



FY2024 Full Year Earnings Presentation

14-Feb-25
Columbia Works Inc.



1. Business Description



CORPORATE IDENTITY

Build a stage where everyone can shine

Columbia Works Inc. was founded with the goal of providing a space where people can live their best lives.

To make each person's life shine, buildings and services that create such spaces are essential.

Unfortunately, many of buildings today are built solely for profit, lacking a unique concept.

Departing from the prevailing profit-driven mindset, we will pursue urban development that integrates buildings and services, where buildings are designed to meet the specific needs and desires of users.

Mission

Build a stage where everyone can shine, by creating imagination and experience cycle through Uniquebation

We support individuals in developing their unique sensibilities and individuality, helping them to create the lives they truly desire.

Vision

Everyone is the main character.

We aim to be a company that grows alongside the changing world and build a stage where everyone can be the main character of their own life.

Value

Curiosity, Ambition and Solidarity

Through our urban development, we strive to create communities that enhance the quality of life for everyone.

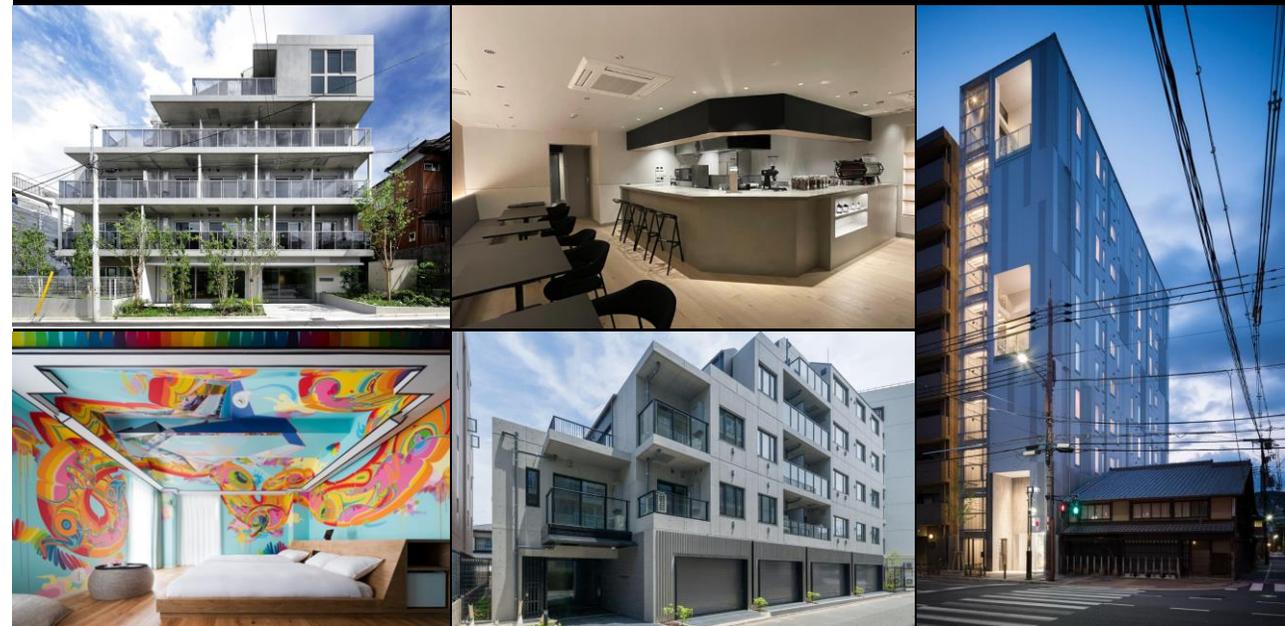
Our Unique Development Mechanism "Uniquebation"

Unicubation

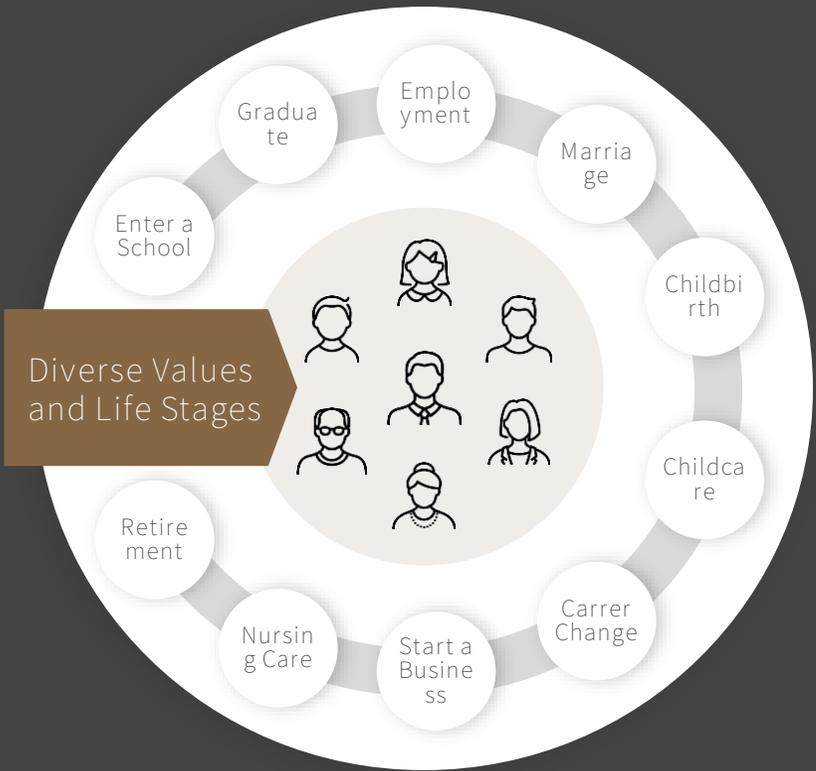
Uniqueness \times Incubation

Our unique urban development mechanism that creates a cycle of imagination and experience

We strive to build one-of-a-kind properties that address the challenges facing our communities from our unique perspective.



Deliver a stage where people can shine to the world



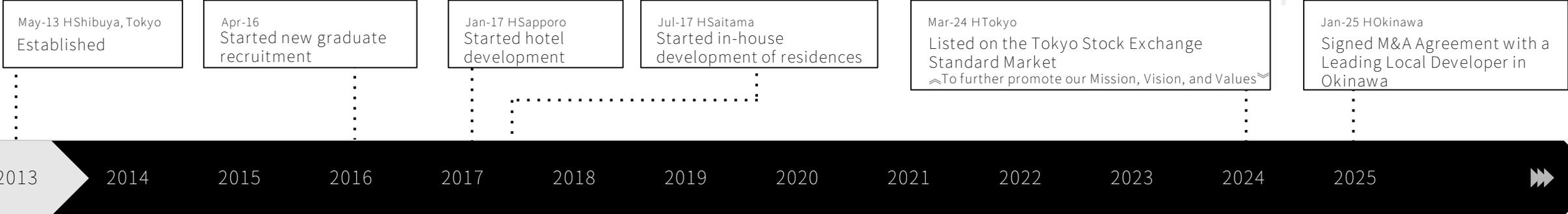
We promote "concept-based development" to enrich lives at each life stage

Example of Concepts		
Art	Beauty	Morning Activity
Car	Entrepreneurship	Health

Extend the business to the world to "build a stage where everyone can shine"

Our History

Our History



Mar-18 HAKihabara, May-19 HKyoto
Developed stayable museums

Sep-20 HShibuya
Developed small offices catering to remote work demand

Mar-21 HSetagaya
Developed a membership-based health checkup center

Mar-23 HEbisu
Developed residences with Tesla car ride-sharing service

Jul-24 HChitose-funabashi
Developed residences with a pilates studio



Concept-based Development that Enhances the 'Quality of Life'

Development Concept

Beauty

Car

Morning Activity

Art



Beauty

Supporting beauty and health
Blancé Beauté KOMAZAWADAIGAKU



Morning Activity

Motivating to wake up early
LUMIEC MEGURO



Art

Sleeping surrounded by art
BnA Alter Museum



Car

Living with your beloved car
LUMIEC CHITOSE FUNABASHI

Future Plans for Concept-based Development

Next Theme

Recruitment



Living room-style office

Enhances employee satisfaction and improve recruitment and retention rates by creating a comfortable, home-like workspace

Sunset



Small Luxury Hotel on a Remote Island

A gourmet island, offering a break from routine and a unique experience

International Exchange



Student dormitory promoting interaction with diverse cultures and languages

Provides a space where students from around the world gather, experience diversity, and grow while staying in Japan

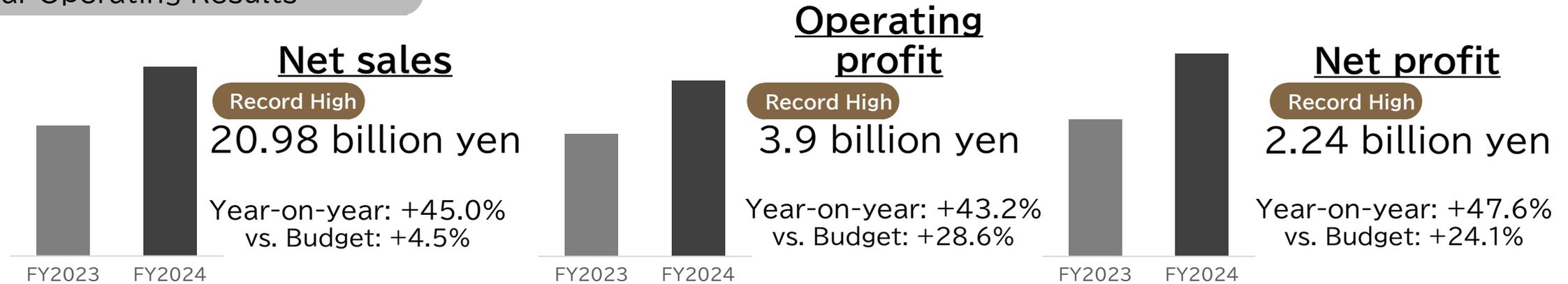
Interna Playgr House freeH Ride-s HomeH Hibach Health lifePlanning H Multilingual H Recruitment H SmartHome H StartaBusiness H Parenting H Cooking H Housekeeping H Matchmaking H SingleMother H Sauna H Kindergarten H Post-retirement H SingleFather H SingleLife H 24/7 Support H Telemedicine H NursingCare H Barrier-free H Kitchen H Furniture H Education H

2. Financial Highlights



FY2024 Financial Summary

Full Year Operating Results



- **Net sales, operating profit, and net profit all grew by over 40% year-on-year, reaching record highs.**
- In FY2024, the number of sales increased, and profit margins were also strong.

