



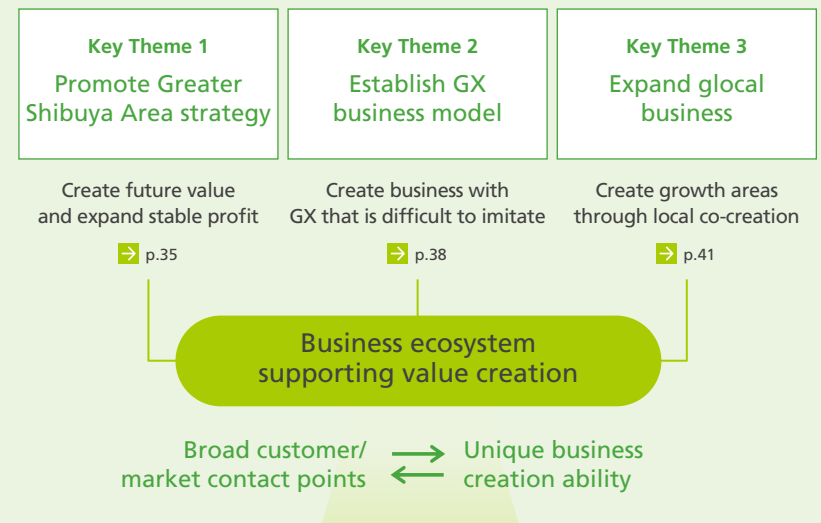
03

Medium- to Long-Term Growth Strategy

Implementing the medium-term management plan 2030



Build a solid and distinctive business portfolio



Strengthening of the management base

Financial capital strategy
→ p.29

Human capital and organizational climate
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Governance
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Build a solid and distinctive business portfolio

Entering the resilience phase

Our ideal vision for 2030

Realizing a future where everyone can be themselves and shine vigorously

Long-term management policy

2021–2024: Restructuring phase

2025–2030: Resilience phase

Medium-Term Management Plan 2025

Improving our earning power and efficiency to regenerate growth in the post-COVID-19 period

- Steadily continue the real estate sales market
- Restore and expand demand from overseas
- Surfacing of labor shortages and high construction costs

Results

- Steady implementation of business restructuring
- High profit growth and increased efficiency

	FY2021	FY2024
Operating profit	¥83.8 billion	→ ¥140.8 billion
Net profit	¥35.1 billion	→ ¥77.6 billion
ROE	5.7%	→ 9.9%
ROA	3.2%	→ 4.5%
D/E ratio	2.3 times	→ 2.1 times

The previous medium-term management plan started amid a period of chaos in the global economy, driven by factors such as the COVID-19 pandemic and the Russian invasion of Ukraine. Within this situation, we were able to produce results by astutely gauging major changes in the business environment, such as the transformation of customer needs in the post-pandemic period and cost rises driven by labor shortages.

These changes in the business

Medium-Term Management Plan 2030

Building a solid and distinctive business portfolio

- Arrival of full-fledged inflation period (labor shortages, higher construction costs, higher interest rates, expanding bifurcation of consumption, etc.)
- Environmental value changed to precondition of business activities and technology innovation, including AI, accelerated
- Major change in industrial structure, increased demand from overseas, etc.

Creating premium value that addresses societal themes

Main societal themes to be addressed by the Group under this plan

Strengthening the competitiveness of international cities

Realization of GX

Tourism-oriented country / regional revitalization

We will work to create high added value in each business and realize profit growth for the Group while being aware of improving efficiency and tolerance.

environment continue to progress, entering us into an era of full-scale inflation, while costs increase at an accelerating pace. In addition to this, construction costs are growing and Japanese interest rates continue to rise. The social and economic environment is also undergoing a considerable transformation, including the provision of environmental value becoming a requirement of business activities, AI technology evolving at an accelerating pace, and the ongoing growth of inbound tourism

to Japan. In order to respond to these changes, we have formulated the medium-term management plan 2030 with a view to making maximum use of the Group's wide range of contact points with customers and markets and our unique business creation ability.

This plan sees us move from the restructuring phase that comprised the first half of our long-term management policy, which centered on restructuring our existing businesses, to a resilience phase spanning the

Key targets for each materiality

 Customer satisfaction levels 90% or more	 Community revitalization measures 150 cases or more (cumulative total from FY2021)	 CO₂ emissions Reduction of 80% or more (Compared to FY2019)
 DX investment amount ¥100.0 billion or more	 Human capital investment amount Increase of 1.5 times /year or more (Compared to the previous medium-term management plan period)	 Evaluation of the effectiveness of the Board of Directors (Third-party evaluation) To be implemented every year

