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Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 <IFRS>

January 10, 2025

Company name: Tosei Corporation
 Securities code number: 8923/S2D
 Representative: Seiichiro Yamaguchi, President and CEO
 Contact: Noboru Hirano, Director and CFO
 Ordinary general shareholders' meeting: February 26, 2025 (scheduled)
 Commencement of dividend payments: February 27, 2025 (scheduled)
 Submission of Securities Report (Yuka Shoken Hokokusho): February 27, 2025 (scheduled)
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 – November 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the year	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Year ended Nov. 30, 2024	82,191	3.5	18,488	13.7	17,364	13.4	12,000	14.2
Year ended Nov. 30, 2023	79,446	12.0	16,254	20.3	15,310	20.1	10,508	22.1

	Profit attributable to owners of the parent		Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)	(¥)
Year ended Nov. 30, 2024	11,985	14.1	11,481	8.9	247.43	247.23
Year ended Nov. 30, 2023	10,507	22.1	10,544	20.0	219.74	219.32

	Ratio of profit to equity attributable to owners of the parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	(%)	(%)	(%)
Year ended Nov. 30, 2024	13.9	6.7	22.5
Year ended Nov. 30, 2023	13.6	6.7	20.5

(Reference) Equity method investment gain or loss Year ended Nov. 30, 2024: ¥—million Year ended Nov.30, 2023: ¥—million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	(¥ million)	(¥ million)	(¥ million)	(%)	(¥)
As of Nov. 30, 2024	276,815	90,866	90,500	32.7	1,867.49
As of Nov. 30, 2023	245,329	82,319	82,046	33.4	1,695.98

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
Year ended Nov. 30, 2024	(13,045)	(5,608)	14,329	34,874
Year ended Nov. 30, 2023	5,722	(16,102)	17,805	39,197

2. Dividends

	Annual dividends per share					Total dividends per share (Total)	Dividend payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	(%)	(%)
Year ended Nov. 30, 2023	—	0.00	—	66.00	66.00	3,192	30.0	4.1
Year ended Nov. 30, 2024	—	0.00	—	79.00	79.00	3,828	31.9	4.4
Year ending Nov. 30, 2025 (Forecast)	—	0.00	—	89.00	89.00		33.7	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2025

(December 1, 2024 – November 30, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Year ending Nov. 30, 2025	102,078	24.2	20,639	11.6	18,800	8.3	12,806	6.9	264.27

* Notes

- (1) Significant changes in the scope of consolidation during the year: No
 Newly included: — Excluded: —

- (2) Changes in accounting policies and changes in accounting estimates
 (a) Changes in accounting policies required by IFRS: No
 (b) Changes in accounting policies other than (a) above: No
 (c) Changes in accounting estimates: No

- (3) Number of issued shares (ordinary shares)

- (a) Number of issued shares at the end of the year (including treasury shares)

As of Nov. 30, 2024	48,683,800 shares
As of Nov. 30, 2023	48,683,800 shares

- (b) Number of treasury shares at the end of the year

As of Nov. 30, 2024	222,798 shares
As of Nov. 30, 2023	306,765 shares

- (c) Average number of outstanding shares during the year

Year ended Nov. 30, 2024	48,438,098 shares
Year ended Nov. 30, 2023	47,815,490 shares

(Reference) Summary of Non-Consolidated Results

1. Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 – November 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Revenue		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Year ended Nov. 30, 2024	45,587	(1.9)	10,358	33.6	14,838	36.0	11,746	34.4
Year ended Nov. 30, 2023	46,480	7.9	7,754	8.1	10,906	2.1	8,738	0.6

	Net income per share	Net income per share (diluted)
	(¥)	(¥)
Year ended Nov. 30, 2024	242.50	242.30
Year ended Nov. 30, 2023	182.76	182.41

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	(%)	(¥)
As of Nov. 30, 2024	244,994	81,996	33.4	1,690.96
As of Nov. 30, 2023	217,524	73,821	33.9	1,525.81

(Reference) Equity As of November 30, 2024: ¥81,945million As of November 30, 2023: ¥73,814million

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending November 30, 2025 (December 1, 2024 – November 30, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Ordinary income		Net income		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Year ending Nov. 30, 2025	62,782	37.7	15,098	1.8	11,866	1.0	244.86

* These Financial Results are not subject to audit procedures by a certified public accountant or an audit corporation.

* Proper use of earnings forecasts and other notes

- (1) The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ substantially from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use thereof, please refer to “1. Operating results and Financial Position (5) Future outlook” on page 7 of the attached materials.
- (2) A financial results meeting will be held on January 10, 2025 for institutional investors and analysts. The presentation materials distributed at the meeting will be available on our website immediately after the financial results disclosure.

