

The Vision of the Nomura Real Estate Group

In line with our Group Vision “New Value, Real Value,” we aim to realize sustainable growth and, to this end, have established the Nomura Real Estate Group 2030 Vision, “Be a ‘Life & Time Developer,’ as never seen before - Becoming a Group That Maximizes Happiness and Abundance -,” and “Earth Pride,” our Sustainability Policy (vision of 2050). In addition, we have formulated financial indicators, priority issues (materiality), and key performance indicators (KPIs) for around 2030.

Group Corporate Philosophy

New Value, Real Value

Integrating all that is precious to people and communities, we build cities—dynamic stages that connect today with tomorrow’s possibilities and embrace every moment of life’s pursuits.
We create new value, social value, and, above all, real value.

Business Plan

Nomura Real Estate Group 2030 Vision

Be a “Life & Time Developer,” as never seen before

- Becoming a Group That Maximizes Happiness and Abundance -

Nomura Real Estate Group has always connected closely with customers’ lives and times through real estate development and real estate-related services.

Now, as we confront various social issues, as well as diversified lifestyles and values, we must change ourselves.

To enrich people’s respective lives and every moment of their time

we will transform ourselves into a “Life & Time Developer” that creates new, significant values on a global scale.
And, through that transformation, we will continue to strive to maximize happiness among people and abundance for society.

Long-term management policy [p. 24](#)

Three-year plan [p. 27](#)

Promotion of Sustainability

Sustainability Policy (vision of 2050)

Earth Pride

Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives. By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society that leaves no one behind.

Maintaining harmony with nature

Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate. While carefully conserving the Earth’s finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business, and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

Priority issues (materiality) that we will focus on through 2030 [p. 37](#)

Society and Employees

Climate Change and Natural Environment

CEO Message

**We will enhance
medium- to long-term corporate value
by addressing environmental changes
like inflation and interest rate hikes.**

Satoshi Arai

President and
Representative Director,
Group CEO

1. Review of FY2026/3, Marking the Achievement of Record Profit

1-1. Review of FY2026/3

I am Satoshi Arai, Group CEO of Nomura Real Estate Holdings.

First and foremost, I would like to extend my sincere gratitude to all our stakeholders, including customers, shareholders, and business partners, for their ongoing support of the Group and for taking the time to read our integrated report.

I will begin with a discussion of the Group's performance in the fiscal year ended March 31, 2026 (FY2026/3). Particularly notable were new record highs registered for both Group-wide sales and in each profit category as a result of the hard work

of individual segments to provide added value that meets customer needs. In addition, FY2026/3 was the first year of a three-year business plan announced last spring, and we were able to achieve a solid start by steadily implementing initiatives in focus fields and strengthening mainstay businesses.

It should also be noted that in August 2025, the Company relocated its head office, moving to Tokyo's Shibaura District after 47 years in Shinjuku. We will strive to ensure this move impacts the Group in ways that go beyond simple relocation; further fostering Group-wide collaboration and spurring new value creation.

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1-2. Domestic businesses

In FY2026/3, domestic businesses overall remained significantly strong, and record highs were reached in each profit category for the fifth consecutive year.

In particular, the housing sale business, which we have positioned as a mainstay business, is still enjoying strong demand despite rising housing prices and mortgage interest rates, and business remains firm. Given current conditions, we expect profit to increase in FY2027/3 in the Residential Development Segment.

In the property sale business, not only was business performance firm against a backdrop of steady demand from REITs and funds, our position as we look to the future is further strengthened by the possession of an abundant land bank totaling around ¥1.5 trillion in Residential Development and Commercial Real Estate Segment. Although some have expressed concerns about an increase in the cap rate due to higher long-term interest rates, many investors anticipate new opportunities in real estate investment as rents begin to climb, so the cap rate has stabilized at a low level.

In the property brokerage and CRE business, demand for pre-owned housing is rising amid a declining supply of new builds and rising prices. As the yen depreciates and real estate owned by Group companies is moved off balance sheets, demand from overseas investors is expanding. As a result of these and other events, business opportunities are also steadily expanding.

