



**Third Quarter of the Fiscal Year Ending November 30, 2023
Explanatory Material for the Financial Results**

Samty Co., Ltd. (securities code: 3244)



<p>1. Third Quarter of the Fiscal Year Ending November 30, 2023 Overview of the Consolidated Financial Statements</p> <ul style="list-style-type: none"> ✓ Raised the full-year forecast ✓ Earnings Summary ✓ Overview of Consolidated Statements of Income ✓ Overview of the Consolidated Balance Sheets ✓ Financial Condition 	<p>P. 02</p>	<p>3. Medium-Term Management Plan Samty Toughening Plan (Post-COVID Version) Review and State of Progress</p> <p style="text-align: right;">P. 22</p> <ul style="list-style-type: none"> ✓ Basic Policies and Key Performance Indicators (KPIs) ✓ State of Progress of the Investment Plan ✓ State of Progress in Key Performance Indicators (KPIs) ✓ State of Progress in Expanding Group Assets
<p>2. Third Quarter of the Fiscal Year Ending November 30, 2023 Overview by Segment</p> <ul style="list-style-type: none"> ✓ Earnings Summary by Segment ✓ Earnings Highlights (Capital Gains Businesses) ✓ Real Estate Development Business Acquisition Results – Land for Development ✓ Real Estate Development Business Residential Development Plan (by fiscal year) ✓ Real Estate Development Business Residential Development Plan (by area) ✓ Real Estate Development Business Hotel and Office Development Plan ✓ Real Estate Development Business and Real Estate Solution Business Sales Results ✓ Overseas Business State of Progress in Projects ✓ Earnings Highlights (Income Gains Businesses) ✓ Real Estate Leasing Business Acquisition Results Income Properties ✓ Real Estate Leasing Business Asset Holdings by Region and Occupancy Rates ✓ Hotel Business Hotel Occupancy Rates ✓ Real Estate Management Business AUM and Number of Units Under Management 	<p>P. 08</p>	<p>4. Dividends and Shareholder Returns</p> <p style="text-align: right;">P. 27</p> <ul style="list-style-type: none"> ✓ Dividends and Shareholder Returns
		<p>5. Third Quarter of the Fiscal Year Ending November 30, 2023 Topics and Sustainability Initiatives</p> <p style="text-align: right;">P. 29</p> <ul style="list-style-type: none"> ✓ Acquisition of BELS Certification for Development Properties Real Estate Prices ✓ Signed a Green Loan Agreement for a New Office Construction Project ✓ Employment of Athletes ✓ Won Three Consecutive League Championships and Advanced to the Japan Series for the Third Consecutive Year

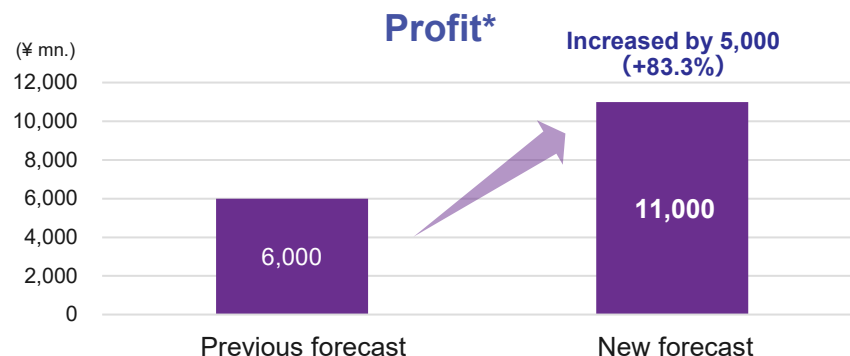
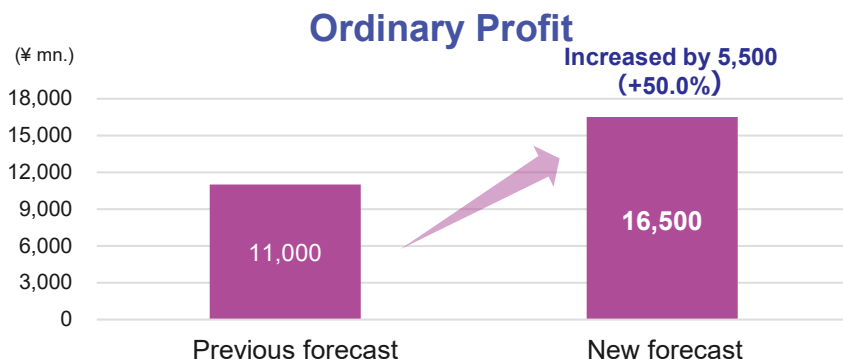
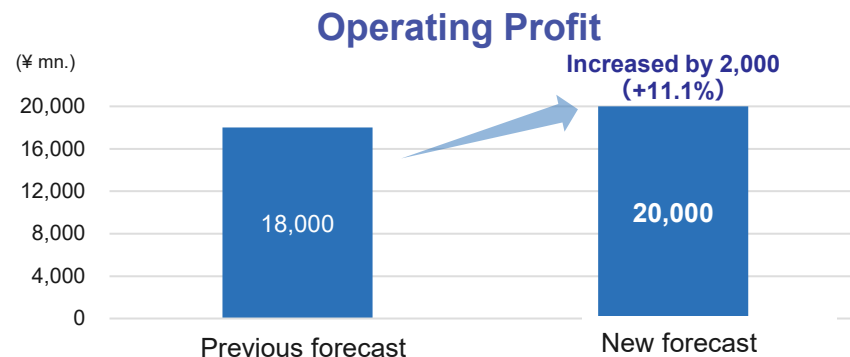
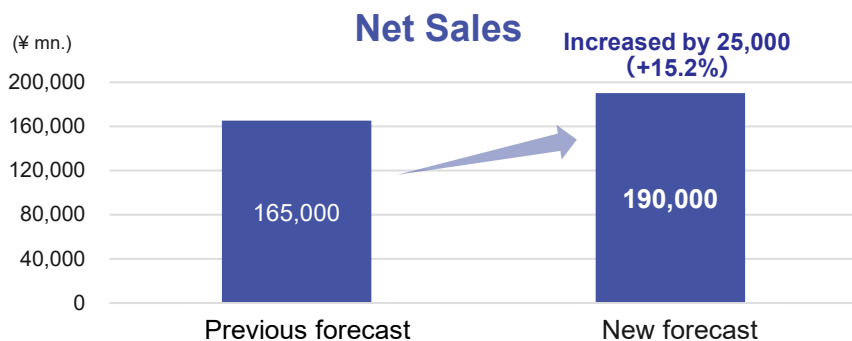
Third Quarter of the Fiscal Year Ending November 30, 2023

Overview of the Consolidated Financial Statements



- The company raised its full-year forecast due to higher-than-expected property sales on the back of strong investment appetite among investors in Japan and overseas, as well as foreign exchange gains expected to be generated as the yen has weakened more than initially assumed.
- Compared to the previous forecast, net sales are expected to increase by ¥25 billion (+15.2%) to ¥190 billion, operating profit by ¥2 billion (+11.1%) to ¥20 billion, ordinary profit by ¥5.5 billion (+50.0%) to ¥16.5 billion, and profit attributable to owners of parent by ¥5 billion (+83.3%) to ¥11 billion.

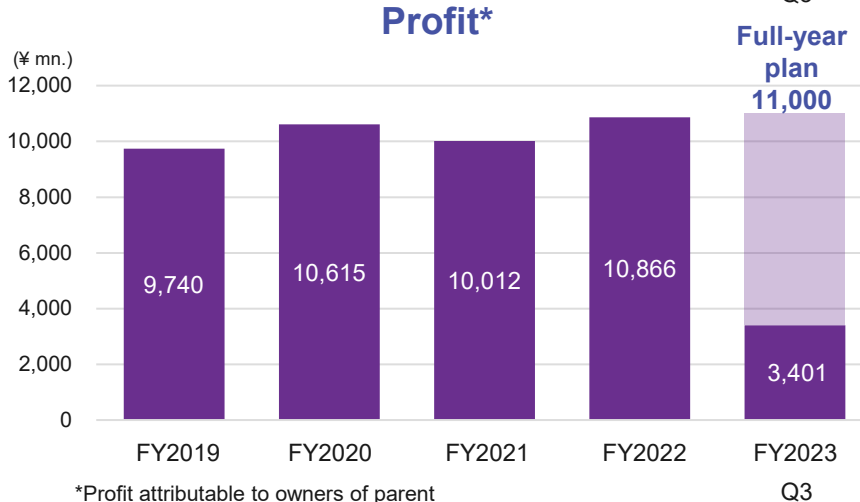
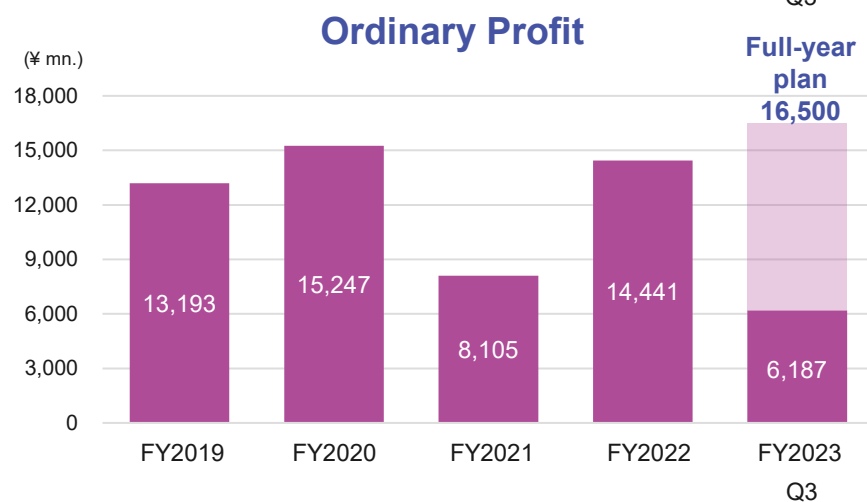
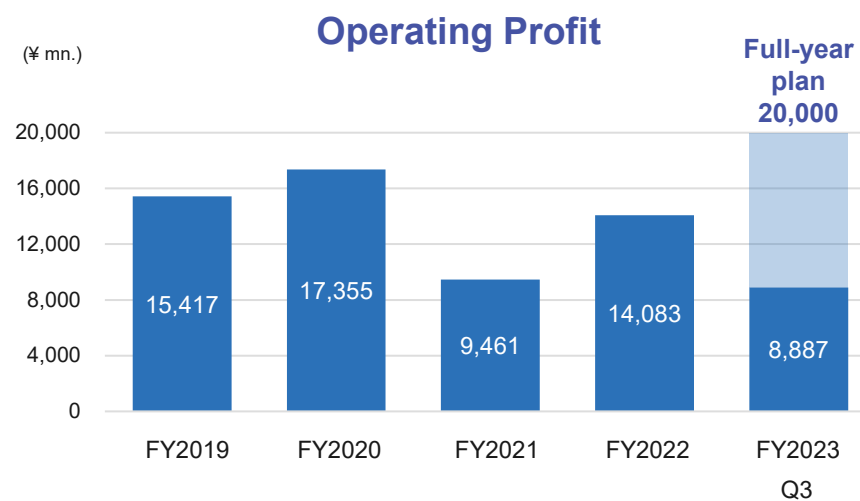
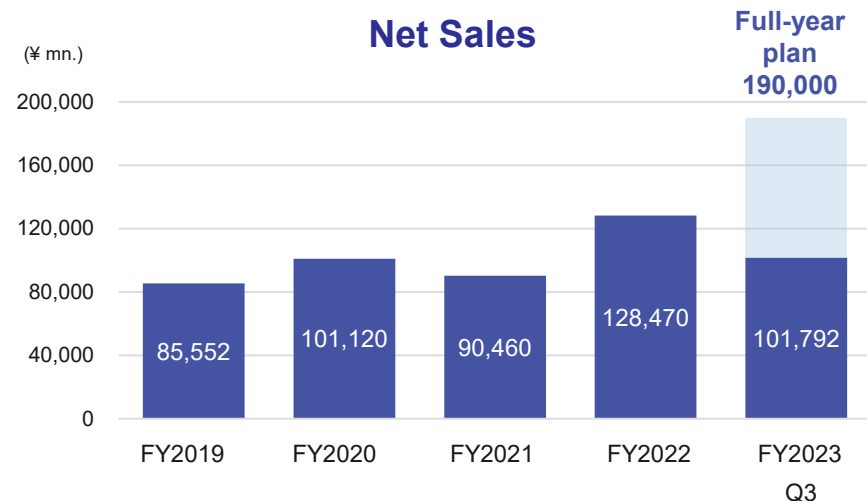
Revisions to full-year forecast for FY2023



