



**Third Quarter of the Fiscal Year Ending November 30, 2022
Explanatory Material for the Financial Results**

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



1. Third Quarter of the Fiscal Year Ending November 30, 2022 Overview of the Consolidated Financial Statements	P. 02	3. Medium-Term Management Plan Review and State of Progress	P. 22
<ul style="list-style-type: none"> ✓ Earnings Summary ✓ Overview of the Consolidated Statements of Income ✓ Overview of the Consolidated Balance Sheets ✓ Financial Condition ✓ A Finance Strategy That Considers Diverse Exit Strategies 		<ul style="list-style-type: none"> ✓ Basic Policies and Key Performance Indicators (KPIs) ✓ Transformation of the Earnings Structure ✓ State of Progress of the Investment Plan ✓ State of Progress in Key Performance Indicators (KPIs) ✓ State of Progress in the Transformation of the Profit Structure (Expansion of Income Gains) ✓ State of Progress in Expanding Group Assets ✓ Dividends and Shareholder Returns 	
2. Third Quarter of the Fiscal Year Ending November 30, 2022 Overview by Segment	P. 08	4. Third Quarter of the Fiscal Year Ending November 30, 2022 Topics and Future Initiatives	P. 30
<ul style="list-style-type: none"> ✓ Earnings Summary by Segment ✓ Earnings Highlights (Capital Gains Business) ✓ Real Estate Development Business Acquisition Results – Land for Development ✓ Real Estate Development Business Residential Development Plan ✓ 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 Business) ✓ Real Estate Leasing Business Acquisition Results—Income Properties ✓ Real Estate Leasing Business Asset Holdings by Region and Occupancy Rates ✓ Hotel Business Hotel Occupancy Rates ✓ Hotel Business Sales Trends at Hotels in Which Samty Is Involved ✓ Real Estate Management Business AUM and Number of Units Under Management 		<ul style="list-style-type: none"> ✓ Strengthening of IR Activities for Institutional Investors ✓ Acquisition of the Highest Evaluation in the BELS Certification for Hotels We Develop and Own ✓ Events at Nesta Resort Kobe ✓ Support for the Local Professional Baseball Team from the Perspective of Regional Development 	

Third Quarter of the Fiscal Year Ending November 30, 2022

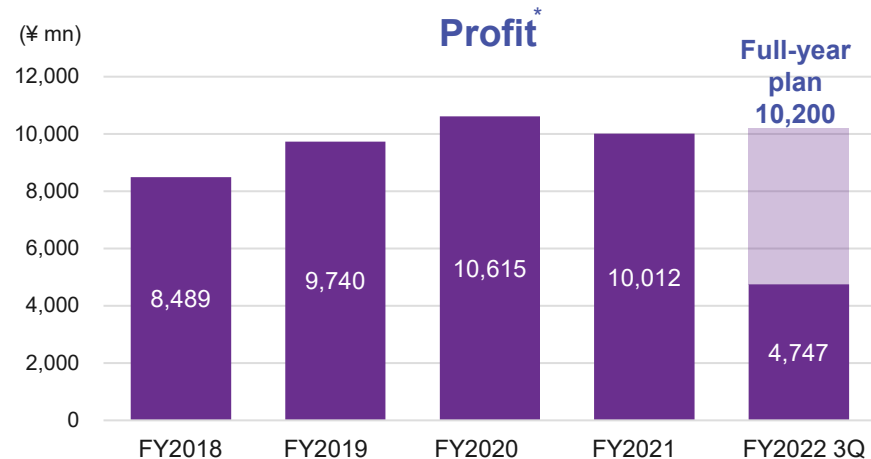
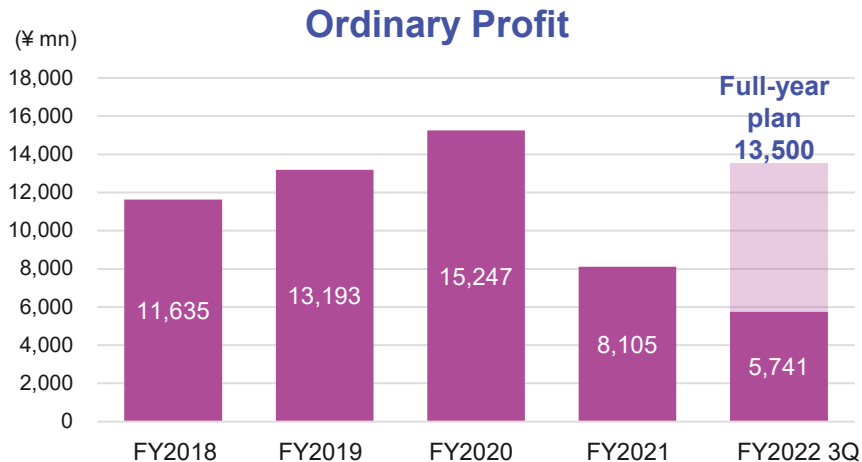
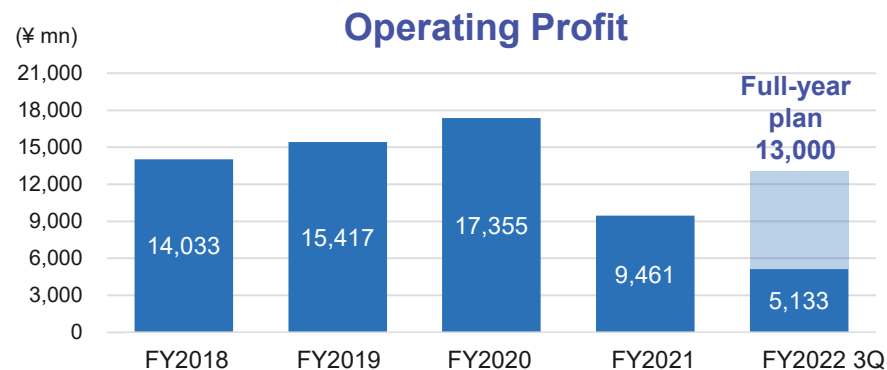
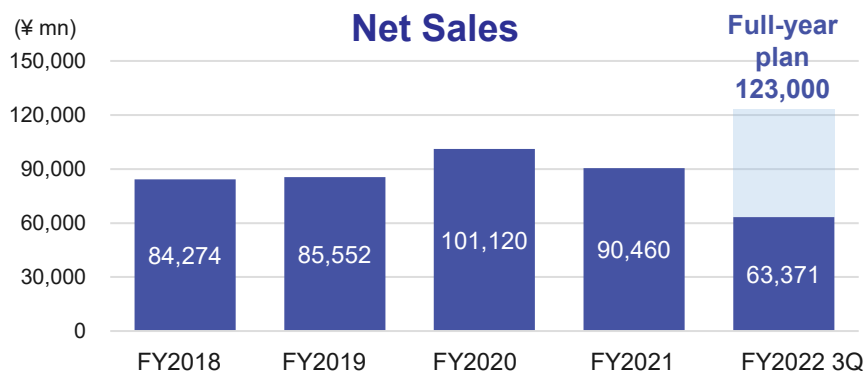
Overview of the Consolidated Financial Statements



We Revised the Earnings Forecast in Q3, but Profit Is Expected to Meet the Initial Forecast

Net sales in Q3 were approximately ¥63.3 billion, up from the same period last year. Profit is expected to reach the initial forecast due to property sales planned for Q4.

We will continue to pursue a sales strategy concentrated on the second half of the year to maximize income gains in accordance with the medium-term management plan.



*Profit attributable to owners of parent

- As in Q2, net sales increased year-on-year in Q3, too. Due to the postponement of the listing of the hotel REIT, properties for sale were shifted from hotels to residences.
- Will concentrate property sales in the fourth quarter to maximize income gains. We will continue to steadily promote the sales plan.
- Sold 18 properties* (sales: approx. ¥14.3 billion) to Samty Residential Investment Corp., stabilizing the Group's earnings.

(Unit: Millions of yen)	FY2021 Q3		FY2022 Q3		Year on Year		FY2022	
	Actual	Percent	Actual	Percent	Increase/ decrease	Percent change	Full-year plan	Percentage of progress
Net sales	55,607	100%	63,371	100%	7,763	13.9%	123,000	51.5%
Cost of sales	44,089	79.3%	50,075	79.0%	5,986			
Selling, general and administrative expenses	6,040	10.9%	8,162	12.9%	2,122			
Operating profit	5,477	9.9%	5,133	8.1%	-344	-6.2%	13,000	39.4%
Non-operating profit	1,108	2.0%	4,613	7.3%	3,504			
Non-operating expenses	2,415	4.3%	4,004	6.3%	1,588			
Ordinary profit	4,171	7.5%	5,741	9.1%	1,570	37.6%	13,500	42.5%
Extraordinary income	4,307	7.7%	26	0.0%	-4,280			
Extraordinary loss	194	0.3%	11	0.0%	-182			
Profit attributable to owners of parent	6,832	12.3%	4,747	7.5%	-2,085	-30.5%	10,200	46.5%
Earnings per share (yen)	169.85	-	102.10	-	-67.74	-39.8%	219.50	-