1-3. Overseas businesses

Even though they have recorded large short-term profit fluctuations, we view overseas businesses as a key business sector underpinning the Group's medium- to long-term profit growth as we develop business in growth markets that can take advantage of rising populations and economic growth.

Business profit in the overseas segment in FY2026/3 fell below our initial plan. The main factors were effects from revising the timing of sales, so there is no change in our long-term growth scenario.

In the condominium business, although varying local market

conditions are causing inconsistencies in the pace of progress among projects, we are steadily working to strengthen each project's standing in line with our ongoing effort to achieve profitability over the medium- to long-term.

In the property sale business, although the property for sale market in the United Kingdom and United States is currently challenging, there is no change in our investments aimed at medium- to long-term profitability or in our policy on recovering profit.

While there is some variation between domestic and overseas businesses, looking at the overall picture, we believe we are making steady progress on our strategy based on the three-year plan announced last year. Next, I will go over our initiatives aimed at achieving progress in each business and future profit growth.

2. Management Plan and Business Progress Aimed at Profit Growth

2-1. Development sector

Housing sale business

Regarding the environment surrounding the housing sale business, it is being reported that home loan interest rates are rising, construction costs are increasing, action is being taken to address short-term house flipping, and there are concerns of material shortages due to the tense situation in the Middle East. Nevertheless, the inflow of people to central Tokyo proceeds unabated, ensuring that demand remains firm, and we expect this trend to continue moving forward.

In the Tokyo metropolitan area, our primary area of business, we have held a top-tier position over the five-year period from 2021 to 2025 by maintaining a stable supply of housing units. For the past two years in a row, we secured the No. 1 ranking for condominiums supplied in the Tokyo metropolitan area (according to research by the Real Estate Economic Institute).

We believe the Company's strong product planning capabilities are the factor that makes our achievements possible. For

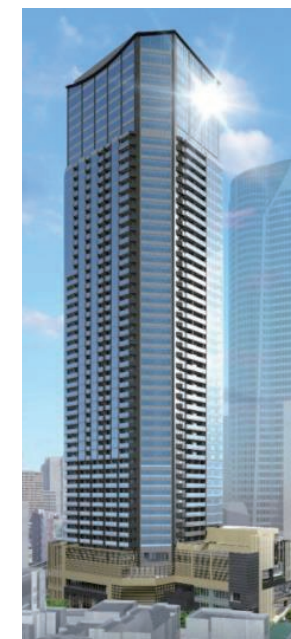
each project, we put together project teams comprising members specializing in land acquisition, architectural design, and marketing. Our products are carefully crafted one by one and acclaimed by the market and neighboring residents.

Our system consistently provides comprehensive value spanning manufacturing, marketing, and management. This is our unique strength and the source of our products' strong competitive advantage even in the face of rising condominium prices.

Going forward, the Company has a good number of condominium sales lined up in central Tokyo. We have also already begun major reconstruction projects, including the Atago District Category 1 Urban Redevelopment Project F District and the Nishi-Azabu 3-chome Northeast District Category 1 Urban Redevelopment Project A District. Our land



Atago District Category 1 Urban
Redevelopment Project F District



Nishi-Azabu 3-chome Northeast District
Category 1 Urban Redevelopment
Project A District

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bank in central Tokyo now exceeds ¥600 billion in terms of sales value.

Regarding high-end products in the central Tokyo area in particular, in addition to offering distinctive exterior designs in harmony with the surroundings and meticulously installed high-quality fixtures and furnishings, there is growing demand for full-package services, including constant support from initial sales to post-delivery after-sales services. Therefore, to further strengthen our relationships with affluent customers and enhance their satisfaction, in April 2024 we established the Private Client Service Department. A specialized unit, this office provides all manner of services, from sales to follow-up after delivery, while utilizing the Company's unique sales network, which encompasses fans of the PROUD brand and Nomura Securities' customer base, to promote marketing activities. We will continue to gather and analyze information on needs and trends related to properties in central Tokyo and reflect the results in our product planning.

