

Annual Securities Report

(Report stipulated under Article 24, Paragraph 1 of
the Financial Instruments and Exchange Act)

208th Fiscal Year From January 1, 2025
 To December 31, 2025

1-9-9 Yaesu, Chuo-ku, Tokyo

Tokyo Tatemono Co., Ltd.

(E03859)

208th Fiscal Year (January 1, 2025 to December 31, 2025)

Annual Securities Report

- 1 This document is an English translation of the Annual Securities Report filed pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act, with the table of contents and pages of data submitted on March 23, 2026, using the Electronic Disclosure for Investors' NETwork (EDINET) set forth in Article 27-30-2 of said Act.
- 2 Appended to the end of this document are English translations of the Auditor's Report that was attached to the Annual Securities Report when it was filed using the aforementioned method, and the internal control report and confirmation letter filed at the same time as the Annual Securities Report.
- 3 This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Tokyo Tatemono Co., Ltd.

Table of contents

	Page
Annual Securities Report for 208th Fiscal Year (January 1, 2025, to December 31, 2025)	
Cover	- 5 -
Part I: Corporate Information	- 6 -
I. Corporate Overview	- 6 -
1. Key Management Indicators, etc.	- 6 -
2. Corporate History	- 8 -
3. Description of Business	- 10 -
4. Subsidiaries and Affiliated Companies	- 12 -
5. Employees	- 15 -
II. Business Overview	- 18 -
1. Management Policy, Business Environment and Management Issues to be Addressed	- 18 -
2. Approach and Initiatives Relating to Sustainability	- 25 -
3. Business Risk and Other Risk Factors	- 35 -
4. Management Analysis of Financial Position, Operating Results and Cash Flows	- 38 -
5. Material Agreements, etc.	- 45 -
6. Research and Development	- 45 -
III. Property and Equipment	- 46 -
1. Summary of Capital Investment	- 46 -
2. Major Property and Equipment	- 46 -
3. Plans for Capital Investment, Disposals of Property and Equipment, etc.	- 51 -
IV. Information on the Company	- 52 -
1. Information on the Company's Stock, etc.	- 52 -
2. Information on Purchase, etc. of Treasury Shares	- 59 -
3. Dividend Policy	- 60 -
4. Status of Corporate Governance, etc.	- 61 -
V. Financial Information	- 104 -
1. Consolidated Financial Statements	- 105 -
2. Non-Consolidated Financial Statements	- 162 -
VI. Information on Share Administration of the Company	- 182 -
VII. Reference Information on the Company	- 184 -
1. Information on the Parent Company, etc.	- 184 -
2. Other Reference Information	- 184 -
Part II: Information on Guarantors, etc. for the Company	- 185 -
Independent Auditor's Report	End of this document
Internal Control Report	End of this document
Confirmation Letter	End of this document

Cover

Document Filed: Annual Securities Report (“Yukashoken Hokokusho”)

Applicable Law: Article 24, Paragraph 1 of the Financial Instruments and Exchange Act

Filed to: Director-General of Kanto Local Finance Bureau

Filing Date: March 23, 2026

Fiscal Year: 208th Fiscal Year (from January 1, 2025 to December 31, 2025)

Company Name: Tokyo Tatemono Kabushiki Kaisha

Company Name in English: Tokyo Tatemono Co., Ltd.

Name and Title of Representative: Katsuhito Ozawa, Representative Director, President & Chief Executive Officer

Location of Head Office: 1-9-9 Yaesu, Chuo-ku, Tokyo
(The above is the address registered as the location of the head office of the Company. Actual business operations are conducted at the following “Nearest Place of Contact.”)

Telephone Number: +81-3-3274-0111 (Representative)

Name of Contact Person: Junichi Kimura, General Manager of Accounting Department

Nearest Place of Contact: 1-4-16 Yaesu, Chuo-ku, Tokyo

Telephone Number: +81-3-3274-0111 (Representative)

Name of Contact Person: Junichi Kimura, General Manager of Accounting Department

Place for public inspection: Tokyo Tatemono Co., Ltd. Kansai Branch
(3-4-8 Honmachi, Chuo-ku, Osaka-shi, Osaka)
Tokyo Stock Exchange, Inc.
(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I: Corporate Information

I. Corporate Overview

1. Key Management Indicators, etc.

(1) Consolidated Management Indicators

Fiscal Year		204th	205th	206th	207th	208th
Year-End		December 2021	December 2022	December 2023	December 2024	December 2025
Operating revenue	(Millions of yen)	340,477	349,940	375,946	463,724	474,586
Ordinary profit	(Millions of yen)	46,270	63,531	69,471	71,722	78,187
Profit attributable to owners of parent	(Millions of yen)	34,965	43,062	45,084	65,882	58,879
Comprehensive income	(Millions of yen)	38,898	41,616	67,511	55,764	81,558
Net assets	(Millions of yen)	427,661	456,838	508,035	547,524	603,137
Total assets	(Millions of yen)	1,650,770	1,720,134	1,905,309	2,081,226	2,272,720
Net assets per share	(yen)	1,996.52	2,135.08	2,378.61	2,567.66	2,846.85
Basic earnings per share	(yen)	167.35	206.15	215.82	315.50	283.08
Diluted earnings per share	(yen)	—	—	—	—	—
Equity-to-asset ratio	(%)	25.3	25.9	26.1	25.8	26.0
Return on equity	(%)	8.7	10.0	9.6	12.8	10.4
Price earnings ratio	(times)	10.0	7.8	9.8	8.3	12.5
Cash flows from operating activities	(Millions of yen)	65,889	(3,332)	20,588	18,894	32,106
Cash flows from investing activities	(Millions of yen)	(1,642)	(21,204)	(54,069)	(142,089)	(97,408)
Cash flows from financing activities	(Millions of yen)	(32,187)	18,421	77,908	105,636	104,166
Cash and cash equivalents at end of period	(Millions of yen)	87,008	82,439	127,303	111,139	152,292
Number of employees	(persons)	5,648	5,878	4,661	4,925	5,035
[Average number of part-time employees, etc.]		[4,782]	[4,687]	[4,525]	[4,505]	[4,538]

(Notes) 1. Diluted earnings per share is not shown because there are no potential dilutive shares.

2. The Company has introduced a Board Benefit Trust (BBT) from the 201st fiscal year, and the Company shares held by the trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares, which is deducted from the number of shares issued and outstanding at the end of the period for the calculation of net assets per share. For the basic earnings per share calculation, these shares are included in treasury shares, which are deducted during the calculation of average number of shares outstanding during the period.

3. The "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29; March 31, 2020) and other related accounting standards have been applied from the beginning of the 205th fiscal year, and the key management indicators and other items for the 205th fiscal year are those after the application of said accounting standard and related standards.

(2) Management Indicators of the Company

Fiscal Year		204th	205th	206th	207th	208th
Year-End		December 2021	December 2022	December 2023	December 2024	December 2025
Operating revenue	(Millions of yen)	219,005	217,383	229,645	325,322	318,862
Ordinary profit	(Millions of yen)	47,450	47,509	49,235	57,380	65,867
Profit	(Millions of yen)	25,564	32,023	32,264	57,616	53,454
Share capital	(Millions of yen)	92,451	92,451	92,451	92,451	92,451
Total number of shares issued	(shares)	209,167,674	209,167,674	209,167,674	209,167,674	207,978,574
Net assets	(Millions of yen)	406,956	425,708	460,859	487,721	529,024
Total assets	(Millions of yen)	1,474,985	1,543,513	1,712,838	1,867,540	2,065,426
Net assets per share	(yen)	1,948.17	2,037.96	2,206.09	2,336.10	2,548.21
Dividend Amount per Share (Interim dividend paid per share)	(yen)	51.00 (24.00)	65.00 (29.00)	73.00 (36.00)	95.00 (37.00)	105.00 (48.00)
Basic earnings per share	(yen)	122.35	153.30	154.45	275.91	257.00
Diluted earnings per share	(yen)	—	—	—	—	—
Equity-to-asset ratio	(%)	27.6	27.6	26.9	26.1	25.6
Return on equity	(%)	6.4	7.7	7.3	12.1	10.5
Price earnings ratio	(times)	13.7	10.4	13.7	9.4	13.8
Payout ratio	(%)	41.7	42.4	47.3	34.4	40.9
Number of employees [Average number of part-time employees, etc.]	(persons)	725 [87]	760 [95]	807 [100]	830 [108]	836 [118]
Total shareholder return (Benchmark: TOPIX incl. dividends)	(%)	122.3 (112.7)	121.2 (110.0)	162.6 (141.1)	204.3 (169.9)	278.1 (213.2)
Highest share price	(yen)	1,852	2,190	2,191	2,774	3,655
Lowest share price	(yen)	1,367	1,569	1,484	2,029	2,237.5

(Notes) 1. Diluted earnings per share is not shown because there are no potential dilutive shares.

2. The highest and lowest share prices are market prices on the Tokyo Stock Exchange (Prime Market) from April 4, 2022, and prior to that are market prices on the Tokyo Stock Exchange (First Section).

3. The Company has introduced a Board Benefit Trust (BBT) from the 201st fiscal year, and the Company shares held by the trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares, which is deducted from the number of shares issued and outstanding at the end of the period for the calculation of net assets per share. For the basic earnings per share calculation, these shares are included in treasury shares, which are deducted during the calculation of average number of shares outstanding during the period.

4. Pursuant to a resolution of the Board of Directors meeting held on November 13, 2025, the Company cancelled 1,189,100 shares of treasury shares as of November 28, 2025. Accordingly, the total number of issued and outstanding shares decreased by 1,189,100 shares in the 208th fiscal year.

5. The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29; March 31, 2020) and other related accounting standards have been applied from the beginning of the 205th fiscal year, and the key management indicators and other items for the 205th fiscal year are those after the application of said accounting standard and others.

6. Of the total annual dividend of 105 yen per share for the fiscal year ended December 31, 2025, the year-end dividend of 57 yen is subject to resolution at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026.

2. Corporate History

Founded on October 1, 1896, with a capital of ¥1,000,000 by Zenjiro Yasuda and others, the Company began operations with general real estate business and real estate secured loans as its main businesses. Subsequently, the Company established a branch in Yokohama as well as branches and sub-branches overseas, but was severely impacted from the end of World War II, including the loss of all of its overseas assets.

Postwar, the Company concentrated on the leasing of buildings business and expanded its operations to include residential sales, brokerage, appraisal, and consulting, thereby establishing itself as a comprehensive real estate company. In recent years, the Company has been expanding its Parking business, Leisure business, Fund business (formerly the Asset Management business), and Overseas business, while also promoting multiple large-scale redevelopment projects.

An outline of the transition to date is as follows.

October 1896	Tokyo Tatemono is established (Head office located at 18 Gofuku-cho, Nihonbashi, Tokyo)
October 1896	Commences real estate sales and purchases through installment plans, which are the earliest form of residential loans.
November 1896	Opens Yokohama Branch (reorganized to Yokohama Sales Office, Property Management (2) Department of Commercial Properties Division in January 2000, abolished in November 2022)
March 1903	Opens Tianjin Branch (abolished in August 1945)
September 1907	Listed on the former Tokyo Stock Exchange
August 1928	Begins sales of land for residence in Sekiguchidaimachi
November 1929	Head office relocates to Tokyo Tatemono Building (Former Tokyo Tatemono Head Office Building)
June 1947	Opens Osaka Service Office (Current Kansai Branch)
May 1949	Re-listed on the Tokyo Stock Exchange
September 1952	Obtains building lots and buildings transaction business license
March 1956	Registered as a first-class architect office
November 1956	Establishes Tokyo Fudosan Kanri Co., Ltd. (A consolidated subsidiary as of March 2013)
March 1958	Completes extensions and renovations at former head office building of Tokyo Tatemono. Formalizes Commercial Properties business postwar
October 1959	Establishes Tokyo Real Estate Cleaning Co., Ltd. (Current Tokyo Building Service Co., Ltd.) (A consolidated subsidiary as of March 2013)
August 1962	Establishes Totate Shoji Co., Ltd. (Current Tokyo Tatemono Amenity Support Co., Ltd.)
August 1963	Begins residential land development in Nakagawara, Fuchu City. Formalizes Residential business postwar
June 1964	Opens Shinjuku Service Office (Current Shinjuku Sales Office, Property Management (2) Department of Commercial Properties Division)
March 1965	Registered as a real-estate appraiser
September 1968	Begins sales of condominiums in Fujisawa City
February 1974	Obtains approval for special construction business
November 1979	Completes Shinjuku Center Building
May 1980	Commencement of operations, Totate Housing Services Co., Ltd. (Current Tokyo Tatemono Real Estate Sales Co., Ltd.) (Wholly owned subsidiary as of July 2015)
November 1984	Establishes Kyodo Building Management Co., Ltd. (Current Tokyo Tatemono Investment Advisors Co., Ltd.)
June 1987	Establishes Kawaguchiko Resort Development Co., Ltd. (Current Tokyo Tatemono Resort Co., Ltd.)
November 1987	Opens Sapporo Service Office (Promoted to Sapporo Branch in October 1992, abolished in March 2021)
November 1995	Permission for real estate specified joint enterprise law
November 1998	Obtains first registration in Japan for the SPC Act (Current Act on Securitization of Assets)
April 2000	Establishes Tokyo Realty Investment Management, Inc. (currently Tokyo Tatemono Realty Investment Management, Inc.) (A consolidated subsidiary as of December 2016; became a wholly owned subsidiary as of April 2023)
February 2001	Establishes E-State Online Co., Ltd.
October 2002	Opens Fukuoka Branch (Current Kyushu Branch)
April 2003	Unifies condominium brands into “Brillia”
October 2005	Opens Nagoya Branch
October 2005	Establishes PRIME PLACE Co., Ltd.
November 2006	Establishes Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.
September 2007	Completes Kasumigaseki Common Gate
November 2008	Opens SMARK Isesaki
February 2011	Acquires shares of Nihon Parking Corporation (A consolidated subsidiary; became a wholly owned subsidiary as of June 2011)
May 2012	Completes Nakano Central Park

March 2013	Completes Tokyo Square Garden
October 2013	Completes Brillia Tama New Town
February 2014	Establishes Tokyo Tatemono Asia Pte. Ltd.
April 2014	Completes The Otemachi Tower
March 2015	Completes Brillia Tower Ikebukuro, Japan's first high-rise condominium integrated with a main government building
March 2017	Acquires additional shares of Seishin Service Co., Ltd. (A consolidated subsidiary; became a wholly owned subsidiary as of December 2019)
May 2020	Head office relocates to Tokyo Tatemono Yaesu Building
May 2020	Completes Hareza Tower
August 2021	Acquires shares of EXPERT OFFICE Co., Ltd. (A consolidated subsidiary; became a wholly owned subsidiary as of January 2022)
October 2023	Establishes Tokyo Tatemono US Ltd.
January 2024	Completes ONE DOJIMA PROJECT, which integrally developed the Four Seasons Hotel Osaka and the Brillia Tower Dojima
February 2024	Establishes Tokyo Tatemono (Thailand) Ltd.
June 2025	Establishes WonderScape.INC

3. Description of Business

The main businesses of the Group, which comprises the Company, its 98 subsidiaries and associates (including 44 consolidated subsidiaries and 41 entities accounted for using equity method), as well as the names and positions of major companies in these businesses, are as follows. The classification of each business matches the segment information described in “(1) Notes to Consolidated Financial Statements (Segment Information)” of “1. Consolidated Financial Statements” under “V. Financial Information.”

(1) Commercial Properties Business

The Company is engaged in developing, selling, leasing, and operating office buildings, retail facilities, logistics properties, etc. Consolidated subsidiaries, Meieki 2-chome Kaihatsu Tokutei Mokuteki Kaisha, the silent partnership operated by Tokyo Prime Stage Y.K., and five other companies, as well as an entity accounted for using equity method, Kasumigaseki Kaihatsu Tokutei Mokuteki Kaisha, operate the leasing and management of office buildings, etc.

Consolidated subsidiaries, Tokyo Fudosan Kanri Co., Ltd., Shinjuku Center Building Management Co., Ltd., Tokyo Building Service Co., Ltd., and Seishin Service Co., Ltd., operate building management.

Consolidated subsidiary EXPERT OFFICE Co., Ltd. operates serviced offices and co-working spaces.

Consolidated subsidiary PRIME PLACE Co., Ltd. manages and operates retail facilities.

(2) Residential Business

The Company is engaged in developing, selling, and leasing condominiums and other residential properties.

Tokyo Tatemono Amenity Support Co., Ltd., a consolidated subsidiary, undertakes the management of condominiums, etc.

The Company and its consolidated subsidiary Kachidoki GROWTH TOWN Co., Ltd., operate the leasing and management of condominiums.

E-State Online Co., Ltd., a consolidated subsidiary, and two other companies provide services related to web promotions for sales of condominiums, etc.

(3) Asset Service Business

Consolidated subsidiary Tokyo Tatemono Real Estate Sales Co., Ltd. provides brokerage, consulting, and purchase and resale services.

Consolidated subsidiary Nihon Parking Corporation develops and operates parking facilities.

(4) Other

(Leisure business)

Consolidated subsidiary Tokyo Tatemono Resort Co., Ltd. operates hotels, bathing facilities, and golf courses.

The Company and its consolidated subsidiary Kawaguchiko Country Club Inc., along with one other company, operate golf courses.

(Fund business (formerly Asset Management business))

Consolidated subsidiary Tokyo Tatemono Investment Advisors Co., Ltd. engages in real estate investment consulting and real estate fund business formation and management.

Tokyo Tatemono Realty Investment Management, Inc., a consolidated subsidiary, operates an asset management business for investment corporations as an asset management company under the Act on Investment Trusts and Investment Corporations.

(Overseas Business)

The Company and its consolidated subsidiaries, Tokyo Tatemono Asia Pte. Ltd., Tokyo Tatemono US Ltd., Tokyo Tatemono (Thailand) Ltd., TT Investment Holdings Australia Pty Limited, and Tokyo Tatemono UK Ltd. are engaged in real estate development, etc. in the United States, Australia, Thailand, China and other countries through five consolidated subsidiaries and 37 entities accounted for using equity method.

Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd., a consolidated subsidiary, operates a real estate consulting business in China.

(Other Business)

The Company provides real estate appraisals.

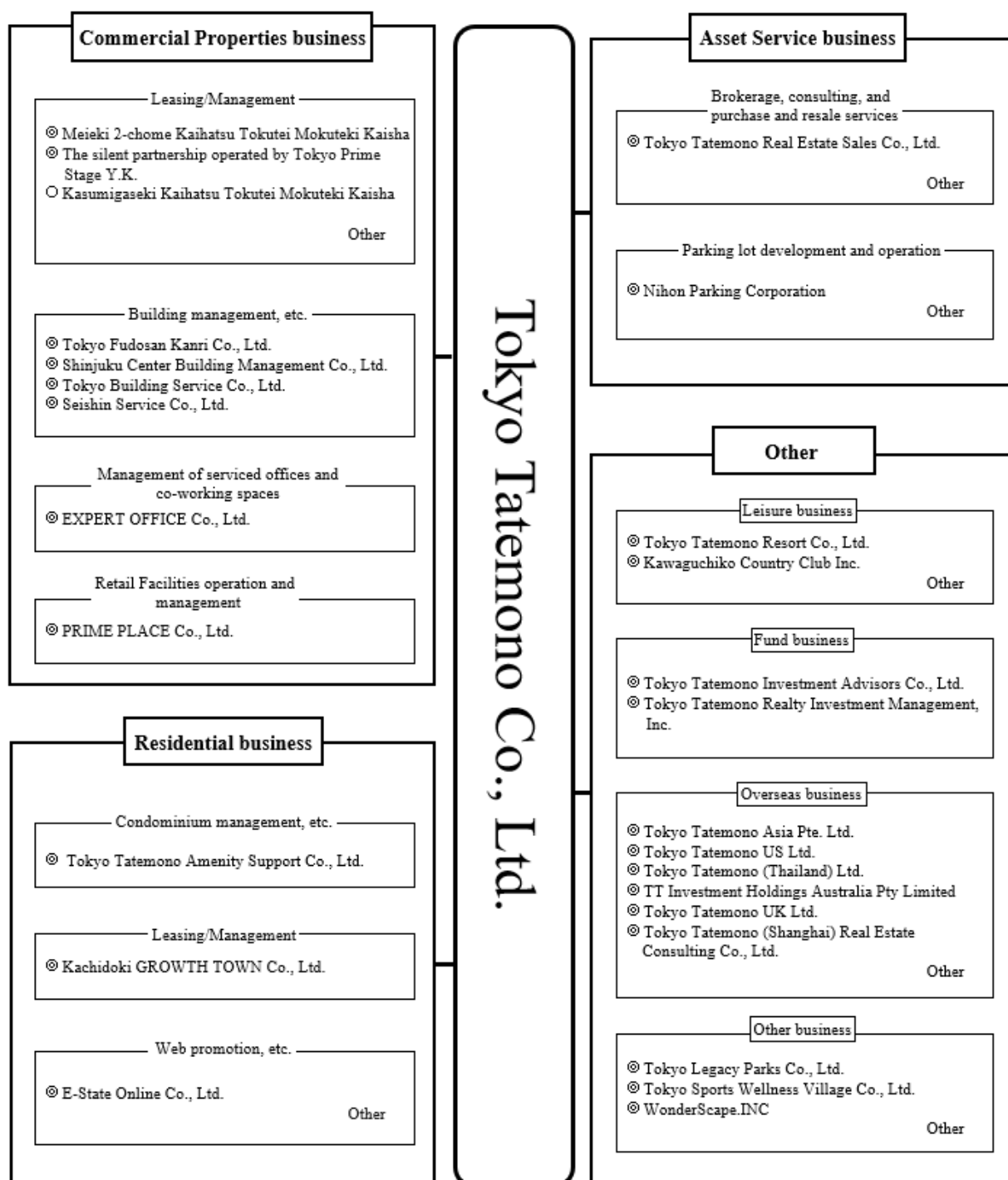
Consolidated subsidiary Tokyo Legacy Parks Co., Ltd. is engaged in the Park-PFI Project at Meiji Park in Tokyo.

Consolidated subsidiary Tokyo Sports Wellness Village Co., Ltd. is responsible for the development and operation of the sports and leisure complex Ariake Urban Sports Park (commonly known as livedoor URBAN SPORTS PARK).

Consolidated subsidiary WonderScape.INC engages in the planning, development, operation, etc. of large-scale digital signage in urban spaces.

The following is the business structure diagram that illustrates the matters described above.

(Business Structure Chart)



◎ Consolidated subsidiaries

○ Entities accounted for using equity method

4. Subsidiaries and Affiliated Companies

Name	Address	Share capital or Investments In Capital (Millions of yen)	Principal Business (Note) 1	Percentage of Voting Rights Owned or Held (%)	Indirect (%)	Relationship						
						Holding Positions of Officer(s) (Note) 2		Fund Transactions, etc. (Millions of yen)	Business Transactions	Lease of Facilities		
						Company Officer(s) (person)	Company Employee(s) (person)					
(Consolidated Subsidiaries)												
Tokyo Tatemono Real Estate Sales Co., Ltd.	Chuo-ku, Tokyo	4,321	Asset Service Business	100.0	—	2	4	Short-term loans receivable (Note) 3 32,374	—	—	Leased office space from the Company	
Tokyo Tatemono Resort Co., Ltd.	Chuo-ku, Tokyo	100	Other	100.0	—	1	4	Short-term borrowings (Note) 3 288 Short-term loans receivable (Note) 3 900 Long-term loans receivable (Note) 3 5,500	—	—	Leased office space from the Company	
Tokyo Tatemono Amenity Support Co., Ltd.	Chuo-ku, Tokyo	100	Residential Business	100.0	—	2	6	Short-term borrowings (Note) 3 617 Long-term borrowings (Note) 3 3,500	—	—	Leased office space from the Company	
Tokyo Tatemono Investment Advisors Co., Ltd.	Chuo-ku, Tokyo	200	Other	100.0	—	1	5	Short-term borrowings (Note) 3 6,253	—	—	—	
E-State Online Co., Ltd.	Chiyoda-ku, Tokyo	100	Residential Business	100.0	—	—	4	Short-term borrowings (Note) 3 665	Outsourcing services related to web promotion	—	Leased office space from the Company	
PRIME PLACE Co., Ltd.	Chuo-ku, Tokyo	100	Commercial Properties Business	100.0	—	2	3	Short-term borrowings (Note) 3 2,721	Outsourcing operation and management of retail facilities	—	Leased office space from the Company	
Kawaguchiko Country Club Inc.	Fujikawaguchiko-machi, Yamanashi Pref.	10	Other	100.0	—	—	2	—	—	—	—	
Shin-Oyama Country Club Co., Ltd.	Oyama-shi, Tochigi Pref.	10	Other	100.0	100.0	—	1	—	—	—	—	
Kachidoki GROWTH TOWN Co., Ltd.	Chuo-ku, Tokyo	100	Residential Business	100.0	—	—	1	Short-term borrowings (Note) 3 671 Short-term loans receivable (Note) 3 400 Long-term loans receivable (Note) 3 1,050	—	—	—	
Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.	China	CNY 7 million	Other	100.0	—	—	4	—	—	—	—	
Shinjuku Center Building Management Co., Ltd.	Shinjuku-ku, Tokyo	30	Commercial Properties Business	100.0	—	—	4	Short-term borrowings (Note) 3 1,824	Outsourcing commercial properties management and cleaning services	—	Leased office space from the Company	

Name	Address	Share capital or Investments In Capital (Millions of yen)	Principal Business (Note) 1	Percentage of Voting Rights Owned or Held (%)	Indirect (%)	Relationship				
						Holding Positions of Officer(s) (Note) 2		Fund Transactions, etc. (Millions of yen)	Business Transactions	Lease of Facilities
						Company Officer(s) (person)	Company Employee(s) (person)			
Nihon Parking Corporation	Chiyoda-ku, Tokyo	100	Asset Service Business	100.0	—	2	4	Short-term borrowings (Note) 3 1,508 Short-term loans receivable (Note) 3 994 Long-term loans receivable (Note) 3 3,764	—	Leased office space from the Company
Tokyo Fudosan Kanri Co., Ltd.	Sumida-ku, Tokyo	120	Commercial Properties Business	76.0	—	2	6	Short-term borrowings (Note) 3 18,128	Outsourcing commercial properties management services	Leased office space from the Company
Tokyo Building Service Co., Ltd.	Sumida-ku, Tokyo	50	Commercial Properties Business	100.0	57.7	1	4	Short-term borrowings (Note) 3 2,415 Long-term borrowings (Note) 3 1,500	Outsourcing commercial properties management and cleaning services	—
Meieki 2-chome Kaihatsu Tokutei Mokuteki Kaisha (Note) 4	Chiyoda-ku, Tokyo	12,700	Commercial Properties Business	—	—	—	—	—	Operating and managing commercial properties under consignment agreements	—
The silent partnership operated by Tokyo Prime Stage Y.K. (Note) 4	Chiyoda-ku, Tokyo	54,897	Commercial Properties Business	—	—	—	—	—	Operating and managing commercial properties under consignment agreements	—
Tokyo Tatemono Asia Pte. Ltd. (Note) 4	Singapore	SGD 313 million	Other	100.0	—	—	3	—	—	—
Tokyo Tatemono Realty Investment Management, Inc.	Chuo-ku, Tokyo	350	Other	100.0	—	1	4	Short-term borrowings (Note) 3 1,981	—	Leased office space from the Company
Seishin Service Co., Ltd.	Chuo-ku, Tokyo	80	Commercial Properties Business	100.0	3.0	2	5	Short-term borrowings (Note) 3 26	Outsourcing commercial properties management services	Leased office space from the Company
EXPERT OFFICE Co., Ltd.	Chiyoda-ku, Tokyo	100	Commercial Properties Business	100.0	—	1	3	Short-term loans receivable (Note) 3 359	—	Leased office space from the Company
PT Dharma Tatemono Property (Note) 4	Indonesia	IDR 1,095.1 billion	Other	100.0	50.0	—	3	Long-term loans receivable 4,657	—	—
PT Dharma Tatemono Residences	Indonesia	IDR 889.1 billion	Other	100.0	50.0	—	3	Long-term loans receivable 4,809	—	—
Tokyo Tatemono US Ltd. (Note) 4	United States	USD 0 million	Other	100.0	—	—	2	—	—	—

Name	Address	Share capital or Investments In Capital (Millions of yen)	Principal Business (Note) 1	Percentage of Voting Rights Owned or Held (%)	Indirect (%)	Relationship				
						Holding Positions of Officer(s) (Note) 2		Fund Transactions, etc. (Millions of yen)	Business Transactions	Lease of Facilities
						Company Officer(s) (person)	Company Employee(s) (person)			
Tokyo Tatemono (Thailand) Ltd. (Note) 4	Thailand	THB 3,793 million	Other	100.0	0.0	—	2	—	—	—
TT Investment Holdings Australia Pty Limited	Australia	AUD 53 million	Other	100.0	—	—	2	—	—	—
Tokyo Tatemono UK Ltd.	United Kingdom	GBP 3 million	Other	100.0	—	—	1	—	—	—
Tokyo Legacy Parks Co., Ltd.	Chuo-ku, Tokyo	100	Other	66.0	—	—	3	Long-term loans receivable (Note) 3 2,545	—	Rent facilities to The Company
Tokyo Sports Wellness Village Co., Ltd.	Chuo-ku, Tokyo	100	Other	60.0	—	—	3	Long-term loans receivable (Note) 3 2,091	—	—
WonderScape.INC	Chuo-ku, Tokyo	50	Other	56.0	—	1	3	—	Outsourcing services related to digital advertising media	—
15 other companies										
(Entities accounted for using equity method)										
Kasumigaseki Kaihatsu Tokutei Mokuteki Kaisha	Chiyoda-ku, Tokyo	150	Commercial Properties Business	—	—	—	—	—	Operating and managing commercial properties under consignment agreements	—
XW BP2 Company Limited	Thailand	THB 60 million	Other	49.0	49.0	—	2	Guaranteed by the Company	—	—
XW EEC1 Company Limited	Thailand	THB 60 million	Other	49.0	49.0	—	2	Guaranteed by the Company	—	—
SC CD3 Company Limited	Thailand	THB 50 million	Other	49.0	49.0	—	2	Guaranteed by the Company	—	—
SC CD1 Company Limited	Thailand	THB 50 million	Other	49.0	49.0	—	2	Guaranteed by the Company	—	—
SC CD5 Company Limited	Thailand	THB 5 million	Other	49.0	49.0	—	2	Guaranteed by the Company	—	—
35 other companies										

(Notes) 1. Segment names are listed in the “Principal Business” column.

2. Company Employee(s) in the column “Holding positions of Officer(s)” includes Managing Officers.

3. Based on the CMS (Cash Management System).

4. Specified subsidiary.

5. Employees

(1) Employees within the Group

As of December 31, 2025

Segment	Number of Employees	
Commercial Properties Business	2,127	[2,173]
Residential Business	1,400	[727]
Asset Service Business	649	[251]
Other	728	[1,362]
Corporate functions	131	[25]
Total	5,035	[4,538]

(Notes) 1. The number of employees is the number of individuals working within the Group (excludes individuals seconded from the Group to third parties but includes individuals seconded from third parties to the Group). The annual average number of temporary employees is indicated in brackets.

2. The number of employees listed as “Corporate functions” is the number of employees belonging to corporate departments, etc. that cannot be classified into specific segments.

(2) Employees of the Company

As of December 31, 2025

Number of Employees	Average Age	Average Years of Service	Average Annual Compensation (thousands of yen)
836 [118]	41 years 10 months	11 years 4 months	11,859

Segment	Number of Employees	
Commercial Properties Business	321	[45]
Residential Business	353	[43]
Asset Service Business	5	[3]
Other	26	[2]
Corporate functions	131	[25]
Total	836	[118]

(Notes) 1. The number of employees is the number of individuals working within the Company (excludes individuals seconded from the Company but includes individuals seconded from third parties to the Company).

2. The average annual salary includes bonuses and extra wages.

3. The number of employees listed as “Corporate functions” is the number of employees belonging to corporate departments, etc. that cannot be classified into specific segments.

(3) Relationship with Labor Union

The Company’s labor union is outlined below.

Name: Tokyo Tatemono Labor Union

Established: July 21, 1946

Number of members: 435

Relationship with Other Organizations: A single association and has no relationships with other organizations.

No labor union is established throughout the entire Group.

(4) Percentage of women in management positions, percentage of childcare leave uptake by male employees, and Gender wage gap

(i) The Company

FY2025				
Percentage of women in management positions (%) (Note)1	Percentage of childcare leave uptake by male employees (%) (Note) 2	Gender wage gap (%) (Note) 3, (Note) 4		
		All employees	Full-time employees	Part-time and fixed-term temporary workers
13.7	87.5	55.4	61.0	46.1

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Law No. 64, 2015), as of December 31, 2025.

2. The above figures are calculated based on the percentage of employees who took childcare leave, etc. as stipulated in Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25, 1991) based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Law No. 76, 1991), and the period covered is from January 1, 2025 to December 31, 2025.

3. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Law No. 64, 2015), and the period covered is from January 1, 2025 to December 31, 2025.

4. The salary structure is based on position and performance, and although there is no difference in treatment based on gender, there are differences in factors such as personnel composition by form of employment and qualification grade.

