



CREATION OF ATTRACTIVE TOWN DEVELOPMENT

LA HOLDINGS

**Financial Results for 2023
Business Plan and Opportunities for Growth**

February 14, 2024

| Summary (YoY) | Net sales | Ordinary profit | Profit | Total assets |
|------------------|-----------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | ¥31.49 billion (+72.6%) | ¥4.94 billion (+32.5%) | ¥3.29 billion (-2.6%) | ¥61.2 billion (+20.8%) |

2023 highlights

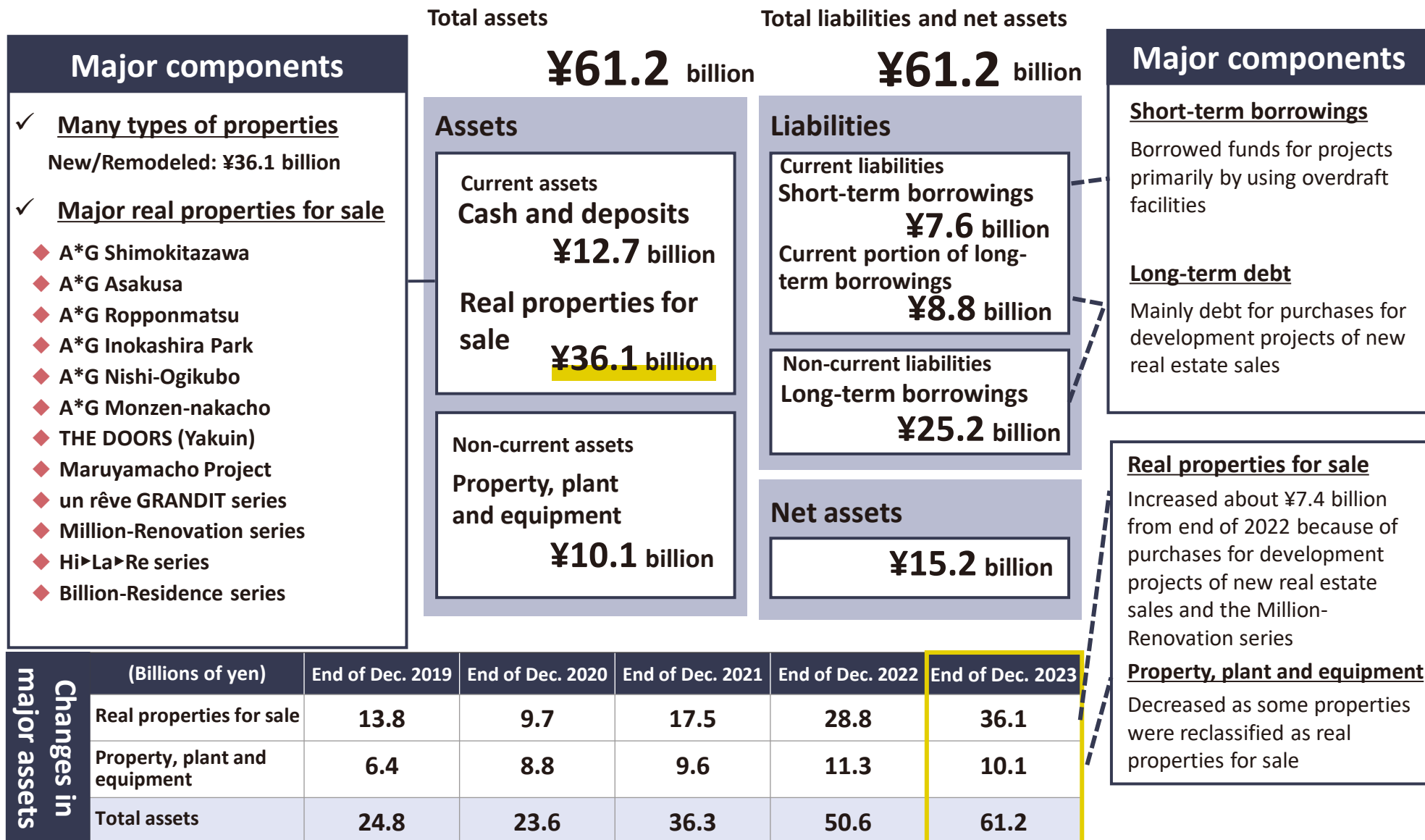
- ✓ Net sales, operating profit and ordinary profit achieved record-highs for the third consecutive year
- ✓ Sales of the “L’attrait Premium-Renovation®” series reached ¥10 billion for the first time
- ✓ Achieved total assets of ¥60 billion while maintaining an equity-to-asset ratio of approximately 25%
- ✓ Upward revisions to the 2023-2025 medium-term plan announced on February 14, 2023

Initiatives for 2024

- ✓ Start of revitalized real estate business in Okinawa by a subsidiary FAN STYLE
- ✓ Started operations in Kumamoto prefecture by establishing a capital and business alliance with URBAN LIKE INC.
- ✓ Established a framework for annual sales of the “L’attrait Premium-Renovation®” series of consistently more than ¥10 billion and the goal is more growth

Topics

- ✓ Listed on the Fukuoka Stock Exchange Main Board on June 14, 2023; shares are also listed on the Tokyo Stock Exchange
- ✓ Capital and business alliance with URBAN LIKE, making it an equity-method affiliate (December 18, 2023)



(Millions of yen)

| | 2022 results | 2023 results | YoY | Overview |
|--|---------------|---------------|---------------|---|
| Net sales | 18,253 | 31,499 | +72.6% | In New Real Estate Sales, 7 land sales and strong sales of office buildings and commercial buildings developed as income-producing properties. In Revitalized Real Estate Sales, strong sales of properties with high prices, raising sales of this segment above ¥10 billion for the first time. |
| Operating profit | 4,226 | 5,552 | +31.4% | Big increases in earnings as in the previous fiscal year due to the success of the strategy of adding substantial value to properties. |
| Ordinary profit | 3,730 | 4,941 | +32.5% | |
| Profit attributable to owners of parent | 3,381 | 3,293 | (2.6)% | A small decrease because of extraordinary losses of ¥120 million, the result of losses on sales of investment securities and shares of subsidiaries and associated involving the restructuring of the investment portfolio during 2023 |

Note: All indices are calculated based on consolidated figures.

1 - (4)

2023 Sales by Business Segment

(Millions of yen)

| | 2022 results | 2023 results | YoY | Overview |
|--|---------------|---------------|----------------|---|
| Net sales | 18,253 | 31,499 | +72.6% | |
| I Real Estate Sales | 17,227 | 30,444 | +76.7% | |
| 1 New Real Estate Sales | 11,159 | 15,301 | +37.1% | Sales increased for the second consecutive year because of higher sales of income-producing properties (office buildings and commercial buildings) and of condominiums. |
| (1) Land planning and sales | 2,557 | 1,550 | (39.4)% | |
| (2) Newly-built property sales | 8,601 | 13,750 | +59.9% | |
| 2 Revitalized Real Estate Sales | 6,067 | 15,142 | +149.6% | Sales increased about 150% because of strong sales of renovated condominiums as sales of this segment exceeded ¥10 billion for the first time. Sales of large properties were completed in the investment business. |
| (1) Renovated condominiums | 6,067 | 10,862 | +79.0% | |
| (2) Others | - | 4,279 | - | |
| II Real Estate Leasing | 897 | 1,014 | +13.1% | Increased year on year due to the purchase of a healthcare facility. |

Note: All indices are calculated based on consolidated figures.

1 - (5)

2023 Gross Profit by Business Segment

(Millions of yen)

| | 2022 results | | 2023 results | | Overview |
|--|--------------|---------------|--------------|---------------|--|
| | Gross profit | Profit margin | Gross profit | Profit margin | |
| Total | 6,015 | 33.0% | 8,509 | 27.0% | |
| I Real Estate Sales | 5,415 | 31.4% | 7,896 | 25.9% | |
| 1 New Real Estate Sales | 4,390 | 39.3% | 5,262 | 34.4% | Gross profit increased for the second consecutive year because of higher sales of income-producing properties (office buildings and commercial buildings) and of condominiums. |
| (1) Land planning and sales | 579 | 22.7% | 221 | 14.3% | |
| (2) Newly-built property sales | 3,810 | 44.3% | 5,040 | 36.7% | |
| 2 Revitalized Real Estate Sales | 1,025 | 16.9% | 2,634 | 17.4% | Gross profit increased about 160% due to the large volume of sales of renovated condominiums. Sales of large properties were completed in the investment business. |
| (1) Renovated condominiums | 1,025 | 16.9% | 1,825 | 16.8% | |
| (2) Others | - | - | 808 | 18.9% | |
| II Real Estate Leasing | 470 | 52.4% | 571 | 56.4% | Increased year on year due to the purchase of a healthcare facility. |