Our strengths in the housing business go beyond our product planning capabilities, marketing capabilities, and sales network. In fact, our proposal capabilities at the time of land acquisition constitute a particular point of strength. Specifically, we are able to provide proposals for tailor-made sales schemes that meet the unique needs of individual landowners.

The needs of landowners are myriad—some focus on sale value, others value urban development that contributes to the community, and still others hope to build wealth through equitable value exchange.

For example, to effectively utilize land owned by universities, some projects place emphasis on local contributions and qualitative value creation. For these kinds of projects, the Company assumes the perspective of surrounding residents when creating parks and green spaces as well as places where multiple generations can interact. In addition to these endeavors, we also provide proposals for mixed-use developments that combine condominiums, rental senior residences, and retail facilities to be operated by the Group. As a result, our strengths as a general developer have garnered praise, and we

are frequently considered the business partner of choice.

Although land acquisition is now becoming increasingly difficult, the Group has a record of success in leveraging its comprehensive strengths to make proposals aligned with the needs of various projects. Thus, we can confidently state that we are able to stably acquire land, which we believe will lead to a sustainable supply of housing going forward.

Office business

In the Commercial Real Estate Segment's office business, the Company has focused on PMO, its medium-sized high-grade office brand. Tenant companies vary widely, from mid-sized and IT-related companies to the Tokyo metropolitan area branches of regional companies. As we steadily capture demand from tenant companies, PMO developments have expanded to over 70 buildings.

As the next stage of the office business, we embarked on the BLUE FRONT SHIBAURA twin towers project with a total

investment of ¥400 billion and in February 2025 completed TOWER S ahead of schedule. Leasing is also proceeding apace, and we anticipate full occupancy from FY2027/3 with rental income bringing in profit. In September 2026, we plan to complete Nihonbashi Nomura Mitsui Tower. This will greatly expand our leasing asset portfolio and, from FY2028/3 is expected to significantly contribute to leasing income.

BLUE FRONT SHIBAURA will boast a gross floor area of around 550,000 m², and we are fully engaged in management aimed at enhancing value of not just the mixed-use development combining offices, retail establishments, hotels, and residences, but also the entire Hamamatsucho-Shibaaura area. We aim to create experience value unique to the area by leveraging the wide-open feeling that being right next to Tokyo Bay evokes. Specifically, we will offer luxury experiences at the Fairmont Tokyo, a hotel located within BLUE FRONT SHIBAURA as well as plan and hold such activities as cruises on ships built by the Company, events to attract visitors to the facility, and tour events with neighboring facilities. As we go on, we will leverage the know-how and product improvements learned from operating TOWER S to improve TOWER N, construction of which will begin in the near future, in our ongoing effort to promote even more competitive urban development.

In addition, we have developed 36 buildings* to date for the small serviced office brand H'O, which was launched in 2019. The brand has received high praise, particularly from startups, for its high-value-added products like concierge services, communal lounges, and rooftop terraces in addition to the advanced security of its private areas.

While the expansion of shared facilities reduces the extent of the leasable area, it also drives up rents, keeping profitability high, and these properties have become assets worth investing in even amid rising interest rates and construction costs.

* As of March 31, 2026 (including those being planned) and including those allowing floor-based office leasing within PMO properties and other buildings



BLUE FRONT
SHIBAURA
TOWER S



Nihonbashi Nomura
Mitsui Tower

CEO Message

With the recent rise in people returning to in-office work, companies' office and service needs related to accommodating diverse workstyles are growing as they strive to recruit and retain employees while enhancing engagement.

The Company will continue to pursue commercialization while precisely identifying diversifying needs and cost environments with the overarching goal of further strengthening its office portfolio.

Overseas business

In the overseas business, we are strengthening initiatives aimed at expanding income while vigilantly controlling the balance sheet.

