FJ Next Holdings

Supplementary Materials to the Financial Results Briefing

for the First Half (Interim Period) of the Fiscal Year Ending March 31, 2025

November 6, 2024 (Wednesday)



Life with a dream

Securities code: 8935

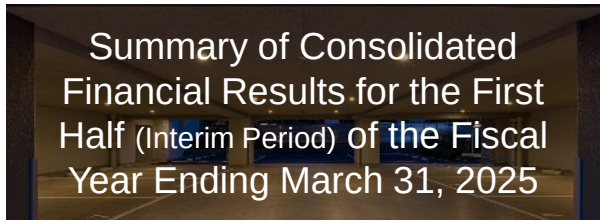
Table of Contents

- Summary of Consolidated Financial Results for the First Half (Interim Period) of the Fiscal Year Ending March 31, 2025 ..... P4 ～ P7
- Each Segment and Brand of the Group ..... P8 ～ P15
- Situation of Each Segment ..... P16 ～ P22
- Business Situation and Strategy of the Group ..... P23 ～ P32
- Consolidated Performance Perspective of the Fiscal Year Ending March 31, 2025 ..... P33 ～ P34
- APPENDIX ..... P35 ～ P45

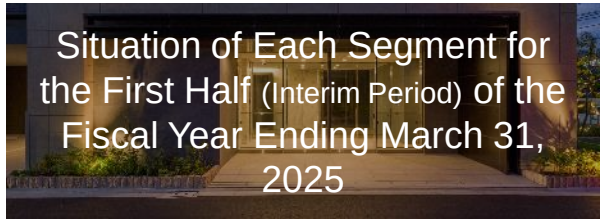


Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Summary of Financial Results



- Net sales of 53.5 billion yen, operating income of 4.1 billion yen, ordinary income of 4.1 billion yen, and net income of 2.7 billion yen
- Steady progress against full-year plan



- The number of condominium units sold remained strong in the mainstay real estate development segment.
- Delivered 4 newly built condominiums



- Achieved market-leading supply and sales performance through consistent services in purchasing, sales, and management
- Stable progress on land purchase situation



- No. 1 in the metropolitan area investment-type condominium supplier ranking for the fifth year in a row
- Received the Excellent Business Award at the 14th Excellent Business Awards by the Japan National Association of Home Builders
- Received the Grand Prize in the “SUUMO AWARD” in two categories in the metropolitan area* in 2024 from Recruit Co., Ltd.

* metropolitan area ： Tokyo, Kanagawa, Chiba, Saitama and Ibaraki

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

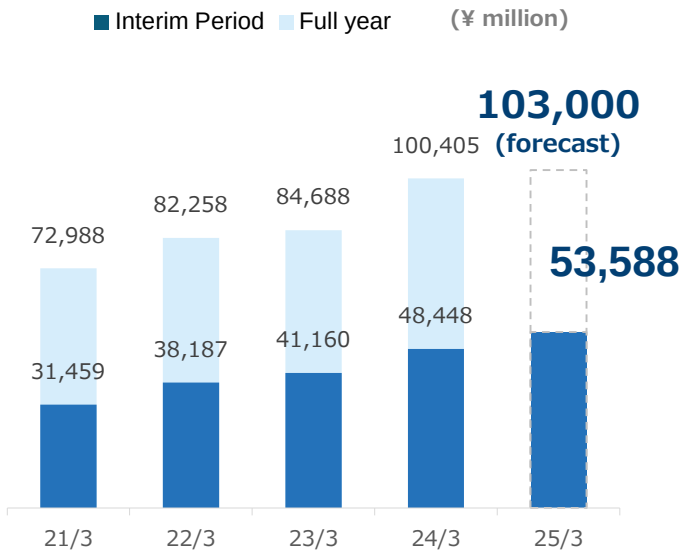
Consolidated Financial Results

for the First Half (Interim Period) of the Fiscal Year Ending March 31, 2025

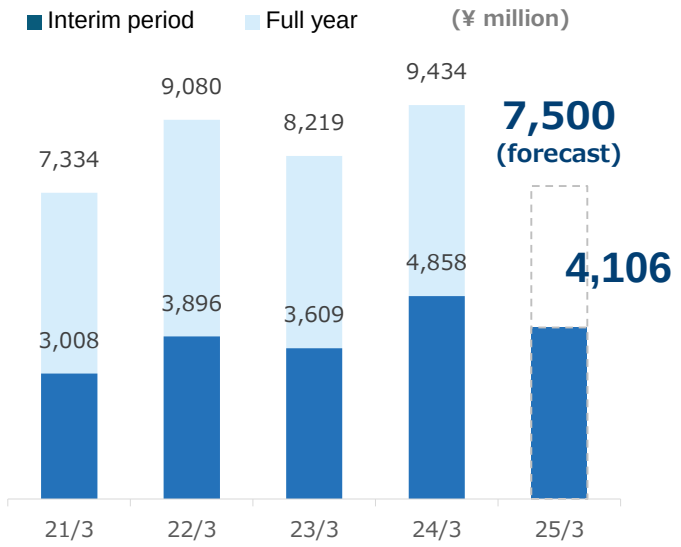
Highlights of Consolidated Financial Results for the First Half (Interim Period) of the Fiscal Year Ending March 31, 2025

Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parental Company
53,588 million yen	4,115 million yen	4,106 million yen	2,796 million yen
YOY +10.6%	-15.3%	-15.5%	-13.3%

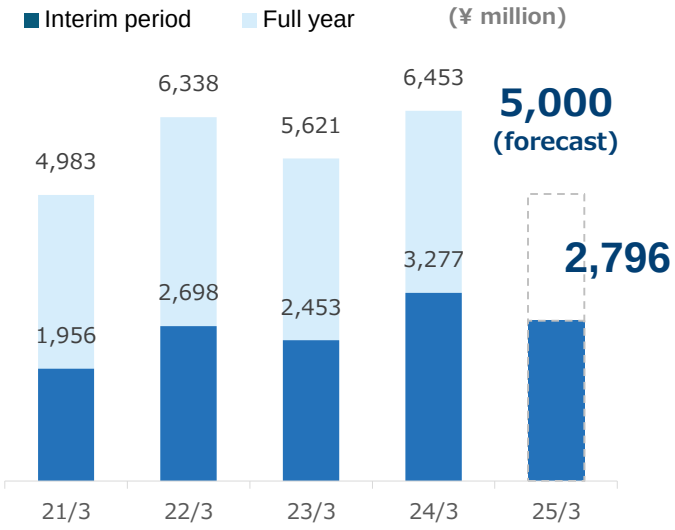
Net Sales



Ordinary Income



Net Income Attributable to Shareholders of Parental Company



Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Consolidated Statements of Income for the Interim Period of the Fiscal Year Ending March 31, 2025

Revenue increased due to an increase in the number of condominium units sold. The Company recorded its highest net sales ever.

(¥ million)

	FY2024	FY2025		
	Financial results for the interim period (A)	Financial results for the interim period (B)	Increase/Decrease (B)-(A)	Rate of change
Net Sales	**48,448**	**53,588**	**+5,140**	**+10.6%**
Cost of sales	38,206	44,087	+5,880	+15.4%
Gross profit	10,241	9,501	-740	-7.2%
Selling, general and administrative expenses	5,382	5,386	+3	+0.1%
Operating income	4,859	4,115	-744	-15.3%
Ordinary Income	**4,858**	**4,106**	**-751**	**-15.5%**
Ordinary income ratio	(10.0%)	(7.7%)	—	(-2.3P)
Net income attributable to shareholders of parental company	3,227	2,796	-430	-13.3%

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Consolidated Balance Sheet for the Interim Period of the FY Ending March 31, 2025

By keeping dependency on loans at a low level, we have maintained good financial health.

(¥ million)

	FY2024 (as of Mar. 31, 2024) (A)	FY2025 (interim period) (as of Sep. 30, 2024) (B)	Increase/Decrease (B)-(A)
Current assets	82,732	86,225	+3,493
Cash and deposits	34,600	32,830	-1,770
Real estate for sale	12,491	10,140	-2,350
Real estate for sale in process	28,159	38,073	+9,914
Non-current assets	12,548	12,574	+25
Total assets	95,281	98,799	+3,518
Current liabilities	15,209	10,326	-4,883
Non-current liabilities	12,039	18,533	+6,493
Total liabilities	27,249	28,859	+1,609
Total net assets	68,031	69,940	+1,908
Interest-bearing liabilities	12,753	15,930	+3,176

Key points

- Dependency on interest-bearing liabilities continued to be relatively low. This figure was roughly unchanged from the end of the previous fiscal year, at **16.1%**.
- The Company continued to maintain good financial health, with equity ratio of **70.8%**.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Each Segment and Brand

of the Group

History of FJ Next Group

Since its founding in 1980, FJ Next Group has been promoting the asset-operated condominium business as its core business for more than 40 years.
Continuing our sustained growth, we have supplied 358 condominiums and more than 24,000 units* to date, and continue to be the choice of many customers.
*Total as of September 30, 2024

1980
- Established

1994
- Started sales of “Gala Condominium series”

2002
- FJ Community Co., Ltd. established as a real estate leasing and building management company

2004
- Shares listed on the JASDAQ Securities Exchange

2005
- Resitec Corporation Co., Ltd., a general construction company, established

2007
- Shares listed on the Second Section of the Tokyo Stock Exchange
- New family-type brand “Gala Residence series” condominium sales commenced

2008
- FJ Resort Management Co., Ltd. established as an inn operator.

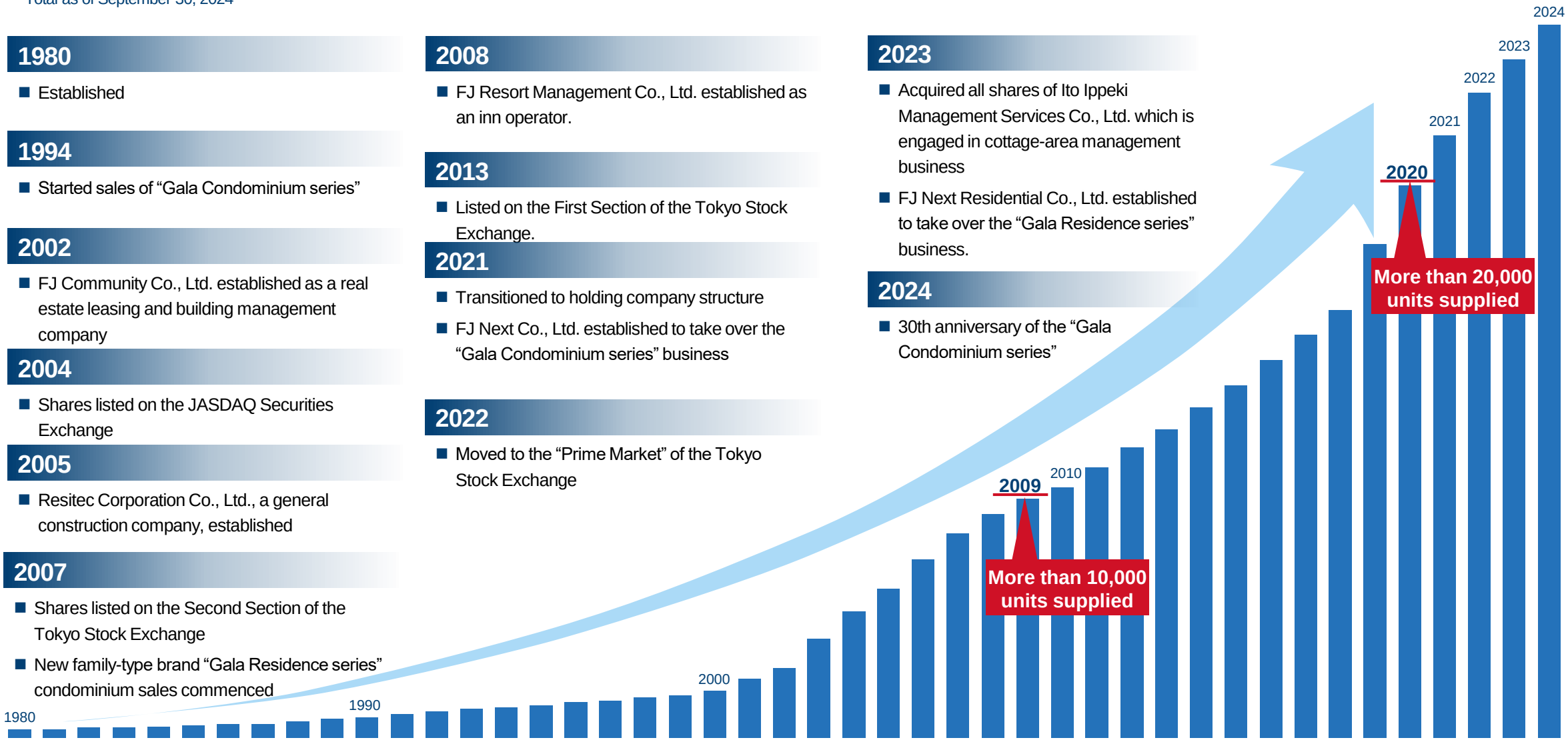
2013
- Listed on the First Section of the Tokyo Stock Exchange.

