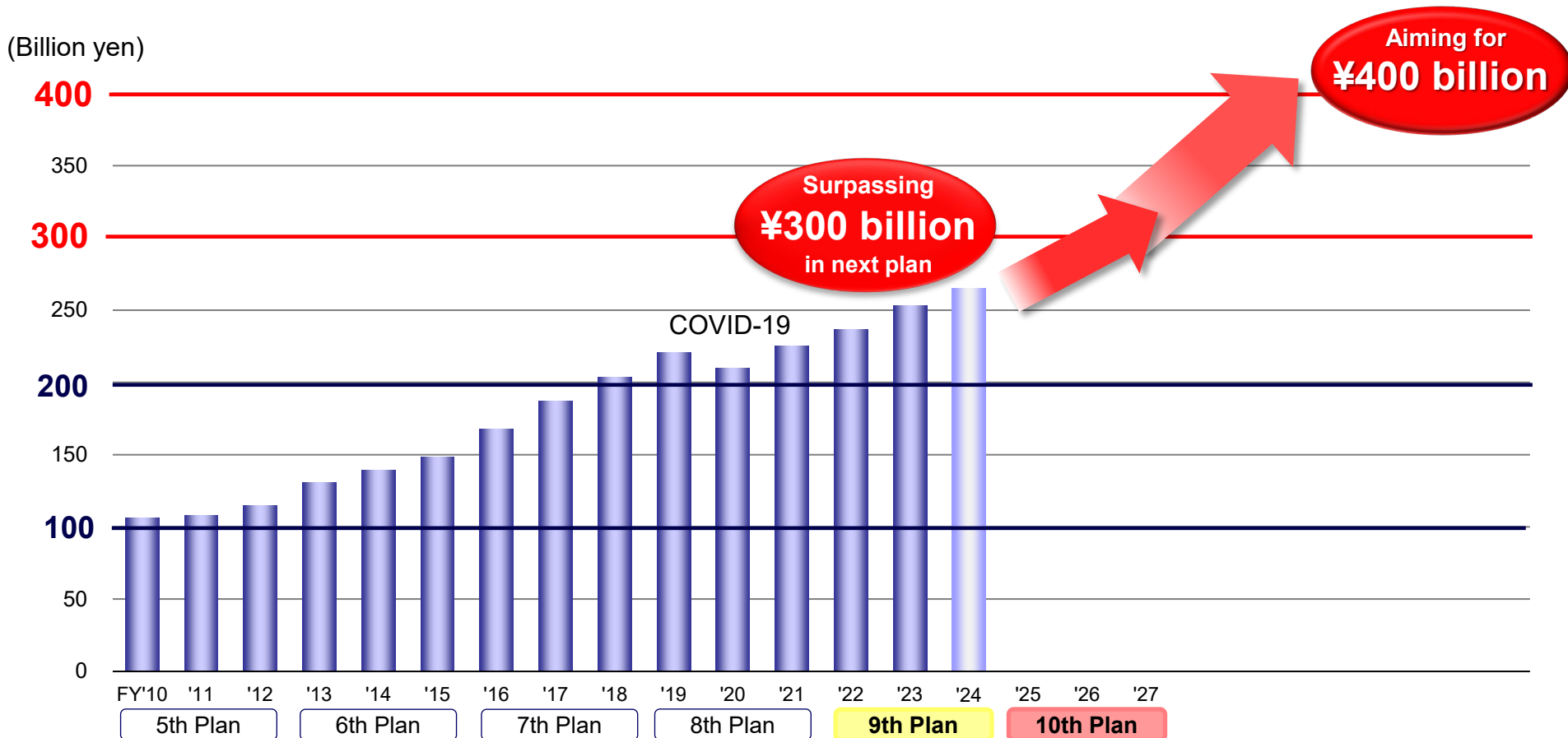


# 1. Earnings targets

Viewing ¥300 billion in ordinary profit in the next medium-term management plan as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion

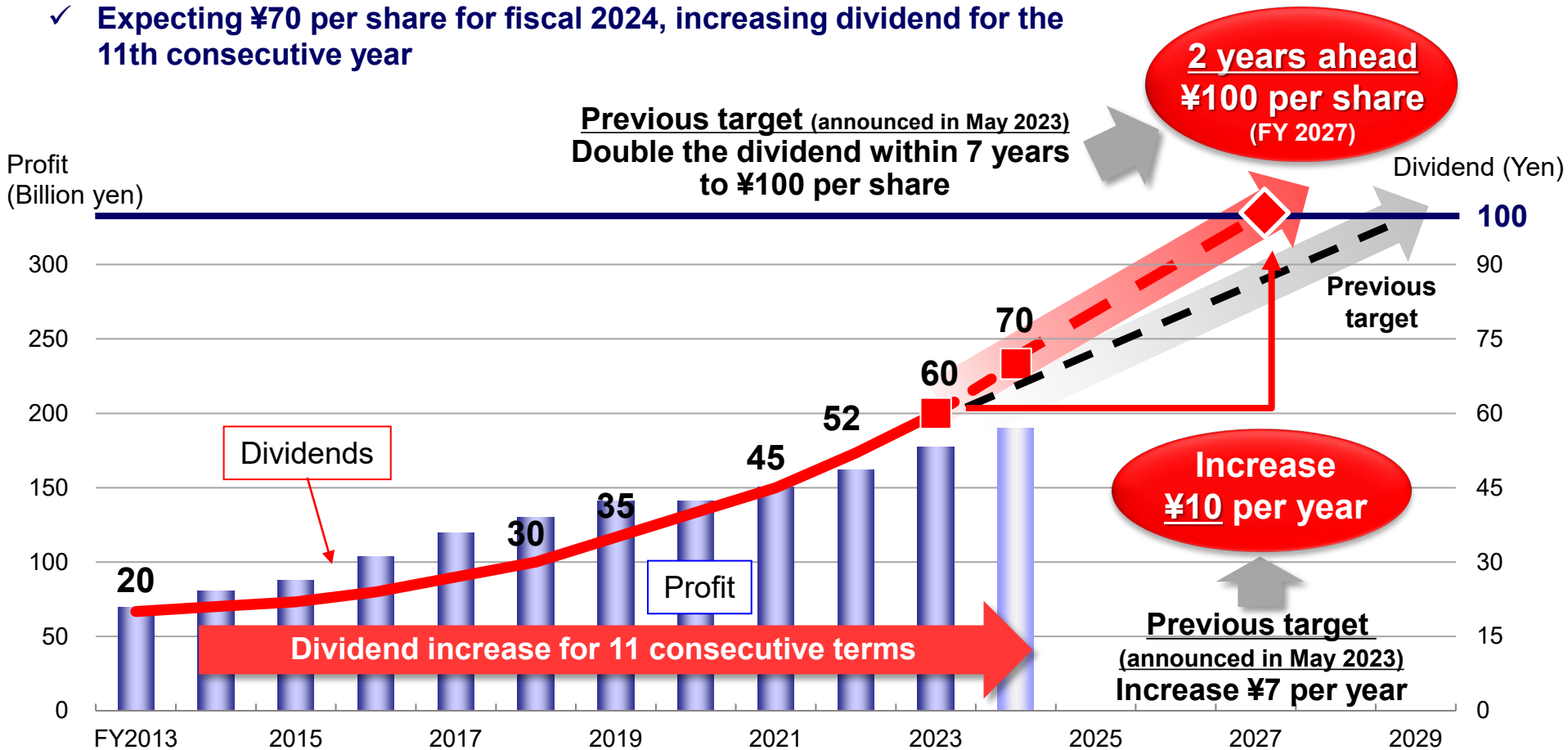
- ✓ Mainstay businesses steadily recovering and improving, expecting to achieve an ordinary profit of ¥300 billion in the next management plan
- ✓ One of the largest urban redevelopment in Japan, “Roppongi 5-chome West Project” has been approved; Acquired a large-scale mixed-use development site in the heart of Mumbai, India



## 2. Proactive revision of management strategy, aimed at achieving an ordinary profit of ¥300 billion

### (1) “Doubling the dividend two years ahead of the previous schedule,” accelerating the pace of the annual dividend increase from ¥7 to ¥10 per share