Growth/efficiency

ROE	ROA	EPS	EPS average growth rate
10% or more	5% or more	Approx. ¥170	8%/year

Profit targets

Operating profit
¥220.0 billion or more

Net profit
¥120.0 billion or more

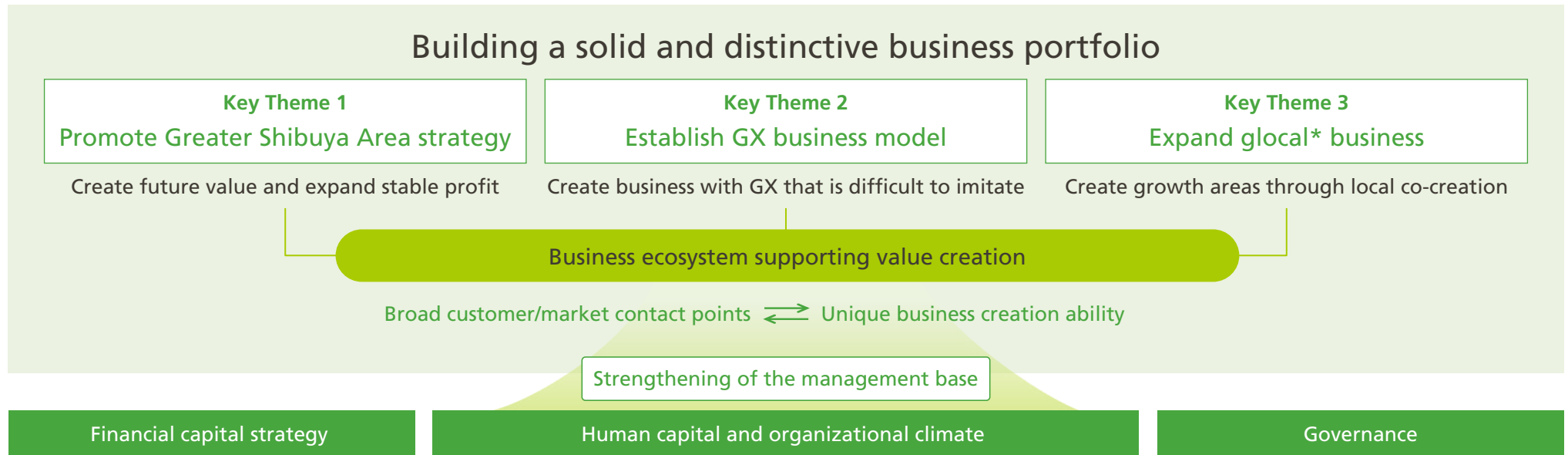
Financial soundness

D/E ratio
1.8 times or less

EBITDA multiple
8.0 times or less

second half of the policy. In this phase, we will create high added value that incorporates social themes in order to build a solid and distinctive business portfolio, raise efficiency, and enhance durability, while also realizing further profit growth. In addition to financial indicators such as ROE and EPS average growth rate, we have also established non-financial key performance indicators for each materiality, and we will work to achieve targets for each indicator.

Three key themes that leverage the Group's strengths



* Glocal business: Business that generates high added value by co-creating locally (regionally) while addressing changes in the business environment occurring globally

First of all, we will provide an outline of the medium-term management plan 2030. In addition to strengthening the management base as shown in the diagram above, we will further advance efforts addressing the Group policies of environmental management and DX, and the business policies of utilization of intellectual assets and co-creation with partners. Building on the distinctive business ecosystem supporting the Group's value creation, we will also aim to create a solid and distinctive business portfolio through initiatives under three key themes that take into account

the changing and heightening of social needs, namely promoting Greater Shibuya Area strategy, establishing a GX business model, and expanding glocal business.

These three key themes have been selected as areas where market expansion can be expected and where the Group can demonstrate its strengths. Details regarding each theme will be provided in the following pages, but to promote Greater Shibuya Area strategy, we will contribute to strengthening the international competitiveness of cities while aiming for stable profit growth through

initiatives such as increasing the value of owned assets and raising our competitive advantage within specific areas. To establish a GX business model, in addition to operating our existing asset business, we will also expand the non-asset business, including by incorporating Renewable Japan Co., Ltd. into the Group, and building a value chain for the post-FIT business environment. Our aim is to capture new business opportunities by adding value to real estate assets and services. For glocal business, in view of factors such as changes in industrial structures occurring globally, we will strive

to raise added value by advancing business reforms in the form of co-creation with local partners. By establishing a GX business model and expanding the glocal business, we believe we can expand business with earnings fluctuations that differ from the domestic real estate market, particularly urban real estate.