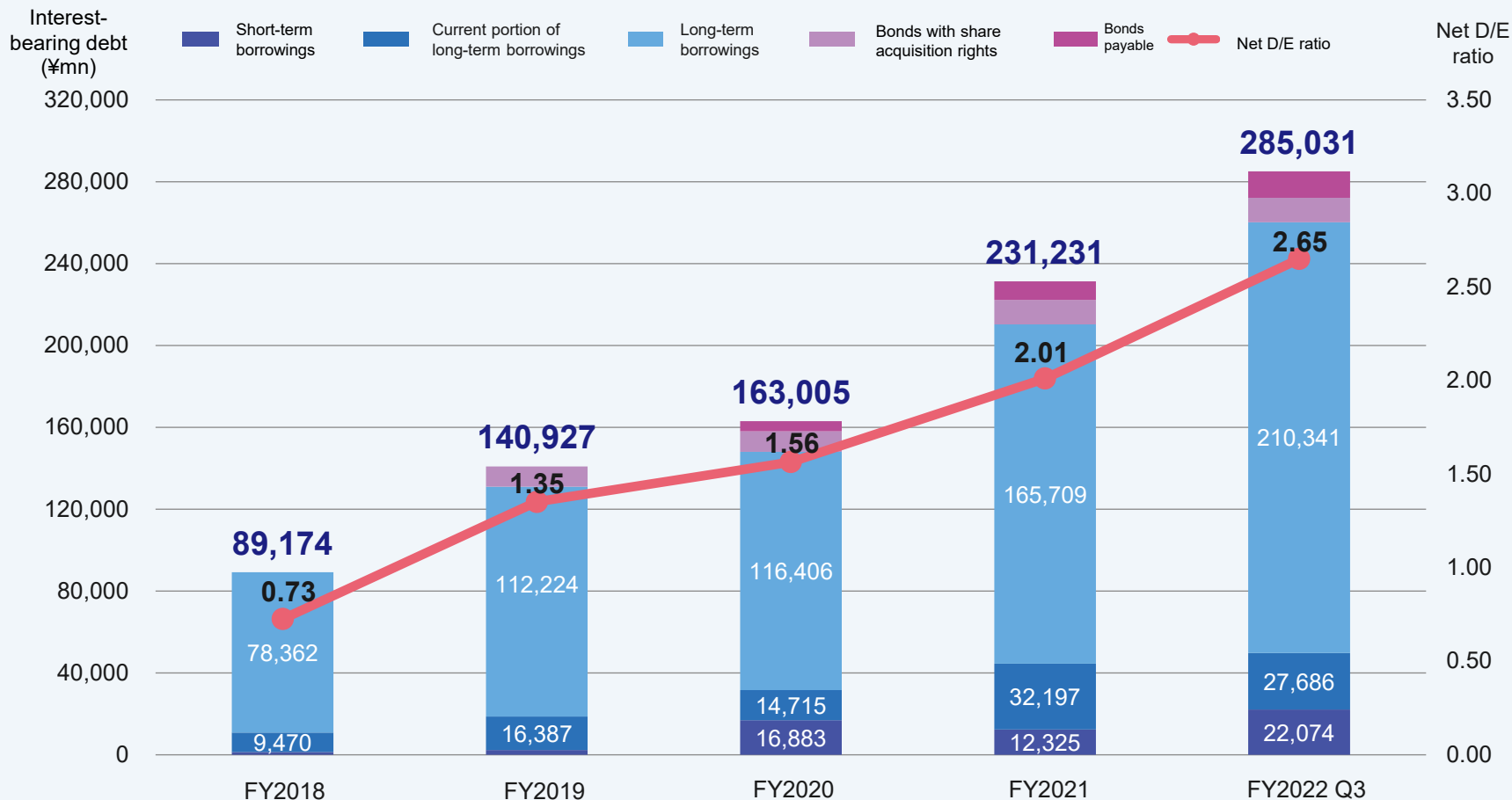
*Of the 18 properties, 2 were sold from our subsidiary Samty Bridge One

- The Group's total assets increased approximately ¥62.7 billion from the end of the previous fiscal year. We will continue to accumulate assets to achieve the Medium-term Management Plan (for the Post-COVID Version), while focusing on financial discipline, etc.

(Unit: Millions of yen)	As of Nov. 30, 2021	As of Nov. 30, 2022	Increase/ decrease	Main reasons for increase/decrease
Total assets	349,194	411,956	62,761	
Current assets	225,094	296,411	71,317	
Cash and deposits	41,646	33,182	-8,463	
Real estate for sale	107,875	136,169	28,294	◇ Real estate for sale Property acquisitions +17,930 mn. yen Transfers and other +52,825 mn. yen Property sales -42,575 mn. yen
Real estate for sale in process	71,075	121,674	50,598	◇ Real estate for sale in process Acquisition of land for development, and building costs +69,811 mn. yen Transfers and other -19,242 mn. yen
Non-current assets	124,048	115,427	-8,620	
Property and equipment	91,306	84,179	-7,127	◇ Property, plant and equipment Acquisition of income properties +25,128 mn. yen Transfers and other -32,143 mn. yen
Intangible assets	426	426	0	
Investments and other assets	32,315	30,821	-1,494	
Total liabilities	246,166	305,199	59,033	
Current liabilities	54,618	64,646	10,027	
Short-term borrowings	12,325	22,074	9,749	
Current portion of long-term debt	32,197	27,686	-4,511	
Non-current liabilities	191,547	240,553	49,005	
Long-term debt	165,709	210,341	44,631	
Bonds payable	9,000	12,930	3,930	
Bonds with share acquisition rights	12,000	12,000	0	
Net assets	103,028	106,756	3,728	
Total liabilities and net assets	349,194	411,956	62,761	
Interest-bearing debt	231,231	285,031	53,799	
Shareholders' equity	93,336	93,982	645	◇ Shareholders' equity Net profit for the quarter +4,747 mn. yen Dividend payments -4,184 mn. yen RS issuance +124 mn. yen Adjustment for business combinations -40 mn. yen
Equity ratio (%)	27.0%	23.1%	-3.9%	

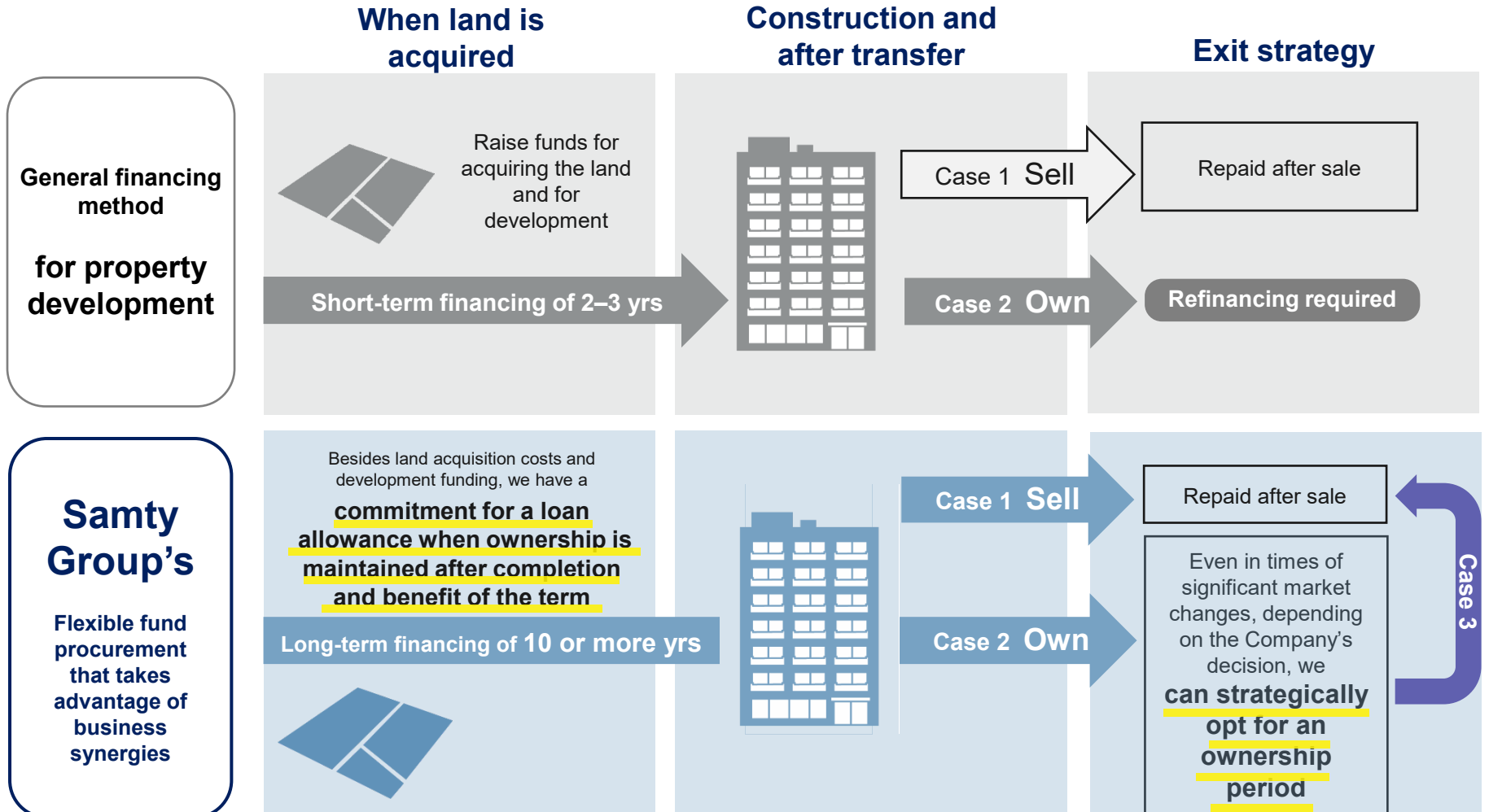
- Borrowings increased due to income gains and aggressive purchasing activities to expand group assets.
- Long-term borrowings have an annual maturity of 10.9 years and an average interest rate of 1.24%, and among them, borrowings on income properties have an average maturity of 13.7 years and an average interest rate of 1.19%.

Interest-Bearing Debt and Net D/E Ratio



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

- We are in the process of lengthening our financing for development projects as we transition into a develop and own business.
- When we acquire land for residential development, we usually complete financing for the building portion as well.
- To diversify our Group's exit strategies, we make sure that financing methods employed when the land is acquired will enable us to maintain ownership subsequent to the completion of the buildings, allowing flexibility in choices.



Third Quarter of the Fiscal Year Ending November 30, 2022

Overview by Segment

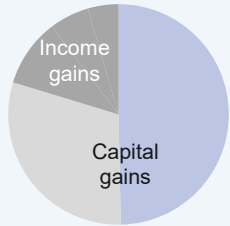


【Capital Gains】 Sold 18 properties to Samty Residential Investment Corp. in Q3. In this low interest rate environment, investors' willingness to acquire properties is increasing, and we will continue to promote activities to achieve the plan through sales to REITs and foreign funds, etc.

【Income Gains】 We are focusing on increasing income gains and the real estate leasing and real estate management businesses posted year-on-year increases in both sales and profit.
The Hotel Business increased sales due to an increase in the number of hotels and improved occupancy rates. Go forward, demand is expected to recover due to the relaxation of border controls and the implementation of national travel assistance.

(Unit: Millions of yen)		FY2021 Q3		FY2022 Q3		Year on Year		FY2022	
		Actual	Operating margin	Actual	Operating margin	Actual	Percent change	Full-year plan	Percentage of progress
Net sales		55,607	-	63,371	-	7,763	+14.0%	123,000	51.50%
Capital	Real Estate Development Business	18,632	-	31,475	-	12,842	+68.9%	67,400	46.6%
	Real Estate Solution Business	27,005	-	19,031	-	-7,974	-	29,300	64.9%
	Overseas Business	595	-	-	-	-595	-	7,900	0.00%
Income	Real Estate Leasing Business	5,796	-	6,344	-	547	+9.5%	8,900	71.2%
	Hotel Business	1,232	-	3,680	-	2,447	+198.7%	6,400	57.5%
	Real Estate Management Business	2,815	-	3,783	-	968	+34.4%	4,500	84.0%
	Adjustment	-469	-	-943	-	-473	-	-1,400	-
Operating profit		5,477	-	5,133	-	-344	-	13,000	-
Capital	Real Estate Development Business	6,176	33.1%	5,449	17.3%	-727	-	11,900	45.7%
	Real Estate Solution Business	1,856	6.9%	2,933	15.4%	1,076	+58.0%	4,000	73.3%
	Overseas Business	325	54.6%	-241	-	-566	-	200	-
Income	Real Estate Leasing Business	2,853	49.2%	3,091	48.7%	238	+8.3%	4,300	71.9%
	Hotel Business	-2,385	-193.6%	-2,059	-	326	-	-1,900	-
	Real Estate Management Business	428	15.2%	612	16.2%	183	+43.0%	500	122.4%
	Adjustment	-3,778	805.5%	-4,653	-	-875	-	-6,000	-

Real Estate Development Business

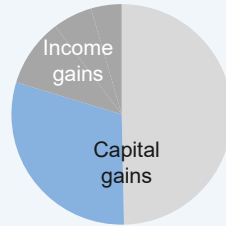


Percent of sales:
49.7%

- In the first three quarters we sold 27 properties (for about ¥31.4 billion).
- Because our Medium-Term Management Plan is based on the idea of retaining ownership following development, we are watching market trends so that we can run our business smoothly and flexibly.

