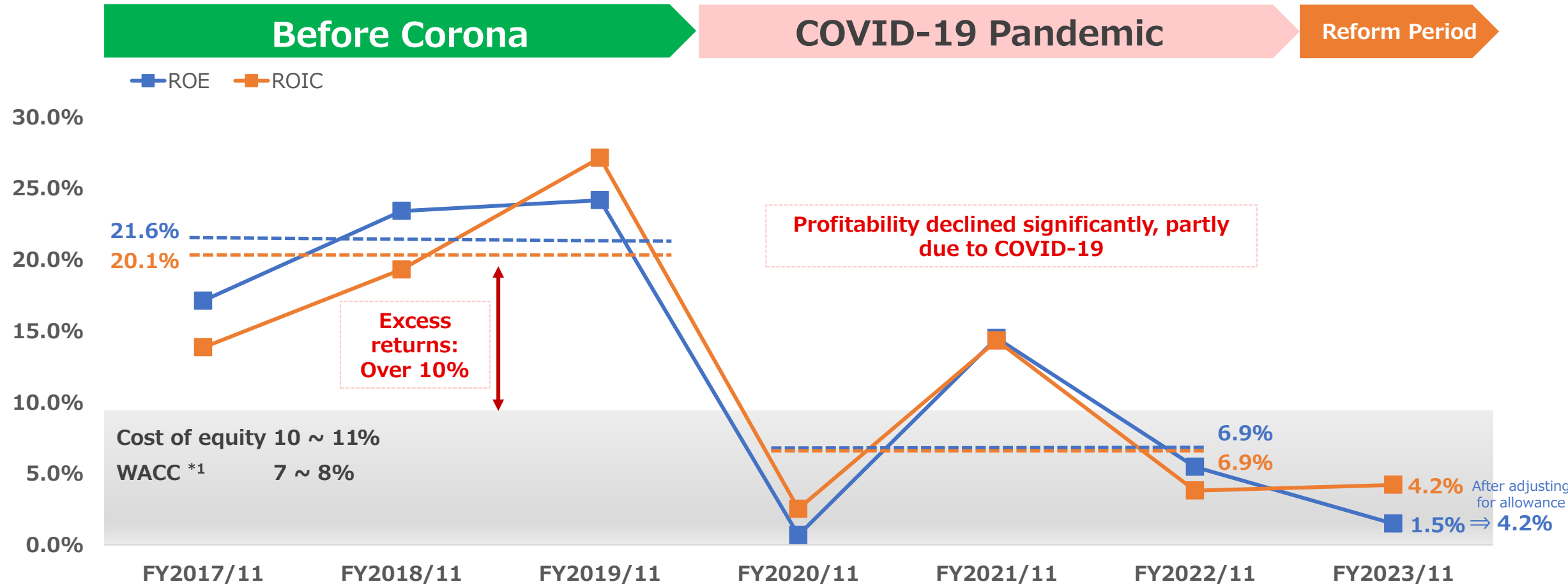
**November 30, 2023**  
**Total assets : 5,450 million yen**

