

Evolution of the Medium-Term Business Plan

Basic Policy

Focus on three key strategies to strengthen our earning power by building a business portfolio with high growth potential

Key Strategies

- (1) Strengthen services to be the continued leading choice
- (2) Investments leveraging our uniqueness and strengths
- (3) Exercise Group synergies to deliver amazing value

Results and Issues to Address in the Future

We planned and promoted efforts to strengthen our earning power and build a business portfolio with high growth potential by providing high-quality services with a focus on improving customer satisfaction; emphasizing markets and business domains in which the Group could leverage its unique expertise and competitive advantages; and enhancing our value chain and fostering organic collaboration among diverse businesses to create new value.

These efforts led to earnings growth exceeding initial targets and disciplined financial management. In addition to achieving steady growth in each of our businesses, we implemented various initiatives for future growth, including investments in new asset types, such as hotels and logistics properties, and expanding our stock of high-quality real estate.

While we achieved both higher earning power and maintained a sound financial position, changes in the business environment—including intensifying international competition among cities, diversifying lifestyles, and advances in digital technology—together with the increasing importance of ESG management highlighted the growing need for initiatives to ensure sustainable growth.

	Initial Numerical Targets	Results for FY2019
Business profit ¹	—	51.6 billion yen
ROE	—	8.2%
Debt-to-equity ratio and interest-bearing debt/EBITDA multiple	3 times and 13 times	2.5 times and 12.6 times
Cumulative net investment	300.0 billion yen	350.0 billion yen
Operating profit	50.0 billion yen	52.4 billion yen
EPS	—	41 yen
Payout ratio	—	29.0%

Medium-Term
Business Plan
(FY2015–FY2019)

Basic Policy

Positioning the plan as a milestone toward realizing the long-term vision, aim to achieve plan targets by implementing five key strategies and advancing ESG management

Key Strategies

- (1) Promotion of large-scale redevelopment (2) Further strengthening of for-sale condominium business (3) Expansion of property sales to investors (4) Strengthening of brokerage, fund, and parking businesses (5) Growth in overseas business

Results and Issues to Address in the Future

Immediately after the plan was formulated, the COVID-19 pandemic triggered changes in the business environment, including a reassessment of workstyles at companies and a sharp decline in the movement of people. The office leasing business struggled more than initially anticipated. However, the for-sale condominium business and the property sales to investors business performed well, enabling us to achieve our overall performance targets. A favorable real estate market featuring low interest rates, combined with our accumulated real estate stock and strong product planning capabilities, drove the achievement of all targets and KPIs, including those for profit, capital efficiency, and other financial indicators.

On the other hand, large-scale redevelopment projects were delayed due to rising construction costs, and the overseas, fund, and parking businesses fell short of plan due to changes in the external environment. Going forward, we needed to reassess our investment plans and steadily implement key strategies to build a robust and resilient portfolio, with the aim of accelerating growth and improving capital efficiency.

	Initial Numerical Targets	Results for FY2024
Business profit ¹	75.0 billion yen	80.4 billion yen
ROE	8–10%	12.8%
Debt-to-equity ratio and interest-bearing debt/EBITDA multiple	Approx. 2.4 times and approx. 12 times	2.3 times and 11.2 times
Cumulative net investment	500.0 billion yen	492.5 billion yen
Operating profit ²	70.0 billion yen	79.6 billion yen
EPS ²	215 yen	315.50 yen
Payout ratio	30% or more	30.1%

Medium-Term
Business Plan
(FY2020–FY2024)

Basic Policy

Building a robust portfolio that is resilient to change for accelerated growth and greater capital efficiency

- Accelerating and expanding asset-turnover businesses
- Strengthening the stable revenue base
- Disciplined control of balance sheet

Key Strategies

- (1) Steady promotion of large-scale redevelopment projects (2) Further growth in the for-sale condominium business (3) Acceleration of the property sales to investors business (4) Expansion of overseas business (5) Expansion of service business (6) Establishment of new business

	Forecasts for FY2026	Targets for FY2027
Business profit ³	102.0 billion yen	95.0 billion yen
ROE (Medium-term business plan period)		10%
Debt-to-equity ratio and interest-bearing debt/EBITDA multiple		Approx. 2.4 times and approx. 12 times
Cumulative net investment		Approx. 140.0 billion yen
Operating profit		—
EPS ²	303.46 yen	Approx. 290 yen
Payout ratio	40.2%	40%

Medium-Term
Business Plan
(FY2025–FY2027)

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1. Before change: Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method
2. Reference indicator
3. After change: Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method, etc. + Gain (loss) on sale of non-current assets

Note: "Share of profit (loss) of entities accounted for using equity method, etc." includes interest and dividend income, and gain (loss) on sale of investment equity in investment vehicles for overseas businesses.

Tokyo Tatemono Group
Long-Term Vision for 2030

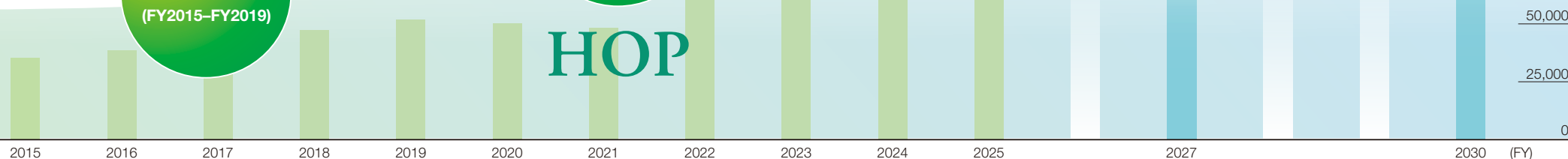
Becoming a
Next-Generation
Developer

JUMP

STEP

HOP

Business Profit



(Million yen)
100,000

75,000

50,000

25,000

0

(FY)