4Q Operating Results



- Due to the high percentage of revenue from real estate development, quarterly sales and profits fluctuate significantly
- **In the previous fiscal year, sales were heavily weighted towards the 4Q, whereas in the current fiscal year, they were focused in the 3Q. Despite a decline compared to the same period last year, we anticipate healthy growth for the entire next fiscal year.**

Net sales

Record High

39.61 billion yen

Year-on-year: +88.8%

Operating profit

Record High

4.72 billion yen

Year-on-year: +21.5%

Net profit

Record High

2.75 billion yen

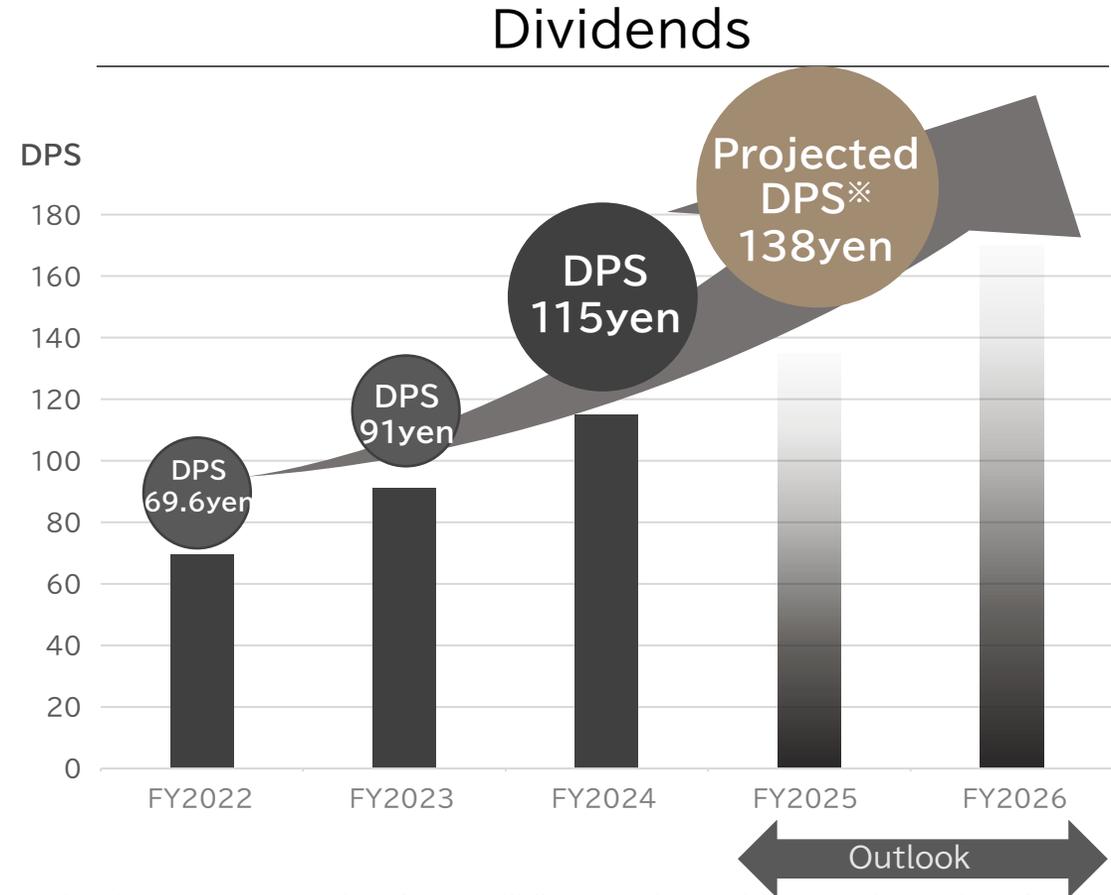
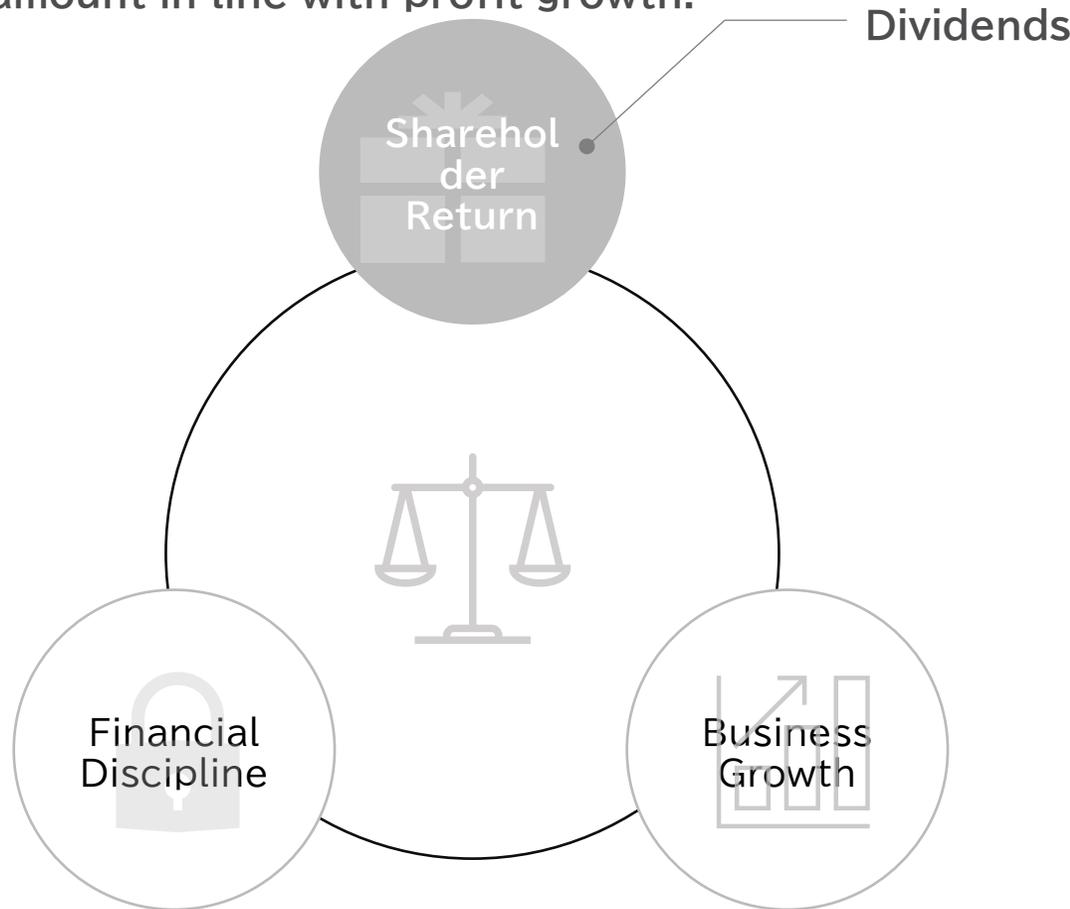
Year-on-year: +22.9%

Highlights

- ❑ We will continue to maintain our performance target of an operating profit growth rate of 20% or more, and we expect to achieve 21.5% growth in FY2025.
- ❑ We will execute a management strategy to achieve and maintain an equity ratio of approximately 25% as an appropriate level.
- ❑ We will carry out M&A to expand our business domains.
- ❑ The fourth quarter is projected to have the highest quarterly sales for FY2025.
- ❑ We will drive asset efficiency by advancing value-added real estate development utilizing Special Purpose Companies (SPCs).
- ❑ We will commence asset management service in the real estate management business.
- ❑ We are planning to launch a new brand in our hotel operation business.
- ❑ We will seek steady growth in property management contracts in the leasing management business.

Shareholder Returns

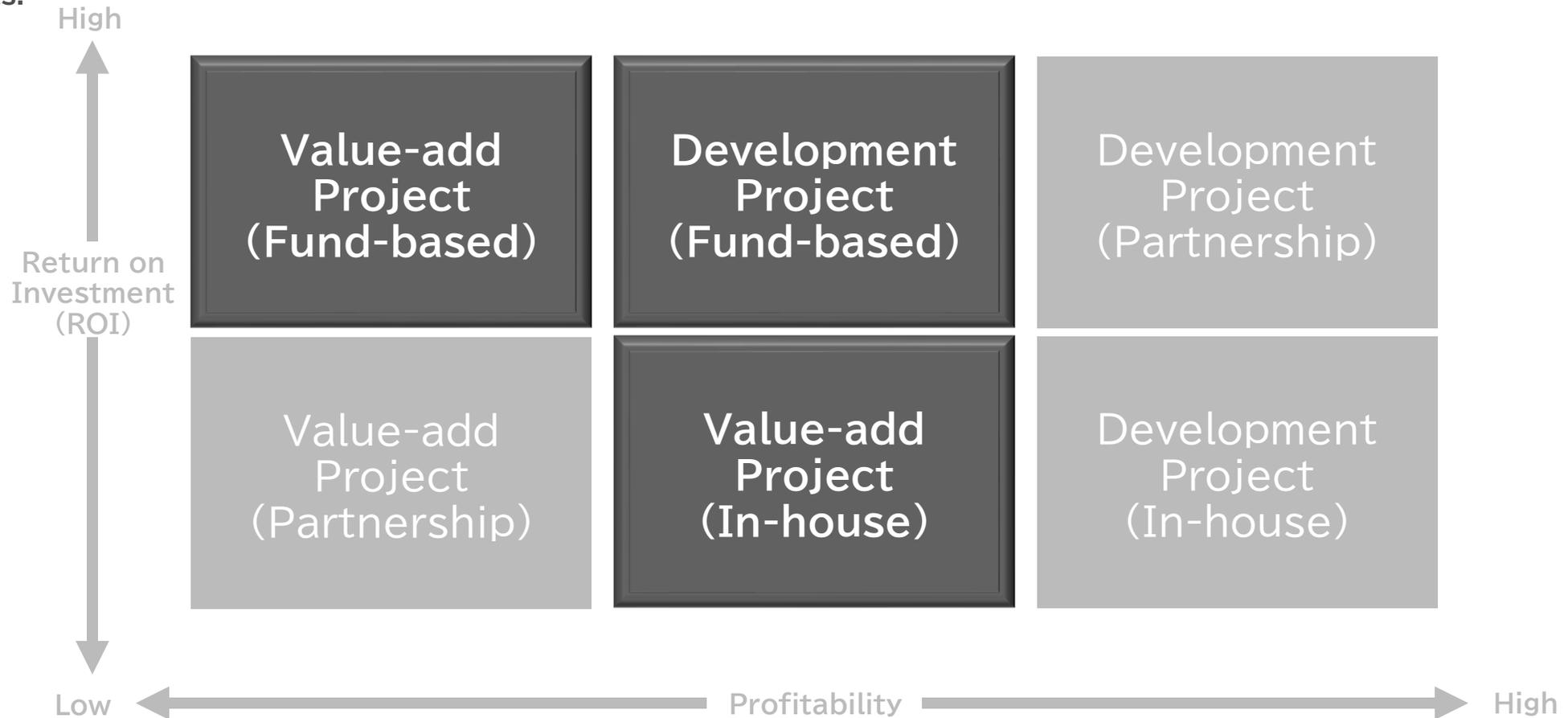
- The annual dividend for FY2024 will be 115 yen per share, an increase of 5 yen from the projected dividend.
- For FY2025, we forecast an annual dividend of 138 yen per share, marking a consecutive dividend increase.*
- We plan to maintain a dividend payout ratio of 15-20% beyond FY2026, and will determine the dividend amount in line with profit growth.



