

Accumulated Capital and Outcomes

Inputs

(FY2024 results)



Financial Capital

(Strengths and Unique Features)

A sound financial foundation that supports our business activities

- Total assets: 2,081.2 billion yen
- Debt-to-equity ratio: 2.3 times
- Interest-bearing debt/EBITDA multiple: 11.2 times

We will maintain meticulous control over our balance sheet, guided by a benchmark debt-to-equity ratio of approximately 2.4 times and an interest-bearing debt/EBITDA multiple of approximately 12 times. To prevent cash flow concerns arising from investment in large-scale redevelopment projects, we will take steps such as making effective use of capital recovered through asset-turnover businesses and the sale of non-current assets, while also considering strategic share-outs.



Business Capital

(Strengths and Unique Features)

A well-balanced portfolio of long-term assets that generate stable income and diverse, capital-efficient assets with short-term cash-to-cash cycles

- Property, plant and equipment and intangible assets: 1,111.8 billion yen
- Unrealized gains on rental properties: 555.5 billion yen
- Balance of real estate for sale: 567.9 billion yen

We will undertake large-scale redevelopment projects with the goal of strengthening our stable revenue base through high-value-added urban development that contributes to increasing our global competitiveness. In addition, we will respond flexibly and swiftly to the changing times by proactively investing in a wide range of asset types both in Japan and overseas. We will assiduously manage costs and schedules to counter rising construction costs and longer construction timelines resulting from workstyle reforms in the construction industry, and will also optimize our portfolio of non-current assets by making strategic dispositions to recognize unrealized gains.



Social and Relationship Capital

(Strengths and Unique Features)

A broad range of customer and tenant relationships across the Group and channels for accessing a wealth of project information

- Number of tenants in owned office buildings: Approximately 1,000*
- Cumulative number of brokerage deals: 1,128
- Number of condominium units under management: 100,260
- *Includes commercial tenants in office buildings

By maximizing asset value through brokerage, building management and other real estate management businesses, we help promote a society in which properties are used across generations. We aim to maximize the value we provide to customers by leveraging Group synergies, while expanding our customer base by building trust through initiatives such as the creation of innovation ecosystems.



Intellectual Capital

(Strengths and Unique Features)

Know-how in large-scale redevelopment and reconstruction projects
A powerful brand that leverages the Group's integrated strengths

- Urban development with continuity and change that will draw out new regional attractions
- Revitalization and utilization of real estate stock, and promotion of community formation through redevelopment and reconstruction

We work to maintain a sustainable competitive advantage by building up and passing on know-how in development and reconstruction projects, which are complex and time-consuming due to the large number of stakeholders involved. Furthermore, we continue to deliver highly marketable real estate that customers prefer by leveraging the experience cultivated through our comprehensive residential brand Brillia, which has secured a strong market presence based on the Group's integrated strengths.



Natural Capital

(Strengths and Unique Features)

A wide range of environmentally conscious business activities

- ZEB and ZEH development and shift to renewable energy
- Various initiatives to help realize a recycling-oriented society
- Development that helps preserve biodiversity

We have identified promoting a decarbonized society and promoting a recycling-oriented society as environmental material issues and, by working to resolve these issues through our business, aim to realize coexistence with the earth's environment, a value we share with society. We contribute to the development of a sustainable society through our business by continuing to develop ZEB and ZEH, and by advancing initiatives at Otemachi Tower such as Otemachi Forest and the promotion of a zero-waste office environment.



Human Capital

(Strengths and Unique Features)

A diverse, highly specialized workforce that earns trust with its enterprising spirit and principle of "The customer always comes first."

- Number of Group employees: 4,925
- Number of Real Estate Appraisers: 20
- Number of First-Class Architects: 101
- Ratio of mid-career hires among full-time employees: 47.5%
- Percentage of management positions held by women: 12.1%

Guided by our Human Resource Philosophy, "The Company's growth is linked to its employees' growth; therefore, we are responsive to their contributions," we formulate and implement personnel systems and related measures that support employee success and growth, while appropriately recognizing their contributions. The expansion of our business over the past several years has led us to realize that clarifying our organizational culture is a priority. We are therefore creating an environment in which diverse employees are motivated to pursue self-development and take on the challenge of creating new value by maximizing their abilities.

Business Model

Outputs

Outcomes

Customers

Building tenants, home buyers, users of various services, and others

Outcome Examples

- Enhanced quality of life
- Provision of safe, secure and comfortable neighborhoods
- Provision of new spaces that accommodate diverse needs
- Delivery of emotionally enriching experiences—excitement, pleasure, and healing—to meet the growing shift toward consumption of services

Related Capital

Business capital, social and relationship capital

Suppliers

Businesses involved in property planning, development, management, service provision, and others

Outcome Examples

- Enhanced business sustainability through transparent, stable transactions
- Mutual growth with partners
- Establishment of sound partnerships based on trust

Related Capital

Social and relationship capital

Local communities

Local communities where properties are located, residents and property rights holders, governments, NGOs, NPOs, educational institutions, and others

Outcome Examples

- Support for the revitalization of local communities
- Development of mutually supportive communities
- Preservation of traditional culture and rich natural environments in local communities
- Promotion of tourism that fosters cultural vitality
- Creation of spaces that serve as innovation hubs
- Creation of jobs

Related Capital

Social and relationship capital, natural capital

Shareholders and investors

Providers of capital that supports the Group's business, stakeholders who participate in management through mechanisms including voting rights, and others

Outcome Examples

- Enhancement of long-term corporate value
- Transparent disclosure
- Enhanced shareholder returns
- Greater capital efficiency
- Improved profitability
- Appropriate cash allocation

Related Capital

Financial capital

Employees (including officers)

All employees and other personnel working across the Group

Outcome Examples

- Workforce diversity
- Enhanced job satisfaction and working conditions
- Stronger motivation and sense of purpose
- Skill acquisition (Access to growth opportunities)
- Implementation of health management and promotion of wellbeing
- A workplace culture that provides a high level of psychological safety
- Systematic acquisition of know-how in redevelopment

Related Capital

Intellectual capital, human capital

Schools and research institutes

Universities, graduate schools, research institutes, and other academic institutions in Japan and overseas

Outcome Examples

- Innovation generated by industry-government-academia collaboration
- A virtuous cycle of advanced technology development and economic growth
- Development of entrepreneurial companies
- Creation of innovation ecosystems

Related Capital

Social and relationship capital, human capital