COLUMBIA WORKS

Presentation Materials of Q3 FY2026 Financial Results



Largely flat YoY on the rebound from prior-year large-scale properties.
Property gross profit beat plan despite rising rates; Q4 sales on track with plan.

Columbiaworks Inc. (TSE Standard 146A)

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01

Q3 FY2026 Financial Results

Q3 Results

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Operations Business Growth Lifts Gross Margin

(¥mn, YoY)

Net Sales	Gross profit	Operating profit	Net income
29,528	7,043	4,749	2,575
+2.9%	+4.3%	▲2.9%	▲13.9%

①vs. Prior Year

Details P5 ▸

Largely Flat

Net sales **+2.9%** Operating profit **▲2.9%**

②Operations Growth

Details P15-19 ▸

GP **+45.2%**

Units under mgmt **Above target**

③Gross Margin Up

GP margin **+0.3pt**

Gross margin improved with growth of the operations business

Full-year forecast remains Q4-weighted, unchanged from the Q2 outlook

Operating profit ¥7.6bn

(initial forecast maintained; +26.1% YoY)

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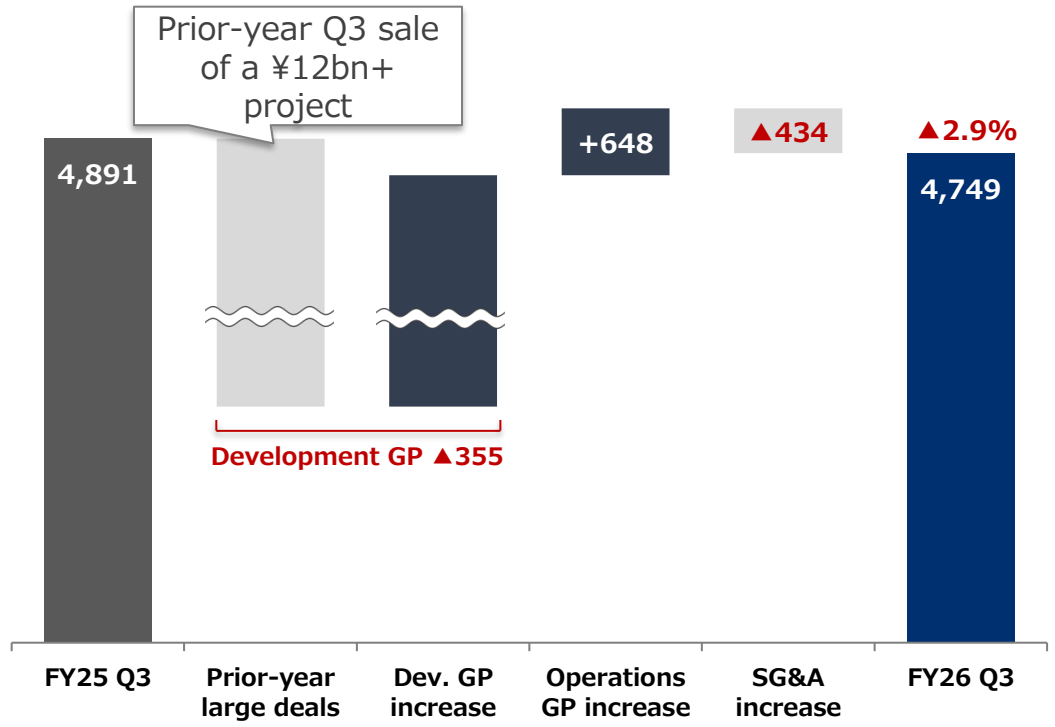
Largely flat due to large prior-year projects

Development sales and operations growth largely absorbed the prior-year rebound

	FY2025 Q3	FY2026 Q3	Change
Net Sales	28,700	**29,528**	**+828** +2.9%
Gross profit	6,750	**7,043**	**+293** +4.3%
Development GP	5,317	**4,962**	**▲355** ▲6.7%
Operations GP	1,433	**2,081**	**+648** +45.2%
GP margin	23.5%	**23.9%**	**+0.3pt**
SG&A expenses	1,858	**2,293**	**+434** +23.4%
Operating profit	4,891	**4,749**	**▲142** ▲2.9%

(¥mn; lower figures show YoY change)

① YoY operating profit change factors



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Properties Sold in Q3

Four properties delivered in Q3; Arakawa was acquired and sold to a fund in Q3



Nishi-Waseda, Shinjuku-ku
In-house / Real Estate Dev.



Sasazuka, Shibuya-ku
In-house / Renovation



Arakawa, Arakawa-ku
Fund-backed / Renovation



Kita-Ueno, Taito-ku
Partnership development

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02

Progress vs. Initial Plan and Q4 Outlook

Progress vs. Plan & Q4 Outlook

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Behind plan due to properties rescheduled in Q2

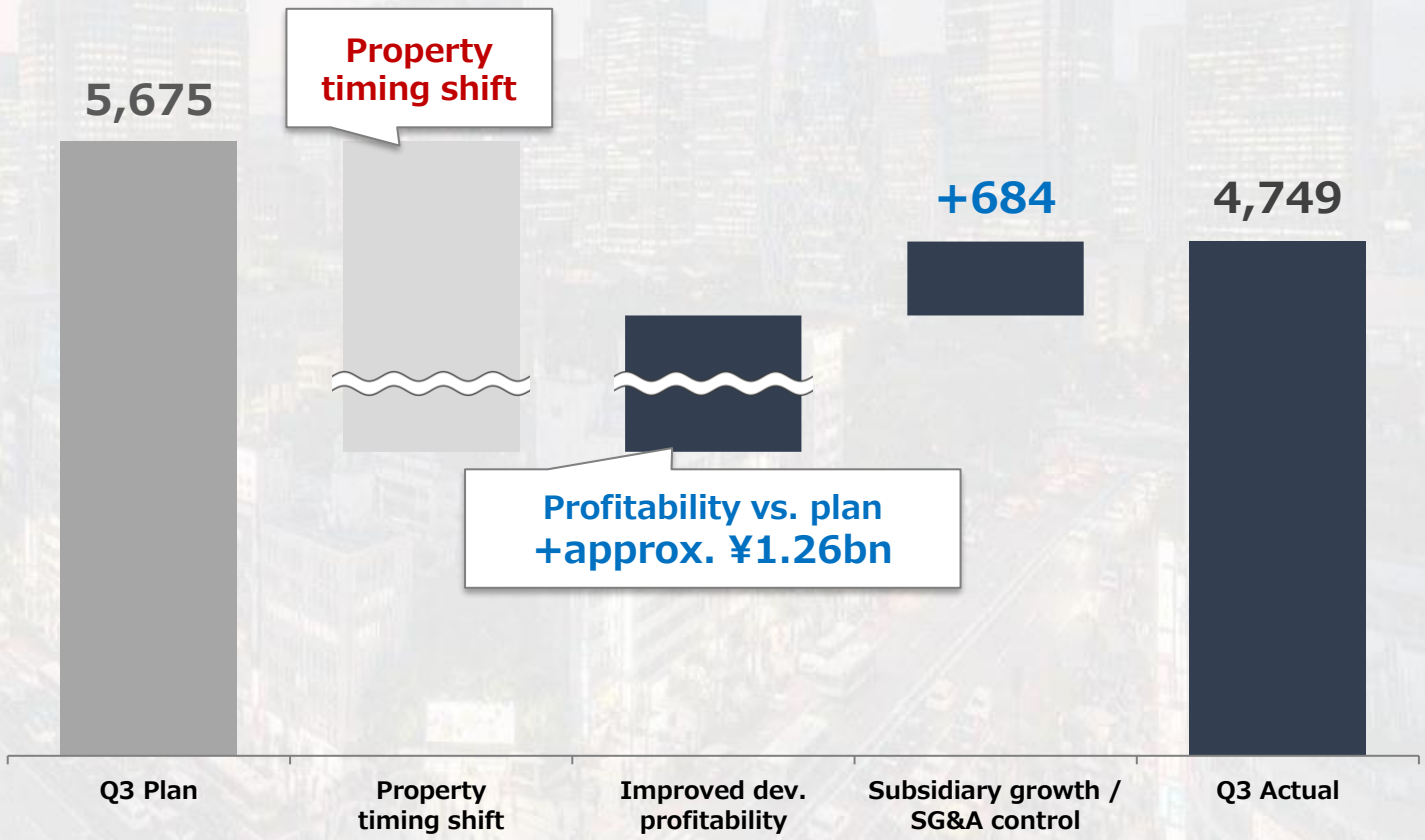
Excluding the property timing shift, performance is ahead of plan