*Our dividend policy targets a payout ratio of 15-20%, and we will decide the dividend amount within these parameters. Therefore, it will fluctuate due to changes in the number of shares and net income.

Portfolio Management by Development Type

- In FY2024, we undertook 7 in-house development projects, 5 in-house value-add projects, and 4 development projects partnering with other companies.
- For FY2025, we plan 5 in-house development projects, 9 in-house value-add projects, 2 fund-based development projects, and 3 fund-based value-add projects.
- In the medium to long term, we aim to improve asset efficiency by expanding our portfolio of fund-based and value-add projects.



3. Summary of Financial Results for FY2024



Statement of Income (Full Year)

Unit: Million Yen	FY2023 Actual	FY2024 Actual	Year-on-year percentage	(Ref.) FY2024 Revised Budget*	(Ref.) Achievement Rate
Net sales	14,469	20,981	145.0%	20,633	101.7%
Gross profit	3,851	5,673	147.3%	—	—
Selling, general and administrative expenses	1,132	1,780	157.2%	—	—
Operating profit	2,718	3,892	143.2%	3,882	100.3%
Operating profit margin	18.8%	18.6%	—	18.8%	—
Ordinary profit	2,382	3,519	147.8%	3,397	103.6%
Net profit	1,516	2,238	147.6%	2,120	105.5%
Net profit margin	10.5%	10.7%	—	10.3%	—

*The "Revised Budget" refers to the planned figures stated in the 'Notice on the Revision of Earnings and Dividend Forecasts' announced on November 12, 2024.

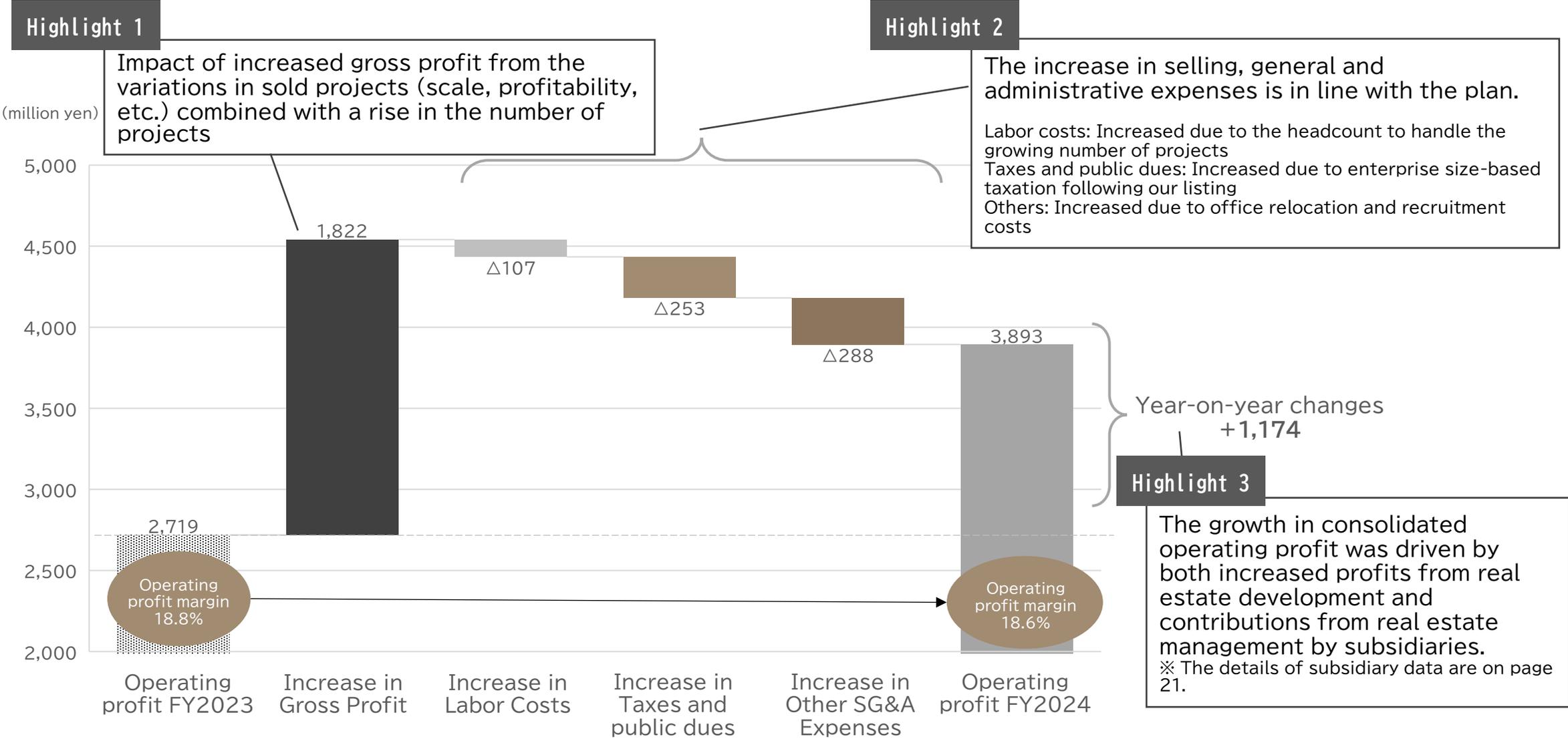
Balance Sheet

Unit: Million Yen	End of FY2023	End of FY2024	Year-on-year Changes
Total current assets	22,027	40,764	+85.1%
Inventories	17,934	35,363	+97.2%
Total non-current assets	9,973	11,422	+14.5%
Current liabilities	8,952	9,117	+1.8%
Short-term borrowings/Current portion of long-term borrowings	7,926	7,117	△10.2%
Non-current liabilities	15,908	30,967	+94.7%
Long-term borrowings	15,296	30,515	+99.5%
Net assets	7,140	12,101	+69.5%
Retained earnings	7,034	9,045	+28.6%
Total assets	32,001	52,186	+63.1%
Equity-to-asset ratio	22.3%	23.1%	—

KPI trends

KPI	FY2022	FY2023	FY2024	Year-on-year Changes
Operating Results-related KPI				
Sales per Project (Million yen)	948	1,321	1,198	90.7%
Number of Projects Sold	11	10	16	+6
Number of Projects Procured	15	23	21	Δ2
Financial Position-related KPI				
Total assets (Million yen)	26,983	32,001	52,186	163.1%
ROA (%)	8.0	8.1	8.3	+0.2%

Variation Analysis of Operating Profit



Highlight 1

Impact of increased gross profit from the variations in sold projects (scale, profitability, etc.) combined with a rise in the number of projects

Highlight 2

The increase in selling, general and administrative expenses is in line with the plan.
 Labor costs: Increased due to the headcount to handle the growing number of projects
 Taxes and public dues: Increased due to enterprise size-based taxation following our listing
 Others: Increased due to office relocation and recruitment costs

Highlight 3

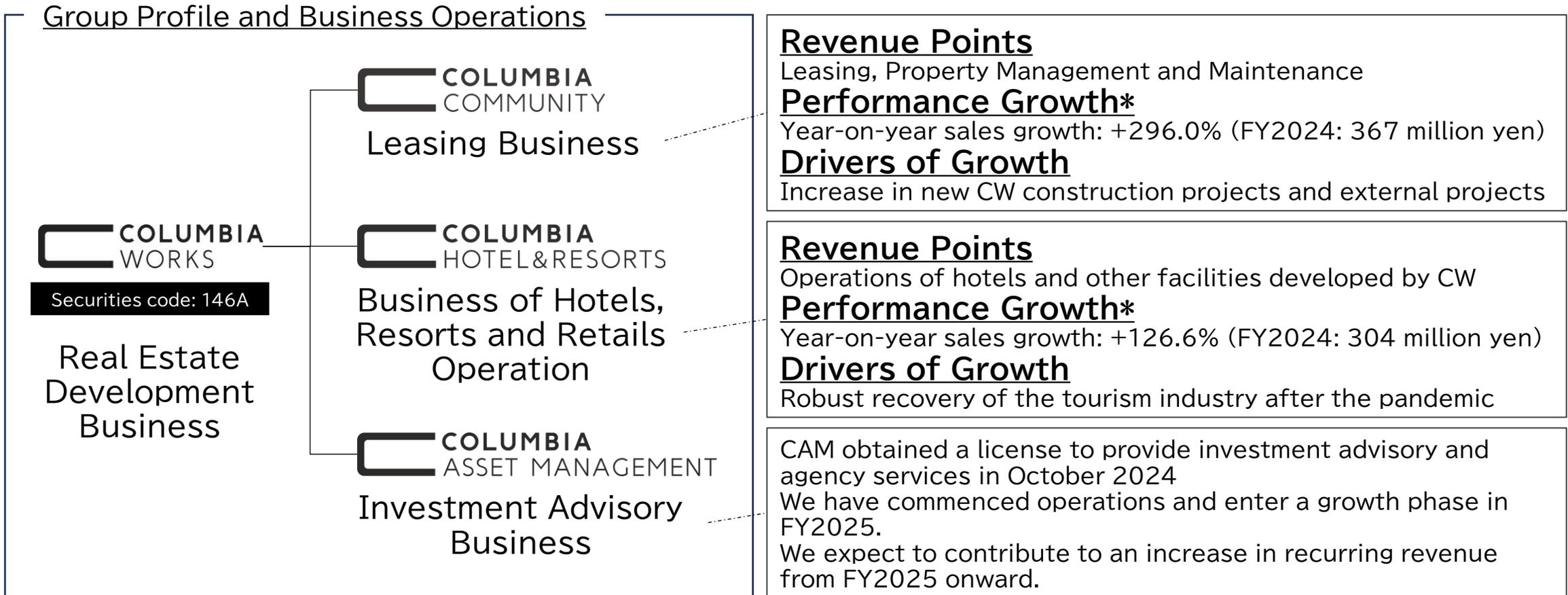
The growth in consolidated operating profit was driven by both increased profits from real estate development and contributions from real estate management by subsidiaries.
 ※ The details of subsidiary data are on page 21.

4. Performance of Consolidated Subsidiaries



Performance of Consolidated Subsidiaries (1)

As of the end of FY2024, Columbia Works Inc. (hereinafter CW), the parent company, accounts for the majority of sales and profits. However, regarding consolidated subsidiaries, Columbia Community (hereinafter CC) and Columbia Hotels & Resorts (hereinafter CHR) are steadily expanding their businesses, and Columbia Asset Management (hereinafter CAM) has started operations after obtaining the necessary permits and licenses.

