

# REALIZATION OF DREAMS Samty



# Aiming for the “Realization of Dreams” of everyone involved in the Samty Group

The Samty Group’s corporate philosophy, the “Realization of Dreams” means the realization of dreams for all people involved with the Samty Group.

Dreams are realized by “people” and the spirit of “Morals, Passion and Challenges” as well as the ability to think freely, beyond preexisting notions, are all necessary in order to achieve this.

The Samty Group aims to become a company to create new values and contribute to the development of society with its sights set on going global beyond Japan.



— Realization of Dreams through Morals, Passion, and Challenges —

## President’s Message

### Realizing dreams and aiming to be a 100-year company that continues to take on challenges and grow

The Samty Group celebrated its 40th anniversary in December 2022.

Since our founding in 1982, we have experienced several major recessions, including the collapse of the Japanese asset price bubble, the Global Financial Crisis, and the COVID-19 pandemic. Nevertheless, our ability to navigate our business through changes in society over the years has enabled us to grow our reach from our beginnings in Osaka to the rest of Japan and onward to international markets.

The Group’s slogan “Samty, beyond real estate” embodies our commitment to always go beyond the borders of real estate and take on new challenges without being constrained by conventional wisdom. Ahead of our 40th anniversary, we took on two such challenges that signify this commitment. First, we updated our corporate logo and second, we entered the theme park business.

Additionally, the Group has established four fundamental sustainability policies: Environmental Consideration, Coexistence with Local Communities, Being a Company That Values People, and Thoroughness of Corporate Morals. Following these fundamental policies, we added a sustainability section to our corporate website and began disclosing information on the Group’s initiatives to achieve a sustainable society.

Furthermore, strengthening corporate governance is another important management task facing the Group. Given this, we transitioned from a company with corporate auditors to a company with an Audit & Supervisory Committee in February 2023, in order to strengthen supervision functions of the Board of Directors, further increase management transparency, and accelerate decision making.

To put our management philosophy of “Morals, passion, challenges, and the realization of dreams” into practice, we will continue to enhance corporate value to ensure we live up to stakeholder expectations and trust with high ethical values and passion as well as seek to achieve the dreams of everyone involved in our operations.

I ask for your support and understanding as we move forward.