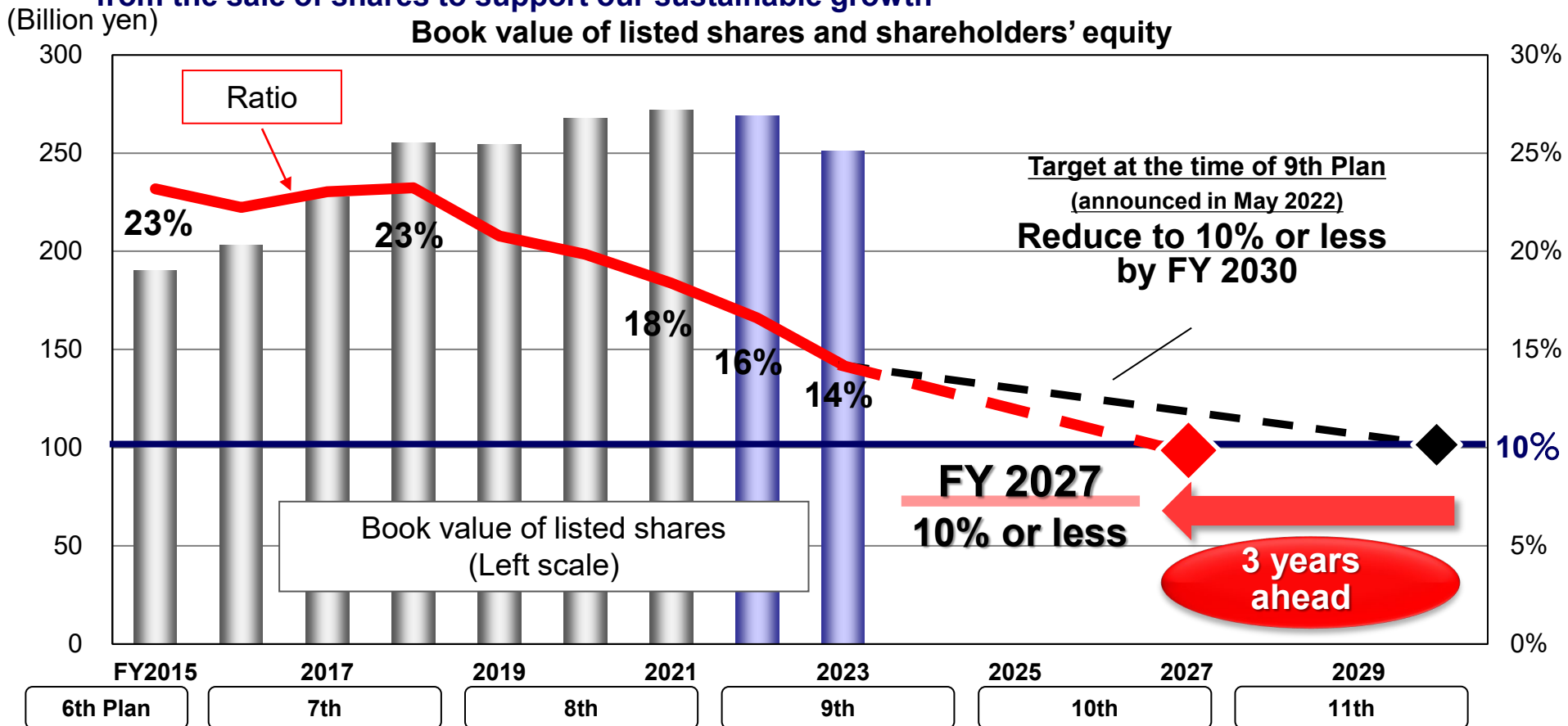
- ✓ With the recovery and improvement of outlook in our leasing business putting us on the clear path to surpassing ¥300 billion in ordinary profit, we intend to further boost shareholder returns
- ✓ Achieving “¥100 per share within 7 years” two years ahead, reaching “¥100 per share for fiscal 2027”
- ✓ Expecting ¥70 per share for fiscal 2024, increasing dividend for the 11th consecutive year



## 2. Proactive revision of management strategy, aimed at achieving an ordinary profit of ¥300 billion

### (2) Making progress in reducing strategic shareholdings, aiming to achieve the reduction target of 10% or less, three years ahead of the original schedule

- ✓ The ratio of the book value of strategic shareholdings to shareholders' equity has been steadily decreasing: 14.2% at the end of fiscal 2023
- ✓ Selling shares with diminished significance for holding in a planned manner → Utilizing the gains from the sale of shares to support our sustainable growth



## 2. Proactive revision of management strategy, aimed at achieving an ordinary profit of ¥300 billion

### (3) Not renewing advance warning takeover defense measures

#### Progress in “review of corporate takeover rules”

##### Discussions on ensuring the fairness and transparency of acquisition procedures

METI: Reviewing the guidelines for takeovers at the “Fair Acquisition Study Group”

FSA: Reviewing the tender offer system and considering to tighten the large shareholding reporting rule

#### The scale of our business and profitability have expanded and stabilized

##### Expecting to surpass ¥300 billion in ordinary profit in the 10th Plan, and aiming at reaching an even higher milestone of ¥400 billion

- Mainstay businesses such as office buildings and condominiums steadily recovering and improving, expecting to achieve an ordinary profit of ¥300 billion in the next Management Plan
- One of the largest urban redevelopment in Japan, “Roppongi 5-chome West Project” has been approved; Acquired a large-scale mixed-use development site in the heart of Mumbai, India