■ vs. initial plan (¥mn)

	Plan	Actual	% of plan
Net Sales	36,302	29,528	81.3%
Gross profit	8,575	7,043	82.1%
GP margin	23.6%	23.9%	+0.3pt
SG&A expenses	2,900	2,293	79.1%
Operating profit	5,675	4,749	83.7%

Operating profit vs. plan ▲925 (83.7%)

■ Operating profit variance from plan (¥mn)



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* Wavy-line sections omitted for the two development items (illustrative)

Why Delivered-Property Margins Beat the Initial Plan

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Developed below planned cost and sold at higher prices, so profitability is ahead of plan

vs. Plan (GP)

+approx. ¥1.26bn

Property gross profit above plan

=

Selling Price

+¥0.41bn approx.

- Value-add strategy
- Leasing that delivers rent increases

+

Cost Control

+¥0.85bn approx.

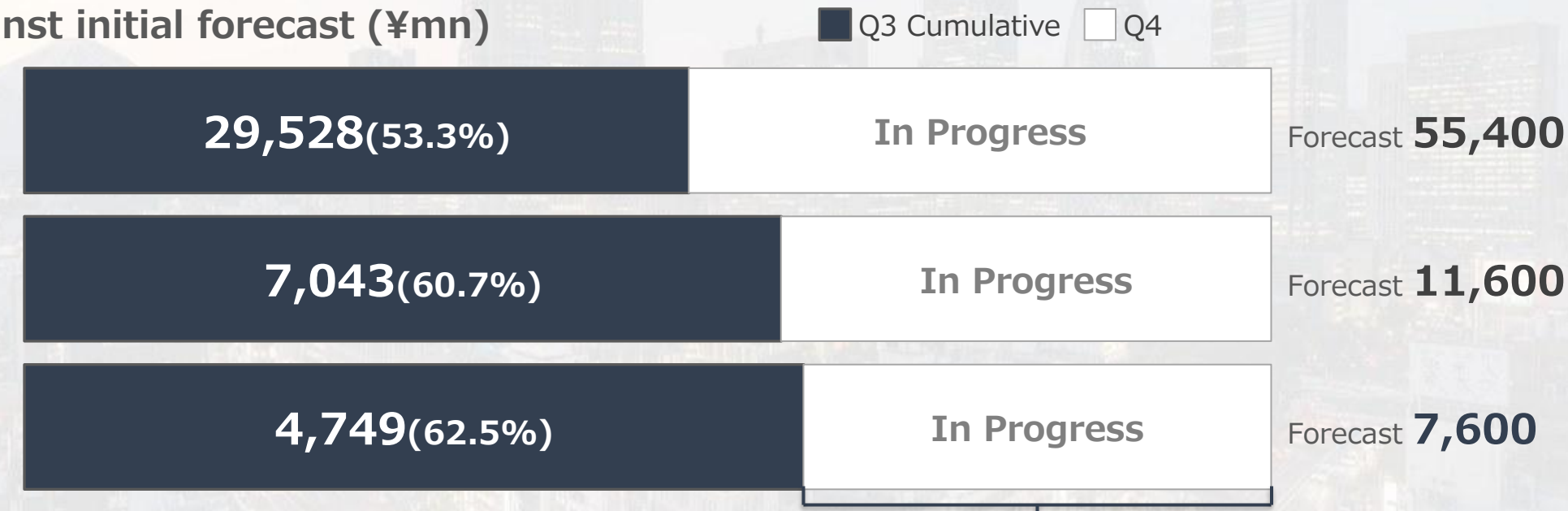
- Conservative estimates amid rising costs
- Development costs kept below plan

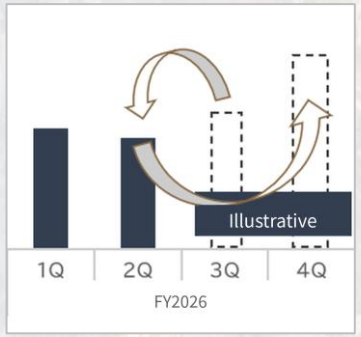
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In line with Q2 outlook; deliveries focused in Q4

Properties planned for Q4 also progressing steadily

Progress against initial forecast (¥mn)





Full-year forecast maintained at initially announced figures

Plan to concentrate deliveries in Q4 unchanged since Q2

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03 Purchases for Growth from Next Fiscal Year Onward

Purchases & Next Fiscal Year

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Properties Acquired in Q3

Two properties purchased in Q3; Shimo-Ochiai to be extended to raise its value

Sold to a fund in Q3



Arakawa, Arakawa-ku
Fund-backed / Renovation

Plan to extend adjacent to the existing building (7 floors above ground)



Shimo-Ochiai, Shinjuku-ku
In-house / Renovation

Extension Image



Project Overview

Item	Existing building	Extension (planned)
Use	Retail / Residential	Residential
Structure	Reinforced concrete	TBD
Scale	6 floors above ground	7 floors above ground
Units	1 retail unit + 28 residential units	4 units
Total floor area	**1,348.85㎡**	**300.95㎡**

Note: The rendering is an artist's impression of the completed project and may differ from the actual building. The orange area is an illustration indicating the location of the extension. Plan details are subject to change.

