Message from the CEO

Living Up to Investor Expectations Through Growth in Both ROE and EPS

K. Ozawa
Representative Director, President and Chief Executive Officer

Message from the CEO

Lessons Learned from Investor Engagement

Tokyo Tatemono announced its current medium-term business plan in January 2025. The day after this announcement, our stock price took a substantial dip. This occurred shortly after I assumed the position of president, and thus forced me to rethink my approach toward management to ensure that I was more earnest in how I interacted with the capital market. We spent a lot of time on the internal process of formulating the plan, and significant attention was paid to the details. However, when I look back at the process, I must recognize how we were unable to fully incorporate into the plan the changes being seen in office leasing, real estate transaction, and other markets, which were entering into prosperous phases. I regret that the resulting plan did not align with the expectations of the capital market.

Based on this situation, I used the internal briefings that took place after announcement of the plan as opportunities to aggressively encourage the entire Company to work toward achieving the plan's targets ahead of schedule. I wanted to ramp up the speed of our efforts. Meanwhile, I actively participated in individual meetings, conferences, and overseas IR activities to engage with the capital market. In these interactions, I sought to communicate that the operating environment was coming to be more favorable than when we had formulated the plan, and that we will be targeting levels of profit that surpass the plan's guidance figures. Performance has indeed been surpassing our expectations in almost all divisions, and profit and other figures are exceeding the initial guidance figures. This impressive performance has been a result of the benefits of the favorable operating environment and our ability to exercise the flexibility and responsiveness that are strengths of the Company. Our strong progress led us to institute an upward revision to full-year forecasts when announcing our financial results for the nine months ended September 30, 2025. This move inspired a higher evaluation from the market and a substantial increase in our stock price.

These efforts culminated in record highs for operating revenue, operating profit, business profit, and ordinary profit in fiscal 2025.

Our performance guideline figures for fiscal 2026 project that certain targets of the medium-term business plan will be accomplished ahead of schedule. I am incredibly confident in our ability to achieve these projections. There is a need for ongoing caution

▶ Message from the CFO

Participation by the President in IR Meetings and Conferences

FY2024 (Hitoshi Nomura)*	60 (of which, 2 small meetings)
FY2025 (Katsuhito Ozawa)	79 (of which, 4 small meetings)

* Currently Representative Director and Chairman

Stock Price Trends in FY2025 Note: January 6, 2025 has been indexed to 100.

with regard to operating environment changes and interest rate increases. Specifically, we have identified two ways in which the interest rate increases could impact the Company. The first is impacts on performance from the higher interest rate payments that would be required to procure funds. Although there is nothing we can do to avoid the increases to costs from higher interest rate payments, we will take steps to boost our resilience to interest rate increase risks by procuring funds through arrangements with long-term fixed interest rates. With this regard, our long-term issuer rating from Japan Credit Rating Agency, Ltd. was upgraded from A to A+ (Stable) in May 2026. This improved rating is anticipated to help us limit future funding costs. In the current inflationary economy, the rating will also enable us to effectively absorb the impacts of interest rate increases through greater earnings stemming from higher office rent rates and hotel lodging fees as well as rising prices of properties for sale to investors that reflect these greater earnings.

The second way interest rate increases could impact the Company is influences on residential housing sales from higher housing loan interest rates. Tokyo Tatemono's Brillia residential housing brand offers residential housing that truly caters to customer needs positioned in carefully selected locations. This brand has earned a strong reputation from customers, and sales are proceeding smoothly in line with plans. The stock market is showing a great deal of concern for the potential impacts of interest rate increases. However, we project that the impacts of this trend on performance in fiscal 2026 will be minimal, and we do not perceive any need for concern with regard to future earnings contributions. Aside from interest rate increases, geopolitical risks and other factors are resulting in greater uncertainty for our business. Accordingly, we must remain diligent in our efforts to quickly reflect changes in the operating environment into our business plans as we pursue steady profit growth.

Message from the CEO

Maximization of Shareholder Value While Fulfilling Purpose as Comprehensive Real Estate Developer

Return on equity (ROE) and earnings per share (EPS) will continue to be important indicators for Tokyo Tatemono's management going forward. The current medium-term business plan puts forth a target of 10% for ROE. This target has been positioned as a milestone to be passed in our quest for even higher returns, which we will work toward through a combination of optimal asset recycling, business profitability enhancements, and financial strategies. We are currently in the process of determining the level of EPS growth to be targeted under the next business plan. As we account for further increases to interest rates, we will seek to achieve robust profit growth and ongoing increases to net asset value by incorporating the economic growth driven by inflation, boosting leasing revenue, and improving our value proposition. At the same time, we will heighten asset turnover rates to effectively generate profit while utilizing the cash produced through this process to expand growth investments and issue ongoing and substantial shareholder returns.