June 2025


**Not renewing**

**“Advance warning takeover defense measures”**

## **2. Proactive revision of management strategy, aimed at achieving an ordinary profit of ¥300 billion**

### **(4) Continuing active investment in human capital**

- ✓ **Aiming for “employee-first management,” as well as “integrated group management”**
- ✓ **A salary system that is similar to a role-based system, where annual salaries are determined based on the responsibilities and achievements of employees**
- ✓ **90% of our employees and 60% of the managerial personnel are individuals who were hired through mid-career hiring with high motivation**
- ✓ **A highly diverse workforce is a driving force for the growth of the Group**



**In addition to the evaluation system based on ability and achievement of individual employees, we will continue to actively invest in human capital, including investments in digital transformation (DX) and education, to enhance productivity.**

## 2. Proactive revision of management strategy, aimed at achieving an ordinary profit of ¥300 billion

### (5) Doubling the amount of funds for Green Financing from a total of ¥1 trillion to ¥2 trillion

- ✓ 78 of our buildings with a total gross floor area of over 1.1 million tsubo (\*1 tsubo ≈ 3.3 sqm) acquiring the “DBJ Green Building Certification”
- ✓ Doubling the financing quota to ¥2 trillion due to its popularity and the rapid approach to the quota
- ✓ Continuing to develop superior properties with environmental considerations and striving to maintain and enhance their performance

### ◆ Third-party environmental recognitions for leasing assets (acquisition of DBJ Green Building Certification)

- ✓ The constant “environmental and social awareness” of our properties was highly recognized

#### Properties that have acquired ★5



#### DBJ Green Building

\* DBJ Green Building Certification is a certification system established by the Development Bank of Japan to evaluate real estate for its performance and initiatives regarding “environmental and social awareness” beyond its “profitability.”



Shinjuku Grand Tower



Osaki Garden Tower



Shinjuku Garden Tower



Tokyo Nihombashi Tower



Azabujuban Building

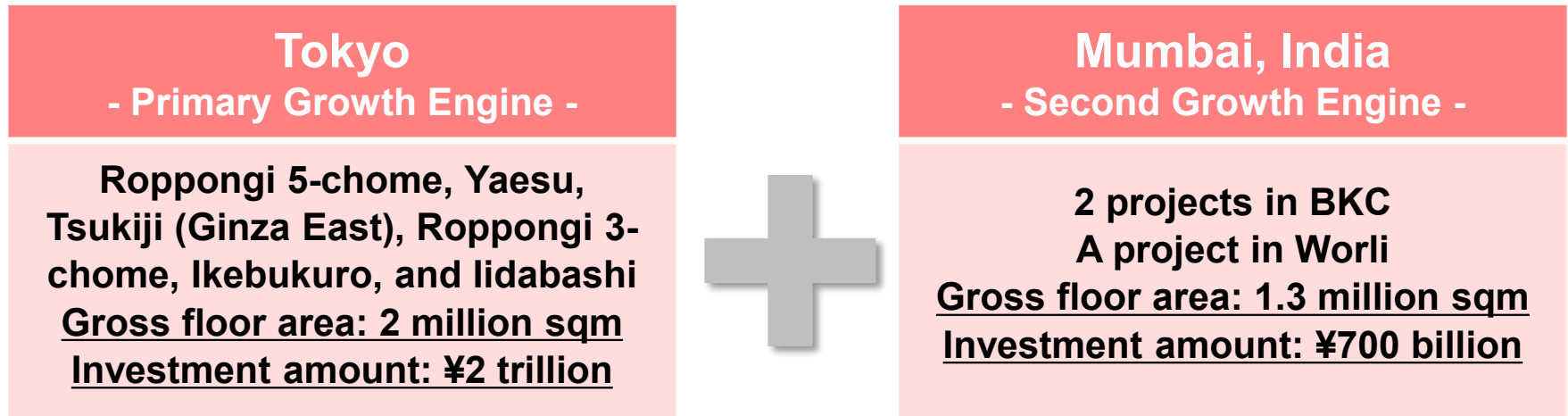


Roppongi Grand Tower



Ariake Garden

### 3. Viewing ¥300 billion as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion





### 3. Viewing ¥300 billion as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion

#### Topic 1: One of the largest urban redevelopment in Japan, “Roppongi 5-chome West Project” has been approved

- ✓ One of Japan’s largest redevelopment projects with a total gross floor area of 1.08 million sqm (an overall project cost of around ¥800 billion)
- ✓ A core office-focused tower of 66 floors above ground and a height of 327 meters with a gross floor area of 800,000 sqm
- ✓ With approximately 1,000 residential units, hotels, and retail facilities



Source: Tokyo Metropolitan Government documents

\* Urban redevelopment project jointly undertaken with Mori Building Co., Ltd.