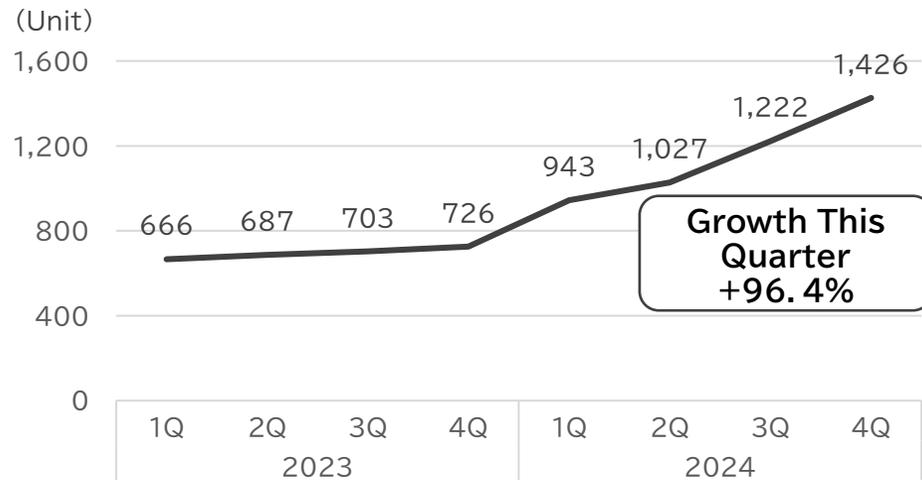


* For the performance growth, the year-on-year sales growth is calculated from consolidated sales.

Performance of Consolidated Subsidiaries (2)

Our consolidated subsidiaries are showing positive trends in KPIs that contribute to business growth.

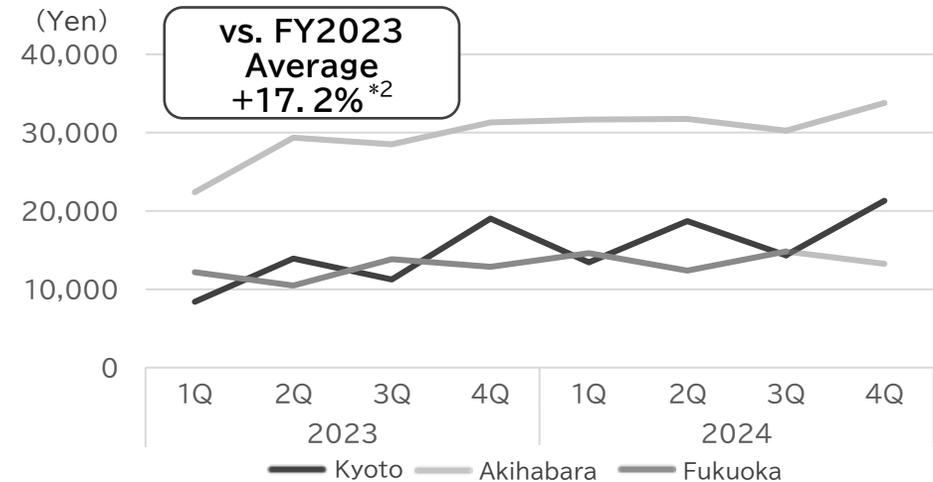
CC's KPI Number of Units under Management



We have been successfully acquiring property management contracts of properties of external clients as well as properties developed and sold by CW, resulting in an increase in the number of units under management.

The growth rate from the beginning to the end of FY2024 is +96.4%.

CHR's KPI Quarterly RevPAR*1



We operate three hotels in Kyoto, Akihabara and Fukuoka. All hotels have shown growth, resulting in an +17.2% year-on-year increase in RevPAR.

We are currently undergoing room expansion renovations at our hotel in Akihabara to further increase revenue.

*1 Revenue Per Available Room (RevPAR) is a performance metric used in hotel operations to measure the revenue generated for each available room. It's calculated by multiplying the average daily rate (ADR) by the occupancy rate.

*2 The growth rate is calculated as the weighted average growth rate across all our entire hotel operations portfolio.

5. FY2025 Earnings Forecast



FY2025 Earnings Forecast

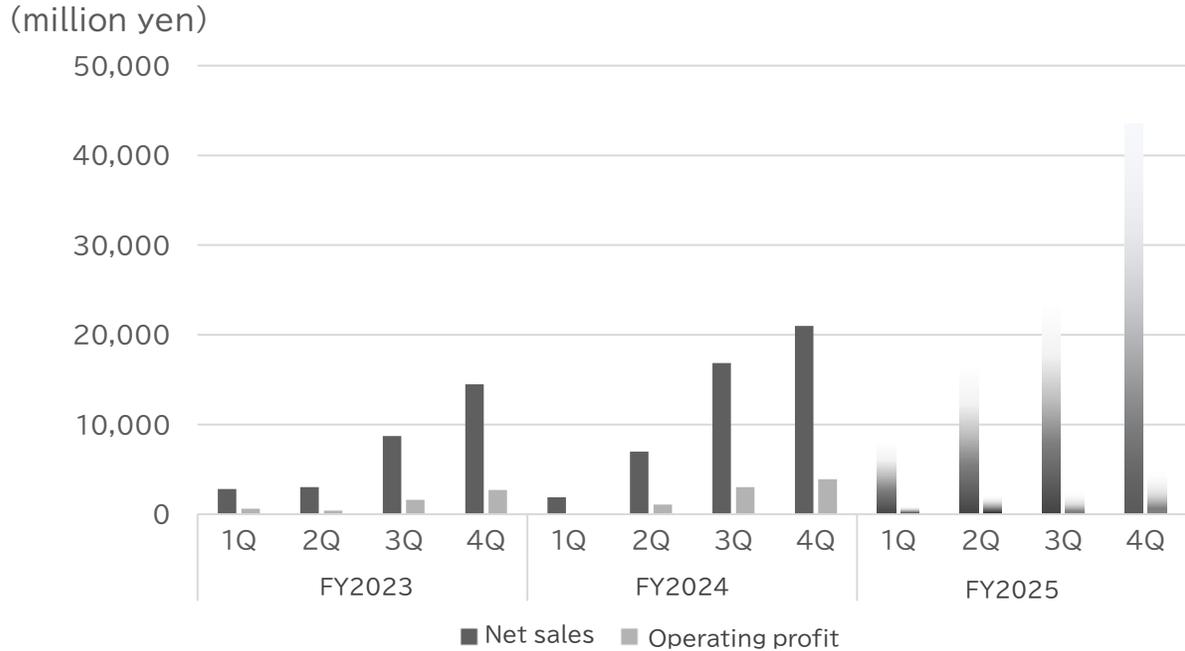
The earnings forecast for FY2025 is as follows:

Unit: Million Yen	FY2024 Actual	FY2025 Budget	Growth
	20,981	39,618	+88.8%
Gross profit	5,673	7,275	+28.2%
Selling, general and administrative expenses	1,780	2,546	+43.0%
Operating profit	3,892	4,729	+21.5%
Operating profit margin	18.6%	11.9%	
Ordinary profit	3,519	4,203	+19.4%
Net profit	2,238	2,750	+22.9%
Net profit margin	10.7%	6.9%	

This report contains forward-looking statements, such as the forecast of consolidated financial results, that reflect our plans and expectations based on the information that we currently have and conditions that we deem reasonable. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. ACS Holdings and Thanks Okinawa are not included in this consolidated earnings forecast as the M&A closing had not yet occurred at the time of the forecast's preparation.

Quarterly Net Sales and Operating Profit

Year-to-date Net Sales and Operating Profit



Unit: Million Yen	FY2023 Actual	FY2024 Actual	FY2025 Budget
Net sales	14,469	20,981	39,618
Operating profit	2,718	3,892	4,729

Note: Quarterly breakdown is not disclosed, and the graph above is for illustrative purposes only.