**February 29, 2024**  
**Total assets : 6,365 million yen**

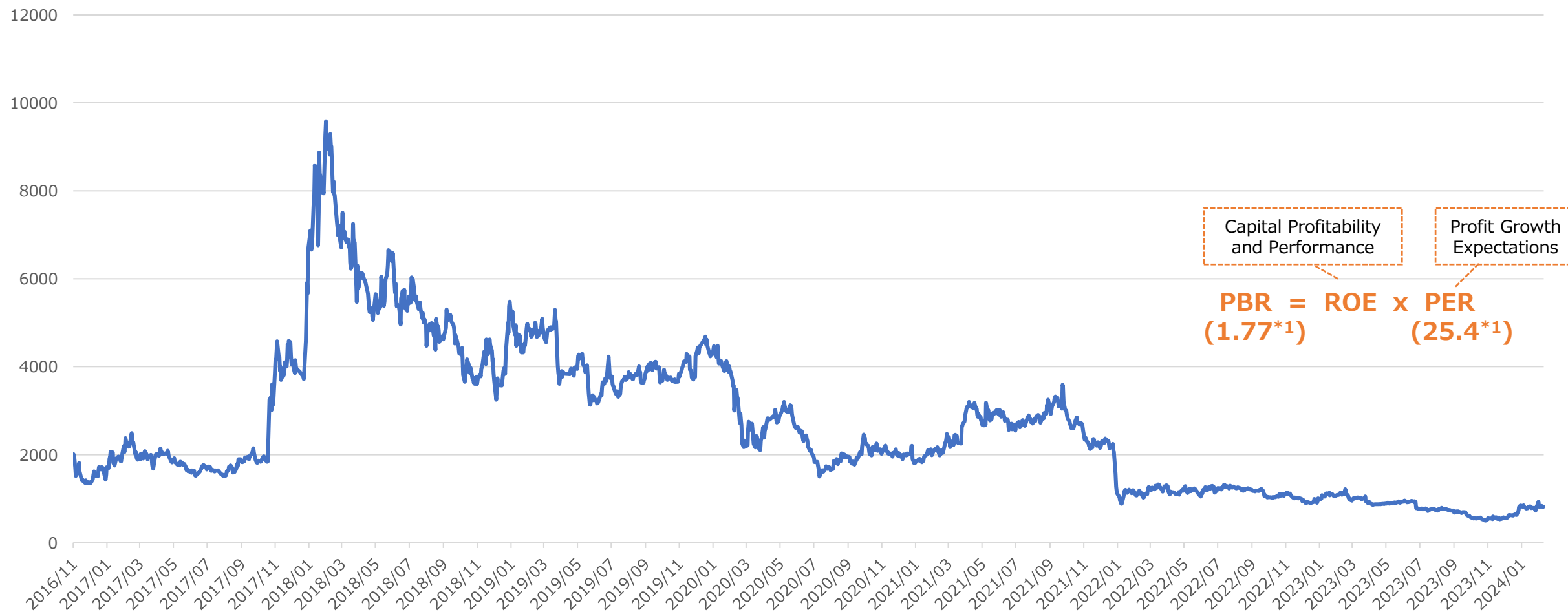


- ✓ The increase in development projects has led to an increase in inventory assets.
- ✓ The increase in interest-bearing debt resulting from the above has led to an increase in Non-current liabilities and current liabilities.
- ✓ With the increase in the number of orders received, advance received have increased.