### 3. Viewing ¥300 billion as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion

#### Topic 2: Acquired a large-scale mixed-use development site in the heart of Mumbai, India

- ✓ Acquired a large-scale mixed-use development site in Worli, with a developable gross floor area of over 1 million sqm, in addition to two properties in BKC
- ✓ Building a significant foothold in establishing our position as a comprehensive developer continuously engaged in integrated mixed-use development of areas



Central area of Worli

	Project 1 in BKC (Acquired in Jul 2019)	Project 2 in BKC (Acquired in Nov 2022)	Project in Worli (Acquired in Oct 2023)
Location	Bandra East, Mumbai, Maharashtra State		Worli, Mumbai
Site acquisition value (Yen equivalent)* <sup>1</sup>	22.38 billion INR (38.0 billion JPY)	20.67 billion INR (35.1 billion JPY)	46.7 billion INR (79.5 billion JPY)
Type of ownership	Leasehold for 80 years	Leasehold for 80 years	Freehold
Site area	12,486 sqm (Approx. 3,780 tsubo)	11,885 sqm (Approx. 3,595 tsubo)	80,903 sqm (Approx. 24,473 tsubo)
Building scale* <sup>2</sup>	Approx. 130,000 sqm (Approx. 40,000 tsubo)	Approx. 130,000 sqm (Approx. 40,000 tsubo)	Over 1 million sqm (Over 300,000 tsubo)
Use	Office building for lease	Office building for lease	Super high-rise mixed-use development project

\*<sup>1</sup> 1 INR = 1.7 JPY    \*<sup>2</sup> Gross floor area

### 3. Viewing ¥300 billion as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion

#### Topic 2: Acquired a large-scale mixed-use development site in the heart of Mumbai, India

- ✓ In Mumbai, efforts are underway to enhance infrastructure, and the city's development is expected to further progress

##### “Indian Shinkansen” (high-speed railway)

Connecting Mumbai and Ahmedabad in about 2 hours, covering approximately 500 km distance

##### Mumbai Trans Harbour Link

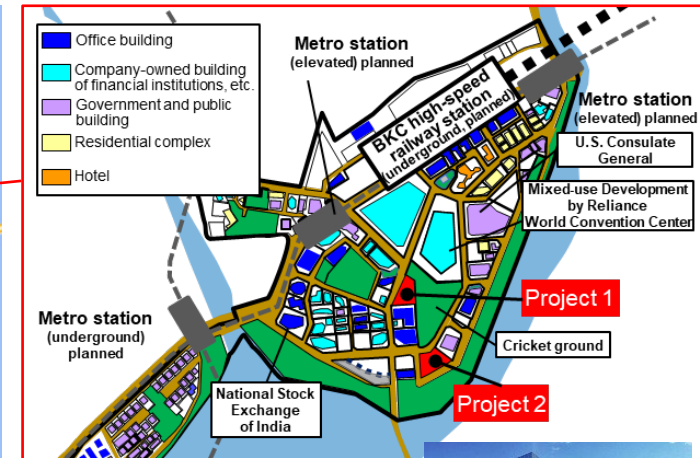
Connecting the center of Mumbai to the new airport under construction in Navi Mumbai across the eastern shore, with a total extension of about 22 km (opened in January 2024)

##### Sea Bridge Bypass “Coastal Road”

A sea bridge bypass where extension work is progressing on the western coast of the peninsula to avoid traffic congestion in the city (partially opened in March 2024)

##### Metro Line 3

Connecting major business areas from the current airport area to Nariman Point via BKC and Worli (scheduled to open in 2024)



Project 1 in BKC  
Exterior rendering



Central area of Worli



### 3. Viewing ¥300 billion as a checkpoint, and aiming at reaching an even higher milestone of ¥400 billion

#### Topic 3: Reborn Shinjuku Sumitomo Building completed in 1974, celebrating its 50th anniversary

- ✓ Complete update of building facilities and enhancement of seismic resistance through "renovation" instead of rebuilding
- ✓ “Sankaku Hiroba” (triangular plaza), an all-weather large scale event space
- ✓ Our flagship building with the cumulative cash flow over the past 50 years exceeding ¥400 billion, generating over ¥10 billion annual cash flows from leasing



