



# Mid-term Business Plan

2025~2027

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To take on challenge of  
further growth

PREGIO GROUP

# About us

As a revenue-generating real estate manufacturer, the PREGIO Group operates its own rental apartment brand “PREGIO” series in the Kansai and Kanto regions through an integrated business scheme that includes land acquisition, planning, design, construction, leasing, sales, and subsequent management. Additionally, our subsidiary, Basis Co., Ltd., primarily manages and leases rental apartments while also operating a column site for senior businesses such as nursing homes and care facilities. They offer various services to enhance the PREGIO brand and enrich the lives of our residents.

In 2024, the environment surrounding our group will undergo a significant shift as the Bank of Japan's interest rate policy transitions from the long-standing low-interest rate situation since 2007 to a market with interest rates. This, along with the strengthening trend of yen depreciation, will have a significant impact on the real estate and construction industries. For us, who have been competing by securitizing revenue-generating real estate and selling it to major overseas financial institutions and funds, such market changes cannot be overlooked. However, by developing new services through revenue-generating real estate that align with the times, we aim to flexibly respond to the ever-changing environment and ensure the perpetual survival of our company.

We have established this mid-term management plan (2025-2027) to clarify the direction of the PREGIO Group as a revenue-generating real estate manufacturer and to advance towards becoming an entity that brings happiness to all employees and stakeholders associated with our group.

## Contribute to the society by placing importance on fundamental principles of the company

In other words, never forgetting the fundamental policy of responding to societal needs and continuing to be true to the basics

We believe that societal needs are

- Legal compliance** Staying true to the basics
- Profit seeking** Keep economy going by making profits
- Social contribution** Functioning as a part of Japanese society

To meet these societal needs, the PREGIO Group has established three visions.



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## Our Visions

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# Our Visions

1

Time is Life

2

Enhancing brand value

3

Archiving 80 billion yen in sales

# Our Visions

## 1. Time is Life

We view work as "one of the means to enrich life" and strive to achieve results in a limited time, aiming to create a workplace environment where "moment" is valued.

As a concrete measure, we will improve operational efficiency centered on DX (Digital Transformation), which more companies have been consciously adopting in recent years and pursue further labor productivity.

## 2. Enhancing brand value

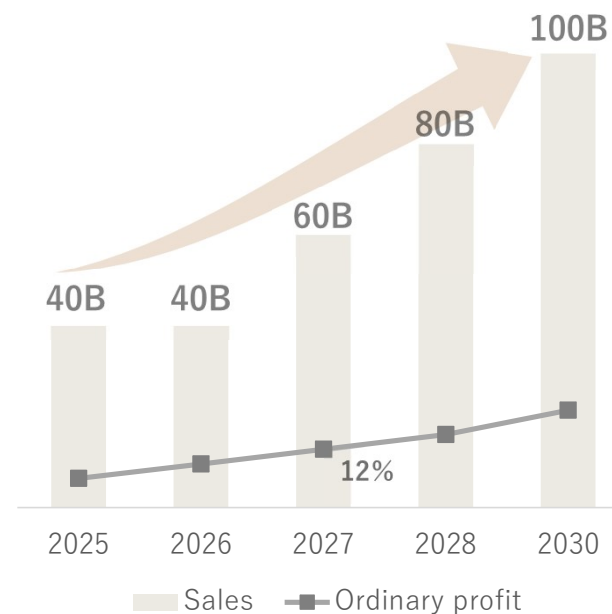
The company name "PREGIO" means "pride" in Italian.

We continuously pursue designs and functionalities that inspire those who see them and instill pride in those who live in them.

Through the expansion of brand recognition via our unique marketing strategies, we will continue to provide high-quality rental apartments where residents can live with pride.

## 3. Archiving sales goals of 80 billion yen

We will expand the business foundation cultivated in the Kansai region to the Kanto region. From 2025 onwards, we aim for further growth by expanding our business in the Kanto region. Specifically, we are working towards achieving sales of 80 billion yen in 2028 and 100 billion yen in 2030.



# Financial Targets

In addition to financial indicators, we will set non-financial indicators to enhance corporate value from both economic and social perspectives.