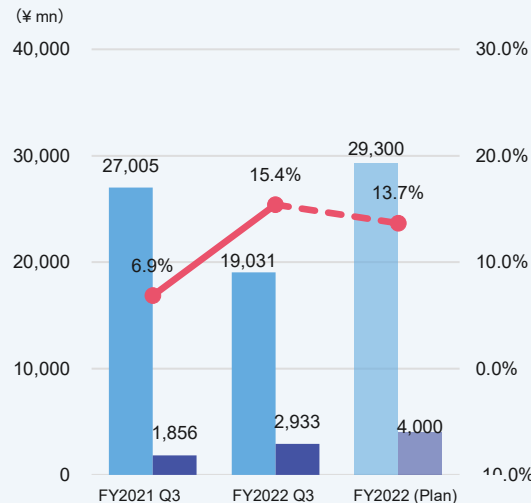


Real Estate Solution Business

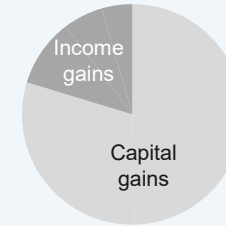


Percent of sales:
30.0%

- In the first three quarters we sold 24 properties (for about ¥19.0 billion).
- Going forward, we will continue sales to the REIT and to overseas investors as a way of exiting so that we can maximize our earnings.

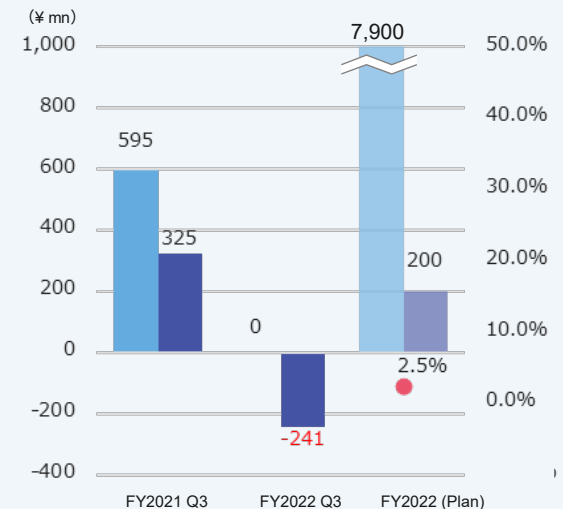


Overseas Business



Percent of sales:
0.0%

- Sales of THE SAKURA Project are going well. The V8 building, which we have been selling ahead of time this period, has been completely sold on an application basis. It will be handed over in November of this year and we are taking the profits into account this period. The V9 building is currently also on sale on an application basis, and it is 98% done.



- In the first three quarters we acquired 47 parcels of land for development for a purchase price of about ¥23.7 billion (percentage of progress: 52.7%).
- We plan to continue our acquisition efforts in Q3 and beyond, so that in the remainder of the current fiscal year we will acquire land for development consisting of 19 properties for about ¥11.3 billion (full-year percentage of progress of 77.8%).
- We also plan to settle on 24 properties (approximately ¥10.5 billion) next fiscal year and thereafter.

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

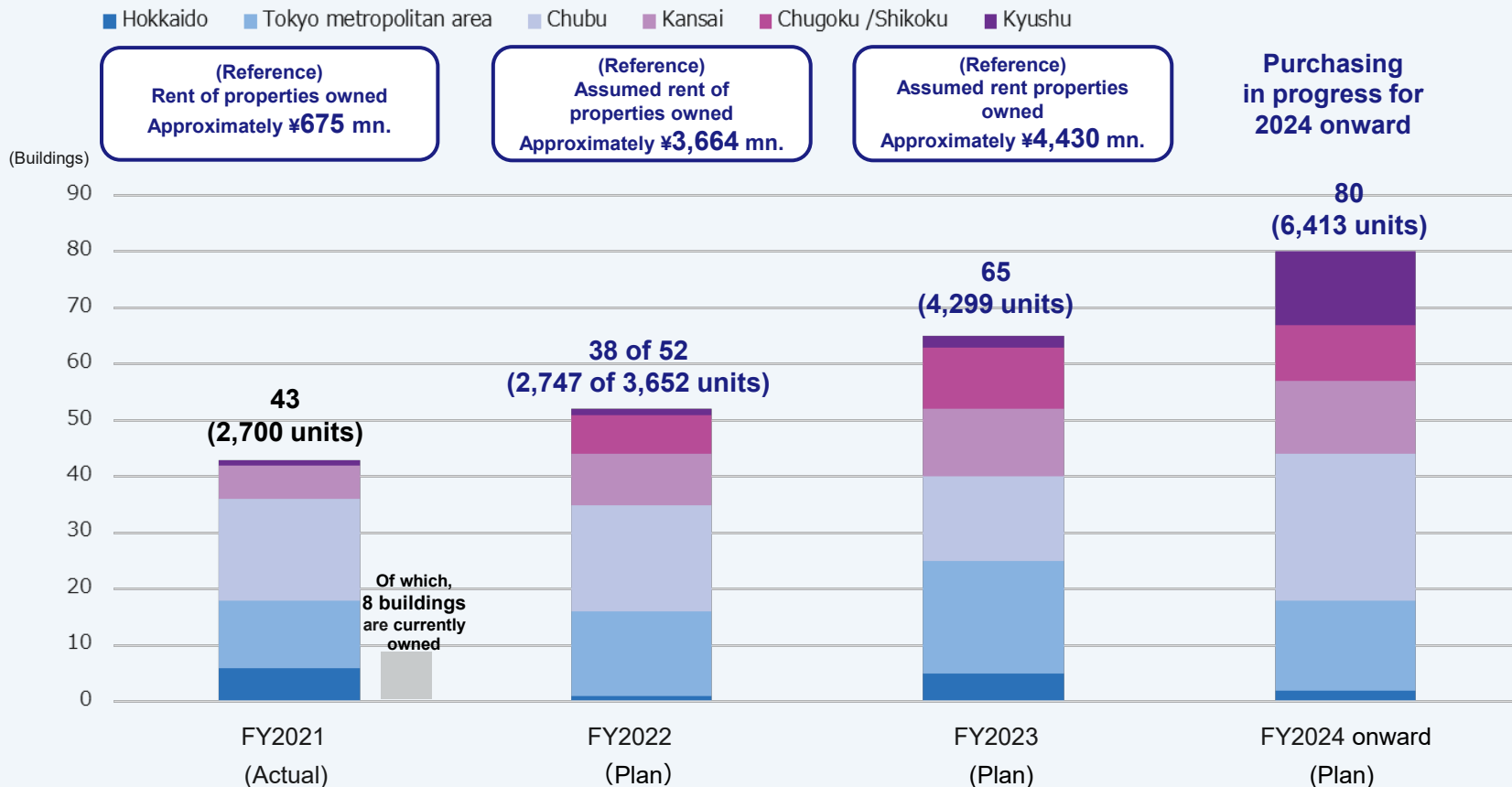
Full-year plan	FY2022 Q3		Planned settlement this year	FY2022			To settle next FY or later
	Actual	Percentage of progress		Full-year plan	Actual + planned settlement	Percentage of progress	
¥45.0 bn.	¥23.7 bn.	52.7%	¥11.3 bn.	¥45.0 bn.	¥35.0 bn.	77.8%	¥10.5 bn.

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

	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku/Shikoku	Kyushu	Total
FY2022 Q3 acquisitions	5	12	18	4	2	6	47
Expected to settle this FY	2	2	2	5	3	5	19
Total	7	14	20	9	5	11	66
Expected to settle next FY or later	1	6	9	4	4	0	24

Note: Calculations of acquisition amounts and number of acquisitions do not include Banyan Tree Higashiyama Kyoto, which will be acquired in stages through a limited liability company.

- Year-to-date Q3, we completed 38 residential buildings (with 2,747 units). We are proceeding with a plan to develop a **total of 159 buildings with about 11,617 units** in cities throughout the country.
- We will remain flexible regarding the business going forward, taking into consideration the characteristics of the individual properties and market trends.



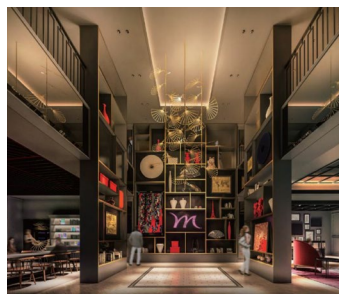
Notes: (1) The number of buildings is the total of the development plan and results for S-RESIDENCE and investment unit sales.
(2) Rental revenue is calculated using the number of properties owned and the rents expected from the projects at full occupancy.

- We are proceeding smoothly with our plans to develop office buildings and hotels that are planned for completion and opening next year and thereafter.
- 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 Start	Project Name	Location	No. of Rooms	Planned Opening (completion)
Hotel	2023	Mercure Hida Takayama	Takayama-shi, Gifu	161	December 2022 opening
		Mercure Haneda	Ota-ku, Tokyo	363	Winter 2023 opening
	2024	Six Senses Kyoto	Higashiyama-ku, Kyoto	81	Spring 2024 opening
		Banyan Tree Higashiyama Kyoto	Higashiyama-ku, Kyoto	52	Spring 2024 opening
	2025	Shangri-La Hotel Kyoto Nijojo Project (tentative name)	Kamigyo-ku, Kyoto	77	Spring 2025 opening
		Sapporo-shi Hotel Project	Sapporo-shi	-	-
		TBD	Osaka-shi Kita-ku Hotel Project	Kita-ku, Osaka-shi	-
	TBD	Hiroshima-shi, Minami-ku Hotel Project	Minami-ku, Hiroshima-shi	-	-
Total: 8 buildings				734	
Office	2024	Odori-Nishi 5-Chome II Office Building Project (tentative name)	Chuo-ku, Sapporo-shi	-	2024 completion
	2025	Nakamura-Ku Noritake 1-Chome Office Building Project (tentative name)	Nakamura-ku, Nagoya-shi	-	2024 completion
		Sapporo-shi Chuo-ku Office Project	Chuo-ku, Sapporo-shi	-	-
	TBD	Nagoya-shi Nakamura-ku Office Project	Nakamura-ku, Nagoya-shi	-	-
		Hiroshima-shi Naka-ku Office Project	Naka-ku, Hiroshima-shi	-	-
		Hiroshima-ken, Fukuyama-shi Office Project	Fukuyama-shi, Hiroshima-ken	-	-
	TBD	Fukuoka-shi Hakata-ku Office Project	Hakata-ku, Fukuoka-shi	-	-
Total: 7 buildings					



Artist's rendering of the Mercure Hida Takayama entrance lobby



Artist's rendering of the Mercure Haneda entrance lobby



Artist's rendering of the Banyan Tree Higashiyama Kyoto restaurant terrace overlooking the Noh stage



Artist's rendering of the Six Senses Kyoto exterior

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.