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2 acquisitions in Q3; investment and pipeline grew

New investment up 60% YoY; 4 deals of just under ¥20bn pending settlement

■ Q3 cumulative (YoY)

New investment



+60.3%

Over 90% of FY2025 total

Properties acquired



+36.4%

Inventories



+69.2%

■ Expanded pipeline

Contracted, Pending Settlement

4 properties, just under

¥20bn

Settlement scheduled for Q1 FY2027

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04 Stock-type Earnings and Group Companies

Stock Income & Group Companies

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Group Companies: AM, rental mgmt. beat plan

Operations gross profit up 45.2% YoY, covering approx. 90% of SG&A

(¥mn, YoY)

Medium-Term Management Plan: Stock-type operating profit ¥523mn → ¥3,200mn (2026→2030, approx. 6x)

Asset Management
Columbia Asset Management

Sales (Q3 cumulative actual)

528

+64.6%

FY2026 Forecast

700

Progress rate 75.4%

AUM (End of Q3)

¥78.6bn

Expanding toward year-end target of ¥100bn

Rental Management
Columbia Community

Sales (Q3 cumulative actual)

683

+67.8%

FY2026 Forecast

600

Progress rate 113.8%

Units under management (end of Q3)

4,151 units

Exceeded full-year target of 3,500 units

Hotel Operations
Columbia Hotels & Resorts

Sales (Q3 cumulative actual)

171

▲19.7%

FY2026 Forecast

276

Progress rate 62.0%

RevPAR (Q3 Cumulative)

¥15,590

Akihabara opening confirmed for December

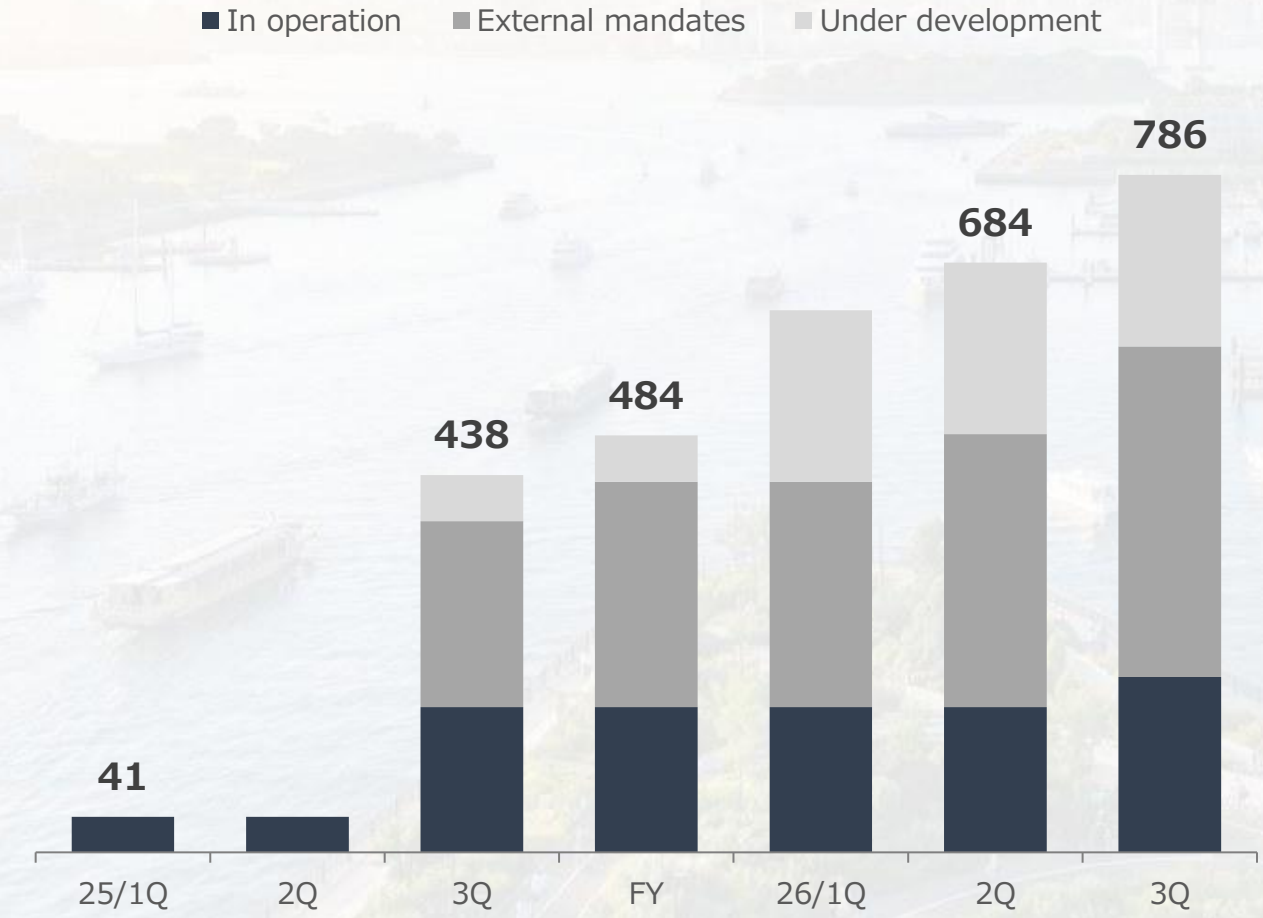
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* Sales are non-consolidated figures for each subsidiary (including intra-group transactions; do not match consolidated figures). YoY comparison is against FY2025 Q3 cumulative
* Operations gross profit is consolidated (Real Estate Operations Business). Medium-Term Management Plan target is operating profit for FY2030

Columbia Asset Management: AUM Up to ¥78.6bn

AUM growing toward ¥100bn year-end target; AM sales (non-consolidated) +64.6% YoY

AUM (¥100mn)



Sales (non-consolidated, Q3 cumulative)

¥528mn

+64.6% YoY

(prior-year period: ¥321mn)

FY2026 Forecast	**¥700mn** (progress rate 75.4%)
AUM year-end target	**¥100bn**
Q3	**External mandates won**

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* Sales are non-consolidated figures for each subsidiary (including intra-group transactions; do not match consolidated figures). YoY comparison is against FY2025 Q3 cumulative

Columbia Community: 4,151 Units, Above Target

Large external mandates won on the Company's rent-increase track record; +794 units QoQ

Units under management (units)



Sales (Q3 cumulative)

¥683mn

+67.8% YoY

(prior-year period: ¥407mn)

FY2026 Forecast	**¥600mn** (progress rate 113.8%)
Full-year target	**3,500 units** (+1,542 units YoY)
QoQ	**+794 units**

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* Sales are non-consolidated figures for the subsidiary (including intra-group transactions; do not match consolidated figures). YoY comparison is against FY2025 Q3 cumulative

Hotels: Akihabara in Dec., Maruyamacho in 2028

Q3 cumulative revenue down mainly due to closure for Akihabara rebranding

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Akihabara Hotel: Opening in December after rebranding





Shibuya Maruyamacho Hotel: Opening planned for 2028





Sales (Q3 cumulative)

¥171mn

▲19.7% YoY

(prior-year period: ¥213mn)

FY2026 Forecast	**¥276mn** (progress rate 62.0%)
Akihabara	**December Opening Confirmed**
RevPAR	**¥15,590**

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* Sales are non-consolidated figures for the subsidiary (including intra-group transactions; do not match consolidated figures). YoY comparison is against FY2025 Q3 cumulative.
Maruyamacho image is illustrative

Thanks Okinawa: Q4 Deliveries; Full-Year Plan Intact

Okinawa housing demand stays strong; high-net-worth business launched



February 2025	Made a Subsidiary
Demand	Supported by population and tourism
New	Launched business for high-net-worth clients