	KPI	December 2024 Projected outcome	December 2027 Target	December 2030 Target	
Financial Indicator	Revenue	40.32 billion yen	60 billion yen	100 bilion yen	
	Gross profit ratio	24.2%	30%	30%	
	Ordinary profit	4.49 billion yen	7 billion yen	12 bilion yen	
	Ordinary profit ratio	11.1%	12%	12%	
	ROE	19.6%	20%	20%	
	ROA	6.0%	10%	10%	
	Equity ratio	30.2%	35%	35%	
Non-financial indicator	Number of employees	237人	300人	400人	
	Improving Operational Efficiency through the Utilization of DX	Year-over-Year Operational Reduction Rate	6%	5%	5%
		Reduced operational time	5,282h/Year	30,000h/Year	40,000h/Year
		Operational Time Reduction per Person	2.2h/Month	8.3h/Month	8.3h/Month





## Growth Strategy

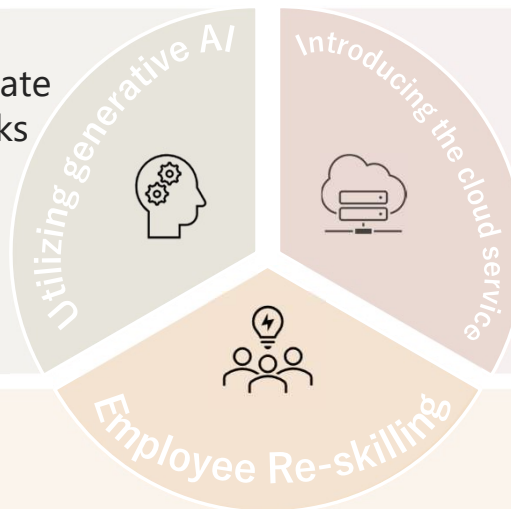
# Growth strategy: Working environment

## ► Promoting digital transformation (DX)

To address the societal background of decrease in population, the spread of digital technology, and the trend of work style reforms, we emphasize improving labor productivity as a strategy. This will promote overall corporate efficiency and build a strong organization that adapts to societal changes.

Generative AI significantly contributes to corporate efficiency, particularly in automating routine tasks and speeding up decision-making processes.

As society becomes increasingly digitalized, the adoption of AI is becoming a key to competitiveness.



The utilization of cloud services has become an indispensable element for companies.