- In the first three quarters we sold 27 properties in our Real Estate Development Business and 24 properties in our Real Estate Solution Business, for a total of 51 properties. Of these, 21 properties (13 from the Development Business and 8 from the Solution Business) were supplied to Samty Residential Investment Corp.
- A total of 30 properties (14 from the Development Business and 16 from the Solution Business) were sold to external parties.

Based on number of sales (percentage of progress)

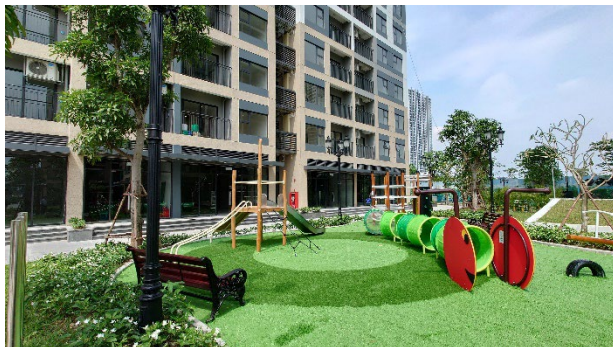
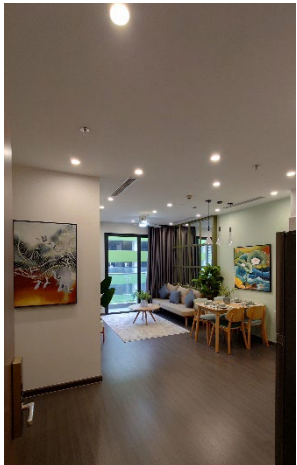
Segment	Full-year plan (revised)	FY2022 Q3		Planned sales	FY2022	
		Actual	Percentage of progress		Actual + planned sales	Percentage of progress
Real Estate Development Business	53	27	50.9%	27	54	101.9%
(S-RESIDENCE)	(51)	(25)	49.0%	(27)	(52)	102.0%
(Investment unit sales in lots)	(1)	(1)	100.0%	(0)	(1)	100.0%
(Hotel and other)	(1)	(1)	100.0%	(0)	(1)	100.0%
Real Estate Solution Business	40	24	60.0%	10	34	85.0%
Total	93	51	54.8%	37	88	94.6%

Based on number of sales (by region)

Segment/Region	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku/Shikoku	Kyushu	Total
Real Estate Development Business	5	7	7	7	-	1	27
(S-RESIDENCE)	(5)	(6)	(7)	(7)	-	-	(25)
(Investment unit sales in lots)	-	(1)	-	-	-	-	(1)
(Hotel and other)	-	-	-	-	-	(1)	(1)
Real Estate Solution Business	-	4	4	8	2	6	24
Total	5	11	11	15	2	7	51



- Sales continue to do well at THE SAKURA Project, a condominium development in Vietnam.
- For the V8 building, received 738 applications, more than the total number of units (718: 699 residential, 19 shophouse.)
Contracts are proceeding well, with 676 units signed.
- The V9 building, with 1,126 units (1,103 residential, 23 shophouse), have received 1,102 applications, and sales contracts have been signed for 807 of these units. Sales are proceeding well, as they did with the V8 building.



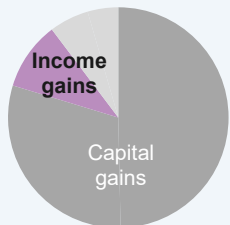
Model room at the site and exterior

Timing of Delivery and Status of Sales (As of October 19, 2022)



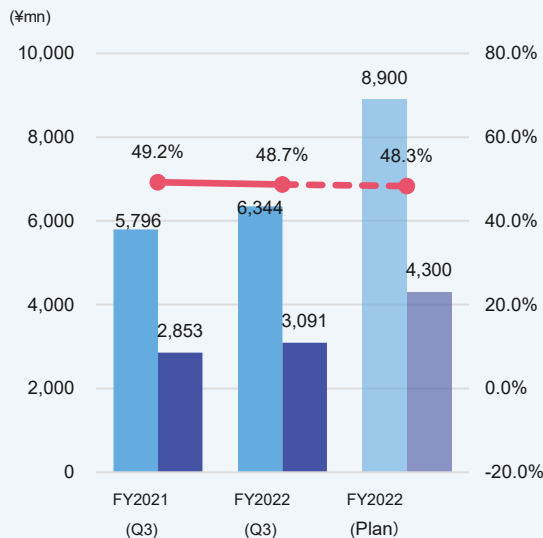
Note: In the graph above, "percentage of progress" is calculated on applications.

Real Estate Leasing Business

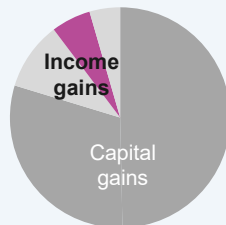


Percent of sales:
10.0%

- Sales and profit grew due to the cumulative success of leased real estate. We will aim for further growth.
- Although we switched to selling owned residential property starting in Q3, we expect this segment's sales and profit to remain solid.

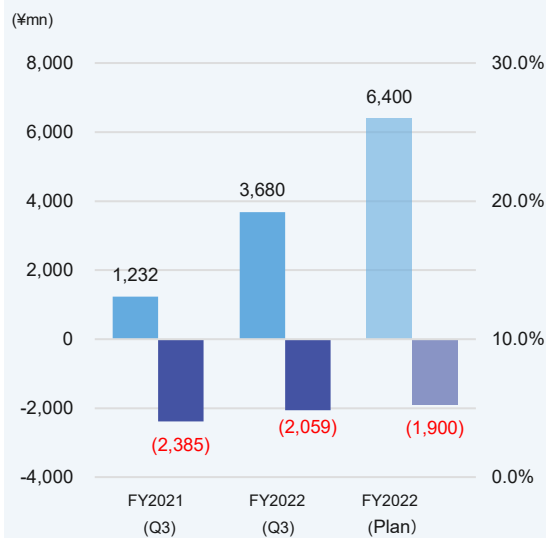


Hotel Business

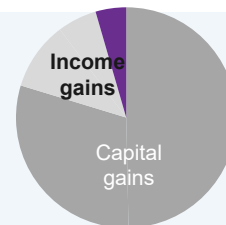


Percent of sales:
5.8%

- Although hotel segment sales rose, operating profit was almost the same as the year-ago level due to higher expenses, such as from newly opened hotels.
- With the start of travel assistance nationwide and increasing foreign visitors with the easing of border controls we expect demand to recover.

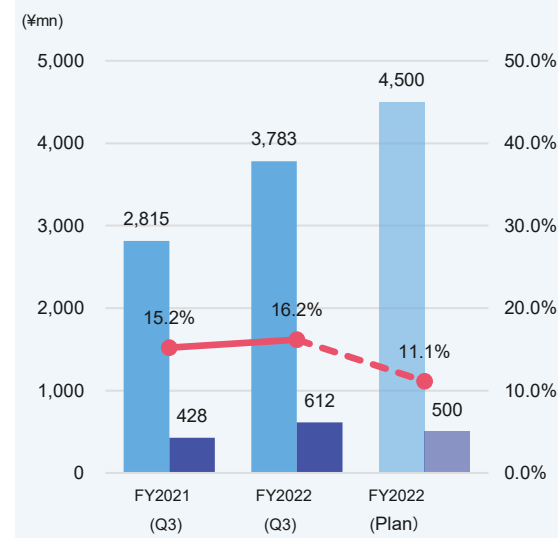


Real Estate Management Business



Percent of sales:
4.5%

- Assets under management (AUM) and the number of units under management continued to grow, as did sales and profits.
- Not only are we working to increase assets, we are working to improve operating performance and increase operating margin.



■ 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

- In the first three quarters, we acquired 37 income properties in major cities throughout Japan for about ¥22.5 billion from external parties. We will continue our acquisition efforts in Q3 and beyond, and are planning to acquire 14 income properties for about ¥9.7 billion in the remainder of this fiscal year (full-year percentage of progress: 65.1%).
- With respect to the purchase of 54 income properties (for about ¥36.1 billion) next year and onward, we expect to steadily enter into contracts for 28 properties (for about ¥26.8 billion) as forward commitments, which are contracts for transactions on properties that have not yet been completed.

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

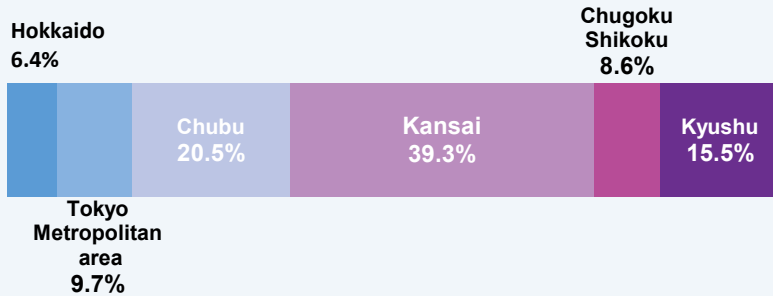
Full-year plan	FY2022 Q3		Planned settlement	FY2022			To settle next FY or later
	Actual	Percentage of progress		Full-year plan	Actual + Planned settlement	Percentage of progress	
¥49.5 bn.	¥22.5 bn.	45.5%	¥11.1 bn.	¥49.5 bn.	¥33.6 bn.	67.8%	¥36.1 bn.

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

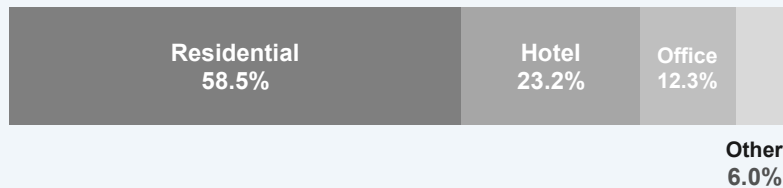
	Hokkaido	Tokyo metropolitan area	Chubu	Kansai	Chugoku /Shikoku	Kyushu	Total
FY2022 Q3 acquisitions	8	6	3	9	5	6	37
Expected to settle this FY	5	3	0	0	0	6	14
Total	13	9	3	9	5	12	51
Expected to settle next FY or later	4	17	7	12	6	8	54

- The total rental real estate owned is 175 properties (total book value of approximately ¥187.7 billion). We have created a well-balanced portfolio by diversifying the areas of properties held throughout Japan. Of these, the occupancy rate for residential properties remained strong at around 95%.

