Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

①	Question	Please explain the reasons for the decrease in profit attributable to owners of parent compared to the plan.
	Answer	The primary reason for the decrease of profit attributable to owners of parent for the current fiscal year was the recognition of impairment losses relating to the 'Nobeoka Biomass Power Station' and other solar power stations, due to structural reforms in the energy business. In light of rapid changes in the business environment, such as inflation and rising interest rates, we reached this management decision in order to address future uncertainties at an early stage and enhance our financial soundness. On the other hand, our real estate business has performed robustly, with both operating profit and ordinary profit - which demonstrate the core business's earning power - reaching record highs. Going forward, we will be highly selective in our investments in sectors offering higher profitability and growth potential and strive to achieve steady profit growth from the next financial year onwards.
②	Question	Dividends from surplus decreased significantly last year, and the stock price has been sluggish. Therefore, shouldn't the company restore the dividend to the level of two years ago?
	Answer	Under our new medium-term management plan, which started from this fiscal year, we have established a rigorous capital allocation framework within which we determine the allocation of resources to investment, financing activities and shareholder returns. Consequently, the year-to-year dividend has been set at 21 yen, although we will continue to enhance our cash flow generation capacity through management in line with this capital allocation framework, whilst also implementing flexible shareholder return measures. Furthermore, in April of this year, we carried out share buyback and cancellation of treasury shares for the first time in approximately ten years. In addition, with the aim of fundamentally strengthening our shareholder return policy, we have newly introduced a target of 'Dividend on Equity (DOE) ratio of 3.5% or higher.' This represents a shift toward a dividend structure that promises stable returns to our shareholders, less susceptible to temporary fluctuations in business performance. Through such measures, we will continue to devote our full efforts to enhancing our corporate value and maximising returns to our shareholders.

③	Question	With regard to the real estate business, whilst construction costs continue to rise at present, there are concerns that the increase in domestic interest rates will lead to higher mortgage rates, which will have a direct impact on customers' purchasing power. There must be a limit to how long we can continue to pass on the full cost of rising construction costs to the sale price of condominiums; what specific measures are considered to address the risk of declining profit margins in the future?
	Answer	Firstly, regarding the current state of the real estate market, there are numerous issues on the supply side that require close attention, such as soaring construction costs and future interest rate trends. On the other hand, looking at the demand side, the purchasing appetite among end-users seeking highly convenient living environments remains strong; we therefore view the market as 'extremely resilient in reality, despite a degree of uncertainty'. In response to those issues, our company has established a framework centred on two key pillars: 'rigorous cost control and the creation of high added value', and 'clarification of our target market'. Firstly, regarding construction costs, rather than simply passing on price increases, we are striving to supply products that offer value for money and satisfy our customers by incorporating added value—such as ZEH (zero-energy home) specifications—alongside rigorous cost management from the design stage onwards. Furthermore, with regard to clarifying our target market, we recognise that our main target is the upper-middle-income segment and power couples—genuine homebuyers who are willing to consider purchasing even in a rising interest rate environment. Our policy is to strengthen our supply in areas that combine high asset value with convenience for daily living, such as those close to stations and offering a good living environment. Centred on the major cities where we have established a presence, we have designated the central business districts of cities with populations of over one million as our priority areas. Whilst the environment presents many challenges, we believe that it is precisely at times like these that our 'product planning capabilities' and 'sales capabilities' can be utilised to the fullest, and we will continue to advance our business steadily.