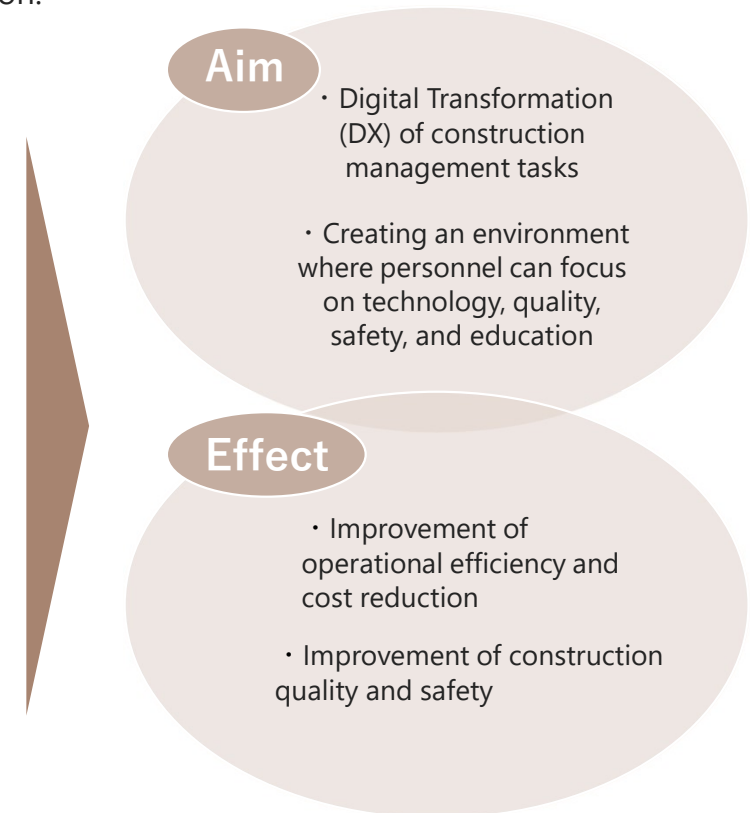
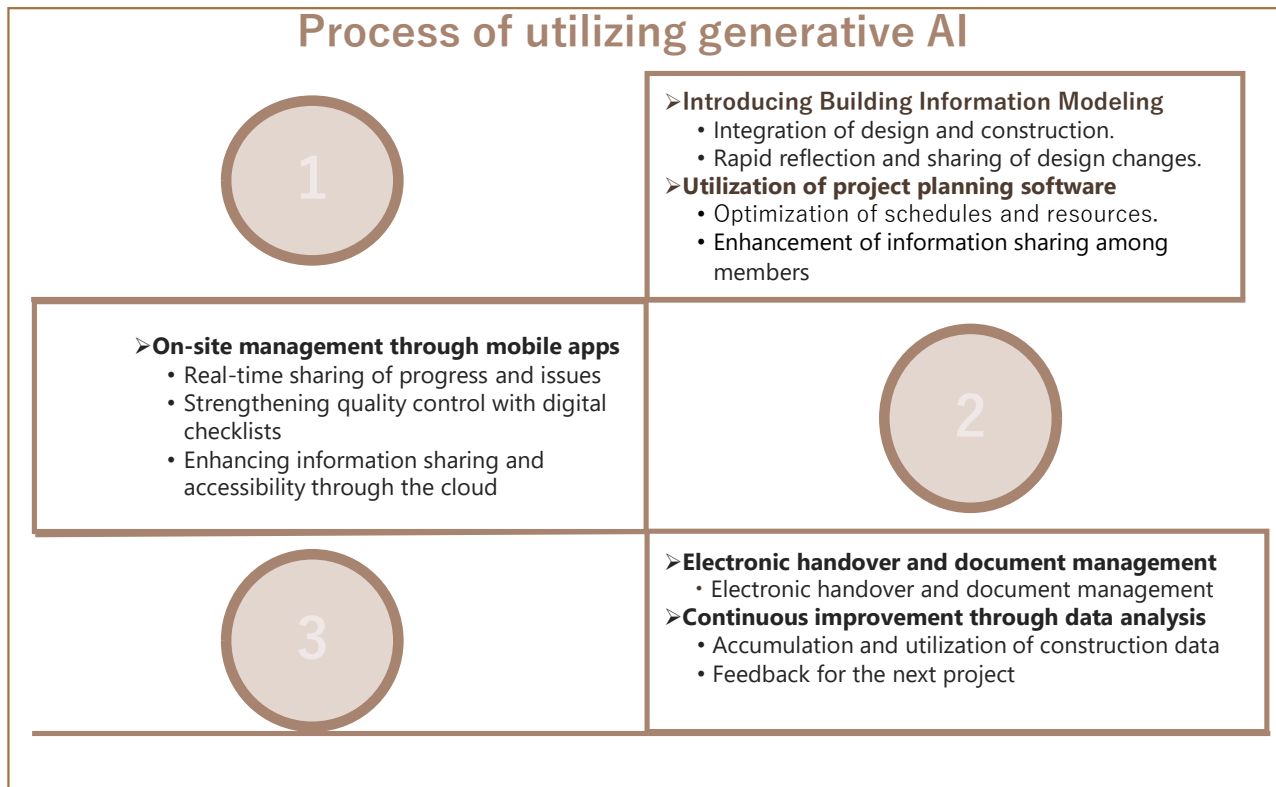
This allows companies to use many applications with minimal initial investment and to create an environment where work can proceed smoothly regardless of location.

As digital technology rapidly evolves, companies need to equip their employees with the latest technical skills.

Skills related to AI and DX (Digital Transformation) are particularly crucial for future corporate growth.

## ► Utilizing generative AI

Under the theme of "Coexistence of Humans and Digital Technology" in construction management, we will present specific initiatives and measures aimed at improving operational efficiency and construction quality. This will create an environment where employees can focus on technology, quality, safety, and education, thereby enhancing work ease and motivation.



# Growth strategy: Enhancing brand value

## ► Keep pursuing design excellence

We create buildings that instill "pride" in residents and serve as a catalyst for transforming communities, tailored to the times and locations. To further enhance the value of the PREGIO brand, we incorporate unique designs rarely seen in rental apartments, such as distinctive exteriors, entrances, and fully tiled facades, and will continue to evolve our building designs.