(ii) Consolidated subsidiaries

FY2025						
Name	Percentage of women in management positions (%) (Note)1	Percentage of childcare leave uptake by male employees (%)		Gender wage gap (%) (Note) 4		
				All employees	Full-time employees	Part-time and fixed-term temporary workers
Tokyo Tatemono Amenity Support Co., Ltd.	6.8	133.3	(Note) 3	90.4	65.2	72.6
Tokyo Fudosan Kanri Co., Ltd.	2.7	83.0	(Note) 2	68.9	80.6	39.0
Tokyo Tatemono Resort Co., Ltd.	5.8	66.7	(Note) 2	79.8	74.0	85.1
Seishin Service Co., Ltd.	3.6	100.0	(Note) 2	83.7	95.3	91.1
Tokyo Tatemono Real Estate Sales Co., Ltd.	15.9	83.3	(Note) 2	66.5	75.3	32.6
Tokyo Building Service Co., Ltd.	—	0.0	(Note) 2	70.3	78.6	92.8
Parking Support Center Corporation	0.0	—	(Note) 2	91.4	92.1	80.9
E-State Online Co., Ltd.	17.4	100.0	(Note) 3	73.9	80.5	89.1
PRIME PLACE Co., Ltd.	25.9	100.0	(Note) 2	55.4	70.8	63.3
Nihon Parking Corporation	0.0	0.0	(Note) 2	69.6	69.3	0.0
Tokyo Tatemono Realty Investment Management, Inc.	0.0	100.0	(Note) 2	—	—	—
Kyoto Kawaramachi Sanjo Hotel G.K.	48.4	100.0	(Note) 2	—	—	—

(Notes) 1. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Law No. 64, 2015), as of December 31, 2025.

2. The above figures are calculated based on the percentage of employees who took childcare leave, etc. as stipulated in Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25, 1991) based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Law No. 76, 1991), and the period covered is from January 1, 2025 to December 31, 2025.

3. The above figures are calculated based on the percentage of employees who took childcare leave, etc. or leave for childcare purposes as stipulated in Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25, 1991) based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Law No. 76, 1991), and the period covered is from January 1, 2025 to December 31, 2025.

4. Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Law No. 64, 2015), and the period covered is from January 1, 2025 to December 31, 2025.

II. Business Overview

1. Management Policy, Business Environment and Management Issues to be Addressed

The Group's management policy, business environment, and management issues to be addressed are as follows.

Any forward-looking statement in this document is based on the Group judgments as of the end of the fiscal year under review.

(1) Management Policy, Business Environment and Management Issues to be Addressed

(i) Our Group's Long-Term Vision

Aiming for sustainable growth and medium- to long-term enhancement of corporate value, the Group has set forth its Long-term Vision "Becoming a Next-Generation Developer" for 2030. Under this vision, we aim to achieve a consolidated business profit of ¥120 billion in 2030 by attaining an overarching balance between "solving social issues" and "achieving higher levels of growth as a company" through our business, as well as by contributing to the Sustainable Development Goals (SDGs).

Our Group's Long-Term Vision

Long-term Vision for 2030^{*1}

Becoming a Next-Generation Developer

In an era full of uncertainty and rapid change in terms of demographics, diverse values, accelerating technological progress, and more, various issues have emerged on the path to creating a sustainable society.

The Tokyo Tatemono Group recognizes that the role developers play must also change significantly.

The group's aim is to be a good company for stakeholders by leveraging its businesses to solve social issues and achieve higher levels of growth as a company.

Steady Profit Growth	Helping Solve a Variety of Social Issues
Target for 2030 ^{*1} : Business profit ^{*2} of ¥120.0 billion	Contributing to the SDGs

Basic Profit Growth Policy

Based on stable rental profits, aim for a well-balanced profit structure with an awareness of capital efficiency^{*3}

*1 The target period of the Long-term Vision has been updated from around 2030 to by 2030 since the formulation of the Group's Medium-Term Business Plan (January 2025) for the period from FY2025 to FY2027.

*2 We have redefined business profit from the period of the Medium-Term Business Plan to allow for flexible sale of non-current assets and diversification of investment schemes in Overseas business.

Before change: Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method.

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 (share of profit (loss) of entities accounted for using equity method, etc. includes dividend income, interest income, and gain (loss) on sale of investment equity in investment vehicles for overseas business).

*3 The content of the description has been updated from the period of the Medium-Term Business Plan based on the outlook for changes in the composition of business profit in the future.

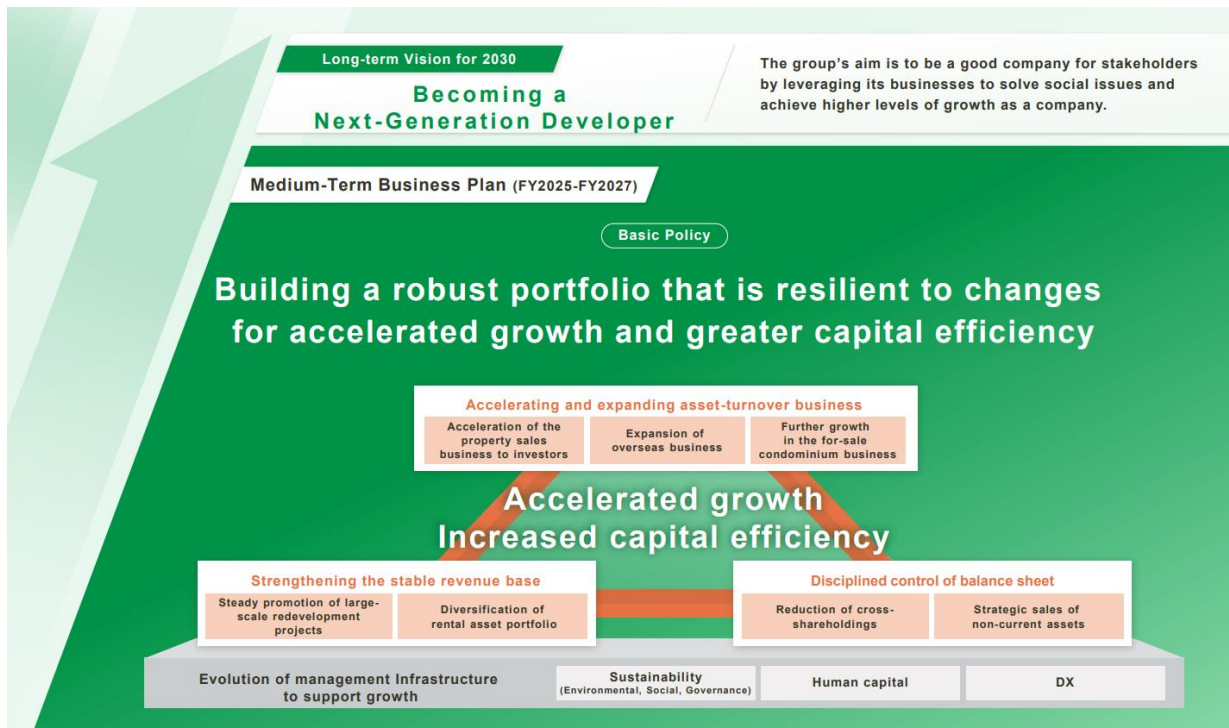
(ii) Our Group’s Medium-Term Business Plan

Since the announcement of the Long-term Vision, the uncertainty of the business environment in which the Group operates has increased, and the speed of change has accelerated, due to factors such as changes in people’s behavior due to COVID-19, rising geopolitical risks, a shift away from the unprecedented monetary easing policy, and a sharp rise in construction costs due to inflation and other factors.

With this in mind, the Group has formulated the Group’s Medium-Term Business Plan in 2025 covering the three-year period from FY2025 to FY2027 as a milestone on the path to achieving its Long-term Vision.





a. Basic Policy

With the aim of “building a robust portfolio that is resilient to changes for accelerated growth and greater capital efficiency,” we will focus on “accelerating and expanding asset-turnover business,” “strengthening the stable revenue base” and “disciplined control of the balance sheet,” while also promoting the “evolution of management infrastructure to support growth.”



b. Key Strategies





Based on the basic policy of the Medium-Term Business Plan, we have defined six key strategies, and under the concept of BASE (Foundation for Growth), we will formulate and implement action policies related to each key strategy to further strengthen our businesses.

Key strategies		Action policies	Classification by principal business segment	Profit classification
1	Steady promotion of large-scale redevelopment	 Build up Build-up steady efforts to strengthen the stable revenue base	Commercial Properties	Leasing
2	Further growth in the for-sale condominium business	 Accelerate Accelerate recovery of investments to drive higher capital efficiency	Residential	Property Sales (for-sale condominiums/pr operty sales to investors)
3	Acceleration of the property sales business to investors		Commercial Properties, Residential, AS*	Property Sales (for-sale condominiums/pr operty sales to investors)
4	Expansion of overseas business	 Scale Scale business operations as a profit growth driver	Other (Overseas)	Property Sales (for-sale condominiums/pr operty sales to investors)
5	Expansion of service business		Commercial Properties, Residential, AS, Other (Leisure, Fund)	Services
6	Establishment of new business	 Establish Establish a new business model for growth	Other	Varied by business

* AS: Asset Services

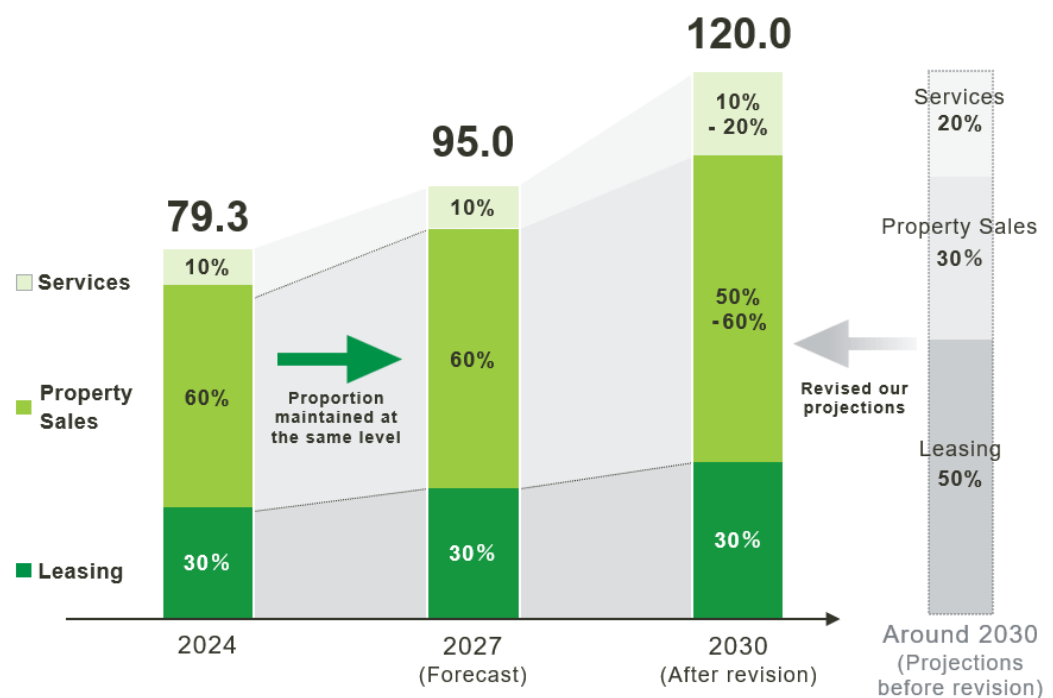
c. Business Portfolio Strategy

We will appropriately manage our business portfolio by classifying it into three categories: leasing, property sales, and services, while promoting various initiatives based on the action policies that take into account the characteristics of each category.

	Leasing	Property Sales	Services
Characterized by	<ul style="list-style-type: none"> Highly stable profit Requires significant investment 	<ul style="list-style-type: none"> Highly volatile profit High capital efficiency 	<ul style="list-style-type: none"> Relatively high stability of profit Does not involve large investments
Action policy	<ul style="list-style-type: none"> Strengthen the stable revenue base 	<ul style="list-style-type: none"> Accelerate recovery of investments Scale business operations 	<ul style="list-style-type: none"> Scale business operations
Action in the Medium-Term Business Plan	<ul style="list-style-type: none"> Steadily promote large-scale redevelopment of Yaesu Project (scheduled for completion in 2026), etc. Strengthen rent increase negotiations based on inflation and market trends <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Diversify asset types for long-term holdings (e.g. hotels, logistics properties, and for-rent condominiums, in addition to offices) to enhance risk tolerance and increase yields on rental assets</p> <p>Image of diversified asset types</p>  <p>Hotel buildings (Brillia ist) For-rent condominiums (Brillia ist)</p> </div>	<p>Property image</p>  <p>Logistics properties (T-LOGI) Residential leasing in the U.S.</p>	<p>Property image</p>  <p>Parking business (NPC) Regina Resort with DOGS</p>  <p>Ofuro no Ousama</p>

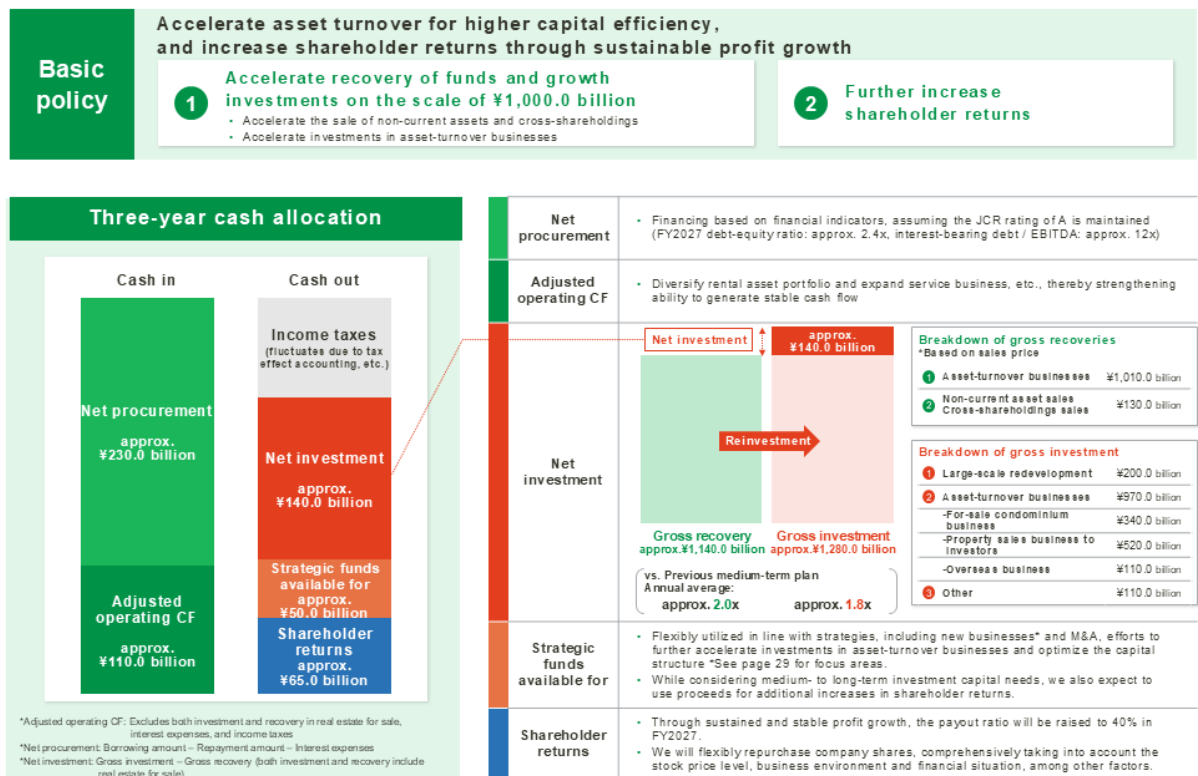
While maintaining the composition of business profits in the period of the Medium-Term Business Plan at 30%: 60%: 10% for leasing, property sales, and services, respectively, we aim to generate cash for growth investments and improve capital efficiency. In addition, we will change the profit composition for 2030 from the previous assumption to decrease the proportion of leasing and increase the proportion of property sales, aiming to achieve high levels of capital efficiency and profit growth while adapting to changes in the business environment.

Projected Shift in Per-Area Profit Over Time (Billions of yen)



d. Cash Allocation


Over the three years of the Medium-Term Business Plan, we will aim to improve capital efficiency and achieve sustainable and stable profit growth by accelerating asset turnover through collection of ¥1,140 billion, which is double the annual average compared to the previous Medium-Term Business Plan, and investment of ¥1,280 billion, which is 1.8 times the annual average compared to the previous Medium-Term Business Plan.



(iii) Materiality

To achieve our Long-term Vision, we are aware of the shared value with society to be achieved through our business, and we have identified 14 materialities (material issues) from the perspectives of social value creation and value creation platform. We will work to address material issues through our business operations, achieve our Long-term Vision, and contribute to realizing a sustainable society.

[Materiality of the Tokyo Tatemono Group]

	Material Issues	Shared Values with Society	Contribution to SDGs
Social value creation	 Strengthening Tokyo's competitiveness as an international city	Creating value of place and value of experience	         
	 Contributing to a safe and secure society		
	 Community building and revitalization		
	 Well-being		
	 Addressing the diverse needs of customers and society		
	 Value co-creation and innovation		
	 Social implementation of technology		
	 Revitalizing and utilizing real estate stock		
	 Promoting a decarbonized society	Coexistence with the Earth and the environment	
	 Promoting a recycling-oriented society		
Value creation platform	 Improve employee growth and job satisfaction	Value-creating talent	     
	 Diversity & Inclusion		
	 Advancement of governance	Realizing sustainability management	
	 Strengthen risk management framework		

(2) Management Indicators

In the Group's Medium-Term Business Plan (FY2025-FY2027), we have adopted consolidated business profit, which is calculated by adding factors such as gain (loss) on sale of non-current assets and share of profit (loss) of entities accounted for using equity method, etc. to consolidated operating profit, as a profit indicator in order to respond to the flexible non-current assets sales and the diversification of investment schemes in Overseas business. The quantitative targets of the Medium-Term Business Plan are consolidated business profit of ¥95 billion as a profit indicator for the final year of the plan (FY2027) and ROE of 10% as a capital efficiency indicator for the period of the Medium-Term Business Plan.

In addition, we have set the following financial indicators for FY2027: a debt-to-equity ratio of around 2.4 times, an interest-bearing debt / EBITDA multiple of around 12 times, a strategic shareholdings to net assets ratio of 10% or less at the end of FY2027, and the sale of non-current assets and strategic shareholdings of at least ¥130 billion, and we will aim to improve capital efficiency and achieve profit targets while maintaining financial soundness and exercising appropriate balance sheet control.

Profit indicator	Capital efficiency indicator	Shareholder return policy
Business profit^{*1} (FY2027) ¥95.0 billion	ROE (current medium-term-plan period) 10%	Payout ratio (FY2027) 40% <small>We will flexibly repurchase company shares, comprehensively taking into account the stock price level, business environment and financial situation, among other factors.</small>
<small>*1 We have redefined business profit from this medium-term-plan period to allow for flexible sale of non-current assets and diversification of investment schemes in overseas businesses. Before change: Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method 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 *Share of profit (loss) of entities accounted for using equity method, etc. includes interest and dividend incomes, and loss (gain) on sale of investment equity in investment vehicles for overseas businesses.</small>		

Balance sheet control

Financial indicators (FY2027)	Debt-equity ratio ^{*2} approx. 2.4x	Cross-shareholdings to net assets (as of end of FY2027) 10% or less
	Interest-bearing debt / EBITDA ^{*3} approx. 12x	Non-current asset sales Cross-shareholdings sales (cumulative over current medium-term-plan period) ¥130.0 billion or more (based on sale price)

^{*2} Interest-bearing debt ÷ Equity capital

^{*3} Interest-bearing debt ÷ (Operating profit + Interest & dividend income + Share of profit (loss) of entities accounted for using equity method + Depreciation expense + Goodwill amortization expense)

Reference indicators

Profit attributable to owners of parent (FY2027)	¥60.0 billion	ROA (current medium-term-plan period) <small>*Based on business profit</small>	approx. 4%	EPS (FY2027)	approx. ¥290
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2. Approach and Initiatives Relating to Sustainability

The Group's disclosure of sustainability-related financial information is as follows. Any forward-looking statement mentioned below is based on the Group's judgments as of the end of the consolidated fiscal year under review.

Under our Long-term Vision of "Becoming a Next-Generation Developer" for 2030, the Group aims to both solve social issues and achieve higher levels of growth as a company through its business to become a good company for all stakeholders. Toward the realization of this vision, while remaining conscious of the shared value with society to be realized through its business activities, the Group has identified 14 materialities (material issues) connected to its sustainability initiatives from the perspectives of social value creation and value creation platform, and in the Group's Medium-Term Business Plan (FY2025–2027) has set forth "evolution of management infrastructure to support growth" in its basic policy, identifying "sustainability (environment, social, governance)" as one of its elements. Furthermore, the Group has formulated the "Tokyo Tatemono Group Sustainability Policy," which sets out the main sustainability initiatives the Group will implement going forward and the matters to be achieved through them, and is advancing various sustainability initiatives based on this policy.

For details on the above Long-term Vision, materialities, and the Group's Medium-Term Business Plan (FY2025-FY2027), please refer to "1. Management Policy, Business Environment and Management Issues to be Addressed (1) Management Policy, Business Environment and Management Issues to be Addressed."

(1) Governance

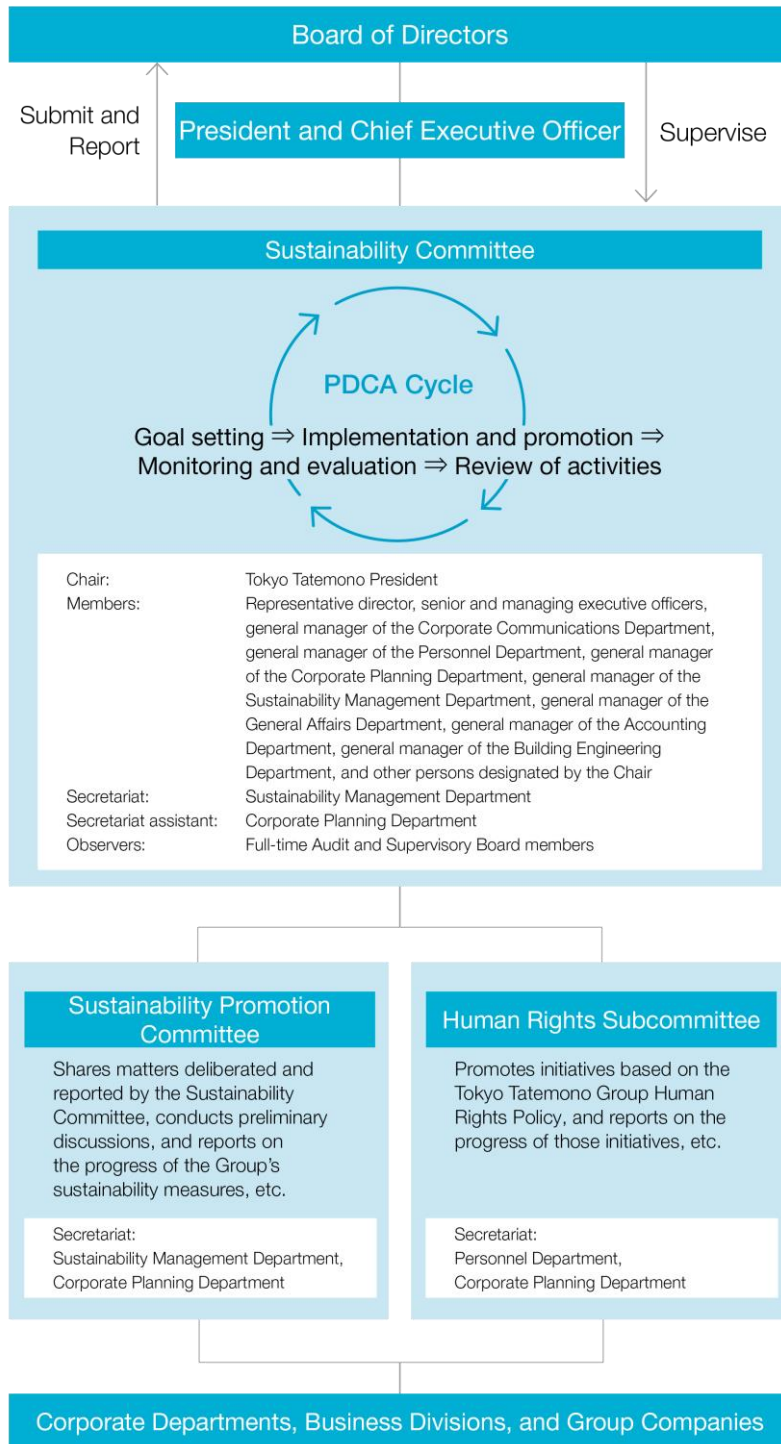
For the promotion of sustainability initiatives throughout the entire Group in an integrated and continuous manner, including addressing climate change, we have established a Sustainability Committee chaired by the Company's President & Chief Executive Officer, and have also established, as subordinate organizations, the Sustainability Promotion Committee and the Human Rights Subcommittee, which are composed of offices from the corporate departments and each business division.

The Sustainability Committee, positioned as a meeting body directly managed by the Company's President & Chief Executive Officer alongside the Executive Committee, Risk Management Committee, and Internal Control Committee, holds meetings at least twice a year as a general rule to discuss and report on the formulation of policies, system establishment, setting of metrics and targets, monitoring of progress, disclosure of information, and other matters related to the Group's sustainability initiatives. Regarding climate change, the Committee deliberates and reports on important matters such as the identification of risks and opportunities, the setting of targets related to the promotion of a decarbonized society such as reducing greenhouse gas emissions, and specific measures for achieving these targets.

The Sustainability Promotion Committee shares matters deliberated and reported at the Sustainability Committee, conducts prior consultations, and reports, etc. the progress of the sustainability initiatives promoted by the Group. The Human Rights Subcommittee implements initiatives based on the "Tokyo Tatemono Group Human Rights Policy" and reports, etc. the status of human rights initiatives.

Important matters deliberated and reported by the Sustainability Committee are submitted or reported to the Board of Directors, which oversees the promotion of the Group's sustainability initiatives by making decisions on important sustainability-related matters and monitors and supervises the status of the Company's response to such matters.

[Sustainability promotion framework]



(2) Strategy

(i) Addressing climate change

The promotion of a decarbonized society is a social issue that requires a global response, and the real estate industry is also required to reduce greenhouse gas emissions from owned real estate and business activities. The Group recognizes that the intensification and increasing frequency of natural wind and water disasters caused by greenhouse gas emissions could significantly impact the assets it owns, and the Group recognizes that this is an issue that must also be addressed as a priority from this perspective.

The Company has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It has conducted scenario-based analyses using set scenarios to identify risks and opportunities related to climate change, evaluate their materiality, and examine their impact on the Group's business profit.

a. Scenario setting

We have set future worldviews (scenarios) for scenario analysis. Using scenarios released by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), we have set a 4°C scenario as the current scenario where the average temperature rises at least 4°C compared to pre-industrial levels by 2100, a 2°C scenario as the transition scenario where the temperature rise is kept below 2°C, and a 1.5°C scenario where the rise is further limited to 1.5°C.

b. Identification of risks and opportunities/assessment of materiality

Focusing on the Group's core businesses, Commercial Properties business and Residential business, we identified climate change-related risks and opportunities for each business phase of development, operation/management, and sales/disposal, based on the reality of developing and owning buildings in specific areas, and have assessed their materiality in terms of their expected degree of impact on the Group's finances and likelihood. The period of impact has been categorized into short-term (1 to 5 years), medium-term (5 to 10 years), and long-term (over 10 years).

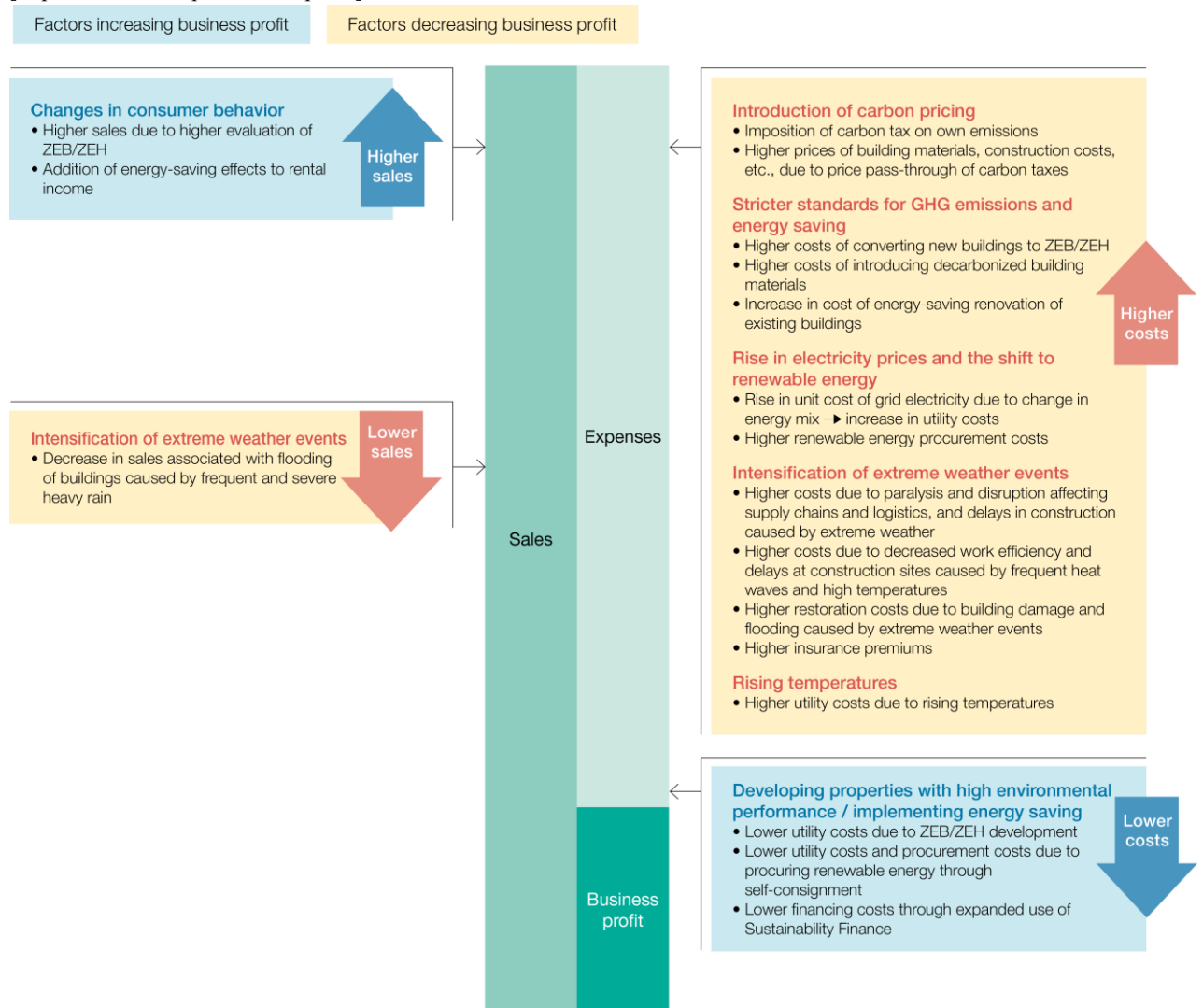
[Identified climate change risks, opportunities and their materiality]

Category	Items	Impact on Group business	Period of impact	Materiality		
				4°C scenario	1.5°C/2°C scenario	
Transition risks	Policies	Adoption of carbon pricing	Imposition of carbon tax on own emissions (Scope 1 and 2)	Medium-term	—	Medium
			Price hikes for construction materials, construction costs, etc.	Medium-term	—	Medium
	Regulations	Stricter standards for GHG emissions and energy saving	Higher costs of converting new buildings to ZEB/ZEH	Medium-term	Low	Low
			Higher costs of introducing decarbonized building materials	Medium-term	Medium	Medium
			Increase in cost of energy-saving renovation of existing buildings	Medium-term	Low	Low
	Technology and markets	Higher unit cost of grid electricity	Higher utility costs due to change in energy mix	Short- to medium-term	—	Low
			Higher utility costs due to higher demand for fossil fuels	Short- to medium-term	Low	—
		Burden from renewable energy procurement	Higher renewable energy procurement costs	Short- to medium-term	Low	Low
Reputation	Ensuring disaster preparedness and resilience	Higher costs of ensuring disaster preparedness and resilience	Short-term	Low	Low	
Physical risks	Acute	Frequent and intense extreme weather events caused by extratropical and tropical cyclones, etc.	Higher costs due to construction delays caused by supply chain paralysis or disruption	Short-term	—	—
			Countermeasures for decreased work efficiency at construction sites due to frequent heat waves and high temperatures, and increased costs from construction delays.	Short-term	—	—
			Loss of rental income in the event of flooding caused by heavy rainfall and river flooding	Short-term	Low	Low
			Higher restoration costs arising from storm and flood damage affecting buildings	Short-term	Low	Low
			Higher insurance premiums	Short-term	Low	Low
	Chronic	Rise in average temperature	Higher utility costs	Short-term	Low	Low
Opportunities	Technology	Efficiency improvements with ZEB and ZEH development	Reduction of utility costs	Short-term	Low	Low
		Procurement of renewable energy through self-consignment	Reduction in utility costs and renewable energy procurement costs	Short-term	Low	Low
	Consumer behavior	Improved earnings from high environmental performance properties	Higher sales due to higher evaluation of ZEB / ZEH	Short- to medium-term	—	Medium
		Improvement of energy-saving effects	Addition of energy-saving effects to rental income	Short- to medium-term	—	Low
	Markets	Expansion of Sustainability Finance	Reduction in financing costs	Short-term	—	Low

c. Estimation of business impact

We have assessed the impact quantitatively that the identified climate change-related risks and opportunities will have on the Group's finances in FY2030. We have conducted qualitative analysis on risks and opportunities where quantitative prediction and analysis are difficult.