④	Question	Domestic interest rates are on an upward trend, partly due to policy changes by the Bank of Japan. Since the Company's business structure relies heavily on interest-bearing debt, there is a risk of rising interest payments which could put pressure on company's profits. Please explain the impact of rising interest rates on the Company and the measures to address this issue, as well as the policy for maintaining financial soundness by managing metrics such as the net debt-to-equity ratio and the equity ratio.
	Answer	As pointed out, domestic interest rates are on an upward trend, and we recognise that measures to address this issue are becoming increasingly important. Approximately 85% of our Group's borrowings are project-linked, and we raise funds with the understanding of financial institutions. By conducting a detailed assessment of a project's operating income and expenditure and ensuring rigorous management of subsequent processes, we have been hedging against the risk of rising interest rates and striving to secure stable profits. The remaining 15% consists of non-project-linked working capital, for which we intend to raise approximately 50% through equity. Looking back at the previous fiscal year's results, our efforts to manage project cash flows and reduction of SG&A expenses led to an improvement of just under 1.0% in the operating profit margin. Furthermore, in terms of ordinary profit, we were able to absorb the rise in interest rates, improve the ordinary profit margin and achieve an increase in profit. We intend to continue and strengthen this trend during the current fiscal year. Whilst continuing to invest in growth, we have set clear financial targets, as outlined in our medium-term management plan: 'equity ratio of 23% or higher', 'LTV (loan-to-value ratio) of less than 65%' and 'debt-to-equity ratio of less than 3.0 times'. We intend to implement a strategy of selection and concentration in response to changes in the business environment, whilst managing the increase in assets resulting from inflation. Through the comprehensive initiatives outlined above, we intend to ensure the stable maintenance of our financial soundness and to strengthen our profitability.

⑤	Question	What strategy will be adopted going forward for the biomass power generation and energy businesses, which have recorded extraordinary losses?
	Answer	In light of changes in the external environment, such as inflation and rising interest rates, we have begun a fundamental review of our business portfolio. Our future strategy will involve tightening our management of ROIC (Return on Invested Capital) and proceeding with the replacement of assets that have become less profitable. At the same time, we will strive to secure profits without bloating our balance sheet by leveraging our capabilities as a developer to translate our development expertise into profits. Furthermore, looking ahead, we intend to shift our investment focus towards high-growth sectors, such as grid-connected energy storage battery systems, on which we have already begun to focus, with the aim of transforming our business into one with a robust and lean earnings base.
⑥	Question	What specific measures are being taken to learn from this large-scale impairment loss and prevent similar situations in the future?
	Answer	As I mentioned in my earlier response, we take the circumstances leading to this impairment very seriously and will fundamentally strengthen our risk management framework. Specifically, we plan to overhaul our governance structure to establish a system in which risk management is overseen at the very heart of the organisation; for instance, appointing the Chief Risk Officer (Group CRO) from among the directors. For businesses meeting certain criteria — including new ventures and overseas operations — consultation with the Risk Management Committee is now a mandatory requirement for decision-making, thereby enhancing the effectiveness of our system for identifying risks in advance and implementing countermeasures. Furthermore, with regard to Leben Home Build and Leben Zestock, into which we intend to invest further management resources in the future, we recognise that as their business domains expand, potential risks will increase alongside the creation of opportunities. We are therefore strengthening our supervisory functions by making these two companies as direct subsidiaries of the holding company. By further strengthening our defensive risk management, we intend to execute proactive investments based on a careful assessment of appropriate risk-taking, and to strive for the sustainable enhancement of corporate value.

⑦	Question	Given the recent escalation of tensions in the Middle East and other factors, there are concerns about soaring crude oil prices and disruption to logistics networks. Please explain how these factors are affecting our business and what specific measures we are taking in response?
	Answer	With regard to geopolitical risks, including the situation in the Middle East, we are constantly monitoring their impact on our business operations and taking appropriate measures for each business segment. In particular, within our real estate business — which has a significant impact on our financial performance — there have been no delays to the handover of properties currently under development as a result of the sharp rise in construction material costs or logistical disruptions caused by high oil prices as of today. Should any events occur in the future that are likely to have a significant impact on our financial forecasts, we will promptly make the necessary disclosures.
⑧	Question	With regard to the energy business, I recognise that transitioning away from a model reliant on the Feed-in Tariff (FIT) scheme for solar power generation is a key challenge for the future. Please explain your specific strategies for the future to achieve this transition.
	Answer	In our energy business, whilst building on the stable revenue generated to date under the Feed-in Tariff (FIT) scheme, we are promoting the Power Purchase Agreement (PPA) model — which involves entering into direct power sales contracts with renewable energy consumers — and advancing our transition to new business models for the future. As domestic energy demand is expected to continue rising in line with recent advances in AI technology and other factors, our updated medium-term management plan sets out a policy of replacing assets with more profitable ones through thorough and rigorous ROIC management, whilst simultaneously promoting carefully selected investments — such as in energy storage facilities — that capitalise on the opportunity presented by this growing energy demand.
⑨	Question	Do you not think that expanding into multiple businesses in the name of sustainability is driving down the stock price? Instead of this, shouldn't the company focus on direct shareholder returns by carving out low-margin businesses and expanding share buybacks, building on the recent measures?
	Answer	We take very seriously the concerns regarding the decline in capital efficiency resulting from diversification, the associated slump in our share price, and the so-called ‘conglomerate discount’. We have already set a course for structural reform and, in our most recent financial results, have taken decisive action by recognising impairment losses in part of our energy business, with a view to minimising future risks. Furthermore, we recently announced a shift in our capital allocation strategy