#### Shinjuku Sumitomo Building (52 floors above / 4 below ground)

Completion	: March 1974	Site area	: 14,446.46 sqm
Renovation	: June 2020	Gross floor area	: 180,195.16 sqm

Sankaku Hiroba : Approx. 3,250 sqm

- An all-weather atrium (Ceiling height: approx. 25 meters)
- Capable of temporarily accommodating approx. 2,800 stranded commuters in the event of disaster



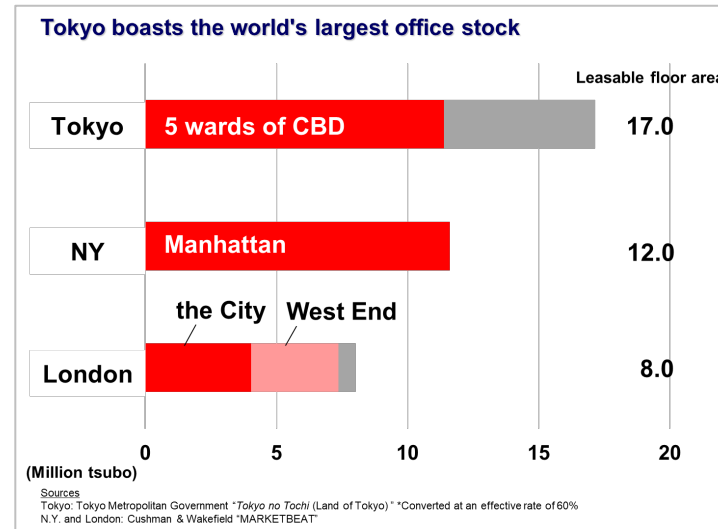
Sankaku Hiroba

**The office building leasing business in central Tokyo has generated stable profits over the long term, and retaining those properties is also advantageous in terms of investment efficiency.**

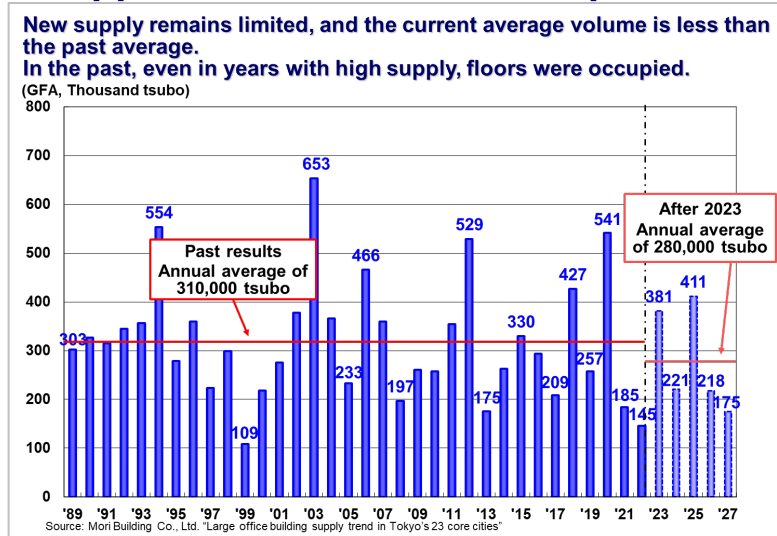
1. Efficient and intricate network of public infrastructure and a constant supply of large-scale redevelopment buildings with the latest specifications through a “scrap and build” process, where old buildings are demolished to make way for new constructions, have made Tokyo an unwavering city center with its value remaining steadfast.
2. Companies from a diverse range of industries and sizes from major corporation to startups are concentrated and clustered in Tokyo, constantly bringing various new demands for office space. Our leasing portfolio with buildings in various sizes throughout Tokyo is ideal to accommodate such needs, and has been the source of stable profits over the long term.
3. Investments in the office buildings in Tokyo stand as a business that ensures sufficient profitability without relying on gains from selling assets.  
(Shinjuku Sumitomo Building completed 50 years ago is a “goose that lays the golden eggs,” generating cash flows from leasing exceeding ¥10 billion annually, and hastily selling it would equate to killing such goose.)  
As the potential locations suitable for business are limited in city centers and securing opportunities to develop properties with strong business prospects is not easy, it is difficult to “sell for a profit and then buy back at a lower price.”
4. The advantages of the Tokyo office market