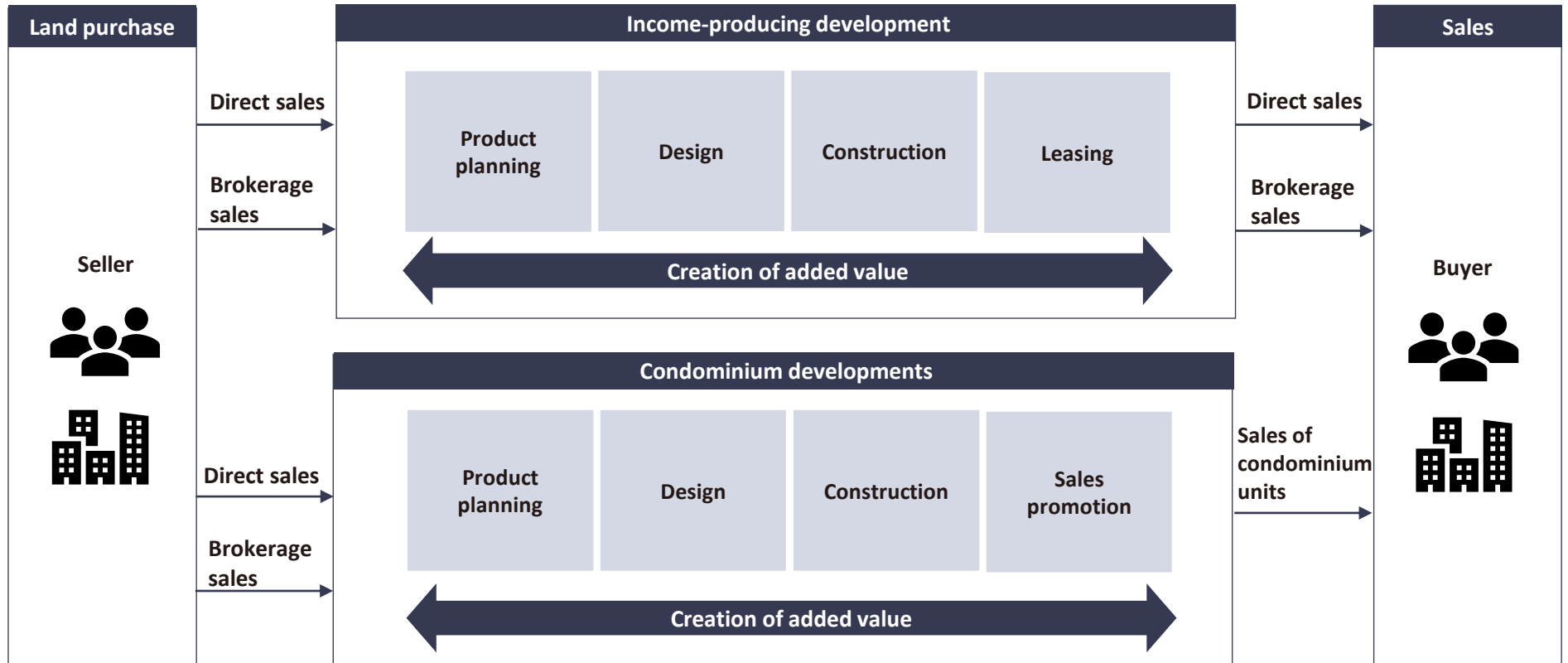
Note: All indices are calculated based on consolidated figures.

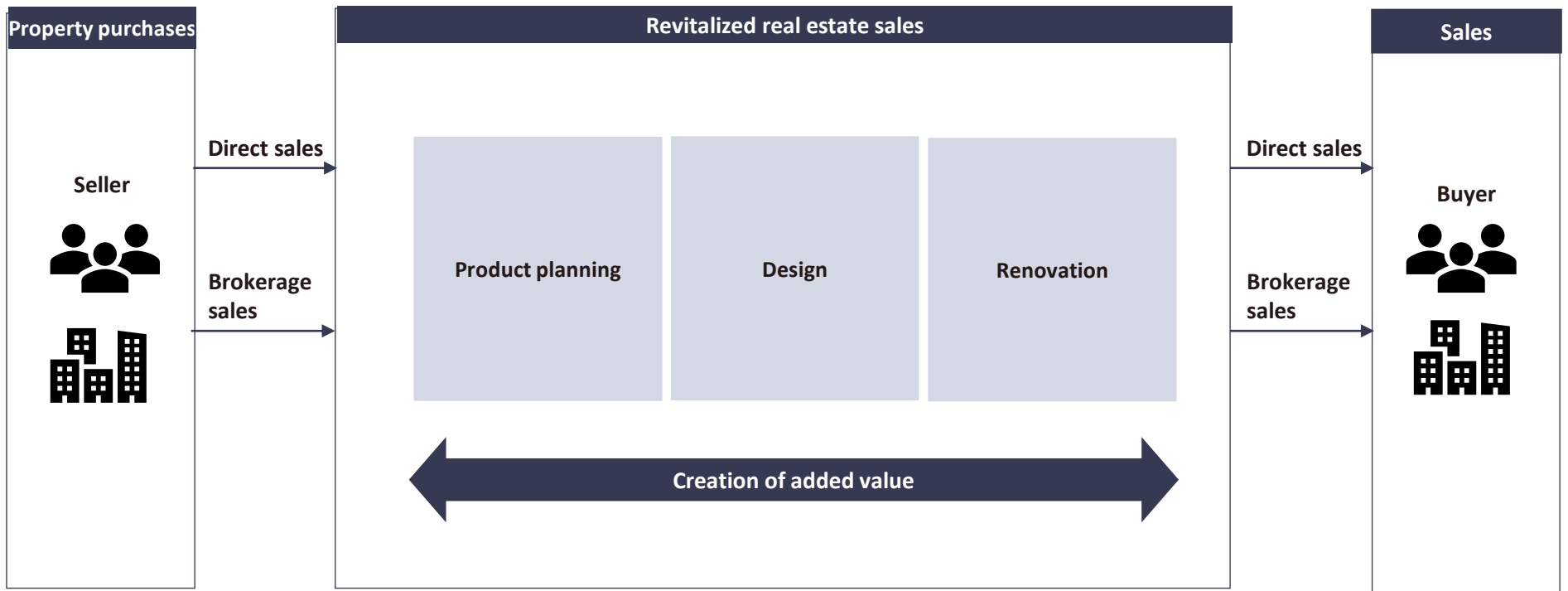
The exercise of all rights in the 10th, 11th and 12th share acquisition rights issued on August 26, 2022, was completed on October 18, 2023.

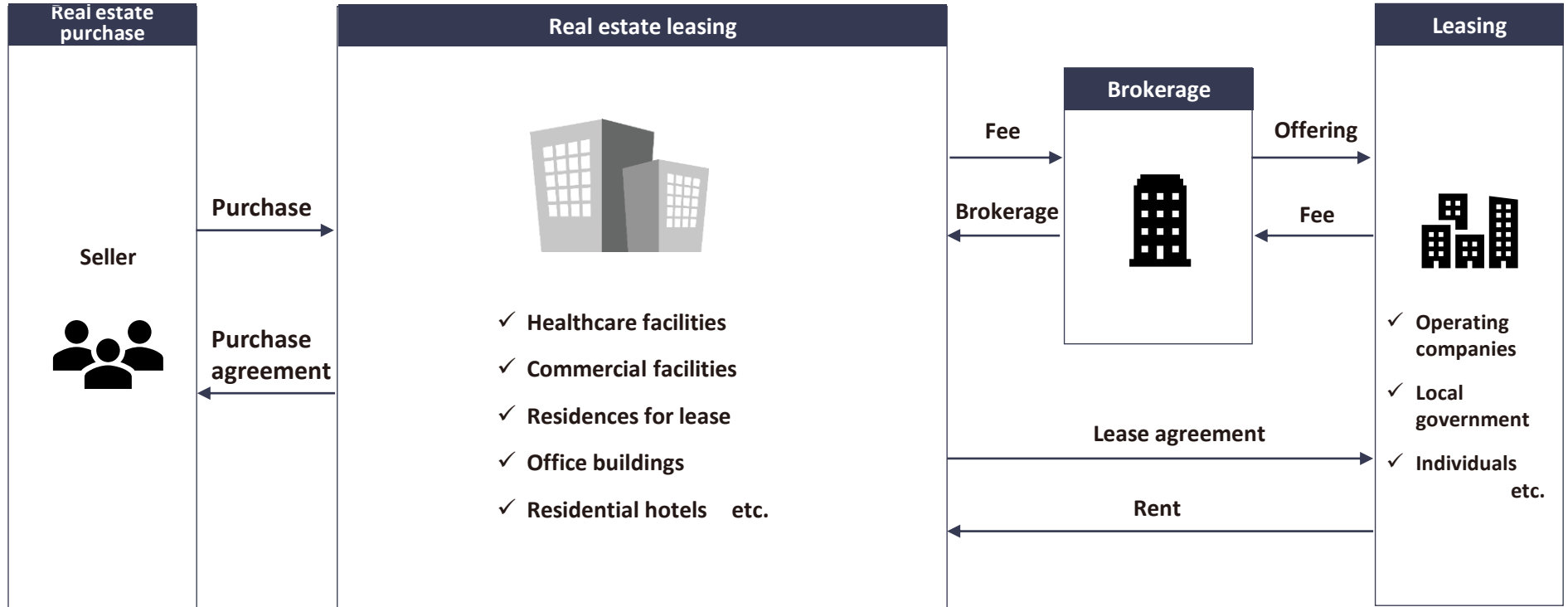
| | Exercise period: August 29, 2022 to October 18, 2023 | | |
|-----------------|--|--|-------------------------------|
| | 10th Share Acquisition Rights | 11th Share Acquisition Rights | 12th Share Acquisition Rights |
| Amount procured | ¥600 million | ¥700 million | ¥850 million |
| Use of proceeds | Acquisition of FAN STYLE HD Co., Ltd. | Investments for growth with funds used for M&A and strategic alliances | |
| Exercise status | All rights have been exercised | | |

2 - (1)

