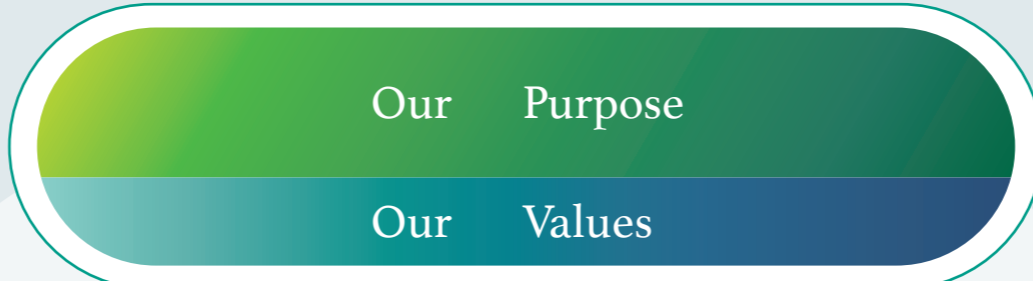


Value Creation Process



External Environment Awareness

Market environment

- Changes in the direction of economic policy
- Changes in lifestyles
- Segmentation of housing needs
- Political instability, economic recession
- Higher interest rates
- Low birthrate coupled with an aging and declining population
- Requests by power companies to control output

Business activities

- Surge in land prices as well as raw material and construction (labor) costs
- Difficulty in recruiting human resources, shortage of labor, and decline in employee quality

Climate change, natural disasters, etc.

- Increasingly serious global environmental issues
- Incidence of natural disasters, accidents, etc.
- Acts of terrorism, riots, and war
- Spread of infectious diseases

Governance, etc.

- Incidence of unauthorized access and cyberattacks
- Insufficient internal control functions

Materiality

Support for diversifying lifestyles and globalization

Responses to changes to business models brought by an ageing society and depopulation

Urban development and creating towns

Construction and maintenance of a corporate governance system

Promoting compliance

Employee health management

Encouraging employment of diverse human resources

Providing safe, secure products and services

Improving customer satisfaction

Improving value of buildings

Providing buildings and spaces that consider the environment and culture

Responses to global warming

Initiatives for renewable energy

Effective use of resources

Responses to disasters

Input

Financial Capital

Ability to generate stable cash flow

- Shareholders' equity ¥61.4 billion
 - Interest-bearing debt ¥227.3 billion
- (As of March 31, 2023)

Human Capital

Diverse human resources that possess expertise

- No. of employees 484
 - Real estate notaries 275
 - First-class registered architects 20
 - Redevelopment planners 4
 - Training hours per employee 28.3
- * Scope of calculation: Takara Leben
- No. of employees (consolidated) 1,293
- (As of March 31, 2023)

Intellectual Capital

Technologies and expertise that respond to customer requests

- No. of trademark registrations 45
- (As of March 31, 2023)
- Proprietarily branded condominiums LEBEN and NEBEL

Social and Relationship Capital

Trust, reliability and a collaborative framework

- Major Group companies 10
 - Business locations 9
- (Including head office and overseas locations)
- (As of March 31, 2023)