# 1. Tokyo is the world's largest office market

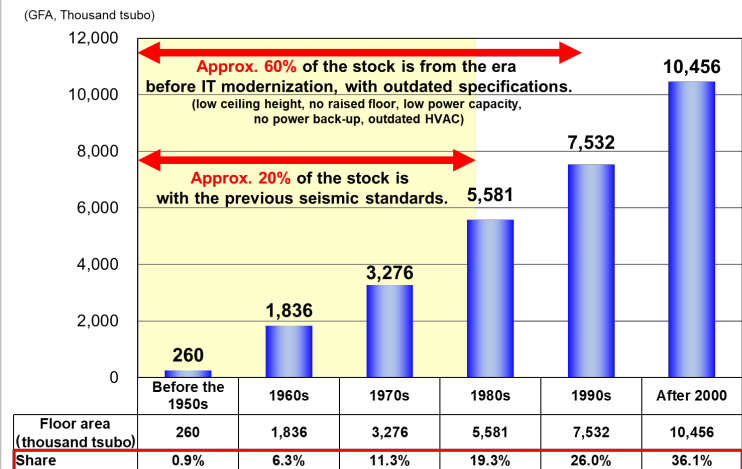
## (1) Largest market in the world; larger than New York and London



## (2) 20% of existing stock do not meet the current seismic standards, and net annual supply increase is approx. 1% due to redevelopment through rebuilding being the primary approach



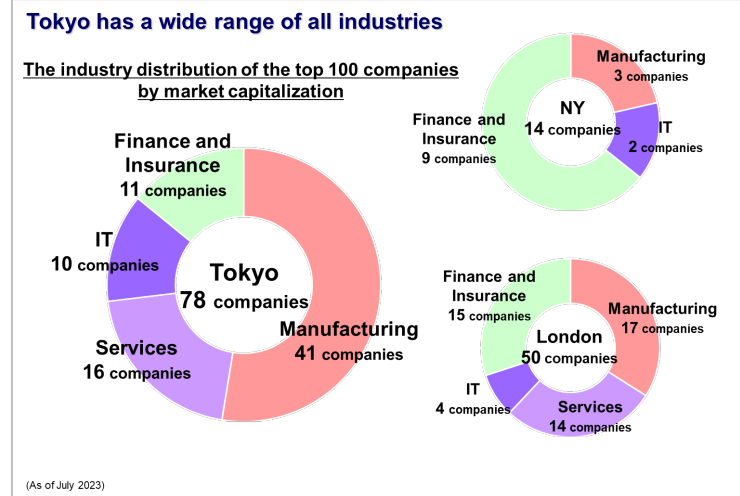
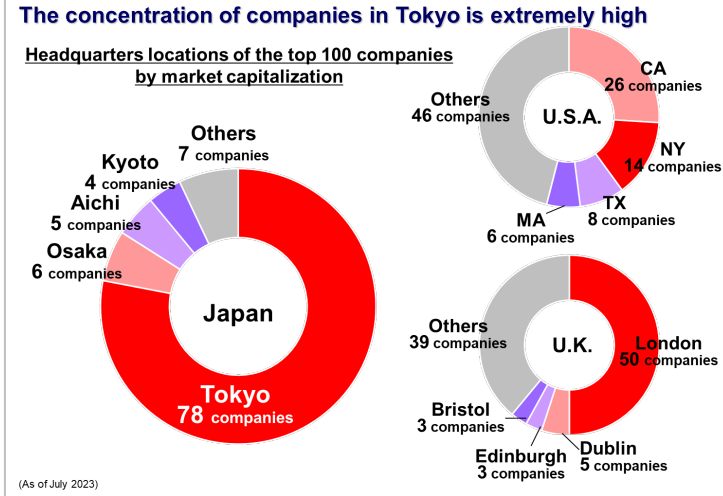
### Office building floor area by completion year (23 wards of Tokyo)



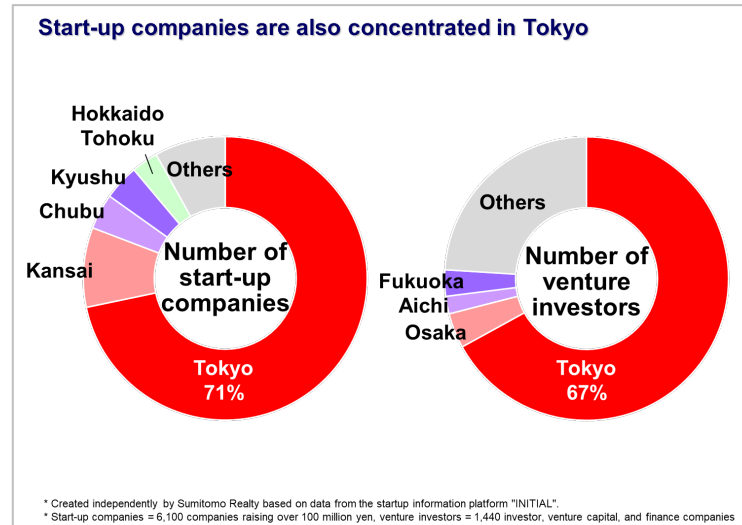
Source: Tokyo Metropolitan Government "Tokyo no Tochi (Land of Tokyo)", as of January 1, 2022

