

NEWS RELEASE

## Lead Real Estate Co., Ltd. Covered in Nikkei Money

2024-09-26

TOKYO, Sept. 26, 2024 (GLOBE NEWSWIRE) -- Lead Real Estate Co., Ltd. (Nasdaq: LRE) ("LRE" or "the Company"), a Japanese real estate developer of luxury residential properties including single-family homes and condominiums across Tokyo, Kanagawa prefecture and Sapporo, today said that, on September 21, 2024, the Company was covered in a feature article published in the popular Japanese asset management magazine, **Nikkei Money**.

The article, which provides a comprehensive description and research on Lead Real Estate, plus an outlook on the Company's diverse real estate business initiatives, follows, translated from its original Japanese.

### IN-DEPTH RESEARCH ON A COMPREHENSIVE URBAN DEVELOPER LISTED ON NASDAQ.

### MAKING GREAT STRIDES IN THE HOTEL BUSINESS, TAKING ADVANTAGE OF SPECIAL INBOUND DEMAND.

#### A Review of a Promising Company That Continues to Achieve Stable Growth!

Becoming Japan's No. 1 Long-Stay Hotel Operator by Leveraging Its "Mobility" In Procurement Cultivated Through Its Real Estate Business.

Lead Real Estate is a comprehensive urban developer established in 2003. The company's representative, Mr. Nagahara, has a unique background, having started his own business at the age of 35 after moving from the world of music. He is also the subject of much attention for being named one of the "10 Most Inspiring CEOs in Japan" by APAC Entrepreneur magazine last year.

## Diversified Business Development Centered on Luxury Real Estate

2008 saw a sharp economic slowdown due to the Lehman Shock. While many of Lead Real Estate's competitors were on the verge of bankruptcy due to banks' reluctance to lend money, Lead Real Estate overcame this difficult situation and continued to expand its business steadily. The core of the company's business is the planning, development, and sales of luxury real estate, including luxury condominiums, luxury residential buildings, and luxury single-family residences in Tokyo, Kanagawa, and Sapporo in Hokkaido prefecture. In addition, the company is also involved in commercial real estate planning, development, and investment; renovation; revitalization of existing properties; planning and operation of extended-stay hotels; and ownership of luxury real estate and office space in the United States and the Philippines. In fiscal 2023, the 20th anniversary of its establishment, the company achieved sales of 17.4 billion yen.

## Long-Term Stable Operations Rather Than Short-Term Earnings

In the luxury real estate business, the company's main business, it offers the **Excellence Series** of well-designed luxury residences, and the **More Excellence Series** of top-quality residences carefully selected only in prime urban locations. Both series are differentiated by focusing on highly convenient areas and planning to maximize their attractiveness. In the investment real estate business, the company has developed the **Excelsior Series** of designer condominiums targeting the upper-middle class and above. The total number of condominiums is limited due to the space required, but this is done with the aim of branding the company. By carefully enhancing the brand value without being preoccupied with short-term profits, the company has achieved long-term stable operations. In recent years, the company has been expanding its real estate investment business overseas as well, providing real estate introductions and consulting services tailored to client needs in Los Angeles, Dallas, and Hong Kong.

## Catering To a Global Clientele Through the Real Estate DX Business

In line with its philosophy of "aiming for corporate management that can always lead the times," the company was one of the first in Japan to enter the real estate digital transformation business and has been focusing on it to this day. The company's real estate business is expanding through GLOCALY, a luxury real estate platform released in 2021, which provides timely responses via AI chatbots, videos, and EKYC (online identity verification) to customers around the world who are looking to buy or sell real estate. The company has a worldwide system in place that can respond to clients from all over the world who wish to buy or sell real estate. At the same time, the company also developed an AI high-precision translation service that boasts the quality of a professional translator, and by implementing a function that can translate a variety of formats, including PDF and Excel, without disruption, the company has realized speedy and accurate translation of difficult industry-specific documents, such as real estate sales contracts and important information manuals. In addition, the service is available only to members. In

addition, the company operates a platform that meets the needs of overseas institutional investors and wealthy individuals who support housing prices in Japan by providing members-only services such as introductions to unlisted properties and a real estate investment blog.

## Long-Stay Hotels Are Doing Well, Capturing the Hearts and Minds of Overseas Guests

The company is focusing on its own directly managed hotel and inn business, the **Ent Terrace Series**, from around 2022.

With a basic policy of contributing to the local economy and tourism industry, the company aims to achieve steady growth, stable revenues, profits, and asset management. Branding and collaboration with blue-chip companies to enhance competitiveness with neighboring hotels, which were implemented as a growth strategy, have been highly evaluated, and the hotel has expanded rapidly along with the recent inbound demand. Currently, the company has six locations in central Tokyo, including Akihabara and Asakusa. Ent Terrace Akihabara was awarded the “2024 Traveler Review Awards” by booking.com, a major hotel booking website. The series is characterized by a new hotel format that transcends the conventional idea of a “place to sleep.” Based on a space of over 40 square meters, all rooms are equipped with a spacious dining room and kitchen and workspace, creating a comfortable space that can flexibly accommodate both businesspeople and families.

