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CCReB Advisors, Inc.

# Financial Results for the Third Quarter of the Fiscal Year Ending August 31, 2025
## Q&A Session Summary

The following are our responses to the questions submitted via the question form during the FY2025 Q3 Financial Results Presentation. We sincerely appreciate all shareholders and investors who took the time to submit their inquiries.

Please note that similar or overlapping questions have been consolidated and answered collectively.

**【Summary of Questions and Answers】**

**Q1** : While cumulative revenue and profit for the third quarter increased significantly compared to the same period last year, the operating margin declined from 41.0% to 27.3% year-on-year.
What are the primary factors behind this decrease in the profit margin?

**A1** : The operating margin for the cumulative 3Q of the current fiscal year was 27.3%, compared to 41.0% for the same period last year.
On a quarterly basis, the operating margin for the current 3Q was 3.3%, whereas it was 41.9% in 3Q of the previous fiscal year.
This decline was primarily due to the gross margin of individual projects. In particular, the real estate brokerage transaction recorded in the current 3Q (Project No. 1 on page 13 of the presentation materials) had a lower gross margin due to the incurrence of outsourcing costs.
Page 23 of the presentation materials provides an overview of the typical gross margins for each service within the CRE Solutions business.
While the gross margin for real estate brokerage services is generally high, ranging from 80% to 90%, the aforementioned transaction was recorded at a lower margin.
We will engage in transactions with lower gross margins when they involve clients with potential for repeated businesses or when the transaction holds strategic significance. This particular case falls into that category.
Additionally, revenue from the Real Estate Prop-Tech Business and rental income from the CRE Solutions Business have remained stable across quarters. There have been no changes

in the cost structure of either the CRE Solutions or Real Estate Prop-Tech Businesses.

Q2 : The standalone results for the third quarter showed a year-on-year decline in both revenue and profit. Is this primarily due to seasonal factors, structural changes, or project-specific reasons?

A2 : The decline was due to project-specific factors.
Additionally, as we provide solutions tailored to the CRE needs of our client companies, the timing of revenue recognition may vary depending on the circumstances on the client side.

Q3 : While the target operating margin is set at 30%, the margin for the current fiscal year is expected to be around 25.8%.
What are the reasons for the margin being in the 25% range this year, and what is the outlook for operating margins in the next fiscal year and beyond?

A3 : We will continue to manage the balance between revenue and profit margins by strategically selecting projects, with the aim of achieving a high operating margin (target of approximately 30%).
The lower projected profit margin reflects the gross margin of newly mandated projects was lower than the level initially projected in our budget plan.
We will engage in projects with lower gross margins when they involve clients with potential for repeated businesses or hold strategic significance. At the same time, we selectively engage in projects based on their profitability, strategic relevance, and operational efficiency. Projects that do not meet these criteria—such as those with low margins and no meaningful purpose, or those requiring excessive time to structure—are screened out based on a case-by-case evaluation process.

Q4 : The number of employees has increased from 12 at the time of listing to 15 as of the end of May 2025 (end of 3Q), but there has been no increase since the end of February (end of Q2Q). Given the plan to triple the number of sales personnel within three years, is this target still achievable? Could you also share your human resources strategy?

A4 : At the time of listing, the number of sales personnel was five, and we plan to triple this to fifteen over the next three years.
The recruitment plan is progressing smoothly, with one additional sales personnel confirmed to join by the end of the current fiscal year.
Additionally, we also plan to hire non-sales personnel in line with the scale of business

operation.

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| Q5 | : | Please provide details regarding the first project conducted in collaboration with JINUSHI Co., Ltd., following the business partnership agreement. |
| A5 | : | On May 27, 2025, we entered into a business partnership agreement with JINUSHI Co., Ltd., primarily focused on joint investment and strengthening procurement/acquisition, as well as the collaborative development of systems aimed at promoting JINUSHI's digital transformation (DX).<br>This first project involves a commercial site located in Sagamihara-shi, Kanagawa Prefecture. By utilizing our proprietary real estate matching system, CCReB CREMa, we successfully attracted tenants to the site, thereby creating an opportunity for the individual landowner to make use of idle land. As a result, the property was acquired by JINUSHI Co., Ltd. through this initiative.<br>While the transaction amount is not disclosed due to confidentiality obligations, it corresponds to more than 10% of our consolidated revenue for the previous fiscal year (FY2024 ended August) which was 1,269 million yen.<br>Our real estate investment projects utilizing our balance sheet (B/S) are generally under 2 billion yen, with many properties falling in the range of 500 million to 1 billion yen. Compared to these, the scale of this project is relatively small. |
| Q6 | : | Could you please elaborate on why you are pursuing patent acquisition in Singapore at this time? |
| A6 | : | The patent obtained in Singapore was based on the patent we had previously acquired in Japan.<br>Singapore is a member of the Paris Convention, which allows for patent applications to claim priority based on filings made in other member countries, such as Japan.<br>There is a time limit for claiming priority under the Paris Convention, and if this deadline is missed, the patent application process in Singapore would have to start from scratch.<br>Therefore, we proceeded with the registration process in Singapore at the time of obtaining the patent in Japan, as part of our intellectual property strategy.<br>Additionally, Singapore is a country with a stable disclosure system, making it suitable for advancing data utilization initiatives, which is why we obtained a patent in Singapore. |
| Q7 | : | Regarding the revised earnings forecast, how should we interpret the difference between the |

upward revision in revenue and the upward revision in profit?

**A7** : The upward revision to our earnings forecast is primarily attributable to an increase in investment projects utilizing our B/S.

For investment projects utilizing our B/S, the accounting treatment involves recognizing the disposition price as sales and the acquisition cost as cost of sales.

Therefore, due to the presence of cost of sales, a discrepancy has arisen between the extent of the upward revision in sales and that in profit.

**Q8** : Please explain your approach to shareholder returns. Are you considering the introduction of a shareholder benefit program or incentives for long-term shareholders?

**A8** : For the current fiscal year, we have set the dividend per share at 22 yen, including a 2-yen special dividend to commemorate our listing.

As explained during our financial results presentation, our project pipeline is expanding, and we intend to prioritize the use of retained earnings for growth investments.

On the other hand, in order to increase long-term holding shareholders, we intend to maintain constant dividends while maintaining a balance with growth investments. This is the basis of our approach to shareholder returns.

Currently, we have not introduced a shareholder benefit program or long-term holding incentives, but we will continue to carefully consider these options in light of changes in our business environment and shareholder composition.

We aim to provide fair and sustainable returns to all shareholders and to become an attractive investment by realizing the enhancement of corporate value.

**Q9** : The stock price hit the daily price limit down on the day following the earnings announcement (July 15, 2025). How do you interpret this market reaction, and what measures are you planning to address the stock price?

**A9** : We will refrain from commenting on the stock price.

We recognize that there are challenges regarding the liquidity of our shares and will continue to carefully consider measures to address liquidity.

We will continue to strive for more thorough and transparent communication, strengthen dialogue with our shareholders and investors, and clearly communicate our business model, revenue structure, and mid-to-long-term growth strategy.

Additionally, regarding the mid-term business plan, we plan to disclose it at the time of the full-year financial results announcement scheduled in mid-October this year.

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