Sales (Q3 cumulative)

¥590mn

▲27.6% YoY

(prior-year period: ¥815mn)

FY2026 Forecast	**¥2,600mn** (progress rate 22.7%)
Deliveries	**Concentrated in Q4**
Full-Year Plan	**Unchanged**

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* Sales are non-consolidated figures for the subsidiary (including intra-group transactions; do not match consolidated figures). YoY comparison is against FY2025 Q3 cumulative. Images are illustrative

Summary

Year-on-Year	**Nearly flat due to rebound from large prior-year project** Net sales +2.9% / Operating profit ▲2.9% (rebound from the sale of a ¥12bn+ large project in Q3 of the prior year)
vs. Initial Plan	**Behind plan, but progressing steadily in line with Q2 outlook** Operating profit vs. plan: 83.7%; mainly due to properties rescheduled in Q2
Profitability	**Delivered-property gross profit beat plan despite rising yields** Approx. +¥1.26bn vs. plan despite rising rates (selling price: approx. +¥0.41bn; cost control: approx. +¥0.85bn)
Q4	**Q4 projects progressing steadily** Full-year outlook maintained at the initial forecast (operating profit ¥7.6bn, +26.1% YoY)
Acquisitions	**Pipeline secured for FY2027** Q3 cumulative new investment ¥42,757mn (+60.3% YoY); 4 settlements scheduled, just under ¥20bn

EPS (forecast) ¥544.28　Dividend forecast ¥94.0 (payout ratio 17.3%) Unchanged vs. initial

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Appendix

Reference Materials

Business Environment, Earnings Forecast Details, Financials, Trends, Anticipated Q&A

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Business Overview

Both expected rate hikes implemented; cost increases remain within plan

	Current situation	Outlook and the Company's response
Interest Rates / Financing	・At its September 2026 Monetary Policy Meeting, the Bank of Japan raised the policy rate by 0.25% to 1.25% (the second hike this year, following June) ・Among partner financial institutions, lending rates are rising, but lending attitudes remain accommodative, with continued positive engagement toward Company projects	・Inflation has become entrenched, and gradual rate increases are expected. The two rate hikes assumed in the plan (approx. +0.5% in total) have been implemented, and cost increases remain within plan ・Equity ratio at fiscal year-end expected to be 25% or higher ・Borrowings are mainly project finance repaid from sale proceeds; off-balance-sheet fund-backed development reduces market risk and interest burden
Real Estate Market	・Central Tokyo rents continue to trend upward, while investor selectivity has become even stricter, requiring property-by-property evaluation ・Offices in Tokyo's five central wards show a vacancy rate of 1.85% and average rents up 13.7% YoY, indicating tight supply and demand (Miki Shoji, September) ・Construction costs remain elevated, with persistently rising material prices and longer construction periods	・Profitability is now differentiated by sourcing capability to select locations where rent increases can be achieved, and by planning capability to enhance property value ・Properties with rent pass-through capability are expected to remain preferred even amid rising interest rates ・Focus on short-cycle renovation projects, prioritizing turnover ・Rising construction costs are seen as structural and expected; cost estimates stay conservative
Sales	・Sale timing adjusted for several projects, including those rescheduled in Q2 ・Arakawa (Arakawa-ku), acquired in the period, was sold to a CAM-formed fund. Delivered-property profitability beat plan ・Investor appetite remains solid; rising rates put slight upward pressure on cap rates	・Q4 properties are progressing steadily ・Rising yields (lower prices) are already factored into the plan. Yield trends associated with the Middle East situation and increasing investor selectivity are being closely monitored
Acquisitions	・Settlement of 15 properties completed on a Q3 cumulative basis, progressing smoothly ・Pipeline expanded to contribute to earnings from next fiscal year onward	・Using raised funds, focus on acquiring properties for high growth from FY2027; rent trends closely monitored in area selection ・Focus on short-cycle renovation projects ・Real estate development projects are considered carefully due to long construction periods ・Continue to pursue larger-scale projects

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Reference: Key Assumptions for Guidance

Conservative macro assumptions; forecast reflects only high-certainty projects

Category	Assumptions
Interest Rates	・Two rate hikes totaling approx. 0.5% in 2026 assumed (interest burden, higher sale yields); implemented by September
Stance	・Disclose within a range with high likelihood of achievement ・Emphasis on operating profit growth rather than revenue growth (EPS growth over the medium to long term)
Revenue	・Only properties already acquired with ample margin in completion and sales schedules are included ・Properties whose sales may slip into the next fiscal year are not included in the forecast ・Quarterly forecasts are not disclosed, as quarterly sales plans are prone to timing shifts and could be misleading ・Properties acquired in the period are, in principle, planned for sale from next fiscal year onward (same-period sale possible)
Costs	・Estimated conservatively in light of monetary policy uncertainty, construction cost trends, and longer construction periods
Investment	・Total new investment plan (acquisition costs and construction costs for acquired properties) not disclosed, as it could be misleading ・Number of acquisitions and unit prices not disclosed, as property sizes and other factors are fluid
Earnings	・Top priority is achieving the full-year earnings forecast ・When achievement of the forecast is highly likely, each property will be sold at the timing that secures better terms * Sale timing may be adjusted where selling in the next fiscal year or later is more advantageous * Projects planned for sale in the next fiscal year or later may be sold earlier if doing so in the current period is expected to yield greater profit ・Quarterly forecasts not disclosed due to high unit prices per project and the flow-based nature of the business

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FY2026 Earnings Forecast (Details)

Full-year forecast unchanged: operating profit ¥7,600mn (+26.1% YoY)

(¥mn)	FY2025 Actual	FY2026 Initial forecast	YoY
Net Sales	37,084	55,400	+49.4%
Real Estate Development	34,771	52,500	+51.0%
Thanks Okinawa	1,127	2,600	+130.7%
Real Estate Operations *1	2,313	2,900	+25.4%
Rental income	1,109	-	-
Hotel Operations	301	276	▲8.3%
Rental management	400	600	+50.0%
AM	405	700	+72.8%
Gross profit	8,656	11,600	+34.0%
GP margin	23.3%	20.9%	▲2.4pt
SG&A expenses	2,627	4,000	+52.3%
Operating profit	6,028	7,600	+26.1%
OP margin	16.3%	13.7%	▲2.5pt
Business profit *2	6,028	7,737	+28.4%
Net income	3,464	4,200	+21.2%
Net income margin	9.3%	7.6%	▲1.8pt

Earnings Forecast Assumptions

■ Real Estate Development Business (¥52,500mn)

Columbiaworks: In line with policy, only properties with sufficiently high sales certainty are reflected in the forecast
Thanks Okinawa: ¥2,600mn (deliveries planned to be concentrated in Q4)

■ Real Estate Operations Business (¥2,900mn)

Rental management expanded to 4,151 units on growth in external mandates, and AM expanded AUM to ¥78.6bn; both are trending above plan

■ Interest Rates

Formulated assuming two policy rate increases totaling approx. 0.5% and higher yields at sale. The anticipated rate hikes were implemented by September