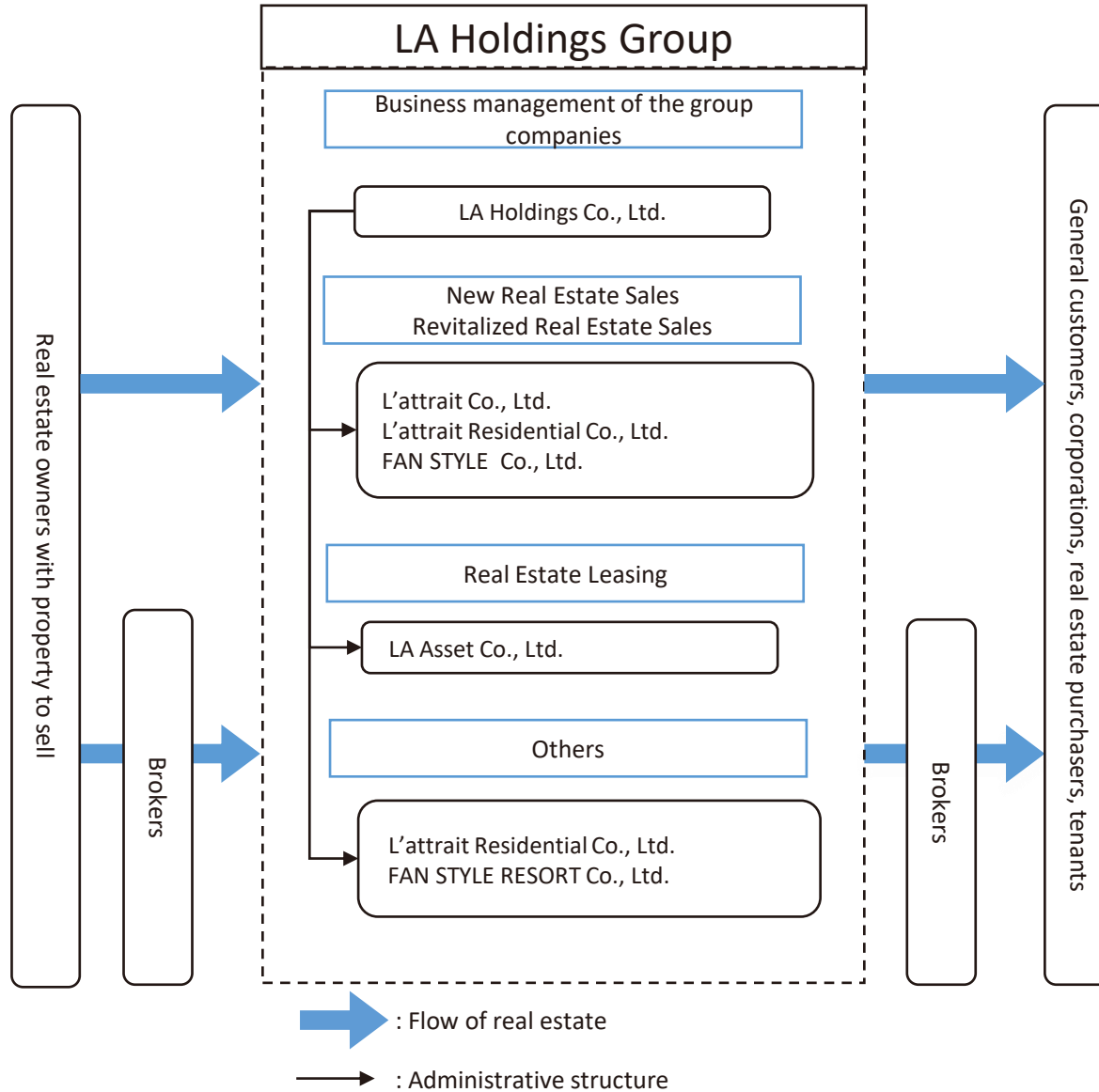
Business Model (New real estate sales)





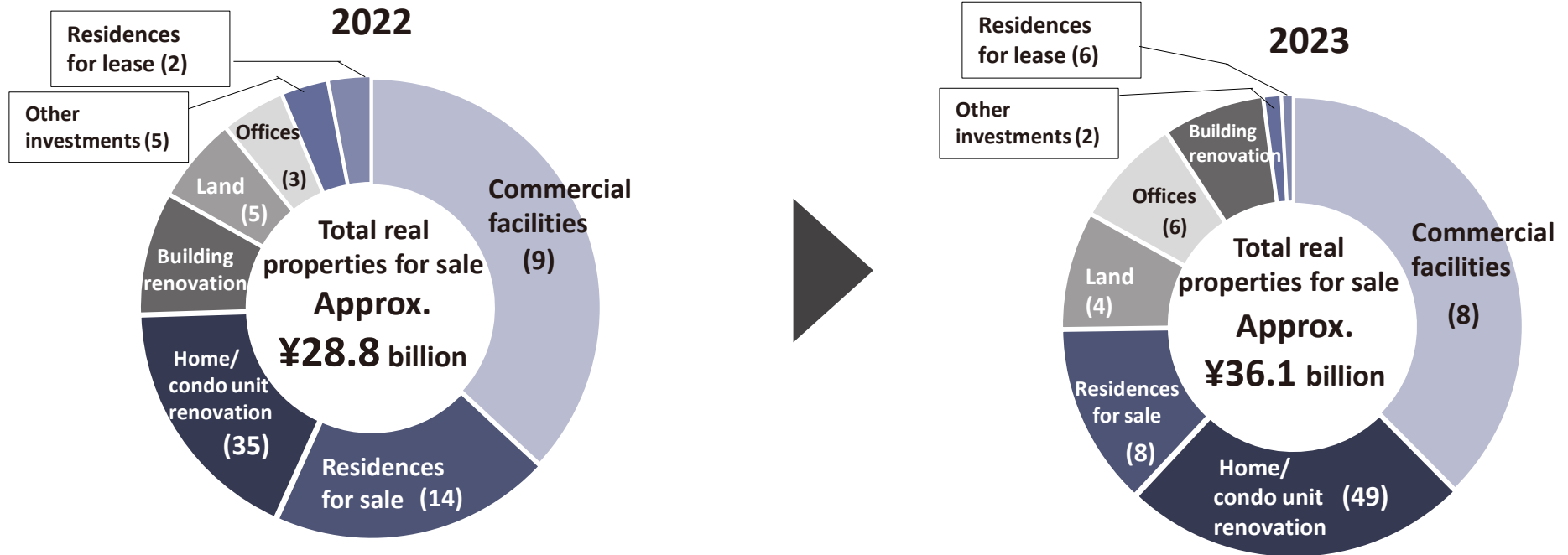


Business Structure and Flowchart



2 - (5)

2023 Portfolio of Real Properties for Sale



*Number of properties is in parentheses.

Examples of ongoing projects

A*G Nishi-Ogikubo



A*G Inokashira Park



A*G Shimokitazawa



THE EDGE Shimomeguro

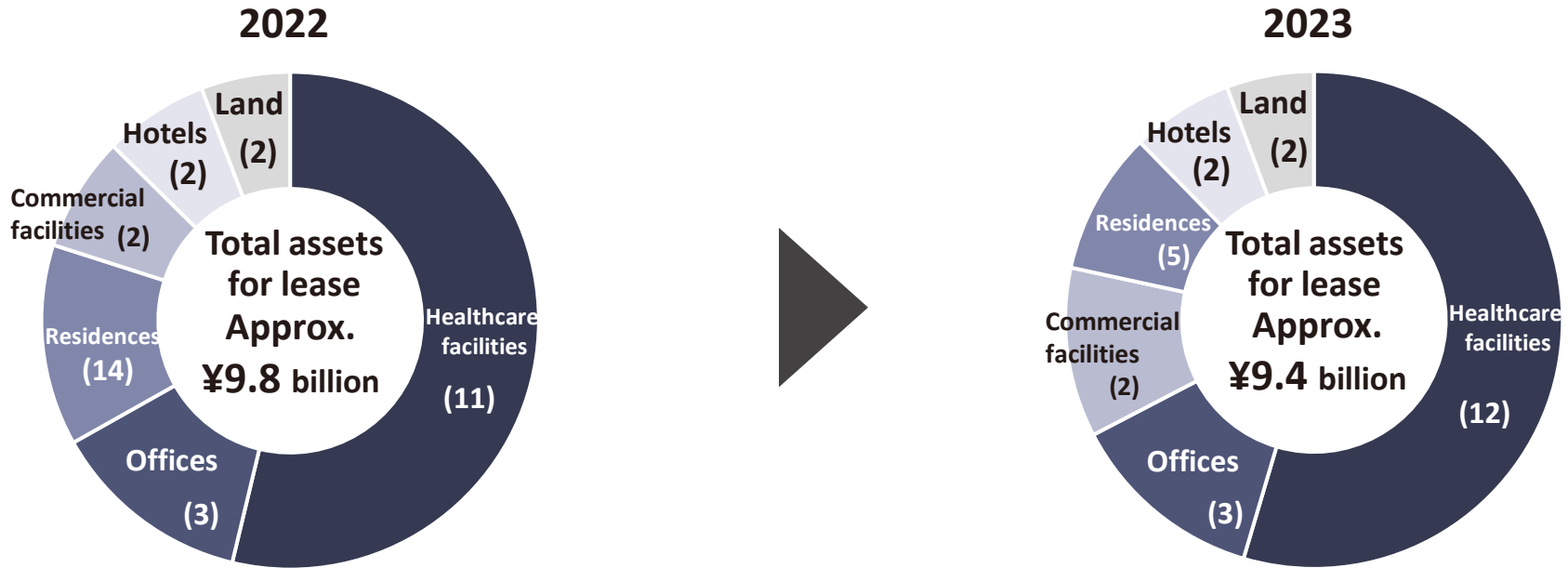


THE EDGE Reisen



THE EDGE Meieki





*Number of properties is in parentheses.

Primary owned real estate

Healthcare facilities



Offices



Commercial facilities



Residential hotels



2 - (7)

Competitive Landscape and LA Holdings Superiority (New real estate sales)

The development of income-producing properties, which is the major source of growth, includes the development of residential and commercial properties.