Asset Holdings by Region

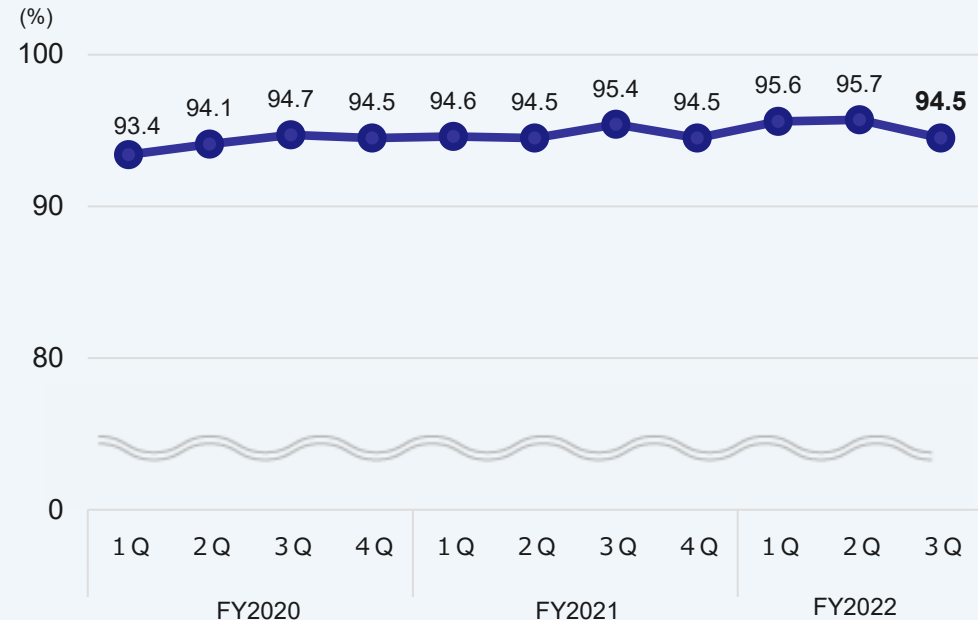


Asset Holdings by Asset Type



Note: Data is as of August 31, 2022. 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.

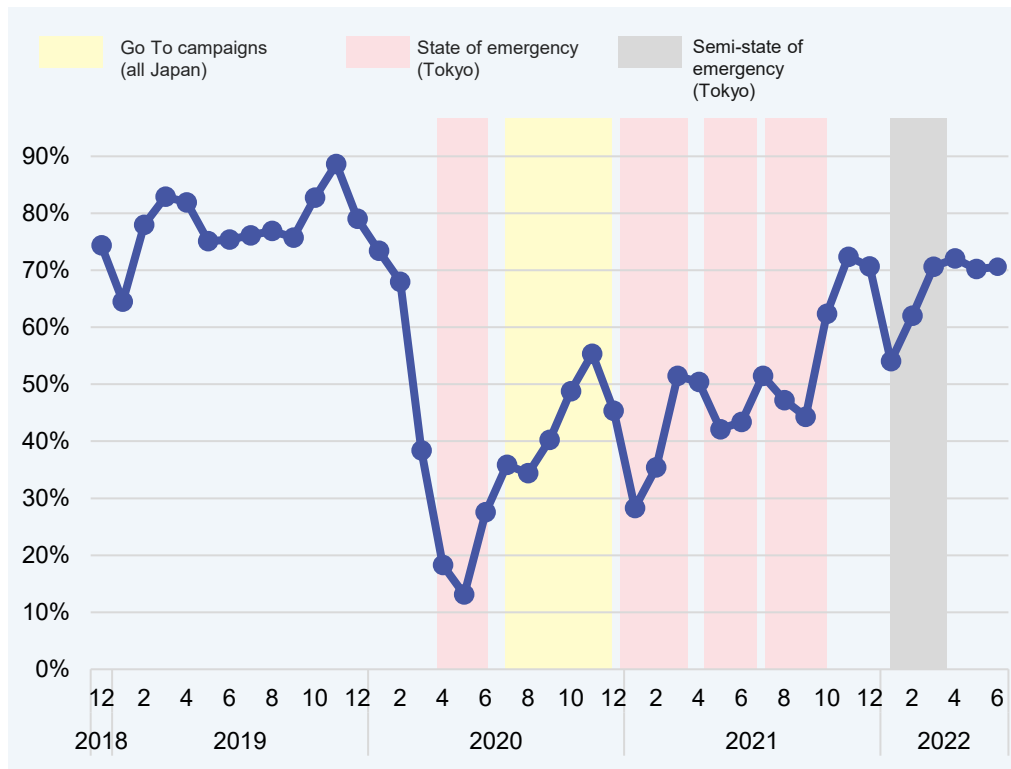


- Due to the impact of the 7th wave of COVID-19, in which the number of infected patients increased to the largest level it had yet reached, the occupancy rate in Q3 was down compared to Q2.
- Since late August, the number of infected patients has decreased and occupancy rates have begun to rise. Going forward, the relaxation of border controls and nationwide travel assistance are expected to provide a tailwind for the Company's hotel management business.

Hotels in Which Samty Is Involved
(In Order of Acquisition/Development)

No	Region	Hotel name	Rooms	Remark
1	Tokyo metropolitan area	Center Hotel Tokyo	108	Owned
2	Kansai	Amano Hashidate Hotel (including Auberge)	86	Owned
3	Tokyo metropolitan area	HOTEL SUNSHINE UTSUNOMIYA	160	Managed
4	Kyushu	S-PERIA HOTEL Nagasaki	155	Managed
5	Kansai	GOZAN	21	Owned
6	Kyushu	S-PERIA HOTEL Hakata	287	Developed
7	Tokyo metropolitan area	S-PERIA INN Nihombashi Hakozaeki	114	Developed
8	Kansai	S-PERIA INN Osaka Hommachi	125	Developed
9	Kansai	S-PERIA HOTEL Kyoto	165	Developed and Owned
10	Chugoku	NEST HOTEL HIROSHIMA HATCHOBORI	126	Owned
11	Chugoku	NEST HOTEL HIROSHIMA STATION	84	Owned
12	Kansai	Mercure Kyoto Station	225	Developed
13	Chubu	Ibis Styles Nagoya	284	Developed and Owned
14	Kansai	Agora Kyoto Karasuma	140	Developed
15	Kansai	Agora Kyoto Shijo	80	Developed
16	Kansai	Aloft Osaka Dojima	305	Owned
17	Kyushu	S-PERIA HOTEL Fukuoka Nakasu	87	Developed
18	Kansai	Oakwood Hotel Kyoto Oiike	120	Developed and Owned
Total		18 hotels	2,672 rooms	

Average Occupancy Rates

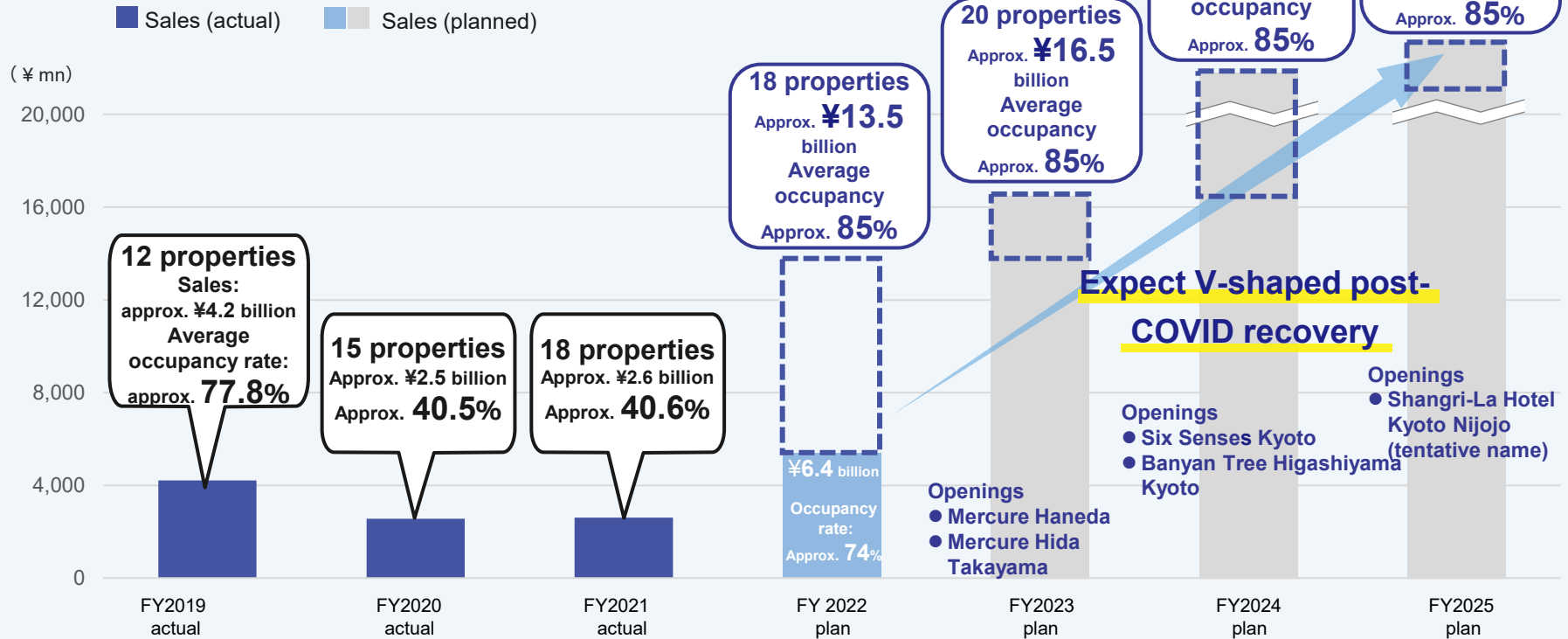


Note: Calculated based on a weighted average of the average occupancy rate of each hotel in which Samty is involved.

The number of properties is totaled based on data as of the end of each month. Excluded from the total are properties that have been open less than one year.

- Sales for the Hotel Business in FY2022 are planned at about ¥6.4 billion, lower than when tourism is in full swing.
- Sales at the 18 hotels in which Samty is involved, when tourism is in full swing, are ¥13.5 billion, with an expected occupancy rate of about 85%. As demand recovers in the future, we expect the hotels now under development, including the luxury hotels, that we plan to open between 2023 and spring of 2025 will make major contributions to our sales.

Sales at Hotels in Which Samty Is Involved



Notes: Occupancy rates include hotels that have opened within the past year. Calculations exclude divested hotels.

Figures for actual sales are Samty's segment data. Figures for sales when tourism is in full swing are calculated by Samty Group companies Samty Asset Management and Samty Hotel Management Corp. based on the business plan and data provided by each operator. Sales and occupancy rates for hotels opening in FY2023 onward are based on the business plan.