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*1 Subsidiary plans are non-consolidated (Rental mgmt: Columbia Community; AM: Columbia Asset Management; Hotel Ops.: Columbia Hotels & Resorts). YoY vs. FY2025 actual *2 Business profit: operating profit + profit from silent partnership investments (dividends of gains on sale of properties developed via development SPVs)

FY2026: KPIs

FY2026 is development-weighted; stock-type GP share rose to 29.6%

		FY2024	FY2025	FY2026 (Plan)	FY2026 Q3 cumulative
Development type *1	Real Estate Dev.	61%	30%	74%	74.6%
	Renovation	39%	70%	26%	21.5%
	Land resale	-	-	-	3.9%
Dev. structure *1	In-house	-	40%	72%	45.0%
	Fund-backed	-	60%	28%	17.0%
	Partnership	-	-	-	38.0%
Properties sold		16	16	24	13
Average deal size (¥mn)		1,198	2,100	2,115	2,050
Stock-type GP share		19.8%	21.9%	18.7%	29.6%
AUM (¥mn)		-	48,360	100,000	78,572
Units under management		1,426	2,841	3,500	4,151

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*1 Excl. Thanks Okinawa (condominium sales)

Properties Sold and Acquired in Q3

4 properties delivered; Arakawa acquired in Q3 and sold to a CAM-formed fund

Sales (4 Properties)

Location	Asset type	Development type	Development structure
Nishi-Waseda, Shinjuku-ku, Tokyo	Residential	Real Estate Development	In-house
Sasazuka, Shibuya-ku, Tokyo	Residential	Renovation	In-house
Arakawa, Arakawa-ku, Tokyo	Residential	Renovation	Fund-backed
Kita-Ueno, Taito-ku, Tokyo	Residential	Real Estate Development	Partnership development

Acquisitions (2 Properties)

Location	Asset type	Development type	Development structure
Arakawa, Arakawa-ku, Tokyo *	Residential	Renovation	Fund-backed
Shimo-Ochiai, Shinjuku-ku, Tokyo	Residential	Renovation	In-house

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* Fund formed and property sold

BS (End of Q3)

Equity ratio 23.4%; debt due within one year to be repaid from Q4 sale proceeds

Assets (¥mn)	End of Q3	vs. FY-end
Current assets	72,286	+18,608
Cash and deposits	7,910	+18
Inventories	62,171	+17,281
Real estate for sale	18,096	+7,098
Real estate for sale in process	44,075	+10,183
Non-current assets	10,055	▲3,143
Property, plant and equipment	8,375	▲3,307
Total assets	82,341	+15,464

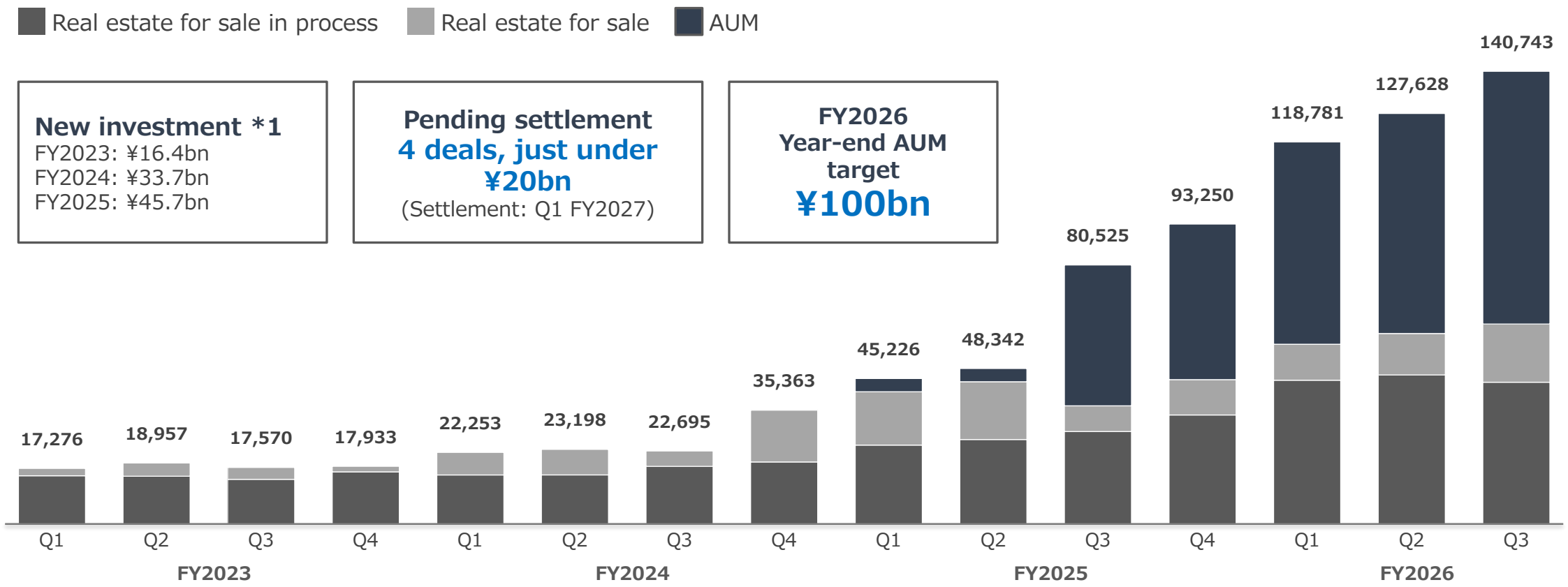
Liabilities & Net Assets (¥mn)	End of Q3	vs. FY-end
Current liabilities	36,727	+14,425
Short-term borrowings	9,788	▲140
Current portion of LT borrowings	23,130	+12,912
Non-current liabilities	26,363	▲772
Long-term borrowings	25,566	▲890
Total liabilities	63,091	+13,654
Net assets	19,250	+1,811
Shareholders' equity	19,197	+1,779

Equity ratio 23.4%　Policy: 20–30% at each fiscal year-end (25%+ expected this year-end)

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* Change vs. prior FY-end is the difference from the end of FY2025

Assets Under Operation (Inventories + AUM)

Q3 investment of ¥10.6bn incl. 2 acquisitions; AUM expanded to ¥78.6bn



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*1 Acquisition cost + investment in held properties. Inventory balances from the end of FY2026 onward are not disclosed.