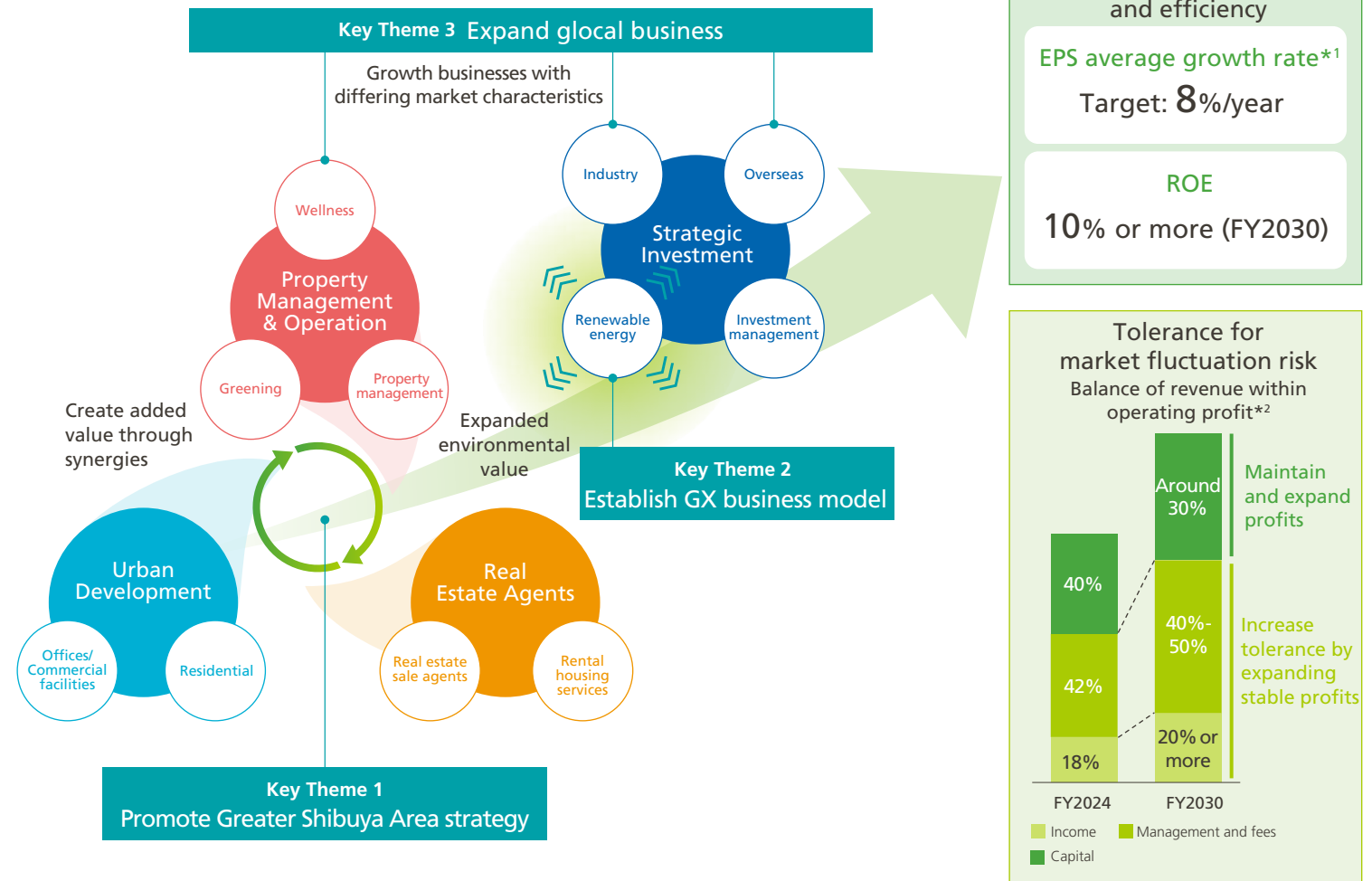
In this way, we will achieve high growth rates and increase tolerance to market fluctuation risk by advancing initiatives under key themes where we can demonstrate the Group's strengths.

Establishing both growth potential and resilience through synergies between businesses

One characteristic that distinguishes the Group from other companies is that we engage in a wide variety of businesses. When addressing the three key themes introduced on the previous page, rather than simply engaging various businesses and segments one at a time, we will aim to create high rates of growth by demonstrating synergies between businesses, as shown in the diagram on the right. At the same time, we will build tolerance for market changes by capturing markets with differing characteristics and expanding stable profits. This is being positioned as a solid and distinctive business portfolio that is unique to the Group and we will develop this portfolio until we have established a competitive advantage in each business.

We are organizing profits into three categories: Income, management and fees, and capital. Each of these categories are important, but at present, capital accounts for a relatively large portion of the total. Therefore, we will continue to generate profit through capital gains, but we will also create balance by further growing profits from income and management and fees. By working to achieve ROE of 10% or more and EPS average growth rate of 8% or more through these efforts, we will enhance our tolerance to market fluctuation risk.

Build a business portfolio that combines high growth potential with tolerance for market changes



*1 Average annual growth rate from FY2024 to FY2030

*2 Income: Rental income, income from electricity sales, etc.; Management and fees: Brokerage, management and operations, PM fees, etc.; Capital: Profit from unit sales, gains on real estate sales, etc.