## 2. Structural factors of demand growth

### (1) A market unparalleled in the world, where large corporations concentrate, encompassing all industries



### (2) Concentration of start-up companies



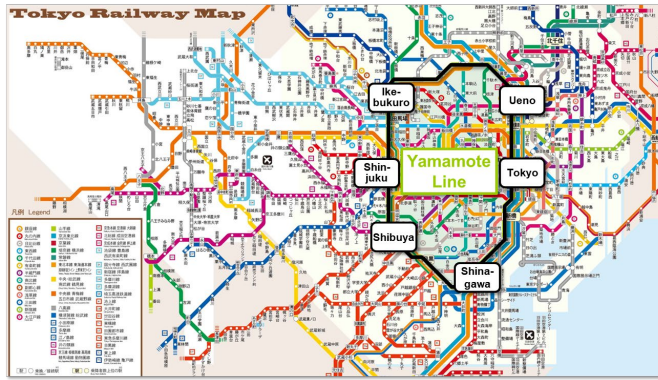


## 2. Structural factors of demand growth

### (3) Unwavering city center with extensive urban transportation infrastructure

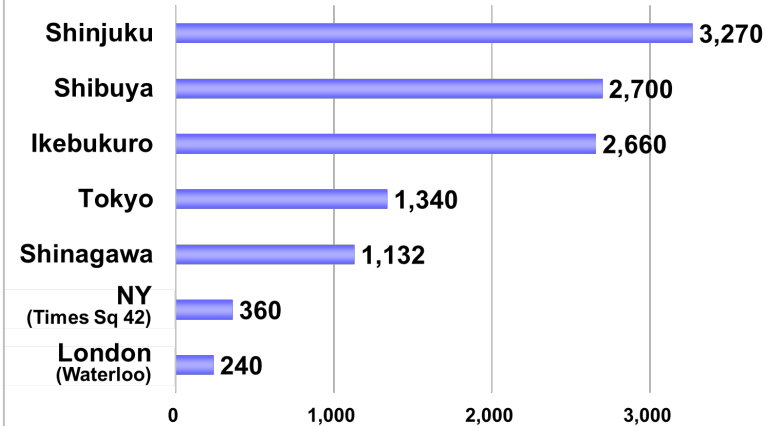
Tokyo has an extensive transportation infrastructure network to city centers

	Tokyo	NY	London
Number of lines entering city centers	42	22	17



Number of passengers at the terminal stations

(thousand people per day)

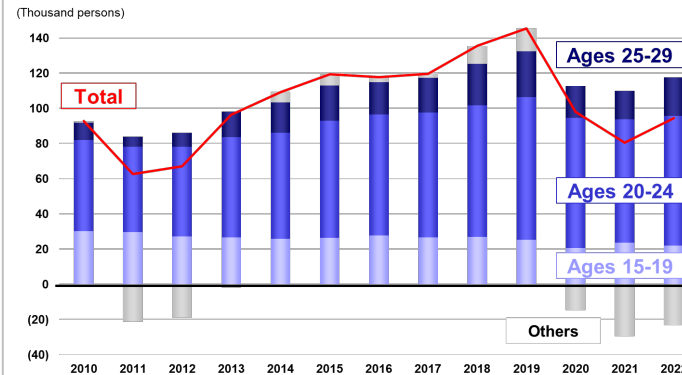


Sources: The Ministry of Land, Infrastructure, Transport and Tourism, The Metropolitan Transportation Authority (New York), and Office Of Rail and Road (London), 2019.

### (4) Structural and continuous population influx

Net population inflow

The population of the Greater Tokyo Area is increasing, driven by the younger generation (for education and employment).



Source: Statistics Bureau, the Ministry of Internal Affairs and Communications

### 3. The advantages of the Tokyo offices have become even more pronounced after the COVID-19 pandemic

- (1) During the pandemic, the vacancy rate rose to 6% primarily due to cost containment, but supply and demand balanced out within six months
- (2) Contrasts between the U.S. and Japan in the trend of returning to the office after the pandemic