Record net sales and profit are expected.

Business Performance Remained Favorable in Q3. Businesses Are Moving Forward to Achieve the Revised Full-Year Forecast.

Through Q3 FY2023, sales were approximately ¥101.7 billion (+60.6% over the same period last year), and operating profit was approximately ¥8.8 billion (+73.1% over the same period last year). The company is promoting property sales planned for Q4 to achieve its new, increased forecast.



- In the first nine months of FY2023, net sales were ¥101.7 billion (+60.6% over the same period last year) and operating profit was ¥8.8 billion (+73.1% over the same period last year), showing steady progress.
- Profit (attributable to owners of parent) was ¥3.4 billion (-28.3% over the same period last year) due to the recording of ¥0.9 billion in special research expenses as an extraordinary loss.

(Unit: Millions of yen)	FY2022 Q3		FY2023 Q3		Year on Year		FY2023	
	Actual	Percent	Actual	Percent	Increase/ decrease	Percent change	Full-year plan	Percentage of progress
Net sales	63,371	100%	101,792	100%	38,421	60.6%	190,000	53.6%
Cost of sales	50,075	79.0%	81,213	79.8%	31,137		-	-
Selling, general and administrative expenses	8,162	12.9%	11,691	11.5%	3,528		-	-
Operating profit	5,133	8.1%	8,887	8.7%	3,754	73.1%	20,000	44.4%
Non-operating profit	4,613	7.3%	1,409	1.4%	-3,203		-	-
Non-operating expenses	4,004	6.3%	4,109	4.0%	105		-	-
Ordinary profit	5,741	9.1%	6,187	6.1%	445	7.8%	16,500	37.5%
Extraordinary income	26	0.0%	166	0.2%	140		-	-
Extraordinary loss	11	0.0%	981	1.0%	970		-	-
Profit attributable to owners of parent	4,747	7.5%	3,401	3.3%	-1,345	-28.3%	11,000	30.9%
Earnings per share (yen)	102.10	-	73.11	-	-28.99	-	236.34	-

- The group's total assets increased by about ¥35.9 billion from the end of the previous fiscal year due to the strengthening of procurement activities. Taking into account trends in financial indicators and the market environment, we will continue to accumulate assets to achieve our medium-term management plan (post COVID-19 version).

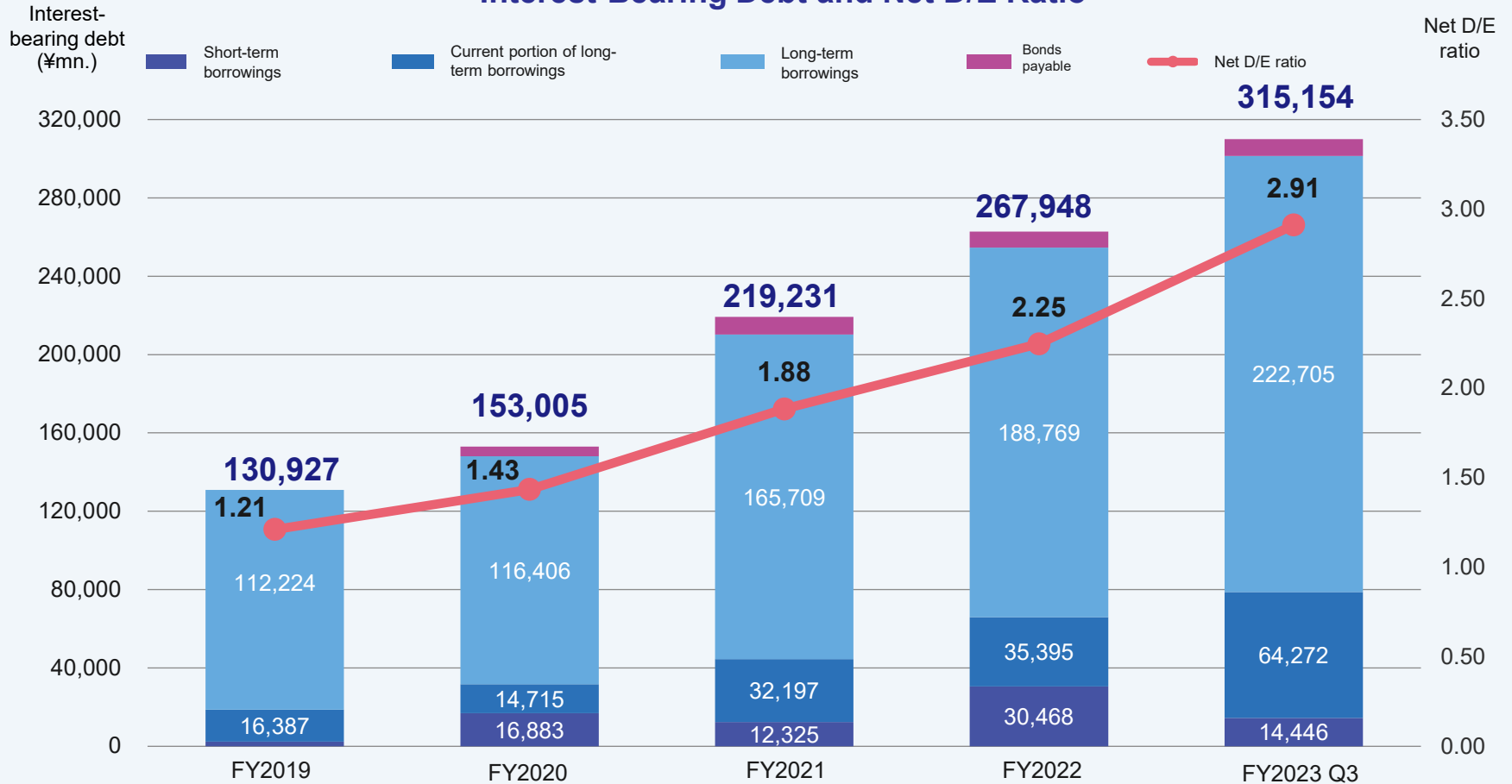
(Unit: Millions of yen)	As of Nov. 30, 2022	As of Sep. 30, 2023	Increase/ decrease
Total assets	413,594	449,541	35,946
Current assets	289,904	354,673	64,768
Cash and deposits	46,002	25,386	-20,616
Real estate for sale	114,623	184,764	70,140
Real estate for sale in process	122,065	124,805	2,740
Non-current assets	123,581	94,779	-28,802
Property and equipment	90,435	53,500	-36,935
Intangible assets	414	460	45
Investments and other assets	32,731	40,817	8,086
Total liabilities	303,199	344,494	41,294
Current liabilities	89,543	95,470	5,927
Short-term borrowings	30,468	14,446	-16,021
Current portion of long-term debt	35,395	64,272	28,876
Current portion of bonds	5,170	5,085	0
Non-current liabilities	213,656	249,023	35,367
Long-term debt	188,769	222,705	33,936
Bonds payable	8,145	8,645	500
Bonds with share acquisition rights	12,000	12,000	0
Net assets	110,395	105,046	-5,348
Total liabilities and net assets	413,594	449,541	35,946
Interest-bearing debt	262,778	315,154	52,376
Shareholders' equity	100,101	99,450	-650
Equity ratio (%)	23.9%	22.1%	-1.7%

Main reasons for increase/decrease	
◇ Real estate for sale	
Property acquisitions	+28,188 mn. yen
Transfers and other	+41,957 mn. yen
◇ Real estate for sale in process	
Acquisition of land for development, and building costs	+56,834 mn. yen
Transfers and other	-54,096 mn. yen
◇ Property, plant and equipment	
Acquisition of income properties	+7,726 mn. yen
Transfers and other	-44,117 mn. yen
◇ Shareholders' equity	
Net profit for the quarter	+3,401 mn. yen
Dividend payments	-4,186 mn. yen

(Note: Interest-bearing debt is calculated excluding zero-coupon bonds with stock acquisition rights.)

- Borrowings increased due to aggressive purchasing activities to expand Group assets.
- Long-term borrowings have an average maturity of 10.8 years and an average interest rate of 1.29%, and among them, our borrowings on income properties have an average maturity of 14.9 years and an average interest rate of 1.21%.
- We are aiming to strengthen and diversify sustainability perspectives in financing, including consideration of borrowing through green loans.

Interest-Bearing Debt and Net D/E Ratio



Note: Net debt-equity ratio = (Interest-bearing debt - Cash and deposits) / Equity

Note 2: Interest-bearing debt excluding zero-coupon bonds with stock acquisition rights

Third Quarter of the Fiscal Year Ending November 30, 2023

Overview by Segment

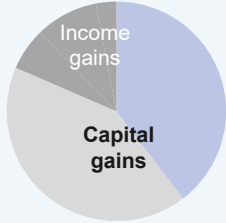


Capital Gains Both sales and income increased compared to the same period of the previous year in all segments: Real Estate Development Business, Real Estate Solution Business, and Overseas Business. Sales of properties progressed steadily, supported by the strong investment appetite of investors in Japan and overseas.