2021
- Transitioned to holding company structure
- FJ Next Co., Ltd. established to take over the “Gala Condominium series” business

2022
- Moved to the “Prime Market” of the Tokyo Stock Exchange

2023
- Acquired all shares of Ito Ippeki Management Services Co., Ltd. which is engaged in cottage-area management business
- FJ Next Residential Co., Ltd. established to take over the “Gala Residence series” business.

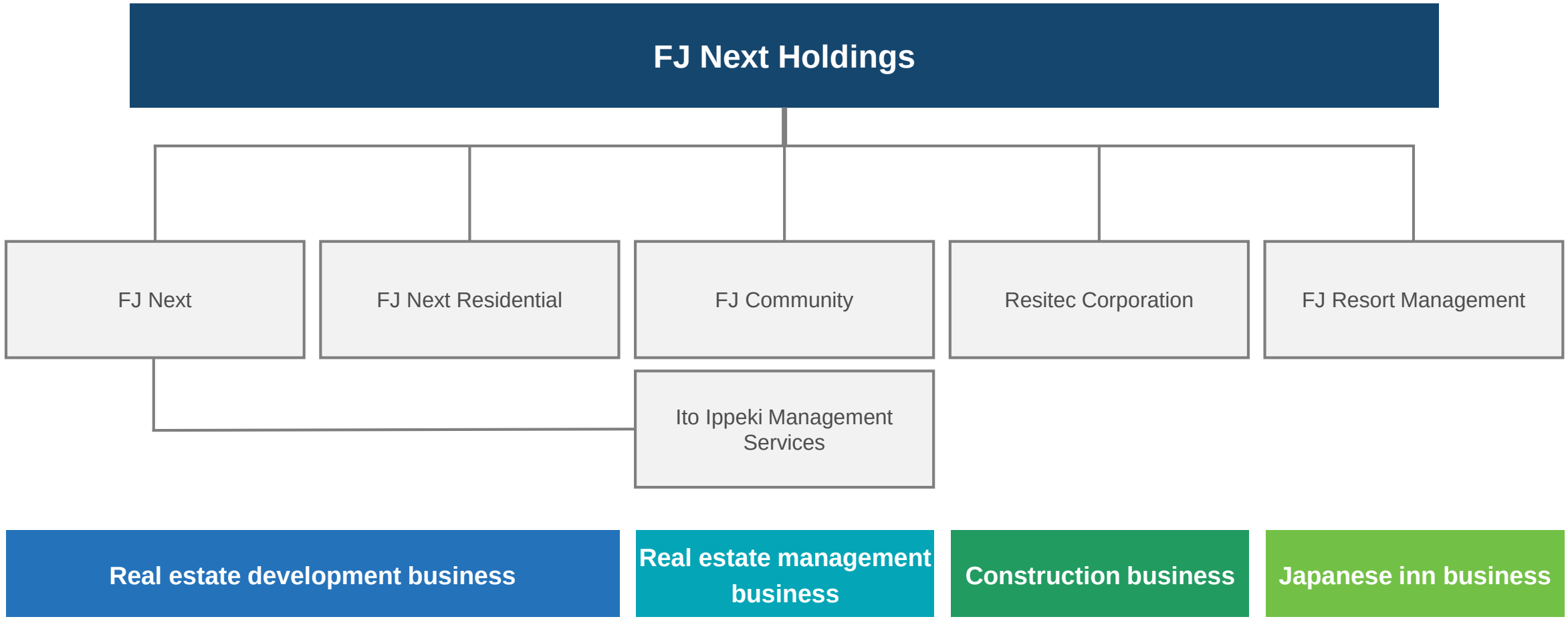
2024
- 30th anniversary of the “Gala Condominium series”



Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Group Company Segment System



* Ito Ippeki Management Services Co., Ltd. is a subsidiary of FJ NEXT (a sub-subsidiary of the Company).

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Four Segments

FJ NEXT　FJ Next Residential

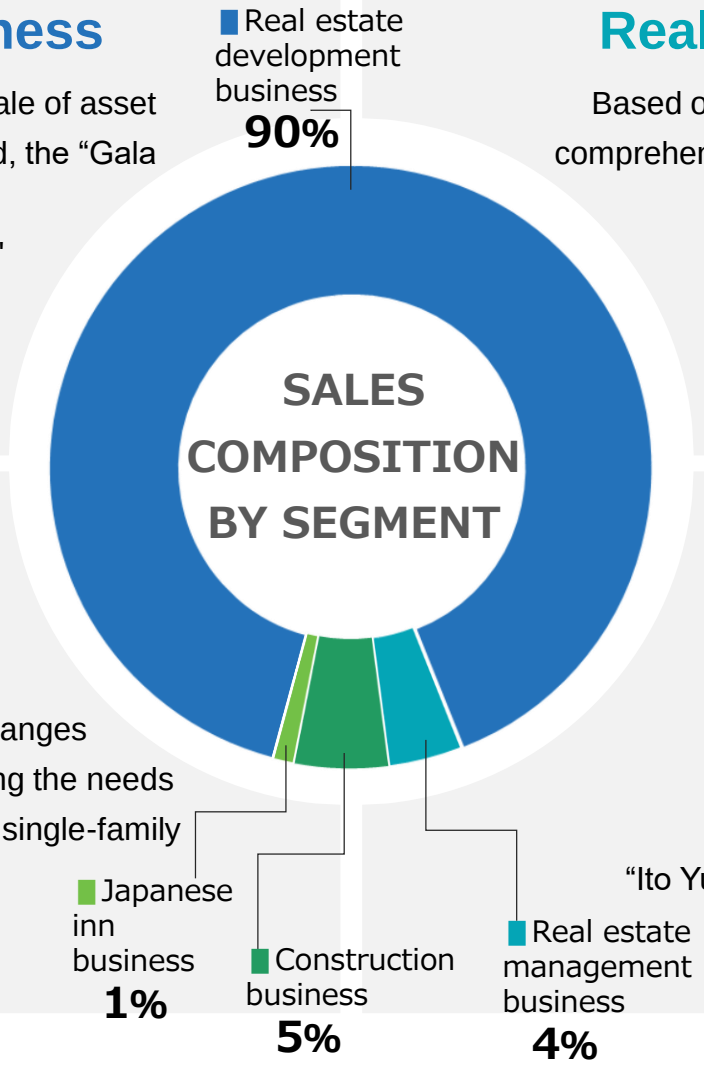
Real estate development business

Our core business is the planning, development and sale of asset management-type condominiums under our own brand, the “Gala Condominium series” in the central Tokyo area.
Through planning and development from the residents' perspective, we pursue design, safety and comfort, and foster and establish the “Gala” brand.

FJ Community　Ito Ippeki Management Services

Real estate management business

Based on our extensive management track record, we provide comprehensive real estate management services not only for the maintenance and management of buildings, but also for condominium owners and residents.



Resitec Corporation

Construction business

As needs for buildings change dramatically with the changes of the times, we provide flexible buildings while grasping the needs of the times with a wide range of responsiveness from single-family residences to buildings and condominiums.

FJ Resort Management

Japanese inn business

We manage and operate four Japanese inns in the Izu Peninsula area of Shizuoka Prefecture, one of Japan's leading hot spring resorts: “Ito Yukitei”, “Ito Yukitei Kawana Bettei”, “Gyokuhokan”, and “Seiryusou”.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Main Brands

Gala Condominium series		Gala Residence series
"Gala" is a word meaning "festival" or "special event". It expresses our hope that life at the Gala condominiums will be bright and enjoyable.		It should not be just functional, nor should it be just flamboyant in design. Condominiums must be designed with the utmost attention to detail from the customer's point of view, and must be robust (security and structure for peace of mind). The eight lines represent each residential unit, while the thicker line represents the secure structure.
An asset management-type condominium with a distinctive design and presence in an attractive location as a base for a glamorous single life in the heart of the city	**Characteristics**	Self-residential condominium offering convenience and a good living environment for families
Single-person households	**Target**	Family households
Single type	**Type**	Family type
Gala Cresta Kawasaki   Gala Vista Ojima	**Examples**	Gala Residence Minamisunamachi   Gala Residence Nishi-Arai Parkside

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Characteristics of the Gala Brand



01

Dignified entrance design features

We have implemented design planning from the perspective of residents, including a symbolic exterior befitting an urban residence, a stately entrance, and an entrance hall with a sense of calm and dignity.



02

Facility specifications emphasizing safety and comfort

We plan and develop from the perspective of our residents and adopt systems and structures that meet the needs of the times. In addition, the Gala Concierge Service, an exclusive consultation service for residents, accepts consultations and requests regarding condominium living and provides a wide variety of services.



03

Convenient living within a few minutes' walk to the nearest station

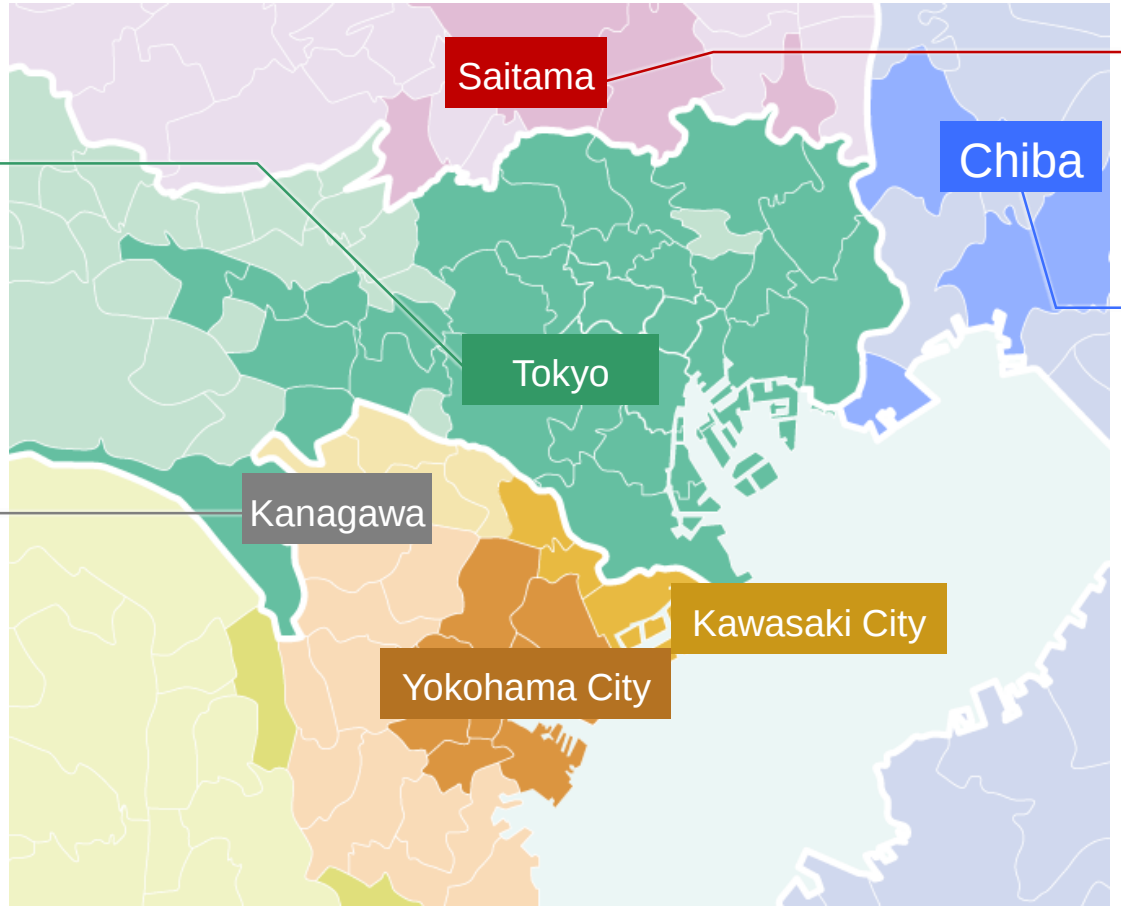
The “Gala Condominium series” carefully selects areas with high rental demand, mainly in Tokyo and Kanagawa Prefecture, to provide comfortable footwork to the heart of the city. In the family-oriented “Gala Residence series”, we have selected sites with an emphasis on comfortable transportation access and a rich and convenient surrounding environment.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Supply Achievement for the Gala Brand

We have supplied condominiums by focusing on the area with more potential tenants such as central Tokyo and Yokohama area.