In FY2026/3, we decided to participate in the Hồng Hạc Project in Bắc Ninh province, Vietnam. This project was achieved by steadily building a relationship founded on trust over many years with our partner Phú Mỹ Hưng, and we can expect it to achieve high income over the medium- to long-term. To date, the Company has selected projects based mainly on expectations of short-term and efficient returns on investment; however, going forward we will seek out large-scale projects where we can expect sustainable income. Although we expect the recording of sales from some projects in Vietnam to be delayed due in part to rising interest rates, we can also anticipate housing demand moving forward due to the country's economic growth and increasing population.

In addition, we have positioned the development and sale of properties for sale as a growth driver for the overseas business and will continue working to maximize income and diversify opportunities to earn income.

Our property for sale portfolio as of March 31, 2026, is centered on the United Kingdom and the United States. We decide on investments with full consideration given to the area and commercial viability, as evinced Herne Hill in London, the U.K., with which we aim to help solve social issues by also building affordable housing alongside it, and Alta Preserve in Dallas, the U.S., which is experiencing an influx of companies and people.

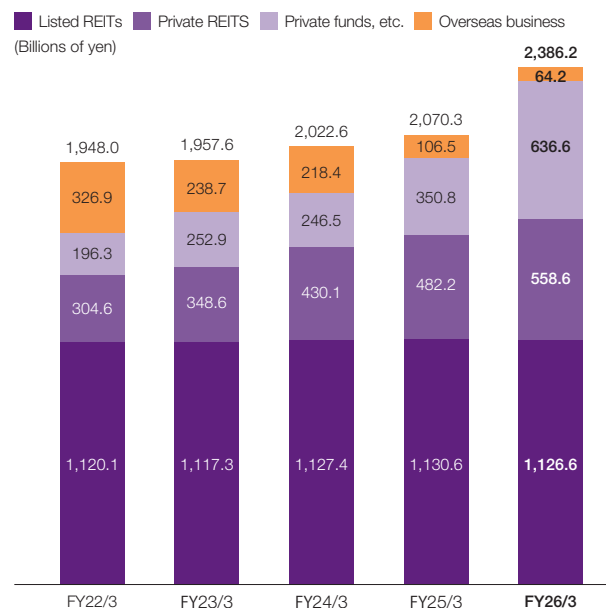
In addition, in FY2026/3 the Company conducted its first sale of a property for sale. Through this sale, we were able to gain keen insights into investments in and returns from properties for sale. The cap rate remains high in the current property for sale market in the United Kingdom and United States, and we believe it will take some time to return to an appropriate level. We will continue to conduct investments aimed at future profit growth while paying careful attention to market conditions and will continue to consider the timing and methods for achieving profitability.

2-2. Service and management sector

Investment management business

As assets under management (AUM) continue to increase every year, our private funds and other AUM reached ¥636.6

Assets under management



billion in FY2026/3, a major year-on-year increase.

This was the result of efforts to court a wide range of domestic investors as customers and create funds that align with their needs. The Company is a top-class real estate investment advisor in Japan with over ¥2 trillion in AUM, including J-REITs and private REITs, with a track record and know-how accumulated over more than 30 years in the asset management business. Our relationships with a wide range of investors that come with this history constitutes comprise another of our strengths.

To grow profit in the asset management business, we need to expand AUM beyond private funds to include REITs. Going forward, we will continue to steadily create funds that meet investor needs and manage REITs that achieve expected returns.

Property brokerage & CRE business

In FY2027/3 the property brokerage and CRE business will encounter a major turning point as it strives to achieve further growth moving forward.

Brokerage transaction value, which reflects our real estate transaction volume, is one of our KPIs, and this year was the first time we ranked among the top three.*1 We believe this was the result of our efforts to leverage the tailwinds of the strong real estate market to stably advance initiatives related to store openings, human resources, and business strategies.

To further enhance our standing, we will continue to revise our branding in FY2027/3.

For starters, we rebranded “Nomura no Chukai + (PLUS),” an individual real estate brokerage retail brand, as a common service brand for three business divisions, including middle and wholesale businesses.*2 In addition, we welcomed Kazunari Ninomiya as a brand ambassador for our Brokerage Plus (+) service. Mr. Ninomiya has worked hard to always surpass expectations—an attitude strongly aligned with the Company's vision.