Income Gains As a result of aggressive property sales, both sales and profits declined in the Real Estate Leasing Business compared to the same period of the previous year, but sales in the Hotel Business and the Real Estate Management Business remained steady. The deficit in the Hotel Business narrowed.

(Unit: Millions of yen)		FY2022 Q3		FY2023 Q3		Year on Year		FY2023	
		Actual	Operating margin	Actual	Operating margin	Increase/decrease	Percent change	Full-year plan	Percentage of progress
Net sales		63,371	-	101,792	-	38,421	+60.6%	190,000	53.6%
Capital	Real Estate Development Business	31,475	-	40,358	-	8,882	+28.2%	94,000	42.9%
	Real Estate Solution Business	19,031	-	27,990	-	8,959	+47.1%	56,000	50.0%
	Overseas Business	-	-	14,612	-	14,612	-	15,000	97.4%
Income	Real Estate Leasing Business	6,344	-	6,321	-	-23	-0.4%	8,500	74.4%
	Hotel Business	3,680	-	9,443	-	5,763	+156.6%	12,800	73.8%
	Real Estate Management Business	3,783	-	4,932	-	1,148	+30.4%	6,400	77.1%
	Adjustment	-943	-	-1,865	-	-922	-	-2,700	-
Operating profit		5,133	-	8,887	8.7%	3,754	-	20,000	-
Capital	Real Estate Development Business	5,449	17.3%	6,729	16.7%	1,279	+23.5%	16,400	41.0%
	Real Estate Solution Business	2,933	15.4%	3,708	13.2%	775	+26.4%	6,500	57.1%
	Overseas Business	-241	-	1,496	10.2%	1,738	-	1,300	115.1%
Income	Real Estate Leasing Business	3,091	48.7%	2,716	43.0%	-375	-12.1%	3,700	73.4%
	Hotel Business	-2,059	-	-981	-	1,077	-	-1,100	-
	Real Estate Management Business	612	16.2%	392	7.9%	-219	-35.8%	500	78.5%
	Adjustment	-4,653	-	-5,174	-	-520	-	-7,300	-

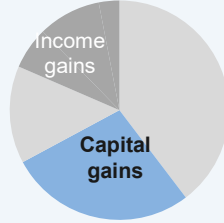
Real Estate Development Business



Percent of sales:
39.6%

- Year-to-date, we sold 33 properties (for about ¥40.3 billion), resulting in an increase in both sales and profits year-on-year. We will continue to promote our business in a flexible and agile manner to achieve our full-year forecast.
- We are promoting acquisition of BELS certification for development properties to improve environmental performance.

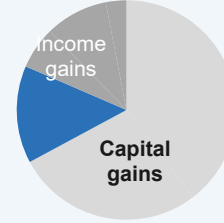
Real Estate Solution Business



Percent of sales:
27.5%

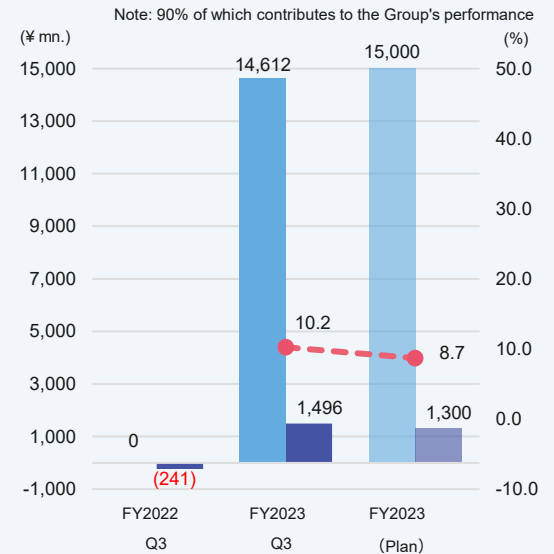
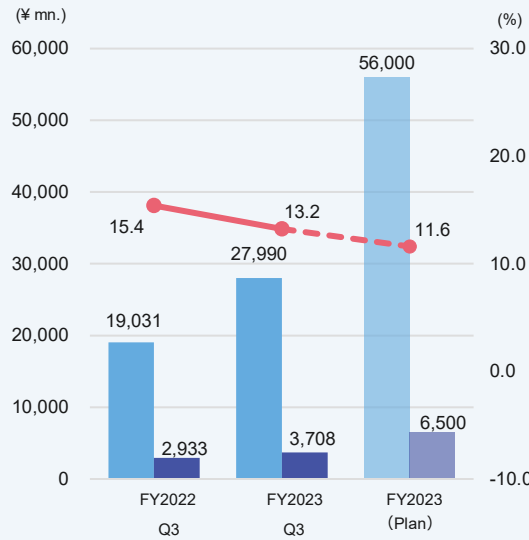
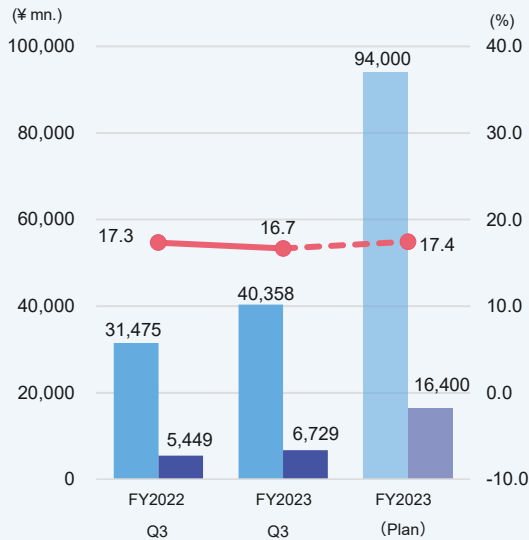
- Year-to-date, we sold 33 properties (for about ¥27.9 billion), achieving year-on-year increases in both sales and profits. Sales plans are concentrated in Q4, and we will continue to promote sales to achieve the full-year plan.
- Continued to strengthen purchasing activities to expand total assets and sales with an eye to maximizing earnings.

Overseas Business



Percent of sales:
14.4%

- We expect net sales of ¥40.7 billion (see note) and profit of about ¥5.7 billion (see note) when the SAKURA Project is completely sold.
- Sales of the project continue to be favorable, and we plan to sequentially deliver and book sales in the next fiscal year and beyond.



■ Net sales ■ Segment operating profit ● Segment operating margin

Note: Net sales for the percent of sales is calculated based on the amount of net sales to third parties.

- Year-to-date, the company acquired 86 parcels of land (about ¥34.3 billion) for development in major cities across Japan. At this time, plans call for the acquisition of 12 properties (about ¥5.9 billion) for development in the current fiscal year. Progress in purchasing has been good.
- We plan to acquire parcels of land for development of 21 properties (about ¥11.7 billion) in the next fiscal year and thereafter.

Land for development: Based on acquisition amount (percentage of progress)

Full-year plan	FY2023 Q3		FY2023				Expected to settle next FY or later
	Actual	Percentage of progress	Expected to settle this FY	Full-year plan	Actual + planned settlement	Percentage of progress	
¥72.0 bn.	¥34.3 bn.	47.6%	¥5.9 bn.	¥72.0 bn.	¥40.2 bn.	55.8%	¥11.7 bn.

Land for development: Based on number of acquisitions (by region)

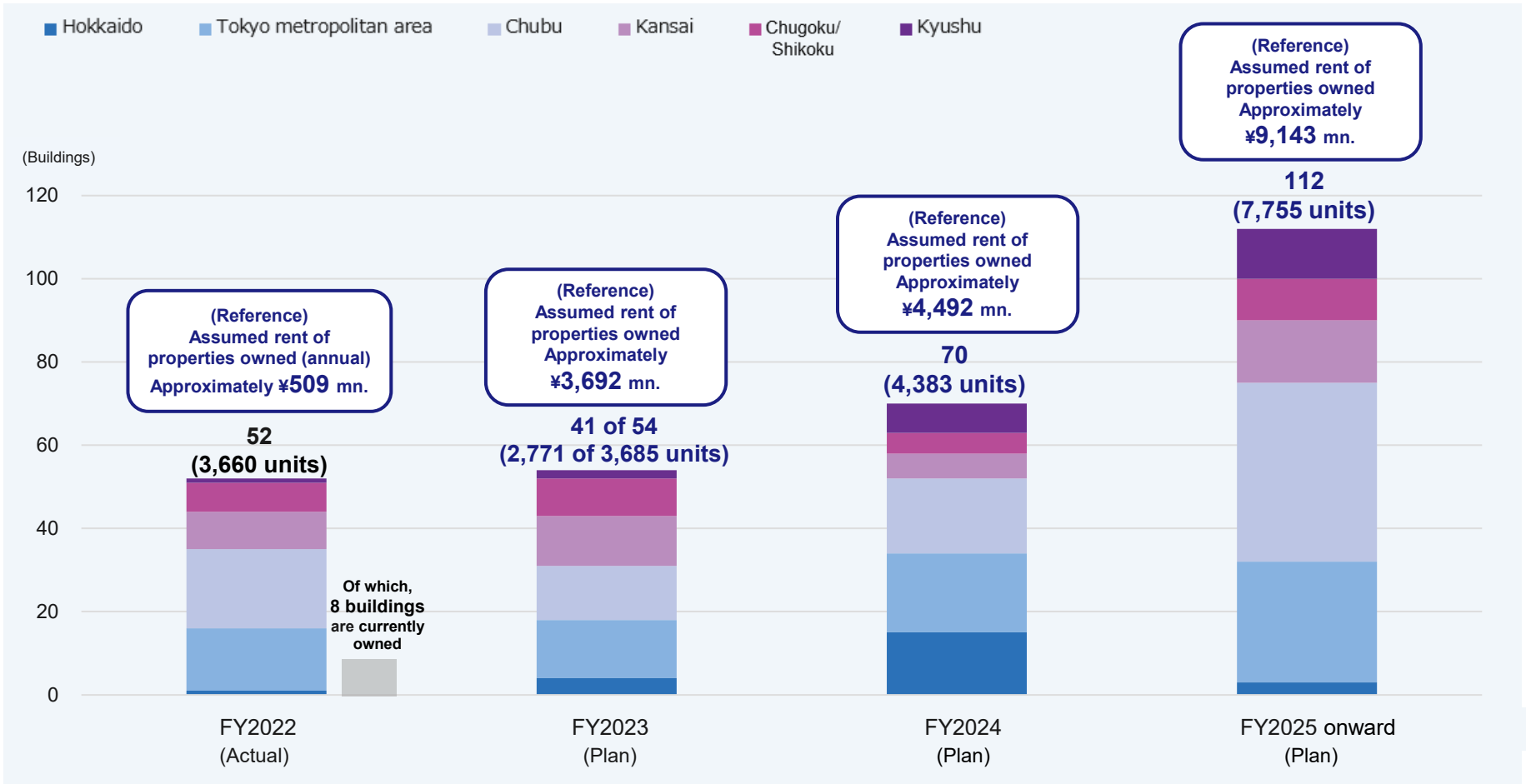
	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku/Shikoku	Kyushu	Total
FY2023 Q3 acquisitions	12	23	26	12	7	6	86
Expected to settle this FY	-	2	8	1	1	-	12
Total	12	22	34	13	8	6	98
Expected to settle next FY or later	1	7	6	1	5	1	21

Real Estate Development Business

Residential Development Plan (by fiscal year)



- A total of 54 residential buildings (3,685 units) are scheduled to be completed in FY2023. Of these, 41 buildings (2,771 units) were completed by Q3.
- We are planning to develop a **total of 195 buildings with about 13,000 units** in cities across Japan going forward. We will continue to promote residential development to increase income gains.