LA Holdings strengths

➤ **Size**

Midsized developments
(¥1-¥4 billion)

➤ **Time frame**

2-3 year projects with
priority on efficiency

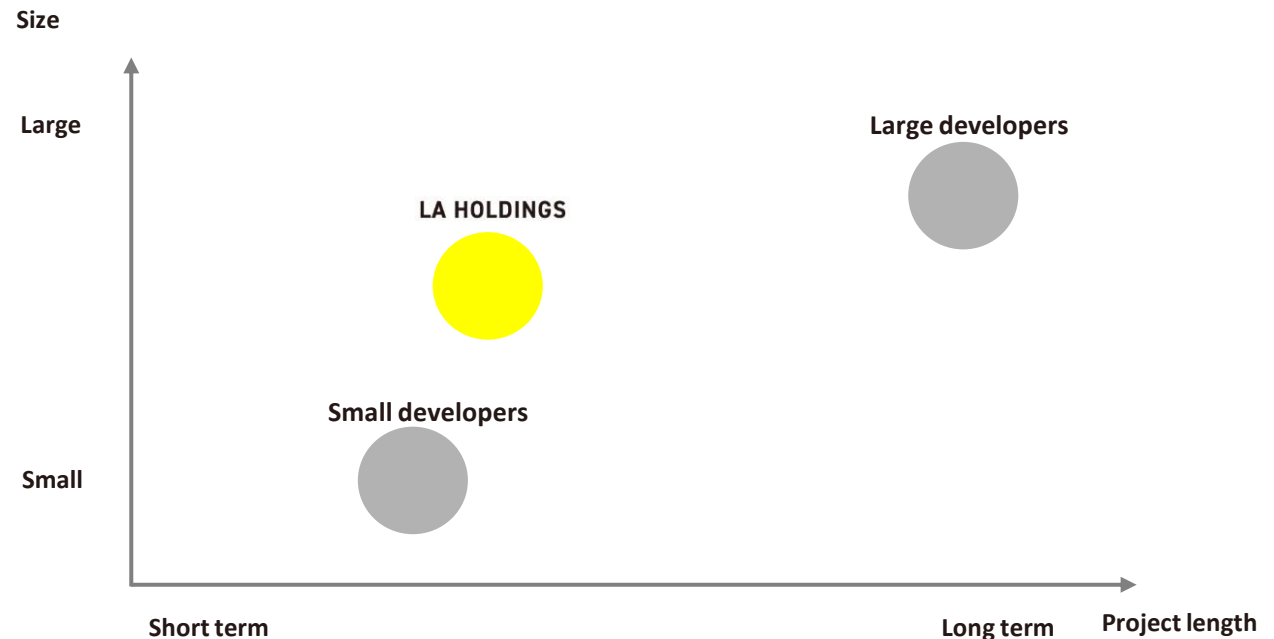
➤ **Locations**

Areas with excellent prospects
to become prime locations in
the future

→ Outstanding ability to
gather information and
identify attractive
opportunities

Focusing on specific
market categories and
areas gives LA Holdings a
competitive advantage

Positioning of LA Holdings income-producing developments

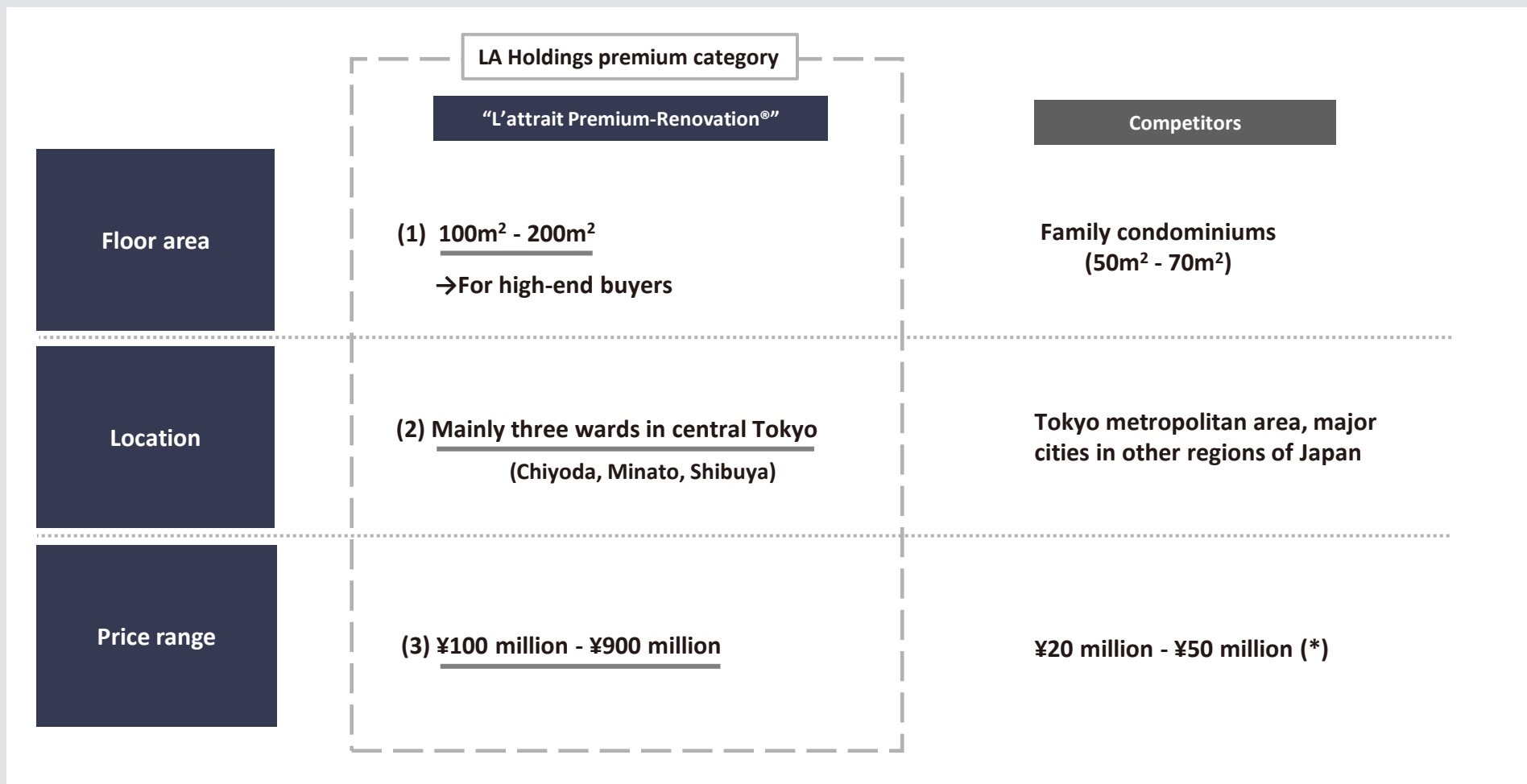


A distinctive position by operating in a sector between large and small developers that is difficult for these developers to target

2 - (8)

Competitive Landscape and LA Holdings Superiority (Revitalized real estate sales)

- ✓ A unique market position that most other companies do not target: more than 100m², in three central Tokyo wards, and high-end designs and amenities
- ✓ Ability to create designs and other features that meet the needs of buyers with substantial budgets



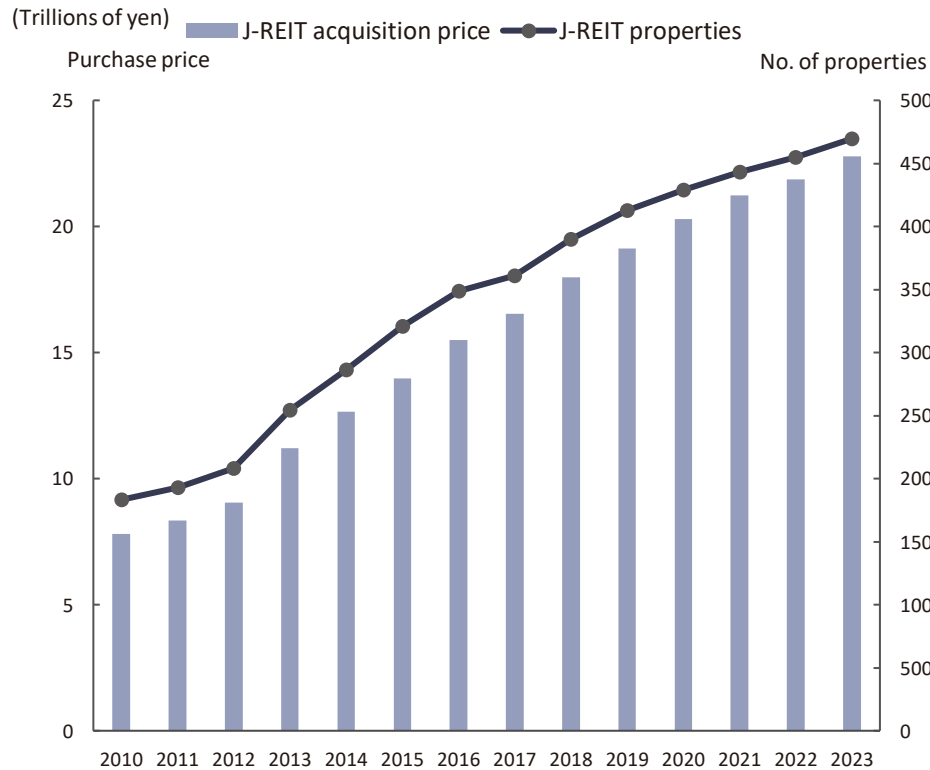
*Average price range of companies with a revitalized real estate business

Source: Securities Reports of competitors listed on the TSE Prime and Standard markets