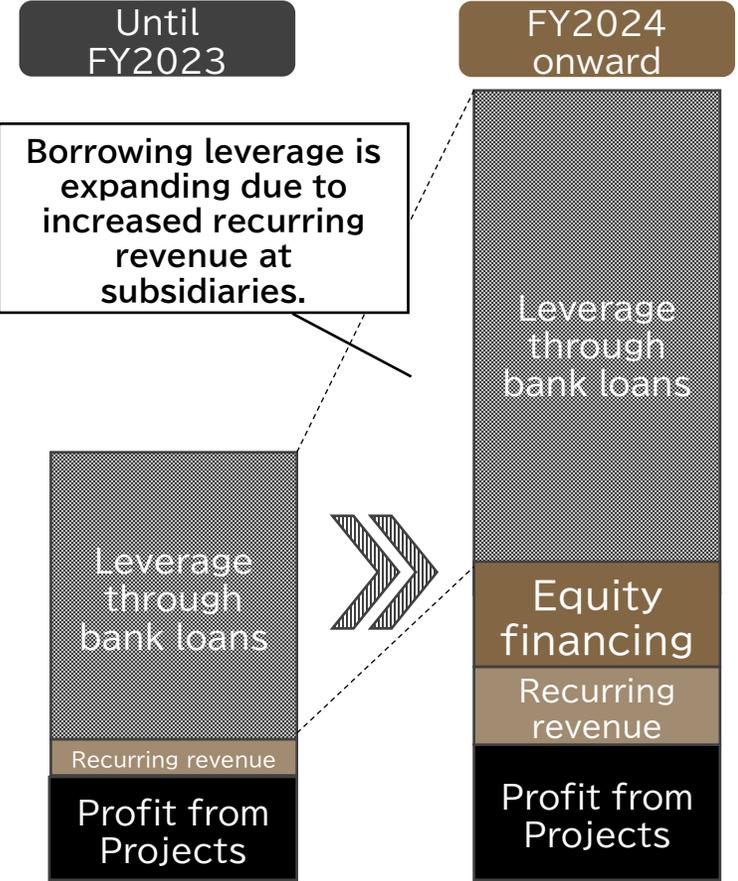
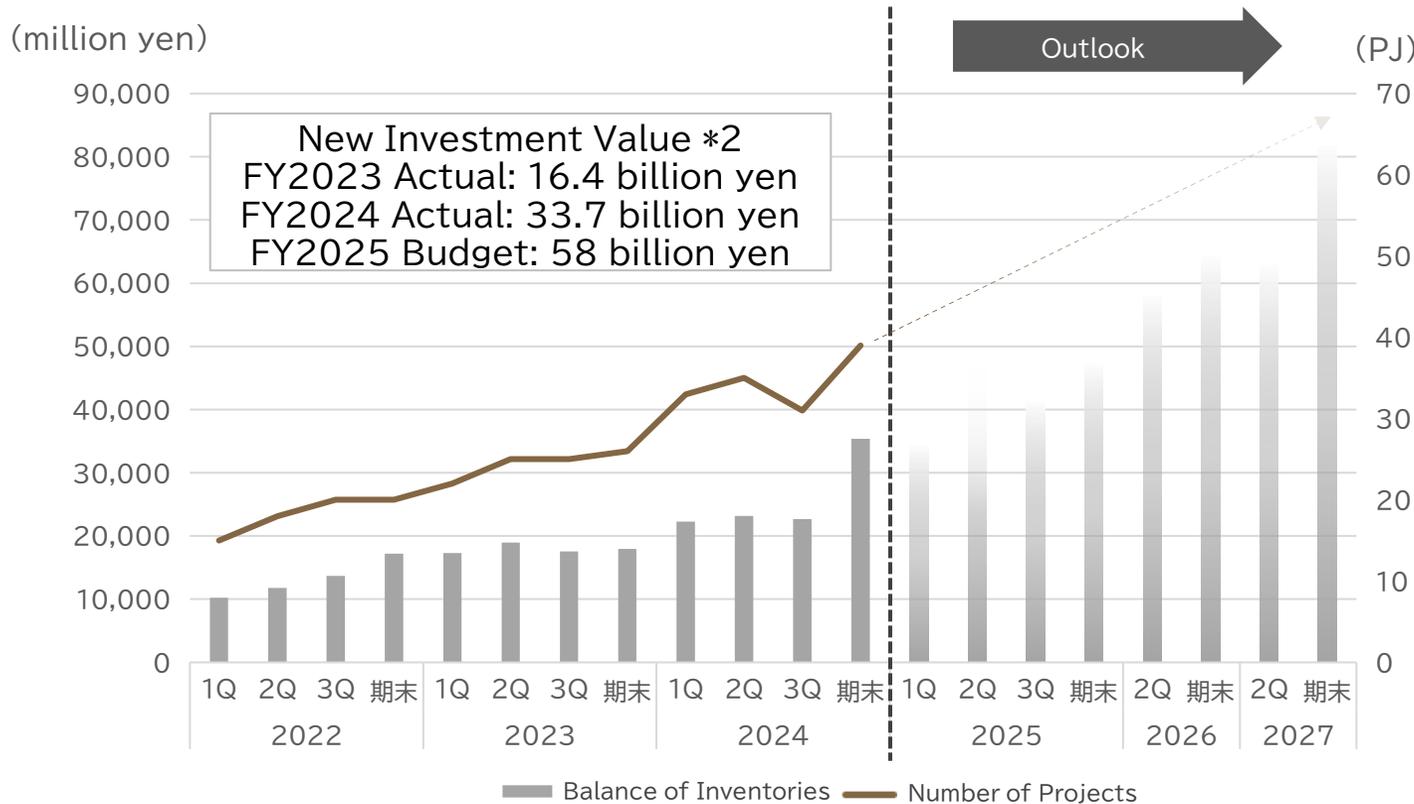
- **Number of Projects Sold**
 - ✓ FY2024 Actual: 16 projects to FY2025 Budget: 22 projects
- **Quarterly Information**
 - ✓ The fourth quarter is expected to see a concentration of sales, with 6 projects planned, including the Minami-Azabu deal.
 - ✓ Nevertheless, the operating profit margin will remain at approximately 10% throughout each quarter.
 - ✓ All planned sales are based on projects for which procurement has been completed.
- **Decline in Profit Margin**
 - Due to changes in the macroeconomic environment, we are shifting towards value-add projects from FY2025 to increase profit scale and hedge risks, which results in a decrease in the profit margin (see page 31 for details).
 - This decision reflects our continued commitment to our established management approach, focusing on increasing profit scale rather than profit margins.
- **Increase in SG&A Expenses**
 - ✓ Increase in costs from M&A
 - ✓ Increased labor costs as a result of hiring staff for growth initiatives
 - ✓ Rise in expenses from system investments for enhancing business efficiency
- Revenue and profit from acquired subsidiaries through M&A are excluded from our current published budget as we haven't gained control yet.

Balance of Inventories

Inventory balances increased due to 'LUMIEC un MINAMIAZABU,' a project acquired in the fourth quarter of FY2024, valued at over 10 billion yen.

Similarly, in FY2025 onward, while quarterly balances will vary based on project execution timing, we will grow by increasing both the number and scale of our projects.

Quarterly Balance of Inventories*1



*1 Inventory balances from FY2025 onward are not disclosed, and the graph above is for illustrative purposes only. *2 New investment values reflect the net purchase amount of investment projects, not factoring in decreases due to sales.

Increase in recurring revenue from real estate management

Alongside the continued growth of CC and CHR, CAM will begin full operations in asset management from FY2025, following the successful acquisition of regulatory approvals for real estate investment advisory and investment advisory businesses.

The growth of real estate management in our subsidiaries creates synergies with our real estate development business.

Strategies at Subsidiaries

1 CAM: Commencement of asset management business
 Revenue = Asset under Management (AUM) x Asset Management Fees

By undertaking asset management of properties developed by CW and other companies, we can synergistically and rapidly grow AUM.

2 CC: Growth in external client acquisition for leasing management services
 Revenue = Units under Management x Administration Fees

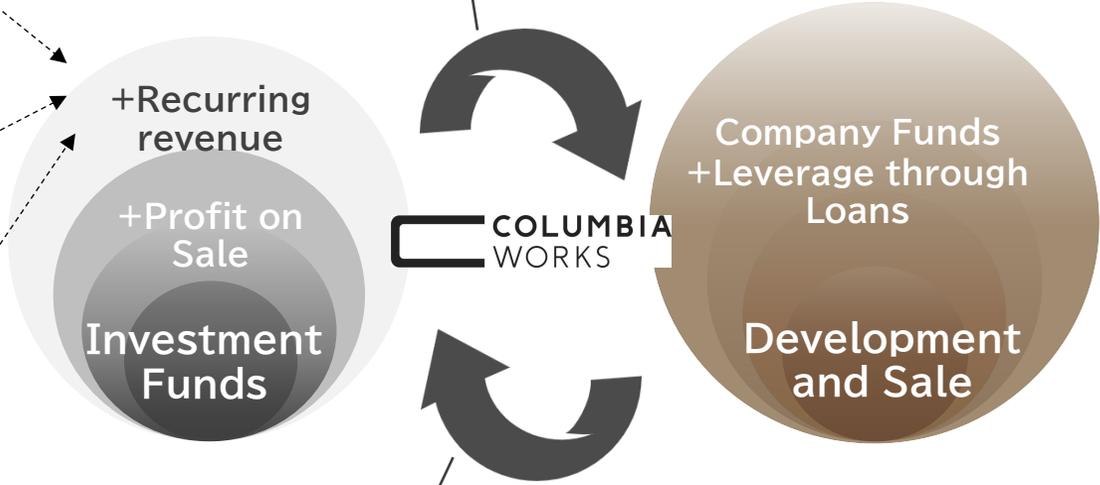
It undertakes new contract representative service and PM/BM services for real estate developed by CW and other companies. FY2025 will see a rise in recurring revenue due to the successful acquisition of significant external projects.

3 CHR: Launch of a new hotel brand
 Revenue = Guest Count x Room Rate

We are planning to develop a new, self-operated hotel brand in Maruyamacho, Shibuya.

Positive Cycle for the Entire Group

Growth in investment capacity from recurring revenue



- Higher returns from larger development projects
- Accelerated buildup of real estate expertise via portfolio expansion

*Property Management' (PM) refers to the business of managing real estate operations on behalf of the owner, while 'Building Management' (BM) refers to maintenance and management operations such as building upkeep.

Summary of M&A deals in Okinawa (1)

On January 23, 2025, we entered into a share transfer agreement with ACS Holdings Inc. (ACS), the holding company of Thanks Okinawa Co., Ltd. (Thanks Okinawa), which develops condominiums and detached houses for sale in Okinawa Prefecture. We intend to fully acquire ACS as a subsidiary on February 28, 2025, and subsequently make Thanks Okinawa, a wholly owned subsidiary (grandchild company).

Schematic Diagram



Company Profile

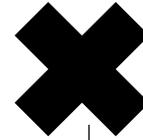
Engaged in real estate development that provides services desired by building users, following the concept of "Hardware" x "Service" (e.g., serviced rental housing or experiential hotels) Currently in the process of developing a resort hotel on Kouri Island, Okinawa Prefecture.

A holding company with 100% ownership of Thanks Okinawa All business operations are conducted by Thanks Okinawa.

Engaged in a wide range of businesses in Okinawa, focusing on the development and sale of our own condominium brand 'Areille' and our new detached house brand 'Orihana Series,' as well as the development and operation of rental apartments for foreigners and real estate brokerage."

Summary of M&A deals in Okinawa (2)

Thanks Okinawa Co., Ltd. handles real estate business from in-house development to sales in Okinawa, and has strong connections with local construction companies and supply chains. CW is undertaking proactive real estate development in Okinawa, with the Kouri Island hotel development as a key project. Synergies between CW's unique development capabilities, enhanced by service integration, and the robust strengths of Thanks Okinawa above will drive our growth.



Business Synergy with Thanks Okinawa
Property acquisition leveraging Thanks Okinawa's local expertise
Property development with enhanced added value by leveraging our planning and design expertise
Reliable construction system based on strong relationships with local contractors of Thanks Okinawa

Kouri Island Hotel Development (Illustrative Image)



Summary of M&A deals in Okinawa (3)

The company profiles are as follows:

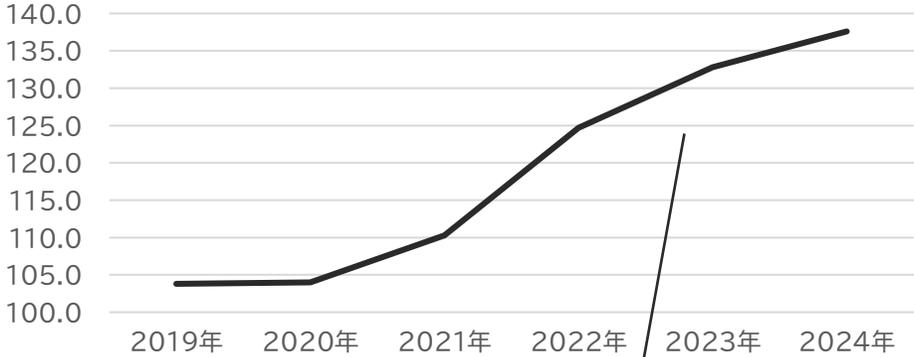


Name	ACS	Thanks Okinawa
Established	23-May-23	23-Mar-09
Share capital	9.5 million yen	10 million yen
Address	Naha, Okinawa	Naha, Okinawa
Recent Operating Results (Thousand yen)	April, 2024	June, 2024
Net sales	-	1,380,993
Operating profit	-	170,402
Ordinary profit	-	271,549
Net profit	△64	195,079
Net assets	1,294,154	1,559,078
Total assets	1,294,154	3,324,162

Portfolio Management by Development Type

Given the escalating construction costs, prolonged construction durations, and rising interest rates, we are pivoting from our in-house development model to a value-add approach that minimizes construction time. In this approach, we purchase completed properties, enhance their value through renovation, rent adjustments, and increased occupancy, then proceed with sales. This will maintain operating profit growth by accelerating cash turnover and increasing profits.