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1. Operating Results and Financial Position

(1) Operating Results

During the fiscal year ended November 30, 2024, the Japanese economy showed a gradual recovery, although personal consumption stalled somewhat in certain sectors. However, the downturn in the global economy brought on by continuing high interest rate levels in Europe and the U.S. and the slowdown of the Chinese economy, among other factors, has been posing downward risks to the domestic economy, and therefore it remains necessary to monitor these trends along with the trends of interest rate hikes by the Bank of Japan, geopolitical risks, the future policy shift in the U.S., and other factors.

In the real estate industry where Tosei Group operates, domestic real estate investments for the nine months from January to September 2024 increased by 40% year on year to ¥3,856.7 billion, with Tokyo continuing to rank first in the world for real estate investments by city. Amid continued relatively low interest-rate environment, investments in domestic real estate rose as the number of large-scale transactions increased in each asset type. Furthermore, despite rising interest rates, there is no evidence of hardening of the lending stance by financial institutions, and together with the restored investment appetite of European and U.S. investors, active investments in domestic real estate are expected to continue (according to a survey by a private research institute).

In the Tokyo metropolitan area condominium market, the number of newly built units from January to October 2024 decreased by 17.7% year on year to 14,953 units while the average price per unit in October 2024 was ¥92.39 million (up 40.7% year on year). The average price per unit remained high reflecting such factors as the decrease in the number of units supplied and the shifting of soaring construction costs onto condominium prices. In the Tokyo metropolitan area pre-owned condominium market, the number of units contracted from January to October 2024 increased to 30,857 units (up 2.4% year on year) and the average price per unit as of October 2024 was ¥48.64 million (up 2.2% year on year). Properties in the Tokyo metropolitan area, which are high in demand by the affluent classes and overseas investors, are driving up the average price per unit, which, in turn, has resulted in a polarization of price trends between the Tokyo metropolitan and suburban areas, where there is greater actual demand. In the Tokyo metropolitan area build-for-sale detached house market, housing starts for the ten months from January to October were 44,452 units (down 9.4% year on year) continuing the declining trend, which began in 2022, and the average price of a newly built unit as of October 2024 was ¥45.40 million (up 1.0% year on year). Amid rising mortgage interest rates, there has been concern for a decline in the purchasing appetite of the end-user market as a whole (according to a survey by a private research institute).

The average costs per tsubo in terms of construction costs for the ten months from January to October 2024 were ¥1,772 thousand per tsubo (1 tsubo = 3.30 square meters) (an increase of 49.8% year on year) for steel reinforced concrete structures and ¥727 thousand per tsubo (an increase of 8.5% year on year) for wooden structures. Although the current prices of steel and timber have fallen slightly, they remain at high levels, and together with soaring personnel costs driven by factors including labor shortages, construction costs continue to rise (according to a survey by the Ministry of Land, Infrastructure, Transport and Tourism).

In the office leasing market of Tokyo's five business wards, as of October 2024, the average vacancy rate was 4.5% (a decrease of 1.6 percentage points year on year) and the average asking rent continued its gradual ascent to ¥20,178 per tsubo (an increase of 2.2% year on year), reflecting the robust demand for offices resulting from office relocations and increases in office space, etc. Meanwhile, it remains necessary to continue monitoring these trends, as a massive supply of office buildings is expected in 2025 (according to a survey by a private research institute).

The Tokyo metropolitan area condominium leasing market has been robust and the average asking rent of apartments as of October 2024 was ¥11,791 per tsubo (an increase of 0.7% year on year). The average occupancy rate of condominiums held by J-REIT in the Tokyo area as of August 31, 2024 was 97.4% (an increase of 0.1 percentage points year on year) (according to a survey by a private research institute).

In the Tokyo metropolitan area's logistics facility leasing market, leasable stock as of October 2024 was 10.69 million tsubo (an increase of 10.9% year on year), and the vacancy rate rose to 8.6% (an increase of 1.5 percentage points year on year). As supply continues to exceed demand, long-term leasing activities mainly for new and relatively new properties are becoming the norm and the vacancy rate is rising. While the asking rent at ¥4,780 per tsubo (an increase of 3.9% year on year) remains firm, weaker rents are seen in oversupply areas, resulting in discrepancies in rent in the Tokyo metropolitan area (according to a survey by a private research institute).

In the real estate fund market, J-REIT assets under management as of October 31, 2024 totaled ¥23.4

trillion (an increase of ¥0.8 trillion year on year) and assets under management in private placement funds totaled ¥38.6 trillion (as of June 30, 2024, an increase of ¥5.2 trillion year on year). Combining the two, the real estate securitization market scale grew to ¥62.0 trillion (according to a survey by a private research institute).