		to concentrate management resources on growth areas within the property business. Whilst it is true that our current energy business is not yet achieving the level of capital efficiency we had hoped for, as Executive Officer Teshima explained earlier, with electricity demand expected to continue rising, we view policy challenges such as the diversification of energy sources and the utilisation of storage batteries as opportunities for our company. In light of this, we intend to make improving profitability our top priority whilst working towards the realisation of a decarbonised society. Furthermore, regarding shareholder returns, we recently carried out share buy-back and cancellation; as for future measures, we will continue to consider flexible returns whilst carefully weighing them against future growth investments. We would be grateful for your continued support from a medium- to long-term perspective.
⑩	Question	Although our company's PBR is currently below 1.0, what specific measures are the Company considering to achieve a PBR of over 1.0?
	Answer	The entire management team takes the current situation, in which our PBR has fallen below 1.0, extremely seriously. We are fully aware that this represents a harsh assessment of the capital markets that we are 'failing to create sufficient value in line with expectations', and improving our PBR is our top priority. To address this issue, we announced three specific measures in the most recent update to our medium-term management plan, released in March 2026. As I touched upon briefly earlier, the first measure is 'strengthening and stabilising shareholder returns'. To ensure stable returns that are not dependent on business performance, we have formulated a new dividend policy based on the criterion of 'dividend payout ratio of 35–40%, or dividend on equity (DOE) of 3.5%, whichever is higher'. The second measure, which has already been implemented, is 'the share buyback programme — the first in approximately ten years'. Through flexible capital policy, we have endeavoured to improve direct capital efficiency and enhance value per share. The third measure is our "Future Growth Strategy". Within this, we will allocate more resources than before to the renewal & resale business, as well as the new detached house business, with the aim of developing these into core businesses within the real estate segment, on a par with the new-built-for-sale condominium business and liquidation business. In summary, whilst investing in business growth, we will pursue both robust shareholder returns and improved capital efficiency in tandem, with the aim of restoring our PBR to 1.0 at the earliest opportunity.

⑪	Question	Regarding the energy storage facility project in Ora Town being undertaken by MIRARTH Energy Solutions Co., Ltd., please comment on the fact that a petition calling for the suspension of construction work has been submitted, the calls for the resumption of public briefings for residents, and how the company is assessing its fire safety measures and the operational risks associated with noise pollution.
	Answer	Firstly, we sincerely apologise for any concerns. Regarding your enquiry about the energy storage facility project in Ora Town, as this falls outside the scope of today's general meeting, it shall provide a concise response. In relation to this project, we are proceeding with design and construction that ensures a high level of safety, including fire safety measures, whilst strictly complying with relevant laws, regulations and guidelines. With regard to our explanations to local residents, whilst we have previously engaged with them directly and sincerely, we are currently handling matters through authorised representatives in accordance with legally appropriate procedures. Furthermore, regarding the project risks that are a cause for concern, we are conducting a comprehensive assessment and management of these as a company, whilst coordinating with the relevant administrative authorities as appropriate. We will continue to advance this project whilst prioritising safety and complying with all laws and regulations.
⑫	Question	Shouldn't the company return to holding in-person general meetings of shareholders rather than holding them online?
	Answer	Since last year, we have been holding our Ordinary General Meeting of Shareholders online. We have adopted this approach because we believe that, in light of the ongoing digitalisation of society as a whole and the risk of large-scale disasters, holding virtual-only meetings serve the best interests of our shareholders. Last year, we held our first virtual-only general meeting of shareholders, and the number of shareholders attending increased significantly — approximately three times that of the previous year — whilst the number of questions asked rose to approximately twelve times the previous figure. By adopting this format, we believe we are able to provide opportunities for participation to a greater number of people, including shareholders in remote locations who previously found it difficult to attend in person, as physical constraints are removed. Regarding the format of future general meetings of shareholders, whilst we focus primarily on holding them as virtual-only events, we will make appropriate judgements depending on the circumstances at the time.