Supply map



Tokyo

■ All of Tokyo Prefecture
258 condos, 17,101 units

□ 23 Wards (Tokyo)
242 condos, 16,065 units

Kanagawa

■ All of Kanagawa Prefecture
82 condos, 6,827 units

□ Yokohama City
48 condos, 4,489 units

□ Kawasaki City
31 condos, 2,210 units

Saitama

15 condos, 793 units

Chiba

3 condos, 155 units

Total 358 condos
Total 24,876 units
(as of end of September 2024)

※ Supply results for studio-type condominiums and family-type condominiums are also included.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Supply Achievement for the Gala Residence Series

Supply performance in the family-oriented condominium business is steadily expanding, and new projects are underway one after another

Major new projects in progress

"BLOOOOOM" **Gala Residence Sakuragaoka**

To be completed in September 2025 Total units: 60







"COLORFUL DAYS" **Gala Residence Yokohama Tomioka**

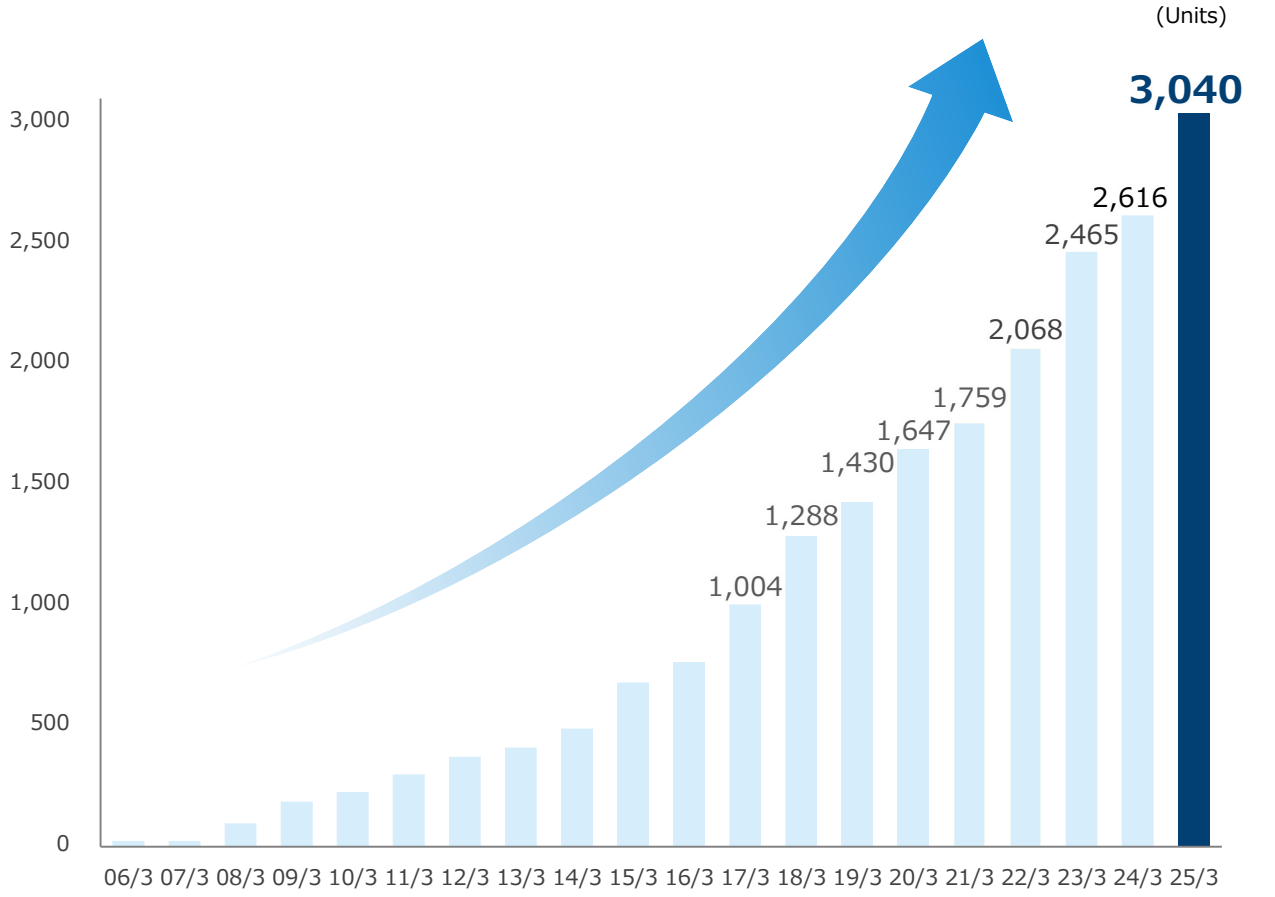
To be completed in November 2025 Total units: 37







Cumulative supply achievement for the Gala Residence series



Notes: 1. In the forecast for the fiscal year ending March 2025, the projects under progress are included as the ones that are expected to be supplied within the term.
2. Includes projects based on joint ventures.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Situation of Each Segment

for the First Half (Interim Period) of the Fiscal Year Ending March 31, 2025

Financial Results by Segment

(¥ million)

		Interim period of FY2024	Interim period of FY2025	YOY	
Real estate development business FJ Next Holdings Co., Ltd. FJ Next Co., Ltd. FJ Next Residential Co., Ltd. Real estate planning and development, sales, and brokerage, and leasing	Net sales	41,639	48,145	+6,505	+15.6%
	Segment income	4,163	3,482	-681	-16.4%
Real estate management business FJ Community Co., Ltd. Ito Ippeki Management Services Co., Ltd. Lease management of real estate, total building management, cottage-area management business	Net sales	1,943	2,098	+155	+8.0%
	Segment income	529	569	+40	+7.7%
Construction business Resitec Corporation Co., Ltd. Design, construction and contracting of buildings and civil engineering	Net sales	4,268	2,733	-1,535	-36.0%
	Segment income	179	86	-92	-51.7%
Japanese inn business FJ Resort Management Co., Ltd. Japanese inn business, restaurant business	Net sales	571	591	+19	+3.5%
	Segment profit (loss)	-32	-33	-1	—
Consolidated results * Other businesses included	Net sales	48,448	53,588	+5,140	+10.6%
	Operating income	4,859	4,115	-744	-15.3%

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Outline of Real Estate Development Business
FJ Next Holdings / FJ Next / FJ Next Residential

Delivered 4 newly constructed condominiums. Sold 1,574 units, achieving a new record for an interim period.

Condominium Sales Status			FY2024				FY2025		
			Results for Apr.-Sept.		Results for the full fiscal year		Results for Apr.-Sept.		Full-year plan
			No. of Units	Sales (¥ million)	No. of Units	Sales (¥ million)	No. of Units	Sales (¥ million)	No. of Units
			1,400	**38,406**	**2,770**	**79,593**	**1,574**	**44,849**	**2,900**
Aggregation category	New	Gala Condominium series	(416)	11,910	(603)	17,655	(**134**)	4,096	
		Gala Residence series	(108)	4,368	(331)	14,533	(**90**)	4,318	
	Pre-owned condominiums		(876)	22,127	(1,836)	47,404	(**1,350**)	36,435	

* The "Gala Residence series" includes the units that are equivalent to the Company's equity among the projects based on joint ventures.





Name of property: Gala Vista Ojima
Address: 1-3-39 Higashisuna, Koto-ku, Tokyo

Total units: 54
Completion: September 2024





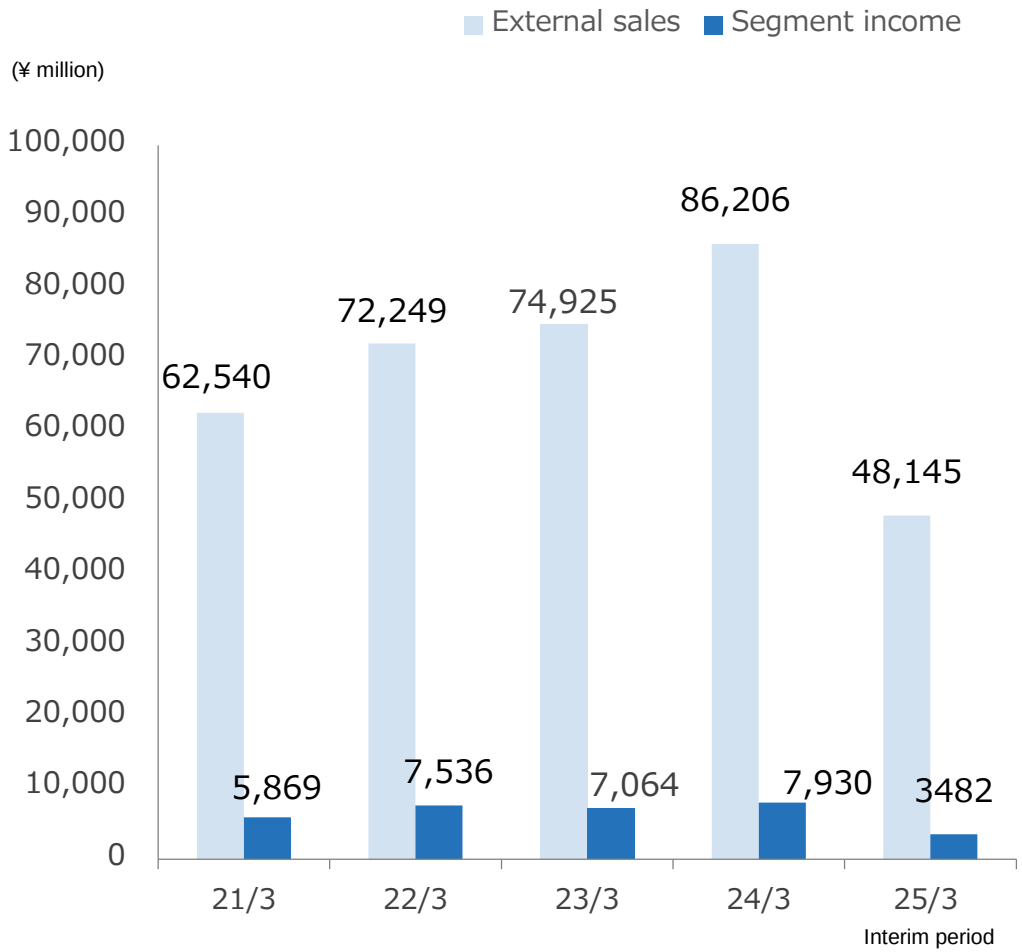
Name of property: Gala Residence Nishi-Arai Parkside
Address: 3-6-9, Rokugatsu, Adachi-ku, Tokyo

Total units: 48
Completion: September 2024

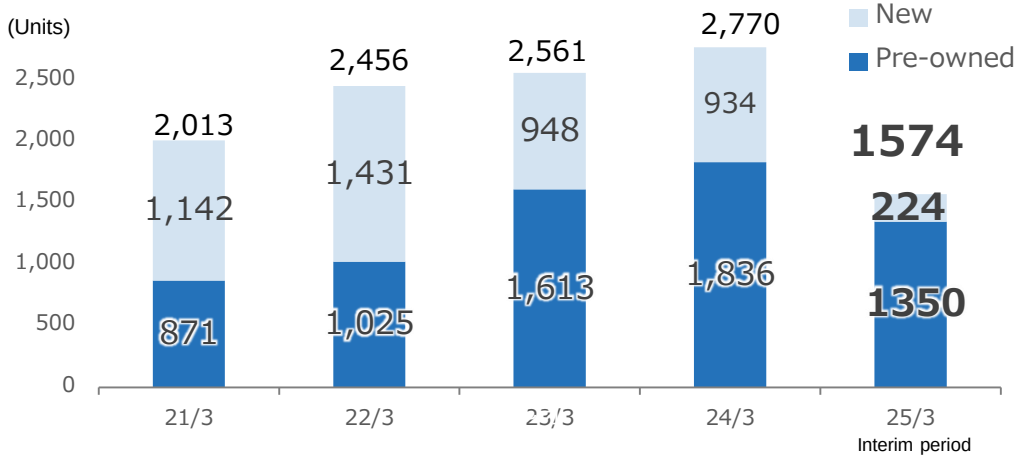
Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Outline of Real Estate Development Business (2)
FJ Next Holdings / FJ Next / FJ Next Residential

Trend in segment performance

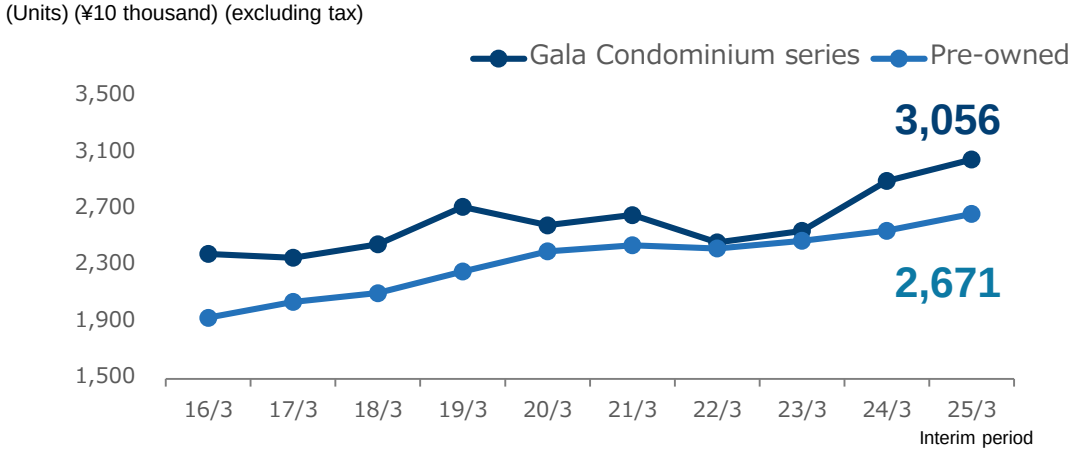


Transition in condominium units sold



* "New" includes the Gala Condominium series and the Gala Residence series.