Group Company Plans (Non-Consolidated)

AM and rental management ahead of plan; Akihabara hotel to open in December

(¥mn)	FY2025 Actual	FY2025 Q3 cumulative	FY2026 Q3 cumulative	YoY	FY2026 Forecast	FY2027 Plan
AM Business revenue (Columbia Asset Management)	405	321	**528**	**+64.6%**	700	850
AUM (¥mn)	48,360	43,780	**78,572**	**+79.5%**	100,000	150,000
Rental Property Management Business revenue (Columbia Community)	400	407	**683**	**+67.8%**	600	750
Units under management	2,841	2,609	**4,151**	**+59.1%**	3,500	–
Hotel Operations Business revenue (Columbia Hotels & Resorts)	301	213	**171**	**▲19.7%**	276	410
RevPAR (¥)	–	17,311	**15,590**	**▲9.9%**	–	–
Thanks Okinawa revenue	1,127	815	**590**	**▲27.6%**	2,600	4,800

* Non-consolidated subsidiary figures incl. intra-group transactions; do not match consolidated figures (Q3 cumulative: AM fees 503, rental mgmt 598, hotels 166, Thanks Okinawa 552; ¥mn)
* YoY vs. FY2025 Q3 cumulative. FY2027 AUM plan: ¥125,000mn at H1-end and ¥150,000mn at year-end

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Shareholder Returns

15–20% payout policy; FY2026 dividend forecast ¥94.0 (payout ratio 17.3%)

	EPS (¥)	Dividend per share (¥)	Dividend payout ratio
FY2022	234.9	34.8	14.8%
FY2023	303.3	45.5	15.0%
FY2024	346.0	57.5	17.8%
FY2025	496.6	78.0	17.4%
FY2026 (Forecast)	544.28 *1	94.0	17.3%

Policy
While prioritizing growth investment and maintaining financial discipline with an equity ratio of 20% or higher, dividends are determined in line with profit growth

Shareholder benefit program
Not under consideration, in view of the principle of equal treatment of shareholders

Share buyback
Conducted from June to July 2026 for the purposes of delivering shares upon exercise of stock acquisition rights, use in M&A, and use in stock-based compensation plans

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* EPS and DPS are adjusted for the stock split effective August 1, 2025. Payout ratio = total dividends ÷ net income attributable to owners of parent. *1 FY2026 forecast EPS is based on the published earnings forecast and calculated on 7,716,600 shares outstanding (excluding treasury shares) at the end of 2025.

P&L Trends

(¥mn)	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	FY26 Q1	FY26 Q2	FY26 Q3
Net Sales	1,877	5,105	9,854	4,143	5,421	4,295	18,982	8,384	10,140	9,806	9,581
Real Estate Development	1,506	4,638	9,430	3,603	4,979	3,795	18,192	7,803	9,447	9,024	8,731
In-house – Development	-	1,437	6,933	3,320	2,003	-	1,400	-	911	6,718	2,105
In-house – Renovation	-	1,301	2,064	284	-	3,390	2,138	2,520	-	900	1,350
Fund-backed – Development	-	-	-	-	-	-	1,270	-	1,050	-	-
Fund-backed – Renovation	-	-	-	-	2,533	-	12,903	-	-	-	3,482
Partnership / Land resale	1,507	1,901	433	-	446	114	-	4,981	7,342	1,042	1,750
Thanks Okinawa					Non-consol.	287	480	299	143	365	43
Real Estate Operations	370	467	424	540	442	500	790	580	693	782	850
Rental income	231	279	295	378	253	300	281	273	283	377	392
Hotel Ops.	63	77	64	90	63	88	57	86	46	72	48
Rental mgmt	75	110	64	70	84	110	171	135	210	178	210
AM fees	-	-	-	-	41	-	279	83	151	152	200
Gross profit	320	1,557	2,443	1,351	1,484	1,054	4,210	1,900	1,996	2,805	2,241
GP margin	17.1%	30.5%	24.8%	32.6%	27.4%	24.6%	22.2%	22.7%	19.7%	28.6%	23.4%
Development gross profit	115	1,257	2,190	986	1,112	658	3,546	1,435	1,371	2,141	1,447
GP margin	7.6%	27.1%	23.2%	27.4%	22.3%	17.3%	19.5%	18.4%	14.5%	23.7%	16.6%
Operations gross profit	205	299	253	364	372	396	663	465	624	663	793
GP margin	55.7%	64.0%	59.9%	67.6%	84.3%	79.3%	84.0%	80.2%	90.1%	84.9%	93.3%
SG&A expenses	410	395	485	488	632	632	594	763	707	817	768
Operating profit	▲89	1,161	1,958	862	852	422	3,616	1,137	1,288	1,987	1,473
OP margin	-	22.8%	19.9%	20.8%	15.7%	9.8%	19.1%	13.6%	12.7%	20.3%	15.4%
Net income	▲178	740	1,132	543	513	180	2,296	471	616	1,350	609

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Balance Sheet Trends

(¥mn)	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	FY26 Q1	FY26 Q2	FY26 Q3
Current assets	26,465	28,605	30,070	40,764	46,835	48,503	46,039	53,678	63,018	69,611	72,286
Cash and cash equivalents	3,321	4,636	6,493	4,293	4,726	3,482	8,380	7,892	5,731	8,929	7,910
Inventories	22,253	23,198	22,695	35,363	41,116	44,232	36,745	44,890	55,891	59,228	62,171
Real estate for sale	7,012	7,943	4,778	16,083	16,588	17,964	7,995	10,998	11,193	12,892	18,096
Real estate for sale in process	15,241	15,254	17,916	19,280	24,528	26,268	28,750	33,892	44,698	46,336	44,075
Non-current assets	10,848	11,304	11,651	11,422	13,013	12,830	12,963	13,198	13,495	10,697	10,055
Current liabilities	9,479	13,236	8,455	9,117	16,081	18,812	20,211	22,302	26,001	32,775	36,727
Short-term borrowings	4,816	7,586	3,261	2,255	6,590	8,915	9,424	9,928	12,216	10,872	9,788
Current portion of LT borrowings	3,780	4,829	3,423	4,862	7,458	8,300	8,298	10,218	12,221	19,017	23,130
Non-current liabilities	18,569	16,250	21,711	30,967	31,552	30,118	24,082	27,135	33,052	28,854	26,363
Long-term borrowings	17,934	15,573	21,031	30,515	31,125	29,658	23,589	26,456	32,235	28,064	25,566
Net assets	9,265	10,421	11,553	12,101	12,215	12,403	14,708	17,439	17,460	18,678	19,250
Total assets	37,313	39,909	41,721	52,186	59,849	61,334	59,002	66,877	76,514	80,308	82,341
AUM					4,110	4,110	43,780	48,360	62,890	68,400	78,572
Total assets + AUM	-	-	-	-	63,959	65,444	102,782	115,237	139,404	148,708	160,913
Equity ratio (%)				23.2	20.4	20.2	24.9	26.1	22.8	23.3	23.4

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KPI Trends

	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	FY26 Q1	FY26 Q2	FY26 Q3
Dev. revenue (¥mn) *1	1,506	4,638	9,430	3,603	4,979	3,509	17,712	7,504	9,303	8,659	8,688
Average deal size (¥mn)	1,506	1,159	1,047	1,802	1,659	877	3,542	1,875	2,325	1,731	2,172
Properties sold *2	1	4	9	2	3	4	5	4	4	5	4
In-house – Development	-	1	5	1	1	-	1	-	1	3	1
In-house – Renovation	1	1	2	1		3	2	1	-	1	1
Fund-backed – Development	-	-	-	-	-	-	1	-	1	-	-
Fund-backed – Renovation	-	-	-	-	1	-	1	-	-	-	1
Partnership / Land resale	-	2	2	-	1	1	-	3	2	1	1
Properties acquired *3	7	4	5	3	4	3	4	6	9	4	2
In-house – Development	-	-	-	-	1	1	1	-	2	-	-
In-house – Renovation	-	-	-	-	3	2	2	5	4	3	1
Fund-backed – Development	-	-	-	-	-	-	1	-	-	-	-
Fund-backed – Renovation	-	-	-	-	-	-	-	-	-	-	1
New investment (¥100mn) *4	-	-	-	-	100	87	80	190	214	107	106
Inventory balance (¥mn)	22,253	23,198	22,695	35,363	41,116	44,232	36,745	44,890	55,891	59,228	62,171
Units under management	943	1,027	1,222	1,426	1,811	1,980	2,609	2,841	2,877	3,357	4,151
o/w External mandates	431	412	561	639	948	1,005	1,050	1,097	1,207	1,505	2,194