<table>
<tr><td rowspan="2">⑬</td><td>Question</td><td>Did the acquisition and cancellation of treasury shares achieve the effects the company had anticipated? Please could you tell us how you assess this, and what your plans are regarding future implementation?</td></tr>
<tr><td>Answer</td><td>Firstly, as disclosed, this acquisition of treasury shares was carried out with the aim of ‘utilising surplus funds generated by the review of our capital allocation policy to improve capital efficiency and enhance shareholder returns’.
By reliably channeling the valuable funds generated through improved operating cash flow back to our shareholders, we have had the effect of partially boosting capital efficiency indicators such as ROE; we therefore believe that we have, to a certain extent, achieved our financial objectives of improving capital efficiency and increasing value per share.
Furthermore, with regard to the cancellation of the acquired shares, we believe that this has completely dispelled concerns about dilution that the shares might be released back onto the market in the future and has reliably increased earnings per share (EPS); we assess that this series of measures has provided a certain degree of support for our stock price.
As I mentioned in my previous response, whilst we will continue to consider improving capital efficiency through such control of equity capital as necessary, we intend to further enhance the ‘earning power’ of our core business operations themselves, thereby realising an increase in corporate value that is recognised by the market.</td></tr>
<tr><td rowspan="2">⑭</td><td>Question</td><td>Although profits have fallen this fiscal year following impairment losses on unprofitable businesses, I expect the company to enter a ‘new phase of growth’ going forward. What do you believe will drive performance towards substantial profit growth from the next fiscal year onwards?</td></tr>
<tr><td>Answer</td><td>We would like to express our sincere gratitude for your continued support.
We believe that the expansion of our new detached house business and our renewal & resale business are currently the main drivers of our Group’s future growth. In the updated medium-term management plan we recently announced, we have formulated adjustments to the growth strategies for each business segment as part of our ‘redefinition of growth strategies’. Since our foundation, we have operated as a comprehensive real estate developer with a primary focus on the new-built-for-sale condominium business. However, we recognise that there is still significant room for growth within the broad ‘real esate’ sector. Having analysed recent market trends, we have identified these two business areas as strategic growth initiatives where we can leverage our strengths.
These two businesses are expected to complement our new-built-for-sale condominium business by offering ‘short turnover periods’ and ‘intra-period revenue generation’. We are promoting asset diversification within the segment and have set a long-term target of increasing the proportion of operating profit contributed by these two businesses to the real estate</td></tr>
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		segment up to 30% by the fiscal year ending 2031. Going forward, we will continue to strive for long-term profit growth and enhanced corporate value by optimising our business portfolio in response to the external environment, whilst establishing a strategic capital allocation framework.
⑮	Question	It appears that this year's annual securities report has been submitted a day before the Ordinary General Meeting; however, I understand that, from the perspective of desirable disclosure to investors, earlier submission is now being encouraged. The latest draft revision of the Corporate Governance Code also states that submission at least three weeks in advance is desirable. Is the Company considering bringing the submission date forward any further?
	Answer	At present, the scope of information required to be disclosed in securities reports has expanded significantly beyond financial information to include non-financial information, such as sustainability-related data, and the preparation of these reports now involves a wide range of internal departments. This necessitates the collection of information and a meticulous coordination process with our audit firm. The timing of this year's submission is the result of our efforts to shorten the schedule as much as possible under the current system. However, we believe that further acceleration is essential in order to meet the expectations of our shareholders and societal demands. Moving forward, we will proactively consider and implement measures to improve our internal systems for early disclosure, such as streamlining internal information consolidation processes (including the promotion of DX technologies) and fundamentally reviewing our coordination schedule with the audit firm, and we will proceed with these measures in stages.
⑯	Question	What is the Company's view on the reasons behind the slump in stock prices?
	Answer	We believe that this reflects, to a considerable extent, a number of negative factors affecting the real estate market, such as policy interest rate rises, soaring construction costs for real estate developments, and concerns regarding the impact of the situation in the Middle East. At the same time, our business foundation remains robust, and we are steadily advancing initiatives aimed at improving profitability and achieving sustainable growth in line with our medium-term management plan. We will continue to strive to enhance shareholder returns and increase corporate value, thereby raising our standing in the market.