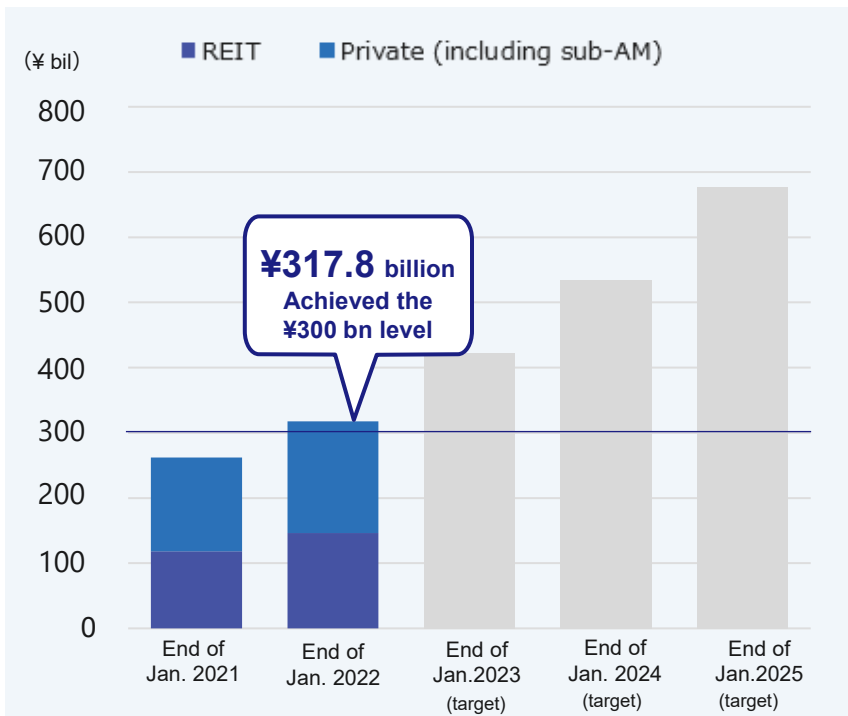


- AUM reached the ¥300 billion level at the end of January. In August, we transferred 18 properties to Samty Residential Investment Corp.
- AUM is expected to expand due to an increase in assets under management and the formation of a hotel REIT.

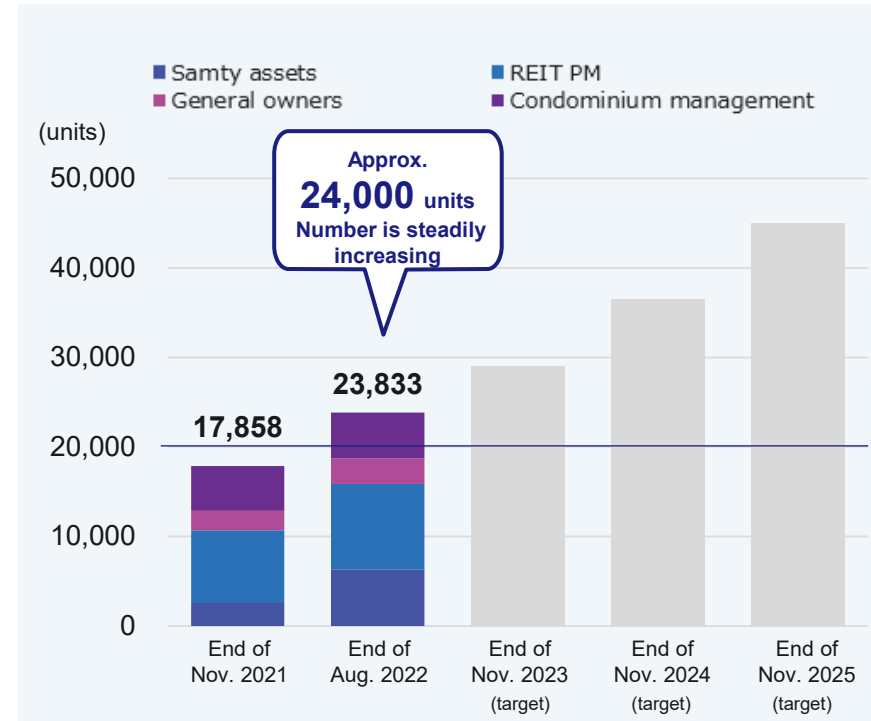


- The number of properties under management is steadily growing.
- Steady expansion is expected in the future based on an increase in properties owned by Samty Residential Investment Corp. and the planned completion of at least 10,000 units developed by Samty by 2023 or thereafter.

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.

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

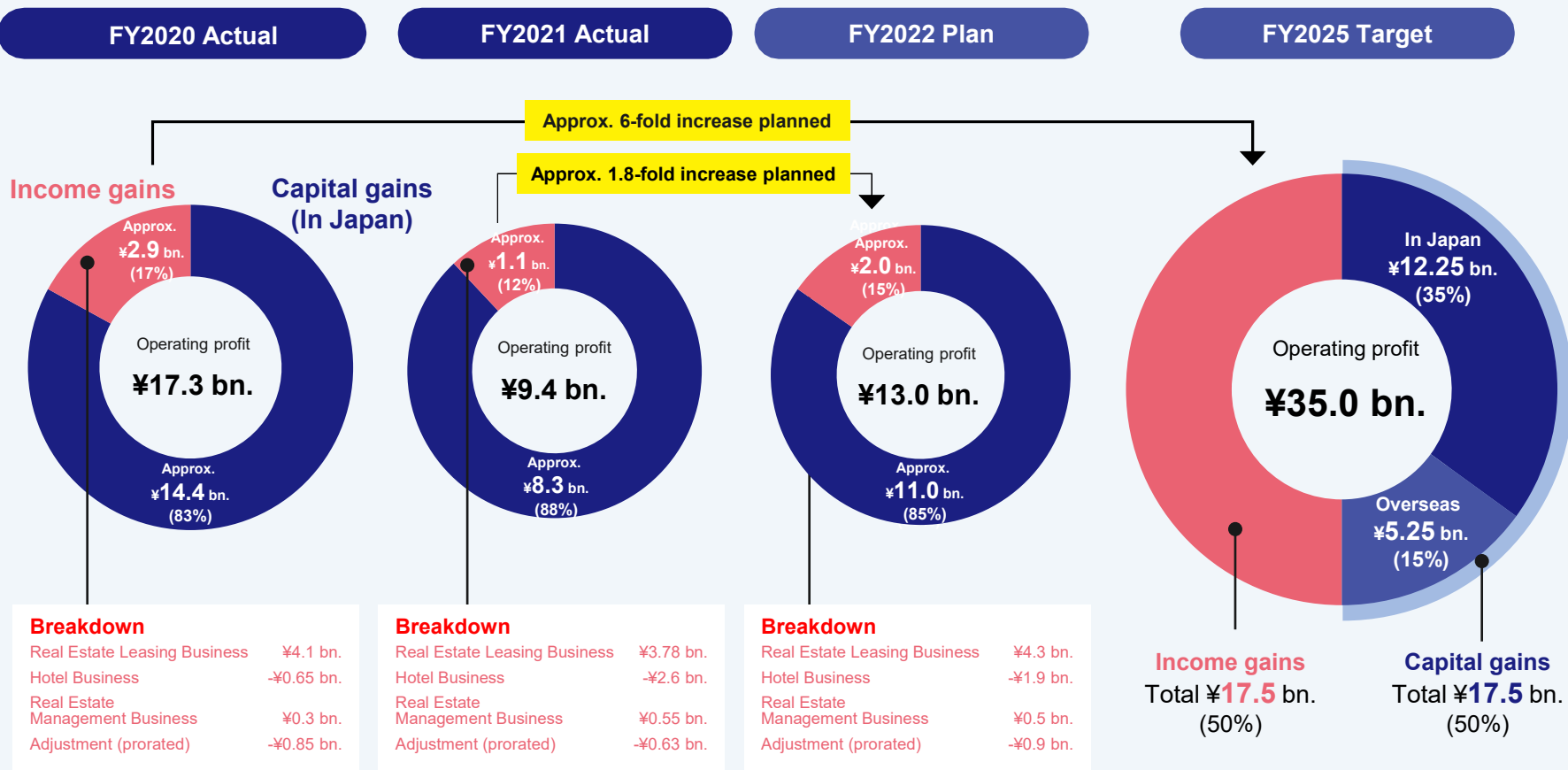
	FY2020 Actual	FY2021 Actual	FY2022 Plan	FY2023 Numerical Target	FY2025 Numerical Target
Net sales (includes rental income, etc.)	¥101.1 bn. (¥12.1 bn.)	¥90.4 bn. (¥13.8 bn.)	¥123.0 bn. (¥19.8 bn.)	About ¥170.0 bn. (¥35.0 bn.)	About ¥220.0 bn. (¥45.0 bn.)
Operating profit	¥17.3 bn.	¥9.4 bn.	¥13.0 bn.	More than ¥20.0 bn.	More than ¥35.0 bn.
ROE	14.3%	11.6%	10.6%	12.0%–15.0%	About 15.0%
ROA	7.4%	3.2%	3.3%	6.0%–7.0%	About 7.0%
Equity ratio	30.7%	27.0%	23.4%	27.0%–30.0%	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.

- Operating profit for FY2025 is targeted at ¥35.0 billion, and the strategy to transform the business portfolio aims for operating profit-based income gains of ¥17.5 billion, about a sixfold increase from the date of formulation.

Income Gains as a Percentage of Operating Profit

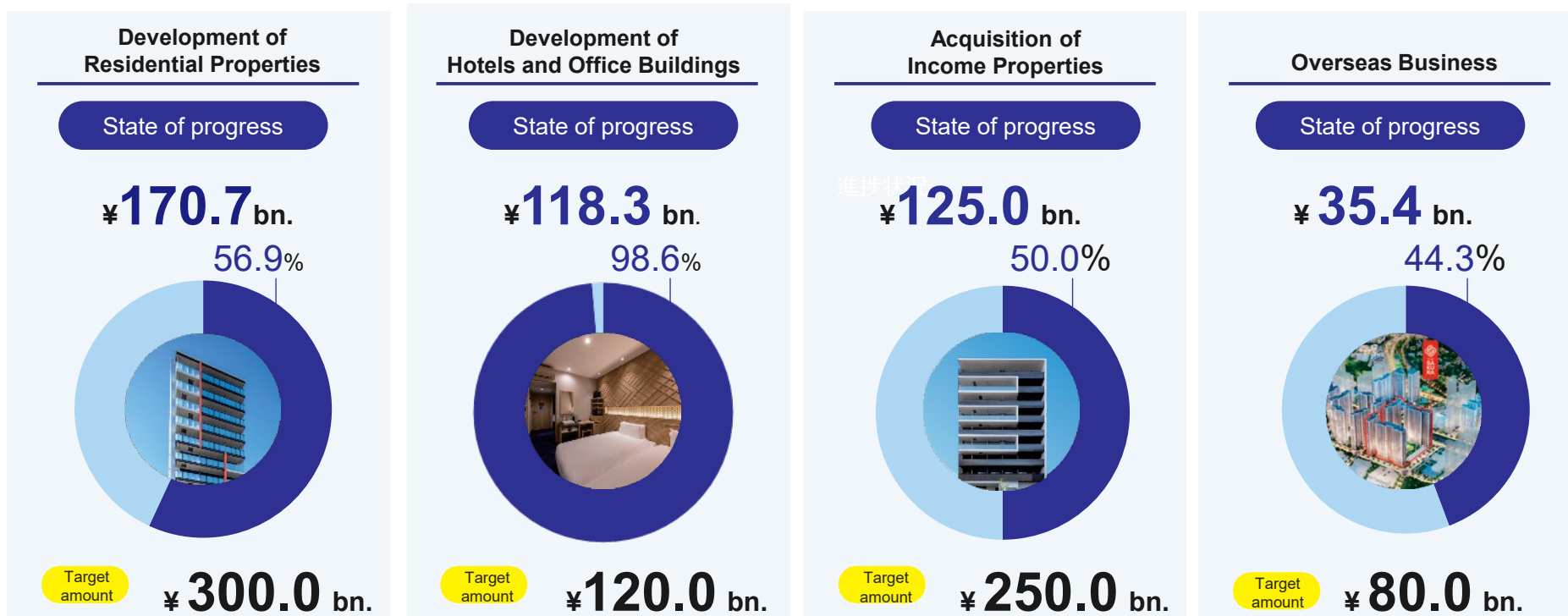


Note: Calculated as a percentage after deducting general and administrative expenses not attributable to a reporting segment. Those for prior fiscal years have been revised to reflect the reclassification into new segments.