**Yasuhiro Ogawa**  
Representative Director  
and President

Corporate Slogan

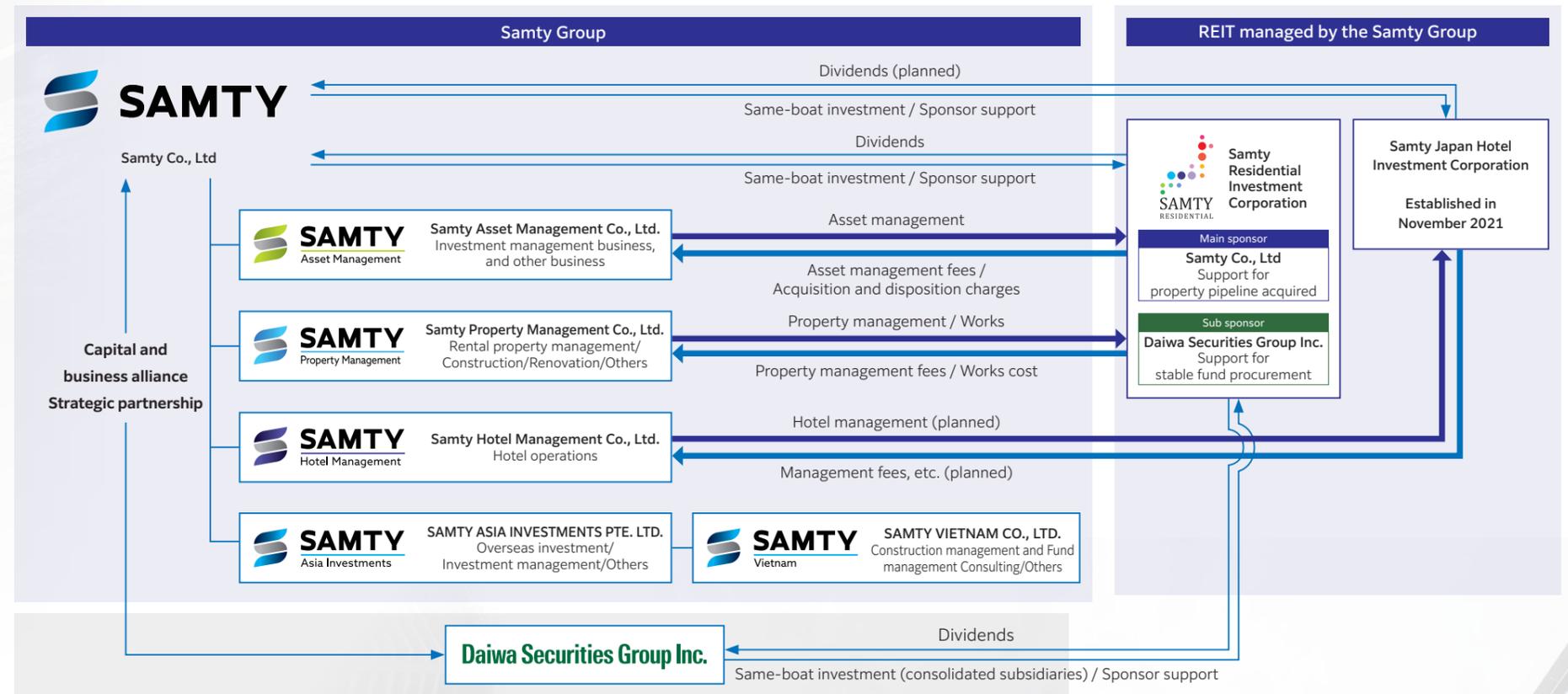
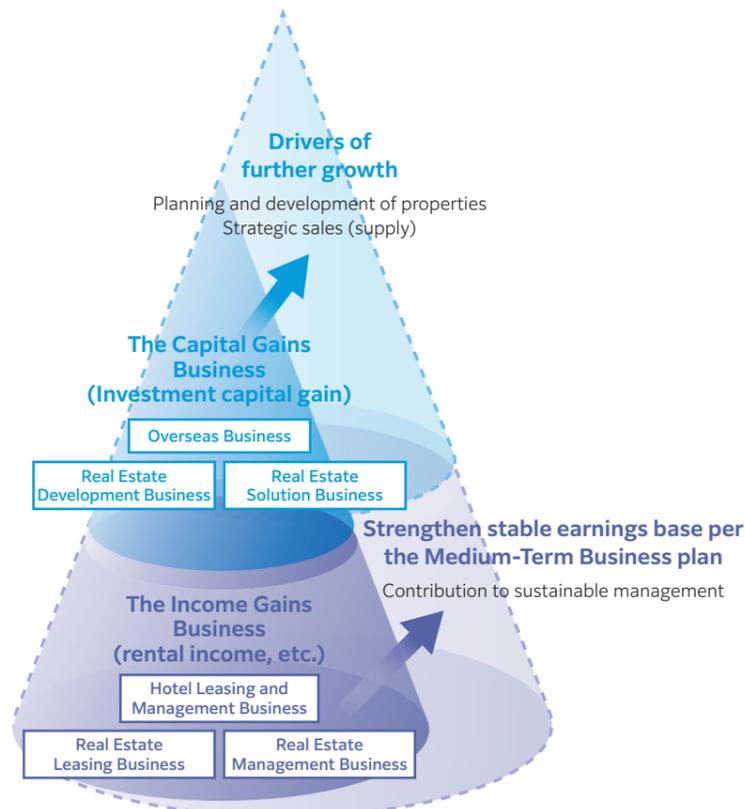
“Samty, beyond real estate.”