Prior to COVID-19, the company generated returns well in excess of its cost of capital. Going forward, capital efficiency will be improved by improving profitability.



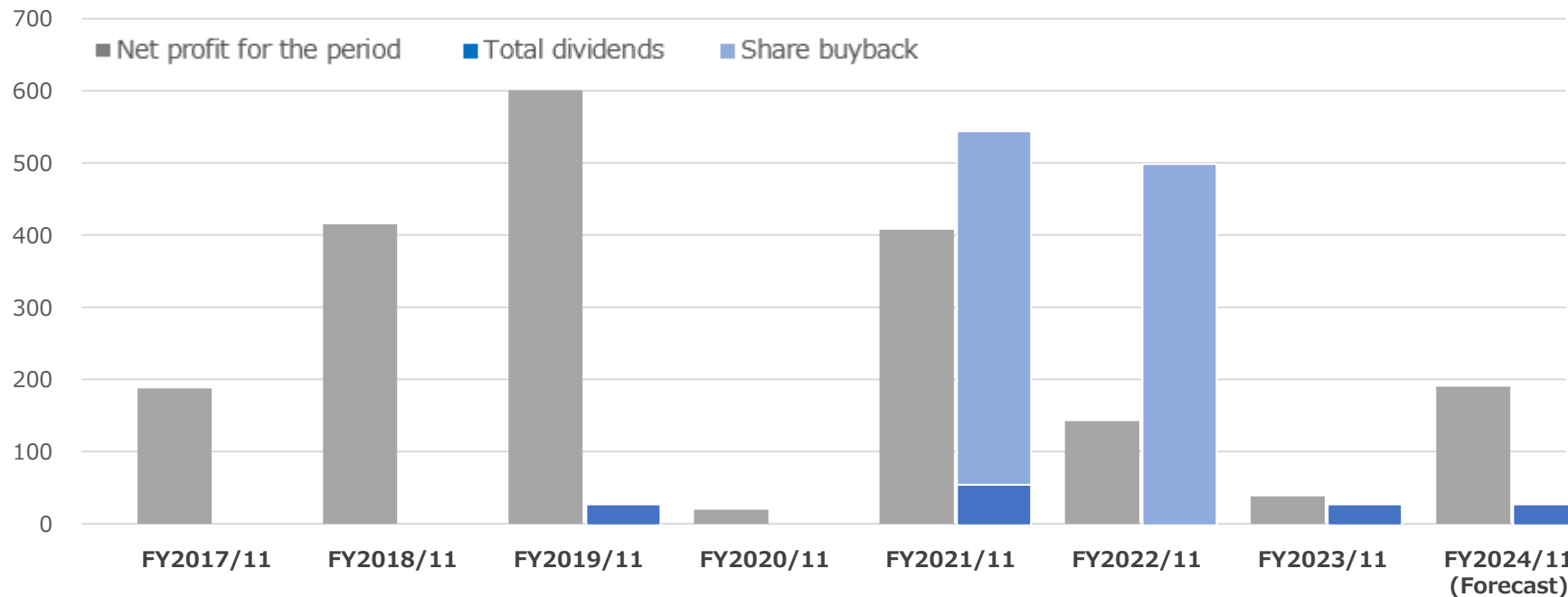
By improving performance (ROE), we aim to increase stock price (PBR) and enhance shareholder value (stock price) improvement.



