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CCReB Advisors, Inc.

Financial Results for the Second Quarter of the Fiscal Year Ending August 31, 2025

Q&A Session Summary

Date: Tuesday, April 15, 2025

The following is a summary of questions and answers at this earnings presentation.

Yukihiro Miyadera, CEO responded to those questions.

The contents of this document have been summarized/ adjusted for your easier understanding.

[Summary of Questions and Answers]

Q1 : Although both sales and profits are progressing at a high rate compared to the full-year plan, what is the reason for not revising the earnings forecast upward this time? In addition, the remaining amount is approximately 550 million yen against the full-year sales forecast of 2.2 billion yen. Please provide your outlook for the third and fourth quarters.

A1 : As for the outlook for the third and fourth quarters, if we subtract the first half results from the full-year forecast of 2.2 billion yen, we will end up with the remaining sales of about 550 million yen. Please consider that we are confident to achieve this together with steady profits from our fixed income and remaining pipeline.

While this fiscal year is certainly important, I believe it is also extremely important to create for growth in the next fiscal year. For the current fiscal year, we have made a sales plan that is certain to be achieved, considering the listing after the end of the fiscal year, and we have revised it upward once. At this point, we believe that we have gained a time advantage by steadily accumulating projects that are progressing well against the full-year plan. Capitalizing on this situation, we intend to focus on our proposal-based CRE pipeline, which is a particularly high-margin business.

We also intend to utilize this time advantage in sales of our matching system to regional banks. Sales from these efforts will begin to materialize in the third or fourth quarter of this fiscal year, with the majority being recorded in the next fiscal year. Please understand that we are currently focusing our efforts on securing these future opportunities.

In the third and fourth quarters, we anticipate that there may be projects that are not included in the sales forecast of 2.2 billion yen. In such cases, if upward revisions are necessary, we will announce them promptly in accordance with the timely disclosure standards. In any case, I believe it is

important to steadily build sales for the next fiscal year and maintain annual growth. We are focusing our efforts on this, so we have not revised our forecast upward at this time.

Q2 : You explained that the impact on your business will be limited amid the changing market environment, but why do you think the impact will be limited?

A2 : The scope of our business is extremely broad, and we have the ability to take advantage of opportunities in both good times and bad times. At the time of the bankruptcy of Lehman Brothers in 2008, companies wanted to sell their real estate, but because of the financial crash, I could not respond to those needs 100 percent. I believe that finance is certainly an important factor, but since Japanese companies own a lot of real estate, some of them will sell real estate as a strategy in a contingency. I think that is why I told you that it is limited.

We believe that there are business opportunities to be done regardless of whether the market is good or bad, among our broad business scope. The difference between now and the 2008 financial crisis is that companies consider capital efficiency, so there is no reason to hold onto unnecessary assets.

Currently, there are no examples of real estate being sold by domestic companies under the current environment caused by Trump administration, but even if business confidence were to deteriorate in the future, the impact on our performance would be limited because we would switch to the six services listed on slide 11 and offer them to client companies.

Q3 : On page 9 of the slide, you show the illustrative figures for next term. Please tell us about the basis for the figures and the prospects for achieving them.

A3 : This is not a performance forecast but is posted for illustrative purposes only. We posted these illustrative figures because we continue to receive feedback from investors that our business is very difficult to understand, and some have expressed uncertainty about our sales figures for the next fiscal year.

The figures are based on the same process used to create next year's budget, which involves selecting the most likely projects from the accumulated pipeline. The estimated sales of 3.3 billion yen include fixed income and subscription income. Operating profit is also made on the assumption that we will carefully select those with high profit margins.

Regarding our outlook for achieving these figures, we were founded in 2019 and went public in 2024. During the IPO process, it has been important to establish internal management systems, but we recognize that the most important thing has been to achieve sales in line with our plans. In other words, I believe that the fact that we were able to list in TSE in such a short period of five years was largely due to our ability to manage and control our budgets and actual results.

Our company has a real estate matching system called “CCReB CREMa,” and we are in a position where we can select jobs while viewing the information registered in the system. Therefore, we believe that we must achieve the illustrative figures we have presented.

Q4 : What is your strategy for human resources, including future staff strengthening and development?

A4 : We explained our personnel recruitment in the first quarter, and we continued to receive questions on this point, but we did not include it in the presentation material for the second quarter because there were so many topics to cover. Our human resources strategy is proceeding according to plan. In the second quarter, we strengthened our accounting department by hiring one person for corporate affairs and one person for sales. The hiring process is currently underway, with one more person to be hired by August.

I previously told you that we would triple our sales force in three years, but when I say triple, that doesn't mean we'll hire anyone indiscriminately. No experience is necessary, but we are hiring carefully as we place emphasis on whether or not the candidate fits to our company culture.

However, the illustrative figures I mentioned earlier are based on the assumption that we will work with the current members as well as with the newly recruited members, so we would like to proceed with recruitment steadily. As for our human resource strategy, we will have the HR Development Office in full operation from January 2025, after our listing, and are moving forward with the process of hiring a variety of human resources.

As part of our human resources strategy, we also provide sales training for our sales members, including having them take management training outside the company as part of their employee training. Since regular sales and CRE sales are slightly different, and no one is familiar with CRE itself as a sales process, I and the directors provide a forum for employees to share our expertise. This kind of human resource strategy will continue to be implemented in the future, mainly by the HR Development Office.

Q5 : What are your thoughts on possible measures focused on stock price and liquidity?

A5 : As investors trade our shares on a daily basis, we recognize that we need to have more trading shares, including floating shares. However, rather than immediately taking measures for increasing floating shares, we will first create an environment in which investors fully understand our strategies and invest in our company. After that, we will remain mindful of measures related to stock prices and liquidity, and we will develop our strategy reflecting dialogue with our shareholders in the future.

Q6 : You mentioned that you are starting a new business. How much impact do you think it will have on your business performance?

A6 : The new businesses are supporting the effective use of land for companies, and I think what will be created will vary depending on the objectives of client companies. For example, in the case of constructing a hazardous materials warehouse, I informed you that it is limited to 1,000 square meters per building. The difference between the master lease rent and the end tenant rent generated by a 1,000 m² building is likely to be around 10 million yen per year.

Therefore, for example, if we build 10 buildings and manage them, the profit margin will be 100 million yen.

Our company does not invest in construction, but if a company builds a facility in a location where there is demand for effective utilization, we will become the master tenant of that building.

Naturally, there is a risk of vacancy, etc., so it may not be a whole lot, but we believe that we can contribute to earnings in this way.

Furthermore, it may lead to traditional project management, and in the future, a subscription management system is also possible. We believe that this is a business that will expand gradually rather than monetize immediately.

Q7 : What are the risks of a new business?

A7 : Master lease is a lease in which we guarantees rent to a company and pays the rent. Therefore, we consider it a risk if the tenant behind us does not move in. However, our investment and master lease agreement decisions are made after carefully assessing and identifying matching needs using CCReB CREMa, enabling us to manage risk. We consider the biggest risk associated with a master lease can be managed.

In principle, the construction cost of the building is borne by a company, however, if a company requests us to construct a building, a risk of building investment will emerge. We consider this to be a business that is conducted with control over such risks. In response to your question, we consider potential losses associated with the master lease to be a risk.

Q8 : Are you considering expanding your business overseas?

A8 : Currently, there is still a large market domestically, and we do not have the resources to expand overseas with our current staff. Therefore, as long as we can continue to expand our business domestically, we do not plan to expand overseas.



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