### EUROPEAN STYLE design was released

We create luxurious spaces with European-inspired exterior, featuring mantelpieces and fireplace wall decorations that evoke an exotic atmosphere.

As the origin of the PREGIO series, we will continue to evolve by incorporating new designs, allowing residents to feel pride in their living spaces.

2003



2007

### ASIAN STYLE design was released

We feature stone carvings meticulously crafted by artisans from tropical Bali, creating a resort-like space surrounded by refreshing and sophisticated colors and greenery.

This style is widely established in the Kansai region, and we plan to expand it to the Kanto region in the future.



### JAPANESE STYLE will be released

In 2025, a new Japanese modern style design will be released.

By incorporating traditional Japanese designs, we express tranquility and gentleness that make one forget the hustle and bustle of the city.



2025

# Growth strategy: Enhancing brand value

## ► Expansion of business areas

In recent years, the Kanto region has seen a continuous net influx of residents, leading to an increasing demand for "housing." Additionally, the average income in the Kanto region is approximately 4.36 million yen, which is higher compared to about 4.03 million yen in the Tokai region and about 3.98 million yen in the Kansai region, making it the highest in Japan. Given this background, we predict that even if we proceed with the PREGIO series, which is priced higher than competitors, in the Kanto region, we will be able to maintain a high occupancy rate. In fact, the first PREGIO series in the Kanto region, PREGIO Miyazakidai and PREGIO Kameari, which were completed in 2024, achieved an occupancy rate of over 90% within six months of completion (see Figure 1). In 2024, we acquired five new plots of land (see Figure 2).

We aim to continue expanding our business in the Kanto region and increase awareness of the PREGIO brand.

Figure1 : Occupancy rate

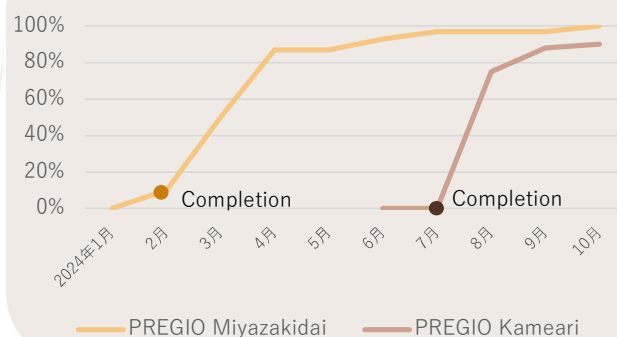
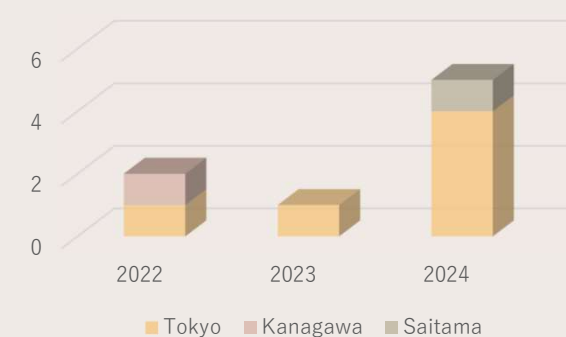


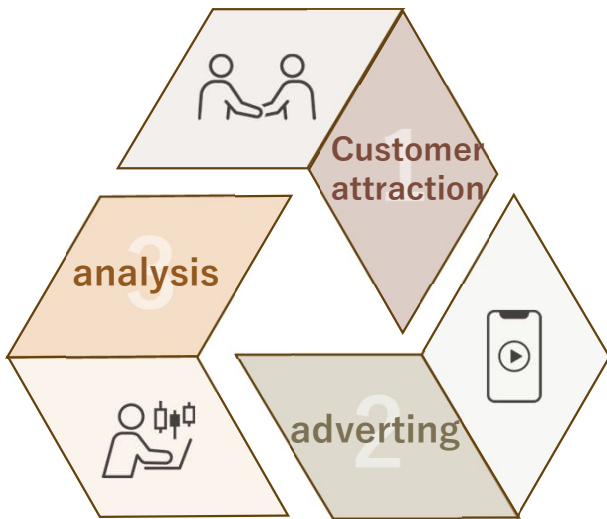
Figure2 : Number of lands acquired



# Growth strategy: Enhancing brand value

## ► Initiatives for Strengthening the Foundation

We will focus on the following three points to strengthen the foundation of the PREGIO brand.