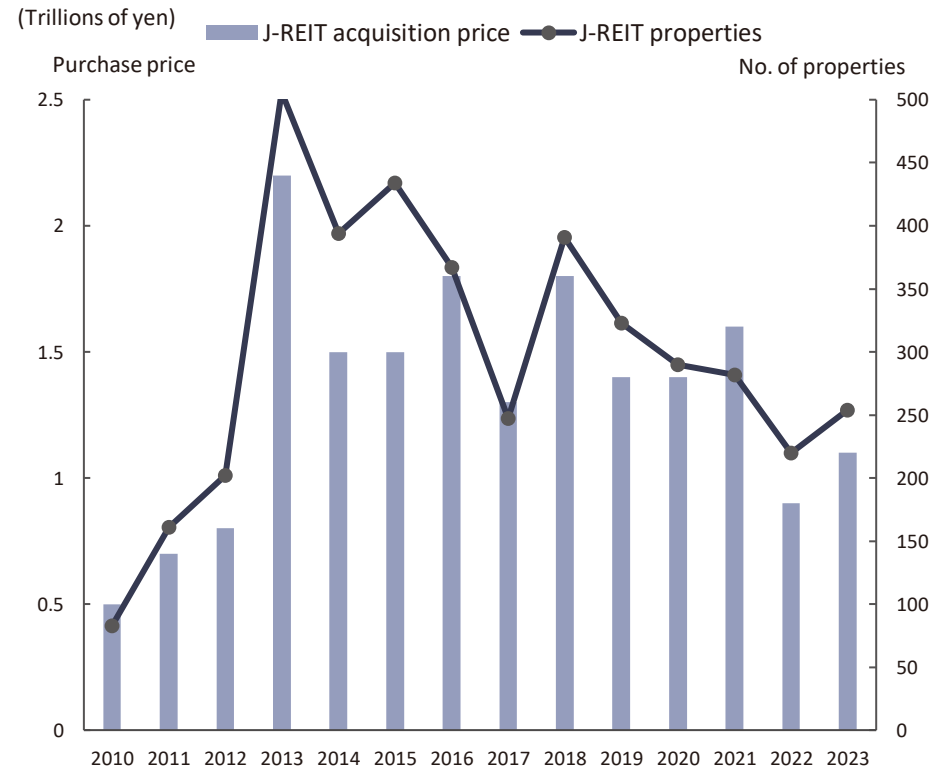
*Source: The Association of Real Estate Securitization

In 2023, property acquisitions by J-REITs increased 26% to ¥1,104.3 billion, surpassing ¥1 trillion for the first time in two years.

Real estate holdings (cumulative)

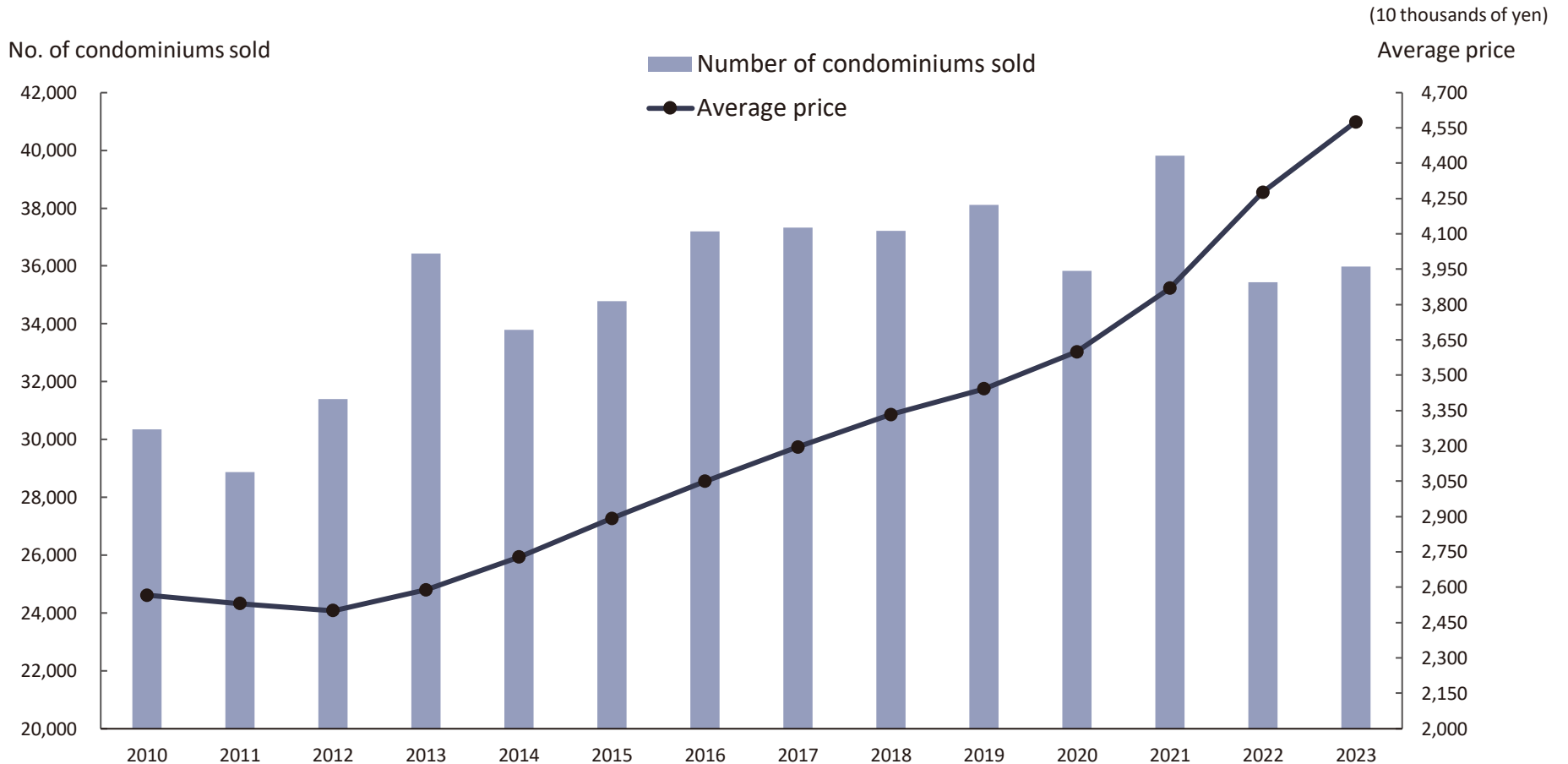


Real estate holdings (annual)



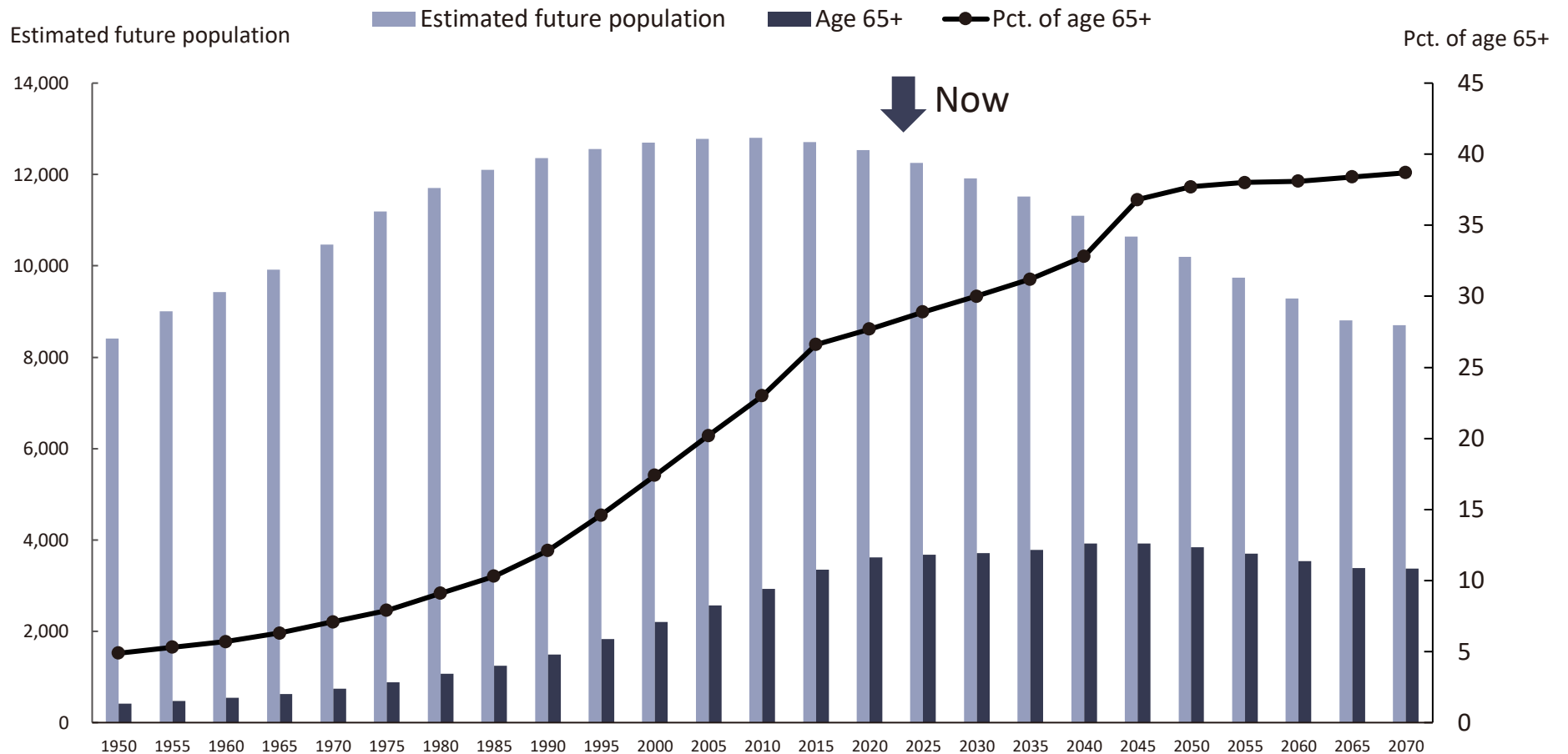
*Source: Real Estate Information Network for East Japan

In 2023, 35,987 existing condominium units were sold in the Tokyo area, 1.6% more than in 2022. This was the first year-on-year growth in two years. Condominiums in all price ranges above ¥50 million increased in terms of the number of sales and the percentage of total existing condominium sales.