[Impact on the Group's business profit]



d. Countermeasures

We have identified promoting a decarbonized society as one of the Group's materialities, and in order to address this issue through our business, we have established medium- to long-term targets for reducing greenhouse gas emissions, including a 46.2% reduction in Scope 1 and 2 CO₂ emissions*¹, and a 40% reduction in Scope 3*² CO₂ emissions by FY2030 compared to FY2019, and net zero Scope 1, 2, and 3 CO₂ emissions by FY2050. In addition, as process targets to achieve these targets, we have set targets for the promotion of ZEB/ZEH development, introduction of renewable energy, and acquisition of green building certification, and we are promoting initiatives related to these targets. Moreover, we are also focusing on urban development and real estate development that is resilient to such natural disasters as wind and water damage, which are becoming more frequent due to climate change.

*1 A level that limits the increase in the global average temperature to 1.5°C compared to pre-industrial revolution levels

*2 Applies to categories 11 and 13

[Our initiatives to achieve greenhouse gas emission reduction targets (CO₂ emission reduction)]

i. Generating and effectively utilizing renewable energy in our self-developed properties

Some of the office buildings, for-sale condominiums, and logistics properties that we develop generate renewable energy-derived electricity for their own use (self-consumption), using rooftop solar power generation equipment. For example, the logistics properties we develop in the T-LOGI series are designed to generate more renewable energy-derived electricity than they consume. In multiple areas, we are either planning or have implemented corporate power purchase agreements (PPAs) that allow these properties to transfer their surplus electricity via self-wheeling to retail facilities and office buildings in our portfolio. Through these initiatives, the Group promotes decarbonization in urban areas, where electricity demand is high but the space available for generating renewable energy-derived electricity is limited.

ii. Further promotion of ZEB/ZEH development

The Company has been actively promoting the development of ZEB and ZEH and is currently working towards our goal of developing ZEB and ZEH for all new office buildings, logistics properties, and both for-sale and for-rent condominiums in principle.

(ii) Human capital

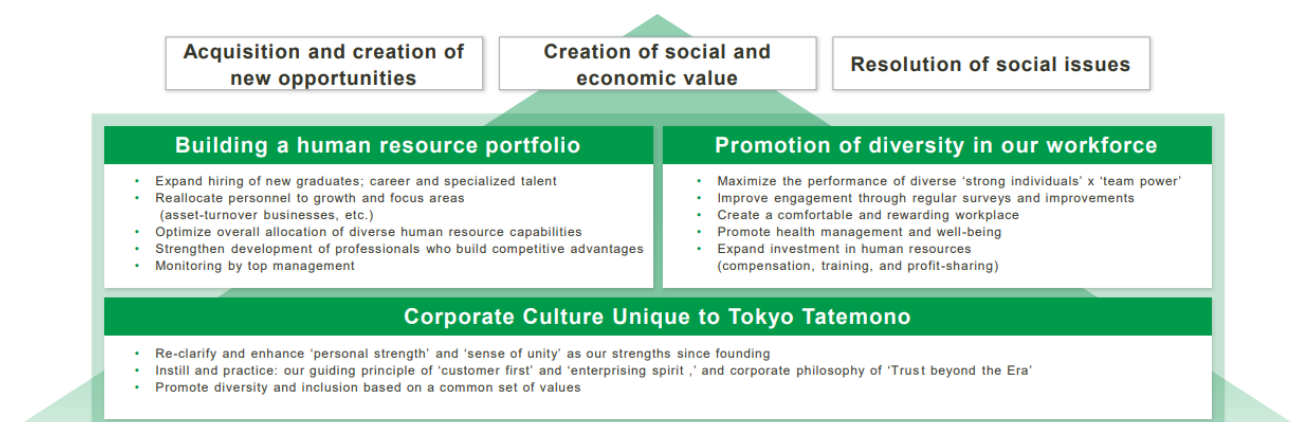
The Company recognizes that human resources are the source of value creation and sustainable growth for the Group and one of the most important foundations of management. We have identified the improvement of employee growth and job satisfaction as well as diversity and inclusion as materialities towards realizing our Long-term Vision, and based on our personnel philosophy and personnel policies, we are working on human resource development and the improvement of the workplace environment. In addition, in the Group Medium-Term Business Plan (FY2025–2027), toward the sustained enhancement of corporate value, the Group has established a human resource strategy linked to its business strategy. The strategy is based on “Corporate culture unique to Tokyo Tatemono” and sets forth a policy of “Building a Human Resource Portfolio” and “Promotion of Diversity in Our Workforce,” and is implementing various measures based on this policy.

Human resource philosophy and human resource policy

- i. Human resource philosophy: “The Company’s growth is tied to its employees’ growth, therefore, we are responsive to their contributions.”
- ii. Human resource policy:
 - We want trustworthy people and people who forge their own paths
 - We seek to create a rewarding workplace in which employees can experience growth

Human capital in the Medium-Term Business Plan

Sustainable enhancement of corporate value through execution of business strategies



Initiatives for human resource development and internal environmental improvement for maximizing the value of human resources

i. Building a Human Resource Portfolio

The Company recognizes that it is essential to hire, train, and allocate appropriate human resources in order to achieve its business strategies. We are actively conducting mid-career recruitment in addition to new graduate hiring and are also focusing on acquiring highly specialized personnel as well as those who can promote digitalization and globalization. The pillar of our training strategy is a personnel rotation program designed to allow employees to gain broad knowledge and experience across various roles as developer employees, typically rotating through about three different departments within the first 10 years of employment. However, if an employee demonstrates a strong aptitude in a particular field, they are trained as a specialist in that area. Moreover, we have established a hierarchical training system aimed at recognizing roles and developing abilities according to the stage of growth, and we are also focusing on fostering a culture of self-directed learning by establishing such mechanisms as self-development support systems and external training programs that allow employees themselves to think about and choose the knowledge and abilities they require. For the allocation of personnel, we regularly interview employees to understand their career aspirations and areas of interest. By utilizing our talent management system, we strive to appropriately assign each employee to a position that aligns with the individual's desire and capabilities, as well as with organizational needs. Through the above efforts related to hiring, training, and allocation, we will shift human resources to growth and focus areas, enable management to identify and monitor gaps between the current and ideal state of our human resource portfolio, and establish a system for rapid decision-making, thereby aiming to improve the quality and quantity of human resources.

ii. Promotion of Diversity in Our Workforce

The Company believes that, to achieve steady profit growth and resolve social issues at a high level, employees must be able to demonstrate their potential to the fullest. We define the generation of added value and synergies in a healthy and psychologically safe workplace by individuals with diverse experience and skills who can optimize their strengths as a synergy of maximizing the performance of diverse and bold individuals and team power, and toward realizing this, we are focusing on creating an environment where employees can thrive while feeling both job satisfaction and working ease. As part of creating rewarding workplaces that serve as the foundation for employee growth, we regularly conduct employee engagement surveys aimed at objectively understanding workplace conditions, and based on the survey, implement a PDCA cycle in which offices and branches with issues work on improvements with the assistance of experts, as part of efforts to continuously strengthen employee engagement. In addition, as part of creating an environment where employees can experience ease of work, we have established and are operating the following systems. In addition, our efforts related to health management, promotion of the active participation of women, support for a balance between work and child-rearing, etc. have been recognized at a high level, and we have acquired the Health & Productivity Management Outstanding Organization^{*1}, Eruboshi^{*2}, and Kurumin^{*3} certifications.

- Implementation of various measures aimed at maintaining and promoting the health of each and every officer and employee of the Group, based on the Group Health Management Declaration
- Flextime system, teleworking system, and reduced working hours system to achieve flexible working styles
- Leave systems for pregnancy, childbirth, childcare, and nursing care that can be used by both men and women, and re-employment system for retirees
- System that allows up to three years of leave for employees accompanying a spouse on an overseas transfer
- Promoting active participation utilizing the career experience of senior generations
- Encouraging the participation of people with disabilities with flexible work arrangements according to their aptitude and disability status

^{*1} Certified Health & Productivity Management Outstanding Organizations Recognition Program: A system that recognizes corporations that are practicing excellent health management.

^{*2} Eruboshi certification: Certification given to companies that have fulfilled certain requirements, such as having excellent implementation of initiatives for promoting the advancement of women, among companies that have formulated and submitted the General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

^{*3} Kurumin certification: Certification given to companies that have met certain criteria, such as achieving their goals, among companies supporting child-rearing that have formulated and submitted the General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

iii. Corporate culture unique to Tokyo Tatemono

We believe that our shared corporate culture and common values are the foundation for implementing our human resource strategies. A culture and values that emphasize team results, high-quality teamwork, and smooth communication are deeply rooted in the Company, which we believe leads to the demonstration of competitive advantage. We further implement various measures to create communication opportunities among employees, such as visualizing employee information using corporate social platforms, holding of company-wide exchange parties, and establishing opportunities to recognize initiatives aligned with business philosophy in the Office Building Division and Residential Development Division.

In addition, the Culture Design Program “TASUKI” is a training program under the concept of “Passing Tasuki” (a sash handed between runners in a relay race) to develop new ideas (based on study of the past), designed to carry on our history and culture and to further deepen and evolve the chain of value creation that is unique to Tokyo Tatemono. Through experience-sharing by past project leaders and exchange of opinions among participants, opportunities are created for each employee to contemplate the Company’s culture. In response to the recent increase in personnel and expansion of business areas, we will continue to work on permeating our corporate culture and values once again, thereby fostering a sense of unity.

(3) Risk management

The Company has established a Risk Management Committee, chaired by the President and Chief Executive Officer, to oversee comprehensive risk management throughout the Group. The Risk Management Committee formulates annual risk management plans for the Group, evaluates and analyzes risks that are important to the Group’s management (priority risks), formulates preventive measures and countermeasures, and periodically monitors the status of said countermeasures. In addition, risks other than priority risks (department-level management risks) are appropriately managed by the general managers of each division and office, who serve as risk management officers as defined in the Risk Management Regulations, while overall risk management throughout the Company is overseen by the President and Chief Executive Officer, who serves as the Chief Risk Management Officer.

We have furthermore adopted the Three Lines Model to maintain and improve risk management effectiveness. For details of the risk management system, please refer to “3. Business Risk and Other Risk Factors (1) Risk Management System.”

Regarding risk management related to sustainability, the Sustainability Committee works with relevant offices and branches to manage such risk and reports important matters on the implementation status of such risks to the Risk Management Committee. In addition, important matters deliberated by the Risk Management Committee—such as the risk management structure, policies, and annual plans, as well as the status of risk management—are either reported to or submitted for discussion by the Board of Directors, which oversees the effectiveness of the Group’s overall risk management, including risks related to sustainability.

(4) KPIs and targets

(i) Addressing climate change

The Company has set metrics and targets (KPIs and targets) related to promoting a decarbonized society as identified as a Group materiality and is working on various measures while quantitatively monitoring the progress in each fiscal year.

Material issues	Items	Scope		KPIs and Targets
Promoting a decarbonized society	Reductno in greenhouse gas emissions	All businesses	Scope1・2・3	Net zero CO2 emissions by FY 2050
			Scope1・2	46.2% reduction in CO2 emissions compared to FY2019 by FY2030
			Scope3 (Note 1)	40% reduction in CO2 emissions compared to FY2019 by FY2030
	Promotion of development of ZEB and ZEH	Commercial Properties business	In principle, all new office buildings and logistics properties to be developed will be ZEB	
		Residential business	In principle, all new condominiums for sale and rent to be developed will be ZEH	
	Shift to renewable energy	All businesses	By FY2050, procure 100% of electricity consumed in business activities from renewable energy sources	
		Commercial Properties business	By FY2030, procure 100% of electricity consumed at owned real estate from renewable energy sources	
	Acquisition of Green Building Certification	Commercial Properties business Residential business	Acquire Green Building Certification for, in principle, all new office buildings, logistics properties, and condominiums for rent, etc	

(Notes) 1. Applies to categories 11 and 13

2. For details on the progress toward each target, please refer to the Tokyo Tatemono Group Sustainability Report.

(ii) Human capital

The Company has set metrics and targets (KPIs and targets) related to the improvement of employee growth and job satisfaction as well as diversity and inclusion identified as Group materialities and is working on various measures while quantitatively monitoring the progress in each fiscal year.

Material Issues	Items	Scope	KPIs and Targets
Improve employee growth and job satisfaction	Promotion of skills development	Tokyo Tatemono	Average training time per employee: 15 hours or more each fiscal year
			Career training participation rate: 100% each fiscal year
	Promotion of health management	Tokyo Tatemono	Health checkup rate: 100% each fiscal year
			Follow-up test rate: 100% each fiscal year
			Smoking rate: 12% or less each fiscal year
Percentage of employees maintaining an appropriate weight: 75% or more by FY2028			
Diversity & Inclusion	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy: Deployment to and compliance by group companies
	Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate: 70% or more each fiscal year
			Ratio of male employees taking parental leave: 85% or more each fiscal year
	Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions: 10% or more by FY2030
			Employment rate of people with disabilities: Over the legal employment rate each fiscal year *2.3% or more until March 2024, 2.5% or more from April 2024 to June 2026, and 2.7% after July 2026

(Note) For details on the progress toward each target, please refer to the Tokyo Tatemono Group Sustainability Report.

3. Business Risk and Other Risk Factors

In order to appropriately manage risks that may affect the Group's business to stably increase corporate value, the Group has established relevant regulations and a risk management system and continuously monitors and controls risks.

(1) Risk Management System

In promoting risk management, in accordance with its "Risk Management Regulations," the Company has designated the President as the "Chief Risk Management Officer" and has established a "Risk Management Committee" chaired by the President & Chief Executive Officer to oversee risk management for the Group.

The Risk Management Committee formulates annual risk management plans for the Group. It evaluates and analyzes priority risks, formulates preventive measures and countermeasures, and periodically monitors their status while regularly presenting agenda items for deliberation and submitting reports to the Board of Directors.

Regarding risks other than priority risks (department and division management risks), the general managers of offices and branches, who are "risk management officers" as stipulated in the Risk Management Regulations, and each committee, serve as a risk response organization (risk owner) to appropriately prevent and manage said risks.

Furthermore, in order to maintain and improve the effectiveness of risk management activities, a risk governance (Three Line Model) system has been established in which the Corporate Department and planning departments of each business division (Second Line) monitor, support, and provide instructive guidance to offices and branches (First Line) with respect to risk management, and the Internal Audit Department (Third Line) audits and advises them in terms of their response to risk management at offices and branches.

(Risk Management Structure Diagram)

(2) Business Risk and Other Risk Factors

Risk is defined by the Group as "any factor of uncertainty arising in the course of business operations within the Group." Risk assessments are conducted on risks in the Group from the perspectives of impact (financial loss, human loss, etc.), likelihood of occurrence, changes in business environment and corporate values. Going forward, the Risk Management Committee has established a process for identifying "priority risks" that are to be monitored directly by the committee.

The main risks that could affect the Group's operating results and financial position, including the priority risks, are listed below. Furthermore, the risks indicated below do not cover all the risks associated with the Group, as there are other risks that may influence the judgment of investors.

Forward-looking statements in the document are the judgment of the Group based on information available as of the end of the fiscal year under review.

(i) Risks related to real estate development

The Group promotes its business after comprehending and analyzing assumed risks in the real estate development business, mainly in the Executive Committee, and taking countermeasures beforehand. However, when a delay in scheduled business or increase in costs, etc. occurs due to bad weather, natural disasters, delay in approval and permission, soil contamination or buried objects being found, or other unforeseen events, the Group's operating results, financial position, etc. may be impacted.

(ii) Risks related to interest rate fluctuations

The Group has conducted stable fund procurement centering on interest-bearing debt in the form of long-term borrowings and has fixed interest rates for almost all long-term borrowings to minimize the impact of interest rate fluctuation. However, when interest rates rise, the Group's operating results as well as its financial position, etc. may be impacted and the value of assets owned by the Group may decrease.

(iii) Risks related to price fluctuations

The Group constantly monitors and analyzes the cost trends in each business, paying close attention to the impact on profitability. However, if there is a significant and rapid fluctuation in prices and the increase in costs cannot necessarily be reflected in rents or sales prices, the Group's operating results, financial position, etc. may be impacted.

(iv) Risks related to trends in the real estate market

Although the Group constantly monitors and analyzes domestic and international economic trends and real estate market conditions and closely monitors the impact on its operations, the Group's operating results and financial position may be affected by rapid or drastic fluctuations in economic or market conditions resulting in a decline in office requirements due to

deteriorating corporate performance in the leasing office market, a decline in customer willingness to purchase residences in the residential property market, or a decline in investment demand in the real estate investment market.

(v) Risks related to owned shares

The Group holds marketable shares in other companies that are deemed to help increase corporate value in the medium to long term through maintaining and strengthening business relationships as those for purposes other than pure investment (strategic shareholdings). Individual strategic shares are appropriately managed toward their reduction based on the “Corporate Governance Code (Principle 1-4)” by periodically reporting their actual transactions and others to the Board of Directors and assessing whether continuing to hold them is appropriate. However, when the market price of shares falls and the value of owned shares falls significantly, for instance, the Group’s operating results, financial position, etc. may be impacted.

(vi) Risks related to information leakage and security

The Group handles confidential information, including personal information, in each of its businesses and utilizes information systems as the foundation for internal operations and customer services. To this end, the Group has established the informational management rules and other rules and strives for appropriate information management and system operation by strengthening document and data management, implementing terminal security measures, conducting training in assuming risks, etc., and also contracts for cyber insurance, as necessary. However, if information leakage occurs due to cyber attacks, system failures, natural disasters, accidents at contractors, negligence of officers and employees, etc., or if a situation arises in which the information system cannot be used normally, this may cause business stagnation, decline in customer service, the occurrence of additional costs, loss of social credibility, or damage compensation, etc., and the Group’s operating results, financial position, etc. may be impacted.

(vii) Risks related to environmental issues and climate change

The Group believes that the intensification of policies and regulations related to climate change and loss of biodiversity, as well as the increased frequency and severity of extreme weather events, etc., could potentially impact the Group’s business operations. Through deliberations at the Sustainability Committee chaired by the Company’s President & Chief Executive Officer, the Company has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has conducted scenario analysis in accordance with the recommendations of the TCFD to identify climate change-related risks and opportunities, evaluate their materiality, and examine their impact on the Group’s business profit. In addition, the Company has endorsed the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), registered as a TNFD Adopter, and has organized the identification of the Group’s interfaces with nature, diagnosis of dependencies and impacts on nature, evaluation of nature-related risks and opportunities, and response on and reporting on them, in accordance with the LEAP approach recommended by TNFD. We have further set targets related to the promotion of a decarbonized society and promotion of a recycling-oriented society – some of our identified materialities (material issues) – and we are engaged in efforts to achieve these goals. However, should there be future intensification of policies and regulations due to climate change and loss of biodiversity, the Group’s operating results, financial position, etc. may be impacted.

(viii) Risks related to natural disasters, man-made disasters

The Group takes business continuity measures in cases of emergency, such as the establishment of various regulations and manuals as well as implementation of periodic training in preparation for earthquakes, rainstorms, flooding and other natural disasters as well as wars, riots, terrorism and other man-made disasters. However, when natural or man-made disasters, etc. do occur, business activities may be impacted as employees may suffer damage and the value of assets owned, managed or operated by the Group may decrease. Accordingly, the Group’s operating results, financial position, etc. may be impacted.

(ix) Risks related to legal compliance

The Group conducts business activities under legal regulations including the Companies Act, the Financial Instruments and Exchange Act, the Labor Standards Act, the Real Estate Brokerage Act and the Building Standards Act. The Group has further established a legal compliance structure based on the “Compliance Charter” and the “Compliance Rules” and provides education such as periodic training to the Group and its officers and employees. However, if the Group and its officers and employees violate laws, regulations, etc., the loss of social credibility of the Group, imposition of fines and penalties, etc. may impact the Group’s operating results, financial position, etc.

(x) Risks related to establishment and revision of legislation, taxation systems, and government policies

The Group’s businesses are affected by regulations including ordinances, tax systems, etc. set forth by local governments as

well as by laws and regulations. Accordingly, the Group promotes business after collecting information from relevant authorities, industry groups, professionals, etc. in a timely manner and takes appropriate measures. However, when relevant laws and regulations, ordinances, tax systems, etc. are established or revised, etc. in the future, this may impact the Group's operating results, financial position, etc. due to the newly arising obligations, increase in cost burden, restriction on rights, etc., possibly leading to a decrease in the value of assets owned by the Group. Furthermore, when differences arise in views of tax reporting with tax authorities, the Group's operating results, financial position, etc. may be impacted.

(xi) Country risk related to the Group's overseas operations

The Group operates in countries including the United States, Australia, Thailand, and China based on "Expansion of overseas business," which is one of the key strategies spelled out in the Group's Medium-Term Business Plan. In conducting business overseas, the Group strives to collect necessary and appropriate information through partnerships with local entities that are well-versed in the political or economic climate as well as the laws and regulations in the respective countries or regions where it operates. However, if a project is halted, a schedule is delayed or costs increase due to the deterioration of political or economic conditions, any change in laws and regulations, or worsening security, etc. in these countries, it may impact the Group's operating results, financial position, etc.

(xii) Risks related to infectious diseases

If the economy stagnates or deteriorates in Japan due to factors such as the re-spread of coronavirus infections or the outbreak of influenza, the Group's operating results, financial position, etc. may be impacted. The same concern is shared with foreign countries in which the Group develops overseas businesses (countries including the United States, Australia, Thailand, and China); if the economy slows down or weakens, it could impact the Group's operating results, financial position, etc.

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Summary of Operating Results

The overview of financial position, operating results, and cash flows (hereinafter referred to as “operating results, etc.”) of the Group for the current consolidated fiscal year is as follows.

(i) Operating results

During the current consolidated fiscal year, although the Japanese economy showed signs of impact from US trade policies, improved employment and income conditions as well as the effects of various policies led to a moderate economic recovery. In the real estate industry, the leasing office market continued to perform well, driven by demand for office environment improvements aimed at strengthening recruitment and promoting employee communication, with a continued strong preference for well-located, high-spec buildings and ongoing declines in vacancy rates and rising rents in central Tokyo. In the residential property market, while the number of units supplied decreased due to difficulties in acquiring land for development, rising construction costs, and other factors, the market remained generally strong, supported by increased purchasing power from higher household incomes despite expectations of higher interest rates, with continued rises in residential property sales prices particularly in central Tokyo. In the real estate investment market, despite the Bank of Japan’s policy rate hike, the market maintained strong performance backed by robust investment appetite from both Japanese and overseas investors.

In this business environment, the Group has been focusing on promoting six key strategies based on the Group’s Medium-Term Business Plan announced in January 2025, with the aim of realizing its Long-term Vision looking toward 2030. For one of the key strategies, “steady promotion of large-scale redevelopment,” the Group decided on the block name TOFROM YAESU for the “Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A and B)” (Chuo-ku, Tokyo) and steadily advanced the project toward completion in 2026, while also steadily promoting other redevelopment projects in the YNK area, Shibuya area, and elsewhere.

For “further growth in the for-sale condominium business,” the Group completed Brillia Fukasawa Hatchome (Setagaya-ku, Tokyo) as the first large-scale building in Japan to meet the highest environmental performance rank ZEH-M, providing high-quality housing that considers both livability and the environment. The Group also worked on redevelopment and reconstruction projects for aging multifamily housing and other developments that contribute to resolving social issues.

For the “acceleration of the property sales business to investors,” the Group expanded areas by making its first entry into the Tohoku region with the logistics property T-LOGI series and into the Tokai region with the mid-size office T-PLUS series, thereby promoting development of diverse asset types. Amid an intensifying land acquisition environment, the Group steadily accumulated investment achievements while maintaining a selective investment stance and securing price competitiveness, and focused on the sale of such diverse assets as hotels, logistics properties, and for-rent condominiums, etc.

In the “expansion of overseas business,” the Group pursued business development in developed-country markets, positioned as a medium- to long-term profit growth driver, in addition to the Asian markets in which it has previously operated. Specifically, in the United States, the Group commenced operations of its local subsidiary Tokyo Tatemono US Ltd. to accelerate further business development and participated in multiple development projects. In addition, the Group participated in business in the United Kingdom for the first time and actively expanded operations in Australia by diversifying asset types. For the “expansion of service business,” in the Asset Service Business the Group achieved record-high real estate brokerage revenue by securely capturing strong demand in the real estate trading market, and in the Fund Business (formerly Asset Management Business) it expanded Group AUM (assets under management) and increased revenue from management fees. In the Leisure Business, the dog-friendly luxury resort hotels Regina Resort Yamanakako (Minamitsuru-gun, Yamanashi Prefecture) and Regina Resort Yufuin (Yufu City, Oita Prefecture) opened successively.

For the “establishment of new business,” the Group established WonderScape.INC and entered the spatial media business, which involves planning, developing, and operating large-scale digital signage in urban spaces and providing support for promotional events, etc. linked to the installed digital signage.

In the fiscal year under review (ended December 31, 2025 (FY2025)), the Group recorded a decrease in sales of for-sale condominiums in the Residential business, while property sales to investors increased in the Commercial Properties business and the Residential business. Consequently, operating revenue was ¥474,586 million (up 2.3% from ¥463,724 million for the previous fiscal year), operating profit was ¥95,763 million (up 20.2% from ¥79,670 million for the previous fiscal year), business profit was ¥89,419 million (up 12.7% from ¥79,326 million for the previous fiscal year), and ordinary profit was ¥78,187 million (up 9.0% from ¥71,722 million for the previous fiscal year). In addition, primarily due to a rebound from the sale of strategic shareholdings in the previous fiscal year, profit attributable to owners of parent was ¥58,879 million (down 10.6% from ¥65,882 million for the previous fiscal year).

(Note) We have redefined business profit from the current consolidated fiscal year as follows to allow for flexible sale of non-current assets and diversification of investment schemes in Overseas business.

Before change: Business profit = Operating profit + Share of profit (loss) of entities accounted for using equity method

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 (share of profit (loss) of entities accounted for using equity method, etc. includes dividend income, interest income, and gain (loss) on sale of investment equity in investment vehicles for overseas business).

Note that business profit for the previous consolidated fiscal year has been prepared based on the new calculation method.

The business results for each segment are as follows.

a. Commercial Properties business

In large-scale redevelopment projects, we made steady progress on the “Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (Districts A and B)” (Chuo-ku, Tokyo), where we named the district “TOFROM YAESU,” the District A building “TOFROM YAESU THE FRONT,” and the District B building “TOFROM YAESU TOWER,” with completion targeted for 2026. With respect to properties, including for-sale properties for investors, we completed the logistics property “T-LOGI Sagamihara” (Chuo-ku, Sagamihara-shi), and opened the community-based retail facility “minanoba Sagamihara” (Minami-ku, Sagamihara-shi). We also proactively advanced the development of a diverse range of asset types, including the “T-PLUS” series of medium-sized office buildings, as well as urban and resort hotels. In addition, we sold properties such as “GRAND FRONT OSAKA” (Kita-ku, Osaka-shi) and “HOTEL GRACERY ASAKUSA” (Taito-ku, Tokyo), and recorded the revenue.

In FY2025, leasing of buildings and operating of facilities remained solid, and we recorded revenue from the properties mentioned above that were sold to investors in real estate sales. Consequently, operating revenue was ¥220,177 million (up 24.7% from ¥176,573 million in the previous fiscal year), operating profit was ¥67,059 million (up 62.0% from ¥41,399 million in the previous fiscal year), and business profit was ¥67,363 million (up 60.7% from ¥41,930 million in the previous fiscal year).

Category	FY2024		FY2025	
	Quantity	Operating revenue (Millions of yen)	Quantity	Operating revenue (Millions of yen)
Leasing of buildings and operating of facilities	Rentable 1,038,497 m ² (Of which for sublease 66,704 m ²)	84,122	Rentable 1,122,379 m ² (Of which for sublease 66,186 m ²)	94,434
Real estate sales	—	53,215	—	86,162
Building management service, etc.	—	39,235	—	39,581
Total operating revenue	—	176,573	—	220,177
Operating profit	—	41,399	—	67,059
Business profit	—	41,930	—	67,363

Notes:

1. Effective from FY2025, the “Leasing of buildings, etc.” category has been renamed “Leasing of buildings and operating of facilities.”
2. Effective from FY2025, the category for accounting revenues from operating hotels and other facilities that are operated in company owned buildings, which was previously presented under “Building management service, etc.,” was reclassified to “Leasing of buildings and operating of facilities.” Rentable does not include the above facilities.
3. Actual figures for FY2024 are restated to reflect the new classification.

b. Residential business

In condominiums for sale, we recorded revenues through projects, including “Brillia Fukasawa Hatchome” (Setagaya-ku, Tokyo), the first large-scale building in Japan completed in compliance with the highest environmental performance standard, ZEH-M, and “Brillia Tower Minoh-semba TOP OF THE HILL” (Minoh-shi, Osaka Prefecture), a tower condominium directly connected to Minoh-Semba-Handaimae Station via a pedestrian deck. We also commenced sales of properties such as “Brillia Tower Nogizaka” (Minato-ku, Tokyo), a tower condominium directly connected to Nogizaka Station. Regarding properties, including for-sale properties for investors, we advanced the development of the “Brillia ist” series of condominiums for rent and completed projects including “Brillia ist Ikejiri-Ohashi” (Meguro-ku, Tokyo) and “Brillia ist Sumida-Hikifune” (Sumida-ku, Tokyo). In addition, we sold properties such as “Shirokanedai 5-chome Residential Project (provisional name)” (Minato-ku, Tokyo) and “Brillia ist Machiya” (Arakawa-ku, Tokyo), and recorded the revenue.

In FY2025, we recorded revenue in the residential sales business through projects including “HARUMI FLAG” (Chuo-ku, Tokyo) and “Brillia Seiseki Sakuragaoka BLOOMING TERRACE” (Tama-shi, Tokyo), in addition to the properties mentioned above. However, affected by factors such as the recording of a large condominium in the previous fiscal year, revenue and profit decreased compared to the previous fiscal year. Consequently, operating revenue was ¥165,139 million (down 21.9% from ¥211,481 million for the previous fiscal year), operating profit was ¥25,569 million (down 33.0% from ¥38,150 million for the previous fiscal year), and business profit was ¥25,569 million (down 32.1% from ¥37,636 million for the previous fiscal year).

Category	FY2024		FY2025	
	Quantity	Operating revenue (Millions of yen)	Quantity	Operating revenue (Millions of yen)
Residential sales	1,711 units	157,638	1,287 units	97,216
Real estate sales	—	24,444	—	37,657
Residence leasing	Rentable 139,162 m ²	5,941	Rentable 133,122 m ²	6,617
Condominium management service	Number of units 100,260 units	14,574	Number of units 99,619 units	14,733
Other	—	8,881	—	8,913
Total operating revenue	—	211,481	—	165,139
Operating profit	—	38,150	—	25,569
Business profit	—	37,636	—	25,569

c. Asset Service business

In the brokerage business operated by Tokyo Tatemono Real Estate Sales Co., Ltd., the company increased its revenue in retail brokerage, driven by rising transaction prices for central Tokyo condominiums. In corporate brokerage, revenue grew steadily by expanding transactions for investors, among other initiatives. In the asset solution business operated by the company, strengthened collaboration with the brokerage business and related initiatives led to steady progress in acquiring for-sale real estate, while in sales, robust demand in the real estate investment market underpinned high profit margins. In the parking lot business operated by Nihon Parking Corporation, revenue growth initiatives focused on developing and contracting new facilities, particularly large parking lots. At the same time, efforts to enhance user service quality were made through measures such as strengthening call center operations and introducing membership services.

Consequently, in FY2025, operating revenue was ¥63,454 million (up 15.9% from ¥54,742 million for the previous fiscal year), operating profit was ¥11,482 million (down 0.5% from ¥11,537 million for the previous fiscal year), and business profit was ¥11,494 million (down 0.4% from ¥11,537 million for the previous fiscal year).

Category	FY2024		FY2025	
	Quantity	Operating revenue (Millions of yen)	Quantity	Operating revenue (Millions of yen)
Brokerage	1,128 deals	6,329	1,077 deals	6,680
Asset solution (Note)	—	19,228	—	27,314
Management service, etc.	—	4,521	—	4,656
Parking lot operations	Number of parking spaces 86,792 spaces	24,663	Number of parking spaces 91,650 spaces	24,803
Total operating revenue	—	54,742	—	63,454
Operating profit	—	11,537	—	11,482
Business profit	—	11,537	—	11,494

Note: This business mainly purchases and resells real estate after improving its added value.

d. Other

In the Leisure business, Tokyo Tatemono Resort Co., Ltd. newly opened the dog-friendly luxury resort hotel “Regina Resort Yamanakako” (Minamitsuru-gun, Yamanashi Prefecture) and “Regina Resort Yufuin” (Yufu-shi, Oita Prefecture). The company also acquired “Oyama Golf Club,” a golf course (Oyama-shi, Tochigi Prefecture), and commenced its operation. As a new initiative, “SHOT BASE Shiki,” a golf practice facility, opened on the site adjacent to “Ofuro no Osama Shiki” (Shiki-shi, Saitama Prefecture). At other spa facilities, we invested in future growth through renovations and other initiatives. In the Fund business (formerly “asset management business”), Japan Prime Realty Investment Corporation, whose assets are managed by Tokyo Tatemono Realty Investment Management, Inc., acquired multiple properties including “GRAND FRONT OSAKA” (Kita-ku, Osaka-shi) and “FUNDES Kamata” (Ota-ku, Tokyo). Additionally, through initiatives such as a private fund jointly formed by Tokyo Tatemono Investment Advisors Co., Ltd. and an external investment advisory firm for the acquisition of logistics facilities developed by Tokyo Tatemono, efforts were made to expand the Group’s assets under management and increase revenue from management fees. In Overseas business, to accelerate business development in the U.S., we launched operations at the local subsidiary, Tokyo Tatemono US Ltd., in June and participated in eight projects, including the “Campanile at SDSU Project,” a housing leasing development project in San Diego. In addition, we proactively expanded our business by participating in the “899 Collins Street Project,” a housing leasing development project in Melbourne, Australia; the “Still Sukhumvit 20 Project,” a condominium development in Bangkok, Thailand; and the “125 Shaftesbury Avenue Project,” a large-scale office refurbishment project in London, U.K. Meanwhile, as the recoverability of certain claims held by an equity-method affiliate in our China business declined, we recognized an allowance for doubtful accounts for those claims, and recorded a share of loss of entities accounted for using equity method.