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 FY2022 Q3, cumulative investment totaled **about ¥414.1 billion (+¥125.4 billion from the previous fiscal year-end), and the percentage of progress was 61.8%**, so that we achieved 60% of our targeted investment amount in the second year of the plan. We will continue working on early achievement of our targets.

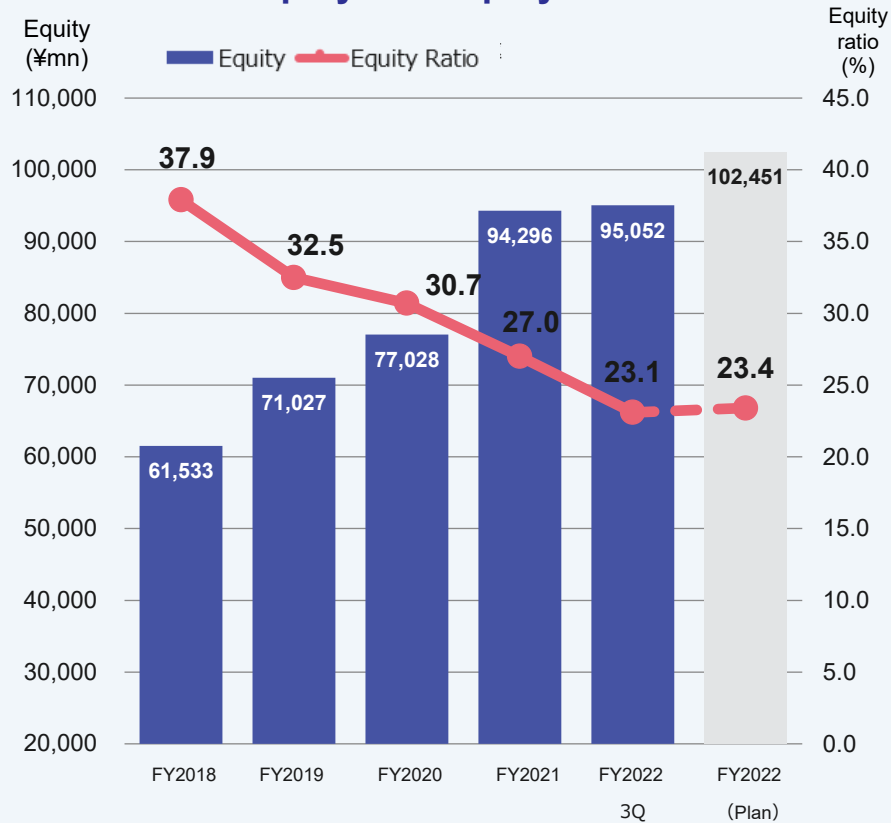
Percentage of Progress toward Targets by Theme



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.

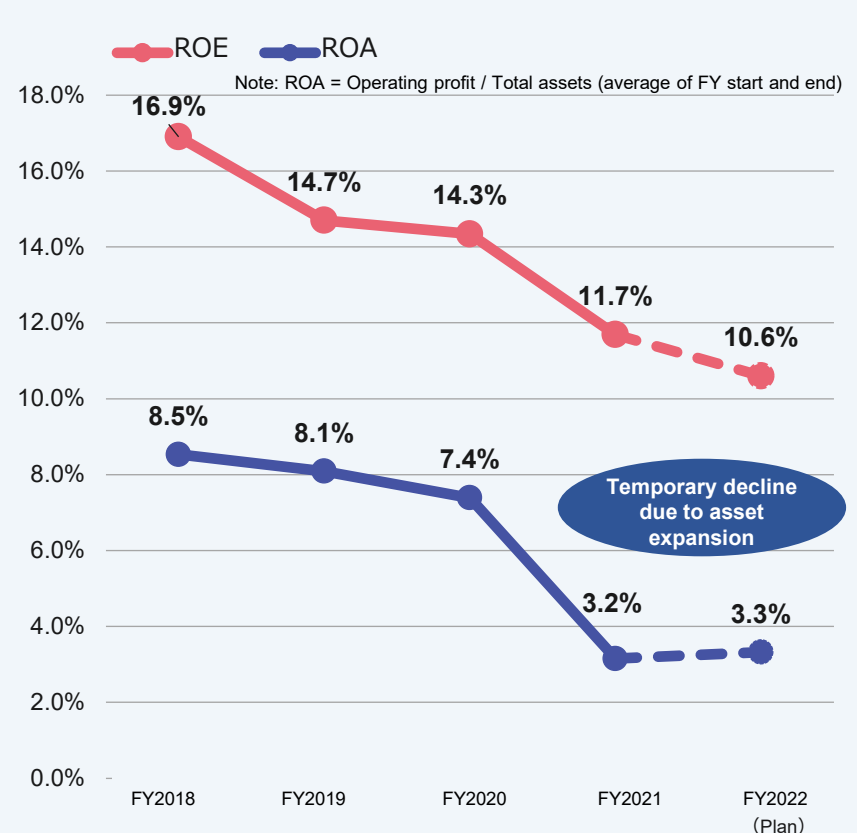
- The equity ratio is declining due to the increase in portfolio assets from property acquisitions made to enhance our income gains and due to changes in our asset divestiture plans as a result of the hotel REIT's delayed IPO. We expect to continue increasing total assets until the hotel REIT IPO is done.
- We are striving to improve ROA and ROE, as we remain mindful of the targets for FY2023 set forth in our Medium-Term Management Plan.