*Source: Cabinet Office "White Paper on the Aging Society" (2023)

Japan's population has been declining since 2010 and the pct. of residents who are at least 65 will increase until 2045.



3 - (1)

Main Activities in 2023 (New real estate sales, income-producing development)

Main activities of new real estate sales in 2023

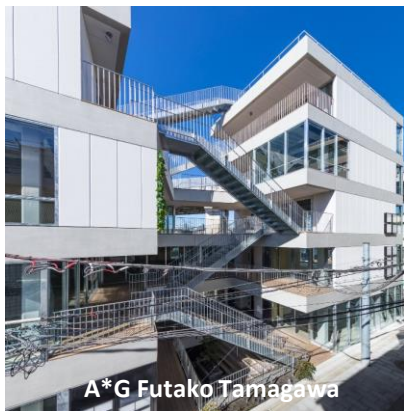
- ✓ Completed sales of commercial buildings A*G Futako Tamagawa, A*G SAKAE and A*G Nishi-Nakasu
- ✓ Finished construction of new condominium buildings L'attrait RESIDENCE Meinohama in Fukuoka and un rêve GRANDIT YAESE in Okinawa, and completed delivery of all units

Main activities in 2023

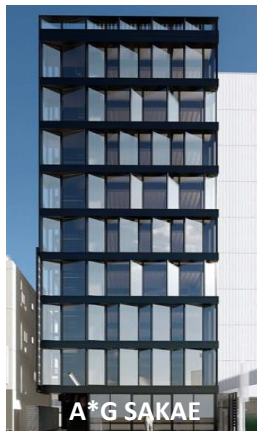
A*G commercial buildings



The brand's concept is creating "small projects that shine brightly"



A*G Futako Tamagawa



A*G SAKAE



A*G Nishi-Nakasu

New condominium buildings

— For new life styles —



un rêve GRANDIT YAESE



L'attrait RESIDENCE Meinohama

3 - (2)

Main Activities in 2023 (Revitalized real estate sales) “L’attrait Premium-Renovation®”

Sales of the “L’attrait Premium-Renovation®” series with a price range of ¥100 - ¥900 million were strong



Hi▶La▶Re

Hi▶La▶Re

—Luxurious residences in central Tokyo—



High-grade residences priced at over ¥1 billion



3 - (3) Main Activities in 2023 (Real estate leasing)

2023 highlights

- ✓ Ownership of five healthcare buildings in Sapporo and plan to start construction of sixth building.
- ✓ Purchased the former QUEEN'S HILL Koganaka complex (land and buildings) in the city of Yatsushiro, LA Holdings' first project in Kumamoto prefecture. The complex consists of serviced apartments for seniors, a senior at-home care support service, a senior day care center, and a clinic.
- ✓ For the second Kumamoto project, another healthcare facility is being planned through a capital and business alliance with URBAN LIKE INC.

Main Activities in 2023



Medical Residence Varus (Sapporo, Hokkaido)

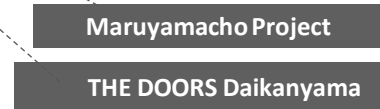
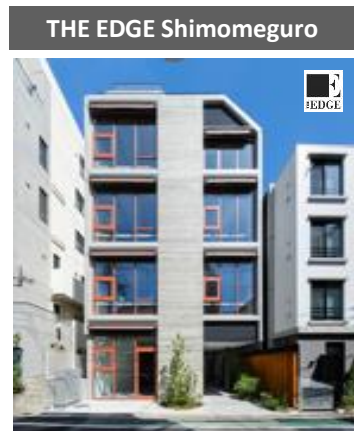
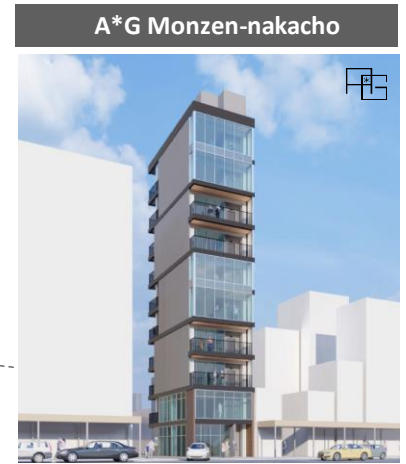
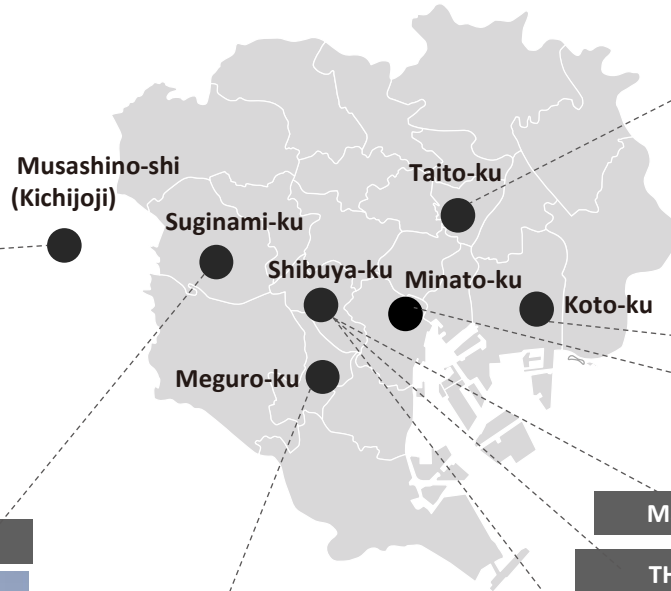


Presto Garden Koganakamachi (Yatsushiro, Kumamoto)

4 - (1)

Ongoing Projects (New real estate sales, income-producing development)

Many residential and commercial developments are ongoing



4 - (2)

Ongoing Projects (New real estate sales, income-producing development)

Completion of THE EDGE Shimomeguro office building in June



Unusual office space with a depth of about 24 meters and a width of only about 3 meters

Offices in the coming years will require a variety of communication channels among coworkers made possible by close proximity.



4 - (3)

Ongoing Projects (New real estate sales, condominium developments)

■ un rêve GRANDIT AGARIHAMA



■ L'attrait Residence KYOTO



■ un rêve REALISER MIEBASHI



■ un rêve GRANDIT TEDAKO URANISHI TOWER



■ un rêve GRANDIT NAHA OMOROMACHI



Main activities in 2023

- ✓ Strong sales of the “L’attrait Premium-Renovation®” series
- ✓ Completion of sales involving land and buildings and other properties within the investment project business



- The goal is the consistent growth of earnings in the premium sector by focusing on high-priced properties, mainly using the “L’attrait Premium-Renovation®” brand

Revitalized real estate sales projects

■ Domus Tokiwamatsu



■ Diana Garden Ebisu



■ Domus Takanawa



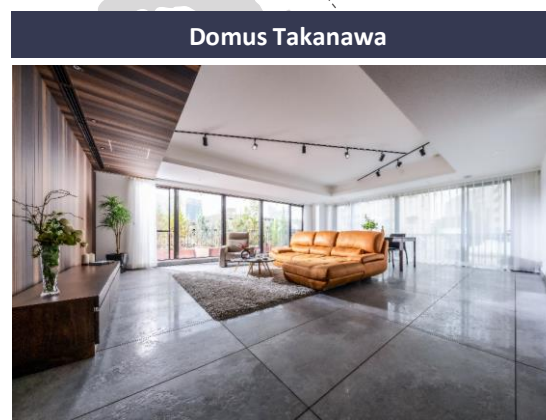
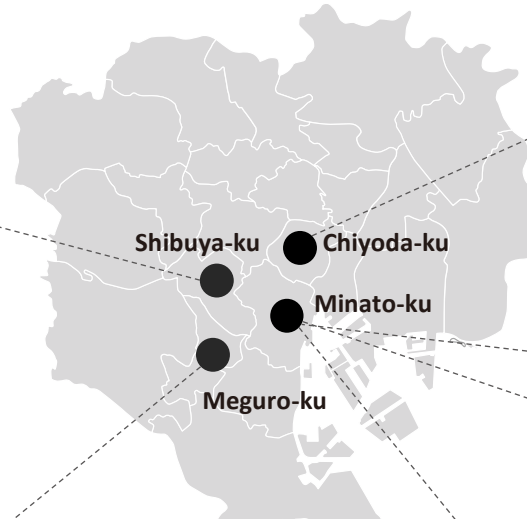
■ Azabu Nagasaka House



4 - (5)

Ongoing Projects (Revitalized real estate sales) “L’attrait Premium-Renovation®”

- ✓ Several projects in central Tokyo in the “L’attrait Premium-Renovation®” series with a price range of ¥100 - ¥900 million
- ✓ Sales of Hi▶La▶Re series



4 - (6) Ongoing Projects (Real estate leasing)

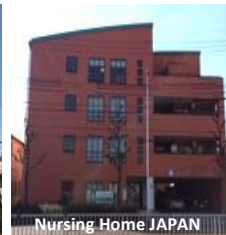
Main activities in
2023

- ✓ Purchased quality rental properties, mainly in the healthcare sector, as sources of stable leasing income
- ✓ Took steps for the optimization of the portfolio of leased properties

Big investments in healthcare facilities, a category that plays a vital role in society – Target is ¥2 billion every year

→ As the real estate leasing business grows, operations are focusing on activities involving sales of properties as well as on purchasing properties that can generate consistent income in order to build a stronger foundation for this business. Most leased properties are healthcare facilities, which have high returns on investments.