Average sales price (single type*) *Under 40 m^2



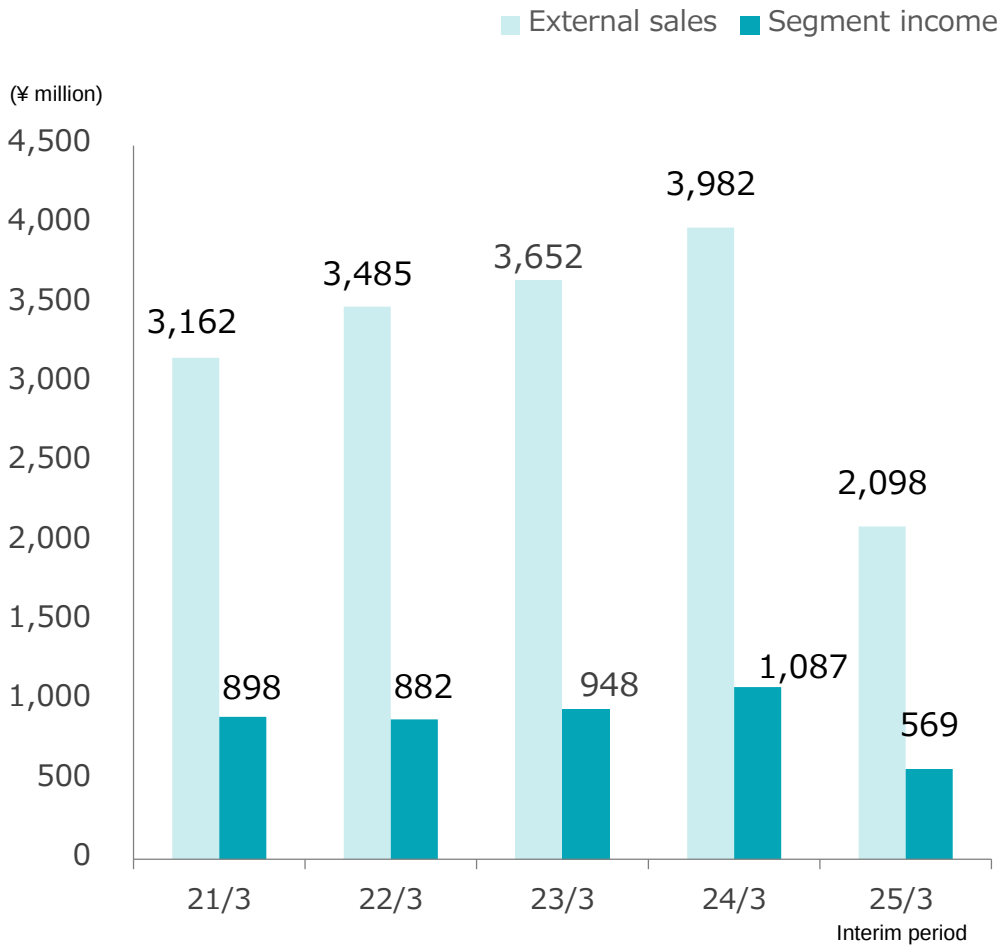
Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Outline of Real Estate Management Business
FJ Community / Ito Ippeki Management Services

Providing stable property management

Trend in segment performance



No. of managed condos and units

363 condos **24,550** units (as of end of September 2024)

302 single-type, **61** family-type condos

241 building maintenance contracts ...Entrusted mainly with partial facility inspections and cleaning services

Outline of Building Management Business

Through extensive education to the staff members to manage condominiums, we provide operational support for the management of condominiums and retain the assets value of the property.

No. of managed rental units

18,898 units (as of end of September 2024)

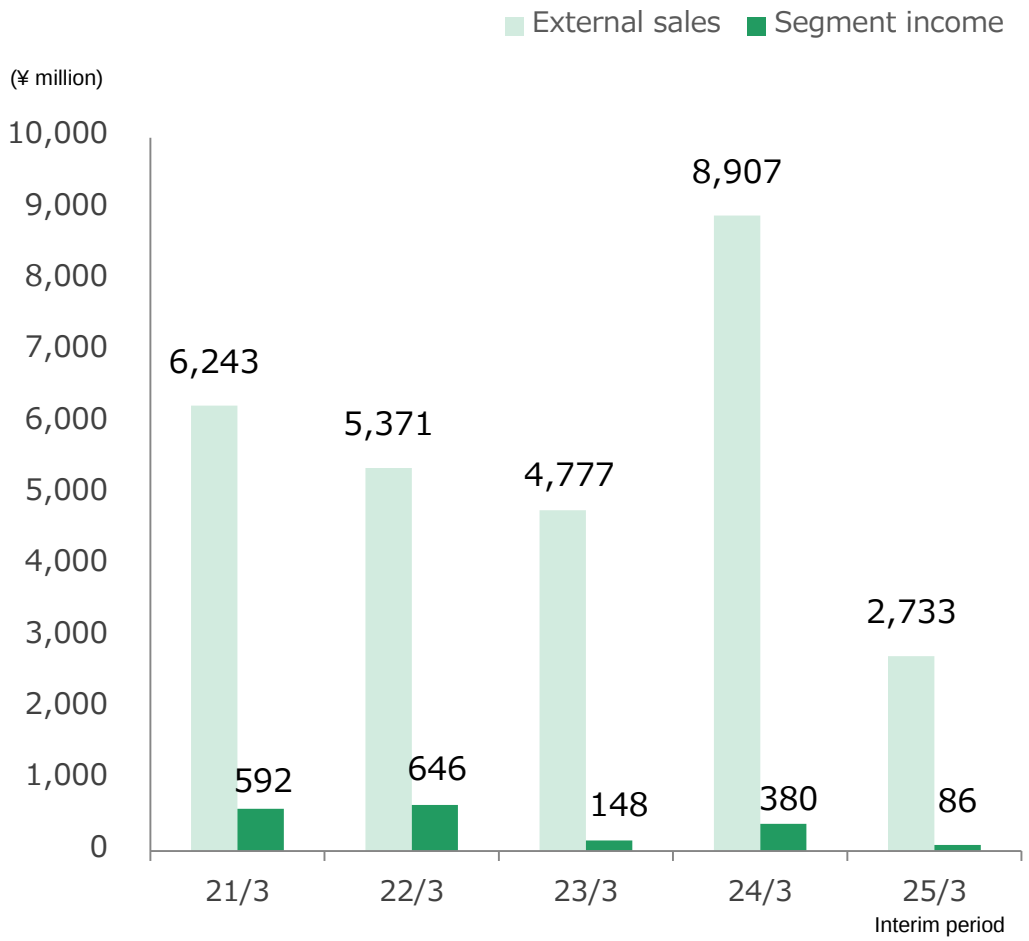
Outline of rental unit management business

Combination of the landlord representation system and subleasing allows landlords to hold their asset management-type condominiums over medium to long term and to conduct assets formation for the future in an easy and safe manner.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Order intake is solid despite a reduction in the number of construction completions.

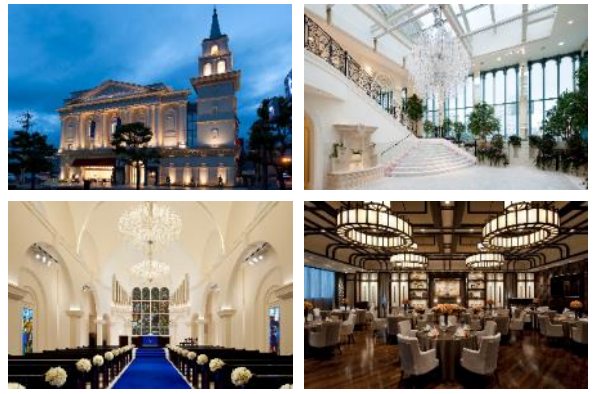
Trend in segment performance



Examples of construction

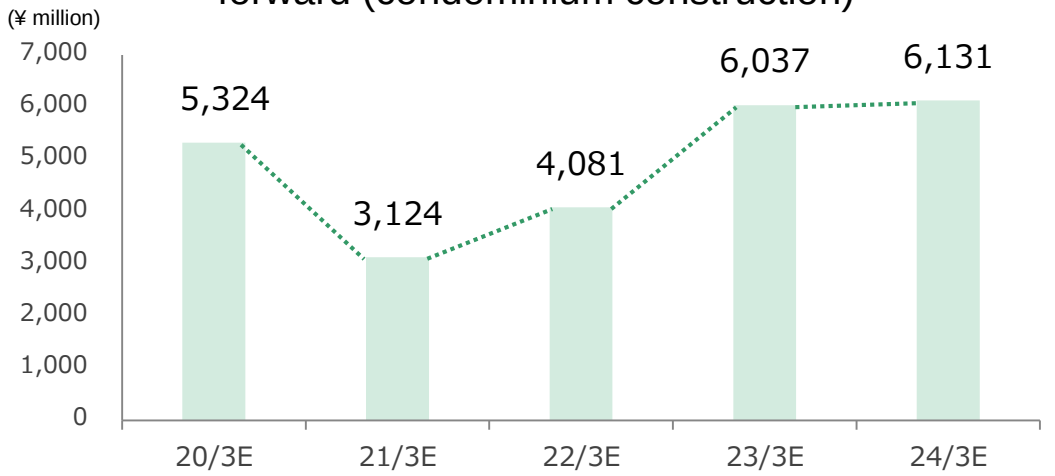


Example of condominium construction



Examples of wedding hall renovation

Changes in construction work carried forward (condominium construction)



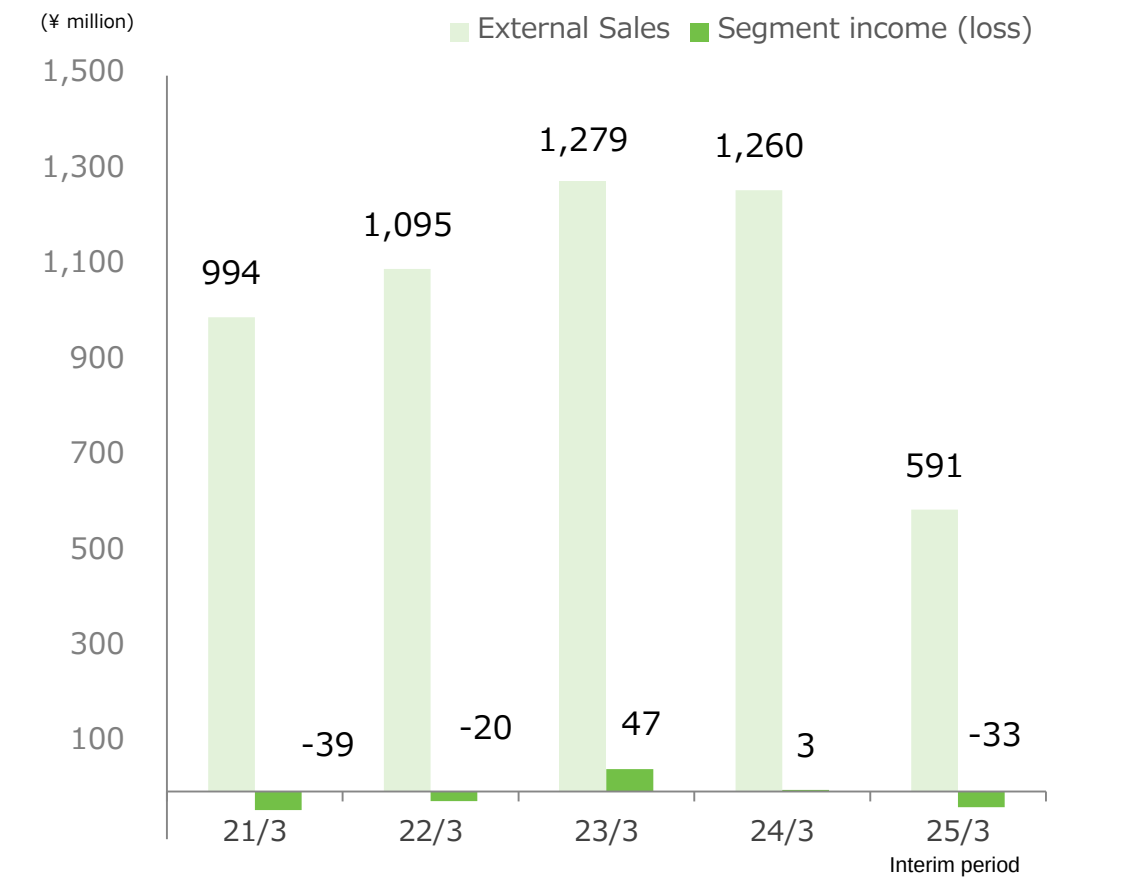
Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Outline of Japanese Inn Business

FJ Resort Management

The average price per room exceeded the previous year's level, but the occupancy rate was lower than expected due to typhoons, etc.