In the Tokyo business hotel market, in the nine months from January to September 2024, the average guest room occupancy rate was 81.8% (an increase of 3.4 percentage points year on year) and the total number of hotel guests in Tokyo encompassing all types of accommodation amounted to 81.50 million (an increase of 15.5% year on year). Strong inbound demand is expected to continue going forward driven by the recovery in the number of Chinese tourists visiting Japan, which had been slow to recover (according to a survey by the Japan Tourism Agency).

Amid this operating environment, in the Revitalization Business and the Development Business, the Group proceeded with property sales and the acquisition of income-generating properties and various types of land for development as future sources of income. In the Hotel Business, the Group endeavored to capture inbound demand, while in the Fund and Consulting Business, it strove to increase its balance of assets under management.

As a result, consolidated revenue for the fiscal year under review totaled ¥82,191 million (up 3.5% year on year), operating profit was ¥18,488 million (up 13.7%), profit before tax was ¥17,364 million (up 13.4%), and profit attributable to owners of the parent was ¥11,985 million (up 14.1%).

Performance by business segment is shown below.

Revitalization Business

During the fiscal year under review, the segment sold 40 properties it had renovated and 110 pre-owned condominium units, including T's garden Nishi Terao (Yokohama-shi, Kanagawa), Hatchobori Tosei Building II (Chuo-ku, Tokyo), LIERRE ICHIGAYA (Shinjuku-ku, Tokyo).

During the fiscal year under review, it also acquired a total of 44 income-generating office buildings, and apartments, 9 land lots and 88 pre-owned condominium units.

In addition, the Group reviewed the valuation of its income-generating properties, recording a valuation loss of ¥16 million and reversal of inventories valuation loss of ¥56 million.

As a result, revenue in this segment was ¥37,221 million (down 21.7% year on year) and the segment profit was ¥5,963 million (down 32.8%).

Development Business

During the fiscal year under review, the segment sold T's Logi Ome (Nishitama-gun, Tokyo) which is a logistic facility, T'S BRIGHTIA Jiyugaoka (Meguro-ku, Tokyo) which is a commercial facility, T's Cuore Ukimahunado I (Kita-ku, Tokyo), T's Cuore Shiinamachi (Toshima-ku, Tokyo) which is rental apartment and sold 28 detached houses at such properties as THE Palms Court Gakugei Daigaku (Meguro-ku, Tokyo).

During the fiscal year under review, it also acquired four land lots for rental apartment project, 15 land lots for rental wooden apartment project and land lots for 133 detached houses.

In addition, the Group reviewed the valuation of its income-generating properties, recording a reversal of Inventories valuation loss of ¥361 million.

As a result, revenue in this segment was ¥16,659 million (up 129.9% year on year) and the segment profit was ¥4,962 million (up 378.9%).

Rental Business

During the fiscal year under review, the Company focused on leasing out its rental properties.

As of November 30, 2023, the number of rental properties increased by nine from 114 at the end of the previous fiscal year to 123, as the segment acquired 36 properties, and begin offering for rental of nine properties, sold 31 properties, and terminated the leasing of five properties.

As a result, revenue in this segment was ¥8,088 million (up 21.5% year on year) and the segment profit was ¥4,083 million (up 26.4%).

Fund and Consulting Business

During the fiscal year under review, while ¥209,882 million was subtracted due mainly to property

dispositions by funds, ¥301,237 million added due to new asset management contracts, from the balance of assets under management (Note) ¥2,352,454 million for the end of the previous fiscal year. The balance of assets under management as of November 30, 2024, was ¥2,443,808 million.

As a result, revenue in this segment was ¥6,819 million (down 7.6% year on year) and the segment profit was ¥3,824 million (down 16.1%).

Note: The balance of assets under management includes the balance of assets that were subject to consulting contracts, etc.

Property Management Business

During the fiscal year under review, the segment made efforts to win new contracts and maintain existing contracts. Consequently, the total number of properties under management was 963 as of November 30, 2024, an increase of 105 from November 30, 2023, with the total comprising 571 office buildings, hotels, logistic facilities and other such properties, and 392 condominiums and apartments.

As a result, revenue in this segment was ¥7,104 million (up 9.8% year on year) and segment profit was ¥1,039 million (up 27.7%).

Hotel Business

During the fiscal year under review, thanks to recovering domestic demand and by capturing inbound demand, guest room occupancy rates and guest room rates improved, and both revenue and segment profit significantly exceeded that of the same period of the previous fiscal year.

As a result, revenue in this segment was ¥6,297 million (up 51.4% year on year) and segment profit was ¥2,206 million (up 122.8%).

(2) Analysis and Discussion of Operating Results

In the Tokyo metropolitan area real estate market during the fiscal year under review, the low interest-rate environment and the favorable lending stance of the domestic financial institutions continued and both domestic and overseas investors engaged in active real estate transactions. Additionally, while the extra burden of rising interest rates was felt, office rents have bottomed out against the backdrop of increases in office space and relocations entailed by business expansion, etc. Furthermore, the upward pressure on rents has gained momentum due to inflation, and hotel guest room rates have also been rising due to growing inbound demand driven by the weakening yen, resulting in expectations for the rising profitability of real estate.