⑰	Question	Regarding the real estate business, the gross profit margin has been gradually declining. Please explain the reasons for this and what measures are being taken to improve the gross profit margin?
	Answer	The main reasons for the decline in the gross profit margin are the soaring costs of land acquisition, coupled with rising construction costs due to the persistently high prices of building materials and labour costs in recent times. As measures to improve profit margins, we will optimise our designs and specifications, pass on costs appropriately to sales prices, and strengthen our collaboration with partner companies. By implementing these measures in a comprehensive manner, we will minimise the impact of rising costs and secure an appropriate profit margin.
⑱	Question	I would like to know more about real estate business operations in Vietnam, Thailand and the Philippines. In particular, I believe that overseas operations carry a high level of risk; how do you manage these risks?
	Answer	With regard to our overseas real estate business, we are developing condominium and detached house projects in the Southeast Asian market, focusing on Vietnam, Thailand and the Philippines. We are advancing these projects in collaboration with leading partner companies in each country and steadily building up a track record of success. Furthermore, to address the risks specific to overseas operations (such as country risk, legal and tax risks), we have established a system to appropriately manage and mitigate these risks by conducting thorough market research in advance and maintaining strong collaboration with proven local partners and external experts, such as lawyers. We will continue to adhere to strict risk management whilst aiming to build a stable revenue base.
⑲	Question	What company-wide initiatives are currently in place regarding the use of AI?
	Answer	With regard to our company-wide use of AI, we have introduced secure generative AI tools into our group-wide collaboration software, with the aim of reducing the workload and significantly saving time on tasks such as the creation of internal documents, data aggregation, translation and the drafting of meeting minutes. To prevent risks such as data breaches and copyright infringement, we have drawn up ‘AI Usage Guidelines’. In addition, we regularly conduct literacy training for all employees and have established a governance framework that enables the safe and effective use of AI. Going forward, we will continue to actively adopt the latest technologies and further deepen our use of AI as part of our efforts to promote digital transformation (DX), thereby driving productivity improvements and creating new value.

⑳	Question	There are already numerous competitors in the new detached house sector, where does the company intend to step up efforts; how do the company plan to differentiate yourself?
	Answer	In our new detached house business, we will seek to differentiate ourselves from our competitors by maximising the strengths of our existing operations; collaborating with the corporate partnerships division, which we have developed through our new built-for-sale condominium business; utilising our land acquisition network; providing high-quality and high-performance homes; creating added value through synergies with our renewable energy business; and handling both construction and sales in-house. Through these initiatives, we will establish our own unique product value and steadily develop the new detached house business into a new pillar of revenue.
㉑	Question	There have been reports that the Fair-Trade Commission is expected to issue an exclusion order in relation to bid-rigging involving large-scale renovation works. To prevent such malpractice, what instructions are management giving to staff on site?
	Answer	We, too, take media reports concerning incidents at other companies very seriously and recognise that maintaining fair and transparent business practices is one of our top management priorities. To prevent misconduct before it occurs, management has instructed all internal departments, from senior management down to the front line, to thoroughly implement the following measures: the ongoing provision of compliance training; the enhancement of transparency in the procurement process and the strengthening of checks and balances; and efforts to raise awareness of and improve the environment surrounding our internal whistleblowing scheme. Going forward, we will continue to regard compliance with laws and regulations as a fundamental prerequisite for our corporate activities, and we will strive to maintain and strengthen our robust governance framework so as not to undermine the trust of our shareholders and other stakeholders.