Trend in segment performance



Ito Yukitei, a moment of fulfillment, a relaxing inn for your holidays



伊東 遊季亭 Ito Yuki Tei

Closest station:
JR Ito Station
No. of rooms: 27

A quiet presence far from everyday troubles, with a sweeping view of Sagami Bay from the hills of Kawana in Ito:



伊東 遊季亭 Ito Yuki Tei 川奈別邸

Closest station:
Izukyu Kawana Station
No. of rooms: 5

Established in 1926, Gyokuhokan provides something new, classic and ultimate.



大正十五年創業 源泉かけ流しの宿 玉峰館

Closest station:
Izukyu Kawazu Station
No. of rooms: 16

With an aesthetic refined by tradition, you can unwind here like nowhere else.



清流荘

Closest station:
Izukyu Rendaiji Station
No. of rooms: 26

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Business Situation and Strategy

of the Group

FJ Next Group's Strengths

Providing one-stop solutions through Group-wide efforts

Planning, development and sales of the Gala Condominium series

FJ NEXT

Planning, development and sales of the Gala Residence series

FJ NEXT Residential

The FJ Next Group works as a unified group to provide one-stop solutions to our clients.

FJ Community	Resitec Corporation	Allied Life
Comprehensive building management, real estate leasing management	Large-scale repairs, construction inspections,	Financial services business

Purchasing, planning, and development



Carefully selected land in the Tokyo metropolitan area and other areas where stable rental demand can be expected, realizing the development of products with high asset value.

Design and construction



Implementation of design plans focused on design and from the viewpoint of residents. Safety is ensured through supervision by a design office and multiple checking systems including first-class in-house architects, and experts in each of structure, design, and facilities design superior products that meet the needs of the times.

Sale and brokerage



Based on our extensive experience, we offer the best proposals for brokerage, purchase, etc. In addition, we provide group-wide support for replacement purchases, gifts, and inheritances according to the wishes and circumstances of our clients.

Condominium sales



We propose optimal asset management plans based on our solid experience and track record to owners who own properties for a variety of purposes, such as future pension planning or as an alternative to life insurance.

Lease management and building management



We have established a meticulous management system by hiring and training our own management and cleaning staff. We conduct a wide range of sales activities, including the establishment of a specialized department for corporate sales to achieve speedy move-ins.

Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

FJ Next Group’s Strengths

We will build a robust business strategy through the synergy effects of the Group.

01 Purchase

With the strengths of more than 40 years of solid performance and robust financial affairs as our foundation, we use rapid and precise decision-making to secure land with superior business viability.

×

02 Sales

We promote sales using our precise payment simulator based on long years of actual business results and proposals for optimal asset management plans.

×

03 Management

Based on our extensive management experience, we not only maintain and manage buildings, but also provide total management of properties for sale in order to increase asset value. In addition, we have created a sales system that does not rely solely on rental businesses for tenant recruitment.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

FJ Next Group's Strengths

2023 -Tokyo metropolitan area new condominium supply ranking

(Target period: January to December 2023)

Rank	Owned by	No. of units supplied
1	Mitsui Fudosan Residential	2,904
2	Nomura Real Estate Development	2,262
3	Sumitomo Realty & Development	2,011
4	Mitsubishi Estate Residence	1,720
5	Nippon Steel Kowa Real Estate	1,147
6	Daiwa Land Residence	1,068
7	Tokyo Tatemono	943
8	**FJ NEXT**	**929**
9	Shinnihon Corporation	902
10	Open House Development	858

* Family, compact, and studio combined.
* Joint venture properties are proportionally divided according to the business rate.
* Fixed-term lease condominiums are included.

Source: Real Estate Economic Institute Co., Ltd. in February and August 2024

Investment-type condominium supplier ranking in the Tokyo metropolitan area

Fiscal year	No. of units supplied	Rank	Market share
2023	699	1	14.6%
2022	844	1	14.2%
2021	1,067	1	17.7%
2020	900	1	14.4%
2019	868	1	14.5%
2018	635	4	8.1%
2017	664	2	10.9%
2016	1,072	1	15.3%
2015	849	1	14.0%
2014	725	2	11.6%
2013	898	1	15.7%

Source: Real Estate Economic Institute Co., Ltd. in August every year

No. 1 in the Tokyo metropolitan area investment-type condominium supplier ranking **for the fifth year** in a row in 2023

Announced in August this year in "Metropolitan Area Investment-Type Condominium Market Trends for the Interim Period of 2024 and Entire 2023" by Real Estate Economic Institute Co., Ltd. In 2023, we supplied 699 investment-type condominiums in the Tokyo metropolitan area, ranking first for the fifth consecutive year.



Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

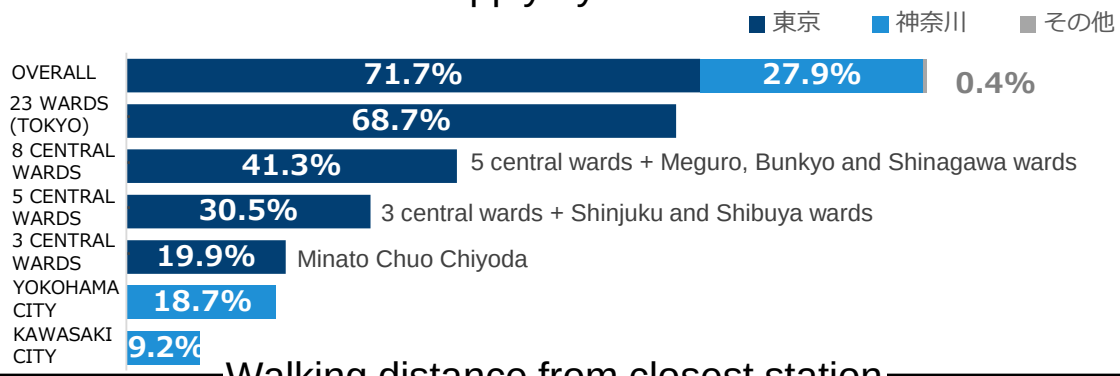
Strategy to Supply Gala Condominium Series

Careful selection of areas with the highest demand for rental property through a strategy thoroughly concentrating on specific areas

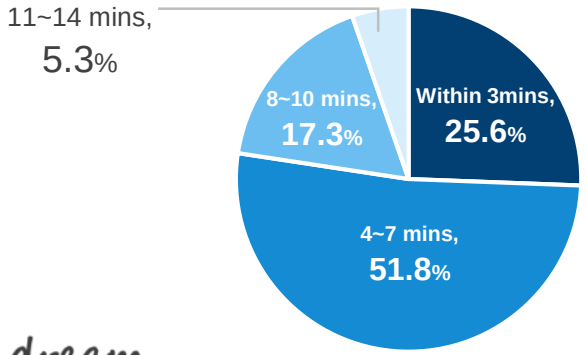
Decision to include in our business target areas

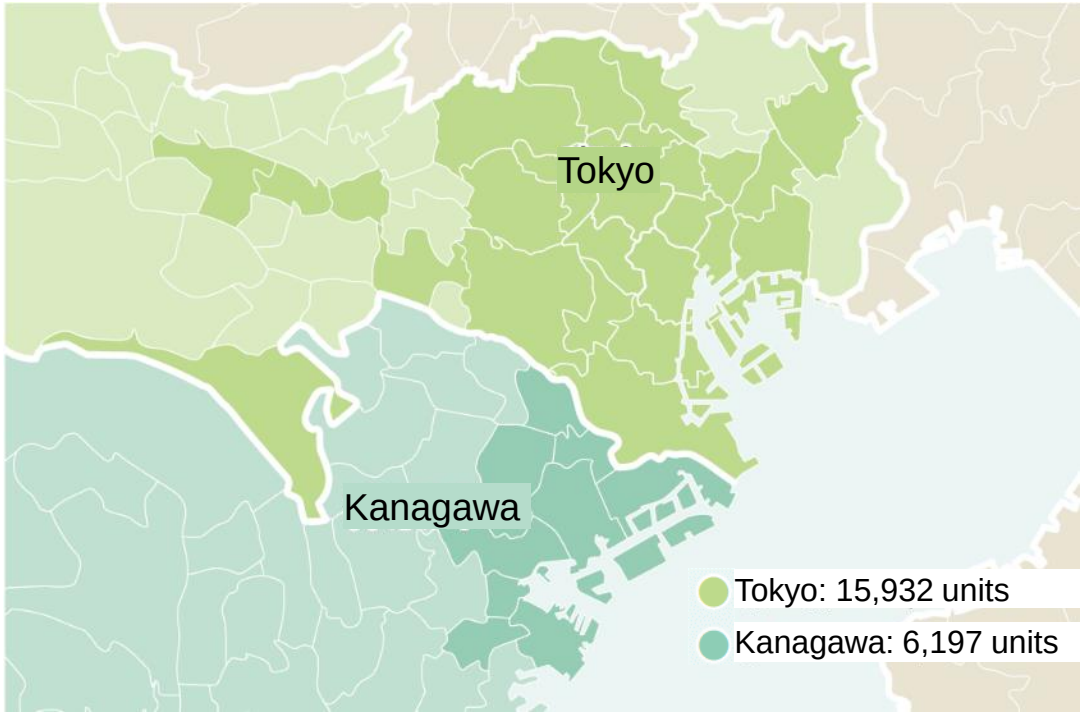
- We decide our business target area by selecting from many potential condominium sites proposed by financial institutions and brokers based on the future prospect and values as the assets.
- We carefully analyze **rental demand** based on location (train station in walking distance, value of train station as a commuting link, train and subway access, access to shopping, schools, etc.).
- Development plans of roads and others are also considered.

Supply by area



Walking distance from closest station





*Compiled only for asset-managed condominiums supplied as new construction (as of September 30, 2024)

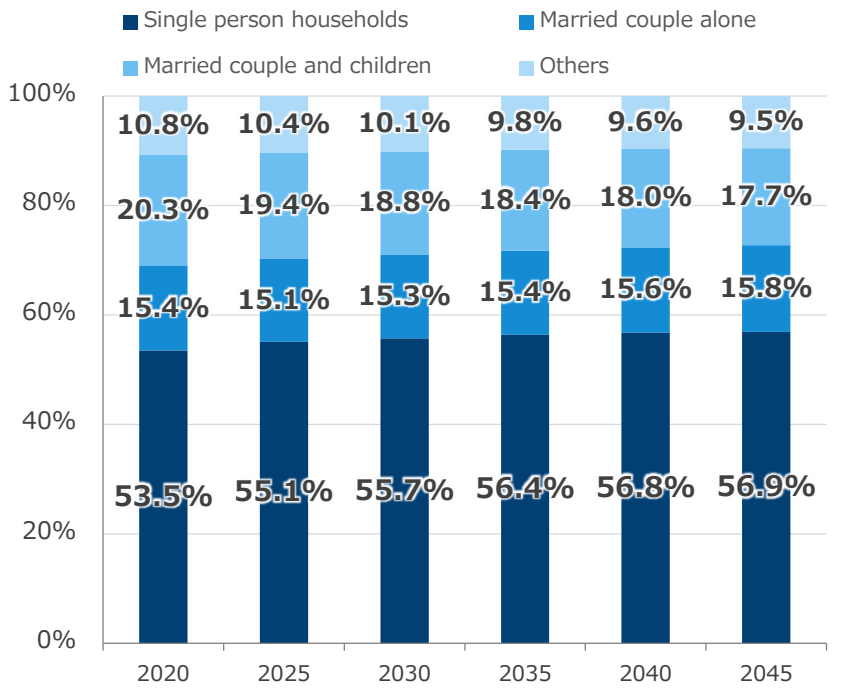
Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Estimate for Future Population and the Numbers of Households of Tokyo

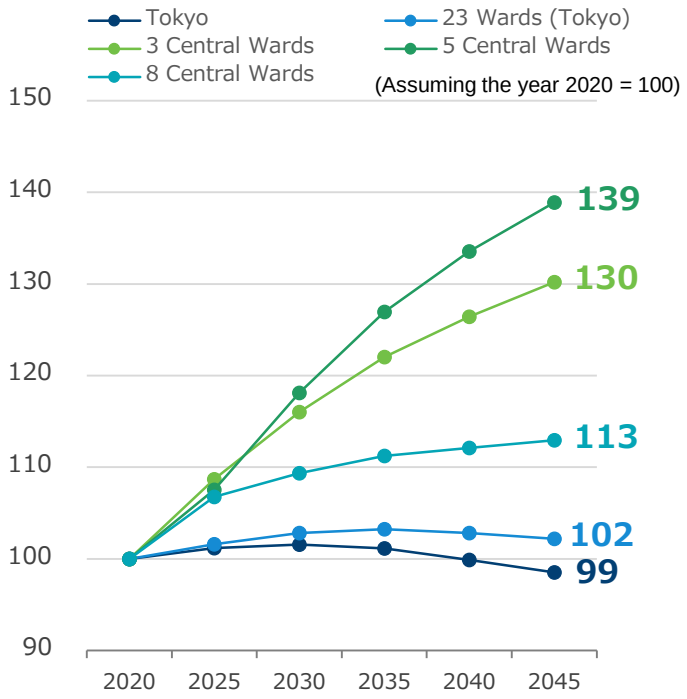
The number of single-person households will continue to increase. Hence, the potential tenants are expected to increase in the medium to long term.