## Shareholder Return Policy

- Regarding dividends, we will strive to pay stable dividends while securing the capital necessary for financial soundness and growth.
- Share buybacks are determined on a case-by-case basis based on comprehensive consideration of business performance, business environment, and growth investment opportunities.
- Provide returns that contribute to sustainable enhancement of corporate value and maximization of shareholder returns over the medium to long term.

(Million yen)



## Seven-Year Period

Total cumulative amount of redemption Approx. 1.1 billion yen

Accumulated profit Approx. 1.8 billion yen



**Total return: 60%**

Dividend per share (yen)

0

0

5

0

10

0

5

5

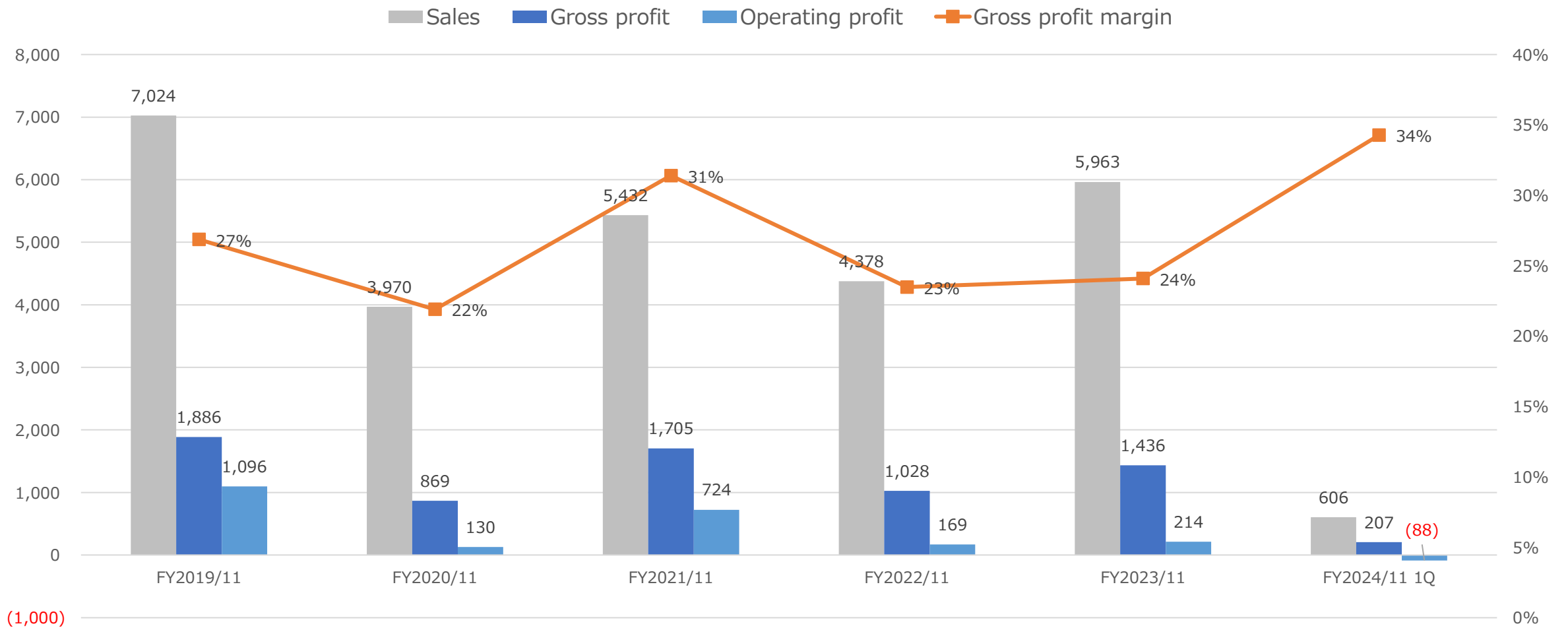
(Commemorative dividend for being listed on the First Section of TSE)