㉒	Question	As the company can select which questions to address, and shareholders cannot press for further details even if the answers are inadequate, I would prefer the meeting to be held in person rather than as a virtual-only.
	Answer	We hold our Ordinary General Meetings in this format to make it easier for a wide range of people, including shareholders living some distance away, to attend, whilst also minimizing the risk of disasters and other incidents. With regard to the selection of questions and the provision of answers, we strive to ensure transparency and fairness by adhering to laws and guidelines and avoiding any arbitrary selection or omission. We will continue to improve the way we conduct our meetings in order to further enhance our dialogue with shareholders.
㉓	Question	A significant impairment loss was recognised in the 54th fiscal year; please explain the reasons for this in a little more detail. Furthermore, is there any prospect of recognising impairment losses in the current fiscal year or beyond?
	Answer	The main factor behind the impairment loss of 5,578 million yen, which was recognised as an extraordinary loss in the previous period, was the structural reform of the Group's energy business. In particular, a significant portion of this loss arose from a major revision to the business plan for the 'Nobeoka Biomass Power Station'. This revision was prompted by rapid changes in the external environment that exceeded expectations. Specifically, these changes comprised the following three factors: ① Changes in the financial environment: Funding costs increased significantly in line with rising global interest rates. ② Fluctuations in the fuel market: The price of timber, which serves as fuel for biomass power generation, soared, leading to expectations of a deterioration in long-term profitability. ③ Regulatory constraints: As this project is based on the sale of electricity at a fixed rate under the FIT (Feed-in Tariff) scheme, it is not possible to pass on the increase in maintenance and management costs resulting from inflation to the electricity sales price. Having taken all these factors into comprehensive consideration, and in order to address future uncertainties at an early stage and maintain financial soundness, we have conservatively re-estimated future cash flows and reached a management decision to recognise an impairment loss. Furthermore, following a review of all cash flows relating to solar power plants, it was determined that impairment losses would also arise from these assets.

㉔	Question	I would like to hear your thoughts on the lessons to be learnt from the process leading up to the capital increase and your involvement in the energy business to date, as well as your outlook for the future.
	Answer	We recognise that, within our energy business, we have yet to fully address the challenge of managing risks associated with rapid changes in the operating environment. Moving forward, whilst utilising our accumulated development expertise, we will strive to ensure the stable operation of our renewable energy businesses and enhance their profitability, whilst rigorously assessing the viability of our investments in light of factors such as the impact of inflation, rising interest rates and increasing maintenance costs. We remain committed to contributing to the transition to a decarbonised society and enhancing our corporate value.
㉕	Question	The decline in net profit is due to a one-off impairment loss, whilst sales and operating profit, amongst other figures, have increased. Furthermore, if the intention is to incorporate the DOE to ensure that dividends are not affected by temporary fluctuations in profit, should the dividend not be set at a level closer to that of the previous year?
	Answer	Whilst we recognise shareholder returns as a key management priority, our dividend policy is determined by taking a comprehensive view of our current performance, future business forecast and financial position. We have set out a long-term vision for 2030, and under the new medium-term management plan, we will implement specific strategies to achieve it. Whilst we deeply regret having to reduce the dividend at this time, we are determined to establish a stable earnings base in the future through the steady implementation of this plan, thereby leading to sustainable growth and shareholder returns. We would be most grateful for your understanding.
㉖	Comment	I would like the company to introduce a shareholder benefit program.
	Response	Our company regards returning profits to our shareholders as one of our key management priorities. Whilst we have received a variety of opinions regarding a shareholder benefits program, our basic policy is to return profits directly to shareholders in the form of dividends, with a view to ensuring fair returns to all shareholders, regardless of the number of shares held or their place of residence. Consequently, we have no plans to introduce a shareholder benefits scheme at this stage. We will continue to strive to enhance corporate value and maintain stable dividends.

㉗	Question	There was a response about the Ora Town energy storage facility, but I would like to know whether they intend to resume the residents' information sessions, which we have repeatedly requested.
	Answer	We take very seriously the concerns expressed by local residents regarding the energy storage facility project in Ora Town. We are currently discussing future measures including the resumption of public briefings for nearby residents with the local authority. Moving forward, we will be handling the matter through our legal representatives in order to seek the best possible solution from a professional perspective. We remain committed to continuing our sincere and thoughtful dialogue with local community to ensure their understandings.

End of Text