Amid this operating environment, for the fiscal year under review, the Group reported consolidated revenue of ¥82.1 billion (down 10.8% from the initial plan), operating profit of ¥18.4 billion (up 4.4% from the initial plan), and profit before tax of ¥17.3 billion (up 5.2% from the initial plan). Although revenue decreased compared to the initial plan due to strategically postponing a portion of the sales plan for the fiscal year under review to the following fiscal year and beyond, due to having achieved highly profitable property sales in the Revitalization Business, profits exceeded the initial plan thanks to the upward swing in profit margin in the Revitalization Business as well as the strong performance of the Hotel Business. In the initial year of its medium-term management plan, “Further Evolution 2026,” the Group was off to a good start, as both profit before tax and profit for the year reached record highs for the third consecutive year.

As for the operating segments, the Revitalization Business, the Company’s mainstay business, leveraged its strengths of providing diverse real estate solutions and achieved property sales with high profit margins for both whole buildings and condominium units. In the Development Business, major logistics facilities and commercial facilities were sold to investors while the Company also expanded its product lineup of wooden structures to combat soaring construction costs and promoted the new construction and sale of high-priced detached houses and rental apartments made from wooden structures.

Furthermore, in the stock and fee businesses, the Company’s stable source of income, the Rental Business reported results exceeding the initial plan, as it managed to continue receiving rental income from properties that had become inventories due to the postponement of their sales and also through efforts to raise rent. In the Fund and Consulting Business, despite capturing new management contracts from domestic and overseas investors mostly as planned, the balance of assets under management failed to achieve the initially planned ¥2.5 trillion and remained at ¥2.4 trillion (an increase of ¥91.3 billion from the end of the previous fiscal year), due to the property dispositions by existing trusted funds exceeding the Company’s expectations. This resulted in segment profit slightly undershooting the initial plan. In the Property Management Business, the succession of a property management company through the business

succession support services led to an increase in the number of buildings under management, which, in turn, contributed to performance exceeding the plan. In the Hotel Business, the Company worked to capture inbound demand mainly through the Tosei Hotel COCONE Tsukiji Ginza Premier, which opened in September 2023 and significantly increased revenue and profits.

As for initiatives to create new income-generating models that combine real estate and DX, the Company established two new funds under Tosei Real Estate Crowd, TREC FUNDING, bringing the total number of funds to eleven and the cumulative total amount under management to ¥3.1 billion, while also issuing a real estate security token, “Tosei Property Fund (Series 3) Ichigaya.” In September 2024, the Company commenced the handling of the real estate security token on “START,” a proprietary trading system operated by Osaka Digital Exchange Co., Ltd. Furthermore, the Company offers individual investors TRESQ, the real estate digital matching service that uses a state-of-the-art digital platform to efficiently connect buyers with suitable investment property. The Company will continue to promote DX through its businesses while diversifying financing methods and exit strategies, and further diversifying opportunities for investors to invest in real estate.

(3) Financial Positions

As of November 30, 2024, total assets were ¥276,815 million, a increase of ¥31,485 million compared with November 30, 2023, while total liabilities were ¥185,948 million, a increase of ¥22,938 million.

Increase in total assets were due to an increase in trade and other receivables, inventories and other financial assets. Increase in total liabilities were due to an increase in trade and other payables and interest-bearing liabilities.

Total equity increased by ¥8,547 million to ¥90,866 million, mainly due to an increase in retained earnings, payment of cash dividends.

(4) Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of November 30, 2024 totaled ¥34,874 million, a decrease of ¥4,323 million compared with November 30, 2023.

The cash flows for the fiscal year under review and factors contributing to those amounts are as follows:

Cash Flows from Operating Activities

Net cash used in operating activities totaled ¥13,045 million (in comparison with segment net cash provided in Operating activities of ¥5,722 million in the same period of the previous fiscal year). This is attributed to the profit before tax of ¥17,364 million, an increase in inventories of ¥29,310 million and income taxes paid of ¥5,624 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥5,608 million (down 65.2% year on year). This is primarily due to payments of loans receivable of ¥8,840 million, collection of loans receivable of ¥7,804 million, purchase of other financial assets of ¥2,360 million and purchase of investment properties of ¥2,448 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥14,329 million (down 19.5% year on year). This mainly reflects ¥42,352 million in the repayments of non-current borrowings and ¥3,192 million in cash dividends paid, despite ¥59,194 million in proceeds from non-current borrowings.

