

Medium-Term Business Plan: Key Strategies and Business Portfolio Strategies

Key Strategies

Since the previous medium-term business plan, we have been managing our business portfolio under the categories of leasing, property sales, and services. We are continuing this approach under the new plan, applying our BASE (foundation for growth) concept to further strengthen each business.

We have also added "Establishment of new businesses" as a sixth strategy, complementing the five carried over from the previous plan. While strengthening our existing business, we aim to establish new business models for sustainable Groupwide growth.

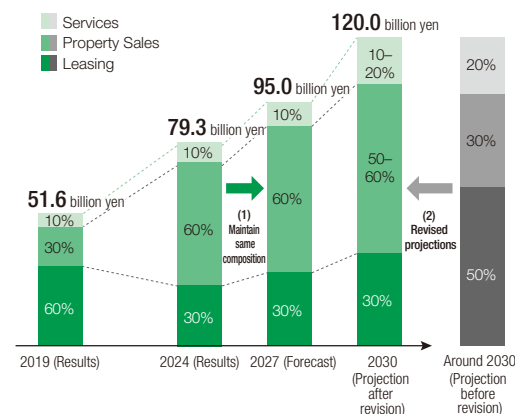
Key Strategies and Business Portfolio Management Classification

Key Strategies	Action Policies	Classification by Principal Business Segment	Profit Classification
(1) Steady promotion of large-scale redevelopment projects	Build up Build up steady efforts to strengthen the stable revenue base	Commercial Properties	Leasing
(2) Further growth in the for-sale condominium business	Accelerate Accelerate recovery of investments to drive higher capital efficiency	Residential	Property sales
(3) Acceleration of the property sales to investors business		Commercial Properties, Residential, Asset Service (AS)	Property sales
(4) Expansion of overseas business	Scale Scale business operations to drive profit growth	Other (Overseas)	Property sales
(5) Expansion of service business		Commercial Properties, Residential, AS, Other (Leisure, Fund)	Services
(6) Establishment of new business	Establish Establish a new business model for growth	Other	Varied by business

Approach to the Business Portfolio Strategy

Under the current medium-term business plan, we aim to maintain the same profit composition ratios as in the previous plan to ensure ongoing cash generation for growth investments and continued improvements in capital efficiency. In our long-term vision for 2030, we have revised the target profit composition to reduce the share of leasing, reflecting delays in some large-scale redevelopment projects caused by rising construction costs and labor shortages. Conversely, we plan to increase the share of property sales, supported by a favorable real estate market and the high-quality real estate stock we have built up. We will also continue to expand our service business by adapting to changes in the business environment and working to achieve strong capital efficiency and earnings growth.

Projected Shift in Business Profit* Composition



Leasing

Characteristics

- Highly stable profit
- Requires significant investment

Action policies

- Strengthen the stable revenue base

Action in the medium-term business plan

- Steadily advance TOFROM YAESU (scheduled for completion in 2026) and other large-scale redevelopment projects
- Strengthen rent increase negotiations in light of inflation and market trends
- Diversify asset types for long-term holdings (e.g., hotels, logistics properties, and rental condominiums, in addition to office buildings) to enhance risk tolerance and increase yields on rental assets

Diversified asset types



Property Sales

Characteristics

- Highly volatile profit
- High capital efficiency

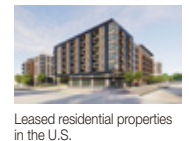
Action policies

- Accelerate recovery of investments
- Scale business operations

Action in the medium-term business plan

- Accelerate the cycle of investment recovery for existing asset types
- Expand investments in developed countries overseas as a medium-to-long-term profit growth driver
- Explore new investment menu

Property Images



Services

Characteristics

- Relatively high profit stability
- Does not involve large investments

Action policies

- Scale business operations

Action in the medium-term business plan

- Strengthen real estate management through brokerage, parking, funds, and building management and construction
- Expand portfolio of properties that address growing consumer demand for experiences

Property Images