Construction Price Index*1



Despite a slowdown in the escalation of building material prices since 2023, the current economic climate is showing stronger inflationary tendencies. Moreover, the correlating consumer price index is forecasted to sustain a 2% annual increase in 2025 and 2026 *2.

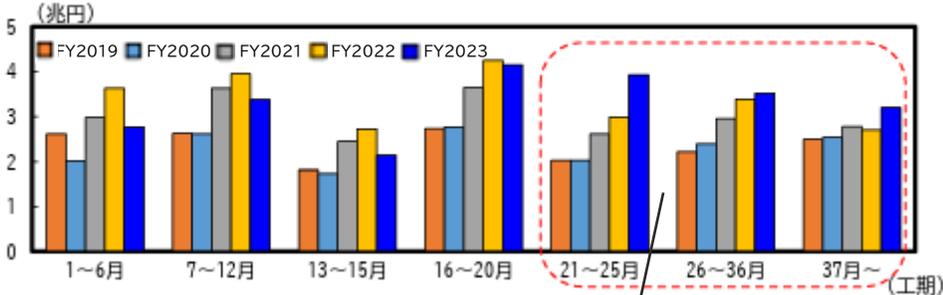


The holding period for our in-house developed projects is typically over 2 years, whereas for value-add projects, it is significantly shorter, ranging from six months to one year. Consequently, we have shifted to a value-add model to hedge against risks such as rising construction material prices and to maintain profit growth through high asset turnover.

*1 We refer to the construction general index of the Construction General Index by Intermediate Classification in Tokyo, with 2015 as 100, published on January 7, 2025, by Construction Research Institute.
 *2 We refer to the figures projected in the 'Outlook for Economic Activity and Prices (October 2024)' published by the Bank of Japan on October 31, 2024.
 *3 We refer to the contract amounts by construction period published in the '建設業の工期長期化と設備投資の動向 (Trends in Construction Period Lengthening and Capital Investment in the Construction Industry)' released by the Cabinet Office of Japan on October 3, 2024.

Prolonged Construction Periods *3

Fig. 6 Private sector construction contracts (contract values by project timeline)



There has been a rise in construction projects with a duration of 21 months or longer since FY2023. Additionally, construction projects with a duration of 21 months or shorter have decreased compared to 2022. This is presumed to be due to factors such as work style reforms, and we anticipate this trend to continue.



6. Medium to Long-term Growth Strategy



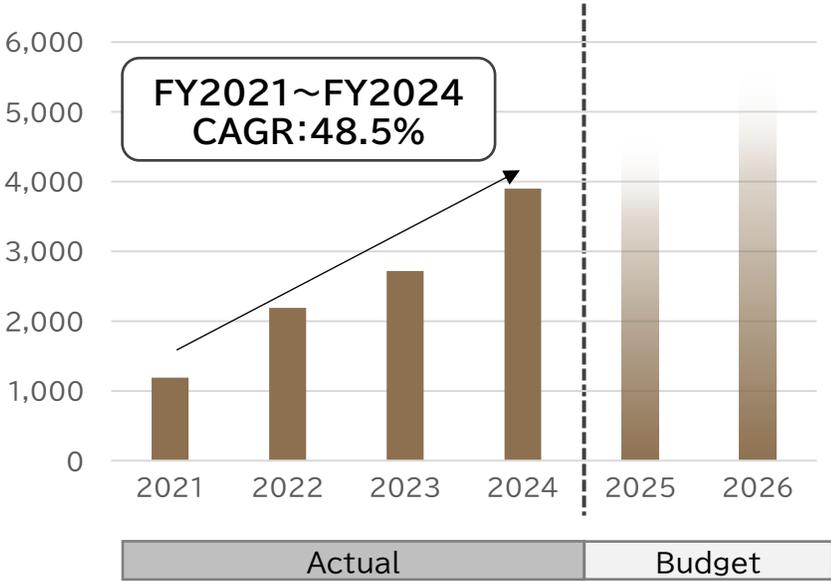
Medium to Long-term Growth Strategy (1) - Target

For effective operating results, we target a stable annual average growth rate of over 20% in operating profit from 2023 to 2026.

For a robust financial position, we target maintaining the above profit growth and achieving over 100 billion yen in assets under management*1 by 2026 as a mid- to long-term management policy. We will also explore opportunities for overseas real estate investment as they arise.

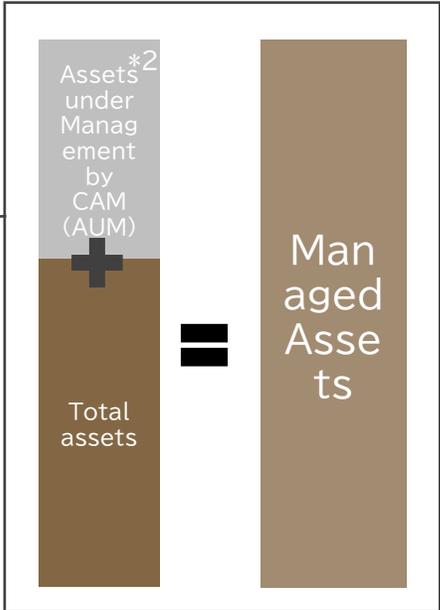
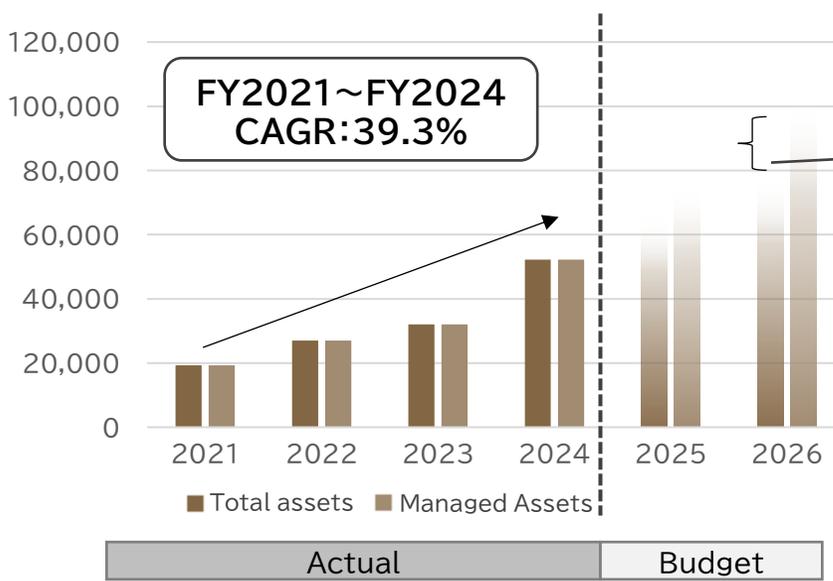
Target for Consolidated Operating Profit

Unit: Million Yen



Target for Consolidated Managed Assets

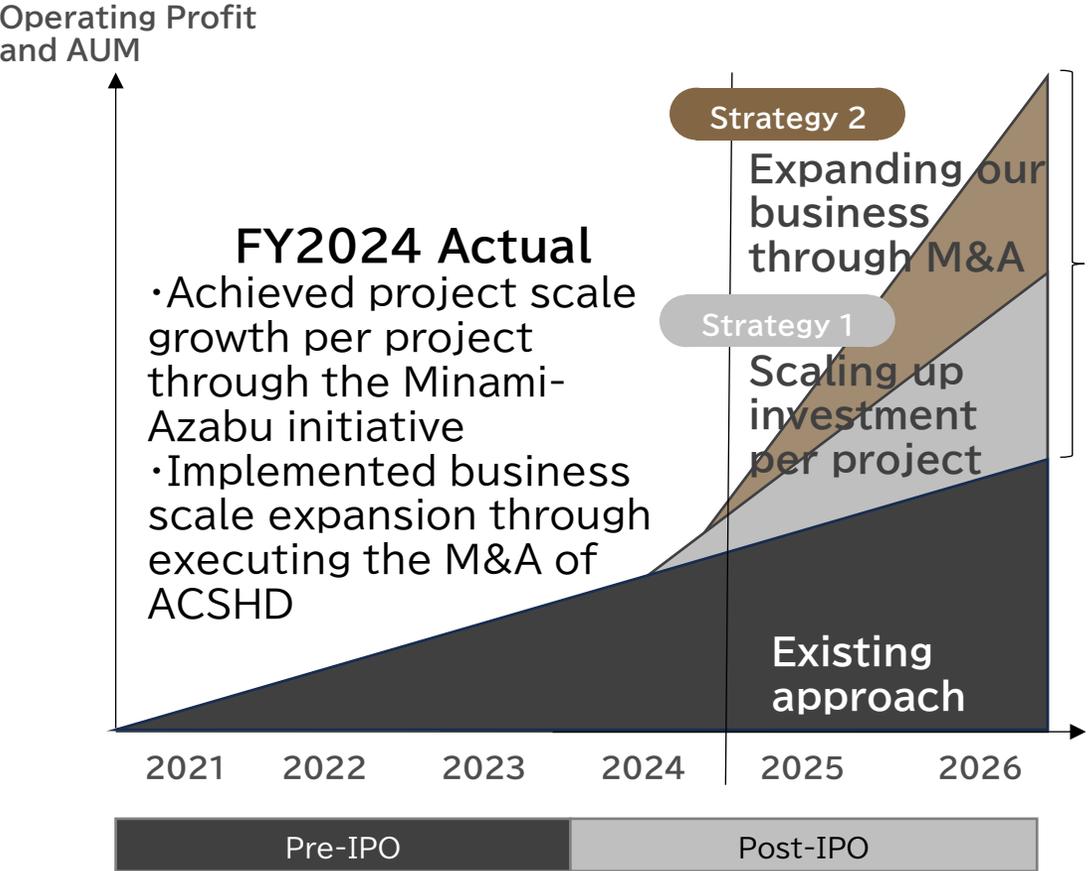
Unit: Million Yen



*1 The term "Managed Assets" here represents our company's metric that combines assets under management by CAM with total assets in the consolidated financial position.
 *2 We can continue to earn recurring revenue by CAM offering management service to our developed properties even after we sell it to external parties. Assets under management by CAM is referred to as AUM here. CAM obtained a license to provide investment advisory and agency services in October 2024 and is now pursuing licenses for Type 2 financial instruments business and investment management.

Medium to Long-term Growth Strategy (2) - Strategy

To achieve growth in operating profit and assets under management, we are focusing on two main strategies: 'scaling up investment per project' and 'expanding our business through M&A'. Alongside these implementations, we are committed to acquiring additional outstanding talent and securing investment capital.