Estimate for the numbers of households in the 23 Wards of Tokyo



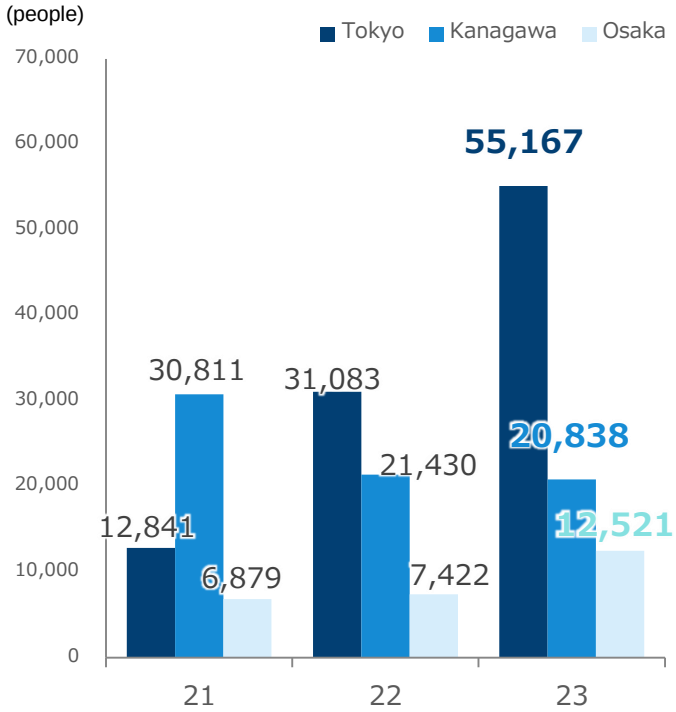
Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government in March 2024

Estimate for future vital index of Tokyo



Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government in March 2024

Trend in social increase and decrease (top 3 prefectures in population)



Source: Population, Demographic Movement and Households Numbers According to the Basic Resident Register (published by Ministry of Internal Affairs and Communications in July 2024)

Note: Social increase and decrease = (Number of people entering – number of people exiting); excludes foreign workers

Future: Demand is expected to be stable.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Purchase

Purchasing continues to expand based on corporate credibility, financial strength, and abundant information

Real estate for sale

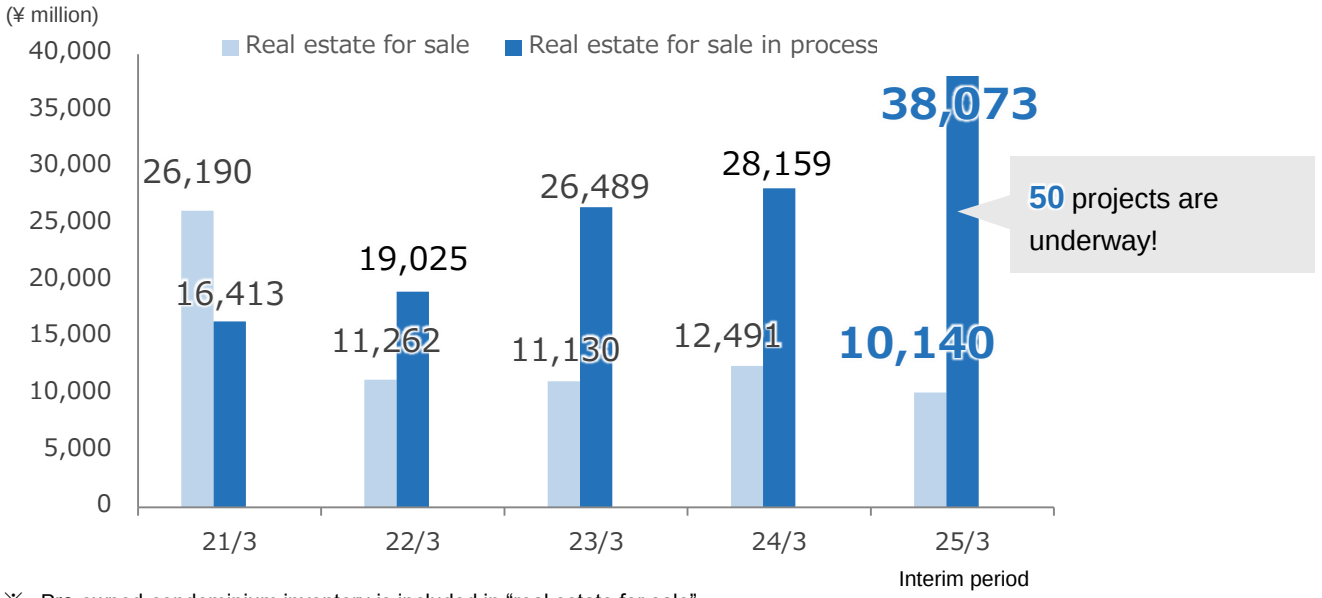
- Newly constructed properties sold out quickly.
- Active purchasing of pre-owned condominiums continued.
- In addition to non-current assets, secure stable rental income from real estate for sale

* Continuous profit can be expected as a stock business, not just inventory

Real estate for sale in process

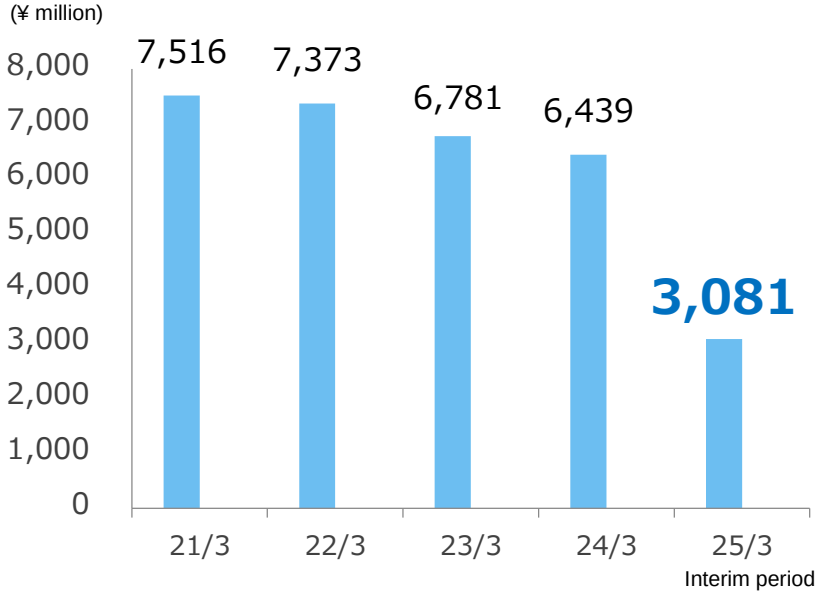
- Continued **procurement emphasizing profitability** based on the capitalization method
- Implemented stable purchasing even in a difficult period due to recent land price hikes

Transition in balance of real estate for sale and real estate for sale in process



※ Pre-owned condominium inventory is included in “real estate for sale”.

[Reference] Consolidated net sales incurred from rental income



※ Downward trend due to shorter holding periods resulting from early sales.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

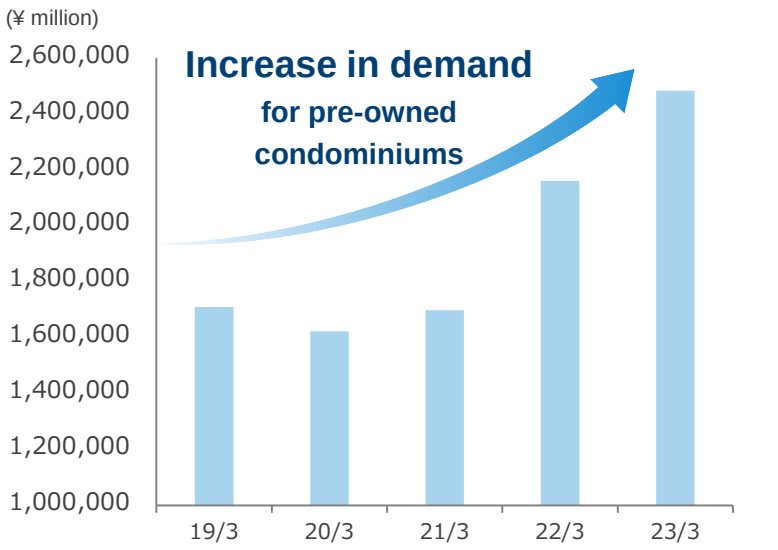
Status of Condominium Business

Expansion of pre-owned condominium business and speedy purchase and resale utilizing the Gala brand

Characteristics of pre-owned condominium business

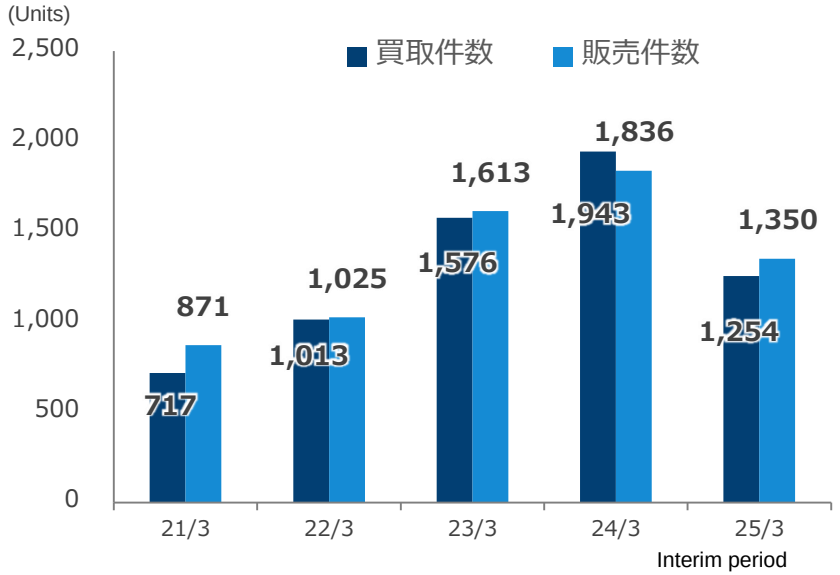
- Business expanded due to favorable conditions in the market for pre-owned condominiums and increasing demand
- Rapid assessment and purchase is conducted by building an extensive financial capacity and extensive support system
- With a carefully selected area strategy and eligible rent settings, we have established the highly trusted Gala brand from financial institutions that can be sold at the earliest by means of rapid collateral evaluation

Market size of pre-owned condominiums



* (= Average price per unit x number of units) from Tokyo Kantei Co., Ltd.