Consequently, in FY2025, operating revenue was ¥25,814 million (up 23.4% from ¥20,926 million for the previous fiscal year), operating profit was ¥4,172 million (up 200.5% from ¥1,388 million for the previous fiscal year), and business loss was ¥2,512 million (compared to a business profit of ¥1,028 million for the previous fiscal year).

Category	FY2024	FY2025
	Operating revenue (Millions of yen)	Operating revenue (Millions of yen)
Leisure Business	15,286	16,599
Other	5,640	9,215
Total operating revenue	20,926	25,814
Operating profit	1,388	4,172
Business profit (loss)	1,028	(2,512)

(ii) Financial Position

(Assets)

Total assets at the end of FY2025 were ¥2,272,720 million, up ¥191,493 million from the end of the previous consolidated fiscal year. This was primarily attributable to increases in investment securities and construction in progress.

(Liabilities)

Total liabilities at the end of FY2025 were ¥1,669,582 million, up ¥135,879 million from the end of the previous consolidated fiscal year. This was primarily attributable to an increase in interest-bearing debt, the balance of which (excluding lease obligations) was ¥1,345,497 million, up ¥133,152 million from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of FY2025 were ¥603,137 million, up ¥55,613 million from the end of the previous consolidated fiscal year. This was primarily attributable to an increase in retained earnings.

(iii) Cash Flows

Consolidated cash and cash equivalents (hereinafter “cash”) at the end of FY2025 stood at ¥152,292 million, up ¥41,152 million from the end of the previous consolidated fiscal year. This was primarily attributable to ¥32,106 million provided by operating activities, ¥97,408 million used in investing activities, and ¥104,166 million provided by financing activities.

Current consolidated fiscal year cash flows for each category are as follows.

(Cash flows from operating activities)

Cash provided by operating activities at the end of FY2025 stood at ¥32,106 million (up ¥13,212 million from the previous fiscal year). This was primarily attributable to cash outflows due to increased inventories on the one hand, and cash inflows due to profit before income taxes on the other.

(Cash flows from investing activities)

Cash used in investing activities at the end of FY2025 stood at ¥97,408 million (up ¥44,681 million from the previous fiscal year). This was primarily attributable to cash outflows due to purchase of non-current assets, while there was an increase in funds from the sale of investment securities.

(Cash flows from financing activities)

Cash provided by financing activities at the end of FY2025 stood at ¥104,166 million (down ¥1,469 million from the previous fiscal year). This was primarily attributable to cash inflows due to long-term borrowings.

(iv) Production, Orders and Sales Results

Production, orders received, and sales results are shown in relation to the results of each segment in “(i) Operating Results.”

(2) Overview of Management’s Discussion and Analysis of Operating Results and Other Matters

The following is a summary of the recognition, analysis, and discussion of the Group’s operating results from the management’s perspective.

Any forward-looking statement mentioned below is based on the Group judgment as of the end of the current consolidated fiscal year.

(i) Objective indicators for determining the achievement of the management policy, strategy, goals, etc.

Under the Group’s Long-term Vision “Becoming a Next-Generation Developer,” we aim to achieve a consolidated business profit of ¥120 billion in 2030 by balancing “solving social issues” and “achieving higher levels of growth as a company” at a higher level, as well as contributing to the Sustainable Development Goals (SDGs). The quantitative targets of the Group’s Medium-Term Business Plan (FY2025–2027) are consolidated business profit of ¥95 billion as a profit indicator for the final year of the plan (FY2027) and ROE of 10% as a capital efficiency indicator for the period of the Medium-Term Business Plan. In addition, we have set the following financial indicators for FY2027: a debt-equity ratio of around 2.4 times, an interest-bearing debt / EBITDA multiple of around 12 times, and we will aim to improve capital efficiency and achieve profit targets while maintaining financial soundness and exercising appropriate balance sheet control.

The achievement status in the current consolidated fiscal year is as follows.

	FY2025 results
Consolidated business profit	89.4 billion yen
ROE	10.4%
Debt-equity ratio	2.3 times
Interest-bearing debt / EBITDA multiple	11.4 times

Note that in the full-year earnings forecast for FY2026, the major quantitative targets set forth in this Medium-Term Business Plan (FY2027 targets: consolidated business profit of ¥95 billion, ROE of 10%) are both expected to be achieved one year ahead of schedule.

(ii) Analysis of operating results

In terms of the Group’s consolidated results during the current consolidated fiscal year, the Group recorded a decrease in sales of for-sale condominiums in the Residential business, while property sales to investors increased in the Commercial Properties business and the Residential business. Consequently, operating revenue was ¥474,586 million (up 2.3% from ¥463,724 million for the previous fiscal year), operating profit was ¥95,763 million (up 20.2% from ¥79,670 million for the previous fiscal year), business profit was ¥89,419 million (up 12.7% from ¥79,326 million for the previous fiscal year), and ordinary profit was ¥78,187 million (up 9.0% from ¥71,722 million for the previous fiscal year). In addition, primarily due to a rebound from the sale of strategic shareholdings in the previous fiscal year, profit attributable to owners of parent was ¥58,879 million (down 10.6% from ¥65,882 million for the previous fiscal year).

For an overview of the performance of each segment, please refer to “(i) Operating results, under (1) Summary of Operating Results.”

(iii) Capital resources and liquidity of cash

Capital requirements of the Group are mainly for the acquisition and development of real estate. Thus, the Group raises funds for these capital requirements by borrowing from financial institutions, issuing bonds, and cash flows from operating activities. In addition, the Company and its major consolidated subsidiaries have introduced a cash management system (CMS) to consolidate surplus funds of each company to the Company for centralized management, thereby improving the efficiency of funds.

Further, the analysis of capital resources and liquidity of funds is as described in “(iii) Cash Flows, under (1) Summary of Operating Results,” and the analysis of financial position is as described in “(ii) Financial position under (1) Summary of Operating Results.”

(iv) Significant accounting estimates and assumptions used in making such estimates

Significant accounting estimates used in the preparation of the consolidated financial statements and the assumptions used in making such estimates are as described in “(1) Notes to Consolidated Financial Statements (Significant accounting estimates)” of “1. Consolidated Financial Statements etc., under V. Financial Information.”

5. Material Agreements, etc.

Not applicable.

6. Research and Development

Not applicable.

III. Property and Equipment

1. Summary of Capital Investment

For the current consolidated fiscal year, the Group made capital investments totaling ¥59,304 million, primarily for large-scale redevelopment projects in the Commercial Properties business.

The breakdown of capital investments by segment is as follows:

(Investment figures include property, plant and equipment, and intangible assets. Amounts do not include consumption tax, etc.)

(Millions of yen)

Segment	FY2024	FY2025	Increase (decrease)
Commercial Properties Business	117,253	52,195	(65,058)
Residential Business	1,134	2,263	1,129
Asset Service Business	2,095	2,012	(83)
Other	4,048	2,533	(1,515)
Subtotal	124,532	59,004	(65,527)
Elimination or corporate expenses	1,256	299	(957)
Total	125,789	59,304	(66,484)

2. Major Property and Equipment

Major facilities of the Company and its consolidated subsidiaries are as follows.

(1) Commercial Properties Business

As of December 31, 2025

Company name	Facility Name (Location)	Main Use	Structural Scale, etc.	Land, etc. (Note) 1 (Note) 2 (㎡)	Buildings total floor area (Note) 2 (㎡)	Book value (Note) 3			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Tokyo Tatemono Co., Ltd.	Muromachi Building (Chuo-ku, Tokyo)	Rental office	Steel-framed reinforced concrete structure 9 floors above ground, 3 floors below ground	755	9,113	7,847	472	0	8,319
Tokyo Tatemono Co., Ltd.	Muromachi Building No.3 (Chuo-ku, Tokyo)	Rental office	Steel-framed reinforced concrete structure 10 floors above ground, 2 floors below ground	1,444	12,382	9,473	882	18	10,374
Tokyo Tatemono Co., Ltd.	Nihonbashi First Building (Chuo-ku, Tokyo)	Rental office Retail space for rent	Steel-framed reinforced concrete structure 9 floors above ground, 1 floor below ground	285	2,004	1,722	370	0	2,093
Tokyo Tatemono Co., Ltd.	Yaesu Building (Chuo-ku, Tokyo)	Rental office Retail space for rent	Steel frame 11 floors above ground, 2 floors below ground	2,649	23,329	16,250	4,214	15	20,480
Tokyo Tatemono Co., Ltd.	Nihonbashi TI Building (Chuo-ku, Tokyo)	Rental office Retail space for rent	Steel frame 9 floors above ground	559	4,885	2,807	702	11	3,520
Tokyo Tatemono Co., Ltd.	Tokyo Square Garden (Chuo-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed and steel-reinforced concrete structure 24 floors above ground, 4 floors below ground	3,746	54,161	75,874	6,987	25	82,887
Tokyo Tatemono Co., Ltd.	Nihonbashi Building (Chuo-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel frame 13 floors above ground, 2 floors below ground	2,021 [298]	21,135	23,881	3,934	14	27,830
Tokyo Tatemono Co., Ltd.	Kyobashi Edogrand (Chuo-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed and steel-reinforced concrete structure 32 floors above ground, 3 floors below ground	610	8,497	5,635	3,767	0	9,403
Tokyo Tatemono Co., Ltd.	Empire Building (Chuo-ku, Tokyo)	Rental office Retail space for rent	Steel-framed and steel-reinforced concrete structure 10 floors above ground, 1 floor below ground	632	5,061	1,957	1,203	5	3,167

Company name	Facility Name (Location)	Main Use	Structural Scale, etc.	Land, etc. (Note) 1 (Note) 2 (㎡)	Buildings total floor area (Note) 2 (㎡)	Book value (Note) 3			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Tokyo Tatemono Co., Ltd.	Yaesu Sakura-dori Building (Chuo-ku, Tokyo)	Rental office	Steel-framed reinforced concrete structure 11 floors above ground, 2 floors below ground	623	5,538	13,441	1,040	11	14,494
Suzuki Sanei Co., Ltd.	Sanei Building - Main (Chuo-ku, Tokyo)	Rental office	Steel-framed reinforced concrete structure 9 floors above ground, 2 floors below ground	1,162	9,990	31,737	235	12	31,987
Suzuki Sanei Co., Ltd.	Sanei Building - Annex (Chuo-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed reinforced concrete structure 8 floors above ground, 1 floor below ground	640 [124]	4,747	4,163	201	0	4,365
Tokyo Tatemono Co., Ltd.	Jimbocho Building (Chiyoda-ku, Tokyo)	Rental office	Steel-framed reinforced concrete structure 8 floors above ground, 1 floor below ground	1,214	9,046	7,990	755	103	8,849
The silent partnership operated by Tokyo Prime Stage Y.K.	Otemachi Tower (Chiyoda-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed and steel-reinforced concrete structure 38 floors above ground, 6 floors below ground	7,875 [7,875]	147,910	89,840	40,993	171	131,006
Tokyo Tatemono Co., Ltd.	Otemachi Financial City Grand Cube (Chiyoda-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed and steel-reinforced concrete structure 31 floors above ground, 4 floors below ground	577	10,738	7,075	1,778	0	8,853
Kasumigaseki Building No. 7 PFI Co., Ltd.	Kasumigaseki Common Gate (Chiyoda-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed, steel-reinforced concrete structure, reinforced concrete 38 floors above ground, 3 floors below ground	1,978 [1,978]	21,408	—	4,603	0	4,603
Tokyo Tatemono Co., Ltd.	Shinjuku Center Building (Shinjuku-ku, Tokyo)	Rental office Retail space for rent	Steel frame 54 floors above ground, 4 floors below ground	7,434	89,956	90,418	11,595	35	102,049
Tokyo Tatemono Co., Ltd.	Panasonic Meguro Building (Shinagawa-ku, Tokyo)	Rental office	Steel-framed and steel-reinforced concrete structure 25 floors above ground, 2 floors below ground	8,225	48,063	20,979	6,675	75	27,730
Tokyo Tatemono Co., Ltd.	Osaki New City No. 3 Nissei Building (Shinagawa-ku, Tokyo)	Rental office Retail space for rent	Steel frame 21 floors above ground, 2 floors below ground	2,224	11,664	5,493	1,978	0	7,471
The silent partnership operated by Osaki First Stage Y.K.	Osaki Center Building (Shinagawa-ku, Tokyo)	Rental office Retail space for rent	Steel-framed reinforced concrete structure 17 floors above ground, 2 floors below ground	5,420 [5,420]	37,797	671	6,470	14	7,157
Tokyo Tatemono Co., Ltd.	Hareza Tower (Toshima-ku, Tokyo)	Rental office Retail space for rent Cinema	Steel-framed, steel-reinforced concrete structure, reinforced concrete 33 floors above ground, 2 floors below ground	2,027 [2,027]	38,446	54	14,056	158	14,268
Tokyo Tatemono Co., Ltd.	Nakano Central Park (Nakano-ku, Tokyo)	Rental office Retail space for rent, etc.	Steel-framed and steel-reinforced concrete structure 22 floors above ground, 1 floor below ground and other structures	13,586	86,368	55,570	11,331	152	67,054
Tokyo Tatemono Co., Ltd.	Machida Building (Machida-shi, Tokyo)	Rental office	Steel-framed reinforced concrete structure 10 floors above ground, 2 floors below ground	1,507 [1,507]	8,077	2,651	1,130	10	3,793
Tokyo Tatemono Co., Ltd.	Yokohama First Building (Nishi-ku, Yokohama)	Rental office	Steel frame 15 floors above ground, 3 floors below ground	966	12,239	5,575	1,300	24	6,899
Tokyo Tatemono Co., Ltd.	SMARK (Isesaki-shi, Gunma pref.)	Retail facilities	Steel frame 5 floors above ground	135,054 [129,382]	110,960	1,032	5,330	50	6,413
Tokyo Tatemono Co., Ltd.	Honmachi Building (Chuo-ku, Osaka)	Rental office	Steel-framed reinforced concrete structure 9 floors above ground, 3 floors below ground	920	10,529	3,284	374	15	3,674

Company name	Facility Name (Location)	Main Use	Structural Scale, etc.	Land, etc. (Note) 1 (Note) 2 (m ²)	Buildings total floor area (Note) 2 (m ²)	Book value (Note) 3			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Tokyo Tatemono Co., Ltd.	Umeda Building (Kita-ku, Osaka)	Rental office	Steel-framed and steel-reinforced concrete structure 14 floors above ground, 4 floors below ground	1,359 [237]	14,492	8,195	2,154	17	10,368
Tokyo Tatemono Co., Ltd.	Grand Front Osaka (Kita-ku, Osaka)	Rental office Retail space for rent, etc.	Steel-framed, steel-reinforced concrete structure, reinforced concrete 38 floors above ground, 3 floors below ground, etc.	215	2,407	1,180	394	3	1,578
Tokyo Tatemono Co., Ltd.	Hilton Kyoto (Nakagyo-ku, Kyoto)	Hotel buildings	Reinforced concrete structure and steel-framed reinforced concrete structure 9 floors above ground, 2 floors below ground	4,280 [3,470]	25,825	19,672	16,777	1,488	37,938
Tokyo Tatemono Co., Ltd.	Shijo Karasuma FT Square (Shimogyo-ku, Kyoto)	Rental office	Steel-framed reinforced concrete structure 11 floors above ground, 3 floors below ground	2,768	26,794	10,247	2,690	34	12,973
Tokyo Tatemono Co., Ltd.	Shijo Karasuma Building EAST (Shimogyo-ku, Kyoto)	Rental office	Steel frame 7 floors above ground	871	6,079	1,003	2,283	62	3,350
Tokyo Tatemono Co., Ltd.	Shijo SET Building (Shimogyo-ku, Kyoto)	Rental office Retail space for rent	Steel-framed reinforced concrete structure 8 floors above ground, 1 floor below ground	2,134	14,603	4,574	1,237	7	5,819
Tokyo Tatemono Co., Ltd.	Hakata Building (Hakata-ku, Fukuoka)	Rental office	Steel-framed reinforced concrete structure 12 floors above ground, 1 floor below ground	1,214	10,144	3,519	1,012	104	4,637
Tokyo Tatemono Co., Ltd.	Sendai Building (Aoba-ku, Sendai)	Rental office	Steel frame 20 floors above ground, 3 floors below ground	2,359	28,496	11,388	3,632	82	15,103
Tokyo Tatemono Co., Ltd. Meieki 2-chome Kaihatsu Tokutei Mokuteki Kaisha	Nagoya Prime Central Tower (Nishi-ku, Nagoya)	Rental office Retail space for rent	Steel frame 23 floors above ground, 1 floor below ground	3,748	25,008	7,542	3,201	0	10,744

(Notes) 1. Land includes the leasehold interests in land. The figures in [] represent the leasehold interests in land.

2. Land and buildings' total floor area represent the Company's and its consolidated subsidiaries' equity.

3. Of the Book value, Land, etc. consists of the total figure of land and leasehold interests in land, and Other consists of the total amount of Property, plant and equipment excluding land, buildings and structures, and intangible assets other than leasehold interests in land.

The Book value is the figure in the consolidated financial statements.

4. In addition to the above, the Company leases the following major buildings for sublease.

As of December 31, 2025

Company name	Name	Location	Leased area (m ²)
Tokyo Tatemono Co., Ltd.	Shinjuku Square Tower	Shinjuku-ku, Tokyo	27,792
Tokyo Tatemono Co., Ltd.	Kousei Sanbancho Daiichi Building	Chiyoda-ku, Tokyo	7,193
Tokyo Tatemono Co., Ltd.	East Square Omori	Shinagawa-ku, Tokyo	6,521

(2) Residential Business

As of December 31, 2025

Company name	Facility Name (Location)	Main Use	Structural Scale, etc.	Land, etc. (Note) 1, (Note) 2 (㎡)	Buildings total floor area (Note) 2 (㎡)	Book value (Note) 3			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Kachidoki GROWTH TOWN Co., Ltd.	Brillia ist Tower Kachidoki (Chuo-ku, Tokyo)	For-rent condomin iums	Reinforced concrete structure 45 floors above ground, 2 floors below ground	5,034 [5,034]	54,431	36	9,489	102	9,628
Tokyo Tatemono Co., Ltd.	HARUMI FLAG PORT VILLAGE (Chuo-ku, Tokyo)	For-rent condomin iums	Reinforced concrete structure 15 and 17 floors above ground, 1 floor below ground	3,103	13,319	254	4,754	86	5,095
Tokyo Tatemono Co., Ltd.	Class Aoyama (Minato-ku, Tokyo)	For-rent condomin iums	Reinforced concrete structure and steel-framed 25 floors above ground, 1 floor below ground	2,860 [2,860]	11,416	0	4,367	54	4,422
Tokyo Tatemono Co., Ltd.	Brillia ist Ikejiri Ohashi (Meguro-ku, Tokyo)	For-rent condomin iums	Reinforced concrete structure 7 floors above ground, 1 floor below ground	2,715	9,595	3,163	3,485	109	6,759
Tokyo Tatemono Co., Ltd.	Brillia ist Shinonome Canal court (Koto-ku, Tokyo)	For-rent condomin iums	Reinforced concrete structure 14 floors above ground, 1 floor below ground, etc.	7,739 [7,739]	40,988	0	3,672	151	3,824

(Notes) 1. Land, etc. includes the leasehold interests in land. The figures in [] represent the leasehold interests in land.

2. Land and buildings' total floor area represent the Company's and its consolidated subsidiaries' equity.

3. Of the Book value, Land, etc. consists of the total figure of land and leasehold interests in land, and Other consists of the total amount of Property, plant and equipment excluding land, buildings and structures, and intangible assets other than leasehold interests in land.

The Book value is the figure in the consolidated financial statements.

(3) Asset Service Business

As of December 31, 2025

Company name	Facility Name	Main Use	Structural Scale, etc.	Land, etc. (㎡)	Buildings total floor area (㎡)	Book value (Note)			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Nihon Parking Corporation	Parking facilities (Number of parking spaces: 91,650)	Hourly and/or monthly parking spaces	—	—	—	6,718	4,769	2,749	14,237

(Note) Of the Book value, Land, etc. consists of the total figure of land and leasehold interests in land, and Other consists of the total amount of Property, plant and equipment excluding land, buildings and structures, and intangible assets other than leasehold interests in land.

The Book value is the figure in the consolidated financial statements.

(4) Other

As of December 31, 2025

Company name	Facility Name (Location)	Main Use	Structural Scale, etc.	Land, etc. (Note) 1 (m ²)	Buildings total floor area (m ²)	Book value (Note) 2			
						Land, etc. (Millions of yen)	Buildings and structures (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)
Tokyo Tatemono Resort Co., Ltd.	Ofuro no Ousama Wako (Wako-shi, Saitama Pref.) 9 other stores	Bathing facility	—	44,120 [44,120]	34,415	6	2,503	293	2,802
Tokyo Tatemono Resort Co., Ltd.	Regina Resort Kyu-Karuizawa (Kitasaku-gun, Nagano Pref.) 7 other facilities	Hotel buildings	—	19,434	15,714	965	1,640	1,047	3,654
Tokyo Tatemono Co., Ltd. Kawaguchiko Country Club Inc. and others	J-Golf Tsurugashima (Hidaka-shi, Saitama Pref.) 13 other facilities	Golf courses facilities	—	15,392,729 [3,148,534]	80,274	10,298	2,507	3,681	16,487

(Notes) 1. Land includes the leasehold interests in land. The figures in [] represent the leasehold interests in land.

2. Of the Book value, Land, etc. consists of the total figure of land and leasehold interests in land, and Other consists of the total amount of Property, plant and equipment excluding land, buildings and structures, and intangible assets other than leasehold interests in land.

The Book value is the figure in the consolidated financial statements.

3. Plans for Capital Investment, Disposals of Property and Equipment, etc.

(1) Capital Investment

Segment	Company name	Facility Name (Location)	Main Use	Scale, etc.	Budgetary amount (Millions of yen)	Amount paid (Millions of yen)	Commencement and scheduled completion date
Commercial Properties Business	Tokyo Tatemono Co., Ltd.	Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A, District B) (Chuo-ku, Tokyo)	Office Store Bus terminal Conference center Medical facilities Parking lot, etc.	(District A) 10 floors above ground, 2 floors below ground Total floor area: approx. 12,000 m ² (overall) (District B) 51 floors above ground, 4 floors below ground Total floor area: approx. 225,000 m ² (overall)	144,000	67,871	(District A) Start of construction 2024 Completion (Acquisition) 2026 (District B) Start of construction 2021 Completion (Acquisition) 2026
Commercial Properties Business	Tokyo Tatemono Co., Ltd.	Yaesu 1-chome North District Category 1 Urban Redevelopment Project (Chuo-ku, Tokyo)	Office Store Accommodations Parking lot, etc.	(South Block) 44 floors above ground, 3 floors below ground Total floor area: approx. 185,500 m ² (overall) (North Block) 2 floors above ground Total floor area: approx. 1,000 m ² (overall)	86,000	8,084	Start of main construction 2024 South Block completion (acquisition) 2029 North Block completion (acquisition) 2032

(Notes) 1. The Company participates in the Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A, District B) as a property rights holder and specified business agent. The budgeted amount is the reserved floor space the Company is scheduled to acquire.

2. The Company participates in the Yaesu 1-chome North District Category 1 Urban Redevelopment Project as a property rights holder and participating committee member. The budgeted amount is the amount for the reserved floor the Company is scheduled to acquire.

3. The Company's funds, borrowings, and bonds will cover future capital requirements.

(2) Renovation

Segment	Company name	Facility Name	Construction period	Budgetary amount (Millions of yen)	Amount paid (Millions of yen)	Remarks
Commercial Properties Business	Tokyo Tatemono Co., Ltd.	Existing buildings	January 2026 to December 2026	5,534	—	Facility renovation work

(Note) The Company's funds and borrowings will cover future capital requirements.

(3) Sales

Not applicable.

(4) Disposals

Not applicable.

IV. Information on the Company

1. Information on the Company's Stock, etc.

(1) Total Number of Shares, etc.

(i) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common shares	400,000,000
Total	400,000,000

(ii) Shares issued

Class	Number of shares issued as of the end of fiscal year (December 31, 2025)	Number of shares issued as of the filing date (March 23, 2026)	Names of Stock Exchanges on which the Company is listed or Names of Authorized Financial Instruments Firms Association	Description
Common shares	207,978,574	207,978,574	Tokyo Stock Exchange Prime Market	Number of shares constituting one unit 100 shares
Total	207,978,574	207,978,574	—	—

(2) Status of Share Acquisition Rights

(i) Stock Option Plans

Not applicable.

(ii) Rights Plan

Not applicable.

(iii) Other Information About Share Acquisition Rights

Not applicable.

(3) Status of Exercise of Bonds with Moving Strike Warrant

Not applicable.

(4) Trends in the Total Number of Shares Issued, Share Capital, etc.

Date	Change in total number of shares issued (Thousands of shares)	Balance of total number of shares issued (Thousands of shares)	Changes in share capital (Millions of yen)	Balance of Share Capital (Millions of yen)	Legal capital surplus change (Millions of yen)	Legal capital surplus balance (Millions of yen)
November 28, 2025 (Note)	(1,189)	207,978	—	92,451	—	63,729

(Note) This was due to the cancellation of treasury shares.

(5) Status of Shareholders

As of December 31, 2025

Category	Status of Shares (1 unit = 100 shares)								Shares of less than one unit (shares)
	Government and local public bodies	Financial Institutions	Securities Companies	Other Corporations	Foreign Shareholders		Individuals/ Others	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders (Persons)	—	55	26	296	404	46	17,230	18,057	—
Number of shares held (Unit)	—	886,847	110,172	221,990	743,470	565	114,695	2,077,739	204,674
Shareholding ratio (%)	—	42.68	5.30	10.68	35.78	0.03	5.52	100.00	—

(Note) Of the treasury shares of 41,508 shares, 415 units are included under "Individuals/Other," and 8 shares are included under "Shares of less than one unit."

Although the 330,500 shares held by the Board Benefit Trust (BBT) are not included in treasury shares, 3,305 units are included under "Financial Institutions."

(6) Status of Major Shareholders

As of December 31, 2025

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1, Akasaka, Minato-ku, Tokyo	38,442	18.49
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	24,099	11.59
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10, Nihonbashi Kayabacho, Chuo-ku, Tokyo	4,758	2.29
Sompo Japan Insurance Inc. (Standing proxy: Custody Bank of Japan, Ltd.)	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo (1-8-12, Harumi, Chuo-ku, Tokyo)	4,744	2.28
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	2-1-1, Marunouchi, Chiyoda-ku, Tokyo (1-8-12, Harumi, Chuo-ku, Tokyo)	4,729	2.27
State Street Bank and Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo)	4,724	2.27
State Street Bank and Trust Company 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo)	4,422	2.13
CB London Stichting Pensioenfonds Zorg en Welzijn (Standing proxy: Citibank, N.A., Tokyo Branch)	UTRECHTSEWEG 91 ZEIST NL 3702 AA (6-27-30, Shinjuku, Shinjuku-ku, Tokyo)	3,881	1.87
JP Morgan Chase Bank 380055 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	270 PARK AVENUE, NEW YORK, NY 10017, UNITED STATES OF AMERICA (2-15-1 Konan, Minato-ku, Tokyo)	3,413	1.64
MSIP Client Securities (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	25 CABOT SQUARE, CANARY WHARF, LONDON E14 4QA, U.K. (1-9-7, Otemachi, Chiyoda-ku, Tokyo)	3,161	1.52
Total		96,377	46.35

(Notes) 1. In the change report of statements of large-volume holdings, which was made available for public inspection on July 17, 2025, Nomura Securities Co., Ltd. and its joint holders, Nomura International Plc. and Nomura Asset Management Co., Ltd. are listed as owning the following shares as of July 15, 2025. However, as the Company is unable to confirm the actual status of the shareholdings of these shareholders as of December 31, 2025, those shareholdings have not been reflected in the above list. The contents of said change report are as follows.

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	1,042	0.50
Nomura International Plc.	1 Angel Lane, London EC4R 3AB, United Kingdom	142	0.07
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	12,911	6.17

2. In the change report of the statements of large-volume holdings, which was made available for public inspection on September 19, 2025, Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder, Amova Asset Management Co., Ltd. are listed as owning the following shares as of September 15, 2025. However, as the Company is unable to confirm the actual status of the shareholdings of these shareholders as of December 31, 2025, those shareholdings have not been reflected in the above list. The contents of said change report are as follows.

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1, Shiba-Koen, Minato-ku, Tokyo	5,723	2.74
Amova Asset Management Co., Ltd.	9-7-1, Akasaka, Minato-ku, Tokyo	5,776	2.76

3. In the change report of statements of large-volume holdings, which was made available for public inspection on December 3, 2025, BlackRock Japan Co., Ltd. and its joint holders, BlackRock Financial Management, Inc., BlackRock (Netherlands) B.V., BlackRock Fund Managers Limited, BlackRock (Luxembourg) S.A., BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., and BlackRock Investment Management (UK) Limited are listed as owning the following shares as of November 28, 2025. However, as the Company is unable to confirm the actual status of the shareholdings of these shareholders as of December 31, 2025, those shareholdings have not been reflected in the above list. The contents of said change report are as follows.

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
BlackRock Japan Co., Ltd.	1-8-3, Marunouchi, Chiyoda-ku, Tokyo	3,552	1.71
BlackRock Financial Management, Inc.	251 Little Falls Drive, Wilmington, Delaware, USA	735	0.35
BlackRock (Netherlands) B.V.	Amstelplein 1, 1096 HA Amsterdam, The Netherlands	422	0.20
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	1,513	0.73
BlackRock (Luxembourg) S.A.	35A, Avenue J.F. Kennedy, L-1855 Luxembourg	288	0.14
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario, Canada	446	0.21
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park, Ballsbridge, Dublin, Ireland (1st Floor)	1,068	0.51
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, USA	2,940	1.41
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, USA	2,084	1.00
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	305	0.15

4. In the change report of the statements of large-volume holdings, which was made available for public inspection on January 9, 2026, Asset Management One Co., Ltd. and its joint holders Mizuho Bank, Ltd., Mizuho Securities Co., Ltd. and Mizuho Trust & Banking Co., Ltd. are listed as owning the following shares as of December 31, 2025. However, as the Company is unable to confirm the actual status of the shareholdings of these shareholders as of December 31, 2025, those shareholdings have not been reflected in the above list. The contents of said change report are as follows.

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
Asset Management One Co., Ltd.	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	8,554	4.11
Mizuho Bank, Ltd.	1-5-5, Otemachi, Chiyoda-ku, Tokyo	2,166	1.04
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	1,431	0.69
Mizuho Trust & Banking Co., Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	1,021	0.49

5. In the change report of statements of large-volume holdings, which was made available for public inspection on January 9, 2026, SMBC Nikko Securities Inc. and its joint holder, Sumitomo Mitsui DS Asset Management Company, Limited are listed as owning the following shares as of December 31, 2025. However, as the Company is unable to confirm the actual status of the shareholdings of these shareholders as of December 31, 2025, those shareholdings have not been reflected in the above list. The contents of said change report are as follows.

Name of Shareholder	Address	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	1,200	0.58
Sumitomo Mitsui DS Asset Management Company, Limited	1-17-1, Toranomon, Minato-ku, Tokyo	17,064	8.20

(7) Status of Voting Rights

(i) Shares Issued

As of December 31, 2025

Category	Number of shares (shares)	Number of Voting Rights (Units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights – treasury shares, etc.	—	—	—
Shares with restricted voting rights – other	—	—	—
Shares with full voting rights – treasury shares, etc.	Common shares 41,500	—	—
Shares with full voting rights – other	Common shares 207,732,400	2,077,324	—
Shares of less than one unit	Common shares 204,674	—	Less than one unit (100 shares)
Total number of shares issued	207,978,574	—	—
Total voting rights held by all shareholders	—	2,077,324	—

(Notes) 1. Treasury shares included in “Shares of less than one unit.”

Tokyo Tatemono Co., Ltd. 8 shares

2. Common stock indicated under “Shares with full voting rights – other” includes 330,500 shares of the Company (3,305 voting rights) held by the Board Benefit Trust (BBT). Said 3,305 voting rights are not exercised.

(ii) Treasury Share, etc.

As of December 31, 2025

Name of Shareholder	Address	Number of Shares Held under Own Name (shares)	Number of Shares Held under the Names of Others (shares)	Total Number of Shares Held (shares)	Shareholding Ratio (%)
(Treasury shares) Tokyo Tatemono Co., Ltd.	1-9-9, Yaesu, Chuo-ku, Tokyo	41,500	—	41,500	0.02
Total	—	41,500	—	41,500	0.02

(Note) 330,500 shares of the Company’s shares held by the Board Benefit Trust (BBT) are not included in the above treasury shares, etc.