### 1 Cultivating a Resident Base through Brand Repeaters

- Acquiring a fan base through "Club PREGIO."
- Expanding collaborative services such as housekeeping.
- Aiming for a direct customer contract rate of 20% and continuously disseminating information.

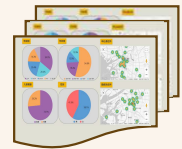
### 2 Utilizing Social Media to Acquire New Fans

- Effective social media operations targeting specific demographics.
- Increasing exposure opportunities for the PREGIO brand by sponsoring events.
- Aiming to reach 10,000 organic search users per month (5,000 users/month as of 2024).



### 3 Marketing Strategy through Analysis of Residents and Applicants

- Analyzing age groups, income levels, workplaces, and gender.
- Improving efficiency by increasing the D2C rate.
- Aiming to stabilize CPA (Cost Per Action) at 10,000 yen.



# Growth strategy: Enhancing brand value

## ► New business expansion

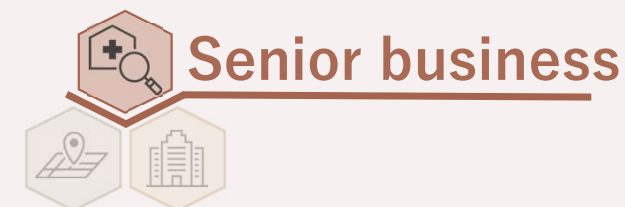
We will not only remain focused on our established and stable businesses but also expand into new ventures in response to changes in the external environment and societal needs.



In the soaring real estate market, we are actively promoting the approach of building PREGIO apartments on leased land as a new proposal for constructing on well-located plots. The PREGIO Namba GRACE, completed in 2024, is already a leased land project, and we believe this will be an effective business strategy even if high real estate prices persist, and we will continue to develop our business accordingly.



Leveraging our knowledge in planning and designing luxury rental apartments, we analyze the hotel business can maximize revenue beyond rental apartments. In the future, we will proceed with hotel development in resort areas on land owned by our group, in collaboration with leading domestic hotel operators. We aim to maximize the value of the land, revitalize the surrounding area, and expand our business.



We are engaging in senior business as a new business asset in response to the modern era, which is often referred to as a super-aging society. Our main initiatives include consulting services for care providers and medical welfare providers and disseminating information through books and the web. Additionally, we are developing employee referral services for care providers and medical welfare providers using web marketing, as well as recruitment services for residents of nursing homes.

# Growth strategy: Handling with future environment

► Risks that may affect our company and group due to changes in the external environment.



## **Risk of rising interest rates**

In 2024, the Bank of Japan shifted away from its long-standing zero interest rate policy, steering towards an interest-bearing environment for the first time in approximately 17 years. As a result, corporate borrowing rates have gradually increased, raising concerns about the overall impact on the domestic economy.



## **Risk of downturn in the real estate market**

Although the real estate market remains robust at the time of formulating the medium-term management plan, there is a possibility that market conditions could fluctuate rapidly and significantly due to interest rate trends.



## **Risk of rising material prices**

Requests for price increases from material manufacturers continue, driven primarily by rising costs, including labor costs. This trend of price increases is expected to put pressure on our company's profits.



## **Risk of exchange rate fluctuation**

The U.S. presidential election in November 2024 resulted in the inauguration of the second Trump administration. As various policies aimed at curbing inflation are implemented in the U.S. economy, there is a significant possibility that the Federal Reserve's and the country's exchange rate policies could lead to fluctuations in domestic interest rates in Japan.



## **Events in foreign countries**

One of the major events in foreign countries that could affect interest rates and exchange rates is the term of the Federal Reserve Chairman, which lasts until May 2026. A change in the chairman could lead to significant fluctuations in interest rate policies.



# Growth strategy: Handling with future environment

## ► Response to changes in the external environment

Based on our past experiences, we are building a business model that can respond to various risks.



**Risk of rising interest rates**



**Risk of downturn  
in the real estate market**



**Risk of rising material prices**



**Risk of exchange rate  
fluctuation**



**Events in foreign countries**

An example of significant market fluctuations due to external factors is the 2009 Global financial crisis. Our group experienced the Global financial crisis in its sixth year of establishment, and at one point, we fell into a state of insolvency.