(Reference) Trends in cash flow indicators for the Tosei Group

	Year ended Nov. 30, 2022	Year ended Nov. 30, 2023	Year ended Nov. 30, 2024
Ratio of equity attributable to owners of the parent to total assets (%)	34.3	33.4	32.7
Ratio of equity attributable to owners of the parent to market capitalization (%)	31.4	35.5	42.7
Ratio of cash flows to interest-bearing debt (years)	—	25.6	—
Interest coverage ratio (times)	—	3.6	—

Ratio of equity attributable to owners of the parent to total assets: Equity attributable to owners of the parent /Total assets

Ratio of equity attributable to owners of the parent to market capitalization:

Market capitalization/Total assets

Ratio of cash flows to interest-bearing debt:

Interest-bearing debt/Cash flows

Interest coverage ratio:

Cash flows/Interest expenses

Notes:

- (1) All indicators are calculated using consolidated financial figures.
- (2) Market capitalization is calculated based on the number of issued shares, excluding treasury shares.
- (3) The figure for cash flows employs cash flows from operating activities.
- (4) Interest-bearing debt includes all liabilities recorded on the Consolidated Statement of Financial Position on which interest is paid.
- (5) Interest-bearing debt to cash flows ratio and interest coverage ratio are not presented for the year ended November 30, 2022 and the year ended November 30, 2024 because cash flows from operating activities on the consolidated statements of cash flows was negative.

(5) Future Outlook

The Tokyo metropolitan area real estate investment market, which is the Group's mainstay market, maintains a favorable investment environment against the backdrop of stable rental market and high liquidity, despite the rising trend in domestic interest rates reflecting the Bank of Japan's shift in monetary policy and the shrinking of the yield gap. Meanwhile, soaring construction costs and extended construction periods due to labor shortages are expected to continue for the time being, and the Company is aware of the ongoing necessity of exercising caution when considering development plans in the Development Business.

Under such a business environment, as for the business forecast for the fiscal year ending November 30, 2025, the Group expects consolidated revenue of ¥102.0 billion (up 24.2% year on year), operating profit of ¥20.6 billion (up 11.6% year on year), profit before tax of ¥18.8 billion (up 8.3% year on year), and profit attributable to owners of the parent for the year of ¥12.8 billion (up 6.9% year on year). Tosei will continue to promote the purchase, revitalization, development, and sales of prime real estate for future growth, while also focusing on the expansion of rent income by shoring up the leasing activities of its properties and increasing the assets under management in the Fund and Consulting Business. Furthermore, in the Hotel Business, the Group will consider the conversion of office buildings and land acquisition to make way for the opening of new hotels and further promote initiatives geared toward the Group's growth.

The Group, aiming to enhance its corporate value, promotes its businesses by formulating a three-year medium-term management plan. The medium-term management plan, "Further Evolution 2026" (from December 2023 to November 2026), which began in the fiscal year ended November 30, 2024, has been positioned as Phase 1 in the process of realizing the "Tosei Group Long-Term Vision 2032." The main policy of the plan is to "Aim for further evolution as a unique comprehensive real estate company capable of contributing to the realization of a sustainable society" and by executing various measures under the policies of the plan, we will enhance the competitive edge of the Group and also contribute to the realization of a sustainable society.

It should be noted that the medium-term management plan has been revised as follows, in light of the current performance trends of each business and the outlook of the business environment.

<Quantitative Plan of the Medium-term Management Plan "Further Evolution 2026" (Consolidated) Initial Plan (announced on January 12, 2024)>

	Initial year Year ended November.30, 2024	2nd year Year ended November.30, 2025	3rd year (final year) Year ending November.30, 2026
Consolidated revenue	¥92.1 billion	¥117.8 billion	¥123.2 billion
Consolidated profit before tax	¥16.5 billion	¥17.7 billion	¥19.0 billion
ROE in the final fiscal year	13.0%	12.7%	12.5%
Stable businesses ratio (operating profit-basis)	45% or more	45% or more	45% or more
Equity ratio	Around 35%	Around 35%	Around 35%
Net debt-to-equity ratio	About 1.4 times	About 1.4 times	About 1.4 times
Dividend payout ratio	31.5%	33.0%	35.0%

< Quantitative Plan of the Medium-term Management Plan “Further Evolution 2026” (Consolidated) Results and Revised Plan (announced on January 10, 2025)>

	Initial year Year ended November.30, 2024 Results	2nd year Year ended November.30, 2025 Revised plan	3rd year (final year) Year ending November.30, 2026 Revised plan
Consolidated revenue	¥82.1 billion	<u>¥102.0 billion</u>	<u>¥123.0 billion</u>
Consolidated profit before tax	¥17.3 billion	<u>¥18.8 billion</u>	<u>¥20.2 billion</u>
ROE	13.9%	<u>13.5%</u>	<u>13.2%</u>
Stable businesses ratio (operating profit-basis)	50.5%	45% or more	45% or more
Equity ratio	32.7%	Around 35%	Around 35%
Net debt-to-equity ratio	1.45 times	About 1.4 times	About 1.4 times
Dividend payout ratio	31.9%	<u>33.7%</u>	35.0%

(Note) As for shareholder returns, the Company aims to gradually increase the dividend payout ratio to 35% from 30% over the three-year period, and purchase of treasury shares will be considered by comprehensively taking into account the operating environment, stock price trends, improvement in shareholder value, etc.