(8) Information on the Officer/Employee Stock Ownership Plan

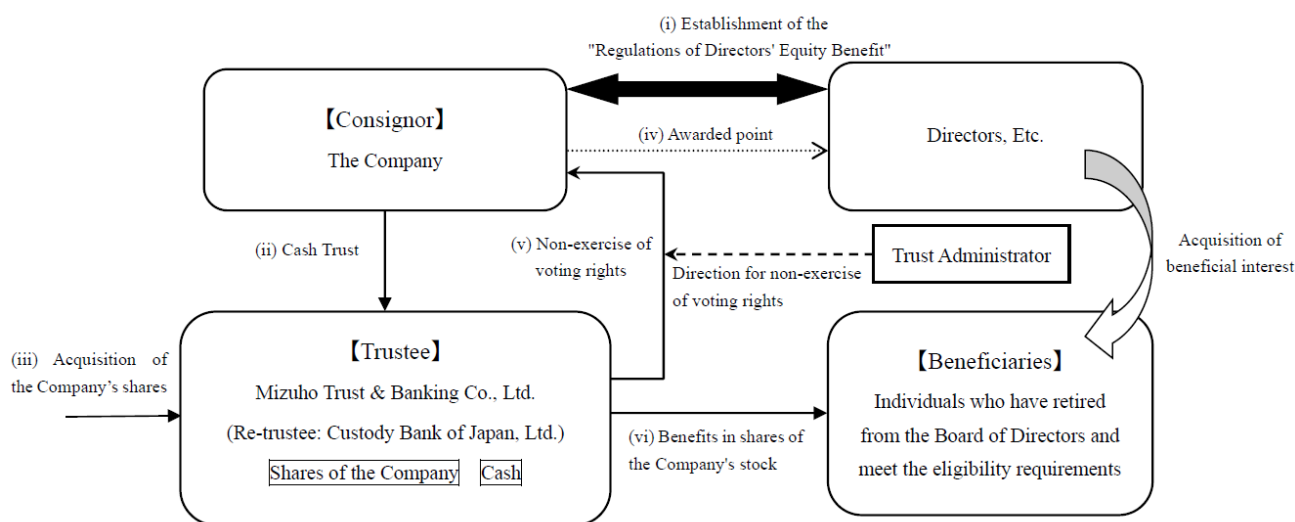
Based on the resolution of the 200th Ordinary General Meeting of Shareholders (hereinafter referred to as the “Resolution of this General Meeting of Shareholders”) held on March 28, 2018, the Company has continued to implement with partial amendments the “Board Benefit Trust (BBT)” (hereinafter referred to as the “BBT scheme”), a share awards plan for the Company’s Directors (excluding External Directors) and Managing Officers who do not concurrently serve as Directors (hereinafter collectively referred to as “Directors, etc.”), thereby intending to enhance their awareness in order to contribute to increasing the Company’s corporate value over the medium to long term.

a. Outline of the BBT Scheme

Under the BBT scheme, the Company’s shares are acquired through a trust (the trust to be established under the BBT scheme is hereinafter referred to as the “Trust”) with funds contributed by the Company. This is a share awards plan under which the Company’s shares and money equivalent to the amount converted at the market value of the Company’s shares (hereinafter referred to as “the Company’s shares, etc.”) are paid to Directors, etc. through the Trust in accordance with the “Regulations of Directors’ Equity Benefit” stipulated by the Company. In principle, the time when Directors, etc. receive the Company’s shares, etc. is at the time of their retirement from office.

Each fiscal year, Directors, etc. are granted a certain number of points in consideration of their position in accordance with the Regulations of Directors’ Equity Benefit, and each point is converted into one share of common stock of the Company at the time of delivery of the Company’s shares, etc. The total number of points to be granted to Directors, etc. per fiscal year shall be up to 100,000 points (including 40,000 points for Directors (excluding External Directors)). Note that the Company plans to submit a proposal for partial amendment of the share awards plan for Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026, and if the proposal is approved as originally proposed, the total number of points granted to Directors, etc. per fiscal year will be capped at 200,000 points (of which 100,000 points are for Directors (excluding External Directors)).

<Structure of the BBT Scheme>



- (i) The Company shall set forth the Regulations of Directors’ Equity Benefit to the extent approved by the Resolution of this General Meeting of Shareholders.
- (ii) The Company will place funds in trust to the extent approved by the Resolution of this General Meeting of Shareholders.
- (iii) The Trust shall acquire the Company’s shares through the trading market, etc. using the funds entrusted in (ii) above as the source.
- (iv) The Company shall grant points to Directors, etc. per the Regulations of Directors’ Equity Benefit.
- (v) The Trust shall not exercise voting rights pertaining to the Company’s shares in the Trust in compliance with the instructions of the Trust Administrator, which is independent of the Company.
- (vi) The Trust shall grant the Company’s shares to retired Directors, etc. who satisfy the requirements for beneficiaries stipulated

in the Regulations of Directors' Equity Benefit (hereinafter referred to as "beneficiaries") in proportion to the number of points granted to said beneficiaries; provided that if the requirements stipulated in the Regulations are met, a certain percentage of the shares shall be paid in cash equivalent to the market value of the Company's shares in lieu of the payment of the Company's shares. Further, the Trust reserves the right to sell the Company's shares to provide monetary benefits.

b. Total Number or Total Amount of the Company's Shares Scheduled to be Purchased by the Board Benefit Trust (BBT)

The Company shall be subject to the following terms and conditions for the three fiscal years from the fiscal year ended the last day of December 2018 through the fiscal year ended the last day of December 2020 (hereinafter referred to as the "Initial Relevant Period" and the Initial Relevant Period and each of the three fiscal years beginning after the expiration of the Initial Relevant Period shall be respectively referred to as the "Relevant Period") and each Relevant Period afterwards. The Trust will acquire the Company's shares using the funds contributed by the Company as the source of funds in order to provide the Company's shares, etc. to Directors, etc.

The maximum allowable number of points to be granted to Directors, etc. under the BBT scheme is 100,000 points per fiscal year (including 40,000 points for Directors (excluding External Directors)), as described above. Until the termination of the BBT scheme, the Company will, in principle, make additional contributions to the Trust for each Relevant Period, based on a reasonably estimated number of shares required to provide benefits to Directors, etc. under the BBT scheme, and the funds deemed necessary for the Trust to acquire such shares ahead of time. Provided, in the event of such additional contribution, if there are any remaining shares of the Company or funds in the trust assets, they shall be allocated to the source of benefits under the BBT scheme, and the amount of such additional contribution for the subsequent Relevant Period shall be calculated after taking into consideration such remaining shares, etc. Note that the Company plans to submit a proposal for partial amendment of the share awards plan for Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If said proposal is approved as originally proposed, the total number of points granted to Directors, etc. per fiscal year will be capped at 200,000 points (of which 100,000 points are for Directors (excluding External Directors)).

Acquisition of the Company's shares by the Trust shall be conducted through the trading market, etc. using the funds contributed as described above as the source.

c. Scope of Beneficiary Rights and Other Rights under the Board Benefit Trust (BBT)

Directors, etc. who meet the requirements for beneficiaries as stipulated in the Regulations of Directors' Equity Benefit.

2. Information on Purchase, etc. of Treasury Shares

Class of shares Acquisition of shares of common stock under the conditions set forth in Article 155, Item 3 and Article 155, Item 7 of the Companies Act

(1) Acquisition of Treasury Shares based on a Resolution of General Meeting of Shareholders

Not applicable.

(2) Acquisition of Treasury Shares based on a Resolution of Board of Directors

Acquisition under Article 156 of the Companies Act as applied by replacing the conditions set forth in Article 165, Paragraph 3 of the same act

Category	Number of shares (shares)	Total value (yen)
Status of resolution at the Board of Directors (December 25, 2024) (Acquisition period: February 13, 2025 to August 31, 2025)	1,500,000	3,000,000,000
Treasury shares purchased before the current fiscal year	—	—
Treasury shares purchased in the current fiscal year	1,189,100	2,999,870,100
Total number and total value of shares remaining under the resolution	310,900	129,900
Ratio of unexercised shares at the end of the current fiscal year (%)	20.7	0.0
Treasury shares purchased during the current period	—	—
Ratio of unexercised shares as of the filing date (%)	20.7	0.0

(Note) The acquisition period and the number of treasury shares purchased are stated based on the contract date.

(3) Acquisition of Treasury Shares not based on a Resolution of General Meeting of Shareholders or Board of Directors

Acquisition pursuant to Article 155, Item 7 of the Companies Act

Category	Number of shares (shares)	Total value (yen)
Treasury shares purchased in the current fiscal year	1,628	4,431,177
Treasury shares purchased during the current period	100	364,700

(Note) The number of shares of treasury shares purchased during the current period does not include the number of shares of less than one unit purchased during the period from March 1, 2026 until the filing date of this report.

(4) Status of Disposition and Holding of Purchased Treasury Shares

Category	FY2025		Current Period	
	Number of shares (shares)	Total Disposal Amount (yen)	Number of shares (shares)	Total Disposal Amount (yen)
Treasury shares disposed of by public offering	—	—	—	—
Purchased treasury shares that were canceled	—	—	—	—
Purchased treasury shares through a merger, stock swap, stock delivery, or share transfer related to company split	—	—	—	—
Other (request for additional purchase of shares of less than one unit)	283	734,366	—	—
Number of shares of treasury shares held	41,508	—	41,608	—

(Notes) 1. The number of shares of “Other” during the current period does not include shares resulting from requests for additional purchase of less than one unit during the period from March 1, 2026 until the filing date of this report.

2. The number of treasury shares held is stated based on the settlement date.

3. Dividend Policy

Our dividend policy is based on the basic policy of striving to maintain and increase the level of stable dividends while aiming to enhance shareholder value over the medium to long term through investment aimed at sustainable and stable profit growth, and comprehensively considering the business environment, financial situation, etc.

Dividends are paid twice a year: an interim dividend with a record date of June 30 and a year-end dividend with a record date of December 31. The interim dividend is paid by resolution of the Board of Directors, and the year-end dividend is paid by resolution of the General Meeting of Shareholders.

In accordance with the above basic policy, the year-end dividend for the current fiscal year is set at 57 yen per share, which, together with the interim dividend of 48 yen per share, totals an annual dividend of 105 yen per share, resulting in a consolidated dividend payout ratio of 37.1% for the current fiscal year.

Regarding dividends for the next fiscal year, as a result of comprehensively taking into account the above basic policy and the earnings outlook for the next fiscal year, we plan to pay an annual dividend of 122 yen per share (interim dividend of 61 yen per share), with a payout ratio of 40.2%, and the quantitative target for FY2027 (consolidated payout ratio of 40%) set forth in the Group's Medium-Term Business Plan is expected to be achieved one year ahead of schedule.

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends as prescribed in Paragraph 5, Article 454 of the Companies Act.

(Note) The Dividends of surplus for which the record date belongs to the current fiscal year are as follows:

Date of Resolution	Total dividend amount (Millions of yen)	Dividend Amount per Share (yen)
August 8, 2025 Resolution of Board of Directors' meeting	9,997	48
March 26, 2026 Resolution of the Ordinary General Meeting of Shareholders (Planned)	11,852	57

4. Status of Corporate Governance, etc.

(1) Outline of Corporate Governance

(i) Basic Policies for Corporate Governance

Under the corporate philosophy of “Trust beyond the era,” the Company strives to establish optimal corporate governance with the main objective of achieving sustainable growth and increasing corporate value over the medium to long term while ensuring sound and transparent management and increasing efficiency. To ensure that our shareholders and other stakeholders accurately understand our business activities, we disclose information proactively and appropriately.

Further, we have established a “Compliance Charter” common to all Group companies as a part of our commitment to society and to promote compliance-oriented corporate activities aiming to continue our sound corporate activities and earn the trust of society for many years to come.

(ii) Outline of System of Corporate Governance and Reason for Adoption of said System

The Company has adopted the following corporate governance systems for efficient and sound group management: the Board of Directors, Nomination Advisory Committee, Remuneration Advisory Committee, Audit & Supervisory Board Member system, and Managing Officer system, together with the establishment and operation of Executive Committee, Internal Control Committee, Risk Management Committee, and Sustainability Committee.

a. Board of Directors

The Board of Directors is chaired by Makio Tanehashi, a Director who does not concurrently serve as a Managing Officer, and consists of 12 members: 7 Internal Directors and 5 External Directors (including 2 female Directors). In principle, the Board of Directors holds an ordinary meeting once a month and extraordinary meetings are held as necessary to make decisions on important matters concerning the Company’s operation and to supervise the Directors’ execution of their duties. Further, Audit & Supervisory Board Members attend meetings of the Board of Directors and express their opinions, as necessary.

b. Nomination Advisory Committee

The Nomination Advisory Committee is an advisory body to the Board of Directors to nominate candidates for Director and select and dismiss Representative Directors.

Chair: Shuichi Hattori (External Director)

Members: Shuichi Hattori (External Director), Yoshimitsu Onji (External Director), Yumiko Kinoshita (External Director), Junichi Nishizawa (External Director), Naoko Tanouchi (External Director), Katsuhito Ozawa (Representative Director, President & Chief Executive Officer), Hitoshi Nomura (Representative Director and Chairman), Akira Izumi (Representative Director, Executive Vice President & Executive Officer)

c. Remuneration Advisory Committee

The Remuneration Advisory Committee is an advisory body to deliberate on the remuneration, etc. of Directors, based on consultation with the Board of Directors

Chair: Yoshimitsu Onji (External Director)

Members: Yoshimitsu Onji (External Director), Shuichi Hattori (External Director), Yumiko Kinoshita (External Director), Junichi Nishizawa (External Director), Naoko Tanouchi (External Director), Katsuhito Ozawa (Representative Director, President & Chief Executive Officer), Hitoshi Nomura (Representative Director and Chairman), Akira Izumi (Representative Director and Executive Vice President & Executive Officer)

d. Audit & Supervisory Board member system

With the adoption of the system of a company with an Audit & Supervisory Board, the Company has an Audit & Supervisory Board comprising four members, including two full-time Audit & Supervisory Board members (Isao Jinno, Takashi Yoshino) and two External Audit & Supervisory Board members (Sayaka Hieda, Naohiro Chikada), and is chaired by Isao Jinno, a full-time Audit & Supervisory Board member. The Board receives reports about important matters on audits and then discusses and resolves such matters. Note that the Company plans to submit a proposal for the election of one Audit & Supervisory Board Member as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If the proposal is approved as originally proposed, the Audit & Supervisory Board will comprise four members: two full-time Audit & Supervisory Board Members (Isao Jinno, Yusuke Mishima) and two External Audit & Supervisory Board Members (Sayaka Hieda, Naohiro Chikada).

e. Managing Officer system

The Company has adopted a Managing Officer system to strengthen management and business execution functions, stimulate the Board of Directors and accelerate the decision-making procedures. Managing Officers are appointed by resolution of the Board of Directors, and they number 21 as of March 23, 2026.

f. Executive Committee

The Executive Committee deliberates on important matters related to the management of the Company, subsidiaries and affiliated companies, etc. with Representative Director, President & Chief Executive Officer Katsuhito Ozawa as chair and Managing Officers with specific responsibilities. In addition, full-time Audit & Supervisory Board members attend the Executive Committee and share their opinions, as necessary.

g. Internal Control Committee

The Internal Control Committee deliberates on the development, operation status, and improvement measures of internal control systems within the Group, with Representative Director, President & Chief Executive Officer Katsuhito Ozawa as chair and the Chairman, Executive Vice President and Executive Officer, the Director in charge of the Corporate Planning Department, the Director in charge of the Legal & Compliance Department, and others as members. Full-time Audit & Supervisory Board members attend Internal Control Committee meetings and share their opinions, as necessary. Matters discussed by the Committee are submitted or reported to the Board of Directors as needed.

h. Risk Management Committee

The Risk Management Committee oversees the Group's risk management and compliance with Representative Director, President & Chief Executive Officer Katsuhito Ozawa as chair and the Chairman, Executive Vice President and Executive Officer, Division Directors and Vice Division Directors of each division, the Director in charge of the Corporate Planning Department, the Director in charge of the Legal & Compliance Department, and General Managers of corporate departments, etc. as members. Full-time Audit & Supervisory Board members attend meetings and share their opinions, as necessary. To promote compliance management, a Compliance Subcommittee (Subcommittee Chair: Director in charge of Legal & Compliance Department) has been established as a subordinate organization of this committee to discuss compliance measures, monitor progress, respond to compliance risks and address risks associated with disasters. A Business Continuity Management Subcommittee (Subcommittee Chair: Director in charge of General Affairs Department) has also been established to monitor BCP response, create and improve BCP manuals, share BCP initiatives in Group companies, and formulate improvement policies for the BCP. The Committee reports on matters deliberated and reported to the Board of Directors and submits those as necessary to the Board of Directors.

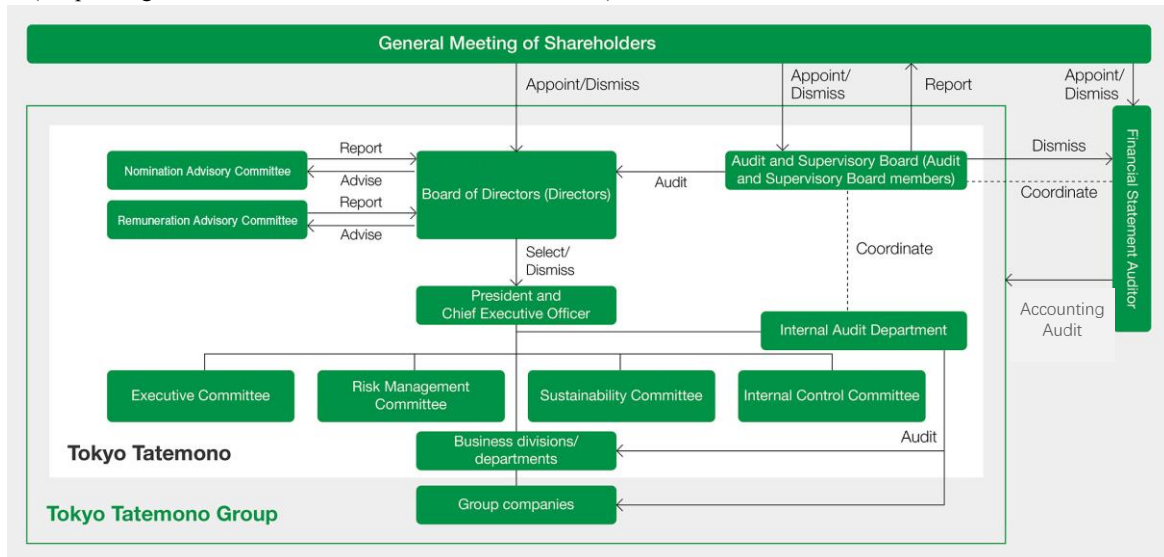
i. Sustainability Committee

The Sustainability Committee includes Representative Director, President & Chief Executive Officer Katsuhito Ozawa as chair, Representative Directors, Managing Officers with specific responsibilities, each General Manager of the corporate departments, the General Manager of the Engineering Division of the Commercial Properties business, and other members appointed by the chair in consideration of their expertise in the matters to be discussed. The Committee deliberates and reports on matters related to the formulation of the Group's policy on sustainability initiatives, the development of systems, the setting of metrics and targets, the monitoring of progress, and the disclosure of information, etc. Full-time Audit & Supervisory Board members attend meetings and share their opinions, as necessary. In addition, a Sustainability Promotion Committee and a Human Rights Subcommittee have been established as subordinate bodies of the Sustainability Committee. The Sustainability Promotion Committee shares matters deliberated and reported by the Committee, discusses matters for consideration in advance, and reports on the progress of the Group's sustainability initiatives, etc. The Human Rights Subcommittee implements initiatives based on the Tokyo Tatemono Group Human Rights Policy and reports on the status of such initiatives.

Important matters deliberated and reported, etc. by the Sustainability Committee are submitted or reported to the Board of Directors, which oversees the promotion of the Group's sustainability initiatives by making decisions on important sustainability-related matters and monitors and supervises the status of the Company's response.

Note that the Company plans to submit a proposal for the election of 12 Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026, and even if the proposal is approved as originally proposed, there will be no change in the composition of the Board of Directors, Nomination Advisory Committee, Remuneration Advisory Committee, Executive Committee, Internal Control Committee, Risk Management Committee, or Sustainability Committee.

(Corporate governance structure chart as of March 23, 2026)



<Reason for Adoption of Corporate Governance System>

To ensure sound and transparent management while increasing efficiency, the Company has adopted the status of a Company with Audit & Supervisory Board and a Managing Officer system.

The Audit & Supervisory Board has strengthened oversight functions and ensured transparency of management through the appointment of External Audit & Supervisory Board members, while the Managing Officer system has clarified the division of functions for management and business execution, strengthening management/oversight and business execution functions. Thus, the Company believes that a system has been established in which its management and Director monitoring/oversight functions are sufficiently implemented.

(iii) Activities of the Board of Directors

The Company held a total of 18 meetings of the Board of Directors during the current fiscal year. The attendance record of each member is as follows.

Title	Name	Meeting attendance
Director Chairman of the Board	Makio Tanehashi	18/18 times
Representative Director and Chairman	Hitoshi Nomura	18/18 times
Representative Director President & Chief Executive Officer	Katsuhito Ozawa	18/18 times
Representative Director Executive Vice President & Executive Officer	Akira Izumi	18/18 times
Director Senior Managing Executive Officer	Hideshi Akita	18/18 times
Director Senior Managing Executive Officer	Takeshi Jinbo	18/18 times
Director Managing Executive Officer	Shinjiro Kobayashi	18/18 times
External Director	Yoshimitsu Onji	18/18 times
External Director	Shuichi Hattori	18/18 times
External Director	Yumiko Kinoshita	18/18 times
External Director	Junichi Nishizawa	14/14 times (Note) 1
External Director	Naoko Tanouchi	14/14 times (Note) 1
Director Managing Executive Officer	Fumio Tajima	4/4 times (Note) 2
External Director	Takeo Nakano	3/4 times (Note) 2

(Notes) 1. Junichi Nishizawa and Naoko Tanouchi were elected at the 207th Ordinary General Meeting of Shareholders held on March 26, 2025, and their attendance at the Board of Directors meetings held following that date is shown.

2. Fumio Tajima and Takeo Nakano retired from their positions at the 207th Ordinary General Meeting of Shareholders held on March 26, 2025, and their attendance at the Board of Directors meetings held during their term of office in the current fiscal year is shown.

The specific considerations by the Board of Directors are as follows.

Classification		Specific considerations
Matters related to management strategy	Business and finance	<ul style="list-style-type: none"> ● Approval of annual accounts, budget, business plan, financial plan, and investment policy ● Approval of the Medium-Term Business Plan
	Governance	<ul style="list-style-type: none"> ● Verification of the significance of strategic shareholdings, confirmation of the review policy, and approval of disposal ● Confirmation of the results of the evaluation of the effectiveness of the Board of Directors and consideration of ways to further improve the effectiveness of the Board of Directors ● Approval of partial revision of the remuneration structure ● Approval of the establishment of the Nomination Advisory Committee and the Remuneration Advisory Committee ● Approval of the risk management action policies and report on their implementation
	Other	<ul style="list-style-type: none"> ● Approval of the response to the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” (request from the Tokyo Stock Exchange)
Matters regarding shares		<ul style="list-style-type: none"> ● Convening of General Meeting of Shareholders and determination of proposals to be submitted ● Approval of appropriation of retained earnings and dividend policy
Other matters		<ul style="list-style-type: none"> ● Progress report on major and overseas projects, etc.

(iv) Activities of the Nomination Advisory Committee

The Company held a total of 7 meetings of the Nomination Advisory Committee during the current fiscal year. The attendance record of each member is as follows.

Title	Name	Meeting attendance
External Director	Shuichi Hattori	7/7 times
External Director	Yoshimitsu Onji	7/7 times
External Director	Yumiko Kinoshita	7/7 times
External Director	Junichi Nishizawa	4/4 times (Note) 2
External Director	Naoko Tanouchi	4/4 times (Note) 2
Representative Director President & Chief Executive Officer	Katsuhito Ozawa	7/7 times
Representative Director and Chairman	Hitoshi Nomura	7/7 times
Representative Director Executive Vice President & Executive Officer	Akira Izumi	7/7 times
External Director	Takeo Nakano	2/3 times (Note) 3

(Notes) 1. Following the Board of Directors meeting held on March 26, 2025, the Nomination and Remuneration Advisory Committee was restructured into the Nomination Advisory Committee and the Remuneration Advisory Committee. The number of meetings held and attendance records are the totals for the Nomination and Remuneration Advisory Committee and the Nomination Advisory Committee.

2. Junichi Nishizawa and Naoko Tanouchi were elected at the 207th Ordinary General Meeting of Shareholders held on March 26, 2025, and were appointed as members at the Board of Directors meeting held on the same day; thus, the attendance records shown are for Nomination Advisory Committee meetings held following that date.

3. Takeo Nakano retired from his position at the 207th Ordinary General Meeting of Shareholders held on March 26,

2025, and his attendance at the Nomination and Remuneration Advisory Committee meetings held during his term of office in the current fiscal year is shown.

The specific considerations by the Nomination Advisory Committee during the fiscal year are as follows.

- Determination of the chair and order of substitution for the Nomination Advisory Committee
- Selection of candidates for Directors and Audit & Supervisory Board Members
- Election of Managing Officers
- Responsibilities of Directors and Managing Officers

(v) Activities of the Remuneration Advisory Committee

The Company held a total of 6 meetings of the Remuneration Advisory Committee during the current fiscal year. The attendance record of each member is as follows.

Title	Name	Meeting attendance
External Director	Yoshimitsu Onji	6/6 times
External Director	Shuichi Hattori	6/6 times
External Director	Yumiko Kinoshita	6/6 times
External Director	Junichi Nishizawa	3/3 times (Note) 2
External Director	Naoko Tanouchi	3/3 times (Note) 2
Representative Director President & Chief Executive Officer	Katsuhito Ozawa	6/6 times
Representative Director and Chairman	Hitoshi Nomura	6/6 times
Representative Director Executive Vice President & Executive Officer	Akira Izumi	6/6 times
External Director	Takeo Nakano	2/3 times (Note) 3

(Notes) 1. Following the Board of Directors meeting held on March 26, 2025, the Nomination and Remuneration Advisory Committee was restructured into the Nomination Advisory Committee and the Remuneration Advisory Committee. The number of meetings held and attendance records are the totals for the Nomination and Remuneration Advisory Committee and the Remuneration Advisory Committee.

2. Junichi Nishizawa and Naoko Tanouchi were elected at the 207th Ordinary General Meeting of Shareholders held on March 26, 2025, and were appointed as members at the Board of Directors meeting held on the same day; thus, the attendance records shown are for Remuneration Advisory Committee meetings held following that date.

3. Takeo Nakano retired from his position at the 207th Ordinary General Meeting of Shareholders held on March 26, 2025, and his attendance at the Nomination and Remuneration Advisory Committee meetings held during his term of office in the current fiscal year is shown.

The specific considerations by the Remuneration Advisory Committee during the fiscal year are as follows.

- Determination of the chair and order of substitution for the Remuneration Advisory Committee
- Remuneration of Directors and Managing Officers (by individual)
- Revision of the policy regarding the determination of details of individual Directors' remuneration, etc.
- Partial revision of the share awards plan

(vi) Other Matters Regarding Corporate Governance

Along with setting the corporate philosophy of "Trust beyond the era" and earning the trust of customers as the basis for the conduct of all officers and employees, the Company has developed a system to secure business integrity (hereinafter, "internal control system") and works to have said system functioning satisfactorily.

a. Systems to Ensure Directors' and Employees' Execution of Duties in Compliance with Laws, Regulations, and the Articles

of Incorporation

- The Company has set forth comprehensive compliance as a basic policy of management and has established “Compliance Rules” in addition to developing a compliance system based on those rules.
 - The Company has established a Risk Management Committee chaired by the President & Chief Executive Officer to oversee the Group’s risk management and compliance. The committee works to appropriately operate and improve the compliance system.
 - The Risk Management Committee reports to the Board of Directors and Audit & Supervisory Board on the status of the operation, etc. of the compliance system when necessary.
 - The Company has established “Whistleblower Rules” for officers and employees to report any wrongful acts and/or compliance issues, set up contact points inside and outside the Company for reporting by officers and employees and ensured officers and employees are aware of these matters.
 - The Company promptly conducts all necessary investigations of matters reported pursuant to the “Whistleblower Rules” and takes corrective and preventive measures as needed.
 - The Company has developed a system to prevent whistleblowers from suffering disadvantageous treatment due to their reporting.
 - The Company has established “Rules on the Exclusion of Antisocial Forces” and maintains a firm stance of not allowing any relationship with antisocial forces that threatens the order and safety of civil society.
- b. Systems to Maintain and Manage Information on Directors’ Execution of Duties
- The Company has established a Document Management Administration Department and an Information Management Supervisor based on the “Document Management Rules” and “Information Management Rules” for documents (including electronic records) pertaining to Directors’ execution of duties and other information and appropriately stores and manages these in accordance with their provisions.
- c. Rules and Other Systems for Management of Risks of Loss
- The Company has established “Risk Management Rules” to manage the Group’s risks and maximize corporate value and continuously monitors and responds to risks pertaining to the operations of each department, while comprehensively managing the Group’s risks through the Risk Management Committee.
 - The Risk Management Committee performs evaluation and analysis of the Group’s risks, deliberates measures to prevent the occurrence of risks and address any risks that actualize as well as prevent their recurrence, and submits cases or reports to the Board of Directors when necessary.
 - The Internal Audit Department evaluates the propriety and effectiveness of the risk management system and risk management operations, and reports the results of its investigations to the President & Chief Executive Officer and the Audit & Supervisory Board members, etc. on a periodic basis.
 - The Company has established a basic plan on the handling of emergencies such as large earthquakes, has established a system for business continuity in the event of an emergency based on the basic plan, and tracks and inspects the status of preparation of crisis management drills, etc.
- d. System to Ensure Directors’ Execution of Duties in an Efficient Manner
- The Company has adopted a Managing Officer system to strengthen business management and execution functions, stimulate the Board of Directors and accelerate the decision-making procedures.
 - The Board of Directors determines the Group’s management plans, annual business plans and budgets, and funding plans based on consideration of the appropriate allocation of management resources, works to improve the efficiency and effectiveness of operations, receives reports on the achievement of department targets on a periodic basis, based on which it revises targets, and decides on improvements for greater efficiency when necessary.
 - The Company has stipulated “Organization Rules,” “Duty Authorization Rules,” and “Approval Rules” for the organized and efficient execution and management of each department and clarifies the operations and authority of each division.
- e. System to Ensure Business Integrity of Corporate Group Comprising the Company and its Subsidiaries
- The Company has established the Group’s internal control systems to engage in Group management with the aim of maximizing the corporate value of the Group.
 - The Company has established an Internal Control Committee chaired by the President & Chief Executive Officer for the improvement and enhancement of the Group’s internal control systems. The committee monitoring the establishment and status of operation of the Group’s internal control system.
 - The Company has stipulated a “Group Compliance Charter,” “Compliance Code of Conduct,” and “Group Compliance Manual” based on the “Compliance Rules,” works to notify the Group and its officers and employees of same through training, etc. and creates systems for executing operations in a sincere manner with comprehensive compliance.

- The Risk Management Committee deliberates matters related to risks and compliance in the Group and oversees its risk management and compliance.
 - The Company has established an Executive Committee chaired by the President & Chief Executive Officer to engage in Group management with the aim of maximizing corporate value of the Group as a whole. Its meetings deliberate important matters concerning the Group and share the status of business execution and other matters related to management based on the “Executive Committee Rules.”
 - The Company has established a Sustainability Committee chaired by the President & Chief Executive Officer to balance “resolution of social issues” and “growth as a company” at a higher level. The committee promotes initiatives aimed at sustainable growth of the Group and the realization of a sustainable society based on the “Sustainability Promotion Rules.”
 - In order to enhance management efficiency and realize Group synergy, the Company performs management control of Group companies based on the “Group Management Control Rules,” e.g. requiring the Company’s approval for important decisions such as the business plans of Group companies as well as compliance matters as reportable to the Company.
 - The Company has developed a system to verify business integrity, such as by requiring Group company officers and employees to periodically report on the status of their execution of duties through such means as dispatching the Company’s Directors or Audit & Supervisory Board Members, etc. to Group companies. In addition, Company Directors monitor Group companies’ business and profit plans every fiscal year and report to the Board of Directors.
 - The Company has established Group-wide reporting contact points outside the company for officers and employees of the Group to report any wrongful acts or other compliance issues found and notifies officers and employees of the Group accordingly. The Company conducts necessary investigations of matters reported pursuant to the “Whistleblower Rules” and necessary preventive measures as a Group.
 - Based on the Financial Instruments and Exchange Act, the Company has developed a system that ensures the propriety of financial reporting.
 - The Internal Audit Department implements internal audits of the Company and Group companies based on the “Internal Control Rules” and reports the results to the President & Chief Executive Officer and Audit & Supervisory Board members, etc.
- f. System for Audit & Supervisory Board Members Seeking Assignment of Employees to Support Their Duties and Matters Related to Ensuring Their Independence from Directors and the Effectiveness of Their Instruction
- The Company assigns personnel as auditing staff upon request from the Audit & Supervisory Board to smoothly execute their supervisory duties.
 - When supporting the duties of Audit & Supervisory Board members, the auditing staff shall follow the directions and orders of Audit & Supervisory Board members and are not subject to the directions or orders of Directors, the General Manager of the Internal Audit Department, etc.
 - Even if the auditing staff concurrently serves in other departments, their auditing operations take priority, and the Company is required to obtain the prior consent of full-time Audit & Supervisory Board members to make personnel changes or take disciplinary action for the auditing staff.
- g. System for Reporting, etc. to Audit & Supervisory Board Members
- The Company mandates the attendance of Audit & Supervisory Board members at Board of Directors meetings, Executive Committee meetings, and Internal Control Committee meetings.
 - In the event of an occurrence that may severely harm the Group or a serious violation of laws, regulations, or the articles of incorporation, Directors shall promptly report the details to the Audit & Supervisory Board members.
 - The Risk Management Committee shall promptly report important compliance matters to the Audit & Supervisory Board members.
 - The Internal Audit Department shall report on a periodic basis the status of internal audits to the Audit & Supervisory Board members.
 - The Legal & Compliance Department shall report on a periodic basis the status of reports of wrongful acts, etc. and the content thereof to the Audit & Supervisory Board members.
 - The Company has developed a system to prevent whistleblowers from suffering disadvantageous treatment due to their reporting.
- h. Procedures for Advance Payment or Reimbursement of Expenses Arising in the Execution of Duties of Audit & Supervisory Board Members and Other Policies Pertaining to the settlement of expenses and obligations Arising in the Execution of Duties Thereof
- When requested by Audit & Supervisory Board members for advance payment, redemption, etc. of expenses arising from

the Audit & Supervisory Board members' execution of duties, the Company shall promptly process those expenses or obligations unless otherwise found to be unnecessary to the concerned Audit & Supervisory Board members' execution of duties.

i. Other Systems to Ensure Effective Auditing

- The Company has developed a system for Audit & Supervisory Board members to receive periodic reports from the Accounting Auditor, Directors and each department, and exchange opinions with the individual bodies at any time.
- The Internal Audit Department works to closely exchange information and coordinate with Audit & Supervisory Board members concerning the formulation of internal audit plans and the results of internal audits.