## The Monthly Occupancy Rate Exceeds 90%! One of The Most Popular Hotels in Tokyo, Leading the Competition to Attract Guests

The high level of privacy and security is one of the strengths of the Ent Terrace Series. This is also true of the aforementioned luxury real estate business, which has created a safe environment for families with small children by renting out a single room on a floor, similar to a luxury condominium. The high level of hospitality and excellent service, as well as the presence of hotel staff who respect Japanese courtesy, are also factors that enhance the value of the hotel. In recent years, some developers and institutional investors have entered the development and operation of extended-stay hotels, but in terms of competition to attract guests, the company stands out, with occupancy rates of over 90% in some months. Yields are also extremely high, with some stores achieving profitability in less than a year after opening. As inbound demand is expected to continue to grow, the high-value-added hotel business will be key to the company's growth.

## One Year After Going Public, the Company's Representative, Mr. Nagahara, Envisions the Company's Future Prospects

It has been about a year since the company listed on the NASDAQ (Global Market) in the United States. The company started at an initial price of \$7, and while there have been some price declines, the company has generally

performed as expected. However, some people argue that the current share price is too low, even though the management holds more than 90% of the shares and the market volume is very small. Despite such "harshness" of the U.S. and European markets, Mr. Nagahara's vision is strong and full of passion. He said, "Going public in the U.S. was a challenging venture, but I was convinced that it would have a positive impact on our branding. We are ready for global recognition and success as a company. Considering that many of the targets of the real estate and hotel businesses are Europeans and Americans, and that the company is considering expanding the "Ent Terrace Series" to New York and London in the future, a listing in the global market will surely be a tailwind for the company.

## 100 Hotel Locations within 6 to 7 Years

In addition to the six existing hotels in the "Ent Terrace Series," plans are currently underway to open more than 15 locations. Focusing on the Yamanote Line areas such as Ueno and Shinjuku, which are easily chosen by travelers, the company plans to open a hotel in the Ginza area, which is popular among Europeans and Americans, in December 2024. In addition, there are plans to open detached wooden ryokan hotels in Naganuma, Hokkaido, and Nishiko in the Fuji Five Lakes region, with the aim of expanding to 20 locations in the short term and 100 in the medium term. In the real estate business, the company plans to open hotels with guest rooms of 70 square meters or more in Ise and Izumo, in addition to its existing hotels in Tokyo and Kanagawa. The foundation of this stable business expansion is the "purchasing power" of land for development that has been cultivated over more than 20 years in the real estate business. Even though the scale of each property may be small, the company has a system in place that allows it to purchase land in areas with high asset value and open for business quickly, leveraging its strength in mobility. Lead Real Estate has begun to compete in the global market by creating services that can compete on a global scale, and by gaining a solid reputation. Going forward, Lead Real Estate aims to increase profits by making great strides in the hotel and real estate businesses while also considering "ESG (Environmental, Social and Governance)" initiatives to contribute to society and the environment.

## About Lead Real Estate Co., Ltd

Lead Real Estate Co., Ltd is a Japanese developer of luxury residential properties, including single-family homes and condominiums, across Tokyo, Kanagawa prefecture, and Sapporo. In addition, the Company operates hotels in Tokyo and leases apartment building units to individual customers in Japan and Dallas, Texas.

The Company's mission is to serve its customers by offering stylish, safe, and luxurious living. The Company's vision is to adopt the Kaizen (continuous improvement) approach to seek to improve its operations, and to leverage its nationally recognized, award-winning luxury homes and strong market position in the luxury residential property market in Tokyo, Kanagawa prefecture, and Sapporo to create a global transaction platform allowing access to prime Japanese condominiums as well as overseas condominiums, including in the U.S. and Hong Kong.

For more information, please visit the Company's website at <https://www.lead-real.co.jp/en/>.

## Forward-looking Statements

Statements in this press release about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties related to market conditions and other factors that may affect its future results in the Company's registration statement and in its other filings with the U.S. Securities and Exchange Commission. Any forward-looking statements contained in this press release speak only as of the date hereof, and the Company specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

## Contact Information:

### For Media and Investor Relations

Daisuke Takahashi

Chief Financial Officer

Lead Real Estate Co., Ltd

**d-takahashi@lead-real.co.jp**

+81 3-5784-5127

Skyline Corporate Communications Group, LLC

Scott Powell, President

1177 Avenue of the Americas, 5th Floor

New York, NY 10036

Office: (646) 893-5835

Email: **info@skylineccg.com**

Source: LEAD REAL ESTATE CO., LTD