(6) Fundamental Earnings Distribution Policy and Dividends for 2024 and 2025

Tosei’s fundamental earnings distribution policy is to strive to continuously provide stable dividends while comprehensively considering operating results, the future operating environment and progress in its business plan to balance dividends with the need for internal capital resources to generate long-term growth in corporate value by taking advantage of highly profitable business opportunities.

For the fiscal year ended November 30, 2024 and the fiscal year ending November 30, 2025, Tosei plans to pay cash dividends per share of ¥79 and ¥89 respectively.

2. Basic Concept Regarding Selection of Accounting Standards

Tosei Group has adopted IFRS.

The Group expects that adoption of IFRS will bring numerous benefits in facilitating its overseas expansion going forward, such that include improving its creditworthiness abroad enhancing flexibility in fund raising by global offering, etc., and improved convenience of financial information for overseas investors and others.

Meanwhile, another benefit is that the adoption of IFRS enables Tosei Corporation to submit IFRS-based financial statements, as is, for matters involving both the Tokyo Stock Exchange and the Singapore Exchange where the Company maintains multiple listings.

3. Consolidated Financial Statements and notes

(1) Consolidated Statement of Financial Position

(¥ thousand)

	As of Nov. 30, 2023	As of Nov. 30, 2024
Assets		
Current assets		
Cash and cash equivalents	39,197,843	34,874,164
Trade and other receivables	5,348,785	8,606,489
Inventories	118,252,139	146,817,328
Other current assets	32,256	32,307
Total current assets	162,831,025	190,330,290
Non-current assets		
Property, plant and equipment	33,018,001	32,094,169
Investment properties	37,805,499	40,945,876
Goodwill	1,401,740	1,401,740
Intangible assets	138,914	117,737
Trade and other receivables	1,440,172	1,595,084
Other financial assets	7,826,991	9,034,356
Deferred tax assets	839,334	1,268,119
Other non-current assets	28,010	28,010
Total non-current assets	82,498,665	86,485,095
Total assets	245,329,690	276,815,386
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,107,625	8,610,460
Interest-bearing liabilities	13,783,385	20,786,314
Current income tax liabilities	3,269,414	3,723,178
Provisions	1,193,060	1,528,380
Total current liabilities	24,353,486	34,648,333
Non-current liabilities		
Trade and other payables	4,207,480	4,762,512
Interest-bearing liabilities	132,804,369	145,114,493
Retirement benefits obligations	761,387	791,045
Provisions	85,122	85,948
Deferred tax liabilities	798,561	546,316
Total non-current liabilities	138,656,921	151,300,315
Total Liabilities	163,010,408	185,948,649
Equity		
Share capital	6,624,890	6,624,890
Capital reserves	7,200,518	7,288,479
Retained earnings	68,139,668	76,914,414
Treasury shares	(335,327)	(243,716)
Other components of equity	416,935	(83,780)
Total equity attributable to owners of parent	82,046,685	90,500,287
Non-controlling interests	272,596	366,448
Total equity	82,319,282	90,866,736
Total liabilities and equity	245,329,690	276,815,386

(2) Consolidated Statement of Comprehensive Income

(¥ thousand)

	Year ended Nov. 30, 2023 (Dec. 1, 2022 – Nov. 30, 2023)	Year ended Nov. 30, 2024 (Dec. 1, 2023 – Nov. 30, 2024)
Revenue	79,446,329	82,191,828
Cost of revenue	49,161,218	46,995,418
Gross profit	30,285,111	35,196,410
Selling, general and administrative expenses	14,247,230	16,182,236
Other income	264,795	133,298
Other expenses	48,097	658,892
Operating profit	16,254,578	18,488,579
Finance income	403,929	620,957
Finance costs	1,347,800	1,744,597
Profit before tax	15,310,707	17,364,939
Income tax expense	4,802,515	5,364,723
Profit for the year	10,508,192	12,000,215
Other comprehensive income		
Other comprehensive income Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair values through other comprehensive income	30,950	(517,852)
Remeasurements of defined benefit pension plans	12,822	(17,573)
Subtotal of Other comprehensive income Items that will not be reclassified to profit or loss	43,772	(535,426)
Other comprehensive income Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	17,901	3,788
Net change in fair values of cash flow hedges	(25,845)	13,349
Subtotal of other comprehensive income Items that may be reclassified to profit or loss	(7,944)	17,137
Other comprehensive income for the year, net after tax	35,827	(518,289)
Total comprehensive income for the year	10,544,020	11,481,926
Profit attributable to:		
Owners of the parent	10,507,095	11,985,203
Non-controlling interests	1,096	15,012
Profit for the year	10,508,192	12,000,215
Total comprehensive income attributable to:		
Owners of the parent	10,542,923	11,466,914
Non-controlling interests	1,096	15,012
Total comprehensive income for the year	10,544,020	11,481,926
Earnings per share attributable to owners of the parent		
Basic earnings per share (¥)	219.74	247.43
Diluted earnings per share (¥)	219.32	247.23