▶ Ongoing Commitment to Community-Rooted Urban Development—YNK Area

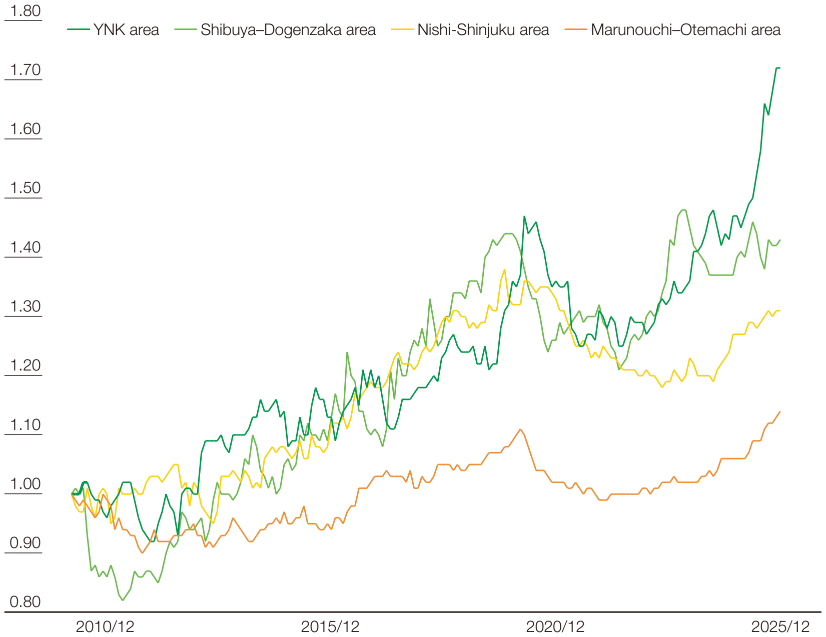
TOFROM YAESU building taking more than 25 years to complete

For a comprehensive real estate developer like Tokyo Tatemono, committing to ROE and EPS has particular significance. In Japan, the large-scale urban redevelopment projects conducted by comprehensive real estate developers require a lot of time, and helping build the communities around these projects requires a developer to have a certain degree of assets in a given community. Through our asset holding and our building operation and management, we form ongoing relationships with communities and intuitively detect the needs of rights holders and other customers. This approach is what enables us to maximize the value of places and experiences in communities. For Tokyo Tatemono, the results of this approach are most evident in the Yaesu-Nihonbashi-Kyobashi (YNK) area, where we have taken part in the development of TOFROM YAESU and various other projects. Going forward, we will continue to contribute to the development of this community together with community members and business partners.

As a comprehensive real estate developer, we engage in long-term redevelopment

YNK Area Boasting Top Rate of Rent Increases Among Major Business Areas

Note: December 2010 has been indexed to 1.00.



Source: Sanko Estate Co., Ltd., Office Market Data (December 2010–December 2025) Compared to rates for the Marunouchi–Otemachi area, the Nishi-Shinjuku area, and the Shibuya–Dogenzaka area

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projects and operate our business while holding on-balance sheet assets. This is something that, at first, may seem to run contrary to what investors think about timetables and asset efficiency. This is why it is so important for us to emphasize engagement for explaining our capital efficiency and profit growth to the capital market based on indicators like ROE and EPS, and for us to accomplish our goals with this regard. Committed to achieving our targets for these indicators, we will generate value by contributing to urban development through the creation of social infrastructure. We thereby aim to fulfill our purpose as a comprehensive real estate developer: increasing the international competitiveness of Japan.

Development of Asset Portfolio for Improving ROE and Growing EPS

Effective management of our asset portfolio will be imperative to improving ROE and achieving steady EPS growth. Basically, this will hinge on our ability to grow profit while controlling our balance sheet by optimizing our asset portfolio and increasing asset efficiency through asset recycling while increasing management fees. Tokyo Tatemono categorizes its various businesses into three fields—leasing, property sales, and services—based on types of profits they produce. In fiscal 2026, the property sales field, a major growth driver under the current medium-term business plan, has been performing exceptionally well, generating a large portion of overall profits. Meanwhile, expanding operations in leasing and services will be of utmost importance to achieving stable profit growth over the future.