Since then, we have steadily accumulated profits to eliminate insolvency, and as of the end of 2024, we maintain a healthy equity ratio of over 30%. Our integrated business scheme allows us to internalize the manufacturing process, enabling cost control.

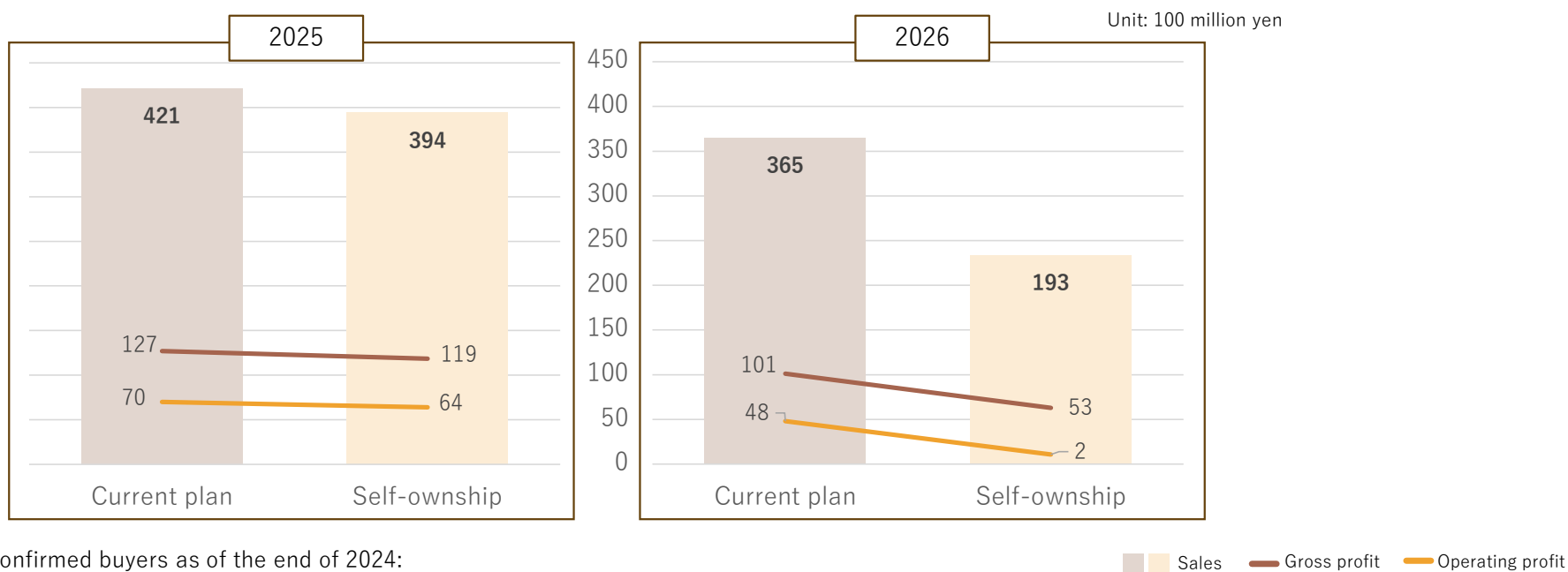
Additionally, by adopting a forward commitment sales method, we secure early exits for manufactured income properties, building a system that minimizes the impact of sudden external environmental changes.

Currently, we operate by selling manufactured income properties to our clients, but we believe it is possible to switch to self-ownership if a buyer cannot be found. Even in such cases, we are prepared to secure a certain level of profit, and we have implemented solid risk hedging based on our experience from the Global financial crisis.

# Growth strategy: Handling with future environment

## ► Business transformation in response to market conditions

In the event of a recession within the next few years leading to a rapid deterioration in the financial environment, and assuming we are unable to find buyers for our development properties✕ scheduled for completion between 2025 and 2027, we can still ensure profitability by switching to self-ownership. This is a significant advantage of our comprehensive business scheme, which includes property management services.