(3) Consolidated Statement of Changes in Equity

Year ended November 30, 2023 (Dec. 1, 2022 – Nov. 30, 2023)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at Dec. 1, 2022	6,624,890	6,775,532	60,029,994	(1,533,670)	393,929	72,290,677	—	72,290,677
Profit for the year			10,507,095			10,507,095	1,096	10,508,192
Other comprehensive income					35,827	35,827		35,827
Total comprehensive income for the year	—	—	10,507,095	—	35,827	10,542,923	1,096	10,544,020
Amount of transactions with owners								
Purchase of treasury shares		(2,619)		(113,913)		(116,533)		(116,533)
Disposal of treasury shares		427,605		1,312,256		1,739,862		1,739,862
Dividends from surplus			(2,410,243)			(2,410,243)		(2,410,243)
Change from newly consolidated subsidiary						—	271,500	271,500
Transfer from other components of equity to retained earnings			12,822		(12,822)	—		—
Balance at Nov. 30, 2023	6,624,890	7,200,518	68,139,668	(335,327)	416,935	82,046,685	272,596	82,319,282

Year ended November 30, 2024 (Dec. 1, 2023 – Nov. 30, 2024)

(¥ thousand)

	Share capital	Capital reserves	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at Dec. 1, 2023	6,624,890	7,200,518	68,139,668	(335,327)	416,935	82,046,685	272,596	82,319,282
Profit for the year			11,985,203			11,985,203	15,012	12,000,215
Other comprehensive income					(518,289)	(518,289)		(518,289)
Total comprehensive income for the year	—	—	11,985,203	—	(518,289)	11,466,914	15,012	11,481,926
Amount of transactions with owners								
Purchase of treasury shares				(310)		(310)		(310)
Disposal of treasury shares		(5,844)		91,921		86,076		86,076
Dividends from surplus			(3,192,884)			(3,192,884)		(3,192,884)
Dividends to non-controlling interests						—	(9,763)	(9,763)
Change from newly consolidated subsidiary						—	126,500	126,500
Changes in ownership interest in subsidiaries						—	(37,897)	(37,897)
Transfer from other components of equity to retained earnings			(17,573)		17,573	—		—
Share-based payment transactions		93,806				93,806		93,806
Balance at Nov. 30, 2024	6,624,890	7,288,479	76,914,414	(243,716)	(83,780)	90,500,287	366,448	90,866,736

(4) Consolidated Statement of Cash Flows

(¥ thousand)

	Year ended Nov. 30, 2023 (Dec. 1, 2022 – Nov. 30, 2023)	Year ended Nov. 30, 2024 (Dec. 1, 2023 – Nov. 30, 2024)
Cash flows from operating activities		
Profit before tax	15,310,707	17,364,939
Depreciation expense	1,593,621	1,596,465
Increase (decrease) in provisions and retirement benefits obligations	184,274	413,572
Interest and dividends income	(403,929)	(620,957)
Interest expenses	1,347,800	1,744,597
Decrease (increase) in trade and other receivables	5,065,872	(2,351,043)
Decrease (increase) in inventories	(14,496,604)	(29,310,228)
Increase (decrease) in trade and other payables	1,321,595	2,884,921
Other, net	(107,269)	28,553
Subtotal	9,816,068	(8,249,180)
Interest and dividends income received	392,357	563,052
Income taxes paid	(4,639,734)	(5,624,292)
Income taxes refund	153,315	264,725
Net cash from (used in) operating activities	5,722,006	(13,045,695)
Cash flows from investing activities		
Purchase of property, plant and equipment	(407,928)	(194,350)
Purchase of investment properties	(802,991)	(2,448,566)
Purchase of intangible assets	(39,951)	(33,772)
Payments of loans receivable	(1,219,000)	(8,840,031)
Collection of loans receivable	7,950	7,804,276
Purchase of other financial assets	(570,078)	(2,360,523)
Collection of other financial assets	8,481	402,384
Payments for acquisition of subsidiaries	(2,938,680)	(46,190)
Payments for acquisition of businesses	(10,128,240)	—
Proceeds from acquisition of businesses	—	101,584
Other, net	(11,919)	6,726
Net cash from (used in) investing activities	(16,102,356)	(5,608,461)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	(1,504,103)	2,976,360
Proceeds from non-current borrowings	59,501,354	59,194,525
Repayments of non-current borrowings	(37,621,499)	(42,352,044)
Redemption of bonds	(36,356)	(21,356)
Repayments of lease obligations	(431,500)	(564,137)
Repayments to non-controlling interests	—	(37,897)
Capital contribution from non-controlling interests	271,500	126,500
Cash dividends paid	(2,408,911)	(3,192,502)
Dividends paid to non-controlling interests	—	(9,763)
Purchase of treasury shares	(113,913)	(310)
Proceeds from disposal of treasury shares	1,740,910	84,604
Interest expenses paid	(1,591,758)	(1,874,416)
Net cash from (used in) financing activities	17,805,721	14,329,562
Net increase (decrease) in cash and cash equivalents	7,425,371	(4,324,594)
Cash and cash equivalents at beginning of year	31,767,008	39,197,843
Effect of exchange rate change on cash and cash equivalents	5,463	914
Cash and cash equivalents at end of year	39,197,843	34,874,164