We believe that integrating the brand and deploying an ambassador to simultaneously promote the branding and

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expand awareness will lead to further growth over the medium- to long-term.

*1 Based on the results of a survey conducted in fiscal 2025 by the Real Estate Distribution Research Institute of real estate distribution companies regarding their brokerage results.

*2 Middle business: Real estate brokerage business for small and medium-sized enterprises, business owners, some individual investors and high net worth individuals; Wholesale business: Real estate brokerage business for large corporations, funds and overseas investors

Property & facility management business

Although condominiums and buildings have their own distinct management issues, the strength of the Company's property and facility management business is its ability to engage with and offer proposals tailored to each one of our diverse customers. For example, we received high praise from customers as proven when we won our fourth consecutive* SUUMO AWARD 2026 Grand Prize for our overall evaluation in the condominium management category.

As for the performance of the property and facility management business in FY2026/3, profit significantly expanded due in part to construction orders for BLUE FRONT SHIBAURA, but the business environment moving forward will not be easy amid such ongoing issues as soaring construction costs and a shortage of skilled workers.

As a specific measure, aiming to build an organization that can create high added value while enhancing productivity, we will revise the human resources system over several years and are conducting future-oriented investments, such as DX strategies.

On the other hand, the DX initiatives we have already taken are contributing to steady productivity improvements, meaning we are able to offer high-value-added proposals to customers. Amid rising construction and labor costs, we will greatly increase the quantity and quality of highly satisfactory, individually tailored proposals offered to individual customers to make it more acceptable for us to pass on costs and help enhance profitability.

Another one of our strengths is our know-how for managing data centers, the need for which is rapidly expanding right now. Going forward, we aim to expand orders for data center management services.

* We won our fourth consecutive SUUMO AWARD Grand Prize for our overall evaluation in the condominium management company category and the under 100 unit sub-category for Greater Tokyo.

2-3. Three-year plan (FY2026/3–FY2028/3)

In the management plan announced in April 2025, the Company laid out a three-year plan ending in FY2028/3, meaning FY2026/3 was the first year of the plan, and we made a solid start toward achieving its targets. We will present detailed figures and explain specific measures separately but will cover the key points here.

Investments and returns p. 30

Investments and returns are proceeding apace.

We plan to invest ¥2,050 billion and receive returns of ¥1,700 billion over the cumulative three-year period. In FY2026/3, we achieved roughly one-third of our plan with investments totaling ¥620 billion and returns amounting to ¥530 billion, which is in line with expectations.

We believe management conscious of capital efficiency has been functioning steadily.

Investing in growth businesses p. 27

Regarding investments in growth businesses, we proactively pursued investments in rental housing and hotels in particular and, as a result, achieved better-than-expected progress.

We see massive market growth potential in these two fields and plan to invest a total of ¥200 billion over the next three years. To date, we have invested around ¥140 billion, advancing at a faster pace than planned.

In the hotel business, we have begun work on NOHGA HOTEL Shinjuku Gyoen Tokyo (tentative name), our fifth directly operated hotel. The Company's hotels aspire to go beyond the mere provision of lodging; they also offer lifestyle options. Our strategy is to give guests the opportunity to enjoy the culture of Japan with its many different regions while developing concepts unique to each hotel, an approach that we expect to not only attract guests looking to stay but lead to the creation of a fanbase and, in turn, repeat business. We have developed NOHGA HOTEL in areas with high inbound demand, such as Ueno, Akihabara, and Kyoto. By proposing ways to spend time in each local area, we are able to provide value unique to the Company. Going forward, we will steadily expand the client base of the hotel business while diligently conducting product planning for each property.