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*1 Columbiaworks non-consolidated *2 Incl. land resales and others. Average deal size = development revenue ÷ properties sold *3 Incl. 2 deals with development structure undecided, and others *4 Acquisition cost + investment in held properties

Anticipated Q&A (1): Results and Earnings Forecast

Question	Answer
Cumulative Q3 operating profit declined year on year. Is growth slowing?	In the prior year, a large project (revenue exceeding ¥12.0bn) was sold in Q3, making it an exceptional quarter with concentrated revenue. This year, deliveries are concentrated in Q4, so growth appears to slow because of that rebound; however, cumulative Q3 operating profit was ¥4,749mn (down 2.9% year on year), largely absorbing this rebound. As our quarterly results fluctuate with delivery timing, we ask that you view our performance on a cumulative and full-year basis.
Cumulative Q3 operating profit fell short of the internal plan. What were the reasons?	The variance from the internal plan (▲¥925mn; achievement rate 83.7%) is attributable to the sale timing adjustment of several projects, including those rescheduled as of Q2. Meanwhile, the profitability of delivered properties exceeded plan by approximately ¥1.26bn (selling prices approx. +¥0.41bn; cost control approx. +¥0.85bn), and subsidiary growth and SG&A control added ¥684mn. Excluding the timing adjustment, performance is ahead of plan.
How much operating profit is required in Q4 to achieve the initial forecast?	Cumulative Q3 operating profit was ¥4,749mn, representing 62.5% progress toward the initial forecast of ¥7,600mn; the operating profit required in Q4 is ¥2,851mn (the difference between the initial forecast and the cumulative Q3 result). As our quarterly results fluctuate significantly with property delivery timing, we ask that you view our performance on a full-year basis. The plan to concentrate deliveries in Q4 is unchanged since Q2, and Q4 properties are progressing steadily.
Will some of the properties scheduled for sale in Q4 slip into the next fiscal year?	Our earnings forecast builds in properties whose acquisition is complete and whose completion and sale schedules have ample headroom. On that basis, we decide sale timing property by property to maximize returns. As Q4 is the current period, we refrain from commenting on the status of individual properties scheduled for sale in Q4. Should we determine that a revision to the earnings forecast is necessary, we will disclose it promptly.

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Anticipated Q&A (1) (Continued)

Question	Answer
Why are you not revising the earnings forecast despite outperformance from improved profitability and unused SG&A expenses?	Although the profitability of delivered properties exceeded plan, we are maintaining the initial forecast at this time in light of the status of properties scheduled for delivery in Q4. Should we determine that a revision to the earnings forecast is necessary, we will disclose it promptly.
What assumptions does the earnings forecast make regarding sale prices and interest rates?	The initial plan assumed a total of two policy rate hikes of approximately 0.5% and an increase in yields at the time of sale. The assumed rate hikes had been implemented by September (policy rate: 1.25%), and both the increased interest burden and the higher yields at the time of sale are already factored into the plan.
Net income decreased 13.9% year on year, a larger decline than operating profit. What is the reason?	In addition to the extraordinary income of ¥164mn recorded in the prior-year period (gain on sale of non-current assets of ¥105mn and gain on negative goodwill of ¥59mn), non-operating expenses rose 50.4% year on year due to higher borrowing rates and increased borrowings, and tax expenses also increased. We will continue to manage borrowings through off-balance-sheet treatment via fund-backed development and repayment from property sales.

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Anticipated Q&A (2): Rates, Market and Profitability

Question	Answer
The gross margin of the Real Estate Development Business declined from 19.7% to 18.2%. Is profitability deteriorating?	The gross margin of the Real Estate Development Business varies depending on the mix of properties delivered in each period. Although the development gross margin declined, this was absorbed by growth in the higher-margin Real Estate Operations Business, and the consolidated gross margin rose to 23.9% (up 0.3pt year on year).
The gross margin for Q3 alone declined to 23.4%. Is this due to rising construction costs?	The decline largely reflects a mix factor (a higher share of properties acquired and sold within the period, which carry relatively lower margins) rather than worse profitability from rising construction costs. With construction contracts for this year's properties already concluded, the impact is limited, but we recognize downward pressure on development gross margins for new projects. We will cover this through value-enhancing planning and expansion of the Real Estate Operations Business.
SG&A expenses increased 23.4% year on year. Will they continue to rise?	The increase is primarily attributable to higher personnel costs associated with subsidiary growth and higher taxes and dues. SG&A expenses remain below plan (cumulative through Q3: ¥2,293mn vs. plan of ¥2,900mn) and are being managed within the initial forecast. Gross profit from the Real Estate Operations Business now covers approximately 90% of SG&A expenses.
What is the impact of interest rate hikes? Can the plan be maintained?	The plan for FY2026 was formulated on the assumption of two policy rate hikes totaling approximately 0.5%, as well as higher yields at the time of sale. The anticipated rate hikes were implemented by September (policy rate: 1.25%), and both the higher interest burden and the higher yields at the time of sale are already factored into the plan. Sale prices for delivered properties continue to exceed plan.

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Anticipated Q&A (2) (Continued)

Question	Answer
What pace of interest rate hikes do you assume for 2027? Please explain the sensitivity should hikes exceed expectations.	Assumptions for FY2027 will be explained together with the earnings forecast at the time of full-year results; our policy is to assume gradual rate hikes and set conservative assumptions. On the mechanical assumption that a 0.25% increase in the policy rate applies to all borrowings, the annual increase in interest expense would be approximately ¥150mn. In practice, the impact would be smaller, as borrowings are repaid upon property sale, and there is room to absorb the increase through rent growth and adjustments to sale timing.
How would an increase in exit yields (cap rates) affect sale prices?	Our plan estimates sale prices on the assumption that yields at the time of sale will rise. We have also considered the impact on sale prices of a further 0.25% increase in yields; however, rent increases could mitigate it. We focus on properties with expected rent growth and achieve rent increases through property management with proven expertise in raising rents.
Is there any impact from changes in investor appetite or declining condominium prices?	We recognize that investment demand remains strong, but believe the market is entering a phase of increased selectivity, with valuations diverging by property. While we are aware that overheating in the secondary condominium market is easing, our residences are sold to institutional investors and others, and prices are set rationally based on medium- to long-term rental income. We will continue to focus on properties with locations and concepts that can withstand investor selectivity.
Will slowing rent growth in some areas or rising construction material costs due to the Middle East situation affect performance?	A divergence is emerging between areas where rents continue to rise and areas where growth is slowing, making area selection increasingly important. We view rising construction material costs as a structural issue; our initial forecast incorporates a certain buffer in cost estimates and accounts for the risk of extended construction periods. The impact on FY2026 results is expected to be limited, and we will improve turnover by focusing on renovation projects with shorter construction periods.