Equity and Equity Ratio



Equity Ratio: FY2023 in the range of 27%-30%

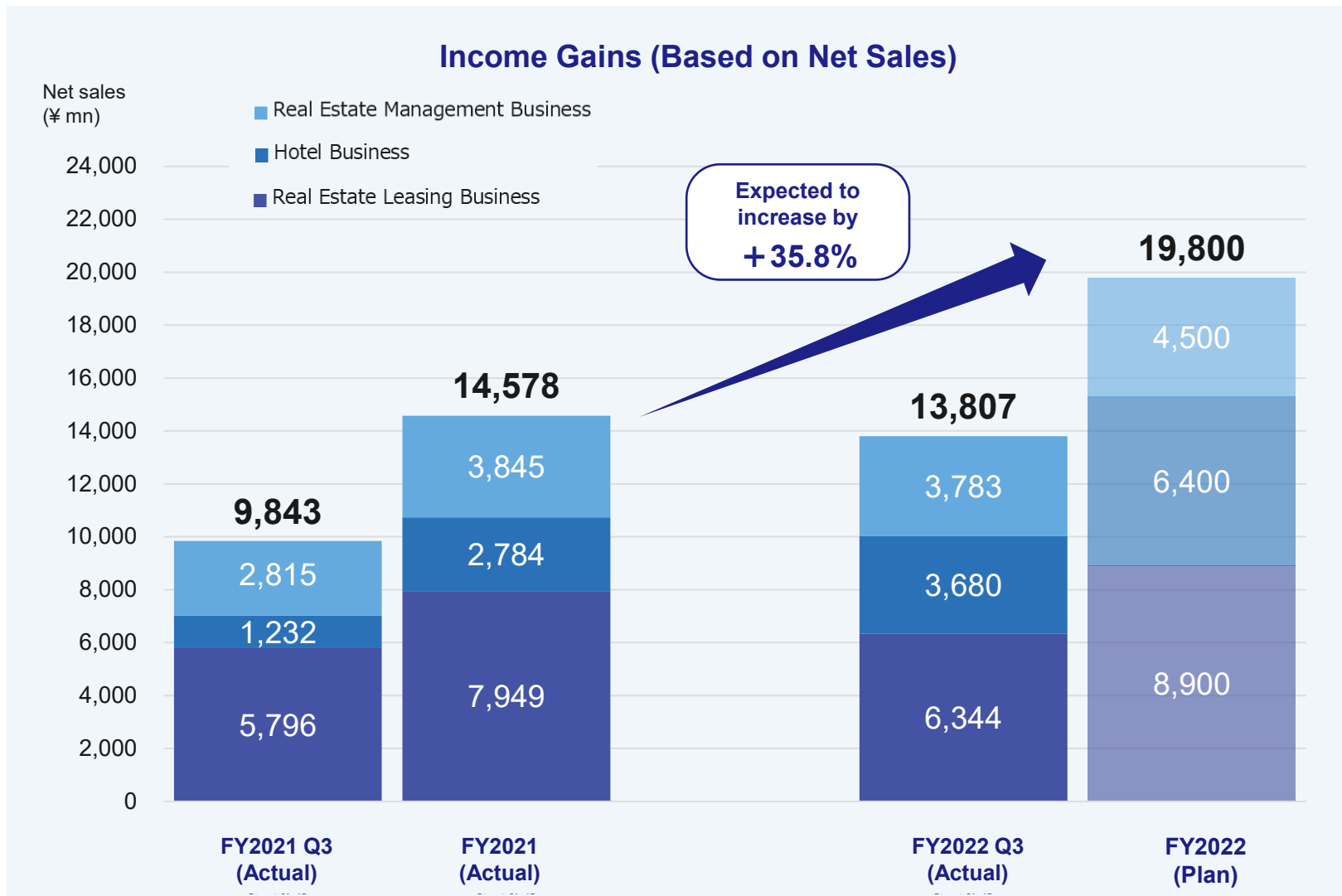
ROE and ROA



ROE: FY2023 in the range of 12%-15%

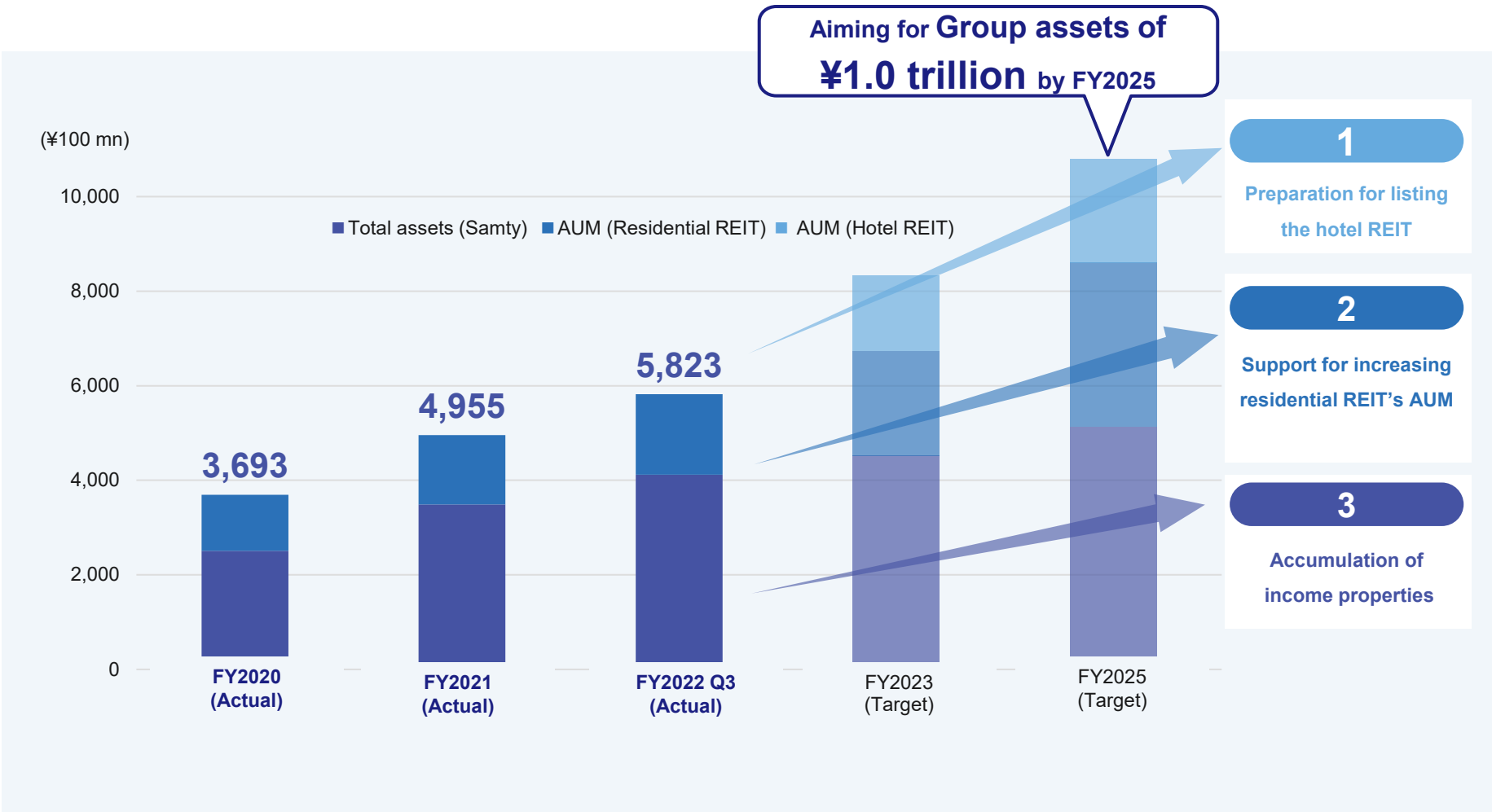
ROA: FY2023 in the range of 6%-7%

- Income gains based on net sales rose compared to the previous year in all three segments. We expect them to expand further going forward.



Note: Calculated as total net sales, including internal sales

- Group assets rose by about ¥86.8 billion year on year (+17.5%) due to asset growth.
- We are implementing strategic initiatives 1-3 below so that our assets will grow steadily until the end of FY2025.



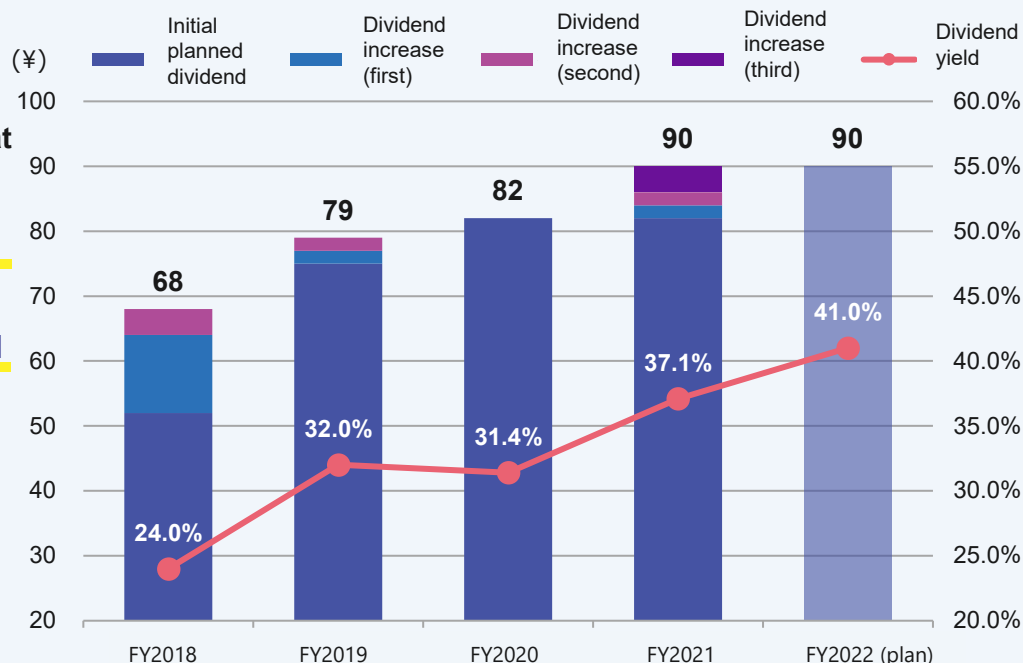
Note: Group assets are calculated by adding Samty's total assets + the balance of the REIT AUM (assets under management).

Dividends

In FY2021 we increased the dividend by ¥8 over the prior year, for an annual dividend of ¥90 (¥39 at mid-year and ¥51 at year-end).

In FY2022, we plan to maintain dividends at the prior year's level, with an annual dividend of ¥90 (¥39 at mid-year and ¥51 at year-end).

Note: In August 2018, we increased the planned dividend of ¥52 by ¥44, bringing the planned annual dividend to ¥96. Subsequently, on October 1, 2018, we allotted share acquisition rights without contribution based on a rights offering. This increased the number of shares issued and outstanding by 1.5 times, so the planned dividend of ¥96 was divided by 1.5, giving a dividend of ¥64. The dividend was then increased by ¥4 at year-end, bringing the total annual dividend to ¥68.



Shareholder Returns

1. Shareholder benefits

We send out vouchers for a free stay at the hotels in Japan in which we are involved to shareholders of record as of November 30.

2. Increase the ratio of voting rights exercised (underway since FY2020)

We give a QUO prepaid card worth ¥1,000 to those shareholders who have exercised their voting rights.
(Reference metric: The ratio of voting rights exercise has increased by more than 30% for two consecutive years)

Third Quarter of the Fiscal Year Ending November 30, 2022

Topics and Future Initiatives



- From Q2 of this fiscal year, we have been promoting the establishment of an internal system to strengthen IR activities for institutional investors.
- Work to improve our presence in the stock market by proactively seeking and responding to issues necessary to enhance corporate value.

Main Points to Strengthen IR Activities

1. Enhance information disclosure related to sustainability as well as business conditions

⇒ Collect environmental data such as CO₂ emissions. Establish an internal system to disclose information.

2. Increase meetings and explanatory meetings with institutional investors

⇒ Develop an active dialogue with institutional investors following the announcement of financial results. Increase the number of approaches from Samty.

3. Carry out IR activities overseas. Strengthen transmission of company information in English.

⇒ Strengthen IR activities overseas going forward, such as in Singapore, where we have a base of operations.

⇒ Promote the disclosure of materials in English.



The Samty Group will build a cooperative framework with stakeholders, and through proactive information disclosure and dialogue, and will continue to pursue steady improvement in corporate value.

(2) Acquisition of the Highest Evaluation in the BELS Certification for Hotels We Develop and Own

- Ibis Styles Nagoya, a hotel developed and owned by the Company, received a five-star rating, the highest rating in the five-level BELS certification system, which is a building energy efficiency and conservation performance indication system.
- Based on our basic sustainability policy, we develop and supply properties that are not only economical and profitable, but also energy- and resource-conscious.

BELS Certification overview



BELS is a third-party certification system that evaluates and displays the energy-saving performance of buildings. The Building Energy Conservation Law, which went into effect in April 2016, requires real estate developers, etc. to make efforts to indicate the energy efficiency of buildings, and BELS certification is also evaluated and indicated in accordance with this law.

Hotel overview (BELS 5 star)



External view



Front desk / Restaurant

Name of Hotel	Ibis Styles Nagoya
Access	8 minutes walk from Nagoya Station
Start of business	November 2020
No. of rooms	284
Description	Appropriate for both business and tourist use, it is stylishly designed to target the millennial generation.



The Samty Group has been promoting the development of real estate and provision of services with an awareness of the “coexistence of people and nature” by bringing in energy and natural resources in response to changes in social conditions.

- Nesta Resort Kobe held a "Night Blast" fireworks festival as a summer event until the end of August. The spectacular fireworks illuminated the natural night sky, fascinating many visitors. The event has contributed to attracting more visitors to the theme park.
- In the fall, the park hosted a natural Halloween Fest from Saturday, October 22 to Sunday, November 6.

The Night Blast fireworks



About the Halloween Fest

Nesta Resort's autumn season offers a completely new kind of natural entertainment based on the theme of "Harvest Festival to drive away evil spirits," the origin of Halloween festivals. The Halloween Ghost Hunt, a hunt for ghosts lurking in the wilderness, and the Harvest Market, a bonfire and autumn taste experience to celebrate the harvest, are just a few of the activities that allow you to fully enjoy the great outdoors.

- With the aim of promoting regional development, we became an official sponsor of the Osaka-based Orix Buffaloes this season in order to enliven Osaka, the city where our company was founded, and the whole of Japan through sports. We actively support the team's activities.

Won the Pacific League



©ORIX Buffaloes

About Sponsor Support

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

Inquiries

Investor Relations Office, Corporate Planning Department

✉E-mail: samty-pr@samty.co.jp



SAMTY