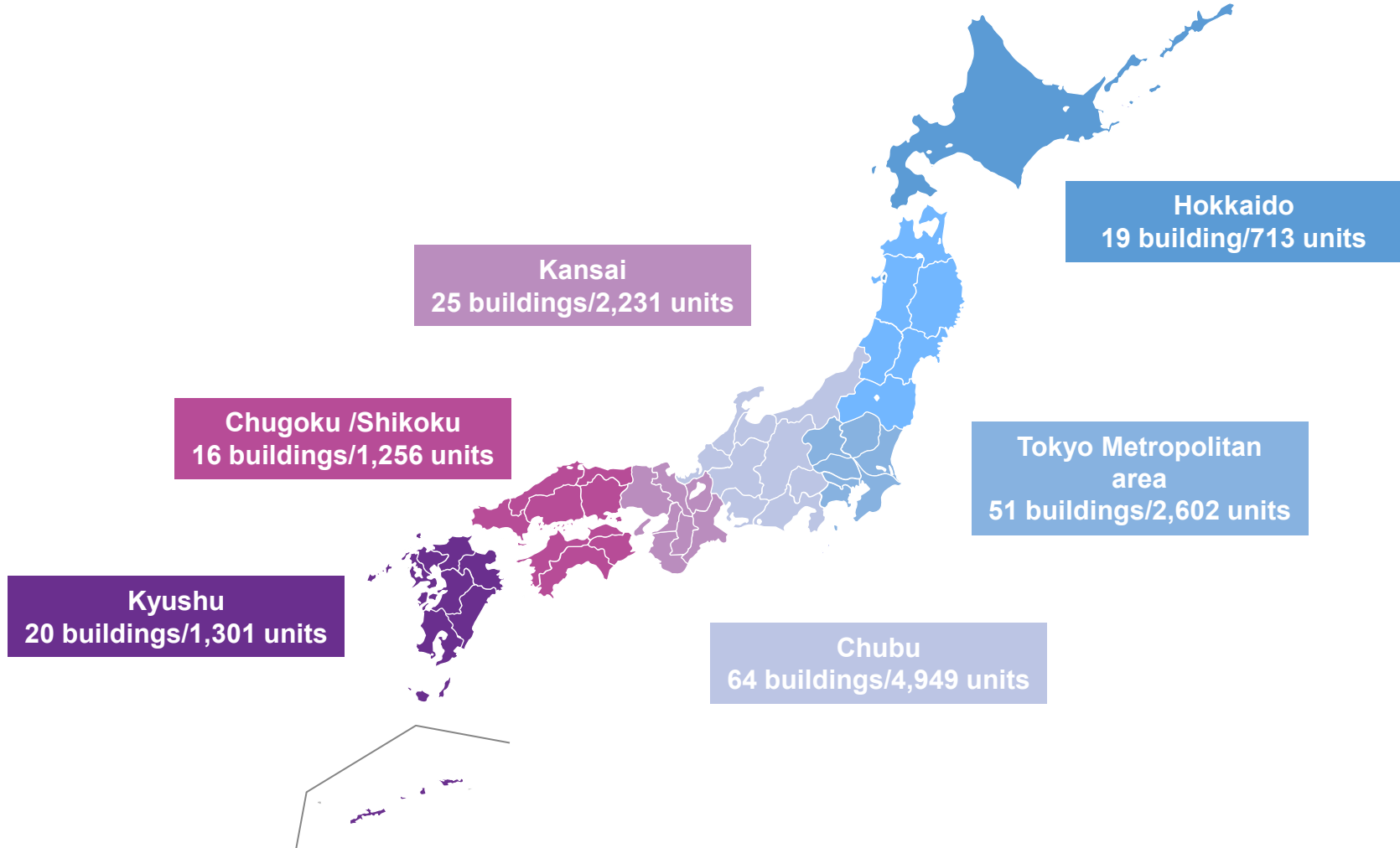
Notes: (1) The number of buildings is the total of the development plan and results for S-RESIDENCE and investment unit sales.

(2) Assumed rental revenue (annual) is calculated using the number of properties owned and the rents expected from the projects at full occupancy.

Real Estate Development Business

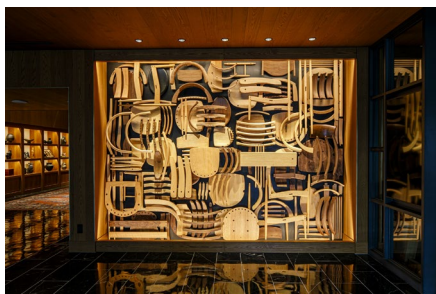
Residential Development Plan (by area)

- Future residential development plans by area: Hokkaido: 19 buildings (713 units); Tokyo metropolitan area: 51 buildings (2,602 units); Chubu: 64 buildings (4,949 units); Kansai: 25 buildings (2,231 units); Chugoku and Shikoku: 16 buildings (1,256 units); and Kyushu: 20 buildings (1,301 units), for a **total of 195 buildings (about 13,000 units)** scheduled for completion.



- Hotel and office development projects scheduled for completion and opening this fiscal year and beyond are also on track.
- In line with our policy of making strategic investments in regional cities, we are promoting developments focused on cities where we have branch offices and their surrounding areas.

Type	FY	Project Name	Location	No. of Rooms	Planned Opening (completion)
Hotel	2023	Mercure Tokyo Haneda Airport	Ota-ku, Tokyo	363	Nov 26, 2023 opening
	2024	Six Senses Kyoto	Higashiyama-ku, Kyoto	81	Spring 2024 opening
		Banyan Tree Higashiyama Kyoto	Higashiyama-ku, Kyoto	52	Summer 2024 opening
	2026	Shangri-La Hotel Kyoto Nijojo Project (tentative name)	Kamigyo-ku, Kyoto	77	Spring 2026 opening
	TBD	Sapporo-shi Hotel Project	Sapporo-shi	-	-
		Osaka-shi Kita-ku Hotel Project	Kita-ku, Osaka-shi	-	-
		Hiroshima-shi, Minami-ku Hotel Project	Minami-ku, Hiroshima-shi	-	-
Total: 7 buildings				573	-
Office	2024	Odori-Nishi 5-Chome II Office Building Project	Chuo-ku, Sapporo-shi	-	2024 completion
		Nakamura-ku Noritake 1-Chome Office Building Project	Nakamura-ku, Nagoya-shi	-	2024 completion
		Sapporo-shi Chuo-ku Office Project	Chuo-ku, Sapporo-shi	-	2025 completion
	2025	Nagoya-shi Nakamura-ku Office Project	Naka-ku, Hiroshima-shi	-	2025 completion
		Hiroshima-shi Naka-ku Office Project		-	2025 completion
		Hiroshima-ken, Fukuyama-shi Office Project	Fukuyama-shi, Hiroshima-ken	-	2025 completion
	TBD	Nagoya-shi Nakamura-ku Office Project	Nakamura-ku, Nagoya-shi	-	-
		Fukuoka-shi Hakata-ku Office Project	Hakata-ku, Fukuoka-shi	-	-
Total: 7 buildings				-	-



First floor lounge,
Hotel Mercure Hida Takayama



Artist's rendering of the Mercure Tokyo
Haneda Airport Bar



Artist's rendering of the Banyan Tree
Higashiyama Kyoto lobby



Artist's rendering of the Six Senses
Kyoto

Notes: (1) Project names that have the word "Project" in them are tentative names.
(2) The renderings are from the consideration stage of the project and may change in the future.

Real Estate Development Business and Real Estate Solution Business Sales Results



- Year-to-date, we sold 33 properties in our Real Estate Development Business and 33 properties in our Real Estate Solution Business for a total of 66 properties.
- Of these, a total of four properties (two in the Real Estate Development Business and two in the Real Estate Solution Business) were supplied to Samty Residential Investment Corp.

Based on number of sales (percentage of progress)

Segment	Full-year plan	FY2023 Q3		FY2023		
		Actual	Percentage of progress	Planned sales	Actual/Planned sales	Percentage of progress
Real Estate Development Business	61	33	54.1%	20	53	86.9%
(S-RESIDENCE)	(60)	(32)	53.3%	(20)	(52)	86.7%
(Investment unit sales in lots)	-	-	-	-	-	-
(Hotel and other)	(1)	(1)	100%	-	(1)	100.0%
Real Estate Solution Business	44	33	75.0%	11	44	100.0%
Total	105	66	62.9%	31	97	92.4%

Based on number of sales (by region)

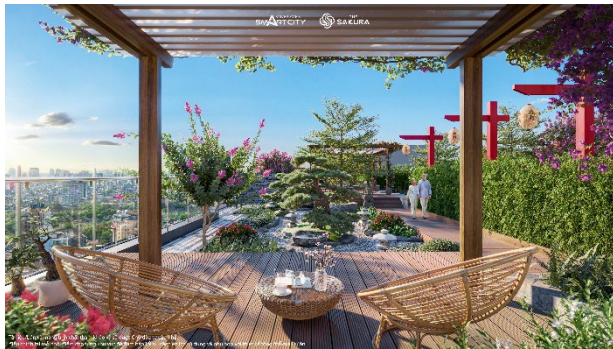
Segment/Region	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku/Shikoku	Kyushu	Total
Real Estate Development Business	1	10	10	5	6	1	33
(S-RESIDENCE)	(1)	(10)	(10)	(4)	(6)	(1)	(32)
(Investment unit sales in lots)	-	-	-	-	-	-	-
(Hotel and other)	-	-	-	(1)	-	-	(1)
Real Estate Solution Business	6	8	2	6	3	8	33
Total	7	18	12	11	9	9	66

Overseas Business

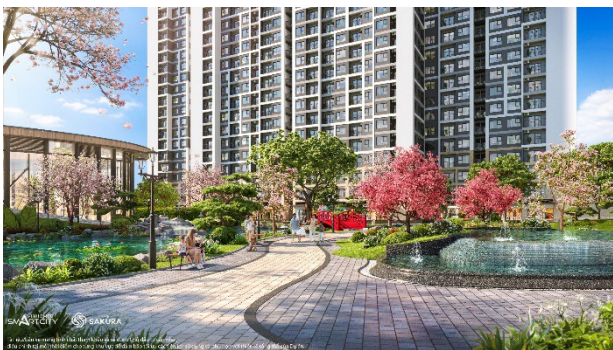
State of Progress in Projects



- The V8 building is completely sold on an application basis. Deliveries to customers are also close to being completed.
- The V9 building is 99.6% sold and deliveries are at 94.0%, showing significant progress.
- Sales for the V10 building started at the end of 2022, and as of October 23, 2023, is progressing well at about 93.5% sold. We will continue to promote this business to complete our first for-sale housing business overseas.