Regarding logistics facilities, although we had planned to invest ¥300 billion over three years, the process stalled at ¥45 billion as of FY2026/3. This was because we promoted investments in large-scale projects over the past few years and our assets are highly susceptible to the current effects of rising construction costs, so we need to very carefully assess the profitability of each potential project. Nevertheless, the logistics industry is still expected to grow, along with ongoing structural changes, including the amendment to the Logistics Efficiency Act in April 2026 mandating the appointment of a chief logistics officer (CLO). The Company has deployed the Techrum service to solve logistics issues and newly established the Infrastructure & Industry Development Business Unit. Through these and other efforts, we will continue investing in logistics facilities by creating new value



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that goes beyond just providing warehouses and setting rents in line with the added value.

Strengthening collaboration with the Nomura Group p. 28

Our ability to work in collaboration with the Nomura Group is one of our main strengths. We currently collaborate in multiple business fields, including housing sales, property brokerage, and asset management.

Nomura Securities has a robust customer base of high net worth individuals and large corporations. Being able to provide assets to these customers is of major significance to the Company. At the same time, this endeavor also helps Nomura Securities enhance the value they provide to customers, with the collaboration contributing to business expansion for both parties.

In particular, interest in real estate is expanding even further among high-net-worth individuals looking to diversify assets and hedge inflation. High-end condominiums scheduled for sale in the future will be able to meet these kinds of needs, and, by offering a wide range of real estate through the Property Brokerage & CRE Segment, we will meet the other needs of high-net-worth individuals.

The Company considers closer collaboration with the Nomura Group a unique strength and maximizing this synergy going forward will lead to further growth.

Accelerating growth through strategic investment p. 29

Strategic investment is an especially important strategy supporting the realization of the Company's 2030 Vision, "Be a 'Life & Time Developer,' as never seen before."

We pursue strategic investment in two main ways. The first comprises initiatives to strengthen and expand the existing businesses in the development sector and businesses in the service & management sector. The second is not tied to the framework of existing businesses, rather it focuses on seizing business opportunities in new fields.

In FY2026/3, with an eye to strengthening existing businesses, we formed capital and business alliances for the

development of detached housing in city centers, hotels, and satellite offices.

In operations involving detached housing in city centers in particular, we addressed the current shortage of construction labor by adding NREG Nakazato Construction to the Group in April 2025 and have already harnessed its strengths in highly difficult urban construction to help stabilize the supply system.

As for strategic investments aimed at capturing business in new fields, we formed a capital and business alliance with the agritech company Oishii Farm. Against a backdrop of climate change, labor shortages, and other social issues, indoor vertical farms are garnering attention as next-generation food supply infrastructure. Oishii Farm was the first in the world to succeed in the stable mass production of strawberries at a completely enclosed facility and is expanding its business, mainly in the United States.

Advanced cultivation techniques are not all that is needed for commercialization in this field. It also requires real estate-related knowledge in such areas as land acquisition, facility development, and management. The Company aims to create new value by combining its real estate development

capabilities with Oishii Farm's technological prowess, which will continue to contribute to the realization of a sustainable food supply.

We are also engaged in a capital and business alliance with Interstellar Technologies, which provides space transportation services and satellite communications services. We hope this alliance will contribute to the development of the space business and the growth of Interstellar Technologies, and we will leverage our real estate development know-how with the aim of acquiring businesses in the space-related field.

When entering new fields, our policy is to invest in businesses that can utilize the know-how we have cultivated to date while stepping beyond the bounds of traditional business frameworks. Going forward, we will continue to proactively strive to pursue strategic investment with the aim of realizing "Be a 'Life & Time Developer,' as never seen before."

2-4. Aiming for the Group's sustainable growth

I have so far explained our management and business strategies aimed at profit growth. To steadily execute these strategies, our wide array of strategies pertaining to sustainability, human resources, and DX serve as an invaluable foundation. Our aim is to do more than simply expand profits.

Sustainability and our human resources strategy pp. 36-53

I will now go over the Group's approach to sustainability and our Human Resources Strategy.

I believe the purpose of companies is to generate happiness and abundance for stakeholders, including customers, employees, and society as a whole, through business activities.