(vii) Summary of the Liability Limitation Contract

In accordance with the provisions in Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract with each Director (excluding Executive Directors, etc.) and each Audit & Supervisory Board Member to limit their liability for damages as specified in Article 423, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations. Such limitation of liability shall be permitted only when each said Director (excluding those who are Executive Directors, etc.) or Audit & Supervisory Board Member has performed their duties that caused said liability in good faith and without gross negligence.

(viii) Summary of the Directors and Officers Liability Insurance Contract

The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The insurance covers litigation expenses and legal damages to be borne by the insured arising from the execution of his or her duties. As a measure to prevent impairment of the appropriateness of the execution of the duties of the insured, the insurance contract does not cover damages, etc. arising from the insured's criminal acts. The parties insured under the Directors and Officers Liability Insurance contract are Directors, Audit & Supervisory Board Members, and Managing Officers of the Company, and the premiums for all insured shall be borne by the Company.

(ix) Number of Directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 12 Directors.

(x) Requirement for Appointment of Directors

The Company's Articles of Incorporation prescribe that resolution to appoint Directors shall be made by a majority vote of the voting rights of shareholders present at a General Meeting of Shareholders, where such shareholders shall hold shares representing one-third or more of the voting rights of all shareholders who are entitled to exercise said voting rights and that resolutions to appoint Directors shall not be adopted by cumulative voting.

(xi) Acquisition of Treasury Shares

The Company stipulates in the Articles of Incorporation that the Company may acquire its own shares by resolution of the Board of Directors in accordance with Paragraph 2, Article 165 of the Companies Act. The purpose of said acquisition is to implement a flexible capital policy.

(xii) Interim dividend

In accordance with the provisions of Paragraph 5, Article 454 of the Companies Act, the Company stipulates in the Articles of Incorporation that interim dividends may be paid by resolution of the Board of Directors with the record date of June 30 of each year. This is intended to flexibly return profits to shareholders.

(xiii) Directors and Audit & Supervisory Board Members Exemption from Liability

The Company's Articles of Incorporation stipulate that the liability for damages of Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) for negligence in the performance of their duties may be exempted by a resolution of the Board of Directors to the extent permitted by law, pursuant to Paragraph 1 of Article 426 of the Companies Act, in order to enable them to fully fulfill their expected roles in the performance of their duties.

(xiv) Requirements for Special Resolution of General Meeting of Shareholders

The Articles of Incorporation stipulate that the special resolution at the General Meeting of Shareholders defined in Paragraph 2, Article 309 of the Companies Act shall be made by not less than two-thirds of the voting rights of the shareholders present at the meeting, where the shareholders holding not less than one-third of such voting rights of the shareholders that are entitled to exercise their voting rights are present.

(2) Directors and Audit & Supervisory Board Members

(i) List of Directors and Audit & Supervisory Board Members

a. The status of the Company's Directors and Audit & Supervisory Board Members as of March 23, 2026 (the filing date of this report) is as follows.

Male: 13 persons; Female: 3 persons (accounting for 18.8% of the total number of Directors and Audit & Supervisory Board Members)

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director Chairman of the Board	Makio Tanehashi	March 13, 1957	<p>April 1979 Joined The Fuji Bank, Limited</p> <p>March 2006 Executive Officer, General Manager of Internal Audit Division of Mizuho Corporate Bank, Ltd.</p> <p>April 2008 Managing Executive Officer and Officer in charge of Sales of Mizuho Corporate Bank, Ltd.</p> <p>June 2011 Deputy President and Executive Officer, in charge of Branches Department of Mizuho Bank, Ltd.</p> <p>June 2011 Representative Director, Deputy President and Executive Officer, in charge of Branches Department of Mizuho Bank, Ltd.</p> <p>March 2013 President & Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>July 2015 Senior Managing Executive Officer and Division Director of Real Estate Solution Service Division of the Company</p> <p>March 2016 Senior Managing Executive Officer, Director, Division Director of Real Estate Solution Service Division and Division Director of Overseas Business Division of the Company</p> <p>January 2017 Representative Director, Chairman and Managing Officer of the Company</p> <p>Director and Chairman of the Board of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>March 2019 Representative Director and Chairman of the Company</p> <p>January 2021 Director of Tokyo Tatemono Real Estate Sales Co., Ltd. (retired in December 2024)</p> <p>March 2023 External Director of Sapporo Holdings Limited (to present)</p> <p>January 2025 Director and Chairman of the Board of the Company (to present)</p>	(Note) 6	72
Representative Director and Chairman	Hitoshi Nomura	October 10, 1958	<p>April 1981 Joined the Company</p> <p>March 2005 General Manager of Property Management Department of the Company</p> <p>March 2008 Director, and General Manager of Property Planning Department of the Company</p> <p>March 2011 Managing Director and Division Director of Commercial Properties Division of the Company</p> <p>March 2013 Director and Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>March 2015 Director and Senior Managing Executive Officer of the Company</p> <p>January 2017 Representative Director and President & Chief Executive Officer of the Company</p> <p>January 2025 Representative Director and Chairman of the Company (to present)</p>	(Note) 6	78

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Representative Director President & Chief Executive Officer	Katsuhito Ozawa	February 1, 1964	<p>April 1987 Joined the Company</p> <p>March 2007 General Manager of Residential Management Business Department of the Company</p> <p>July 2009 Director and General Manager of Finance Department of Tokyo Realty Investment Management, Inc.</p> <p>March 2015 Managing Officer and General Manager of Corporate Planning Department of the Company</p> <p>January 2017 Managing Executive Officer; Division Director of Overseas Business Division and Leisure Business Division; and General Manager of Finance Department and Overseas Business Department of the Company</p> <p>March 2017 Director and Managing Executive Officer; Division Director of Overseas Business Division and Leisure Business Division; and General Manager of Finance Department and Overseas Business Department of the Company</p> <p>January 2021 Director and Senior Managing Executive Officer; Division Director of Overseas Business Division; and Division Director of Commercial Properties Division of the Company</p> <p>April 2021 Director and Senior Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>January 2023 Representative Director and Senior Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>January 2025 Representative Director, President & Chief Executive Officer; and General Manager of Internal Audit Department of the Company</p> <p>April 2025 Representative Director, President & Chief Executive Officer of the Company (to present)</p>	(Note) 6	51
Representative Director Executive Vice President & Executive Officer Division Director of Office Building Division	Akira Izumi	March 6, 1965	<p>April 1987 Joined the Company</p> <p>March 2009 General Manager of Retail Management Department of the Company</p> <p>March 2015 Managing Officer and General Manager of Urban Development Department of the Company</p> <p>January 2017 Managing Executive Officer and General Manager of Corporate Planning Department of the Company</p> <p>March 2017 Director and Managing Executive Officer; and General Manager of Corporate Planning Department of the Company</p> <p>January 2021 Director and Senior Managing Executive Officer of the Company</p> <p>January 2023 Representative Director and Senior Managing Executive Officer of the Company</p> <p>January 2025 Representative Director and Executive Vice President & Executive Officer; and Division Director of Office Building Division of the Company (to present)</p>	(Note) 6	36

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director Senior Managing Executive Officer Division Director of Residential Development Division	Hideshi Akita	May 18, 1964	<p>April 1987 Joined the Company</p> <p>March 2006 General Manager of Residential Management Business Department of the Company</p> <p>January 2016 Managing Officer and General Manager of Personnel Department of the Company</p> <p>January 2017 Managing Officer and Vice Division Director of Residential Development Division of the Company</p> <p>January 2019 Managing Executive Officer and Division Director of Residential Development Division of the Company</p> <p>March 2019 Director and Managing Executive Officer; and Division Director of Residential Development Division of the Company</p> <p>January 2023 Director and Senior Managing Executive Officer; Division Director of Residential Development Division and Division Director of Real Estate Solution Service Division of the Company</p> <p>January 2025 Director and Senior Managing Executive Officer; and Division Director of Residential Development Division of the Company (to present)</p>	(Note) 6	23
Director Senior Managing Executive Officer Vice Division Director of Residential Development Division	Takeshi Jinbo	February 27, 1965	<p>April 1988 Joined the Company</p> <p>January 2015 General Manager of Acquisitions Department of the Company</p> <p>January 2018 Managing Officer and General Manager of Acquisitions Department of the Company</p> <p>January 2019 Managing Officer; Vice Division Director of Residential Development Division; and General Manager of Acquisitions Department of the Company</p> <p>January 2021 Managing Executive Officer and Vice Division Director of Residential Development Division of the Company</p> <p>March 2021 Director and Managing Executive Officer; and Vice Division Director of Residential Development Division of the Company</p> <p>January 2025 Director and Senior Managing Executive Officer; and Vice Division Director of Residential Development Division of the Company (to present)</p> <p>June 2025 Representative Director and President of WonderScape.INC (to present)</p>	(Note) 6	23
Director Managing Executive Officer Vice Division Director of Office Building Division	Shinjirou Kobayashi	August 23, 1965	<p>April 1988 Joined the Company</p> <p>March 2015 General Manager of Business Planning Department of Commercial Properties Division of the Company</p> <p>January 2018 Managing Officer and General Manager of Urban Development Department of the Company</p> <p>January 2022 Managing Officer and General Manager of Urban Development (1) Department of the Company</p> <p>January 2023 Managing Executive Officer; Vice Division Director of Commercial Properties Division; General Manager of Urban Development (1) Department of the Company</p> <p>March 2023 Director and Managing Executive Officer; Vice Division Director of Commercial Properties Division; General Manager of Urban Development (1) Department of the Company</p> <p>January 2025 Director and Managing Executive Officer; and Vice Division Director of Office Building Division of the Company (to present)</p>	(Note) 6	23

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director (Note) 1	Yoshimitsu Onji	November 1, 1954	<p>April 1977 Joined the Daiei, Inc.</p> <p>April 1994 General Manager of Corporate Planning Division of the Daiei, Inc.</p> <p>September 1998 Director and Vice President of R.E. Partners, Co., Ltd. (retired in April 2000)</p> <p>December 1999 CEO of OZ Corporation (to present)</p> <p>March 2000 Managing Executive Officer of RECOF Office (currently RECOF Corporation)</p> <p>June 2007 Director and Chief Corporate Officer of RECOF Corporation</p> <p>June 2010 President and Chief Executive Officer of RECOF Corporation</p> <p>October 2016 Chairman and Representative Director of RECOF Corporation (retired in September 2017)</p> <p>December 2016 Director of M&A Capital Partners Co., Ltd. (retired in September 2017)</p> <p>March 2018 External Director of the Company (to present)</p> <p>April 2018 Chairman and Director of Hongo Tsuji Business Consulting Co., Ltd. (retired in November 2018)</p> <p>June 2018 External Director of NIHON CHOUZAI Co., Ltd. (to present)</p> <p>December 2019 External Audit & Supervisory Board Member of United Foods International Co., Ltd. (to present)</p> <p>June 2020 External Director of Sotetsu Holdings Co., Ltd. (to present)</p> <p>December 2021 External Director of Sanyu Appraisal Corporation (to present)</p>	(Note) 6	—
Director (Note) 1	Shuichi Hattori	November 25, 1953	<p>April 1984 Registered as a lawyer</p> <p>July 1988 Established Hattori Law Firm (currently Hattori General Law Firm) (to present)</p> <p>June 2004 External Audit & Supervisory Board Member of USHIO INC. (retired in June 2016)</p> <p>April 2007 Lecturer (in charge of Financial Instruments and Exchange Act) at Keio University Law School (retired in March 2023)</p> <p>March 2009 External Audit & Supervisory Board Member of LOOK INCORPORATED (currently LOOK HOLDINGS INCORPORATED) (retired in March 2019)</p> <p>January 2013 External Audit & Supervisory Board Member of POKKA SAPPORO Food & Beverage Ltd. (retired in March 2016)</p> <p>March 2015 External Audit & Supervisory Board Member of the Company (retired in March 2019)</p> <p>June 2016 External Director of USHIO INC. (retired in June 2018)</p> <p>March 2019 External Director of the Company (to present)</p>	(Note) 6	4
Director (Note) 1	Yumiko Kinoshita	July 13, 1961	<p>April 1984 Joined Bank of Japan</p> <p>September 1991 Joined McKinsey & Company</p> <p>April 2004 Joined the National Museum of Emerging Science, the Innovation of Japan Science and Technology Agency (currently National Research and Development Agency, Japan Science and Technology Agency)</p> <p>June 2011 General Manager, Corporate Planning Department of KCJ GROUP INC.</p> <p>February 2016 Director of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2018)</p> <p>March 2018 Chairperson responsible for extraordinary diplomacy of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2020)</p> <p>July 2020 Director of Tokyo Football Association</p> <p>March 2021 External Director of the Company (to present)</p> <p>April 2022 Member of Administrative Council of Hitotsubashi University (to present)</p> <p>June 2024 Vice Director of Tokyo Football Association (to present)</p> <p>June 2024 External Director of the Chiba Kogyo Bank, Ltd. (to present)</p>	(Note) 6	—

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director (Note) 1	Junichi Nishizawa	June 12, 1956	<p>April 1980 Joined The Fuji Bank, Limited</p> <p>April 2008 Executive Officer and General Manager of the Nagoya Chuo Corporate Banking Department of the Nagoya Chuo Branch of Mizuho Bank, Ltd.</p> <p>April 2010 Managing Executive Officer, Head of Risk Management Group and Head of Human Resources Group of Mizuho Corporate Bank, Ltd.</p> <p>June 2011 Representative Director and Vice President of Mizuho Financial Group Inc. (retired in March 2013)</p> <p>April 2013 Representative Director and President of Mizuho Information & Research Institute, Inc. (currently Mizuho Research & Technologies, Inc.) (retired in March 2019)</p> <p>June 2019 Director and Executive Vice President of Joban Kosan Co., Ltd.</p> <p>June 2019 External Audit & Supervisory Board Member of Fuyo Auto Lease Co., Ltd. (to present)</p> <p>June 2020 Representative Director and President of Joban Kosan Co., Ltd.</p> <p>June 2020 External Director of Joban Joint Power Co., Ltd. (to present)</p> <p>June 2020 External Director of Onahama Kairiku Unso Kaisha, Ltd. (to present)</p> <p>June 2023 External Director of Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (retired in June 2025)</p> <p>June 2024 Representative Director and President of Joban Kosan Co., Ltd. (retired in April 2025)</p> <p>March 2025 External Director of the Company (to present)</p> <p>July 2025 External Director of Nichizei Business Service Co., Ltd. (to present)</p> <p>June 2026 Outside Director of Azbil Corporation (scheduled) (Note) 3</p>	(Note) 6	—
Director (Note) 1	Naoko Tanouchi	May 19, 1965	<p>April 1989 Joined Ajinomoto Inc.</p> <p>September 1999 Joined McKinsey & Company</p> <p>January 2002 Joined Ajinomoto Inc.</p> <p>July 2009 General Manager of the Amino Science Business Development Department of Ajinomoto Inc.</p> <p>July 2011 General Manager of the Corporate Planning Department of Ajinomoto Inc.</p> <p>July 2016 General Manager of the Internal Audit Department of Ajinomoto Inc.</p> <p>June 2019 Audit & Supervisory Board Member of Ajinomoto Animal Nutrition Group, Inc. (retired in February 2021)</p> <p>April 2021 Visiting Professor at Kobe University Graduate School (retired in March 2024)</p> <p>January 2022 External Director of Shoei Foods Corporation (to present)</p> <p>March 2024 External Director (Audit & Supervisory Committee Member) of Sapporo Holdings Limited (scheduled to retire in March 2026) (Note) 4</p> <p>March 2025 External Director of the Company (to present)</p> <p>March 2026 External Director of Sapporo Holdings Limited (scheduled) (Note) 4</p>	(Note) 6	—
Audit & Supervisory Board Member (Full-time)	Isao Jinno	March 1, 1965	<p>April 1988 Joined The Yasuda Trust and Banking Co., Ltd.</p> <p>October 2010 General Manager of Kawagoe Branch of Mizuho Trust & Banking Co., Ltd.</p> <p>January 2013 General Manager of Real Estate Sales Department No.3 of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2016 Executive Officer, General Manager of Trust Sales Department No. 8 of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2018 Director and Senior Managing Executive Officer of Heisei Building Co., Ltd.</p> <p>April 2018 President and Representative Director of Nihonbashi Building Service Co., Ltd. (retired in March 2023)</p> <p>April 2020 Senior Managing Executive Officer of Heisei Building Co., Ltd. (retired in March 2023)</p> <p>March 2023 Audit & Supervisory Board Member of the Company (full-time) (to present)</p>	(Note) 7	3

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Audit & Supervisory Board Member (Full-time)	Takashi Yoshino	December 6, 1960	<p>April 1983 Joined The Yasuda Fire and Marine Insurance Co., Ltd.</p> <p>April 2009 General Manager of Marine Insurance Office of Sompo Japan Insurance Inc.</p> <p>October 2011 President and Director of Sompo Japan Nipponkoa Insurance Company of Europe Limited (retired in March 2016)</p> <p>April 2014 Executive Officer and General Manager of Europe Division of Sompo Japan Insurance Inc. Executive Officer and General Manager of Europe Division of NIPPONKOA Insurance Co., Ltd.</p> <p>September 2014 Executive Officer and General Manager of Europe Division of Sompo Japan Nipponkoa Insurance Inc. (currently Sompo Japan Insurance Inc.) Executive Officer and General Manager of Europe Division of Sompo Japan Nipponkoa Holdings, Inc. (retired in March 2016)</p> <p>April 2016 Executive Vice President of Sompo Japan Nipponkoa Insurance Inc.</p> <p>April 2018 Executive Vice President and General Manager of Enterprise Market Promotion Division of Sompo Japan Nipponkoa Insurance Inc. (retired in March 2019)</p> <p>March 2019 Audit & Supervisory Board Member of the Company (full-time) (to present)</p>	(Note) 9	6
Audit & Supervisory Board Member (Note) 2	Sayaka Hieda (Note) 5	October 22, 1978	<p>September 2007 Registered as a lawyer</p> <p>September 2007 Joined HANZOMON SOGO LAW OFFICE (resigned in December 2009)</p> <p>January 2010 Joined OMOTESANDO SOGO LAW OFFICE (to present)</p> <p>March 2019 External Audit & Supervisory Board Member of the Company (to present)</p> <p>March 2021 Audit & Supervisory Board Member (Independent), Institution for a Global Society Corporation (to present)</p> <p>June 2024 External Audit & Supervisory Board Member of SAN-AI OBBLI CO., LTD. (to present)</p> <p>February 2025 External Audit & Supervisory Board Member of Aohata Corporation (retired in November 2025)</p>	(Note) 9	1
Audit & Supervisory Board Member (Note) 2	Naohiro Chikada	December 19, 1969	<p>April 1992 Joined Chuo Shinko Audit Corporation</p> <p>April 1995 Registered as a certified public accountant</p> <p>July 2004 Partner at ChuoAoyama Pricewaterhouse Coopers (retired in July 2006)</p> <p>August 2006 Established Chikada Certified Public Accountant Office as Head (to present)</p> <p>September 2006 Registered as a certified tax accountant</p> <p>July 2008 Representative Director of Chiyoda Accounting Corporation (to present)</p> <p>June 2009 Representative Partner of Koa Audit Corporation (retired in June 2024)</p> <p>June 2016 External Director (Audit & Supervisory Committee Member) of RIZAP GROUP, Inc. (retired in March 2020)</p> <p>April 2018 External Director (Audit & Supervisory Committee Member) of SKIYAKI Inc. (retired in April 2024)</p> <p>December 2020 External Corporate Auditor of Mitsubishi Research Institute DCS Co., Ltd. (to present)</p> <p>June 2022 External Director (Audit & Supervisory Committee Member) of FEED ONE CO., LTD. (to present)</p> <p>July 2022 External Audit & Supervisory Board Member of SLP Inc. (retired in July 2024)</p> <p>March 2024 External Audit & Supervisory Board Member of the Company (to present)</p>	(Note) 8	1
Total					321

- (Notes) 1. The five Directors Yoshimitsu Onji, Shuichi Hattori, Yumiko Kinoshita, Junichi Nishizawa, and Naoko Tanouchi are External Directors.
2. Audit & Supervisory Board Members Sayaka Hieda and Naohiro Chikada are External Audit & Supervisory Board Members.
3. Junichi Nishizawa is scheduled to assume the position of Outside Director of Azbil Corporation on June 24, 2026.
4. Naoko Tanouchi is scheduled to retire as External Director (Audit & Supervisory Committee Member) of Sapporo Holdings Limited on March 27, 2026 and assume the position of External Director of the same company.
5. Sayaka Hieda's name in the family register is Sayaka Kimura.
6. The term of office is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2025.
7. The term of office is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2022 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 31, 2026.
8. The term of office is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 31, 2026.
9. The term of office is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended December 31, 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending December 31, 2027.
10. Pursuant to Paragraph 3 of Article 329 of the Companies Act, the Company has appointed one substitute External Audit & Supervisory Board Member in advance in preparation for a contingency in which the number of Audit & Supervisory Board Members is not sufficient as stipulated by law. A brief biography of the substitute External Audit & Supervisory Board Member is as follows.

Name	Date of Birth	Business Experience and Position(s) and Office(s)	Number of shares held (Thousands of shares)
Takao Yamaguchi	September 13, 1954	February 1985 September 1987 January 1996 June 2013 June 2015 March 2016 March 2019 Registered as a certified public accountant Joined Yamaguchi Certified Public Accountant Office Head of Yamaguchi Certified Public Accountant Office (to present) External Audit & Supervisory Board Member of SATO HOLDINGS CORPORATION (retired in June 2021) External Corporate Auditor of KYORIN Pharmaceutical Co., Ltd. (to present) External Audit & Supervisory Board Member of the Company (retired in March 2024) External Audit & Supervisory Board Member of Lion Corporation (retired in March 2023)	2

11. The number of shares held includes the number of shares (number of points already granted to each Director in the Board Benefit Trust) that are scheduled to be provided after retirement based on the share awards plan. The number of shares is as follows.

Name	Number of shares (shares)
Makio Tanehashi	34,125
Hitoshi Nomura	44,925
Katsuhito Ozawa	26,850
Akira Izumi	20,250
Hideshi Akita	17,450
Takeshi Jinbo	15,100
Shinjiro Kobayashi	13,500

12. The Company has adopted a Managing Officer system. In addition to the above five Managing Officers who concurrently serve as Directors, the Company has the following 16 Managing Officers, whose responsibilities are as follows.

Managing Executive Officer	Hiroshi Takahashi	Responsible for Acquisitions & Sales Department (jointly in charge), Business Planning Department of Commercial Property Division, Retail Properties Development & Management Department, Hotel Development & Management Department, and Division Director of Commercial Property Division
Managing Executive Officer	Fumio Tajima	Responsible for Overseas Business Division and Division Director of Overseas Business Division
Managing Executive Officer	Kenji Sugaya	Responsible for Real Estate Solution Service Division and Division Director of Real Estate Solution Service Division President and Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.
Managing Executive Officer	Yutaka Onuma	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, Sustainability Management Department, Finance Department, Accounting Department, DX Promotion Department, and General Manager of Sustainability Management Department
Managing Executive Officer	Yoshinari Uchida	Special Mission in charge of Policy & Environment
Managing Executive Officer	Yuichi Kawazoe	Responsible for Logistics Properties Development & Management Department and Vice Division Director of Commercial Property Division
Managing Officer	Shigeru Sabayashi	General Manager of Project Management (Kansai) Department
Managing Officer	Hiroto Fukui	Representative Director, President and Chief Executive Officer of Tokyo Fudosan Kanri Co., Ltd. Representative Director, President and Chief Executive Officer of Tokyo Building Service Co., Ltd.
Managing Officer	Yuji Araki	Responsible for General Affairs Department, Legal & Compliance Department, Market & Policy Research Department and General Manager of General Affairs Department
Managing Officer	Satoru Kondo	General Manager of Residential Management Department
Managing Officer	Takashi Endo	General Manager of Residential Engineering Department
Managing Officer	Keijiro Ochi	General Manager of Acquisitions & Sales Department
Managing Officer	Ayumu Nishimura	General Manager of Business Planning Department of Commercial Property Division
Managing Officer	Mitsuo Kawata	General Manager of Personnel Department
Managing Officer	Munetoshi Harunaga	General Manager of the Corporate Communications Department
Managing Officer	Takashi Kawamura	Representative Director, President and Chief Executive Officer of PRIME PLACE Co., Ltd.

b. The Company plans to submit proposals for the election of 12 Directors and one Audit & Supervisory Board Member as agenda items (resolution items) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026, and if these proposals are approved as originally proposed, the status of the Company's Directors and Audit & Supervisory Board Members and their terms of office are expected to be as follows. Note that the official titles and other details of the Directors and Audit & Supervisory Board Members include the content of resolutions expected to be passed at the Board of Directors meeting and the Audit & Supervisory Board meeting scheduled to be held immediately after said Ordinary General Meeting of Shareholders.

Male: 13 persons; Female: 3 persons (accounting for 18.8% of the total number of Directors and Audit & Supervisory Board Members)

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director Chairman of the Board	Makio Tanehashi	March 13, 1957	<p>April 1979 Joined The Fuji Bank, Limited</p> <p>March 2006 Executive Officer, General Manager of Internal Audit Division of Mizuho Corporate Bank, Ltd.</p> <p>April 2008 Managing Executive Officer and Officer in charge of Sales of Mizuho Corporate Bank, Ltd.</p> <p>June 2011 Deputy President and Executive Officer, in charge of Branches Department of Mizuho Bank, Ltd.</p> <p>June 2011 Representative Director, Deputy President and Executive Officer, in charge of Branches Department of Mizuho Bank, Ltd.</p> <p>March 2013 President & Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>July 2015 Senior Managing Executive Officer and Division Director of Real Estate Solution Service Division of the Company</p> <p>March 2016 Senior Managing Executive Officer, Director, Division Director of Real Estate Solution Service Division and Division Director of Overseas Business Division of the Company</p> <p>January 2017 Representative Director, Chairman and Managing Officer of the Company</p> <p>Director and Chairman of the Board of Tokyo Tatemono Real Estate Sales Co., Ltd.</p> <p>March 2019 Representative Director and Chairman of the Board of the Company</p> <p>January 2021 Director of Tokyo Tatemono Real Estate Sales Co., Ltd. (retired in December 2024)</p> <p>March 2023 External Director of Sapporo Holdings Limited (to present)</p> <p>January 2025 Director and Chairman of the Board of the Company (to present)</p>	(Note) 6	72
Representative Director and Chairman	Hitoshi Nomura	October 10, 1958	<p>April 1981 Joined the Company</p> <p>March 2005 General Manager of Property Management Department of the Company</p> <p>March 2008 Director, and General Manager of Property Planning Department of the Company</p> <p>March 2011 Managing Director and Division Director of Commercial Properties Division of the Company</p> <p>March 2013 Director and Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>March 2015 Director and Senior Managing Executive Officer of the Company</p> <p>January 2017 Representative Director and President & Chief Executive Officer of the Company</p> <p>January 2025 Representative Director and Chairman of the Company (to present)</p>	(Note) 6	78

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Representative Director President & Chief Executive Officer	Katsuhito Ozawa	February 1, 1964	<p>April 1987 Joined the Company</p> <p>March 2007 General Manager of Residential Management Business Department of the Company</p> <p>July 2009 Director and General Manager of Finance Department of Tokyo Realty Investment Management, Inc.</p> <p>March 2015 Managing Officer and General Manager of Corporate Planning Department of the Company</p> <p>January 2017 Managing Executive Officer; Division Director of Overseas Business Division and Leisure Business Division; and General Manager of Finance Department and Overseas Business Department of the Company</p> <p>March 2017 Director and Managing Executive Officer; Division Director of Overseas Business Division and Leisure Business Division; and General Manager of Finance Department and Overseas Business Department of the Company</p> <p>January 2021 Director and Senior Managing Executive Officer; Division Director of Overseas Business Division; and Division Director of Commercial Properties Division of the Company</p> <p>April 2021 Director and Senior Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>January 2023 Representative Director and Senior Managing Executive Officer; and Division Director of Commercial Properties Division of the Company</p> <p>January 2025 Representative Director, President & Chief Executive Officer; and General Manager of Internal Audit Department of the Company</p> <p>April 2025 Representative Director, President & Chief Executive Officer of the Company (to present)</p>	(Note) 6	51
Representative Director Executive Vice President & Executive Officer Division Director of Office Building Division	Akira Izumi	March 6, 1965	<p>April 1987 Joined the Company</p> <p>March 2009 General Manager of Retail Management Department of the Company</p> <p>March 2015 Managing Officer and General Manager of Urban Development Department of the Company</p> <p>January 2017 Managing Executive Officer and General Manager of Corporate Planning Department of the Company</p> <p>March 2017 Director and Managing Executive Officer; and General Manager of Corporate Planning Department of the Company</p> <p>January 2021 Director and Senior Managing Executive Officer of the Company</p> <p>January 2023 Representative Director and Senior Managing Executive Officer of the Company</p> <p>January 2025 Representative Director and Executive Vice President & Executive Officer; and Division Director of Office Building Division of the Company (to present)</p>	(Note) 6	36

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director Senior Managing Executive Officer Division Director of Residential Development Division	Hideshi Akita	May 18, 1964	<p>April 1987 Joined the Company</p> <p>March 2006 General Manager of Residential Management Business Department of the Company</p> <p>January 2016 Managing Officer and General Manager of Personnel Department of the Company</p> <p>January 2017 Managing Officer and Vice Division Director of Residential Development Division of the Company</p> <p>January 2019 Managing Executive Officer and Division Director of Residential Development Division of the Company</p> <p>March 2019 Director and Managing Executive Officer; and Division Director of Residential Development Division of the Company</p> <p>January 2023 Director and Senior Managing Executive Officer; Division Director of Residential Development Division and Division Director of Real Estate Solution Service Division of the Company</p> <p>January 2025 Director and Senior Managing Executive Officer; and Division Director of Residential Development Division of the Company (to present)</p>	(Note) 6	23
Director Senior Managing Executive Officer Vice Division Director of Residential Development Division	Takeshi Jinbo	February 27, 1965	<p>April 1988 Joined the Company</p> <p>January 2015 General Manager of Acquisitions Department of the Company</p> <p>January 2018 Managing Officer and General Manager of Acquisitions Department of the Company</p> <p>January 2019 Managing Officer; Vice Division Director of Residential Development Division; and General Manager of Acquisitions Department of the Company</p> <p>January 2021 Managing Executive Officer and Vice Division Director of Residential Development Division of the Company</p> <p>March 2021 Director and Managing Executive Officer; and Vice Division Director of Residential Development Division of the Company</p> <p>January 2025 Director and Senior Managing Executive Officer; and Vice Division Director of Residential Development Division of the Company (to present)</p> <p>June 2025 Representative Director and President of WonderScape.INC (to present)</p>	(Note) 6	23
Director Managing Executive Officer Vice Division Director of Office Building Division	Shinjirou Kobayashi	August 23, 1965	<p>April 1988 Joined the Company</p> <p>March 2015 General Manager of Business Planning Department of Commercial Properties Division of the Company</p> <p>January 2018 Managing Officer and General Manager of Urban Development Department of the Company</p> <p>January 2022 Managing Officer and General Manager of Urban Development (1) Department of the Company</p> <p>January 2023 Managing Executive Officer; Vice Division Director of Commercial Properties Division; General Manager of Urban Development (1) Department of the Company</p> <p>March 2023 Director and Managing Executive Officer; Vice Division Director of Commercial Properties Division; General Manager of Urban Development (1) Department of the Company</p> <p>January 2025 Director and Managing Executive Officer; and Vice Division Director of Office Building Division of the Company (to present)</p>	(Note) 6	23