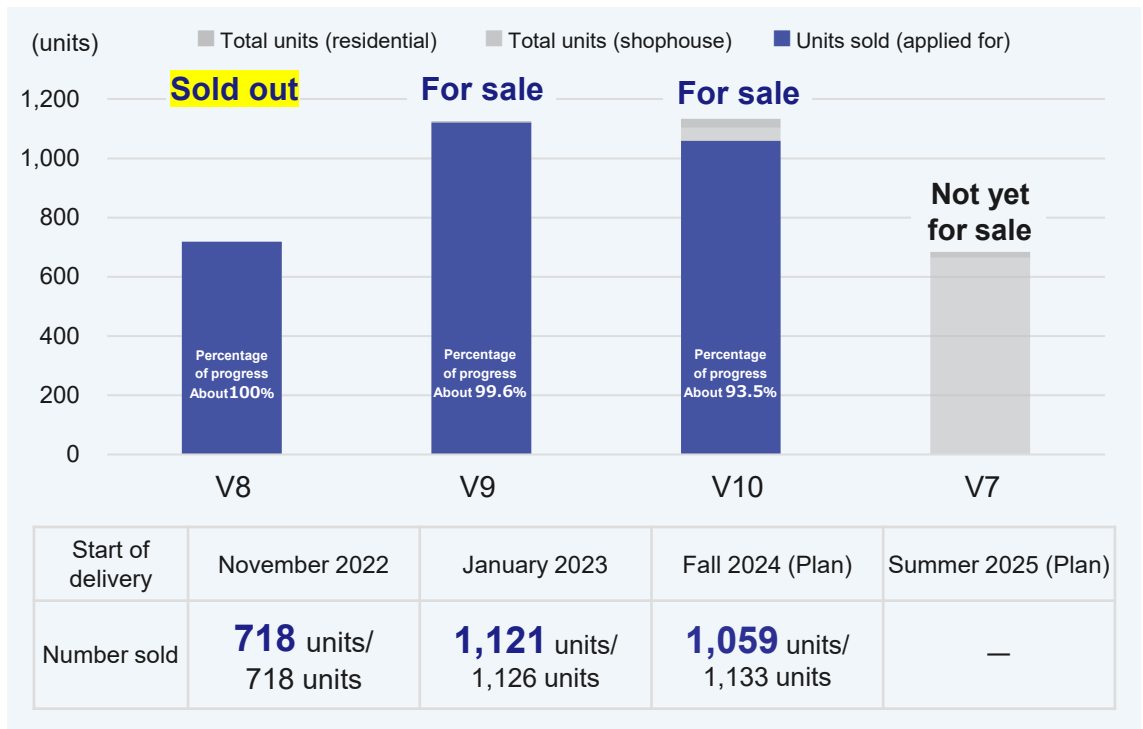


Artist's rendering of the rooftop garden



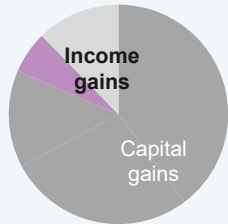
Artist's rendering of the grounds

Timing of Delivery and Status of Sales (As of October 23, 2023)



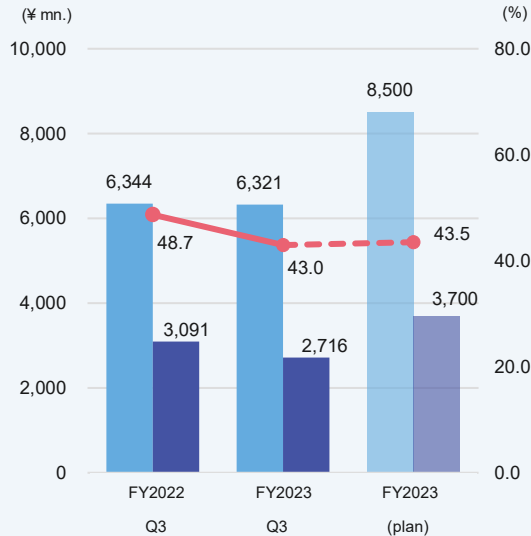
Note: In the graph above, "percentage of progress" is calculated on applications.

Real Estate Leasing Business

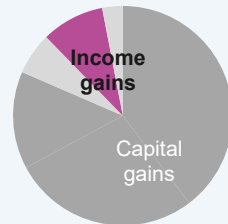


Percent of sales:
6.2%

- Sales and income decreased year-on-year due to decreased property sales from Q4 of the previous fiscal year until Q3 of this fiscal year.
- We are implementing measures to increase rents and common area management fees at properties we own, and will continue to promote the business to achieve the full-year plan.

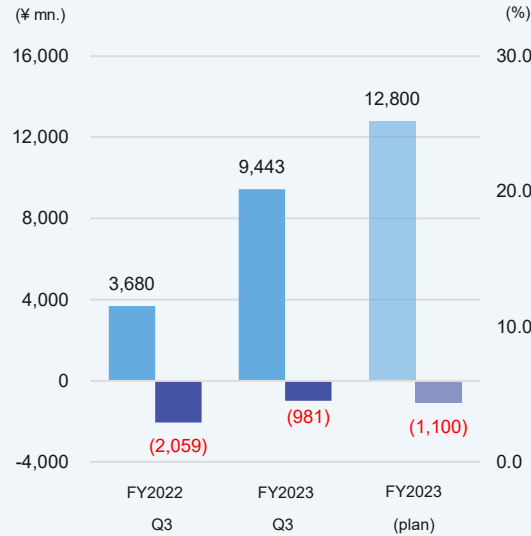


Hotel Business

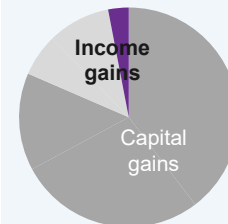


Percent of sales:
9.3%

- Sales increased significantly year-on-year. The deficit in operating profit also narrowed. Steady recovery in business performance due to the recovery of inbound sales.
- We aim to return to profitability in the next fiscal year by further improving and increasing the unit price per guest room.

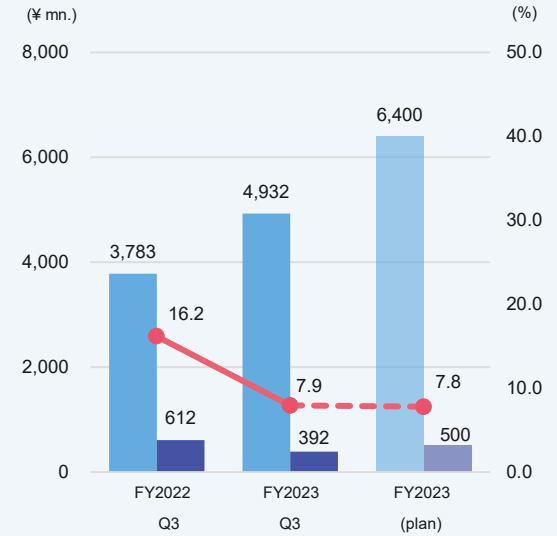


Real Estate Management Business



Percent of sales:
3.0%

- Sales are increasing steadily in line with the growth of AUM (assets under management) and the number of units under management.
- We expect higher sales and lower profits for this fiscal year, assuming the impact of higher expenses associated with business scale expansion.



- We acquired 50 income properties in major cities throughout Japan for about ¥29.9 billion.
There are four more income properties for about ¥3.1 billion scheduled for settlement this fiscal year.
- There are 29 income-producing properties (about ¥30.1 billion) scheduled to close in the next fiscal year or later. Although the purchasing environment is difficult, sales are relatively steady.

Income properties: Based on acquisition amount (percentage of progress)

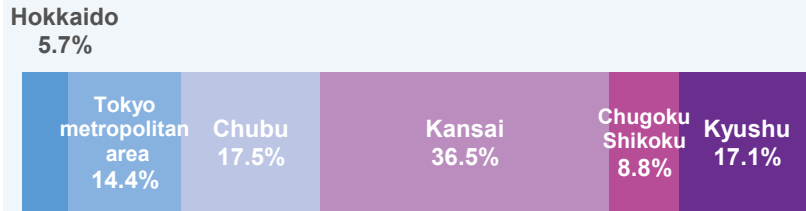
Full-year plan	FY2023 Q3		FY2023				To settle next FY or later
	Actual	Percentage of progress	Planned settlement	Full-year plan	Actual/planned settlement	Percentage of progress	
¥50.0 bn.	¥29.9 bn.	59.8%	¥3.1 bn.	¥50.0 bn.	¥33.0 bn.	66.1%	¥30.1 bn.

Income properties: Based on number of acquisitions (by region)

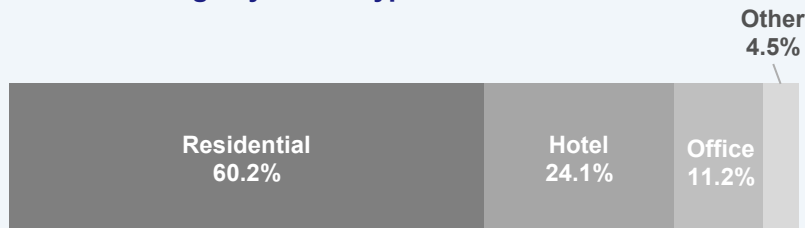
	Hokkaido	Tohoku	Tokyo metropolitan area	Chubu	Kansai	Chugoku /Shikoku	Kyushu	Total
FY2023 Q3 acquisitions	7	-	12	8	9	5	9	50
Expected to settle this FY	-	1	-	-	2	-	1	4
Total	7	1	12	8	11	5	10	54
Expected to settle next FY or later	4	1	6	2	9	1	6	29

- We own 195 rental properties (total book value of about ¥209.5 billion), including residences, hotels, and offices. Of these, the occupancy rate for residential properties has been steady at around 95%.
- We have created a well-balanced portfolio by holding properties throughout Japan.