Major leasing properties (healthcare facilities)



- ✓ Develop new Billion-Residence high-grade residences priced at over ¥1 billion
- ✓ Carefully select and supply the property based on the achievements and expertise cultivated over many years in the “L’attrait Premium-Renovation®” business and our extensive information network



Goals for the LA Holdings Group

- ✓ Help create attractive town development that reflect society's needs and new trends
- ✓ Play a role in creating a sustainable society by using business activities to help solve environmental and social issues
- ✓ Establish a new business model for long-term growth of corporate value



Corporate issues

Business issues

Social issues

A stronger foundation for the LA Holdings Group

- ✓ Expansion of the business portfolio
- ✓ Increase financial soundness
- ✓ Define performance indicators
- ✓ Create a highly productive organization

Strengthen current businesses

- ✓ Broader coverage of core businesses
→ Residential, commercial, revitalization, leasing

Start new businesses

- ✓ New business creation
→ Renewable energy, investments, DX

New Mergers & acquisitions

- ✓ A more powerful strategy for M&A

Sustainability initiatives

- ✓ Environment
→ Environmentally responsible products
- ✓ Social
→ Co-existence with communities and regions
- Governance
→ Continue upgrading corporate governance

5 - (2) Medium-term Management Plan (Growth strategies)

Start new businesses

| | 2023 | 2024-2025 |
|---------------------------|---|---|
| | Activities | Goals |
| Renewable energy business | <ul style="list-style-type: none"> ✓ Construction was completed of power plant fueled by biomass (wood) derived from unused wood from woodland thinning operations on land owned by LA Asset | <ul style="list-style-type: none"> ✓ Decarbonization activities to play a role in achieving a society that uses renewable energy sources |
| Investment business | <ul style="list-style-type: none"> ✓ Established a venture capital fund to invest in mid and later-stage start-up companies ✓ Investments in Kyushu in a start-up business revitalization/business owner succession fund and a venture capital fund | <ul style="list-style-type: none"> ✓ Operate a venture capital fund that invests in mid and later-stage start-up companies ✓ More investments in Kyushu in start-up business revitalization/business owner succession funds and venture capital funds |
| DX business | <ul style="list-style-type: none"> ✓ Invested in a start-up company involved with the DX of construction sites | <ul style="list-style-type: none"> ✓ Continue to see M&A opportunities concerning companies with operations involving the DX |

5 - (3) Medium-term Management Plan (Growth strategies)

A more powerful strategy for M&A

For more growth of corporate value and business operations, establish alliances with prominent midsize regional companies while continuing the growth of current business activities

Examples of M&A candidate companies

Midsize regional companies with a high share of a particular market sector

Companies that are having difficulty locating a new owner

Companies with distinctive products or services and that have a superior position in a market with high barriers to new entrants



One example of this M&A strategy is FAN STYLE Co., Ltd., a condominium developer in Okinawa that is now a wholly owned subsidiary. The company's large network of partner companies in Okinawa and knowledge involving the development and sale of condominiums in Okinawa are expected to contribute to growth of the LA Holdings Group's corporate value and businesses.

5 - (4) Medium-term Management Plan (Profit plan)

The 2023-2025 Medium-term Management Plan was announced on February 14, 2023. Based on the current economic environment and results of operations, on January 18, 2024, LA Holdings raised its sales and earnings plans for 2025, the medium-term plan's final year.

| (Millions of yen) | 2022 results | 2023 results | 2024 forecast | 2025 plan |
|--|-------------------------|---------------|---------------|---------------|
| Net sales | 18,253 | 31,499 | 33,000 | 51,000 |
| Operating profit | 4,226 | 5,552 | 5,700 | 8,200 |
| Ordinary profit | 3,730 | 4,941 | 5,000 | 7,400 |
| Profit attributable to owners of parent | <u>3,381</u> (*) | 3,293 | 3,500 | 5,100 |

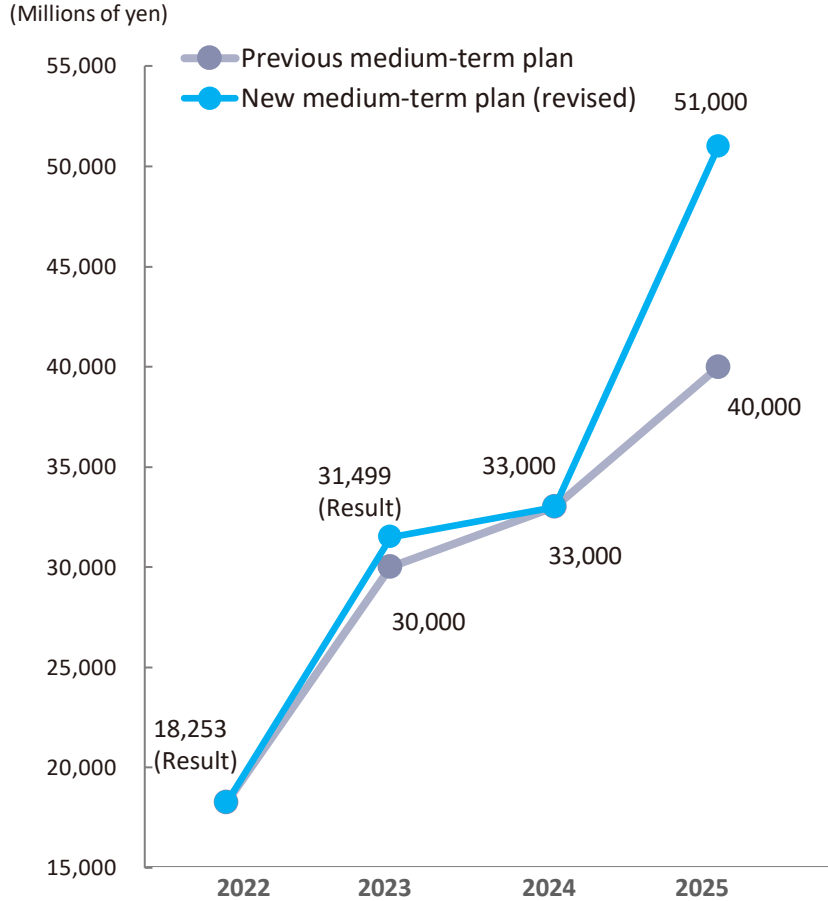
*Includes extraordinary income of about ¥800 million due to negative goodwill.

Note: All indices are calculated based on consolidated figures.

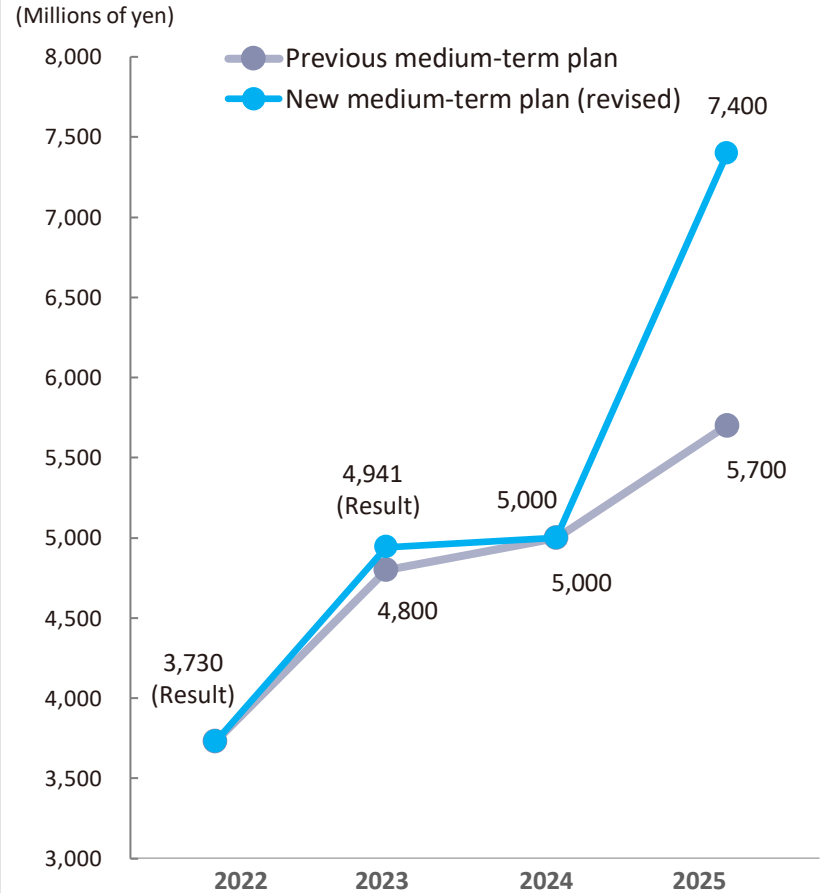
In Japan's construction industry, the cost of building materials is increasing because worldwide inflation and disruptions of supplies caused by conflicts in several areas of the world. The chronic shortage of construction workers is another problem. Furthermore, new overtime restrictions and the shift to two days off every week will begin in 2024. These changes are expected to increase the time needed for construction projects, pushing back completions. Despite these challenges, LA Holdings expects sales of more than ¥50 billion and big increases in earnings in 2025, the medium-term plan's final year. This outlook is based on expected completions and sales of large development projects in the New Real Estate Sales business.