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director (Note) 1	Yoshimitsu Onji	November 1, 1954	<p>April 1977 Joined The Daici, Inc.</p> <p>April 1994 General Manager of Corporate Planning Division of the Daici, Inc.</p> <p>September 1998 Director and Vice President of R.E. Partners, Co., Ltd. (retired in April 2000)</p> <p>December 1999 CEO of OZ Corporation (to present)</p> <p>March 2000 Managing Executive Officer of RECOF Office (currently RECOF Corporation)</p> <p>June 2007 Director and Chief Corporate Officer of RECOF Corporation</p> <p>June 2010 President and Chief Executive Officer of RECOF Corporation</p> <p>October 2016 Chairman and Representative Director of RECOF Corporation (retired in September 2017)</p> <p>December 2016 Director of M&A Capital Partners Co., Ltd. (retired in September 2017)</p> <p>March 2018 External Director of the Company (to present)</p> <p>April 2018 Chairman and Director of Hongo Tsuji Business Consulting Co., Ltd. (retired in November 2018)</p> <p>June 2018 External Director of NIHON CHOUZAI Co., Ltd. (to present)</p> <p>December 2019 External Audit & Supervisory Board Member of United Foods International Co., Ltd. (to present)</p> <p>June 2020 External Director of Sotetsu Holdings Co., Ltd. (to present)</p> <p>December 2021 External Director of Sanyu Appraisal Corporation (to present)</p>	(Note) 6	—
Director (Note) 1	Shuichi Hattori	November 25, 1953	<p>April 1984 Registered as a lawyer</p> <p>July 1988 Established Hattori Law Firm (currently Hattori General Law Firm) (to present)</p> <p>June 2004 External Audit & Supervisory Board Member of USHIO INC. (retired in June 2016)</p> <p>April 2007 Lecturer (in charge of Financial Instruments and Exchange Act) at Keio University Law School (retired in March 2023)</p> <p>March 2009 External Audit & Supervisory Board Member of LOOK INCORPORATED (currently LOOK HOLDINGS INCORPORATED) (retired in March 2019)</p> <p>January 2013 External Audit & Supervisory Board Member of POKKA SAPPORO Food & Beverage Ltd. (retired in March 2016)</p> <p>March 2015 External Audit & Supervisory Board Member of the Company (retired in March 2019)</p> <p>June 2016 External Director of USHIO INC. (retired in June 2018)</p> <p>March 2019 External Director of the Company (to present)</p>	(Note) 6	4

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director (Note) 1	Yumiko Kinoshita	July 13, 1961	<p>April 1984 Joined Bank of Japan</p> <p>September 1991 Joined McKinsey & Company</p> <p>April 2004 Joined the National Museum of Emerging Science, the Innovation of Japan Science and Technology Agency (currently National Research and Development Agency, Japan Science and Technology Agency)</p> <p>June 2011 General Manager, Corporate Planning Department of KCJ GROUP INC.</p> <p>February 2016 Director of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2018)</p> <p>March 2018 Chairperson responsible for extraordinary diplomacy of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2020)</p> <p>July 2020 Director of Tokyo Football Association</p> <p>March 2021 External Director of the Company (to present)</p> <p>April 2022 Member of Administrative Council of Hitotsubashi University (to present)</p> <p>June 2024 Vice Director of Tokyo Football Association (to present)</p> <p>June 2024 External Director of the Chiba Kogyo Bank, Ltd. (to present)</p>	(Note) 6	—
Director (Note) 1	Junichi Nishizawa	June 12, 1956	<p>April 1980 Joined The Fuji Bank, Limited</p> <p>April 2008 Executive Officer and General Manager of the Nagoya Chuo Corporate Banking Department of the Nagoya Chuo Branch of Mizuho Bank, Ltd.</p> <p>April 2010 Managing Executive Officer, Head of Risk Management Group and Head of Human Resources Group of Mizuho Corporate Bank, Ltd.</p> <p>June 2011 Representative Director and Vice President of Mizuho Financial Group Inc. (retired in March 2013)</p> <p>April 2013 Representative Director and President of Mizuho Information & Research Institute, Inc. (currently Mizuho Research & Technologies, Inc.) (retired in March 2019)</p> <p>June 2019 Director and Executive Vice President of Joban Kosan Co., Ltd.</p> <p>June 2019 External Audit & Supervisory Board Member of Fuyo Auto Lease Co., Ltd. (to present)</p> <p>June 2020 Representative Director and President of Joban Kosan Co., Ltd.</p> <p>June 2020 External Director of Joban Joint Power Co., Ltd. (to present)</p> <p>June 2020 External Director of Onahama Kairiku Unso Kaisha, Ltd. (to present)</p> <p>June 2023 External Director of Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (retired in June 2025)</p> <p>June 2024 Representative Director and President of Joban Kosan Co., Ltd. (retired in April 2025)</p> <p>March 2025 External Director of the Company (to present)</p> <p>July 2025 External Director of Nichizei Business Service Co., Ltd. (to present)</p> <p>June 2026 Outside Director of Azbil Corporation (scheduled) (Note) 3</p>	(Note) 6	—

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Director (Note) 1	Naoko Tanouchi	May 19, 1965	<p>April 1989 Joined Ajinomoto Inc.</p> <p>September 1999 Joined McKinsey & Company</p> <p>January 2002 Joined Ajinomoto Inc.</p> <p>July 2009 General Manager of the Amino Science Business Development Department of Ajinomoto Inc.</p> <p>July 2011 General Manager of the Corporate Planning Department of Ajinomoto Inc.</p> <p>July 2016 General Manager of the Internal Audit Department of Ajinomoto Inc.</p> <p>June 2019 Audit & Supervisory Board Member of Ajinomoto Animal Nutrition Group, Inc. (retired in February 2021)</p> <p>April 2021 Visiting Professor at Kobe University Graduate School (retired in March 2024)</p> <p>January 2022 External Director of Shoei Foods Corporation (to present)</p> <p>March 2024 External Director (Audit & Supervisory Committee Member) of Sapporo Holdings Limited (scheduled to retire in March 2026) (Note) 4</p> <p>March 2025 External Director of the Company (to present)</p> <p>March 2026 External Director of Sapporo Holdings Limited (scheduled) (Note) 4</p>	(Note) 6	—
Audit & Supervisory Board Member (Full-time)	Isao Jinno	March 1, 1965	<p>April 1988 Joined The Yasuda Trust and Banking Co., Ltd.</p> <p>October 2010 General Manager of Kawagoe Branch of Mizuho Trust & Banking Co., Ltd.</p> <p>January 2013 General Manager of Real Estate Sales Department No.3 of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2016 Executive Officer, General Manager of Trust Sales Department No. 8 of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2018 Director and Senior Managing Executive Officer of Heisei Building Co., Ltd.</p> <p>April 2018 President and Representative Director of Nihonbashi Building Service Co., Ltd. (retired in March 2023)</p> <p>April 2020 Senior Managing Executive Officer of Heisei Building Co., Ltd. (retired in March 2023)</p> <p>March 2023 Audit & Supervisory Board Member of the Company (full-time) (to present)</p>	(Note) 7	3
Audit & Supervisory Board Member (Full-time)	Yusuke Mishima	June 15, 1965	<p>April 1988 Joined the Company</p> <p>March 2014 General Manager of Accounting Department of the Company</p> <p>January 2020 Managing Officer and General Manager of Accounting Department of the Company</p> <p>January 2026 Executive Advisor of the Company</p> <p>March 2026 Audit & Supervisory Board Member of the Company (full-time) (to present)</p>	(Note) 10	14

Official Title or Position	Name	Date of Birth	Business Experience and Position(s) and Office(s)	Office Term	Number of Shares Held (Thousands of shares)
Audit & Supervisory Board Member (Note) 2	Sayaka Hieda (Note) 5	October 22, 1978	September 2007 Registered as a lawyer September 2007 Joined HANZOMON SOGO LAW OFFICE (resigned in December 2009) January 2010 Joined OMOTESANDO SOGO LAW OFFICE (to present) March 2019 External Audit & Supervisory Board Member of the Company (to present) March 2021 Audit & Supervisory Board Member (Independent), Institution for a Global Society Corporation (to present) June 2024 External Audit & Supervisory Board Member of SAN-AI OBBLI CO., LTD. (to present) February 2025 External Audit & Supervisory Board Member of Aohata Corporation (retired in November 2025)	(Note) 9	1
Audit & Supervisory Board Member (Note) 2	Naohiro Chikada	December 19, 1969	April 1992 Joined Chuo Shinko Audit Corporation April 1995 Registered as a certified public accountant July 2004 Partner at ChuoAoyama Pricewaterhouse Coopers (retired in July 2006) August 2006 Established Chikada Certified Public Accountant Office as Head (to present) September 2006 Registered as a certified tax accountant July 2008 Representative Director of Chiyoda Accounting Corporation (to present) June 2009 Representative Partner of Koa Audit Corporation (retired in June 2024) June 2016 External Director (Audit & Supervisory Committee Member) of RIZAP GROUP, Inc. (retired in March 2020) April 2018 External Director (Audit & Supervisory Committee Member) of SKIYAKI Inc. (retired in April 2024) December 2020 External Corporate Auditor of Mitsubishi Research Institute DCS Co., Ltd. (to present) June 2022 External Director (Audit & Supervisory Committee Member) of FEED ONE CO., LTD. (to present) July 2022 External Audit & Supervisory Board Member of SLP Inc. (retired in July 2024) March 2024 External Audit & Supervisory Board Member of the Company (to present)	(Note) 8	1
Total					329

- (Notes) 1. The five Directors Yoshimitsu Onji, Shuichi Hattori, Yumiko Kinoshita, Junichi Nishizawa, and Naoko Tanouchi are External Directors.
2. Audit & Supervisory Board Members Sayaka Hieda and Naohiro Chikada are External Audit & Supervisory Board Members.
3. Junichi Nishizawa is scheduled to assume the position of Outside Director of Azbil Corporation on June 24, 2026.
4. Naoko Tanouchi is scheduled to retire as External Director (Audit & Supervisory Committee Member) of Sapporo Holdings Limited on March 27, 2026 and assume the position of External Director of the same company.
5. Sayaka Hieda's name in the family register is Sayaka Kimura.
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Name	Date of Birth	Business Experience and Position(s) and Office(s)	Number of Shares Held (Thousands of shares)
Takao Yamaguchi	September 13, 1954	February 1985 Registered as a certified public accountant September 1987 Joined Yamaguchi Certified Public Accountant Office January 1996 Head of Yamaguchi Certified Public Accountant Office (to present) June 2013 External Audit & Supervisory Board Member of SATO HOLDINGS CORPORATION (retired in June 2021) June 2015 External Corporate Auditor of KYORIN Pharmaceutical Co., Ltd. (to present) March 2016 External Audit & Supervisory Board Member of the Company (retired in March 2024) March 2019 External Audit & Supervisory Board Member of Lion Corporation (retired in March 2023)	2

12. The number of shares held includes the number of shares (number of points already granted to each Director in the Board Benefit Trust) that are scheduled to be provided after retirement based on the share award plan. The number of shares is as follows.

Name	Number of shares (shares)
Makio Tanehashi	34,125
Hitoshi Nomura	44,925
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13. The Company has adopted a Managing Officer system. In addition to the above five Managing Officers who concurrently serve as Directors, the Company has the following 16 Managing Officers, whose responsibilities are as follows.

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Managing Executive Officer	Fumio Tajima	Responsible for Overseas Business Division and Division Director of Overseas Business Division
Managing Executive Officer	Kenji Sugaya	Responsible for Real Estate Solution Service Division and Division Director of Real Estate Solution Service Division President and Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.
Managing Executive Officer	Yutaka Onuma	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, Sustainability Management Department, Finance Department, Accounting Department, DX Promotion Department, and General Manager of Sustainability Management Department
Managing Executive Officer	Yoshinari Uchida	Special Mission in charge of Policy & Environment
Managing Executive Officer	Yuichi Kawazoe	Responsible for Logistics Properties Development & Management Department and Vice Division Director of Commercial Property Division
Managing Officer	Shigeru Sabayashi	General Manager of Project Management (Kansai) Department
Managing Officer	Hiroto Fukui	Representative Director, President and Chief Executive Officer of Tokyo Fudosan Kanri Co., Ltd. Representative Director, President and Chief Executive Officer of Tokyo Building Service Co., Ltd.
Managing Officer	Yuji Araki	Responsible for General Affairs Department, Legal & Compliance Department, Market & Policy Research Department and General Manager of General Affairs Department
Managing Officer	Satoru Kondo	General Manager of Residential Management Department
Managing Officer	Takashi Endo	General Manager of Residential Engineering Department
Managing Officer	Kejiro Ochi	General Manager of Acquisitions & Sales Department
Managing Officer	Ayumu Nishimura	General Manager of Business Planning Department of Commercial Property Division
Managing Officer	Mitsuo Kawata	General Manager of Personnel Department
Managing Officer	Munetoshi Harunaga	General Manager of the Corporate Communications Department
Managing Officer	Takashi Kawamura	Representative Director, President and Chief Executive Officer of PRIME PLACE Co., Ltd.

(ii) Status of External Officers

The Company has five External Directors and two External Audit & Supervisory Board Members. Relationship with the Company, reasons for the appointment and expected roles, and other main companies and positions at which they concurrently hold positions are as follows. The Company plans to submit proposals for the election of 12 Directors and one Audit & Supervisory Board Member as agenda items (resolution items) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026, and even if these proposals are approved as originally proposed, there will be no change in status of the Company's External Officers.

Title	Name	Relationship with the Company, reasons for the appointment and expected roles
External Director	Yoshimitsu Onji	Other than the foregoing, there are no special interest relationships between Mr. Yoshimitsu Onji and the Company. Also, his extensive experience and broad insight as a business manager are expected to contribute to the strengthening of the governance system, including the strengthening of supervision of the execution of duties by Directors from an independent standpoint. Thus, he is appointed as an External Director.
External Director	Shuichi Hattori	Other than the foregoing, there are no special interest relationships between Mr. Shuichi Hattori and the Company. Mr. Hattori's professional knowledge and experience as an attorney-at-law are expected to contribute to the strengthening of the governance system, including the strengthening of supervision of the execution of duties by Directors from an independent standpoint. Thus, he is appointed as an External Director.
External Director	Yumiko Kinoshita	Other than the foregoing, there are no special interest relationships between Ms. Yumiko Kinoshita and the Company. It is expected that Ms. Kinoshita will contribute to the strengthening of the governance system by enhancing supervision of the Directors' execution of their duties from an independent standpoint, based on her global perspective cultivated through overseas experience and her diverse business experience at public-interest corporations. Thus, she is appointed as an External Director.
External Director	Junichi Nishizawa	Although Mr. Junichi Nishizawa is a former employee of Mizuho Bank, Ltd., and the Company has transactions with the bank, including borrowing funds, the Company believes that there is no risk of influencing the judgment of shareholders and investors considering the scale of the transactions. Also, his extensive experience and broad insight as a business manager are expected to contribute to the strengthening of the governance system, including the strengthening of supervision of the execution of duties by Directors from an independent standpoint. Thus, he is appointed as an External Director.
External Director	Naoko Tanouchi	Other than the foregoing, there are no special interest relationships between Ms. Naoko Tanouchi and the Company. It is expected that Ms. Tanouchi will contribute to the strengthening of the governance system by enhancing supervision of the Directors' execution of their duties from an independent standpoint, leveraging her experience in a wide range of areas, including management planning, new business development, and internal auditing at global companies, as well as her insight and expertise as an External Director and Audit & Supervisory Board Member. Thus, she is appointed as an External Director.
External Audit & Supervisory Board Member	Sayaka Hieda	Other than the foregoing, there are no special interest relationships between Ms. Sayaka Hieda and the Company. The Company has appointed Ms. Hieda as an External Audit & Supervisory Board Member as she is expected to apply her expertise and experience as an attorney-at-law to the Company's auditing operations from an independent standpoint.

Title	Name	Relationship with the Company, reasons for the appointment and expected roles
External Audit & Supervisory Board Member	Naohiro Chikada	Other than the foregoing, there are no special interest relationships between Mr. Naohiro Chikada and the Company. The Company expects Mr. Chikada to apply his professional knowledge and experience as a certified public accountant and tax accountant to the Company's auditing operations from an independent standpoint and has therefore appointed him as an External Audit & Supervisory Board Member..

External Directors and External Audit & Supervisory Board Members are appointed based on a comprehensive evaluation of their personalities, abilities, insight, and experience, as well as their ability to provide appropriate opinions on the Company's management from an independent and objective perspective in order to strengthen the supervisory function of the Board of Directors.

The shareholdings of the Company's External Directors and External Audit & Supervisory Board Members are as described under "(i) List of Directors and Audit & Supervisory Board Members" presented above.

Furthermore, in appointing External Directors, the Company has stipulated criteria for determining independence to ensure that candidates are deemed independent in terms of substance. In addition to the independence criteria stipulated by the Tokyo Stock Exchange, the Company considers an External Director to be independent if none of the following apply.

- Business partners or their business executors accounting for 2% or more of the Company's consolidated sales in the most recent fiscal year
- Shareholders holding more than 10% of the total voting rights of the Company or their business executors
- Representative partners, partners, or employees of the audit firm that is our Accounting Auditor
- Consultants, accounting experts, or legal experts whose remuneration from the Company in the most recent fiscal year (excluding remuneration for Directors and Audit & Supervisory Board Members) exceeds ¥10 million

(iii) Supervision or Audit and Internal Audit by External Directors or External Audit & Supervisory Board Members, Audit by Audit & Supervisory Board Members and Mutual Collaboration with Accounting Auditor, as well as Relationship with Internal Control Division

External Directors receive regular reports from the executive Directors on the status of business activities and internal controls of the Company and its Group companies and render advice, etc. to the management from an independent and objective perspective.

The Audit & Supervisory Board Members, including External Audit & Supervisory Board Members, receive an annual audit plan from the Accounting Auditors to monitor and verify whether the Accounting Auditors are conducting appropriate audits and thereafter implement coordinated actions as necessary, such as receiving regular reports and information on laws, regulations, and accounting standards, as well as maintaining close cooperation with the internal audit division to conduct systematic and efficient audits. Besides receiving regular reports from the internal audit division at the Audit & Supervisory Board meetings, the full-time Audit & Supervisory Board Members separately receive reports from the Internal Audit Department on a timely basis.

While ensuring an independent and objective perspective, the External Directors and Audit & Supervisory Board Members work together through regular meetings and other means to enable the External Directors to gather information efficiently.

(iv) Support System for External Directors and External Audit & Supervisory Board Members

The General Affairs Department, which serves as the secretariat for the Board of Directors, provides necessary explanations and information to support External Directors as appropriate. Mutual election of the Head External Director from among External Directors to strengthen cooperation among External Directors and the Board of Directors, Audit & Supervisory Board, etc. Furthermore, we regularly convene External Directors Meetings, comprised exclusively of External Directors, to facilitate independent and objective information exchange, shared understanding, and the acquisition of necessary knowledge. At the request of the Audit & Supervisory Board, we assign personnel to serve as staff for External Audit & Supervisory Board Members to encourage the smooth execution of audit procedures.

(3) Status of Audits

(i) Status of Audits by Audit & Supervisory Board Members

a. Audit Organization, Personnel and Procedures

Comprising two full-time Audit & Supervisory Board Members and two External Audit & Supervisory Board Members as of the filing date of this report (March 23, 2026), the Audit & Supervisory Board of the Company formulates audit policies, plans, auditing methods, and allocation of audit duties, receives reports on important audit-related matters, and discusses and makes needed resolutions.

Furthermore, External Audit & Supervisory Board Member Naohiro Chikada is a certified public accountant with considerable finance and accounting knowledge.

In addition, the Company plans to submit a proposal for the election of one Audit & Supervisory Board Member as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed, Yusuke Mishima will newly assume the position of Full-time Audit & Supervisory Board Member (current Full-time Audit & Supervisory Board Member Takashi Yoshino will resign at the conclusion of the said Ordinary General Meeting of Shareholders), and the Audit & Supervisory Board will continue to comprise four members (of which two are External Audit & Supervisory Board Members).

b. Status of Activities by Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board generally meets once a month and held 14 meetings during the current fiscal year. The attendance record of each Audit & Supervisory Board Member is as follows.

Title	Name	Meeting attendance
Full-time Audit & Supervisory Board Member	Isao Jinno	14/14 times
Full-time Audit & Supervisory Board Member	Takashi Yoshino	14/14 times
External Audit & Supervisory Board Member	Sayaka Hieda	14/14 times
External Audit & Supervisory Board Member	Naohiro Chikada	14/14 times

The specific considerations by the Audit & Supervisory Board are as follows.

- Matters related to the operation of the Audit & Supervisory Board
- Matters related to the General Meeting of Shareholders
- Matters related to the status of the development and operation of management and governance systems
- Matters related to the verification of the establishment and effectiveness of the internal control system
- Matters related to the verification and evaluation of the appropriateness of the accounting audit by the Accounting Auditor
- Matters concerning the status of management related to important businesses and individual cases, etc.
- Matters Related to determination of Key Audit Matters (KAMs)
- Matters related to the status of Group company audit activities

The main activities of the Full-time Audit & Supervisory Board Members are as follows:

Business Audits	Attendance at Board of Directors meetings and statement of opinions
	Attendance and statement of opinions at important meetings such as the Executive Committee
	Regular meetings with Representative Director and External Directors and individual meetings with Directors
	Conducting on-site inspections of internal control divisions, etc., each business division, and Group company and hearing reports
	Verification of the status of maintenance of internal regulations, etc.
	Perusal of documents related to important resolutions
	Hearing of reports on audit implementation plans and audit results from the Internal Audit Department and exchanging opinions
Accounting Audit	Consultation with the Accounting Auditor regarding the explanation of the audit plan, interim review report, audit progress report, audit results report, and determination of key audit matters (KAMs) from the Accounting Auditor
	Investigation and audit of the status of operations related to quarterly and full-year financial results

All Full-time Audit & Supervisory Board Members report to one another in a timely and appropriate manner and share information regarding their audit activities. Furthermore, the Audit & Supervisory Board makes appropriate reports to the External Audit & Supervisory Board Members to share information.

(ii) Status of Internal Audits

The Company has established an Internal Audit Department that directly reports to the Representative Director, President & Chief Executive Officer, and has assigned a total of seven staff members, including a Senior Manager, dedicated to internal audit duties. Based on the annually prepared audit plan, the Internal Audit Department conducts business audits, makes recommendations for improvement, etc., and monitors the implementation of remedial measures, etc. to ensure proper business operations.

In order to ensure effective internal audit operations, the Internal Audit Department actively exchanges opinions and information, etc. at regular meetings with Audit & Supervisory Board Members and the Accounting Auditor.

Furthermore, internal audit results are reported to the Audit & Supervisory Board, with reports to the Board of Directors made by the President & Chief Executive Officer.

(iii) Status of Accounting Audit

a. Name of Audit Firm

Ernst & Young ShinNihon LLC.

b. Consecutive Number of Years during which Audit was Performed

21 years

c. Certified Public Accountants Who Engaged in the Audit

Designated Engagement Partner Yuji Mukaide

Designated Engagement Partner Koji Ojima

d. Composition of Persons Supporting Audit Operations

7 certified public accountants and 24 other persons providing support

e. Policies and Reasons for Appointing Audit Firm

The Company selects auditing certified public accountants, etc. after comprehensively confirming and reviewing the quality control system, independence, audit implementation system, audit fees, etc. of the audit firm, based on the “Code of Practice for Audit & Supervisory Board Members, etc. regarding the Evaluation of Accounting Auditors and the Establishment of Selection Criteria for Accounting Auditors” stipulated by the Japan Audit & Supervisory Board Members Association.

Upon review and confirmation of the above, we have determined that it is appropriate to reappoint Ernst & Young ShinNihon LLC as the auditing certified public accountant for the current consolidated fiscal year.

Should the Audit & Supervisory Board deem it necessary, such as when there is a hindrance to the performance of duties by the auditing certified public accountant, it will decide on a proposal for the dismissal or non-reappointment of the Certified Public Accountant, and the Company will submit a proposal to the General Meeting of Shareholders in accordance with said decision.

Should the Audit & Supervisory Board find that the auditing certified public accountant falls under Paragraph 1, Article 340 of the Companies Act, the Audit & Supervisory Board shall dismiss the auditing certified public accountant based on the unanimous consent of the Audit & Supervisory Board Members. Upon such a dismissal, the Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the fact that the auditing certified public accountant has been dismissed and the reason for dismissal at the first General Meeting of Shareholders convened after said dismissal.

f. Evaluation of Audit Firm by Audit & Supervisory Board Members and Audit & Supervisory Board

Upon comprehensively reviewing and considering Ernst & Young ShinNihon LLC’s quality control system, audit implementation system, audit fees, communication with Audit & Supervisory Board Members and other relevant personnel, and relationship with management, the Audit & Supervisory Board Members and the Audit & Supervisory Board have concluded that the auditing activities of Ernst & Young ShinNihon LLC are appropriate.

(iv) Details of Audit Fees, etc.

a. Fees to auditing certified public accountants

Category	FY2024		FY2025	
	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)
The Company	85	2	91	4
Subsidiaries	63	—	66	—
Total	149	2	158	4

(Note) Non-audit services rendered for the Company include preparation of a comfort letter in connection with the issuance of corporate bonds.

b. Remuneration to the same network (Ernst & Young) as the auditing certified public accountants (excluding “a. Fees to auditing certified public accountants”)

Category	FY2024		FY2025	
	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)
The Company	—	12	—	37
Subsidiaries	11	3	12	4
Total	11	15	12	41

(Note) Non-audit services provided to the Company consist of advice related to accounting and taxation matters. Non-audit services provided to subsidiaries consist of support services related to accounting and taxation matters.

c. Details of other material audit fees

FY2024

Not applicable.

FY2025

Not applicable.

d. Policy for determining audit fees

Audit fees for the auditing certified public accountant are appropriately determined with the consent of the Audit & Supervisory Board, comprehensively taking into consideration such factors as the size and characteristics of the Company and the number of days spent on the audit.

e. Reason by Audit & Supervisory Board Members for giving consent to the amount of fees payable to the Accounting Auditor
Upon making the necessary verification of the appropriateness of the content of the Accounting Auditor’s audit, the performance of its duties, and the basis for the calculation of the remuneration estimate, the Audit & Supervisory Board decided to consent to the remuneration, etc. of the Accounting Auditor in accordance with the Companies Act.

(4) Remunerations for Directors

(i) Details and Policies of Calculation Methods for Amount of Remuneration, etc. Paid to Officers

a. Policy, etc. on Determination of Details of Remuneration, etc. for Officers

At the Board of Directors meeting held on January 16, 2025, the Company adopted a policy for determining the details of remuneration for individual Directors (hereinafter referred to as the “the decision-making policy”). Furthermore, the remuneration of Audit & Supervisory Board Members is determined through discussions among the Audit & Supervisory Board Members.

Under the corporate philosophy of “Trust beyond the era,” the Company aims to achieve sustainable growth and increase corporate value not only in the short term but also over the medium to long term, and has thus established a remuneration system in which a certain percentage of remuneration is linked to business performance and stock price.

Remuneration for Directors (excluding External Directors) consists of “fixed remuneration,” “performance-based remuneration,” and “share awards,” the payment ratio of which will be set appropriately in accordance with the policy described below. Only “fixed remuneration” is paid to External Directors and Audit & Supervisory Board Members, in consideration of the nature of their duties.

The content of the performance indicators for performance-based remuneration, etc. and the calculation method for the amount of performance-based remuneration, etc. are determined by comprehensively taking into account the business profit for the current fiscal year, ROE, shareholder returns, ESG-related initiatives, progress of the Medium-Term Business Plan, economic conditions, business environment, etc. The reason for selecting these indicators is to clarify the link between the remuneration of Directors and the Company’s performance and shareholder value.

The Board of Directors determines individual Director remuneration after consultation with the Remuneration Advisory Committee. The determination of details of individual Directors’ remuneration, as described later in “c. Matters Concerning Delegation for Determination of Details of Individual Directors’ Remuneration, etc.” is delegated by a resolution of the Board of Directors.

Policy on Determining the Percentage of Remuneration Paid to Directors (excluding External Directors) by Type of Remuneration, etc.

Item		Fixed Remuneration	Performance-Based Remuneration	Share awards
Placement		Basic Remuneration	Short-term Incentives	Medium- to Long-Term Incentives
Variability		—	Linked to single fiscal year performance	Linked to stock price
Percentage of total remuneration (approx.)	Director and President & Chief Executive Officer Chairman	40%	40%	20%
	Other Directors	50-60%	30-40%	5-10%
Payment timing of remuneration, etc.		Monthly	Monthly	In principle, upon retirement from office

(Note) The Company plans to submit a proposal for partial amendment of the share awards plan for Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If this proposal is approved as originally proposed at the Board of Directors meeting to be held on the same day, the Company intends to change the ratio (as a guideline) of the total remuneration for the other Directors to fixed remuneration of 40–50%, performance-based remuneration of 40–50%, and share awards of 10–20%.

The proposal for individual remuneration, etc. of Directors for the current fiscal year is prepared in accordance with the decision-making policy and the resolution of the General Meeting of Shareholders as stipulated below under “b. Matters Concerning the Resolution of the General Meeting of Shareholders on Remuneration, etc. of Directors and Audit & Supervisory Board Members,” and is determined through consultation with the Remuneration Advisory Committee. Accordingly, the Board of Directors believes that the content of individual remuneration, etc. of Directors for the current fiscal year is in line with the decision policy.

In addition, the Company plans to submit a proposal for partial amendment of the share awards plan for Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026. If

this proposal is approved as proposed at the Board of Directors meeting to be held on the same day, the Company intends to add a clause to the determination policy stating that, even for Directors, etc. who have been granted points, the Company may, by resolution of the Board of Directors and with reference to the report of the Remuneration Advisory Committee, decide not to grant all or part of the right to receive benefits in the event of dismissal (for Directors, by resolution of the General Meeting of Shareholders, and for Managing Officers, by resolution of the Board of Directors), in the event that certain acts of misconduct during their term of office are recognized, or in the event that certain inappropriate acts during their term of office are recognized as having caused damage to the Company, or in the event of any other specific reasons stipulated in the Regulations of Directors' Equity Benefit.

b. Matters Concerning the Resolution of the General Meeting of Shareholders on Remuneration, etc. of Directors and Audit & Supervisory Board Members

<Fixed Remuneration>

At the 190th Ordinary General Meeting of Shareholders held on March 28, 2008, it was resolved that the remuneration for Directors shall be limited to ¥35 million per month, and the remuneration for Audit & Supervisory Board Members shall be limited to ¥8 million per month. As of the closing of said General Meeting of Shareholders, the number of Directors was 18, and that of the Audit & Supervisory Board Members was 4.

<Performance-Based Remuneration>

At the 195th Ordinary General Meeting of Shareholders held on March 28, 2013, a resolution was passed to introduce performance-based remuneration for Directors (excluding External Directors) to motivate them to improve their performance in each fiscal year by paying them within 1% of consolidated ordinary profit and 2% of consolidated profit (profit attributable to owners of parent) for the previous fiscal year. These indicators were selected based on our belief that they adequately represent the Company's performance in view of the nature and content of the Company's business. The number of Directors (excluding External Directors) as of the end of this General Meeting of Shareholders was 7.

<Share Awards>

Upon the 200th Ordinary General Meeting of Shareholders held on March 28, 2018, a resolution was passed to introduce the "Board Benefit Trust (BBT)," a share award plan for Directors (excluding External Directors), with the aim of raising awareness of the need to contribute to increasing corporate value over the medium to long term. The number of Directors (excluding External Directors) as of the end of this General Meeting of Shareholders was 8. Outline of the share award plan is as follows.

- Under the share award plan, the Company's shares are acquired through a trust funded by the Company, and the Company's shares and cash equivalent to the market value of the Company's shares are paid out through the trust in accordance with the Regulations of Directors' Equity Benefit stipulated by the Company. The enactment of the regulation was adopted by the Board of Directors after consulting with the Nomination and Remuneration Advisory Committee.
- Each Director (excluding External Directors) is granted a certain number of points per fiscal year, limited to 40,000 shares (40,000 points) per fiscal year, in consideration of his/her position in the Company. Upon retirement, the Directors will receive Company shares in proportion to the number of points accumulated and a cash payment equivalent to the market value of the Company's shares. Note that the Company plans to submit a proposal for partial amendment of the share awards plan for Directors as an agenda item (resolution item) at the Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2026, and if the proposal is approved as originally proposed, the maximum total number of points granted to Directors (excluding External Directors) per fiscal year will be 100,000 shares (100,000 points).

c. Matters Concerning Delegation for Determination of Details of Individual Directors' Remuneration, etc.

Pursuant to the delegation by resolution of the Board of Directors, the President and Chief Executive Officer of the Company shall, in accordance with the decision-making policy and the resolution of the General Meeting of Shareholders as stipulated under the above-mentioned "b. Matters Concerning the Resolution of the General Meeting of Shareholders on Remuneration, etc. of Directors and Audit & Supervisory Board Members," prepare a proposal for individual fixed remuneration and performance-based remuneration for Directors according to their position and responsibilities for each fiscal year and submit it to the Remuneration Advisory Committee (the chair and a majority of the members are External Directors) for consultation to determine the specific amounts of individual remuneration for each Director. This responsibility has been delegated to the President & Chief Executive Officer as he is best suited to make an evaluation comprehensively in consideration of the Company's performance and the duties and responsibilities of the Directors.