Recruitment and development

【Recruitment】

- New graduate recruitment will remain a cornerstone of our talent acquisition strategy.
 - ▶ Our strength lies in our accumulated expertise in employee development. We can consistently develop the competencies of new hires, regardless of their prior experience.

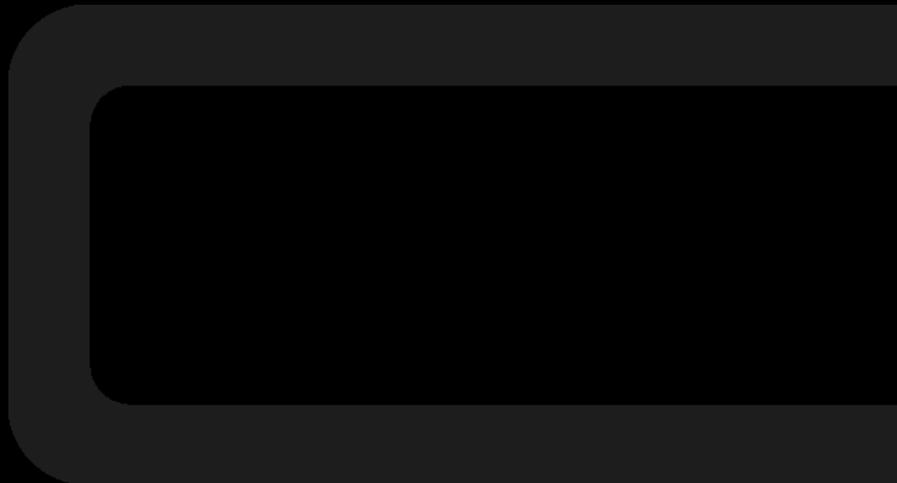
【Development】

- We actively involve personnel in multiple development projects for talent development.
 - ▶ Faster development is achievable through ample opportunities for experience.
- We will accelerate talent development by further enhancing internal and external training programs.

Fundraising

- Funding strategy to drive non-linear growth via significant real estate projects and M&A
- Aiming to mitigate risks from a tightening financial market, we intend to elevate our equity ratio to about 25%
- We will strategically execute debt and equity financing in line with our growth strategy.
- We will explore new financing schemes and secure diverse funding sources

7. Appendix.



MESSAGE - Corporate Philosophy

Columbia Works Inc. was founded with the goal of providing a space where people can live their best lives.

To make each person's life shine, buildings and services that create such spaces are essential. Unfortunately, many of buildings today are built solely for profit, lacking a unique concept.

Departing from the prevailing profit-driven mindset, we will pursue urban development that integrates buildings and services, where buildings are designed to meet the specific needs and desires of users.

Chief Executive Officer **Hitoshi Nakauchi**



Management Policy

- Tackle social challenges
- Offer a variety of lifestyles
- Develop properties where a service delivers maximum value

Investment Highlights

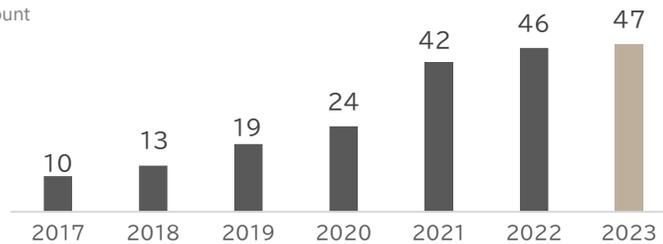
- User-centric property development / Robust procurement and sales network
- Strong sales and ordinary profit growth
- Accelerated growth and AUM expansion facilitated by off-balance sheet securitization

Company Profile

Name	Columbia Works Inc.
Chief Executive Officer	Hitoshi Nakauchi
Address	Shibuya AXSH 9F, 2-17-1 Shibuya, Shibuya-ku, Tokyo, Japan
Established	May 14, 2013
Accounting Period	January to December
Share capital	1,365 million yen (As of March 31, 2024)
Business Field	Real Estate Development / Real Estate Leasing Management / Hotel Operations / Asset Management
Subsidiaries	Columbia Community Inc. Columbia Hotel & Resorts Inc. Columbia Asset Management Inc.

Number of Employees

Head count



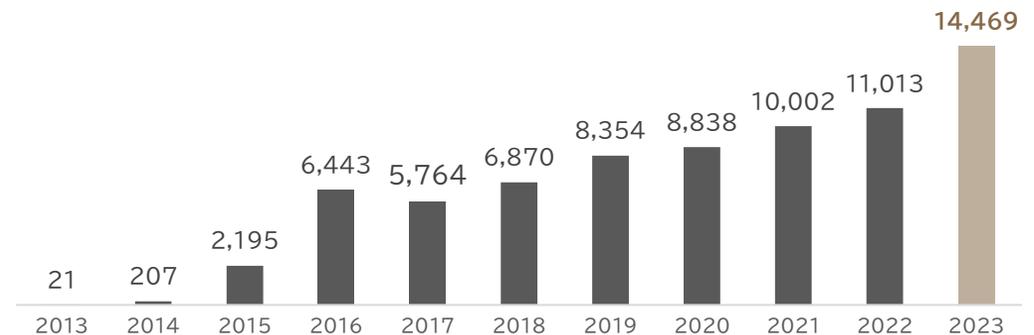
Note: The number of employees as of the end of the fiscal year is based on a standalone basis until 2020 and on a consolidated basis from 2021 onwards.

Company History

- May 2013 Established
- August 2013 Started a real estate development service
- August 2014 Established JAC Community (a consolidated subsidiary now known as Columbia Community Inc.) and started providing real estate leasing management service
- January 2018 Established Columbia Hotel & Resorts as a consolidated subsidiary and started hotel operation service
- July 2021 JAC Community Inc. rebranded as Columbia Community
- April 2023 Established Columbia Asset Management Inc. as a consolidated subsidiary
- March 2023 Listed on the Tokyo Stock Exchange Standard Market

Net Sales

Millions of yen



Note: Our financial statements are prepared on a consolidated basis starting from the fiscal year 2021. Prior to that, they were prepared on a standalone basis and not audited.



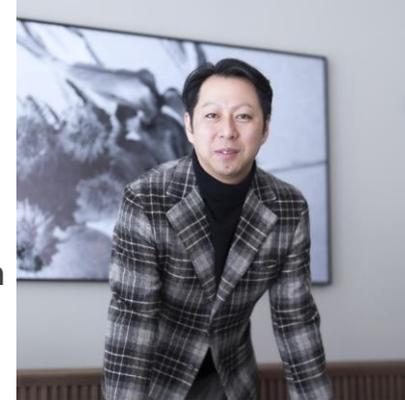
Chief Executive Officer
Hitoshi Nakauchi

Having started his career in condominium development at Meiwa Estate Co., Ltd., Nakauchi joined Orix Corporation in 2024 and played a key role in various real estate development projects including high-rise condominiums, later transitioned to real estate asset evaluation. Leveraging his extensive experience in real estate development and finance, Nakauchi founded Columbia Works Inc. in 2013.



Chief Financial Officer
Naoya Mizuyama

Having started his career at Orix Corporation, Mizuyama developed expertise in commercial facility development. He expanded his expertise into real estate finance by working on the securitization of rental income from commercial properties. This experience, coupled with his qualifications as a first-class architect and security analysis, led Mizuyama to co-found Columbia Works Inc. with Nakauchi in 2013. As a CFO, he leverages his deep understanding of both real estate development and finance.



Director
Tsuyoshi Uozumi

Uozumi began his career at Mori Trust Co., Ltd., where he was involved in the acquisition and planning of large-scale mixed-use development sites. Subsequently, he joined Hulich Co., Ltd. and gained extensive experience in project management for a variety of developments, including commercial facilities, hotels, office buildings, and nursing homes. This experience, with his first-class architect qualification, led Uozumi to join us in 2019. Since then, he has played a key role in various development projects and was appointed as a director in 2023.

Outside Director
Manabu Omata

Omata is a chief executive officer at PRIME HOME,inc. Since joining us as an independent director in 2021, he has applied his extensive experience in the real estate industry and his knowledge gained from angel investing in various ventures, particularly in the real estate sector, to our company's management.

Director (Audit and Supervisory Committee Member)
Toru Iwamoto

Iwamoto, with a 35-year career at Dai-Ichi Bank (now Mizuho Bank), joined Seiwa Building Co., Ltd. as an executive officer and was subsequently appointed as an auditor in 2020. Since 2022, he has served as our director (audit and supervisory committee member).

Outside Director (Audit and Supervisory Committee Member)
Takahiko Oba

Oba is a chief executive officer at Tetra Works Inc. He joined us as an auditor in 2021 and subsequently as a director (audit and supervisory committee member) in 2021. With his background at Deloitte Touche Tohmatsu LLC and experience as an independent director for various companies, combined with his accounting expertise as a certified public accountant, Oba brings valuable insights to our company's management.

Outside Director (Audit and Supervisory Committee Member)
Nozomu Takashima

Takashima is a lawyer at Nagashima, Ohno & Tsunematsu Law Firm. He joined us as an auditor in 2021 and subsequently as a director (audit and supervisory committee member) in 2021. With a background in a U.S. law firm and a secondment to Mitsubishi Corporation's legal department, Takashima provides invaluable legal expertise to our company.

Our Development Methodology

We are committed to securing steady profit growth by managing our projects with a blend of our strong planning skills and development approaches that align with the current business landscape. To enhance management control, we have refined our classification of in-house, fund-based, and solution-based development types, previously used in our explanatory materials, into more granular categories.

	In-house Development	Fund-based Development	Partnership Development
Development Project	Scheme to develop new real estate as assets on CW's balance sheet (in-house development)*	Scheme for developing new real estate within a real estate fund through fund formation (fund-based development)*	Scheme for conducting real estate development in partnership with other companies after purchasing land (solution-based development)*
Value-add Project	Scheme to value-add existing buildings using our expertise (solution-based development)*	Scheme to value-add existing buildings through fund formation within a real estate fund (fund-based development)*	Scheme to value-add existing buildings in partnership with other companies after purchase land (solution-based development)*

*The terms in parentheses indicate the classifications of development types used in previous explanatory materials.

Example (1) Development Project (In-house)

Strategies

- We acquire land and undertake a property development while keeping it as our asset in the balance sheet.
- Through our value-added service to improve the quality of life, tailored to the specific characteristics of the area, we aim to differentiate our properties, maintain premium rental rates, and ultimately realize a successful sale to institutional investors such as funds.
- We offer a "lifestyle proposal" that seamlessly connects "living, working, and playing", encouraging our customers to use our services consistently.
- We will promote Build-to-Suit (BTS) developments.