Medium-term Management Plan (Net sales and ordinary profit)

Net sales during previous and new medium-term plan



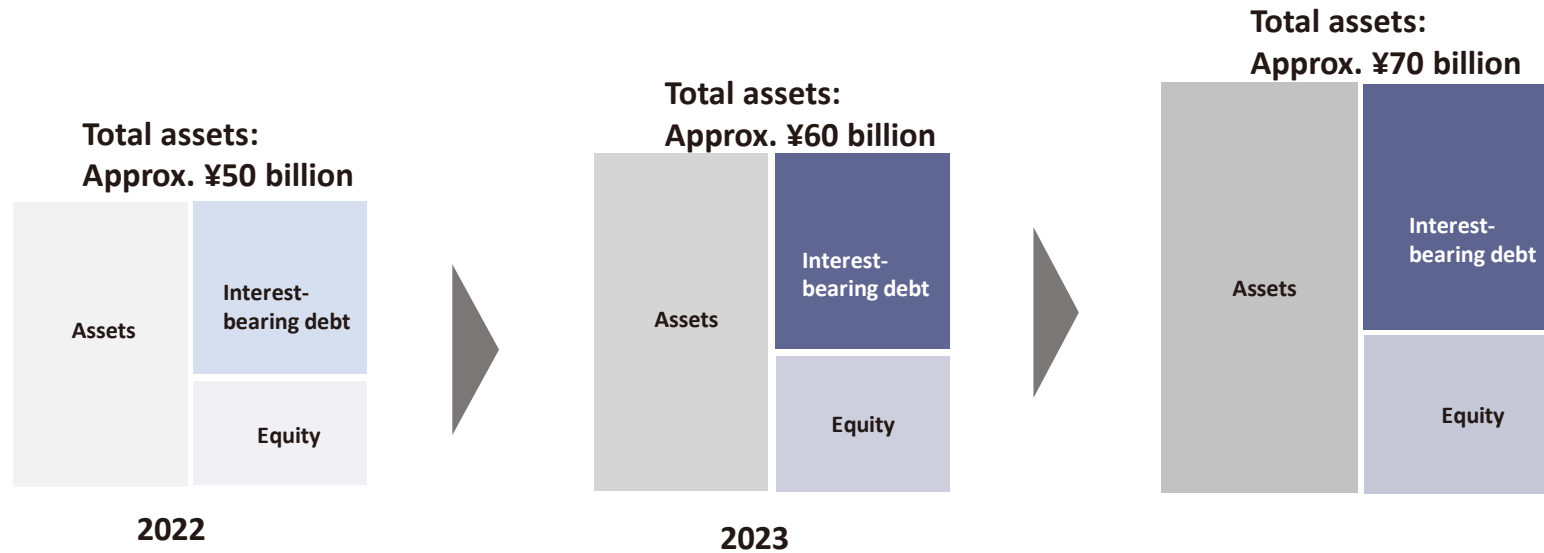
Ordinary profit during previous and new medium-term plan



5 - (6)

Outlook for Growth of Assets

The goal is to use capital more efficiently while making strategic investments for growth and distributing earnings consistently to shareholders



Internal and external growth

✓ **Internal growth**

→ Steady growth of the real estate development business, which is based on sales of properties, and the real estate leasing business, which generates recurring income

✓ **External growth**

→ Investments for growth, both M&A and strategic alliances, targeting companies with good prospects for synergies with the LA Holdings Group's current operations

Strong earnings every year and an equity-to-asset ratio of at least 20% as activities continue for raising assets to ¥70 billion

| Dividend policy | |
|---------------------------|---|
| Basic policy | Distributing earnings to shareholders is one of the highest priorities of LA Holdings. The basic policy is to aim for a dividend payout ratio of at least 30% based on profit attributable to owners of parent. Dividends are determined by taking into account measures to strengthen business operations and achieve goals for future operations, the outlook for sales and earnings, and other factors. |
| Shareholder distributions | LA Holdings plans to pay a 2023 year-end dividend of ¥211, which is ¥11 higher than the 2022 year-end dividend, based on the resolution of the Board of Directors meeting held today. This dividend will be paid if approved at the shareholders meeting to be held on March 28, 2024. |

| | Dividends per share | | | Payout ratio |
|------------------------|---------------------|----------|-------|--------------|
| | Interim | Year-end | Total | |
| 2022 results | - | ¥200 | ¥200 | 31.3% |
| 2023 year-end dividend | - | ¥211 | ¥211 | 38.4% |
| 2024 forecast | - | ¥220 | ¥220 | 39.3% |

Risk Information (Risk factors and countermeasures)

| Category | Segment affected | Major risks | Risk level/ Time frame | Potential impact | Countermeasures |
|---------------------------------|--|---|---------------------------|------------------|--|
| Real estate market | Real Estate Sales Real Estate Leasing | Longer time to sell properties and an increase in properties for sale affected by the economy, land prices, interest rates, taxation and other factors; lower occupancy rates due to economic downturn | Medium/ Medium-long | Moderate | Periodic business climate monitoring/surveys for information about markets and the economy and maintenance of an appropriate business portfolio |
| Real estate market | Real Estate Sales Real Estate Leasing | Difficulty of purchasing quality properties due to a real estate market downturn, intense competition or other reasons | Medium/ Medium-long | Moderate | Increase information gathering capabilities by hiring more people, adding alliance partners for purchasing and other measures in order to purchase profitable properties |
| Laws and regulations | All business segments | Amendments to real estate laws and regulations, tighter regulations, and other measures may affect the growth of current businesses (earnings, length of projects, etc.) | Medium/ Medium-long | Moderate | Constantly monitoring changes in laws and regulations in order to properly determine earnings and other forecasts used for making business decisions |
| Recruiting and retention | Real Estate Sales | Possibility of not taking on projects requiring specialized skills, such as for coordinating property owner rights or dealing with neighbors, due to the inability to train and retain people with these skills | Medium/ Medium-long | Moderate | Knowledge at the entire LA Holdings Group is used to upgrade skills of employees and recruiting activities target skilled people at other companies |
| Impairment and valuation losses | Real Estate Sales Real Estate Leasing | Impairment or valuation losses may be recorded if an economic downturn or other event reduces the value of non-current assets or real properties for sale | Medium/ Medium-long | Small | Most property purchases are in areas where real estate has high value as an asset. Valuations of assets are assessed periodically to identify any signs of a change. |

6 - (2)

Risk Information (Risk factors and countermeasures)

| Category | Segment affected | Major risks | Risk level/ Time frame | Potential impact | Countermeasures |
|-----------------------------|--|--|---------------------------|------------------|---|
| Reliance on loans | Real Estate Sales Real Estate Leasing | Vulnerability to interest rate movements and other changes in the fund procurement environment due to the reliance on loans to purchase properties | Medium/ Medium-long | Moderate | Diversification of fund procurement methods and higher equity |
| Oversight of subcontractors | Real Estate Sales | Delays or termination of construction due to a construction site accident, a false report by a subcontractor, bankruptcy/failure to fulfill contractual obligations, or other problems | Low/Medium-long | Moderate | Rigorous oversight by using only companies that meet the LA Holdings Group’s standards and using periodic meetings and other activities for managing quality, construction schedules and other items |
| Defects | Real Estate Sales Real Estate Leasing | Expenses for corrective measures and other activities may be needed if there are unexpected defects at a building, commercial-use land or other property acquired | Medium/ Medium-long | Moderate | Properties are inspected for asbestos, soil contamination, underground objects and other items before a purchase decision is made |
| Accidents/ Damage | All business segments | Business operations may be disrupted by a natural disaster, other disaster or accident, cyberattack, or some other event | Low/Unknown | Significant | Countermeasures during normal business operations, systems and action guidelines for responses (confirmation of safety of personnel, quick restoration of operations, etc.) to disasters and other emergencies, and cyberattack and other insurance |
| Overseas business | Real Estate Sales | Vulnerability to the effects of forex changes on financial statements, changes in laws and regulations of other countries, political and social factors, differences in business customs, terrorism, and other types of country risk | Medium/ Medium-long | Moderate | Activities to reduce vulnerability to country risk by using relationships with attorneys, accountants and other professionals in other countries |

*Information about other risk factors is in the “Business and Other Risk” section of the LA Holdings Securities Report.

IR seminars

February 4, 2023 Fukuoka (about 120 participants)
 December 11, 2023 Fukuoka (about 90 participants)
 February 3, 2024 Fukuoka (about 110 participants)

July 29, 2023 Sapporo (about 120 participants)
 October 28, 2023 Sapporo (about 130 participants)
 January 29, 2024 Sapporo (about 60 participants)

LA Holdings participated in an IR seminar held by Radio NIKKEI, Pronexus, Nomura Investor Relations, Fukuoka Stock Exchange and Sapporo Securities Exchange. At the seminar, Eiichi Wakita, president of LA Holdings, talked about business activities, the medium-term plan, performance indicators, shareholder distributions and other subjects.



February 10, 2024
 Hiroshima (about 100 participants)

November 18, 2023
 Kanazawa
 (about 60 participants)

February 18, 2023
 Nagoya (about 120 participants)
 November 25, 2023
 Nagoya (about 190 participants)

July 15, 2023
 Kumamoto (about 70 participants)

May 20, 2023
 Okinawa (about 80 participants)

March 25, 2023
 Matsuyama (about 70 participants)

December 2, 2023
 Takamatsu (about 90 participants)

Radio programs

Radio NIKKEI “Market God of Happiness”



Radio NIKKEI “Asazai”



LA Holdings conducts IR seminars on a regular basis for individual investors in major and regional cities of Japan where the company operates its real estate business. In addition to using IR events like this to provide information to investors, there are PR activities linked to IR for media exposure, such as appearances on radio programs.

Securities Code

2986

LA HOLDINGS

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LA Holdings plans to disclose revisions to the information in this presentation when 2024 results of operations are announced in about February 2025.