The Group supports the creation of urban areas and communities as well as the lives and workstyles of individual people by providing products and services. As a result, we generate revenue and profit. However, the value companies create is not just in the form of revenue and profit. Important value created by companies also includes providing joy to



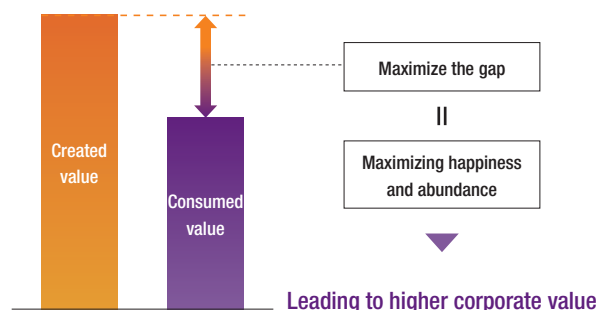
Oishii Farm
Strawberries produced in a vertical farm

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customers, contributing to the development of local communities, fostering growth and job satisfaction among employees, and reducing environmental burden.

However, corporate activities are built on social capital, natural capital, and various types of management capital, including human resources. I think corporate activities consume value while creating value. Companies operate by utilizing such various types of capital as human resources, environments, and trusting relationships with the rest of society. What is important when managing companies is not just expanding created value. It's also continuing to create value while appropriately managing the consumption of capital, which is the source of value creation. This idea is incorporated into the Group's 2030 Vision, "Be a 'Life & Time Developer,' as never seen before - Becoming a Group That Maximizes Happiness and Abundance -." I think that continuing to expand the gap between created value and consumed value is the essence of the Company's vision of maximizing happiness and abundance. We believe that by providing real estate and services while continuously investing in capital, including human resources, society, and environment, we will create new value for customers and society. We will then be able to sustainably expand that value, which will lead to the enhancement of corporate value.

Gap between created value and consumed value



Our ESG initiatives are an extension of this approach. Eco-friendliness, respect for human rights, harmony with communities, strengthening corporate governance, and other such efforts are indispensable to realizing sustainable value creation. Profit growth and sustainability are not mutually exclusive ideas. In fact, we believe that companies that provide greater value to society, customers, and employees are ultimately the ones that achieve sustainable growth.

To achieve this, the Company will continue working to build an organization in which every employee connects the vision of maximizing happiness and abundance to their own work. The business environment surrounding real estate is significantly changing. We will need to generate more value than ever before to continue being selected by customers while tackling such issues as inflation, rising interest rates, soaring construction costs, and diversifying social issues.

The source of our power to accomplish this is our human resources. The Group is working to elevate its people management, enhance employee engagement, expand growth opportunities, create a corporate culture that supports ambition, and foster an environment where everybody can tap into their full potential. When employees are actively engaged in their work while growing and feeling job satisfaction, they are better able to provide value to customers, which, in turn, enhances corporate value.

Going forward, we will position investments in human resources as a key management theme with the aim of achieving the maximization of happiness and abundance.

Our DX strategy p. 54

In line with our DX strategy, we are promoting various strategies centered on realizing our vision of maximizing people's happiness and abundance.

Although to date we have promoted DX mainly as a way of achieving labor savings and enhancing efficiency, from this point we will go beyond such functions to evolve DX into measures aimed at enhancing customers' experience value

One example of how we have enhanced experience value is

our introduction of new proposal methods that employ VR technology at PROUD Gallery Shibaura, which opened in February 2026. Experiencing spaces virtually through specialized terminals allows users to get a real sense of scale and the views of the landscape even before completion. The technology also provides an immersive experience of moving freely about entrances and shared facilities, garnering acclaim from customers.

This is one example. We will continue to provide customers with unprecedented experience value and innovation through DX in various other situations as well with the aim of realizing the Company's 2030 Vision of maximizing happiness and abundance.

3. Points That the Group Would Like Investors to Consider

The Company's share price remained strong in the first half of FY2026/3. In February 2026, our market cap exceeded ¥1 trillion for the first time, but from that point stayed weak due in part to interest rate hikes and conflict in the Middle East. We recognize that share price is decided based on valuations in the stock market, and we take the weak share price performance very seriously.