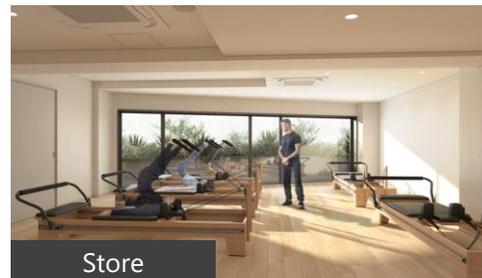
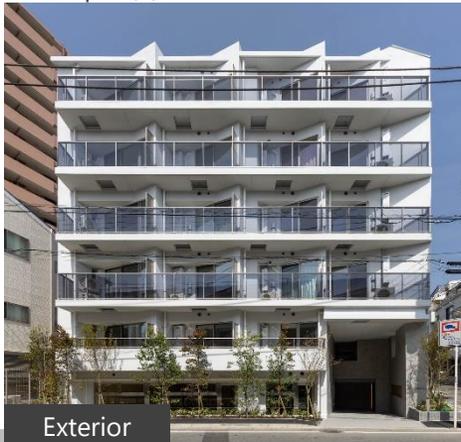
Action Plan

- We will drive the development of residential properties aligned with our fundamental concept of "Hardware" x "Service".

Examples

- Example (1) Planning of adding a Pilates studio for residents to an apartment
- Example (2) Planning and development of a student apartment, partnering with Mainichi Comnet Co., Ltd., a leading company in BTS student apartment operations.

Example (1)



Property Name	LUMIEC HONCHO WEST
Address	3, 18, Honcho, Itabashi-ku, Tokyo
Units	30 units (including 1 commercial unit)
Use of Property	Store and Apartment
Completion of Construction	March 2023
Features	It's an apartment where residents can access to Pilates lessons. The residents can promote their well-being with the complimentary access to three group Pilates classes in a month. Each room is furnished with a monitor and Pilates mat. In addition, "LUMIEC HONCHO EAST", located within a 3-minute walk, was completed in February 2024 and is now available for use.

Example (2) Development Project (Fund-based)

Strategies

- We acquire land, make a development plan, complete various construction preparations, and sell it to SPC.
- Through the use of SPC, we aim to enhance our capital efficiency, optimize our financial positions, and maximize overall company profitability rather than focusing on the profitability of individual projects.
- To form a stable funds, we target cash-rich enterprises and affluent individuals as an equity partner.
- We will sell properties to SPC of which CAM will assume the asset management role. This will not only secure a stable sales channel but also expand revenue opportunities for our group from asset management services.

Action Plan

- We will actively explore debt and equity financing sources to form a SPC.
- CAM will acquire the required regulatory approvals to engage in asset management.

Examples

- Example (1) Development of a small luxury hotel in Okinawa
- Example (2) Development of a hotel featuring hot springs in Hakone Sengokuhara

Example (1)



Kouri Island



Property Name	Kouri Island Hotel Development Plan
Address	1912, Kouri Michinoshitahara, Nakijin-son, Kunigami-gun, Okinawa
Use of Property	Accommodation
Scheduled Completion	Winter 2026
Features	<p>This is a development of a small luxury hotel on Kouri Island, accessible by bridge from Okinawa Island.</p> <p>A large-scale entertainment facility called "JUNGLIA" is under development in northern Okinawa and is expected to open in July, 2025. Kouri Island is expected to attract a significant number of domestic and international visitors in the future.</p> <p>We are planning to form a strategic relationship with a well-known hotel operating company in the region.</p>

Example (3) Value-up Project (In-house)

Strategies

- We acquire land (sometimes including buildings), enhance its value through renovations, etc., and sell it to investors.
- In cases where incorporating a development plan or other business scheme allows for substantial profits from selling the land as a site to be developed, we will sell the land without developing it ourselves, prioritizing investment efficiency.
- We will actively pursue value enhancement projects through renovation of existing properties. It mitigates development risks such as rising construction costs and extended construction periods, and ensures more stable business operations.

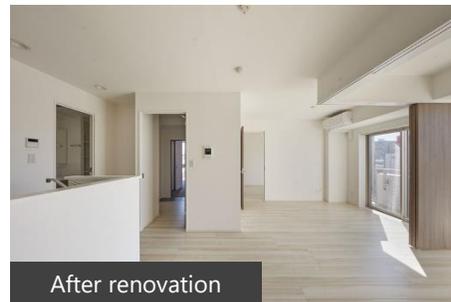
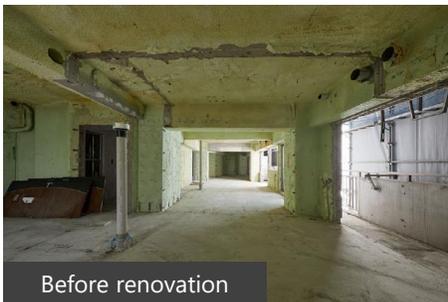
Action Plan

- We will acquire undervalued properties or the ones with potential for further rent increases and subsequently enhance the value.

Examples

- Example (1) Conversion of a hotel in Negishi, Taito-ku into a rental apartment, with plans to fully renovate all units to enhance the property's value
- Example (2) Sale of a property in Sangenjaya to a railway company after securing a building permit and executing a contraction contract with a general contractor aligned with our service plan

Example (1)



Property Name	LUMIEC NEGISHI
Address	12-10, Negishi Nichome, Taito, Tokyo
Units	22 units (Whole building fully renovated)
Use of Property	Residence
Scheduled Sales	March 2024
Features	We have converted a hotel into a rental apartment building, and completed a full renovation of all units and common areas. To complement the current trends and the classic charm of Negishi, we have selected natural-toned materials for the room's fixtures and flooring. This choice creates a warm and inviting ambiance.

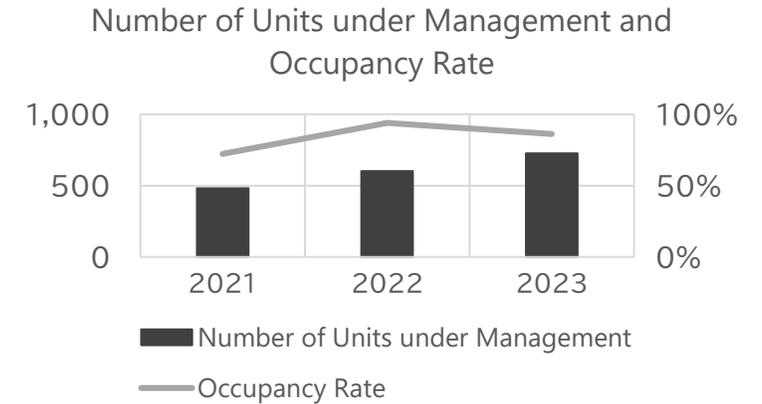
Real Estate Leasing Management

【Strategies】

- We will leverage group synergy and expand our leasing management business for new properties including pipelines of Columbia Works. Additionally, by applying our expertise in high-value-added leasing management, we aim to increase the number of units we manage in existing properties and ultimately improve our profitability.
※As of the end of FY2024, the number of units we manage is 1,426 units.

【Action Plan】

- We guarantee the maintenance of service quality by continuing leasing management for projects developed by CW, even after sale.
- We will maintain high occupancy rate through the intensification of our leasing efforts.
- We seek to cultivate deeper relationships with funds to secure additional property management business, extending the coverage beyond properties sold by CW.



Note: The figures here are as of the end of each fiscal year.



Guest Room of "Art Hotel"

Hotel Operations

【Strategies】

- Building on Columbia Works' expertise in area marketing, we operate hotels that provide distinctive experiences such as "staying in a work of art", tailored to the specific characteristics of each region. We aim to differentiate ourselves from competitors and achieve stable room rates and occupancy rates.
※As of the end of FY2024, the number of hotels we own and operate is 3.

【Action Plan】

- We will execute a targeted PR to effectively attract overseas tourists.
- We aim to further increase sales through the new hotel opening.

Overview and Pipeline of New Residential Brand "LUMIEC un"

We have launched a new brand to focus on high-return solution/fund-based development projects. We have acquired 6 properties and have 4 properties under contract as of the end of FY2024. We will continue to build our pipeline sequentially from the next quarter onwards.

Brand Logo



Brand Concept

"LUMIEC un" is a spin-off of our "LUMIEC" brand, specializing in new renovation-type rental residences. The "un" stands for "unite," reflecting our focus on adding value to existing properties and partnering with other developers.

By expanding our development expertise, which focuses on fulfilling customers' needs, to collaborative projects with other companies, we will secure a wider pipeline and provide higher value rental residences to society.

Acquired Properties

Property Name	Address
LUMIEC un HONGO	Hongo 1 Chome, Bunkyo-ku
LUMIEC un TOYOCHO	Toyo 5 Chome, Koto-ku
LUMIEC un SENDAGI	Sendagi 4 Chome, Bunkyo-ku
LUMIEC un MINAMIAZABU	Minami-azabu 3 Chome, Minato-ku
LUMIEC un SAKURASHINMACHI NORTH	Setagaya 1 Chome, Setagaya-ku
LUMIEC un MEGURO	Meguro 1 Chome, Meguro-ku

Properties under Contract

Property Name	Address
Yoyogi-uehara	Yoyogi-uehara 2 Chome, Shibuya-ku
Kagurazaka	Haraikata-machi, Shinjuku-ku
Sasazuka	Sasazuka 1 Chome, Shibuya-ku
Iriya	Kita-Ueno 2 Chome, Taito-ku

(Ref.) Rendering of "LUMIEC un"



*This rendering depicts the completed LUMIEC un SAKURASHINMACHI.

While our core business is real estate development, we established Columbia Asset Management Inc. last year to secure stable future revenue through asset management services. Additionally, we listed on the Tokyo Stock Exchange Standard Market in March 2024 to ensure flexible funding for our sustainable growth.

We will continue to pursue initiatives for ambitious growth targets.

We recognize the importance of contributing to a stable share price. We aim to ultimately contribute to it through the acceleration of our business growth and generate profits, by leveraging the proceeds from our IPO for large-scale development projects. In light of the current real estate market dynamics and our cash flow position, however, we believe that a balanced approach including shareholder returns is imperative to ensure our continued financial flexibility and future growth initiatives.

Given the aforementioned factors, we plan to continue shareholder returns aiming for dividend payout ratio of 15% to 20%, rather than focusing on the dividend amount.

Although we may need to modify our shareholder return and dividend policies in response to fluctuations in the capital markets and real estate market, we remain committed to acting in the best interests of our shareholders.

The materials and information presented in this document include forward-looking statements.

These statements are based on current expectations, forecasts and assumptions and are subject to risks and uncertainties. Actual results may differ materially from those expressed.

Also, these risks and uncertainties include general industry and market conditions as well as domestic and international economic factors such as interest rates and foreign exchange rates.

We are under no obligation to update or revise any forward-looking statements in this document, whether as a result of new information, future events or otherwise.

This document is for information purpose only and does not constitute an offer or solicitation to buy or sell any securities.

■ Columbia Works Inc.
<https://columbiaworks.jp/>