# Business Details and Model of the Samty Group

## The Samty Group as a Comprehensive Real Estate Company

The Samty Group continues to grow as a comprehensive real estate company handling all aspects of the property business within the corporate group, including the purchasing of land for development of rental apartments, hotels, and office buildings, etc., properties planning and development, rental solicitation, property management, property holding and sales, and fund management for REITs. The Capital Gains Business gaining incomes through the development and transaction of real estate properties, and the Income Gains Business earning rental income, hotel guest room income, and various management fees and the likes comprise the earnings base of the Group.



## Business Model (Japan)



# Business Overview The Capital Gains Business

## Real Estate Development Business

The development and provision of rental apartments, hotels and office buildings, etc. for real estate funds.

### A long track record in property development and provision allows to create new values.

The Real Estate Development Business is a core business to handle the developer business of the Samty Group. In the domestic market, the Company focuses on developing real estate properties raising income to plan and develop products that capture regional characteristics and needs. The Samty Group has a long track record of the assessment of rental residential properties in major cities nationwide and the management of leasing operations, among other functions, and will optimize its resources. As a real estate company with hubs throughout Japan, the Samty Group will continue to actively focus on development in regional cities and will work to contribute to creating living environments and spaces that are comfortable, in line with its purpose to make strategic investments in regional metropolitan areas.

#### Rental apartments "S-RESIDENCE" series

The S-RESIDENCE series, the mainstay product the Samty Group plans and develops, is sold and supplied to REITs, etc. for which the Samty Group assumes the sponsor. The S-RESIDENCE series grasping area needs formulates concept and design, thereby adopting a spacious entrance and indoor hallway, incorporating good design qualities and livability embodying.



List of Projects ▶



#### Hotel "S-PERIA" series

The S-PERIA series is the hotel brand planned and developed by the Samty Group. This series features a stylishness that offers a sense of cleanliness. Properties are found in areas that are highly convenient for both tourism and business in major cities nationwide. Furthermore, other than in-house brands, the Samty Group is engaged in development in collaboration with external operators who are highly capable of attracting customers.



## Real Estate Solution Business

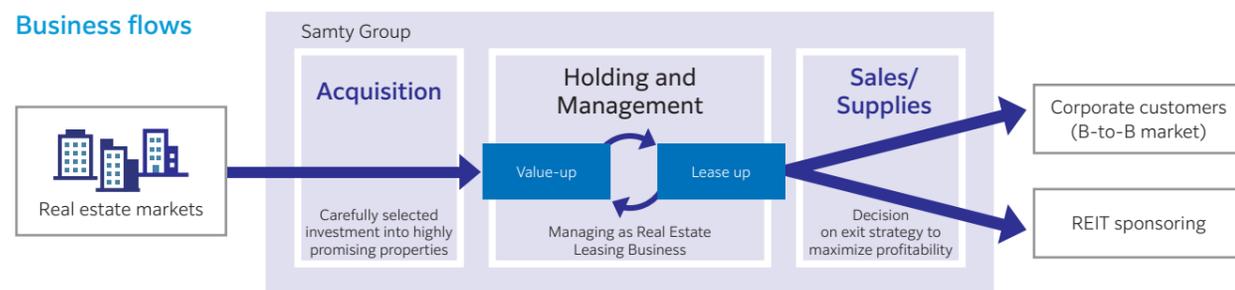
Acquisition, added-value, and resale of existing properties raising income

### Aiming at maximizing income through strategic acquisition and sales.

The Real Estate Solution Business engages in a business to invest into or resale existing real estate properties raising income. It resells to corporate customers and REITs the up-and-coming properties purchased from the real estate market with added values after the purchase. To maximize profitability, select optimum buyers from REITs or from the market, and execute an exit strategy. The management of properties held during their ownership period (periodic management operation) is considered to be part of the Real Estate Leasing Business.



#### Business flows



## Overseas Business

Investment into business corporation and real estate development projects, etc.