On the other hand, regarding the Group's business foundation and growth potential, we feel there are some parts that are still not fully understood.

There are four points I will go over that I especially want all investors to evaluate.

Our unique business model

The Company's most prominent characteristic is its uniform operation of real estate development and related services and management.

We create real estate value not only through real estate development, we also maintain a certain level of contact with customers over the long term by handling subsequent management, brokerage, asset management, and more

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within the Group. Although we develop a diverse range of assets and businesses, such as housing, offices, logistics and hotels, none of these stand alone. They are all organically connected, which is the Company's unique strength. In recent years, businesses with high asset and capital efficiency, such as asset management and property brokerage & CRE, have been steadily growing, and the sources of profit growth are diversifying more than before. I believe that this business portfolio is the Group's strength.

Sustainable profit growth rate

The Company achieved record high profits in FY2026/3, and we expect to see new record high profits in FY2027/3 as well. However, we do not aim to just expand profit in a single fiscal year. It is important to realize sustainable profit growth by mutually augmenting each business as it grows, including the housing sale, property sale, office leasing, asset management, brokerage & CRE, and overseas business. We realize this is a level at which we can achieve business profit growth averaging 8% a year as laid out in our management plan.

High capital efficiency and financial diligence

Capital efficiency is another of the Company's key strengths. The Company promotes capital cycles while utilizing property sale, asset management, and other businesses, and has conducted management with an awareness of asset and capital efficiency. ROE in FY2026/3 was 10.7%, so we achieved our financial target of 10% or higher. Going forward, we intend to maintain high capital efficiency while pursuing growth investments. I believe that achieving both growth and capital efficiency is an important to the enhancement of corporate value.

Shareholder Returns

Profit growth and shareholder returns are key management themes. The Company's basic policy for shareholder returns is to continuously grow dividends. In addition, we have dynamically conducted share buybacks while

comprehensively considering asset efficiency and share price levels. We recognize that the current level of the total return ratio of 40% to 50% is high even within the industry. We will continue working to enhance shareholder value over the medium- to long-term while maintaining a balance with investments aimed at profit growth.

In the past, the Company may have often been seen as a housing sales company. However, as my discussion so far reveals, we are currently evolving into a growing general real estate group that includes a range of businesses in Japan and overseas.

In addition, we have gained the trust of a wide range of customers through the provision of diverse products and services, and, going forward, we will be able to expand our customer base. Another of the Company's unique strengths is its ability to access a wide range of customers, including high-net-worth individuals, companies, and institutional investors, through our collaboration with the Nomura Group.

What I most want shareholders to appreciate about our business model is that it allows us to achieve sustainable profit growth by combining real estate development with related services and management while maintaining high capital efficiency. Going forward, we will continue to meet shareholder expectations and realize higher corporate growth by ensuring both profit growth and shareholder returns.

4. In Conclusion

In Japan, the long era of deflation has come to an end and inflation and higher interest rates are exerting ever more noticeable effects. At the same time on the international front, divisions are deepening and confrontations are escalating, driving wedges between countries and regions and increasing geopolitical risks. Conditions have significantly changed while being more muddled than ever. The Group therefore needs to accelerate the pace of its internal evolution. Against this backdrop, the Group declared last spring its 2030 Vision in which it aims to become a group that provides customers

more happiness than ever and abundance to society as "a 'Life & Time Developer,' as never seen before."

Over the past year, every segment and Group company has repeatedly participated in discussions about the nature of the happiness and abundance we provide and how we can maximize it. Throughout the Group, individuals have reviewed their roles and targets. As a result, the majority of employees understand the overarching direction of the Group and have clarified their roles and what they should do accordingly.

As the CEO, I will continue striving to foster an environment in which every employee takes joy in their work as well as a culture that nurtures collaboration and synergy across the entire organization. In these ways, we will expand the happiness and abundance that the Group can provide to society.

Through these initiatives, we aim to enhance corporate value over the medium to long term and grow into a sustainable group that will meet society's needs in any environment. I would like to thank you all for your ongoing support.