Asset Holdings by Region

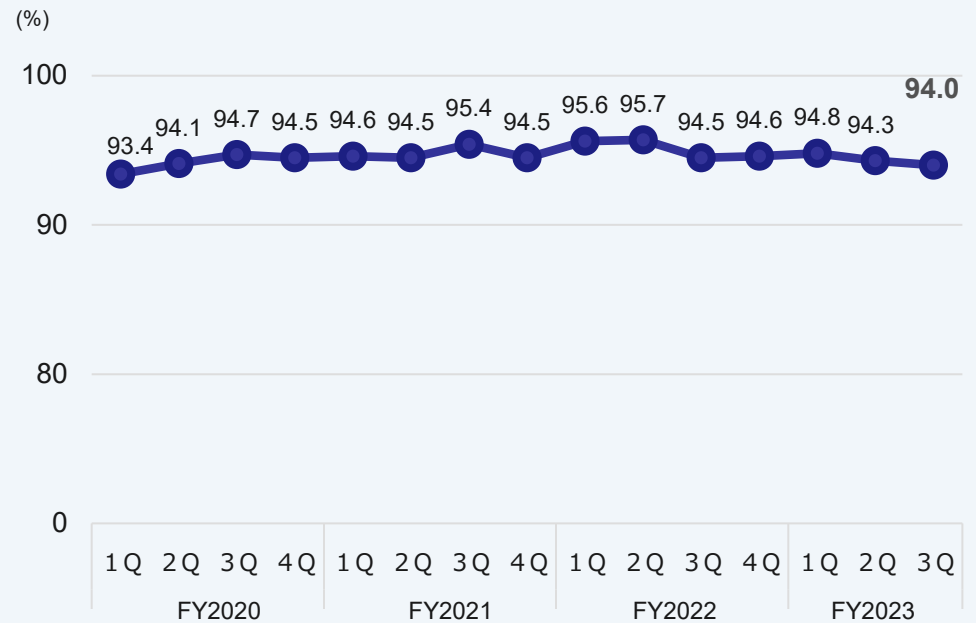


Asset Holdings by Asset Type



Note: Data is as of August 31, 2023. The total is based on the total book value of real estate for sale and non-current assets owned by the Samty Group on a consolidated basis.

Residential Occupancy Rates



Note: Average occupancy rate at end of each quarter

Total floor area basis (weighted average): Total leased area of each property/total floor area
Excluded from the total are special properties, such as newly built properties or properties that are acquired that have not passed a certain period of time.

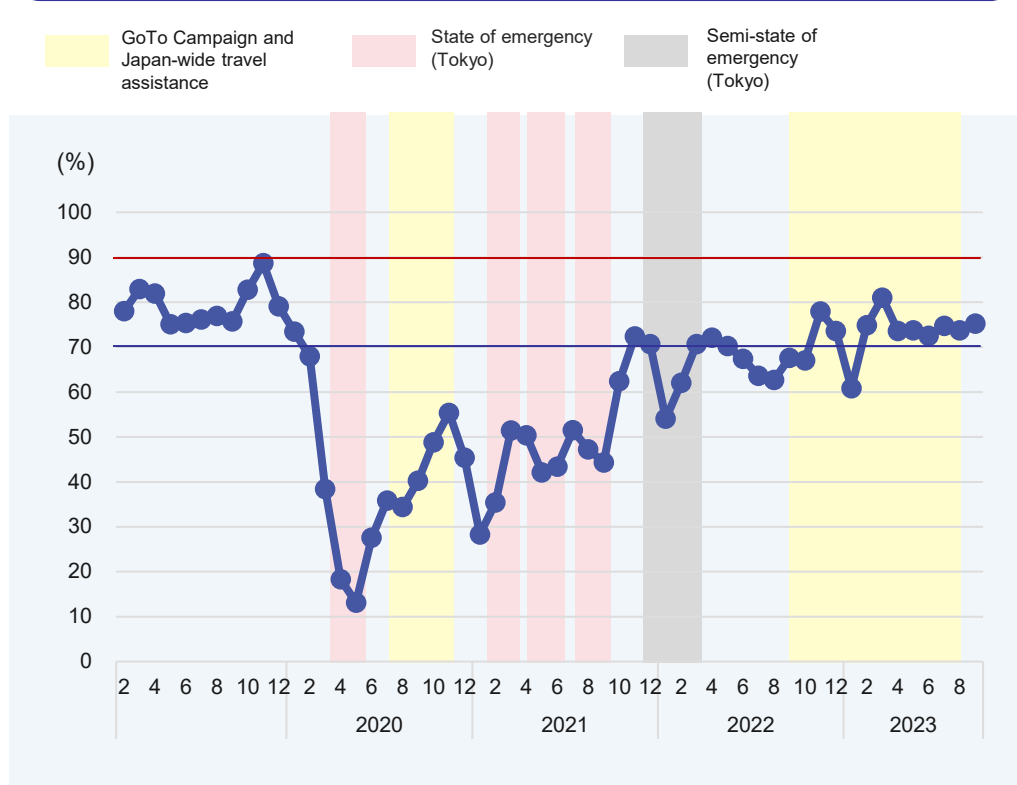


- Added Mercure Hida Takayama to our participating hotels. Seven more hotels are planned for development, including Mercure Tokyo Haneda Airport, scheduled to open on November 26, 2023.
- Occupancy rates have recovered to pre-pandemic levels due to an increase in the number of foreign tourists in addition to the number of domestic tourists. Some hotels have exceeded the pre-pandemic level in terms of the average room rate, and further recovery is expected in the Hotel Business.

Hotels in Which Samty Is Involved

Region	Hotel name	Rooms	Remark
Tokyo metropolitan area	Center Hotel Tokyo	108	Operated
	Hotel Sunshine Utsunomiya	160	Operated
	S-PERIA INN Nihombashi Hakozaki	114	Developed and operated
Chubu	Mercure Hida Takayama	161	Developed
	Ibis Styles Nagoya	284	Developed and owned
Kansai	Amano Hashidate Hotel (including Auberge)	86	Owned
	GOZAN	21	Owned
	S-PERIA INN Osaka Hommachi	125	Developed and operated
	S-PERIA HOTEL Kyoto	165	Developed and operated
	Mercure Kyoto Station	225	Developed
	Agora Kyoto Karasuma	140	Developed
	Agora Kyoto Shijo	80	Developed
	Aloft Osaka Dojima	305	Owned
	Oakwood Hotel Kyoto Oike	120	Developed and owned
	Hotel the Pavone (Nesta Resort Kobe)	109	Operated
	Chugoku	NEST Hotel Hiroshima Hatchobori	126
NEST Hotel Hiroshima Station		84	Owned
Kyushu	S-PERIA HOTEL Hakata	287	Developed and operated
	S-PERIA HOTEL Fukuoka Nakasu	87	Developed and operated
	S-PERIA HOTEL Nagasaki	155	Operated
Total	20 hotels	2,942 rooms	

Average Occupancy Rates



Note: Calculated based on a weighted average of the average occupancy rate of each hotel as of the end of each month.

Excluded from the total are properties that have been open less than one year.

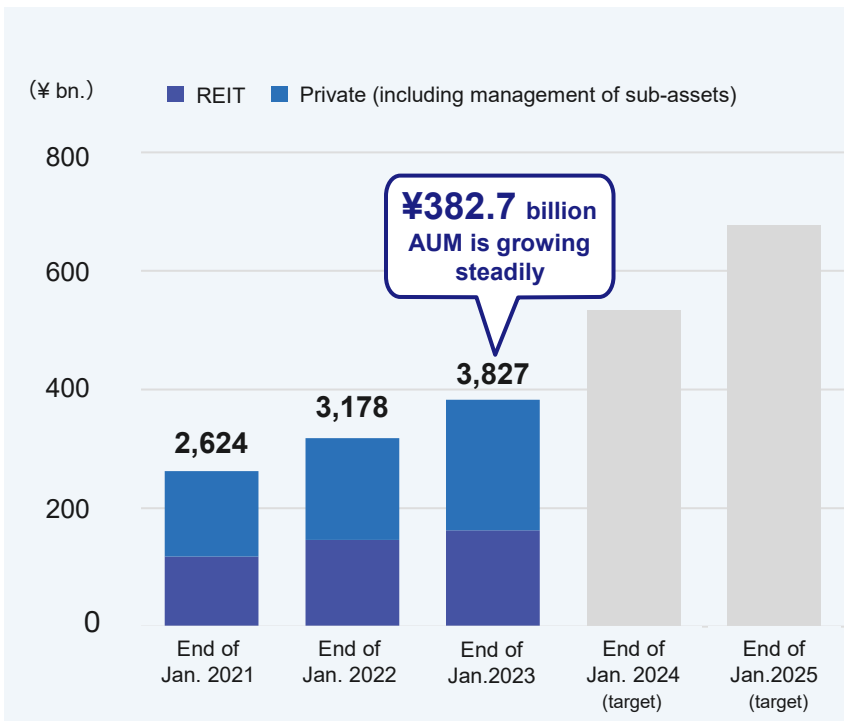


- AUM reached the ¥380 billion level at the end of January 2023.
- AUM is expected to expand due to an increase in assets under management and the formation of a hotel REIT. We will continue to share properties as a sponsor.

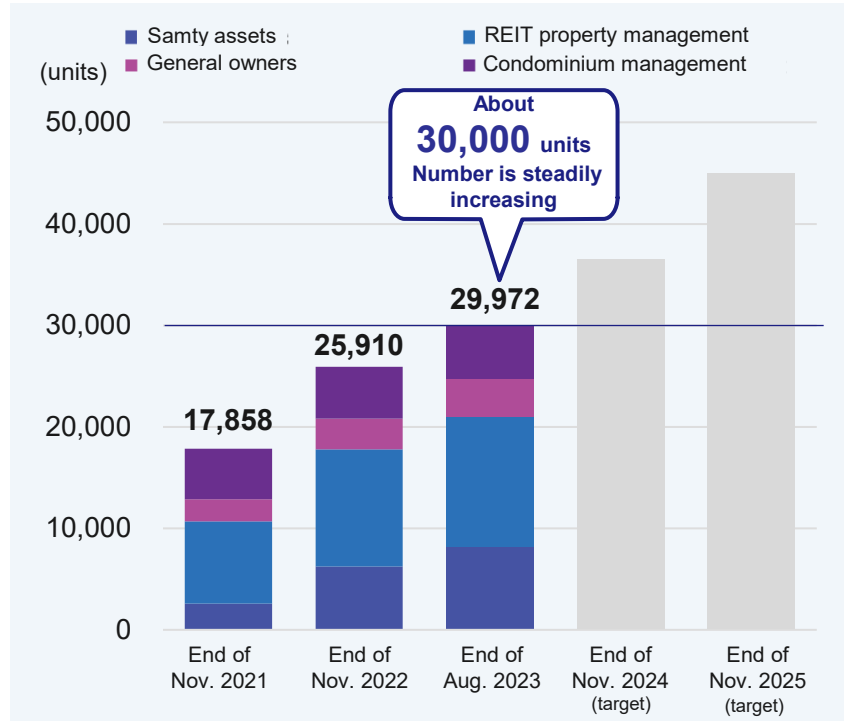


- The number of units under management by SPM reached the 29,000 level, and is increasing steadily.
- In addition to an increase in the number of properties owned by Samty Residential Investment Corporation, more than 13,000 units of properties developed by the Company are scheduled for completion in the next fiscal year and beyond. Steady expansion is expected in the future.