### Driver of additional growth for the Group

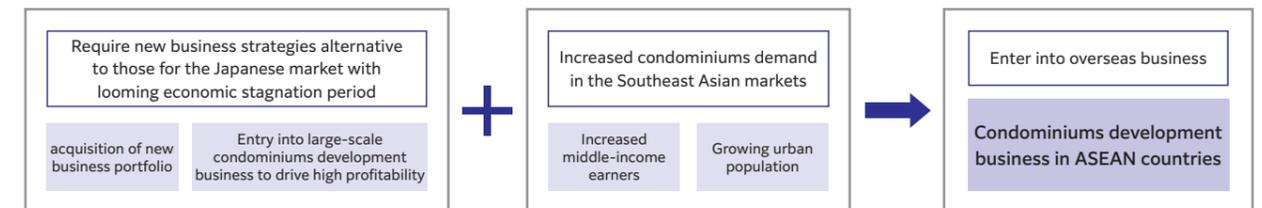
The Overseas Business started in February 2019, which was timed to coincide with the establishment of our Singapore subsidiary "SAMTY ASIA INVESTMENTS PTE. LTD." ("SAI") with the aim of creating new business opportunities. Through SAI, the Samty Group invests and finances real estate or projects mainly in Asian countries.



\*The company is a 100% subsidiary of Samty Co., Ltd.

### Condominiums projects in Vietnam "The SAKURA Project" and "The STAR Project"

The Overseas Business launched, in December 2020, a condominiums development business with Vinhomes Joint Stock Company, the largest developer in Vietnam, and is promoting projects. The heightened residential housing demands in Vietnam enabled the large-scale business development that would not be otherwise realized in the Japanese condominiums market.



In the large-scale "VINHOMES SMART CITY" project, which is expected to have 58 buildings and 80,000 or more inhabitants, the Samty Group is participating in the development of four buildings (approx. 3,700 units) called "The SAKURA Project."

Encouraged by the smooth progress of that project, the Samty Group is now proceeding with another condominiums project in Vietnam, this time in Ho Chi Minh City, consisting of four buildings (approx. 2,000 units) called "The STAR Project."



\*All the drawings above are for illustrative purposes only.

The project management for this business will be run jointly by SAMTY VIETNAM CO., LTD.\*, the local Vietnamese subsidiary established as a subsidiary of SAI, together with SAI.

\*The company is a 100% subsidiary of SAMTY ASIA INVESTMENTS PTE. LTD.

See here for project progress status ▶



# Business Overview The Income Gains Business

## Real Estate Leasing Business

- Leasing of rental apartments and office buildings, etc.
- Dividend income from Residential REITs, etc.

### Rental income from rental apartments and office buildings, etc.

This business owns and earns stable income from properties developed by the Company and from existing properties acquired from external parties. This business engages in diversified investment in diverse assets such as office buildings and commercial facilities through an asset structure centered on rental apartments which are less affected by economic fluctuation. We have created a portfolio of high-quality rental properties with more than 150 buildings throughout Japan centered on areas where we have a presence such as the Tokyo metropolitan area, Kansai, Sapporo, Nagoya, Hiroshima, and Fukuoka, etc. With the Income Gains Business positioned as a core business of the Samty Group, we will continue our policy of “develop and own” and accumulate owned assets to expand income steadily and continuously.