(Appreciation dividend for support during COVID-19)

(Year-end dividend)

(Year-end dividend forecast)





|                                   |   | unit         | FY2019/11    |              |              |              | FY2020/11    |              |              |              | FY2021/11    |              |              |              | FY2022/11    |              |              |              | FY2023/11    |              |              |              | FY2024/11    |
|-----------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   |   |              | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           |
| Financial performance             | Contracted orders                                       | Million yen  | 461          | 466          | 1,110        | 1,599        | 120          | 778          | 1,310        | 965          | 6            | 874          | 311          | 693          | 450          | 757          | 956          | 1,079        | 623          | 770          | 693          | 822          | 488          |
|                                   | Development and Sales                                   | Million yen  | 198          | 891          | 471          | 1,488        | 0.0          | 0.0          | 0.0          | 437          | 0.0          | 1,030        | 1,362        | 756          | 0.0          | 0.0          | 0.0          | 717          | 0.0          | 209          | 361          | 1,985        | 0.0          |
|                                   | Others  | Million yen  | 77           | 87           | 82           | 89           | 84           | 84           | 91           | 97           | 98           | 102          | 96           | 99           | 95           | 96           | 108          | 116          | 109          | 141          | 125          | 118          | 117          |
|                                   | <b>Sales</b>  | Million yen  | <b>736</b>   | <b>1,445</b> | <b>1,665</b> | <b>3,176</b> | <b>205</b>   | <b>863</b>   | <b>1,401</b> | <b>1,500</b> | <b>105</b>   | <b>2,006</b> | <b>1,771</b> | <b>1,549</b> | <b>545</b>   | <b>853</b>   | <b>1,065</b> | <b>1,913</b> | <b>733</b>   | <b>1,122</b> | <b>1,181</b> | <b>2,927</b> | <b>606</b>   |
|                                   | <b>Cost of sales</b>                                    | Million yen  | <b>588</b>   | <b>1,059</b> | <b>1,163</b> | <b>2,326</b> | <b>200</b>   | <b>675</b>   | <b>1,125</b> | <b>1,099</b> | <b>95</b>    | <b>1,437</b> | <b>1,010</b> | <b>1,183</b> | <b>431</b>   | <b>661</b>   | <b>810</b>   | <b>1,446</b> | <b>544</b>   | <b>885</b>   | <b>892</b>   | <b>2,204</b> | <b>398</b>   |
|                                   | <b>Gross profit</b>                                     | Million yen  | <b>148</b>   | <b>386</b>   | <b>501</b>   | <b>850</b>   | <b>5</b>     | <b>187</b>   | <b>276</b>   | <b>400</b>   | <b>9</b>     | <b>568</b>   | <b>760</b>   | <b>366</b>   | <b>113</b>   | <b>192</b>   | <b>255</b>   | <b>467</b>   | <b>188</b>   | <b>236</b>   | <b>289</b>   | <b>722</b>   | <b>207</b>   |
|                                   | <b>Gross profit margin</b>                              | Percent      | <b>20.1%</b> | <b>26.7%</b> | <b>30.1%</b> | <b>26.8%</b> | <b>2.6%</b>  | <b>21.7%</b> | <b>19.7%</b> | <b>26.7%</b> | <b>9.4%</b>  | <b>28.3%</b> | <b>42.9%</b> | <b>23.7%</b> | <b>20.9%</b> | <b>22.5%</b> | <b>23.9%</b> | <b>24.4%</b> | <b>25.7%</b> | <b>21.1%</b> | <b>24.5%</b> | <b>24.7%</b> | <b>34.3%</b> |
|                                   | Personnel   | Million yen  | 80           | 108          | 109          | 179          | 106          | 107          | 106          | 99           | 94           | 104          | 104          | 312          | 112          | 133          | 129          | 170          | 135          | 156          | 176          | 199          | 151          |
|                                   | Outsourcing expenses                                    | Million yen  | 19           | 14           | 15           | 17           | 49           | 15           | 12           | 11           | 19           | 12           | 11           | 23           | 20           | 16           | 28           | 17           | 35           | 27           | 27           | 31           | 42           |
|                                   | Advertising expenses                                    | Million yen  | 8            | 16           | 7            | 10           | 6            | 2            | 2            | 3            | 0.9          | 0.5          | 0.7          | 20           | 1            | 1            | 1            | 1            | 9            | 10           | 3            | 8            | 6            |
|                                   | Others  | Million yen  | 35           | 53           | 53           | 61           | 63           | 45           | 49           | 55           | 48           | 62           | 63           | 99           | 51           | 45           | 53           | 73           | 95           | 94           | 92           | 116          | 95           |
|                                   | <b>SG&amp;A</b>   | Million yen  | <b>143</b>   | <b>192</b>   | <b>185</b>   | <b>269</b>   | <b>226</b>   | <b>170</b>   | <b>171</b>   | <b>170</b>   | <b>164</b>   | <b>179</b>   | <b>180</b>   | <b>456</b>   | <b>185</b>   | <b>197</b>   | <b>213</b>   | <b>262</b>   | <b>276</b>   | <b>289</b>   | <b>300</b>   | <b>355</b>   | <b>296</b>   |