In regard to the leasing field, we will advance initiatives while remaining mindful of inflation in our strategies. We, of course, intend to negotiate rent increases with tenants of office buildings and other properties. At the same time, the Company will work to transition to lease agreements linked to consumer price indexes and other indicators. We also aim to grow earnings by enhancing our value proposition through effective capital expenditures and ongoing capital investments. An example of these efforts can be seen in THE OTEMACHI TOWER, which, surrounded by the Otemachi Forest, is home to the head office of Mizuho Financial Group, Inc. and the Aman Tokyo luxury hotel. Through an ongoing process of maintenance and capital investment performed while incorporating the needs of tenants, visitors, and other customers, we have been constantly creating value at THE OTEMACHI TOWER, which continues to grow more and more appealing, even a decade after its completion. We recognize that bolstering rental profits will be crucial to enhancing our resilience to the potential economic changes that could result from geopolitical risks and other unexpected global developments as well as to ensuring stable earnings over the medium to long term.

Meanwhile, the property sales field has been a major driver of profit growth since the period of the previous medium-term business plan, and has made substantial contributions to ROE improvements over the years. A key factor behind generating profit growth in this field will be our ability to continuously and selectively acquire quality properties. I am confident that Tokyo Tatemono has been able to conduct a sufficient amount of investment in quality properties by fully exercising its exceptional information collection capabilities and superb flexibility. Our portfolio includes land for new development of for-sale condominiums, mid-sized offices, logistics properties, hotels, and retail facilities as well as investment properties for which we look to create additional value. The Company has also acquired overseas business-use land in the U.S. and other developed countries. This constantly growing stock of quality properties is sure to act as a driver of future profit, leading to robust profit growth.

At the same time, Tokyo Tatemono must conduct a thorough review of its asset portfolio across both the leasing and property sales fields. When conducting this review, we should assess whether certain assets can generate short-term earnings growth or sustain growth over the medium to long term in order to develop an ideal asset portfolio through an asset recycling approach that takes into account asset types and areas. Specifically, we will assess the meaningfulness of holdings of non-current assets and cross-shareholdings on an ongoing basis and determine the levels that will make for the ideal capital buffer. These examinations will be used to increase the value of our asset portfolio, improve capital efficiency, pursue ongoing profit growth, and facilitate high levels of shareholder returns.

Lastly, we will be rapidly strengthening our operations in the services field over the

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next decade or so. Growing asset-free or asset-lite businesses will be incredibly important to improving ROE and EPS while maintaining a certain degree of asset holdings. In our real estate management fund business, for example, we succeeded in increasing the amount of AUM, and consequently fee income, during the period of the previous medium-term business plan. Looking ahead, we will accelerate our initiatives with the aim of further increasing AUM. These initiatives are expected to contribute to optimal balance sheet control and are thus being discussed as part of the growth strategies for the next business plan.

I also recognize the need to pursue inorganic growth if we hope to continue to expand our service and other businesses going forward. M&A activities are one way of achieving inorganic growth. Determining areas where we can anticipate growth in fields that are close to or strongly connect to our current businesses and performing M&A activities in such areas will be an important point of focus going forward.

Partnership in Urban Development and Altruistic Human Resources

1. Tokyo Tatemono's Urban Development Philosophy

In 2026, Tokyo Tatemono will celebrate the 130th anniversary of its founding and move its head office functions to TOFROM YAESU TOWER. In this momentous year of the 130th anniversary of the Company's founding, I am overjoyed that we can cut a new start in this building, which includes our former head office and which we have been engaged in developing together with the community over a number of years. I am incredibly grateful for the efforts of our forebears that have shaped the history of Tokyo Tatemono thus far and given me this opportunity. The most prominent characteristic of Tokyo Tatemono's approach toward urban development is how we respect the individuality, spirit, culture, and history of communities and utilize these characteristics while injecting new aspects. We position community members, building tenants and residents, and others who feel an attachment to the community as the main focus in our efforts, sharing their desires as a partner in urban development. Developing projects while maintaining a commitment to addressing the needs of communities and other stakeholders as a partner, of course, requires a lot of time. This approach is also much more challenging than developing projects in which Tokyo Tatemono is the sole rights holder. Nevertheless, we recognize how advancing development as a part of the community and together with its members can do more than just helping maintain the community's existing value; it can revitalize the community and drive ongoing improvements in value. As such, this approach represents a meaningful way we can fulfill our purpose as a comprehensive real estate developer. In the YNK area, we understand

that we have a responsibility to the future of the community given the location of our head office in TOFROM YAESU TOWER. Based on this responsibility, we are further evolving and exploring our urban development philosophy as we engage in co-creation with relevant stakeholders to continuously increase the value of the community.