AUM



Number of Units Under Management



Medium-Term Management Plan
Samty Toughening Plan (Post-COVID Version)
Review and State of Progress



- The retooled Medium-Term Management Plan of January 2021 takes a look at social trends and has a plan to transform our structure to expand stable earnings.
- The goal is to maintain an equity ratio of 30% and aim for approximately double the net sales and operating profit at the time the plan was formulated, by the end of FY2025.
- The assumptions of the plan were reviewed and the forecast for FY2023 was changed in light of the current business environment.

Basic Policies

1 Switch to a “develop and own” business

2 Establish a hotel REIT

3 Strategically invest in Regional metropolitan areas

4 Build a profit base overseas

KPI Targets

	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast	FY2025 Numerical Target
Net sales (rental income, etc.)	¥101.1 bn. (¥12.1 bn.)	¥90.4 bn. (¥13.8 bn.)	¥128.4 bn. (¥18.8 bn.)	¥190.0 bn. (¥27.7 bn.)	About ¥220.0 bn. (¥45.0 bn.)
Operating profit	¥17.3 bn.	¥9.4 bn.	¥14.0 bn.	¥20.0 bn.	More than ¥35.0 bn.
ROE	14.3%	11.6%	11.1%	-	About 15.0%
ROA	7.4%	3.2%	3.7%	-	About 7.0%
Equity ratio	30.7%	27.0%	23.9%	-	More than 30.0%

Notes : (1) ROA = Operating profit / Total assets (average of FY start and end)

(2) Net sales for the rental income, etc. portion of net sales is calculated based on the amount of net sales to third parties.

The Investment Plan Is Proceeding Favorably toward Early Achievement of Targets

- Implementing a plan to invest about ¥750 billion over the five-year period of 2021-2025. The numerical targets and percentages of progress for each theme are given below.
- As of the end of Q3, cumulative investments totaled **¥594.3 billion (up ¥90.6 billion over the end of the previous period)**, with a steady **progress rate of 79.3%**.
We will continue working on early achievement of our targets.

Percentage of Progress toward Targets by Theme

Development of Residential Properties

State of progress

¥**283.0** bn.

94.4%



Target amount

¥**300.0** bn.

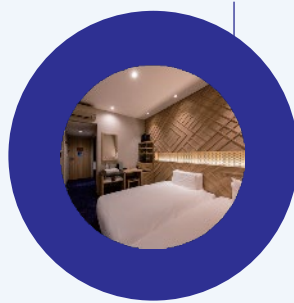
100% Achieved

Development of Hotels and Office Buildings

State of progress

¥**122.0** bn.

101.7%



Target amount

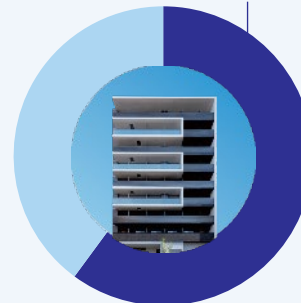
¥**120.0** bn.

Acquisition of Income Properties

State of progress

¥**153.8** bn.

61.6%



Target amount

¥**250.0** bn.

Considering investment in a project of the same scale as THE SAKURA PJ

Overseas Business

State of progress

¥**35.4** bn.

44.3%



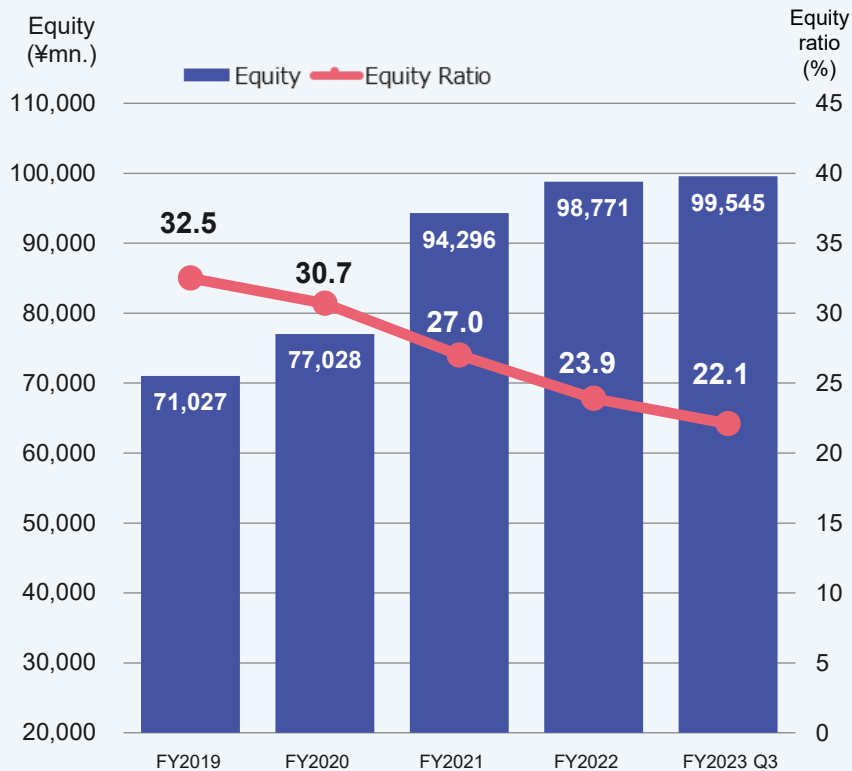
Target amount

¥**80.0** bn.

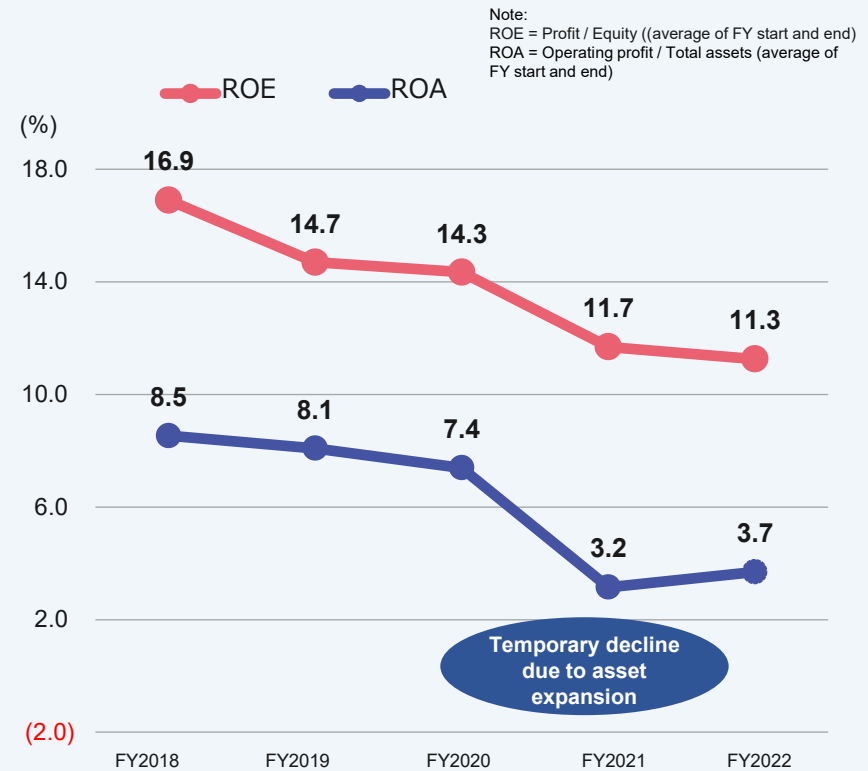
Note: For projects contracted and settled or planned to be settled from December 2020 onward. The progress figures are total cost values for the projects.

- Our equity ratio is declining due to an increase in assets held in conjunction with property acquisitions designed to increase income gains.
- We are striving to improve ROA and ROE, as we remain mindful of the targets for FY2025 set forth in our Medium-Term Management Plan.

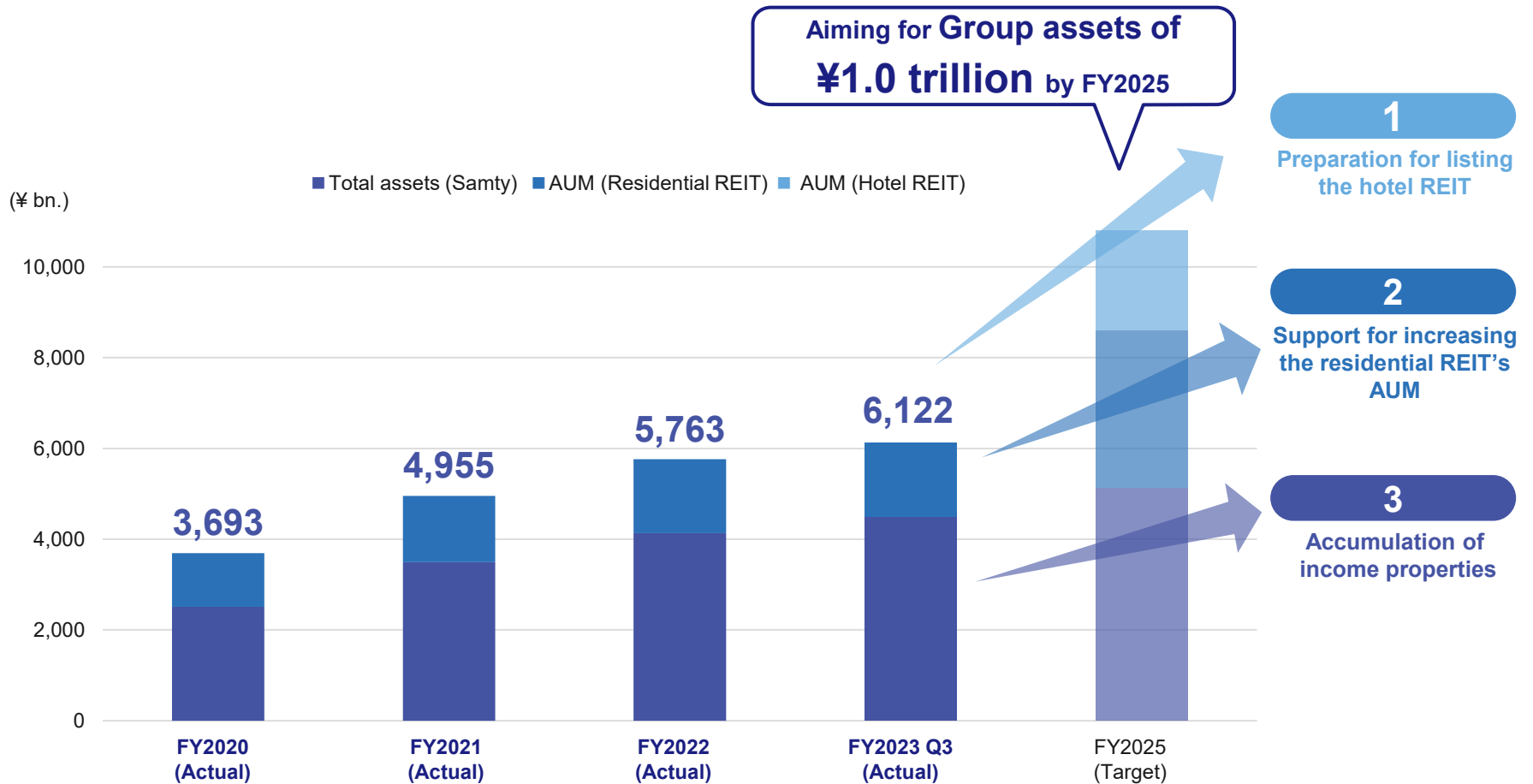
Equity and Equity Ratio



ROE and ROA



- Group assets rose by about ¥35.9 billion year on year (+6.2%) due to asset growth.
- We are implementing strategic initiatives 1-3 below so that our assets will grow steadily until the end of FY2025.