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

No item to report.

(Segment Information)

(1) Summary of reportable segments

The Group's reportable segments are components of the Group about which separate financial information is available that the Board of Directors regularly conducts deliberations to determine the allocation of management resources and to assess the performance. The Group draws up comprehensive strategies for each of the following six business segments and conducts business activities accordingly; "Revitalization Business", "Development Business", "Rental Business", "Fund and Consulting Business", "Property Management Business" and "Hotel Business". In the Revitalization Business, the Group acquires the properties whose asset values have declined, renovates, and resells them. In the Development Business, the Group sells condominium units and detached houses to individual customers as well as apartment and office buildings to investors. In the Rental Business, the Group leases office buildings and apartments. The Fund and Consulting Business mainly provides asset management services for the properties placed in real estate funds. The Property Management Business provides comprehensive property management services. The Hotel Business provides mainly hotel operating services.

(2) Method for calculating revenue, profit or loss and other items by reportable segment

The methods of accounting applied in the reported operating segments are consistent with the accounting policies adopted by the Group. The reported segment profit is calculated on an operating profit basis. Intersegment revenue or transfers are based on actual market prices.

The Group's revenue and profit by reportable segment are as follows:

Year ended November 30, 2023
(Dec. 1, 2022 – Nov. 30, 2023)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	47,535,447	7,246,876	6,656,649	7,377,912	6,470,608	4,158,835	—	79,446,329
Intersegment revenue	—	—	161,216	6,493	1,325,457	21,833	(1,515,000)	—
Total	47,535,447	7,246,876	6,817,865	7,384,405	7,796,065	4,180,669	(1,515,000)	79,446,329
Segment profit	8,877,495	1,036,225	3,232,111	4,555,887	813,945	990,518	(3,251,604)	16,254,578
Finance income/costs, net								(943,871)
Profit before tax								15,310,707

Year ended November 30, 2024
(Dec. 1, 2023 – Nov. 30, 2024)

(¥ thousand)

	Reportable Segments						Adjustment	Total
	Revitalization Business	Development Business	Rental Business	Fund and Consulting Business	Property Management Business	Hotel Business		
Revenue								
Revenue from external customers	32,221,768	16,659,822	8,088,698	6,819,917	7,104,472	6,297,148	—	82,191,828
Intersegment revenue	—	—	112,277	43,222	1,542,744	31,858	(1,730,103)	—
Total	32,221,768	16,659,822	8,200,976	6,863,139	8,647,217	6,329,007	(1,730,103)	82,191,828
Segment profit	5,963,384	4,962,592	4,083,375	3,824,371	1,039,267	2,206,644	(3,591,557)	18,488,579
Finance income/costs, net								(1,123,639)
Profit before tax								17,364,939

(Earnings per Share)

	Year ended November 30, 2023 (Dec. 1, 2022 – Nov. 30, 2023)	Year ended November 30, 2024 (Dec. 1, 2023 – Nov. 30, 2024)
Profit attributable to owners of the parent (¥ thousand)	10,507,095	11,985,203
Net income used to figure diluted net income per share (¥ thousand)	10,507,095	11,985,203
Weighted average number of outstanding ordinary shares (shares)	47,815,490	48,438,098
The number of increased ordinary shares used to figure diluted earnings per share (shares)		
Subscription rights to shares relating to stock options (shares)	91,733	22,870
Common stock relating to PSU (shares)	—	17,554
Common stock relating to RSU (shares)	—	302
The weighted-average number of ordinary shares used to figure diluted earnings per share (shares)	47,907,223	48,478,824
Basic earnings per share (¥)	219.74	247.43
Diluted net income per share (¥)	219.32	247.23

(Significant Subsequent Events)

No item to report.