Number of our pre-owned condominiums purchased and sold



Speedy purchase and resale

Average number of sales days of pre-owned condominiums (FY ended March 2024) *1

32.1 days

Industry average: 82.6 days*2

* 1 Aggregate properties purchased and delivered during the period

* 2 Publication by Real Estate Information Network for East Japan:
Days between registration and conclusion of contract of pre-owned condominiums in FY2023

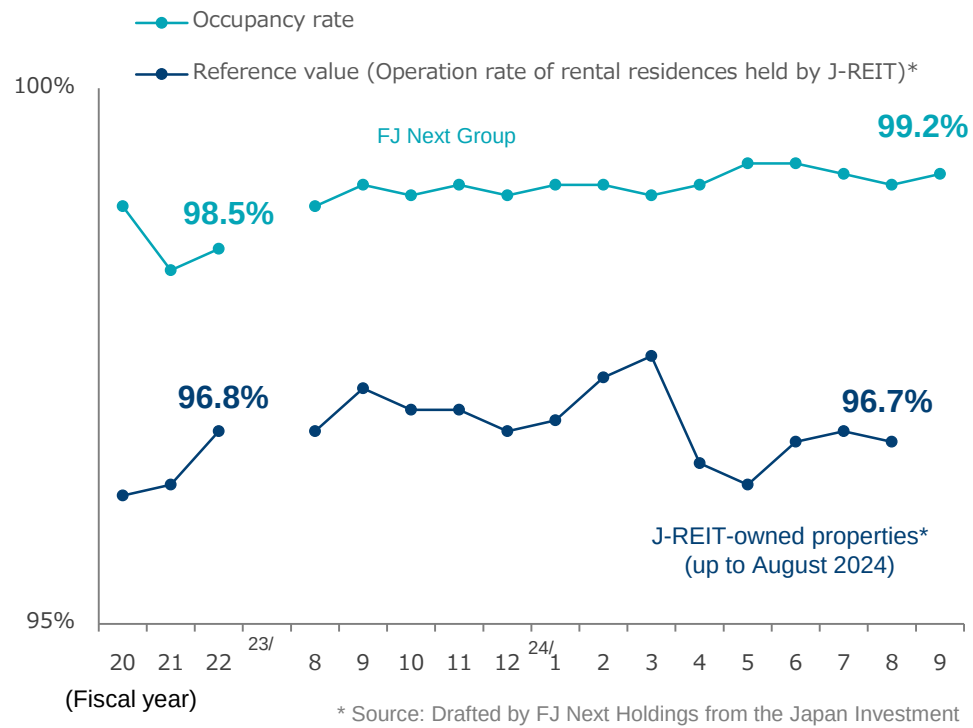
Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Rental Sales Force Supporting Asset Management

Efficient rental sales force to enable early occupancy

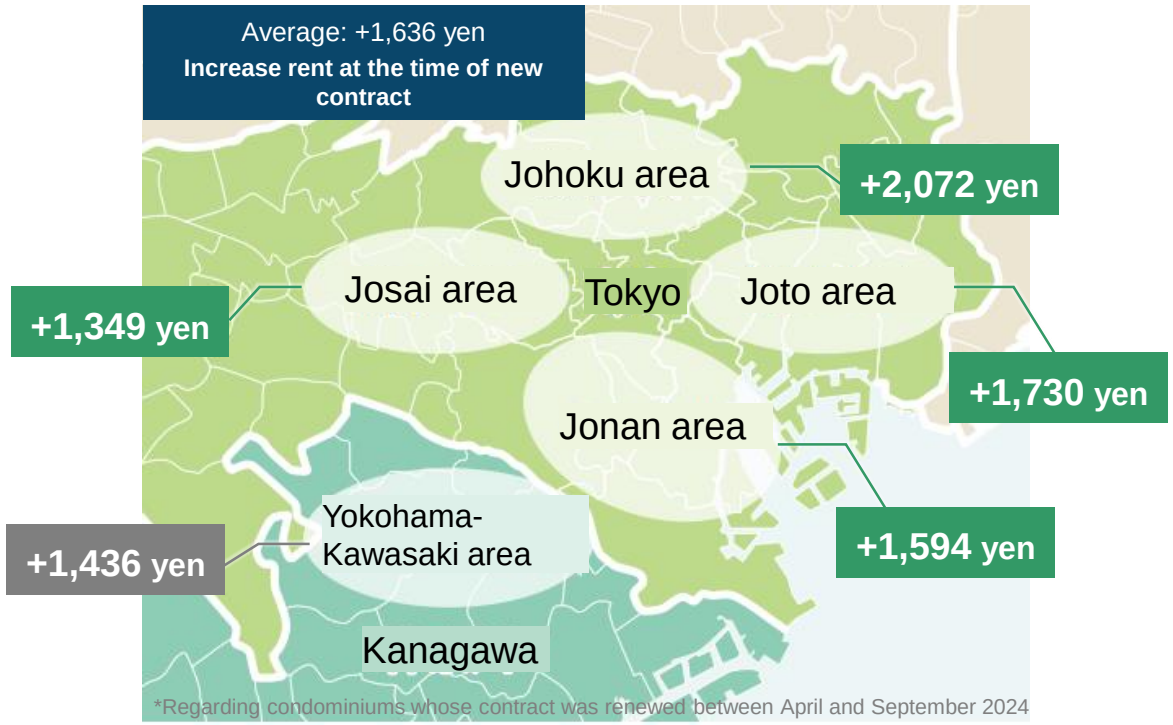
Track record of high occupancy rates	■ Achieved high occupancy rate of **99%** by supplying properties in carefully selected locations and accumulating management know-how
Area-specific sales system	■ We have established a five-area system that includes four areas in Tokyo and the Yokohama/Kawasaki area to provide a meticulous response and speedy occupancy
Realization of rent improvement	■ We have achieved a high occupancy rate while improving rental rates through an appropriate management system and efficient rental sales
Extensive network	■ We conduct continuous sales visits to approximately 1,200 brokers in the Tokyo metropolitan area with whom we do business, and conclude lease contracts at an early stage

Trend in occupancy rate of rental units managed by FJ Next Group



* Source: Drafted by FJ Next Holdings from the Japan Investment Trust Association (JITA) data

Difference in rent between new area and old contract for sales system



*Regarding condominiums whose contract was renewed between April and September 2024

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Enhancement of Real Estate Value

To increase the satisfaction of both residents and owners, and to maintain and improve the asset value of the property

Improvement of resident satisfaction

■ **Providing extensive services suited to the lifestyles of residents**

GALA コンシェルジュサービス



We deliver services and information regarding residences through members' web site and distribution of email magazines. We respond to a variety of requests so that people can continue to live with peace of mind for many years.

■ **Promotion of management systems and facilities for condominiums that support lifestyles**



Introduction of "flooding and earthquake sensors"

A continuous monitoring system enables rapid disaster prevention and reduction in the event of a disaster



Direct employment of condominium management staff

Training condominium management professionals to maintain and improve buildings and management quality



Introduction of EV charging service

Contribution to improved convenience and solutions to environmental problems by responding to EV usage needs

Improvement of owner satisfaction

マンション管理IoT化サービス モバカン

Introduction of condominium management IoT service "Mobakan"

Improvement in business efficiency through computerization of management association management. Contribution to greater convenience and reduced burden for owners.

ミツウロコグリーンエネルギー ✖ GALA FJネクスト エフ・ジェー・コミュニティ

Provision of "Gala eleco Denki"

Reduces the cost of electricity charges borne by management associations through low-cost renewable energy generation.

Maintenance and improvement of asset value

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Consolidated Performance Perspective

of the Fiscal Year Ending March 31, 2025

Forecast for Consolidated Financial Results and Dividends for the Fiscal Year Ending March 31, 2025 [Full Year]

Plans net sales of 103,000 million yen and ordinary income of 7,500 million yen. Dividend payout ratio of 31.4% is planned.

Consolidated Performance Perspective

(¥ million)

	FY2025 forecast	FY2024 results	YOY
Net Sales	**103,000**	**100,405**	+2,594 +2.6%
Operating Income	**7,500**	9,431	-1,931 -20.5%
Ordinary Income	**7,500**	9,434	-1,934 -20.5%
Net income attributable to shareholders of parental company	**5,000**	6,453	-1,453 -22.5%

	FY2025	FY2024 (Previous period)	FY2023 (Period before previous)
Interim dividend	**¥24**	¥24	¥24
Year-end dividend	**¥24**	¥26*	¥24
Annual dividend	**¥48**	¥50	¥48
Dividend payout ratio	**31.4%**	25.3%	27.9%

* The breakdown is an ordinary dividend of ¥24 and a spe`cial dividend of ¥2.

Key points

- Plan to sell **2,900** condominium units annually (including 193 units in the Gala Residence series)
- Ordinary income ratio is **7.3**% (expecting to rise in raw material prices).
- Dividend payout ratio is **31.4**% and the Company has maintained a stable dividend since its IPO.

Life with a dream

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

APPENDIX

External Evaluation (1)

[Gala Prime Yokohama Kannai]

Received the **Excellent Business Award** at the **14th Excellent Business Awards** by the Japan National Association of Home Builders







The “Excellent Business Awards” are sponsored by the Japan National Association of Home Builders, of which we are a member, for the purpose of promoting the supply of quality housing and the improvement of the living environment.

“Gala Prime Yokohama Kannai” has a total of 199 units, and has been expanded in scale from the initial development, and in addition to its simple yet dignified exterior, it has a hotel-like design with a two-story stairwell and a standardized floor plan that is easy to use, and as a result of making proposals that meet the needs of buyers with investment objectives, all units were sold out within one week, which was highly evaluated.

Address:	2-23-1 Eiraku-cho, Minami-ku, Yokohama City, Kanagawa
Closest station:	4-min walk from Isezaki-Chojamachi station on Yokohama Municipal Subway Blue Line, etc.
Total units:	199
Floor plans:	1BD (with kitchen only) and 1BD (with dining/kitchen only)
Completion:	February 2023

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

External Evaluation (2)

"SUUMO AWARD" 2024 Metropolitan Area *

Won Grand Prizes in the “Quality and Price Balance Category" and “Customer Service Satisfaction Category”

We believe that we have received high evaluations from our customers as a result of the Group's track record as a condominium developer, having supplied more than 24,000 condominium units (as of the end of April 2024), and our continued pursuit of creating more satisfying residences and providing a higher level of service. This is the third consecutive year that we have won awards in these two categories.

* Metropolitan Area ： Tokyo, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, Ibaraki Prefecture



Quality and Price Balance Category

Companies that were highly evaluated by buyers in terms of a good balance between property quality and price.

Customer Service Satisfaction Category

Companies that were highly evaluated for their quick response, politeness, and reliability during the purchase process, including answers to questions and explanations of various procedures

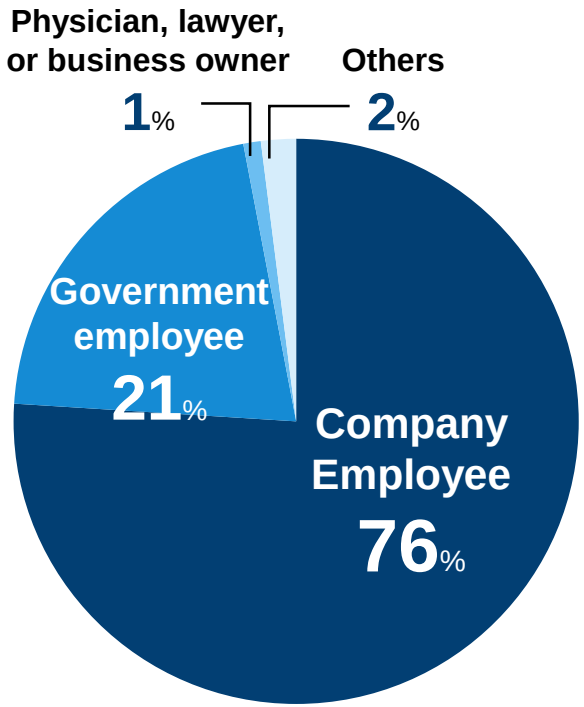
The “SUUMO AWARD (2024 Tokyo Metropolitan Area)” is a ranking of the satisfaction levels of condominium developers and condominium sales companies in various aspects, such as quality, price, and initiatives, of people who have purchased a new condominium in the Tokyo metropolitan area, by Recruit Co., Ltd.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

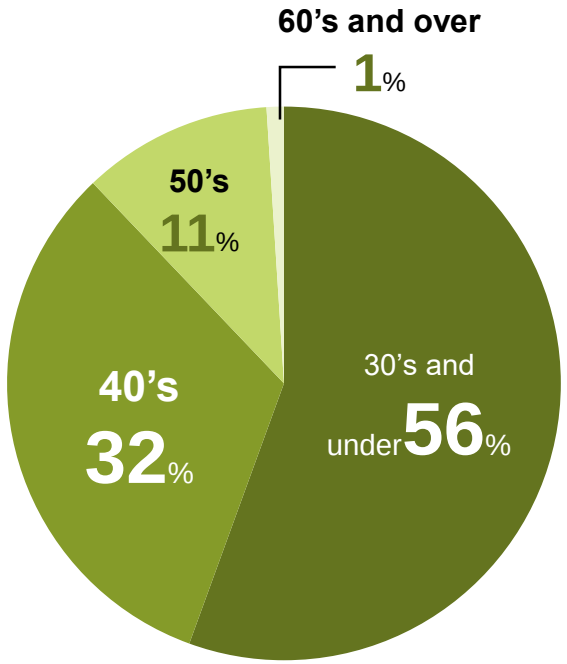
Attributes of New Condominium Owners

We have acquired a broad range of owners by providing a wide variety of products.