| <b>Operating Ordinary Profit</b>  | Million yen   | <b>4</b>     | <b>193</b>   | <b>316</b>   | <b>581</b>   | <b>-221</b>  | <b>17</b>    | <b>104</b>   | <b>229</b>   | <b>-154</b>  | <b>389</b>   | <b>579</b>   | <b>-89</b>   | <b>-72</b>   | <b>-5</b>    | <b>41</b>    | <b>205</b>   | <b>-88</b>   | <b>-52</b>   | <b>-11</b>   | <b>366</b>   | <b>-88</b>   |              |
|                                   | Million yen   | <b>1</b>     | <b>180</b>   | <b>313</b>   | <b>580</b>   | <b>-223</b>  | <b>13</b>    | <b>100</b>   | <b>207</b>   | <b>-157</b>  | <b>385</b>   | <b>576</b>   | <b>-91</b>   | <b>-75</b>   | <b>-2</b>    | <b>41</b>    | <b>235</b>   | <b>-90</b>   | <b>-57</b>   | <b>-76</b>   | <b>360</b>   | <b>-96</b>   |              |
|                                   | Million yen   | <b>-0.4</b>  | <b>119</b>   | <b>200</b>   | <b>281</b>   | <b>-154</b>  | <b>5</b>     | <b>48</b>    | <b>119</b>   | <b>-109</b>  | <b>256</b>   | <b>388</b>   | <b>-128</b>  | <b>-46</b>   | <b>-3</b>    | <b>24</b>    | <b>167</b>   | <b>-67</b>   | <b>-41</b>   | <b>-75</b>   | <b>222</b>   | <b>-71</b>   |              |
| KPI of Contracted Orders          | Phil Park   | Million yen  | 960          | 274          | 939          | 1,769        | 730          | 11           | 16           | 222          | 1,227        | 370          | 78           | 17           | 320          | 346          | 443          | 522          | 613          | 249          | 758          | 1,250        | 721          |
|                                   | Premium Garage House                                    | Million yen  | 20           | 61           | 106          | 52           | 0            | -1           | 12           | 282          | 236          | 234          | 311          | 577          | 193          | 474          | 158          | 274          | 64           | 116          | 358          | 611          | 368          |
|                                   | <b>Amount of orders received</b>                        | Million yen  | <b>980</b>   | <b>335</b>   | <b>1,045</b> | <b>1,821</b> | <b>731</b>   | <b>9</b>     | <b>28</b>    | <b>505</b>   | <b>1,463</b> | <b>605</b>   | <b>390</b>   | <b>595</b>   | <b>513</b>   | <b>821</b>   | <b>602</b>   | <b>797</b>   | <b>677</b>   | <b>366</b>   | <b>1,117</b> | <b>1,861</b> | <b>1,090</b> |
|                                   | Phil Park   | No. of       | 5            | 2            | 7            | 12           | 5            | 0            | 0            | 3            | 2            | 2            | 1            | 0            | 3            | 2            | 3            | 5            | 2            | 2            | 3            | 4            | 5            |
|                                   | Premium Garage House                                    | No. of       | 1            | 3            | 3            | 2            | 0            | 0            | 1            | 6            | 5            | 3            | 6            | 12           | 2            | 8            | 2            | 4            | 1            | 2            | 6            | 9            | 5            |
|                                   | <b>No. of orders received</b>                           | No. of       | <b>6</b>     | <b>5</b>     | <b>10</b>    | <b>14</b>    | <b>5</b>     | <b>0</b>     | <b>1</b>     | <b>9</b>     | <b>7</b>     | <b>5</b>     | <b>7</b>     | <b>12</b>    | <b>5</b>     | <b>10</b>    | <b>5</b>     | <b>9</b>     | <b>3</b>     | <b>4</b>     | <b>9</b>     | <b>13</b>    | <b>10</b>    |
| <b>Balance of orders received</b> | Million yen   | <b>3,319</b> | <b>3,191</b> | <b>3,130</b> | <b>3,352</b> | <b>3,963</b> | <b>3,192</b> | <b>1,918</b> | <b>1,458</b> | <b>2,915</b> | <b>2,598</b> | <b>2,681</b> | <b>2,587</b> | <b>2,400</b> | <b>2,467</b> | <b>2,113</b> | <b>1,884</b> | <b>1,902</b> | <b>1,460</b> | <b>1,830</b> | <b>2,863</b> | <b>3,470</b> |              |
| KPI of Development and Sales      | <b>No. of units sold and delivered</b>                  | No. of       | 1            | 3            | 1            | 6            | 0            | 0            | 0            | 1            | 0            | 1            | 1            | 1            | 0            | 0            | 0            | 4            | 0            | 1            | 1            | 5            | 0            |
|                                   | <b>No. of contracts to acquire land for development</b> | No. of       | 1            | 3            | 0            | 4            | 1            | 1            | 0            | 0            | 0            | 0            | 1            | 0            | 5            | 1            | 1            | 1            | 1            | 1            | 2            | 1            | 3            |
|                                   | <b>Balance of development projects</b>                  | Million yen  | 1,722        | 1,794        | 1,454        | 1,690        | 1,991        | 2,412        | 2,413        | 2,155        | 2,155        | 1,405        | 945          | 403          | 2,073        | 1,883        | 2,183        | 1,711        | 1,953        | 3,139        | 4,504        | 2,903        | 3,916        |
|                                   | <b>Remaining no. of development projects</b>            | No. of       | 8            | 8            | 7            | 5            | 6            | 6            | 6            | 5            | 5            | 4            | 4            | 3            | 8            | 9            | 10           | 7            | 8            | 8            | 8            | 4            | 7            |