✕Properties with no confirmed buyers as of the end of 2024:

2025: PREGIO Takarazuka ASIAN

2026: PREGIO Ikebukuro NORTH, PREGIO Kita-Ayase ASIAN, Higashiogu 4, PREGIO Nishinomiya-Kitaguchi, PREGIO Kobe-Nagata, PREGIO Tsukamoto ASIAN

2027: Naruomachi, Nishinomiya City"



## Social contribution

## ► ESG Management

At the PREGIO Group, we identify the issues that need to be addressed and implement strategic initiatives related to ESG, aligning them with the goals of the SDGs. We promote ESG management to mitigate business risks and aim for sustainable corporate growth.

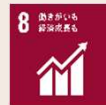
### Environment

- Effective utilization of resources using international and local materials
- Providing energy-efficient homes
- Environmentally friendly manufacturing



### Social

- Continuous activities as a Certified Health and Productivity Management Organization
- Promotion of women's participation and employment of people with disabilities
- D&I



### Governance

- Proactive initiatives to strengthen governance, such as risk management and compliance committees
- Establishment of an internal audit office and promotion of internal governance enhancement



# Social contribution

## ► Various forms of support

Our condominiums incorporate a lot of art, such as stained glass and stone carvings, making 'PREGIO' and 'art' inseparable. Through this art, we aim to support young artists nationwide by providing space for exhibitions and screenings at the PREGIO Art Gallery, directly connected to Minami-Morimachi Station on the Osaka Metro Tanimachi and Sakaisuji lines. In August 2024, we held the first PREGIO Art Contest, which attracted a total of 740 entries.

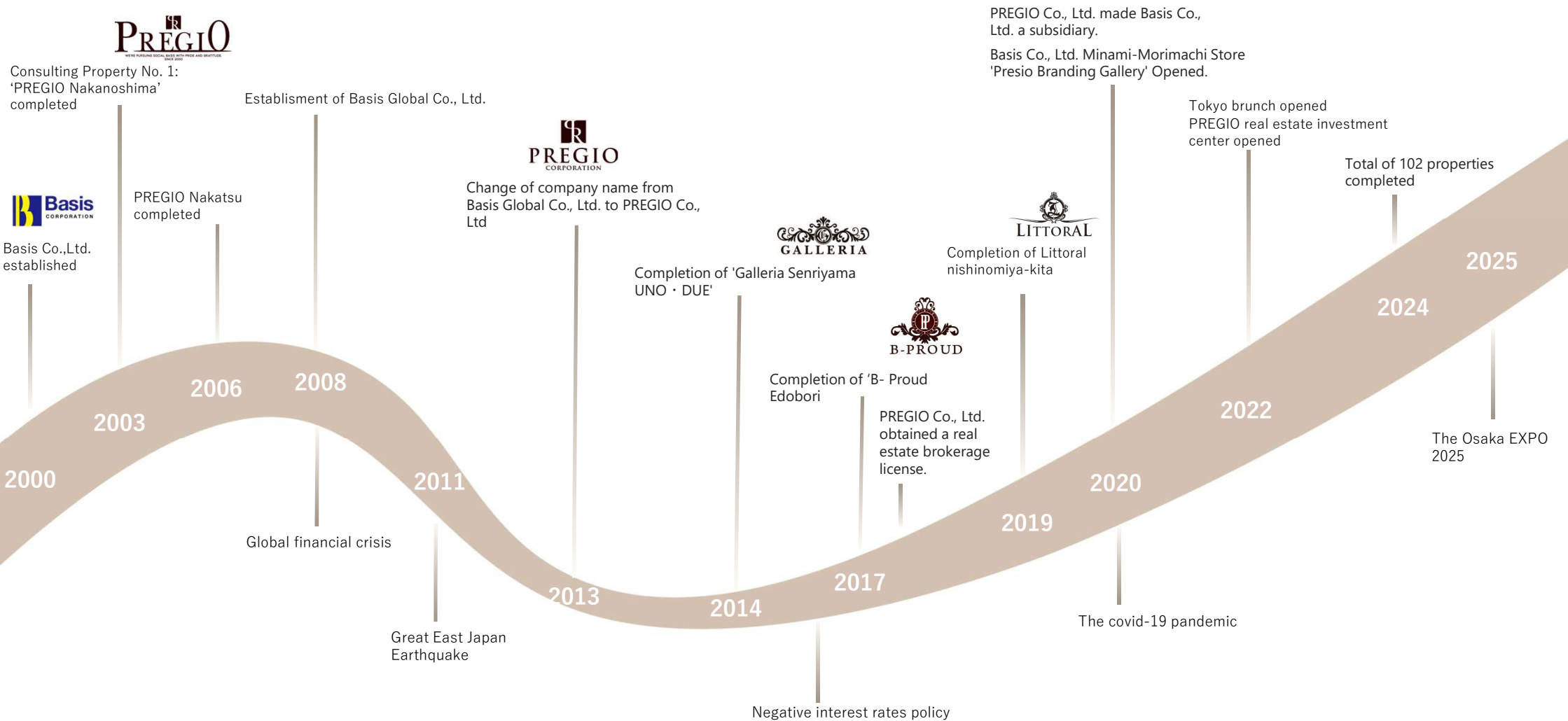
In addition to manufacturing properties, we will also engage in various social contributions under the PREGIO brand, such as supporting Japanese anime song events and dance events.