Note: Group assets are calculated by adding Samty's total assets + the balance of the REIT AUM (assets under management).

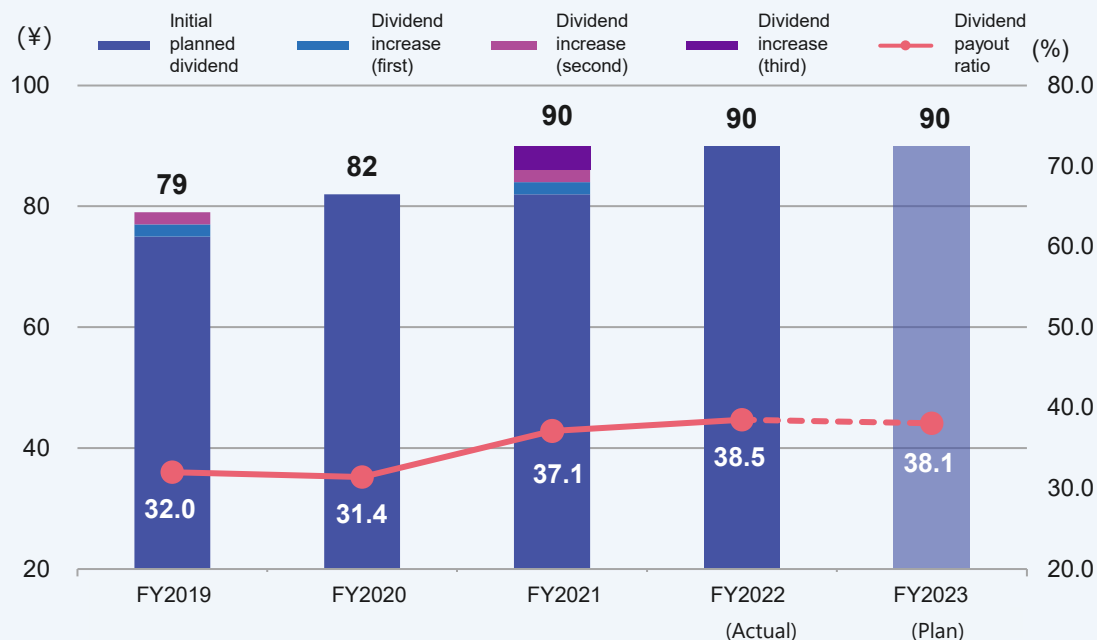
Dividends and Shareholder Returns



Dividends

In FY2022 we kept dividends the same level as FY2021, with an annual dividend of ¥90. (¥39 at mid-year and ¥51 at year-end).

The Company recognizes that returning profits to shareholders is one of its most important management tasks, and will maintain its dividend forecast for FY2023 at the previous year's level of ¥90 (¥39 at mid-year and ¥51 at year-end).



Shareholder Returns

1. Shareholder benefits

We provide benefits to shareholders of record as of November 30 allowing them to stay for free at the hotels in Japan in which we are involved.

2. Presentation of QUO Cards

We give a QUO prepaid card worth ¥1,000 to those shareholders who have exercised their voting rights.

Third Quarter of the Fiscal Year Ending November 30, 2023

Topics and Sustainability Initiatives



- In the Q3 of FY2023, we acquired BELS certification, a system for indicating a building's energy efficiency and conservation performance, for a total of six S-RESIDENCE properties under development.
- To date, we have acquired BELS certification for a total of 12 properties. We will continue to promote the development of environmentally friendly properties.

■ Properties that acquired BELS certification in Q3

(1) Chuo-ku, Kita 1-jo, Nishi 26-chome Project	(2) Nakamura-ku, Kamejima, 1-chome III Project	(3) Nishi-ku, Shimmichi 1-chome Project	(4) Fukushima-ku, Ebie, 2-chome Project	(5) Yodogawa-ku, Nishimikuni, 1-chome Project	(6) Saga-shi, Tenjin, 2-chome Project
 <p>この住棟のエネルギー消費量 17%削減 2023年8月30日交付 国土交通省告示に基づく第三者認証</p>	 <p>この住棟のエネルギー消費量 18%削減 2023年6月28日交付 国土交通省告示に基づく第三者認証</p>	 <p>この住棟のエネルギー消費量 19%削減 2023年8月21日交付 国土交通省告示に基づく第三者認証</p>	 <p>この住棟のエネルギー消費量 16%削減 2023年8月18日交付 国土交通省告示に基づく第三者認証</p>	 <p>この住棟のエネルギー消費量 19%削減 2023年6月30日交付 国土交通省告示に基づく第三者認証</p>	 <p>この住棟のエネルギー消費量 20%削減 2023年6月2日交付 国土交通省告示に基づく第三者認証</p>
Location: Sapporo-shi, Chuo-ku	Location: Nagoya-shi, Nakamura-ku	Location: Nagoya-shi, Nishi-ku	Location: Osaka-shi, Fukushima-ku	Location: Osaka-shi, Yodogawa-ku	Location: Saga-ken, Saga-shi
Floors/units: 10/15	Floors/units: 13/48	Floors/units: 15/84	Floors/units: 15/84	Floors/units: 9/48	Floors/units: 14/65
Completion: December 2024	Completion: April 2025	Completion: May 2025	Completion: January 2025	Completion: October 2024	Completion: February 2025

Note: All project names are provisional names

Develop and supply properties that are not only economical and profitable, but also have had consideration of energy, resources, etc., thereby contributing to sustainable enhancement of corporate value from a medium- to long-term perspective.

- As part of our sustainability initiatives, we entered into a green loan agreement with Mizuho Bank, Ltd. and three other banks through the syndication method and borrowed funds to purchase land and invest in construction work for the promotion of the SAMTY Nagoya-shi Nakamura-ku Noritake 1-chome Office New Construction Project (the “Project”) that we are developing in Nakamura-ku, Nagoya-shi.

Overview of the Green Loan

Overview of the contract

- Date of contract: August 31, 2023
- Lenders: Mizuho Bank, Ltd. (arranger),
Shiga Bank, Ltd., The Bank of Iwate Ltd.,
The Bank of Nagoya, Ltd.
- Total amount : ¥8,630 million
- Date of borrowing : August 31, 2023
- Use of funds : Green building development

Overview of the Project

- Location: 1-101, 102, 103, 104-1, 104-2, 104-3,
and 105 Noritake, Nakamura-ku, Nagoya-shi
- Area of lot(s): 1,383.32m²
- Total floor area: 13,700.12 m²
- Building Outline: 13 floors above ground,
1 floor below ground, tower 1F (office, stores)
- Environmental certifications: CASBEE Building certification
A rank (expect to get certification)

Background to the Green Loan Agreement

Green Loans are loans used to finance projects aimed at environmental problems, and are characterized by the fact that the use of the funds is limited to the relevant project, and transparency is ensured through fund tracking and post-borrowing reporting.

As a comprehensive real estate company that operates both domestically and internationally, and with the theme of "coexistence of humans and nature," we have been making efforts to consider the environment and energy conservation in the properties we develop and own, including acquiring certifications and evaluations from external evaluation organizations. The agreement was concluded to further promote these sustainability initiatives.



Artist's rendering of this project

- Currently, our company has a deaf swimmer, Taiga Hoshi, a deaf table tennis player, Fuminori Kamezawa, and a wheelchair rugby player, Natsuki Ando, as athlete employees.

Taiga Hoshi, deaf swimmer


- Short-course/long-course 200m breaststroke
Deaf Japan Record Holder
- The 6th World Deaf Swimming Championships (Venue: Argentina)
400m Mixed Medley Relay Bronze medalist

Fuminori Kamezawa, deaf table tennis


- The 4th World Deaf Table Tennis Championships (Venue: Taipei)
Men's team, Bronze medalist

Natsuki Ando, wheelchair rugby


- Fukuoka DANDELION member
(Japan National Team member)
- International Wheelchair Rugby Cup
Paris 2023
Bronze medalist (Japan National Team)

In accordance with one of our basic sustainability policies, "We respect the human rights and diverse ideas of all people involved with the Samty Group and strive to realize a society in which the next generation can grow up with dreams," we support athlete employees who are moving toward their dreams.

We actively address respect for human rights and prevention of discrimination and harassment, etc., while supporting the development of skills in accordance with the growth stages of employees and creating a workplace environment in which diverse human resources can play a rewarding and active role.

- With the aim of promoting regional development, we became an official sponsor of the Osaka-based Orix Buffaloes last season to enliven Osaka, the city where our company was founded, and the whole of Japan through sports. We actively support the team's activities.
- **The team won the league championship this season, the third consecutive year. In the Pacific League, the team won three consecutive championships, the first team to do so this century. The team also advanced to the Japan Series for the third consecutive year.**

Third consecutive league championship!



©ORIX Buffaloes



©ORIX Buffaloes

The Orix Buffaloes, based in Osaka, where the company was founded, has a baseball team philosophy of "bringing excitement and inspiration to fans, fostering dreams and hopes in children, and contributing to the development of the community and its people" through baseball.

And, the Samty Group, to practice its corporate philosophy of "Ethics, Passion, Challenge, and the Realization of Dreams," has been conducting community-based activities as a member of society, and therefore, sympathized with the team's efforts in its activities and became an official sponsor of the team.

Samty Group will continue to support the success of the team and its players through sponsorship and other activities, thereby contributing to the stimulation of sports and the development of regional economies throughout Japan.

- While due diligence is exercised for the information provided in this document, no guarantee is made as to the accuracy or safety of the information. In addition, please note in advance that the contents may be changed or deleted without prior notice.
- This document contains forward-looking statements on our current plans and business performance based on information available as of the date of announcement. These statements involve risks and uncertainties that could affect our business performance in the future, and actual results may differ from these statements due to various factors.
- This document is merely intended to foster understanding of the Company and not necessarily intended as a solicitation for investment.

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SAMTY