

Promotion of human capital management that maximizes Group value, in alignment with management strategies

Our basic approach to human capital management

The reduction in the working population due to the declining birthrate and aging population is leading to the issue of a labor shortage. The effect this may have on our continued ability to operate should not be underestimated, and human capital is more important than ever. We view the knowledge, skills, and ambitions of our approximately 30,000 employees over 100 companies as our human capital. We are proactively investing in this human capital to strengthen our management base, maximizing the Group's comprehensive strengths and transforming ourselves into a group of talented people who continuously create value.

The Group's human capital management is focused on initiatives to continually improve value, with a focus on putting into practice a human capital management strategy in alignment with management strategies in order to realize the goals in Our Ideal Vision for 2030, our GROUP VISION 2030, and our Medium-Term Management Plan 2030.

Our new vision for human capital and organizational climate

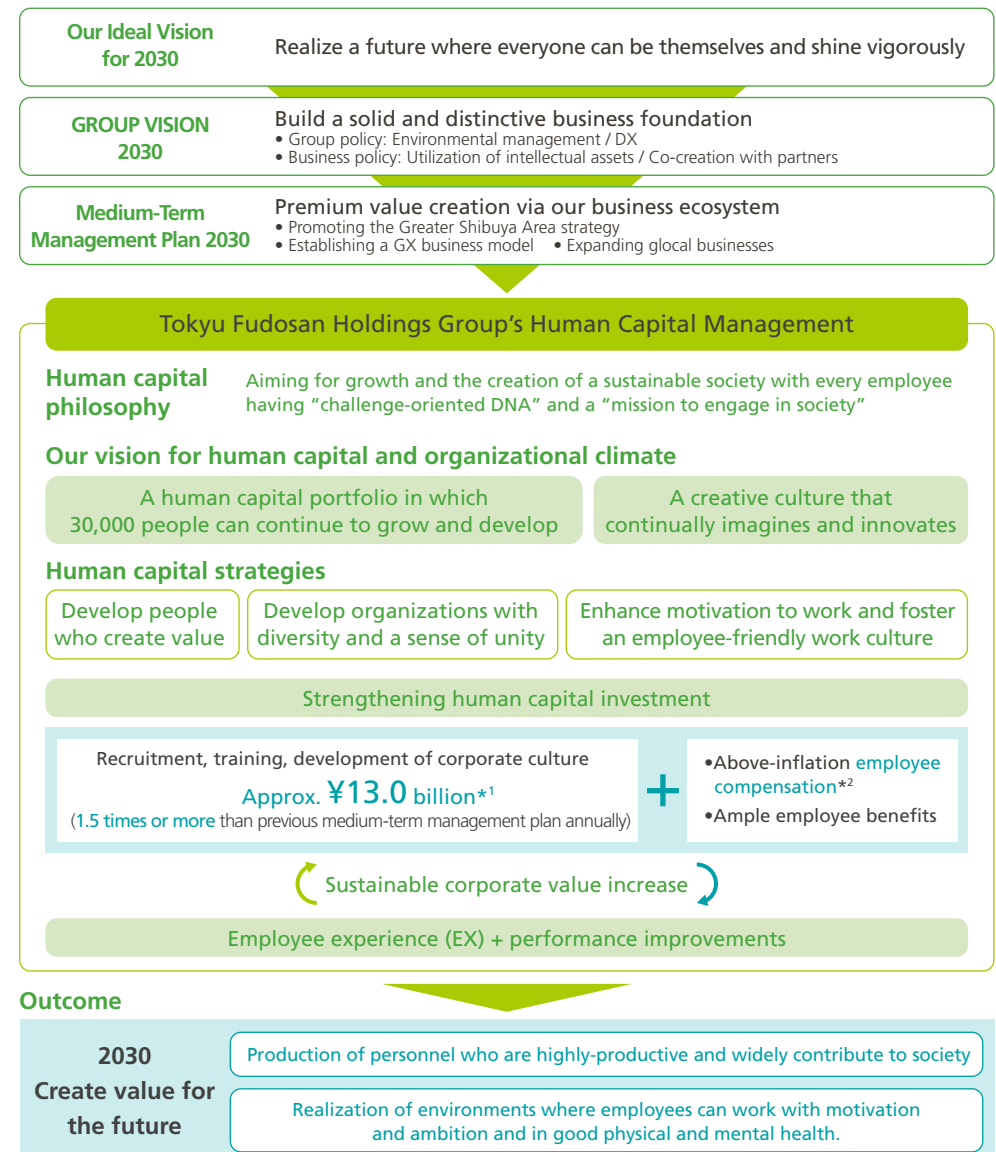
In order to promote human capital management as part of our medium-term management plan 2030, we have set out our vision for two important areas: human capital and organizational climate.

In developing "a human capital portfolio in which 30,000 people can continue to grow and develop", we will systematically carry out training of management human capital who can lead the promotion of our medium-term management

plan, as well as human capital that can drive forward business transformation. Additionally, we aim to build sustainable systems that allow for the flourishing of essential human capital in property management and operation. We will also strengthen training of the human capital that is necessary for our key themes—such as glocal business, and our Greater Shibuya Area strategy—where Group-wide coordination will be important for success.

We have formulated the concept of fostering "a creative culture that continually imagines and innovates". This refers to building an organizational climate that, grounded in psychological safety and DE&I, fosters Group-wide collaboration and continually takes on societal challenges. Additionally, we will continue creating systems and working environments that enable each and every employee to embody our "challenge-oriented DNA".

In order to realize our vision for human capital and organizational culture, we will continue to advance the three human capital strategies pursued to date, while also strengthening our investment in human capital. More specifically, we will be investing in recruitment, training, development of corporate culture, and improvement of employee experience (EX), as well as ensuring above-inflation employee compensation and ample employee benefits. We believe these investments will improve employee performance, ensuring a virtuous cycle where the results of this improved performance are reinvested in human capital. Through this, we are planning to ensure sustainable increases in corporate value.



*1 Cumulative total during the period covered by major Group companies under the Medium-Term Management Plan 2030

*2 Group wages/compensation policy