### Image of owned asset accumulation

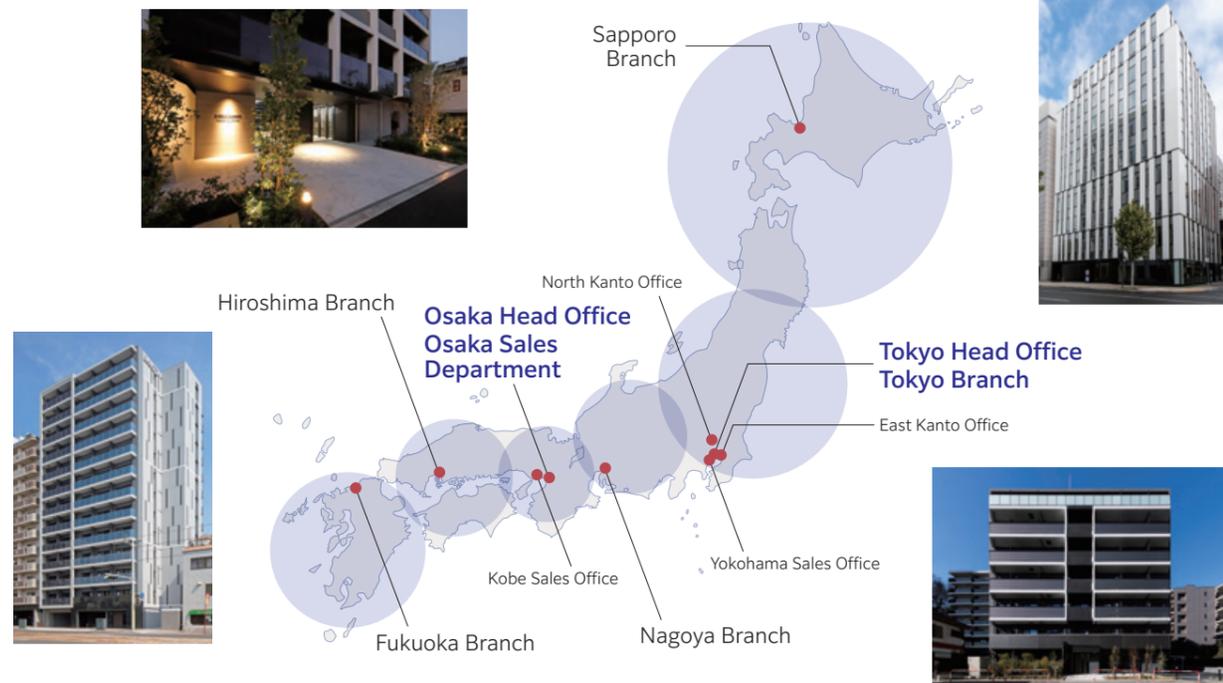
Implementing strategic investment by assessing rental demand in major regional metropolitan areas



Owning properties developed by the Company or acquired from external parties for a certain period of time



Securing stable income is possible through portfolio diversification



### Dividend income from Residential REITs, etc.

Dividend income from investment in funds of holding and management of rental apartments, etc. is allocated to this business segment. Among these, with the same-boat investment in Samty Residential Investment Corporation, the Company aims for continuous mutual growth by fulfilling its role of providing properties, etc. as main sponsor, and harmonizing each side's strategies and interests when managing the properties.



## Hotel Leasing and Management Business

- Leasing and operation of hotels
- Dividend income from hotel funds, etc.

See here for a list of hotels in which the Company is involved



### Room income and management fees from hotel investment

The Hotel Business earns room income and ongoing management fees from hotels owned by the Company and hotels managed by group companies, etc. The Samty Group selectively invests in hotels throughout Japan with an eye on governmental policies of supporting a tourism-oriented nation in the future Japanese hotel market.

The Samty Group is developing its businesses in an operating manner that contributes to maximizing profits by effectively utilizing resources within and outside the Group.



### Dividend income from hotel funds, etc.

Dividend income from investment in hotel funds, etc. is allocated to this business segment. This includes dividends scheduled to be earned in the future from Samty Japan Hotel Investment Corporation.

## Real Estate Management Business

- Various management of properties owned by REITs, etc.
- Management operation of condominiums for sale and building construction/facility construction/renovation business, etc.

### Non-asset businesses utilizing the Group's resources

Real Estate Management contributes to continuous earnings by earning fees mainly from the asset management and property management operations of REITs. The Samty Group has established a system to handle consigned operation management after the properties were supplied to REITs, etc. In addition, the Samty Group is also developing businesses such as external construction and remodeling, as well as condominiums management.