|                                     | unit  | FY2019/11    | FY2020/11    | FY2021/11    | FY2022/11    | FY2023/11    | FY2024/11<br>1Q |              |
|-------------------------------------|---|--------------|--------------|--------------|--------------|--------------|-----------------|--------------|
| <b>Financial performance</b>        | Contracted orders                                       | Million yen  | 3,637        | 3,175        | 1,885        | 3,244        | 2,910           | 488          |
|                                     | Development and Sales                                   | Million yen  | 3,049        | 437          | 3,149        | 717          | 2,557           | 0            |
|                                     | Others  | Million yen  | 336          | 357          | 397          | 416          | 495             | 117          |
|                                     | <b>Sales</b>  | Million yen  | <b>7,024</b> | <b>3,970</b> | <b>5,432</b> | <b>4,378</b> | <b>5,963</b>    | <b>606</b>   |
|                                     | <b>Cost of sales</b>                                    | Million yen  | <b>5,137</b> | <b>3,101</b> | <b>3,726</b> | <b>3,350</b> | <b>4,526</b>    | <b>398</b>   |
|                                     | <b>Gross profit</b>                                     | Million yen  | <b>1,886</b> | <b>869</b>   | <b>1,705</b> | <b>1,028</b> | <b>1,436</b>    | <b>207</b>   |
|                                     | <b>Gross profit margin</b>                              | Percent      | <b>26.9%</b> | <b>21.9%</b> | <b>31.4%</b> | <b>23.5%</b> | <b>24.1%</b>    | <b>34.3%</b> |
|                                     | Personnel   | Million yen  | 478          | 420          | 616          | 545          | 667             | 151          |
|                                     | Outsourcing expenses                                    | Million yen  | 67           | 89           | 67           | 83           | 122             | 42           |
|                                     | Advertising expenses                                    | Million yen  | 41           | 15           | 23.0         | 4            | 32              | 6            |
|                                     | Others  | Million yen  | 203          | 213          | 273          | 224          | 399             | 95           |
|                                     | <b>SG&amp;A</b>   | Million yen  | <b>790</b>   | <b>739</b>   | <b>980</b>   | <b>858</b>   | <b>1,221</b>    | <b>296</b>   |
|                                     | <b>Operating</b>  | Million yen  | <b>1,096</b> | <b>130</b>   | <b>724</b>   | <b>169</b>   | <b>214</b>      | <b>-88</b>   |
|                                     | <b>Ordinary</b>   | Million yen  | <b>1,076</b> | <b>98</b>    | <b>713</b>   | <b>200</b>   | <b>135</b>      | <b>-96</b>   |
| <b>Profit</b>                       | Million yen   | <b>600</b>   | <b>19</b>    | <b>407</b>   | <b>142</b>   | <b>37</b>    | <b>-71</b>      |              |
| <b>KPI of Contracted Orders</b>     | Phil Park   | Million yen  | 3,944        | 981          | 1,693        | 1,632        | 2,872           | 721          |
|                                     | Premium Garage House                                    | Million yen  | 239          | 294          | 1,360        | 1,101        | 1,151           | 368          |
|                                     | <b>Amount of orders received</b>                        | Million yen  | <b>4,184</b> | <b>1,275</b> | <b>3,054</b> | <b>2,734</b> | <b>4,023</b>    | <b>1,090</b> |
|                                     | Phil Park   | No. of       | 26           | 8            | 5            | 13           | 11              | 5            |
|                                     | Premium Garage House                                    | No. of       | 9            | 7            | 26           | 16           | 18              | 5            |
|                                     | <b>No. of orders received</b>                           | No. of       | <b>35</b>    | <b>15</b>    | <b>31</b>    | <b>29</b>    | <b>29</b>       | <b>10</b>    |
| <b>Balance of orders received</b>   | Million yen   | <b>3,352</b> | <b>1,458</b> | <b>2,587</b> | <b>1,884</b> | <b>2,863</b> | <b>3,470</b>    |              |
| <b>KPI of Development and Sales</b> | <b>No. of units sold and delivered</b>                  | No. of       | 11           | 1            | 3            | 4            | 7               | 0            |
|                                     | <b>No. of contracts to acquire land for development</b> | No. of       | 8            | 2            | 1            | 8            | 5               | 3            |
|                                     | <b>Balance of development projects</b>                  | Million yen  | 1,690        | 2,155        | 403          | 1,711        | 2,903           | 3,916        |
|                                     | <b>Remaining no. of development projects</b>            | No. of       | 5            | 5            | 3            | 7            | 4               | 7            |

These materials contain statements regarding the future prospects of industry trends and our company's business that are based on predictions, estimates, expectations, and forecasts which were created by our company at the current time.

Statements related to future prospects include a variety of risks and uncertainties. Actual outcomes may differ from future prospects listed in this documents as a result of known and unknown risks due to a variety of uncertainty and reasons in the future.

Our business and result may be different from what is written here.

All statements concerning future prospects in these materials were created by our company based on the available information.

The contents of any statements herein regarding future prospectswill not be updated or revised based on future events and circumstances.

This is an English translation of the original Japanese report document that was prepared for your reference.