## Company introduction

# Corporate history



# Company profile



**【Company name】** PREGIO co., Ltd.  
**【Location】** 1-18-11-12F Minamisenba, Cyuo-ku, Osaka, Japan  
**【President】** Yuhei Ueyama  
**【Incorporated】** January 2008  
**【Capital】** 50 million yen (as of January 2025)  
**【Employees】** 182 (as of January 2025)  
**【Subsidiary】** Basis Co., Ltd,  
**【Operations】** Real estate development、 construction  
**【License】** Real estate brokerage, Special construction, The offices of registered architects,

## 【Key business partners】

Art Planning Co., Ltd., Advance Residence Investment Corporation, IDERA Capital Management Ltd., ITOCHU Corporation, ABC Development Corporation, SMBC REIT Management Co., Ltd., CapitaLand Japan Ltd., Kenedix, Inc., Sankei Building Co., Ltd., Sanyo Homes Corporation, JA Mitsui Lease Building Co., Ltd., J.regio. Morgan Asset Management Inc., Shinwa Construction Co., Ltd., Shinwa Real Estate Co., Ltd., Sumitomo Warehouse Co., Ltd., Sekisui House Real Estate Kansai Ltd., SOMPO Care Inc., Daiwa Real Estate Asset Management Co., Ltd., Charm Care Corporation, Tokyu Land Corporation, Tokyu Land Capital Management Inc., Tokyu Land REIT Management Inc., Tokyo Tatemono Investment Advisors Co., Ltd., Tokuyama Kogyo Co., Ltd., Nomura Real Estate Development Co., Ltd., Nomura Real Estate Asset Management Co., Ltd., Hankyu Corporation, PIMCO Prime Real Estate Japan LLC, Hulic Co., Ltd., Phoenix Co., Ltd., Heiwa Real Estate Co., Ltd., Marimo Co., Ltd., Miki Industry Co., Ltd., Mizuho Real Estate Investment Management Co., Ltd., Leon Urban Development Co., Ltd., Royal Hotel Ltd.

**【Company name】** Basis Co., Ltd.  
**【Location】** 1-18-11-13F Minamisenba, Chuo-ku, Osaka, Japan  
**【President】** Jin Shibata  
**【Incorporated】** April 2000  
**【Capital】** 50 million yen (as of January 2025)  
**【Employees】** 54 employees (as of January 2025)  
**【Shareholder】** PREGIO Co., Ltd. (100% owned)  
**【Operations】** Real Estate Development Business, Brokerage Business, Property Management Business  
**【License】** Real estate brokerage, Type II financial instruments business, Property management



# Business sites



## Osaka Headquarters

〒542-0081  
1-18-11 minamisenba, Chuo-ku, Osaka-shi, Osaka, Japan

[TEL] 06-6271-5080 (プレジォ代表)  
06-6271-0670 (ベイスィス代表)



## Tokyo Brunch

〒100-0005  
2-1-1-13F Marunouchi, Chiyoda-ku, Tokyo

[TEL] 03-6212-0921 (PREGIO)  
03-6212-0910 (Basis)



## PREGIO Real estate investment center

〒542-0081  
2-3-2-1F minamisenba, Chuo-ku, Osaka-shi, Osaka Japan

[TEL] 06-6265-2960  
0120-990-374 (Residents only)



## PREGIO ART GALLERY

〒530-0041  
2-2-14 tenjinbashi, kita-ku, Osaka-shi, Osaka Japan



We pledge to be a company that continues to evolve without fear of change in an ever-changing era.