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Anticipated Q&A (3): Financial Position and Growth

Question	Answer
Borrowings due within one year significantly exceed cash and deposits. Are there any concerns regarding refinancing or liquidity?	Most borrowings due within one year are project financing linked to property acquisition and development, with repayment funded by the proceeds from the sale of the relevant properties. We operate on a cycle of repaying loans in line with property sales, and repayments will proceed as properties are sold from Q4 onward. Our lending banks remain proactive in their lending stance, and we are also diversifying our banking relationships.
Inventories are building up. What is the risk of valuation losses should market conditions reverse?	Inventories (¥62,171mn at the end of Q3) consist mainly of projects with realistic sales plans and represent properties that will generate revenue in FY2026 and FY2027. Costs and sale prices are conservatively estimated on the assumption of rising interest rates and changing market conditions, and sale prices for delivered properties continue to exceed plan. As of the end of Q3, no properties require valuation write-downs.
The negative operating cash flow is a concern.	Because we hold properties as inventory, expenditures for acquisitions and construction are recorded as negative operating cash flow. The negative figure is primarily due to the increase in inventories from acquiring properties to be sold from next fiscal year onward. Proceeds are collected upon sale of these properties and used to repay borrowings.
Is the equity ratio too low? Is additional capital raising necessary?	The equity ratio at the end of Q3 was 23.4%, and our policy is to maintain a level of 20–30% at each fiscal year-end. We expect the ratio to reach 25% or higher at year-end through the accumulation of profits from property sales. The Medium-Term Management Plan does not currently assume additional equity financing; we plan to expand the business while maintaining financial discipline through retained earnings and the use of fund-backed development.

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Anticipated Q&A (3) (Continued)

Question	Answer
Acquisitions in Q3 appear low at only two properties. Are there any concerns about growth from next fiscal year onward?	The number of acquisitions fluctuates from quarter to quarter depending on settlement timing. Two properties were settled in Q3 alone, but a cumulative total of 15 properties were acquired through Q3, with new investment of ¥42,757mn (+60.3% YoY), over 90% of the previous full fiscal year (¥45.7bn). In addition, 4 properties totaling just under ¥20bn are contracted and pending settlement, scheduled for Q1 FY2027.
Will the shift toward renovation and fund-backed projects structurally lower gross margins?	Compared with real estate development, which takes three years or more, the gross margin per project is lower. However, renovation and fund-backed projects turn over in about a year, so the same capital can handle more projects, and we aim to grow the profit amount by raising capital efficiency. As the Group keeps managing properties after sale, more projects also mean more units under management and a larger high-margin Real Estate Operations Business, which lifts the consolidated gross margin; we therefore do not expect a significant decline on a consolidated basis. In fact, the cumulative gross margin through Q3 was 23.9%, above the Medium-Term Management Plan assumption (around 20% on a consolidated basis).

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Anticipated Q&A (4): Group Companies

Question	Answer
Is AUM growth repeatable? Is the FY2026 target of ¥100bn achievable?	AUM at the end of Q3 was ¥78.6bn, expanding in Q3 through two external mandates and one self-originated fund (Arakawa, Arakawa-ku). Leveraging our integrated capability spanning development through operations, we view the growth in external mandates as a repeatable growth driver. We will work toward the target through both in-house fund-backed developments and external mandates.
Please explain the structure of asset management earnings.	AM earnings consist of upfront fees at fund formation and AM fees earned on an ongoing basis during the management period. Cumulative AM fees through Q3 were ¥503mn (consolidated, +57.2% year on year), and stock-type AM fees build up as AUM expands. We plan AM Business revenue of ¥850mn (non-consolidated) for FY2027.
The number of rental units under management has exceeded the target. Please share your outlook.	Units under management at the end of Q3 reached 4,151, exceeding the full-year target of 3,500 units. Growth was driven by external mandates (1,505 units at the end of Q2 → 2,194 units at the end of Q3). Management revenue from these mandates began to be recognized in Q3, and the newly launched construction business has also begun contributing to revenue. Leveraging our integrated structure from development through rental management, we will continue to expand this base.

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Anticipated Q&A (4) (Continued)

Question	Answer
Please explain the planned hotel openings and your approach to investment.	The Akihabara hotel (NOCTIS) is confirmed to open in December 2026, and opening-related expenses have already been factored into the initial plan. It is expected to contribute as stock-type earnings from FY2027 onward. In Maruyamacho, Shibuya-ku, we plan to open a hotel under the same NOCTIS brand in 2028. Under the Medium-Term Management Plan, we will develop NOCTIS in the Tokyo metropolitan area and major regional hubs, and partner with distinctive third-party hotel operators in other regional cities. We also plan openings in Taito-ku, Okinawa and Hakone (2028 onward), staggering opening dates. For the hotels in Moto-Azabu, Minato-ku (planned for FY2030) and Nikko (planned for FY2031), we have concluded memoranda of understanding on management outsourcing with TAKE AND GIVE. NEEDS Co., Ltd., operator of TRUNK(HOTEL). For large projects, we will limit the burden on our balance sheet by utilizing external capital.
Thanks Okinawa's cumulative Q3 sales fell below the same period of the previous year. Is the full-year plan achievable?	This reflects a plan in which deliveries are concentrated in Q4, and there is no change to the full-year plan (¥2,600mn). Housing demand in Okinawa Prefecture remains firm, supported by demographic trends and tourism demand, and we are building up our pipeline. For FY2027, we plan revenue of ¥4,800mn.
If the sale of development properties is delayed, to what extent can stock-type earnings support business performance?	Cumulative Q3 gross profit in the Real Estate Operations Business was ¥2,081mn (+45.2% year on year), covering approximately 90% of SG&A expenses (¥2,293mn) for the same period. We are approaching a structure in which most fixed costs can be covered even if the timing of development sales fluctuates, and under the Medium-Term Management Plan we plan to expand stock-type operating profit to ¥3.2bn by 2030.

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Anticipated Q&A (5): Capital Policy and Returns

Question	Answer
Please explain your future shareholder return policy.	As the Company is in a growth phase, we place importance on balancing shareholder returns with growth investment. Our policy is to maintain a dividend payout ratio of around 15–20% while setting dividend amounts in line with profit growth, and we forecast a dividend of ¥94.0 per share (payout ratio 17.3%) for FY2026. We are not currently considering a shareholder benefit program.
What benefits do you expect from the transition to the Prime Market?	We expect to enhance our recognition and credibility as an investment target for institutional investors, and to broaden our investor base through our commitment to stricter governance and disclosure standards. In anticipation of the transition, we will work to strengthen dialogue with capital markets, including reinforcing our IR structure and expanding English-language disclosure.
Is additional capital raising necessary to achieve the Medium-Term Management Plan?	The Medium-Term Management Plan does not currently assume additional equity financing. With a 15–20% payout ratio, we will retain over 80% of profits and, through fund-backed development and faster inventory turnover, expand the business while keeping an equity ratio of 20% or higher. While we do not rule out fundraising for opportunities such as large projects or M&A that contribute to profit growth, any such decision will be premised on not impairing EPS growth.

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