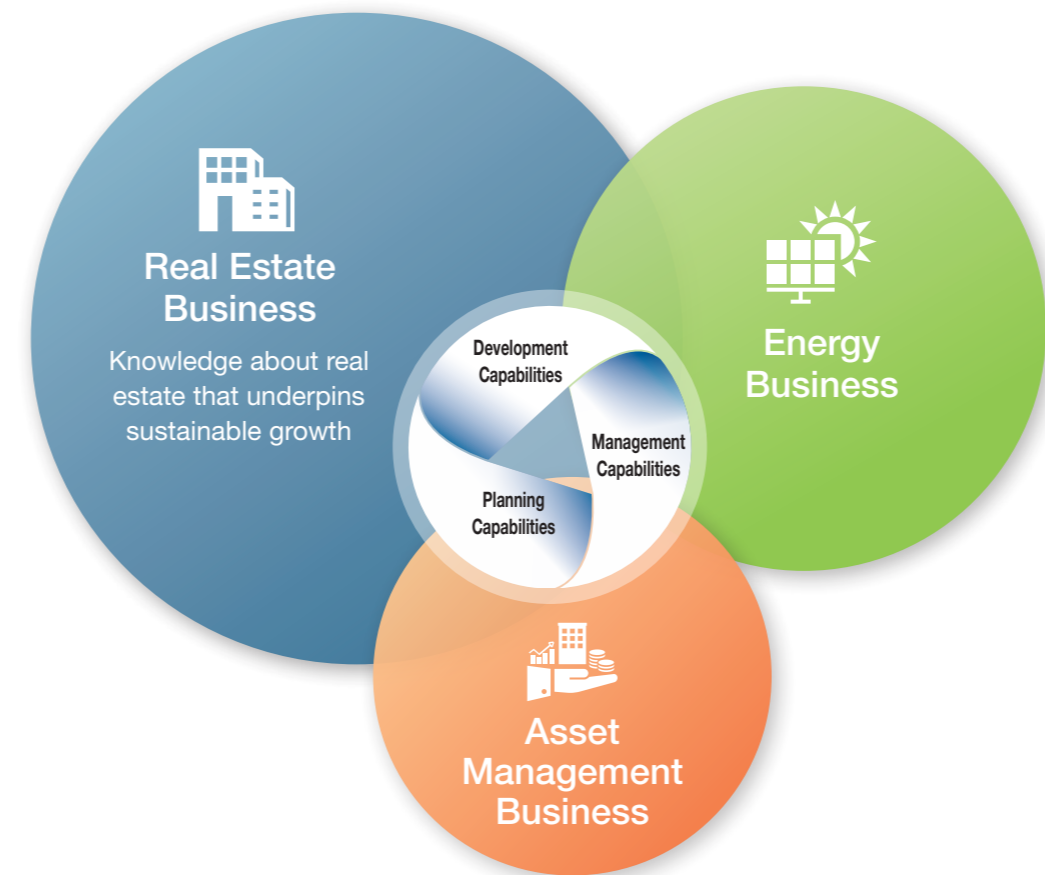
Natural Capital

Effective use of resources

- Land and the global environment
- Nationwide power generation facilities

Business Development Leveraging Real Estate-related Knowledge

Three Business Pillars



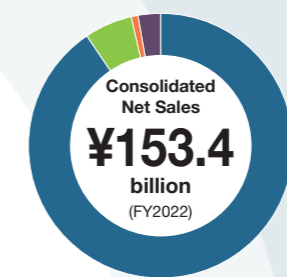
7 Elements of the Medium-Term Management Plan

1. Further growth of core businesses
2. Maximized group synergies
3. Optimized business portfolio
4. Establishment of a stable financial ground
5. Improvement of productivity and creation of new services through promotion of DX
6. Proactive ESG considerations
7. Personnel development and establishment of the rewarding workplace environment

Foundation supporting value creation

- Human resources
- Partners (customers and local communities)
- Corporate governance
- Compliance and risk management

Output



- Real Estate Business ¥139.1 billion
- Energy Business ¥9.0 billion
- Asset Management Business ¥1.0 billion
- Other Businesses ¥4.2 billion

KPI

Number of units sold
• New built-for-sale condominiums **1,861 units**
(FY2022)

• New built-for-sale detached houses **189 units**
(FY2022)

Cumulative number of units supplied
38,807 units
* New built-for-sale condominiums
(As of March 31, 2023)

Number of managed housing units
72,603 units
(As of March 31, 2023)

Rental revenues
5.8 billion
(FY2022)

Current power generation capacity
320MW
* Including wholesale portion
(As of March 31, 2023)

Outcome

Financial Capital

A sound financial foundation that enables further investments for growth

- TSR over the past 10 years 125.9%
- Dividend per share ¥22 annually (FY2022)

Human Capital

Encouraging the strong roles of diverse employees

- Acquisitions by type of qualification
 - Real estate notaries 275
 - First-class registered architects 20
 - Redevelopment planners 4
 - Percentage of women in management 11.0%
 - Percentage of persons with disabilities employed 2.0%
- * Scope of calculation: Takara Leben
(As of March 31, 2023)

Intellectual Capital

Advanced technologies and services that respond to diversifying lifestyles

- Housing performance evaluation report acquisition rate 100%
- Energy-saving rank certification rate (Flat 35 for detached houses) 100% of detached houses (FY2022)

Social and Relationship Capital

Building regional revitalization and relationships of trust for the long term with all stakeholders

- No. of new built-for-sale condominium contracts 2,242
- Increase in the number of units under management 3,268 units (FY2022)

Natural Capital

Effective use of resources and initiatives for renewable energy to reduce environmental impact

- Increase in renewable energy generation capacity 10MW
- Greenhouse gas emissions 3,781t-CO₂ (FY2022)
- Energy consumption 2,040.5 kL (crude oil equivalent) (FY2022)