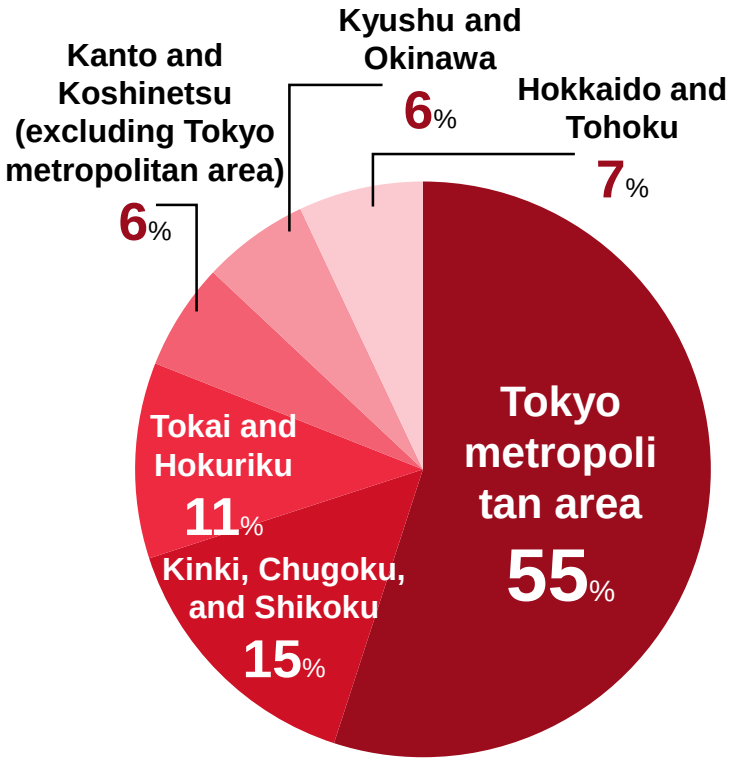
By occupation



By age



By residential area



Note: Statistics are calculated using only asset management-type condominiums (Apr. 2024 through Sep. 2024).

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Activities Toward Sales of Asset Management-Type Condominiums

Actively develop marketing initiatives

FJ College (a seminar sponsored by the Company)
~Connections with experts~

Actively develop seminars in collaboration with experts in specific fields, financial institutions, companies that operate asset management services, etc., and utilize web seminars.

Results

- More than **5,000** total attendees (including web seminars)
- Large numbers of young demographic investors came with the goal of visualizing their future asset formation







Gala Navi (a members-only organization run by the Company)
~Initiatives for new member acquisition~

Strengthening new member acquisition policies through the use of content marketing



Distributing content on a wide variety of themes Such as life planning and money-related information



GALA NAVI **Providing members-only content**

Results

More than **300,000** total members



Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

New Investment Opportunities for Asset Management-Type Condominiums

Based on a track record and expertise accumulated over more than 40 years since its foundation, the FJ Next Group carefully selects projects best suited to real-estate crowd-funding.

GALA FUNDING

FJ Next Group's real-estate crowd-funding service, starting from as little as ¥10,000

Subscriptions to Fund No. 1 began on May 10, 2022. The Group has created nineteen funds to date.

Fund Information

GALA FUNDING #15 (Shirokane-Takanawa)	GALA FUNDING #16 (Shirokane-Takanawa)	GALA FUNDING #17 (Minato Mirai)	GALA FUNDING #18 (Shibuya Nanpeidai)	GALA FUNDING #19 (Nihonbashi-Hamacho)
 Location: Shirokane-Takanawa, Minato-ku, Tokyo	 Location: Shirokane-Takanawa, Minato-ku, Tokyo	 Location: Hanasaki-cho, Naka-ku, Yokohama City, Kanagawa	 Location: Nanpeidai-cho, Shibuya-ku, Tokyo	 Location: Nihonbashi-Hamacho, Chuo-ku, Tokyo
Amount raised: ¥56,420,000	Amount raised: ¥52,290,000	Amount raised: ¥39,060,000	Amount raised: ¥43,890,000	Amount raised: ¥33,950,000

Estimated distribution rate	Operation period	Minimum investment	Selection method	Investment structure
3%	6 months	¥10,000	Lottery format	Priority and subordinate structure (Priority 70%, Subordinate 30%)

Note: The above are the terms and conditions at the time of offer for the fund currently under management (before operation), and are not necessarily applied to the funds scheduled to be formed in the future.

Life with a dream

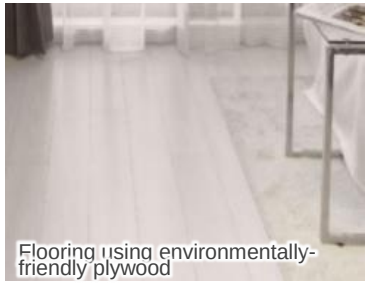
Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Sustainability (Environmental Initiatives)

Adoption of environmentally-friendly materials and fixtures

Proactively adopting environmentally-friendly materials and fixtures


Use of LED for lighting in common spaces


Flooring using environmentally-friendly plywood


Interior materials with low amounts of formaldehyde

Gradual adoption of new materials that have less environmental impact and replace paper



About LIMEX

The main raw material is limestone, which is said to weigh an estimated 24 billion tons, even in Japan, where resources are scarce. Limestone is said to have a very low risk of depletion compared to oil, water and forest resources.

By replacing it with a new material, we can save about 10 liters of water that was previously used to print 100 paper business cards.

The Group will consider using environmentally friendly materials with the aim of increasing the corporate value of the Group.

Initiatives regarding climate change and biodiversity

Promotion of rooftop gardens as part of heat island countermeasures





Sponsorship of various environmental preservation activities



Support for environmental conservation of Akagi Nature Park

BRING UNIFORM

Participation in BRING UNIFORM™
To reduce CO2 emissions, we promote the recycling of uniforms worn and used by our staff engaged in management work of our condominiums.

デコ活
くらしの中のエコろがけ

GSL Green Site License

Global warming prevention campaign
Support for “Deco-Katsu” (decarbonization activities), support for tree-planting activities, etc.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Sustainability (Environmental Initiatives)

We recognize that climate change is an important management issue that will affect our business continuity, and we are conducting scenario analysis based on TCFD recommendations for the Group's business.

Governance

Analysis and assessment of environmental and other risks and opportunities, including climate-related risks and opportunities, and measures to address them are reviewed by our Risk and Compliance Committee. The Board of Directors shall receive reports from the Risk and Compliance Committee as appropriate, consider and resolve countermeasures as necessary, and monitor the progress of countermeasures.

Strategy

We have considered the impact on our company up to 2030 by referring to climate change scenarios (1.5˚ C and 4˚ C scenarios) by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and conducted scenario analysis for the real estate development business, which is the main business of our Group.

Risk management

For climate-related risks, the Risk and Compliance Committee identifies and evaluates issues through scenario analysis. The risk management process identifies climate-related risks relevant to the Group's business, assesses the impact of the risk according to likelihood of occurrence and magnitude of impact, and then analyzes the financial impact and considers countermeasures as necessary. If there is a possibility that climate-related risks with a large impact may arise, the Risk and Compliance Committee will formulate countermeasures, and the chairperson of the committee will report to the Executive Committee or the Board of Directors for integrated deliberation and decision-making by the Board of Directors.

Indicators and targets

We have designated the total amount of greenhouse gas (CO2) emissions (scope 1 and 2) as an indicator so that the Group can evaluate and monitor the effects caused by the climate change problem on business management.

Scope 1	Scope 2 (market standard)	Scope 1 and 2 Total
21.53 t-CO2	221.81 t-CO2	243.34 t-CO2

*Entities included in the calculation: FJ Next Holdings, FJ Next and FJ Next Residential
We promote activities aimed at reducing the amount of greenhouse gas emissions and continue an examination on the reduction target.

Details are disclosed on the FJ Next Holdings Co., Ltd. website.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Sustainability (Human Capital Initiatives)

Diversity initiatives

In order to promote female employees and create a comfortable work environment, we have introduced a gender-neutral childcare leave system and a shortened working hour system.

Rate of returning to work after taking maternity leave and childcare leave

Result for the fiscal year ended March 31, 2024	Target
100%	Maintain 100%

Percentage of female workers among candidates for management positions

Result for the fiscal year ended March 31, 2024	Target
22.5%	30.0%

(Note) In the Group, candidates for management positions mean deputy managers and section chiefs who will be responsible for business management in the future.

Postpartum paternity leave (childcare leave at birth)

Under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, “postpartum paternity leave” went into effect in October 2022, instilling the awareness that men will naturally take childcare leave as well.
All eligible employees are given a confirmation of their intention to take leave and an individual explanation to create a work environment in which they can raise their children with peace of mind.

Employee health and safety activities

The “Health Committee,” consisting of board members and employees, meets once a month to improve the workplace environment and share the latest information on the working environment. In addition, we have been certified as a “Healthy Company (Silver Certificate)” under the certification system for healthy companies by the Tokyo Federation of Health Insurance Associations for our various efforts to manage the health of our employees.

Promotion of long-term employment

Based on the idea that the experience and knowledge gained through our work to date is a valuable asset, we are working to create an environment in which employees can remain active even after retirement. We are actively implementing long-term employment for management staff, who are responsible for “maintaining the asset value of the building” and “providing on-site support for residents' lives,” which are indispensable for comfortable living in condominiums, with a retirement age of 75 years old.

Implementation of "work-life balance recruitment"

We have introduced a work system that allows employees to choose the number of days and hours they work so that they can balance work with their family obligations, such as childcare or nursing care, and so that they can also have more time for their personal lives.

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

Company Outline and Basic Data (as of September 30, 2024)

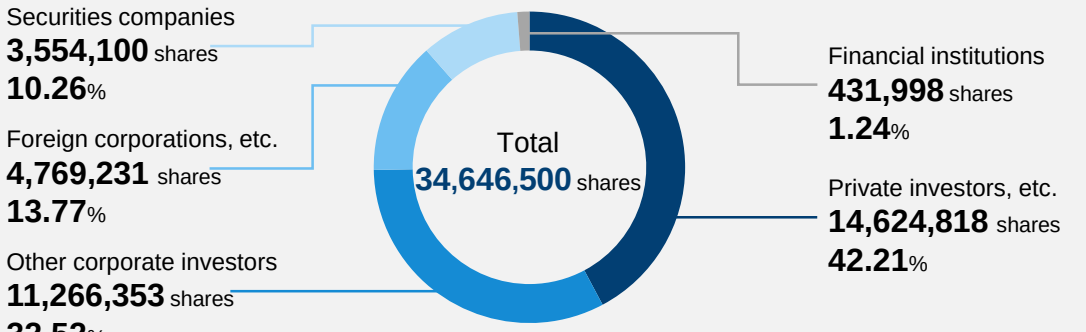
Company outline

Company name	FJ Next Holdings Co., Ltd.
Established	July 1980
Capital	¥2,774,400,000
Number of employees	45 (595 on a consolidated basis)
Head office	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1310
URL	https://www.fjnext-hd.co.jp

Share information

Total number of authorized shares	36,861,000 shares
Total number of issued shares	34,646,500 shares
Number of shareholders	14,129

Breakdown of shareholders



Note: 1,915,115 treasury shares are included in “Private investors, etc.”

Supplementary share information

Fiscal year	From April 1 of each year through March 31 of the following year
Annual shareholders meeting	Late June of each year
Record date	Year-end dividend: March 31 Interim dividend: September 30
Share unit number	100
Public notice	Public notice of the Company shall be given by electronic public notice. If the Company is unable to give public notice by electronic public notice due to an accident or any other unavoidable circumstances, such notices shall be published on Nihon Keizai Shimbun Newspaper. Company’s website (https://www.fjnext-hd.co.jp)
Shareholder registry administrator (Account management institution regarding special accounts)	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo
Place of business	Transfer Agent Department, Head Office, Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo <Address for mail and inquiries (including inquiry for receipt of unpaid dividends> Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507 TEL: 0120-288-324 (toll-free number)
Stock exchange listing	Prime Market, Tokyo Stock Exchange
Securities code	8935

Copyright© 2024 FJ NEXT HOLDINGS CO., LTD. All Rights Reserved.

■ Contact Details

Management Strategy Department

+81-3-6733-7711 galair@fjg.co.jp

https://www.fjnext-hd.co.jp

Cautionary Note:

These materials were created for the purpose of providing information related to the explanation of company business and are not meant to solicit investment in marketable securities issued by the Company. Furthermore, these materials were prepared based on data available as of November 6, 2024. Opinions and projections noted in these materials are determinations made by the Company as of the time these materials were created. We do not guarantee or promise the accuracy or completeness of this information and, further, reserve the right to make changes without notice.