### Entry into the Theme Park Business

We established a new company that holds the management rights to “Nesta Resort Kobe,” a largescale resort facility with a hotel and other lodging accommodations in Miki City, Hyogo Prefecture, and made it a consolidated subsidiary. The new company has also started participating in theme park management as a new business area for the Samty Group from July 2022. We will work to strengthen and develop the brand by rebranding the hotel through our use of the Group's hotel development and management knowhow in addition to further enhancing the attractions. The Samty Group will develop the theme park business as the third pillar of its domestic business, which will be able to contribute to local economies, for the establishment of a sustainable business and the realization of regional revitalization.



Nesta Resort Kobe Official website



# Sustainability and CSR

To put its management philosophy of “Realization of Dreams through Morals, Passion, and Challenges” into practice, the Samty Group aims to create a future where all people will be able to grow with a dream by integrating itself into society as a good corporate citizen and pursuing efforts to realize a sustainable society and enhance corporate value from a medium- to long-term standpoint in response to the expectations and trust of all stakeholders.

## ■ Sustainability Basic Policy

### Coexistence with local communities

In order to establish a relationship of coexistence and co-prosperity with local communities through business, the Group will contribute to community development as a member of society by seeking activities that are suitable to the characteristics of each community.

### Realization of companies that value people

By respecting the human rights and diverse views of all people involved in the Samty Group, the Group will contribute to the realization of a society in which the people of the next generation will be able to grow with a dream.



### Environmental consideration

The Group will work to develop real estate and provide services with “coexistence of human and nature” in mind by capturing the changes in social conditions and giving consideration to energy and resources.

### Strict implementation of corporate ethics

The Group aims to become a company that is trusted by society by having its employees conduct business activities with high ethical standards while strengthening its corporate governance system and implementing thorough risk management based on the management philosophy and code of conduct.

## ■ Our vision

### Practice of Management Philosophy

Supporting people taking on the challenge of “Realization of Dreams”



We proactively support activities and events with sports teams, active players, and former players from regions nationwide, and by rooting for “people working hard toward their dreams,” we aim to become a company that makes all of Japan brighter and more vibrant.

### Regional Community x Employment

Revitalization of “regional cities” and provision of stable employment



The Group develops and holds high-quality properties in each region and provides a secure, safe and comfortable life. Furthermore, through hiring and the supply of real estate to locations nationwide, we will provide stable work opportunities and contribute to local economies.

The Samty Group, as the comprehensive real estate company developing across Japan, has implemented various initiatives under the theme of regional revitalization.

Sustainability site ▶



## ■ Initiatives for the Environment and Society ■

### Acquisition of DBJ Green Building Certifications

We received 2021 DBJ Green Building\* 3 Star and 2 Star for a total of 11 S-RESIDENCE properties developed and owned by the Samty Group (including those already sold). Going forward, we plan to acquire additional DBJ Green Building Certifications for properties that we develop and own, with the transition to our business model of “develop and own.” We provide income-generating properties focused not only on profitability, but also on diversifying social demand and energy, etc. From a medium- to long-term perspective, we are carrying out initiatives that contribute to sustainable increases in corporate value.

\* Certification system established by the Development Bank of Japan (DBJ) to provide support for environmentally and socially conscious real estate properties



### Acquisition of Building-housing Energy-efficiency Labeling System (BELS) certification

BELS is a third-party certification system that indicates the energy saving performance of buildings. Under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act), real estate companies have been required to make an effort to indicate the energy saving performance of buildings since April 2016.

The specific method of indication is provided for by the Guidelines for Building-Housing Energy-Efficiency Labeling. BELS makes evaluations based on these same guidelines and indicates the evaluation using five levels (★ - ★★★★★). We received the BELS certifications for some rental apartments, hotels and offices developed and owned by the Samty Group.



## ■ CSR ■

### We support the activities of the JFA Kokoro Project (Dream Classes)

The Samty Group supports the activities of the “Dream Classes” project held by the Japan Football Association (“JFA”). The project is an activity to contribute to the healthy growth of the bodies and minds of children. Athletes including former players take the podium at elementary schools and junior high schools nationwide as “Dream Teachers” to communicate to children the wonder of having dreams. This activity shares values with the Samty Group’s management philosophy and the Sustainability Basic Policy and is one that we will continuously and proactively support.