2. Altruistic Human Resources Supporting Urban Development

This approach toward partnership in urban development requires us to cultivate a team of human resources who understand Tokyo Tatemono's corporate culture and for whom this culture resonates. For this reason, I am constantly reminding employees of the importance of acting based on a spirit of altruism. We seek to foster human resources who are committed to being a partner to communities and able to inject a human touch into this process. These people should be capable of furnishing a convincing answer to questions of how we can become a part of the community and how to match the value provided by Tokyo Tatemono to the appeal of specific communities. I believe that the Tokyo Tatemono Group already has a team of people who can avoid the risk of becoming self-centered through a commitment to generating results as a team while taking joy in the success of the team and the happiness of their colleagues. However, we also need to go a step further to enable every employee to exercise their individuality and achieve their full potential. By leveraging the individuality of each and every employee and drawing out their potential to address social issues through our business and thereby create social value, we will be able to build upon the individuality of the communities we serve and demonstrate our competitiveness. This harkens back to the idea of making silent contributions that was advocated by founder Zenjiro Yasuda. I have therefore informed human resource divisions that they should develop programs for recruiting and fostering people who can achieve independent growth while remaining mindful of how to balance their individuality with our spirit of altruism.

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Enhancement of Management Infrastructure in Pursuit of Medium- to Long-Term Growth

For Tokyo Tatemono to achieve medium- to long-term growth, it will need to enhance its management infrastructure in relation to such areas as sustainability, specifically ESG factors, as well as human capital and digital transformation (DX). We are currently discussing how to enhance human capital and DX measures as part of formulating the next medium-term business plan. I would thus like to take this opportunity to explain my thoughts and approaches toward these matters.

▶ For more information regarding sustainability policies, please click here.

First of all, let me state that I recognize human capital as a matter of paramount importance that will determine the future success of Tokyo Tatemono. The Group engages in large-scale urban redevelopment projects and other areas that require specialized expertise. At the same time, specific workflows are evolving amid the diversification of customer needs and the recent advancements in digital technologies. In the past, the Company has focused on fostering its people to be somewhat of generalists. Today, however, our emphasis is on training specialists who are able to hone their own expert skills and make greater contributions in various business settings. In areas such as land acquisition, for example, years of experience will enable individuals to develop track records and trusting relationships and thereby gain access to more reliable information routes. This experience will also endow them with an understanding of how to navigate complicated rights issues in rebuilding or redevelopment projects. Such expertise will help us succeed in investments and acquire higher-quality projects. As the speed of operating environment changes accelerates, it will be incredibly important for us to heighten our responsiveness and flexibility by recruiting and cultivating diverse human resources to help us transform our business portfolio. When I speak of diversity, I am not just referring to diversity of age and gender. I also emphasize the balance of our team in terms of depth and breadth of expertise as well as ingenuity and other traits.

Moving on to the enhancement of DX, Tokyo Tatemono does not view the introduction of advanced digital technologies as a goal in and of itself. Rather, we position DX as part of our foundation for achieving ongoing increases to the value of actual sites. For example, the development of networks for building facilities and the utilization of AI will enable us to quickly detect equipment abnormalities and perform maintenance in a more appropriate manner. This, in turn, will help us maintain and improve safety and asset value. However, the increased use of AI and other technologies for enhancing operations will also increase the managerial importance of cybersecurity measures. Meanwhile, advancements in AI and robotics technologies are transforming the role people have to play in society. As these technologies are used to streamline operations and replace prior methods, the creativity and other value that can only be born out of communication between people will become all the more important. We are therefore ramping up our focus on providing a place where people can gather, communicate, and create value.

Message to Our Stakeholders

I am always thinking about what the Tokyo Tatemono Group will need to do in order to improve ROE and grow EPS and to build mutually beneficial win-win relationships with investors. At the same time, I want us to continue to act as a partner and provide joy to the people who live in, visit, or otherwise engage with the communities we serve as a comprehensive real estate developer. It is my aim to help shape a society that offers excitement for all stakeholders. As we continue to fulfill our purpose, we will also strive to live up to the expectations of investors through robust corporate growth and improvements to corporate value.

I recognize that fulfilling our purpose as a comprehensive real estate developer while achieving massive improvements in corporate value will require us to practice earnest engagement with all stakeholders. I therefore intend to take part in ongoing communication with shareholders and to reflect their input in our business plans. By improving capital efficiency and achieving ongoing growth through this process, I aspire to live up to the expectations of our stakeholders. I will also emphasize the importance of our everyday connections with customers, such as those through building operation and cleaning. These connections will be used as a venue to stay up-to-date on customers' changing needs so we can provide fresh and novel value. As for our employees, while I may be in the position of your leader, I also want to be your partner to help everyone fully exercise their skills and shine.

Going forward, the Tokyo Tatemono Group will remain united in its quest to improve corporate value. I hope you will continue to look at the Group with a sense of anticipation.