The persons delegated to determine the individual remuneration amounts of Directors for the current fiscal year are Hitoshi Nomura and Katsuhito Ozawa, and the specific details of the individual remuneration amounts of Directors for the current fiscal year have been determined through the process described above. Note that Hitoshi Nomura served as Representative Director, President and Chief Executive Officer until December 31, 2024, and determined the remuneration amounts up to the portion for the period ended March 31, 2025 during the previous fiscal year, while Katsuhito Ozawa has served as Representative Director, President and Chief Executive Officer since January 1, 2025, and has determined the remuneration amounts for the portion from April 1, 2025 onward.

d. Targets and Results of Performance-Based Remuneration-Related Indicators for the Current Fiscal Year

Indicators for performance-based remuneration in the current fiscal year are consolidated ordinary profit and consolidated profit (profit attributable to owners of parent) for the previous fiscal year. The forecast figures of consolidated ordinary profit and consolidated profit (profit attributable to owners of parent) are ¥69,500 million and ¥48,500 million, respectively (figures announced as the forecast for the fiscal year ended December 31, 2024, in the financial report dated August 8, 2024). Against this forecast, the actual results were a consolidated ordinary profit of ¥71,722 million and a consolidated profit (profit attributable to owners of parent) of ¥65,882 million.

(ii) Total amount of remuneration by category of Officers, by type, and number of recipient directors (and other officers)

Category of Officers	Total Amount of Remuneration (Millions of yen)	Total Amount of Remuneration by Type (Millions of yen)			Number of Recipient Directors (and Other Officers) (Persons)
		Fixed Remuneration	Performance-Based Remuneration	Share Awards	
Directors (excl. External Directors)	621	336	216	68	8
Audit & Supervisory Board Members (excl. External Audit & Supervisory Board Members)	55	55	—	—	2
External Officers	77	77	—	—	8

(Notes) 1. Share awards fall under the category of “non-monetary remuneration.”

2. The total amount of share awards is the amount of provision for share awards for directors (and other officers) based on the Board Benefit Trust (BBT) for the fiscal year under review. The provision for share awards for directors (and other officers) is based on the book value of the Company’s shares acquired through the trust using funds contributed by the Company as the source of funds for the calculation.

(iii) Total amount of remuneration, etc. for those whose total amount of remuneration, etc. amounts to ¥100 million or more

Name	Title	Total Amount of Remuneration by Type (Millions of yen)			Total Amount of Remuneration (Millions of yen)
		Fixed Remuneration	Performance-Based Remuneration	Share Awards	
Makio Tanehashi	Director Chairman of the Board	51	51	—	102
Hitoshi Nomura	Representative Director and Chairman	56	51	21	129
Katsuhito Ozawa	Representative Director President & Chief Executive Officer	56	23	21	101

(Notes) 1. Share awards fall under the category of “non-monetary remuneration.”

2. The total amount of share awards is the amount of provision for share awards for directors (and other officers) based on the Board Benefit Trust (BBT) for the fiscal year under review. The provision for share awards for directors (and other officers) is based on the book value of the Company’s shares acquired through the trust using funds contributed by the Company as the source of funds for the calculation.

(5) Information on Shareholdings

(i) Criteria and Approach for Classification of Investment Stocks

By maintaining and strengthening business relationships, the Company retains shares of other companies that it deems will contribute to the medium- to long-term enhancement of the Group's corporate value as shares other than for pure investment purposes (strategic shareholdings).

(ii) Investment Shares Held for Purposes Other than Pure Investment

a. Method of verifying holding policies and rationality of holdings, and details of verification by the Board of Directors, etc. regarding the appropriateness of holding individual issues

By maintaining and strengthening business relationships, the Company retains shares of other companies that it deems will contribute to the medium- to long-term enhancement of the Group's corporate value as shares other than for pure investment purposes (strategic shareholdings).

The Company examines the appropriateness of individual strategic shareholdings from the perspective of whether they contribute to the improvement of the Group's corporate value, including the results and prospects of real estate transactions, joint ventures, construction and equipment transactions, and financial transactions, as well as the results of dividend payments. Upon review, the Company will report to the Board of Directors on the details and actual results of the disposal, etc. and will reduce the number of shares that it no longer recognizes the significance of continuing to hold, taking into consideration the impact, etc. on the stock market. In addition, in the Group Medium-Term Business Plan (FY2025-FY2027), we have set a target of reducing the ratio of strategic shareholdings to consolidated net assets to 10% or less by the end of FY2027, and we will continue to reduce the number of shares in the future.

At a meeting of the Board of Directors held on February 12, 2026, the Company reported the results of transactions and holdings of each individual share and verified the appropriateness of said holdings.

b. Number of stocks and book value

	Number of Stocks (Stocks)	Total Book Value (Millions of yen)
Equity Securities Not Listed	26	2,930
Shares Other than Equity Securities Not Listed	43	97,775

(Name of stock of shares that increased during the current fiscal year)

	Number of Stocks (Stocks)	Total Acquisition Cost for the Increase in the Number of Shares (Millions of yen)	Reason for Increase in the Number of Shares
Equity Securities Not Listed	2	139	Acquired through transfer from subsidiaries to contribute to the enhancement of the Group's medium- to long-term corporate value
Shares Other than Equity Securities Not Listed	1	1,001	To contribute to the enhancement of the Group's medium- to long-term corporate value

(Name of stock of shares that decreased during the current fiscal year)

	Number of Stocks (Stocks)	Total Sales Price for the Decrease in the Number of Shares (Millions of yen)
Equity Securities Not Listed	1	78
Shares Other than Equity Securities Not Listed	8	12,094

c. Information on specified investment stocks and stocks deemed to be held, including the number of shares by stock, and the book value

Specified investment stocks

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
Hulic Co., Ltd.	20,374,433	20,374,433	To maintain and strengthen real estate transactions, joint ventures, and related activities. in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	34,942	27,912		
SOMPO Holdings, Inc.	2,028,215	2,405,715	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, etc. in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing. In addition, the Company has entered into a business alliance for the development and operation of facilities for the elderly. Some shares were sold during the current fiscal year.	Yes (Note) 2
	10,822	9,909		
TAISEI CORPORATION	474,080	951,980	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, joint ventures, and construction and equipment transactions in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Some shares were sold during the current fiscal year.	Yes
	7,032	6,320		
Fuyo General Lease Co., Ltd.	753,100	170,000	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, etc. in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing. Note that, in order to contribute to the enhancement of medium- to long-term corporate value, the Company acquired its shares during the current fiscal year.	Yes
	3,233	1,989		
INFRONEER Holdings Inc.	1,423,000	1,423,000	To maintain and strengthen construction and equipment transactions, etc. in the Commercial Properties business and Residential business, thereby contributing to the enhancement of corporate value.	Yes (Note) 2
	3,042	1,737		
SEIBU HOLDINGS INC.	994,300	994,300	To maintain and strengthen real estate transactions, etc. in the Asset Service business, thereby contributing to the enhancement of corporate value.	Yes (Note) 2
	4,279	3,189		
Yasuda Logistics Corporation	1,603,000	1,603,000	To maintain and strengthen good relationships related to the business of the entire Group and	Yes

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
	3,528	2,834		
Mizuho Financial Group, Inc.	532,612	684,112	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, joint ventures, and related activities. in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing. Some shares were sold during the current fiscal year.	Yes (Note) 2
	3,035	2,649		
Katakura Industries Co., Ltd.	980,000	980,000	To maintain and strengthen real estate transactions, joint ventures, and related activities. in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	2,829	1,951		
TPR Co., Ltd.	1,867,374	933,687	To maintain and strengthen real estate transactions and related activities. in the Commercial Properties business, thereby contributing to the enhancement of corporate value. The increase in the number of shares is due to a stock split.	Yes
	2,410	2,294		
Tokio Marine Holdings, Inc.	387,000	442,200	To maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing. Some shares were sold during the current fiscal year.	Yes (Note) 2
	2,251	2,532		
The Japan Wool Textile Co., Ltd.	1,112,500	1,112,500	To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	Yes
	1,974	1,450		

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
SEN-I Co., Ltd.	698,733	698,733	To maintain and strengthen real estate transactions and related activities. in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	2,305	1,653		
Okamoto Industries, Inc.	260,200	260,200	To maintain and strengthen good relationships related to the business of the entire Group and contribute to improving corporate value.	Yes
	1,423	1,493		
TAKARA HOLDINGS INC.	1,000,000	1,000,000	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and joint ventures, etc. in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	1,607	1,355		
Mitsuuroko Group Holdings Co., Ltd.	567,000	567,000	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, etc. in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	1,248	1,018		
Taikisha Ltd.	401,400	200,700	To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	Yes
	1,322	1,003	The increase in the number of shares is due to a stock split.	
HEIWA REAL ESTATE CO., LTD.	364,800	182,400	To maintain and strengthen good relationships related to the business of the entire Group and contribute to improving corporate value.	Yes
	814	795	The increase in the number of shares is due to a stock split.	
TOBU RAILWAY CO., LTD.	180,098	180,098	To maintain and strengthen real estate transactions, joint ventures, and related activities. in the Residential business, thereby contributing to the enhancement of corporate value.	Yes
	475	461		
YAMATO HOLDINGS CO., LTD.	260,000	260,000	To maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes (Note) 2
	574	460		
TODA CORPORATION	690,300	690,300	To maintain and strengthen real estate transactions, construction, and equipment transactions in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	873	664		

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
Nippi, Incorporated	100,000	100,000	To maintain and strengthen good relationships related to the business of the entire Group and contribute to improving corporate value.	Yes
	1,379	561		
NOF CORPORATION	216,561	216,561	To maintain and strengthen good relationships related to the business of the entire Group and contribute to improving corporate value.	Yes
	652	477		
Oki Electric Industry Co., Ltd.	235,076	235,076	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, construction, and equipment transactions in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	466	251		
Azbil Corporation	320,000	320,000	To maintain and strengthen construction, equipment transactions, and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	455	392		
NIPPON SIGNAL CO., LTD.	375,000	375,000	To maintain and strengthen construction, equipment transactions, and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	Yes
	491	348		
MATSUI CONSTRUCTION CO., LTD.	363,000	363,000	To maintain and strengthen construction, equipment transactions, and related activities in the Commercial Properties business and Residential business, thereby contributing to the enhancement of corporate value.	Yes
	546	324		
TAKARA STANDARD CO., LTD.	166,000	166,000	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	484	280		
NSK Ltd.	326,857	326,857	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions, joint ventures, and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	318	224		

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
TOA CORPORATION	254,400	254,400	To maintain and strengthen construction, equipment transactions, and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	720	304		
Okabe Co., Ltd.	305,100	305,100	To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	Yes
	293	233		
Sumitomo Mitsui Financial Group, Inc.	38,816	77,616	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing. Some shares were sold during the current fiscal year.	Yes (Note) 2
	195	292		
The Ogaki Kyoritsu Bank, Ltd.	64,968	64,968	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing.	Yes
	304	125		
Dai-Dan Co., Ltd.	254,100	84,700	To maintain and strengthen construction, equipment transactions, and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value. The increase in the number of shares is due to a stock split.	Yes
	629	326		
Daiwa Securities Group Inc.	117,055	117,055	To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value. Financial transactions are also conducted to contribute to stable financing.	Yes
	160	122		
INTERLIFE HOLDINGS CO., LTD.	400,000	400,000	To maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	284	128		
Global Kids Company Corp.	100,000	100,000	To maintain and strengthen real estate transactions in the Residential business, thereby contributing to the enhancement of corporate value. In addition, the Company has entered into a business alliance for the development and operation of childcare facilities.	No
	75	69		

Issuer name	FY2025	FY2024	Purpose of the shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares (Note)1	Whether issuer holds Company shares
	Number of shares (shares)	Number of shares (shares)		
	Book value (Millions of yen)	Book value (Millions of yen)		
Spacemarket, Inc.	171,000	171,000	To maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value. In addition, the Company has entered into a business alliance regarding the space-sharing business, etc.	No
	49	53		
LIXIL Corporation	29,680	29,680	As the company is a tenant in an office building owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	Yes
	56	51		
The Shikoku Bank, Ltd.	47,144	47,144	Financial transactions are intended to contribute to stable financing.	Yes
	82	54		
The Chiba Kogyo Bank, Ltd.	53,240	53,240	Financial transactions are intended to contribute to stable financing.	Yes
	89	77		
TOH-TEN-KOH Corporation	6,292	6,292	To maintain and strengthen real estate transactions and related activities in the Residential business, thereby contributing to the enhancement of corporate value.	No
	7	5		
Nippon Paper Industries Co., Ltd.	2,823	2,823	To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	No
	3	2		
Sapporo Holdings Limited	—	111,980	(FY2024) To maintain and strengthen real estate transactions and related activities in the Asset Service business, thereby contributing to the enhancement of corporate value.	No
	—	931		
ASANUMA CORPORATION	—	500,000	(FY2024) To maintain and strengthen construction, equipment transactions, and related activities in the Commercial Properties business and Residential business, thereby contributing to the enhancement of corporate value.	Yes
	—	334		
Tonami Holdings. CO., LTD.	—	70,600	(FY2024) As the company is a tenant in a logistics property owned by the Group, this shareholdings is intended to maintain and strengthen real estate transactions and related activities in the Commercial Properties business, thereby contributing to the enhancement of corporate value.	No
	—	421		

(Notes) 1. Quantitative holding effects are not stated from the viewpoint of information management regarding transactions with counterparties, etc.

The method of verifying the rationality of holdings is described in “(ii) Investment shares held for purposes other than pure investment a. Method of verifying holding policies and rationality of holdings, and details of verification by the Board of

Directors, etc. regarding the appropriateness of holding individual issues.”

2. The company in which we hold the stocks does not hold any shares of the Company, while its subsidiary does hold shares of the Company.

3. “—” indicates that the Company does not hold the stock.

(iii) Equity Securities Held for Pure Investment

Category	FY2025		FY2024	
	Number of Stocks (Stocks)	Total Book Value (Millions of yen)	Number of Stocks (Stocks)	Total Book Value (Millions of yen)
Equity Securities Not Listed	—	—	—	—
Shares Other than Equity Securities Not Listed	—	—	—	—

Category	FY2025		
	Total Dividend Income (Millions of yen)	Total Gain (loss) on Sales (Millions of yen)	Total Loss (gain) on Valuation (Millions of yen)
Equity Securities Not Listed	—	—	—
Shares Other than Equity Securities Not Listed	—	—	—

(Note) “—” indicates the Company does not hold any shares of said stock.

V. Financial Information

1. Method of preparation of consolidated financial statements and non-consolidated financial statements

- (1) The Group's consolidated financial statements are prepared based on the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).
- (2) The Company's non-consolidated financial statements are prepared based on the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Regulation for Financial Statements, etc.").

The Company is a special company submitting financial statements and preparing its financial statements based on the provisions of Article 127 of the Regulation for Financial Statements, etc.

2. Audit attestation

Pursuant to Paragraph 1, Article 193-2 of the Financial Instruments and Exchange Act, the consolidated financial statements for the consolidated fiscal year (from January 1, 2025 to December 31, 2025) and the non-consolidated financial statements for the same fiscal year were audited by Ernst & Young ShinNihon LLC.

3. Special efforts for ensuring the appropriateness of consolidated financial statements

The Company has taken a special approach to ensure the propriety of consolidated financial statements, etc. Specifically, in order to develop a system to enable the Company to appropriately understand the details of accounting standards and precisely implement changes in accounting standards, etc., the Company has joined the Financial Accounting Standards Foundation and endeavors to actively collect information. Furthermore, the Company participates in training sessions administered by audit firms and other organizations.

1. Consolidated Financial Statements

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheet

(Millions of yen)

	End of FY2024 (December 31, 2024)	End of FY2025 (December 31, 2025)
Assets		
Current assets		
Cash and deposits	*1 111,141	*1 152,294
Trade notes, accounts receivable and contract assets	*8 15,057	*8 16,653
Real estate for sale	*1,*2,*5 261,318	*2,*5 271,892
Real estate for sale in process	*2 307,858	*2,*5 340,230
Other	*3 35,375	*3 45,831
Allowance for doubtful accounts	(22)	(37)
Total current assets	730,727	826,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	437,718	439,441
Accumulated depreciation	(194,369)	(204,434)
Buildings and structures, net	*1,*2 243,349	*1,*2 235,007
Land	*1,*4 617,042	*1,*4 613,321
Construction in progress	*4,*7 101,213	*4 144,245
Other	36,022	37,071
Accumulated depreciation	(23,014)	(24,516)
Other, net	*1,*2 13,008	*1,*2 12,555
Total property, plant and equipment	*5 974,614	*5 1,005,129
Intangible assets		
Leasehold interests in land	*1 124,337	*1 123,989
Goodwill	11,391	10,655
Other	1,544	1,896
Total intangible assets	*5 137,273	136,541
Investments and other assets		
Investment securities	*1,*3 139,265	*1,*3 197,720
Investments in silent partnerships	*3 12,538	*3 22,956
Long-term loans receivable	9,274	14,049
Deferred tax assets	2,071	2,291
Leasehold and guarantee deposits	*1 20,693	*1 20,702
Retirement benefit asset	1,763	5,688
Other	*2,*3 54,627	*2,*3 42,158
Allowance for doubtful accounts	(1,623)	(1,382)
Total investments and other assets	238,610	304,184
Total non-current assets	1,350,498	1,445,855
Total assets	2,081,226	2,272,720

(Millions of yen)

	End of FY2024 (December 31, 2024)	End of FY2025 (December 31, 2025)
Liabilities		
Current liabilities		
Short-term borrowings	*1 80,949	*1 65,508
Commercial papers	66,000	—
Current portion of bonds payable	20,000	10,000
Accounts payable - other	*1 19,434	*1 25,667
Income taxes payable	20,031	10,500
Provision for warranties for completed construction	10	8
Provision for bonuses	1,032	1,132
Provision for bonuses for directors (and other officers)	4	7
Deposits received under real estate specified joint enterprise law	*2 6,300	*2 2,000
Other	*1,*9 84,025	*1,*9 81,091
Total current liabilities	297,789	195,915
Non-current liabilities		
Bonds payable	245,000	295,000
Long-term borrowings	*1 798,570	*1 973,366
Deferred tax liabilities	28,202	40,807
Deferred tax liabilities for land revaluation	*4 27,274	*4 28,077
Provision for share awards for directors (and other officers)	410	477
Provision for retirement benefits for directors (and other officers)	92	100
Leasehold and guarantee deposits received	*1 79,950	*1 84,749
Retirement benefit liability	13,943	12,520
Deposits received under real estate specified joint enterprise law	*2 14,806	*2 12,591
Other	*1 27,660	*1 25,976
Total non-current liabilities	1,235,913	1,473,667
Total liabilities	1,533,702	1,669,582
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,262	66,067
Retained earnings	269,936	303,315
Treasury shares	(747)	(752)
Total shareholders' equity	427,902	461,082
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57,551	74,561
Revaluation reserve for land	*4 43,187	*4 42,801
Foreign currency translation adjustment	7,865	9,534
Remeasurements of defined benefit plans	(443)	3,044
Total accumulated other comprehensive income	108,162	129,941
Non-controlling interests	11,458	12,113
Total net assets	547,524	603,137
Total liabilities and net assets	2,081,226	2,272,720

(ii) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Operating revenue	*8 463,724	*8 474,586
Operating costs	*1 337,087	*1 332,253
Operating gross profit	126,636	142,332
Selling, general and administrative expenses	*2 46,966	*2 46,568
Operating profit	79,670	95,763
Non-operating income		
Interest income	459	798
Dividend income	4,433	4,015
Share of profit of entities accounted for using equity method	819	—
Foreign exchange gains	2,159	145
Other	490	512
Total non-operating income	8,361	5,472
Non-operating expenses		
Interest expenses	9,413	13,404
Borrowing fee	988	1,610
Share of loss of entities accounted for using equity method	—	6,870
Bond issuance costs	61	484
Dividends paid on real estate specified joint enterprise law	4,375	344
Other	1,470	334
Total non-operating expenses	16,309	23,048
Ordinary profit	71,722	78,187
Extraordinary income		
Gain on sale of non-current assets	*3 1	*3 38
Gain on sale of investment securities	26,827	10,587
Gain on sale of shares of subsidiaries and associates	—	37
Gain on sale of investments in capital of subsidiaries and associates	1,103	1,289
Gain on liquidation of subsidiaries and associates	—	11
Reversal of allowance for doubtful accounts	—	241
Gain on bargain purchase	—	133
Total extraordinary income	27,933	12,339
Extraordinary losses		
Loss on sale of non-current assets	*4 1	*4 1
Loss on retirement of non-current assets	*5 159	*5 216
Impairment losses	*6 338	*6 1,902
Loss on building reconstruction	*7 931	—
Loss on valuation of investment securities	46	—
Loss on sale of shares of subsidiaries and associates	156	—
Provision of allowance for doubtful accounts	1,568	—
Total extraordinary losses	3,201	2,121
Profit before income taxes	96,454	88,406
Income taxes - current	30,145	26,614
Income taxes - deferred	(496)	2,078
Total income taxes	29,649	28,693
Profit	66,804	59,713
Profit attributable to non-controlling interests	922	834
Profit attributable to owners of parent	65,882	58,879

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Profit	66,804	59,713
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,097)	17,453
Revaluation reserve for land	—	(802)
Foreign currency translation adjustment	1,703	2,704
Remeasurements of defined benefit plans, net of tax	202	3,525
Share of other comprehensive income of entities accounted for using equity method	1,150	(1,036)
Total other comprehensive income	*(11,040)	*21,845
Comprehensive income	55,764	81,558
Comprehensive income attributable to owners of parent	54,966	80,242
Comprehensive income attributable to non-controlling interests	798	1,316

(iii) Consolidated Statement of Changes in Equity
FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,451	66,262	219,528	(421)	377,821
Changes during period					
Dividends of surplus			(15,475)		(15,475)
Profit attributable to owners of parent			65,882		65,882
Purchase of treasury shares				(344)	(344)
Disposal of treasury shares		0		18	18
Net changes in items other than shareholders' equity					
Total changes during period	—	0	50,407	(325)	50,081
Balance at end of period	92,451	66,262	269,936	(747)	427,902

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	71,526	43,187	5,011	(647)	119,078	11,135	508,035
Changes during period							
Dividends of surplus							(15,475)
Profit attributable to owners of parent							65,882
Purchase of treasury shares							(344)
Disposal of treasury shares							18
Net changes in items other than shareholders' equity	(13,974)	—	2,854	204	(10,916)	323	(10,593)
Total changes during period	(13,974)	—	2,854	204	(10,916)	323	39,488
Balance at end of period	57,551	43,187	7,865	(443)	108,162	11,458	547,524

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,451	66,262	269,936	(747)	427,902
Changes during period					
Dividends of surplus			(22,126)		(22,126)
Profit attributable to owners of parent			58,879		58,879
Reversal of revaluation reserve for land			(416)		(416)
Purchase of treasury shares				(3,004)	(3,004)
Disposal of treasury shares		0		41	41
Cancellation of treasury shares		(2,957)		2,957	—
Change in ownership interest of parent due to transactions with non-controlling interests		(194)			(194)
Transfer from retained earnings to capital surplus		2,956	(2,956)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(195)	33,379	(5)	33,179
Balance at end of period	92,451	66,067	303,315	(752)	461,082

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	57,551	43,187	7,865	(443)	108,162	11,458	547,524
Changes during period							
Dividends of surplus							(22,126)
Profit attributable to owners of parent							58,879
Reversal of revaluation reserve for land							(416)
Purchase of treasury shares							(3,004)
Disposal of treasury shares							41
Cancellation of treasury shares							—
Change in ownership interest of parent due to transactions with non-controlling interests							(194)
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	17,009	(386)	1,668	3,487	21,779	654	22,434
Total changes during period	17,009	(386)	1,668	3,487	21,779	654	55,613
Balance at end of period	74,561	42,801	9,534	3,044	129,941	12,113	603,137

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	96,454	88,406
Depreciation	22,390	23,580
Impairment losses	338	1,902
Loss on building reconstruction	931	—
Amortization of goodwill	235	736
Gain on bargain purchase	—	(133)
Share of loss (profit) of entities accounted for using equity method	(819)	6,870
Increase (decrease) in allowance for doubtful accounts	1,567	(226)
Increase (decrease) in provision for bonuses	30	98
Increase (decrease) in provision for bonuses for directors (and other officers)	2	2
Increase (decrease) in provision for share awards for directors (and other officers)	128	66
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	7
Increase (decrease) in retirement benefit liability	(74)	(216)
Interest and dividend income	(4,892)	(4,814)
Interest expenses	9,413	13,404
Loss (gain) on valuation of investment securities	46	—
Loss (gain) on sale of investment securities	(26,827)	(10,587)
Loss (gain) on sale of shares of subsidiaries and associates	156	(37)
Loss (gain) on sale of investments in capital of subsidiaries and associates	(1,103)	(1,289)
Loss (gain) on sales and retirement of non-current assets	158	179
Decrease (increase) in trade receivables	(1,122)	(1,557)
Decrease (increase) in inventories	*2 (52,722)	*2 (38,142)
Increase (decrease) in leasehold and guarantee deposits received	1,767	4,670
Increase (decrease) in trade payables	193	4,052
Decrease (increase) in leasehold and guarantee deposits	(10)	(8)
Increase (decrease) in deposits received	4,079	(218)
Other, net	2,195	(10,331)
Subtotal	52,513	76,414
Interest and dividends received	6,612	5,346
Interest paid	(8,901)	(12,488)
Income taxes (paid) refund	(31,329)	(37,165)
Net cash provided by (used in) operating activities	18,894	32,106

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Cash flows from investing activities		
Proceeds from sales and redemption of investment securities	29,615	13,031
Purchase of investment securities	(10,383)	(34,449)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*3 (27,671)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	*3 34
Purchase of investments in capital of subsidiaries and associates	(2,571)	(3,122)
Proceeds from sales of investments in capital of subsidiaries and associates	15,786	7,887
Proceeds from withdrawal of investments in silent partnerships	456	542
Payments for investments in silent partnerships	(10,399)	(10,950)
Proceeds from sale of non-current assets	2	252
Purchase of non-current assets	(125,152)	(58,668)
Loan advances	(6,912)	(6,217)
Proceeds from collection of loans receivable	1,362	1,128
Increase (decrease) in deposits received under real estate specified joint enterprise law	(621)	(6,534)
Payments for guarantee obligations	(7,241)	—
Other, net	1,640	(343)
Net cash provided by (used in) investing activities	(142,089)	(97,408)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(106)	—
Increase (decrease) in commercial papers	16,000	(66,000)
Proceeds from long-term borrowings	164,000	240,500
Repayments of long-term borrowings	(56,653)	(81,072)
Payments for long-term accounts payable - other	(202)	(202)
Proceeds from issuance of bonds	10,000	60,000
Redemption of bonds	(10,000)	(20,000)
Purchase of equity interests in silent partnership of subsidiaries and associates not resulting in change in scope of consolidation	—	(220)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(344)	(3,004)
Dividends paid	(15,462)	(22,107)
Dividends paid to non-controlling interests	(499)	(514)
Proceeds from share issuance to non-controlling shareholders	—	17
Other, net	(1,095)	(3,230)
Net cash provided by (used in) financing activities	105,636	104,166
Effect of exchange rate change on cash and cash equivalents	1,395	2,288
Net increase (decrease) in cash and cash equivalents	(16,163)	41,152
Cash and cash equivalents at beginning of period	127,303	111,139
Cash and cash equivalents at end of period	*1 111,139	*1 152,292

Notes

(Significant matters that serve as the basis for preparing consolidated financial statements)

1. Scope of consolidation

(1) Consolidated subsidiaries: 44 companies

Major consolidated subsidiaries

Omitted, as it is stated in "4. Information on Subsidiaries and Affiliated Companies, I. Corporate Overview."

Shin Oyama Country Club Co., Ltd. has been included in the scope of consolidation due to the acquisition of shares.

WonderScape.INC, TT 899 Collins Street Trust, and Tokyo Tatemono UK Ltd. have been included in the scope of consolidation due to their establishment.

(2) Names of major non-consolidated subsidiaries

Aoyama Kyoso Co., Ltd.

(Reason for exclusion from the scope of consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation as they are insignificant in terms of total assets, sales, net income or loss, and retained earnings (in proportion to the Company's equity interest) and do not have a material impact on the consolidated financial statements.

(3) Names of other companies in which the Company holds a majority of the voting rights, but which are not treated as subsidiaries

PERIFA Alexander Crows Nest Pty Limited, HIF HoldCo Pty Limited, FDG MEETING STREET JV, LLC, JEFFERSON LONG BEACH HOLDINGS, LLC, Tatemono/HPG Ballard Blossom Investors, LLC, and TTF LONDON LTD

(Reason for not treating them as subsidiaries)

These companies are joint ventures, and the Company does not have sole control over decisions on important management matters relating to business policy and finance; thus, they are not treated as subsidiaries but as entities accounted for using equity method.

2. Matters regarding the application of the equity method

(1) Affiliated companies to which the equity method has been applied

Affiliated Companies: 41 companies

Names of major companies: Kasumigaseki Kaihatsu Tokutei Mokuteki Kaisha

San Jose Multifamily LLC and 13 other companies have been included in the scope of equity method application due to share acquisitions.

Chengdu Vanke Rongbei Property Co., Ltd. is included in the scope of the equity method because the Company acquired its equity interest.

PT. CANDRA USAHA PESONA has been excluded from the scope of the equity method because the Company transferred its shares.

Xuzhou Wankun Real Estate Co., Ltd. and one other company have been excluded from the scope of the equity method because the Company transferred its equity interest.

Fukuchiyama Logistics Tokutei Mokuteki Kaisha has been excluded from the scope of equity method application due to liquidation.

(2) Non-consolidated subsidiaries (Aoyama Kyoso Co., Ltd., and others) and affiliates (Nissei Building Management Co., Ltd., and others) to which the equity method is not applied do not have a respective material impact on the consolidated financial statements in terms of the sum of the profit/loss and retained earnings, as a percentage of the Company's equity interest.

(3) For those companies accounted for by the equity method whose fiscal year-end differs from the consolidated fiscal year-end, the financial statements for their respective fiscal years are used.

3. Matters regarding the consolidated subsidiaries' fiscal years, etc.

The following is a list of consolidated subsidiaries whose fiscal year-ends differ from the consolidated fiscal year-end.

Companies with a fiscal year ended March 31: 3 companies (Note) 1

Companies with a fiscal year ended June 30: 1 company (Note) 1

Companies with a fiscal year ended September 30: 4 companies (Notes) 2, 3

Companies with a fiscal year ended November 30: 1 company (Note) 2

(Notes) 1. Financial statements based on a provisional settlement of accounts as of the consolidated balance sheet date are used for the preparation of the consolidated financial statements.

2. The financial statements of consolidated subsidiaries as of their fiscal year-end are used.
Necessary adjustments are made for significant transactions that occurred between their fiscal year-end and the end of the consolidated fiscal year.
3. From the current consolidated fiscal year, three consolidated subsidiaries, including TT Investment Holdings Australia Pty Limited, have changed their fiscal year-end from June 30 to September 30.
With this change of fiscal year-end, nine months from January 1, 2025 to September 30, 2025 have been consolidated in the current consolidated fiscal year.

4. Matters regarding accounting policies

(1) Valuation criteria and valuation method for material assets

Securities

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Available-for-sale securities

Stocks and securities other than non-marketable equity securities, etc.

Fair value method

(Unrealized gains and losses are included directly in net assets, and the cost of securities sold is determined by the moving-average method.)

Non-marketable equity securities, etc.

Cost method based on the moving-average method

Investments in investment limited partnerships and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are accounted for by taking the equity-method equivalent amount on a net basis, based on the most recent financial statements available on the settlement date stipulated in the partnership agreement.

Inventories

Real estate for sale

Specific Identification Inventory Valuation Method (the book value is written off due to a decline in profitability).

Real estate for sale in process

Same as above

(2) Method of depreciation of material depreciable assets

(i) The Company and its consolidated domestic subsidiaries

Property, plant and equipment

(excluding leased assets)

Buildings and structures	Straight-line method
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Other

Machinery and equipment	Mainly straight-line method
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Vehicles	Mainly declining-balance method
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Tools, furniture and fixtures	Same as above
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However, certain domestic consolidated subsidiaries use the declining-balance method for facilities attached to buildings and structures acquired on or before March 31, 2016. Useful lives and residual values are mainly calculated based on the same standard as stipulated in Japan's Corporation Tax Act.

Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized by the straight-line method based on the usable period in the Group companies (5 years).

Leased assets

Leased assets related to finance lease transactions that transfer ownership

Depreciation is computed by the same method as that applied to non-current assets owned by the Group companies.

Leased assets related to non-ownership-transfer finance lease transactions

Depreciated using the straight-line method regarding the lease period as the useful life and assuming the residual value as zero.

(ii) Overseas consolidated subsidiaries

- Straight-line method
- (3) Accounting policy for significant deferred assets
- Bond issuance costs
- The entire amount is expensed at the time of expenditure.
- (4) Recording criteria for important allowances
- Allowance for doubtful accounts
- To prepare for losses due to bad debts, the Group reports the expected uncollectible amount using the loan loss ratio for general claims and individually examines the collectability of claims with a possibility of default and bankruptcy or reorganization claims.
- Provision for warranties for completed construction
- To provide for repair costs related to the completion of construction, certain consolidated subsidiaries reserve an amount based on actual repair costs incurred in previous fiscal years.
- Provision for bonuses
- Accrued bonuses to employees are provided for the portion of estimated bonuses to be paid in the current consolidated fiscal year.
- Provision for bonuses for directors (and other officers)
- Accrued bonuses to directors and other officers of certain consolidated subsidiaries are provided based on the estimated amounts to be paid.
- Provision for share awards for directors (and other officers)
- To provide for the payment of the Company's shares to the Company's Directors and Audit & Supervisory Board Members in accordance with the Company's "Regulations of Directors' Equity Benefit," the Company records an amount based on the estimated amount of liabilities for share benefits as of the end of the current consolidated fiscal year.
- Provision for retirement benefits for directors (and other officers)
- Accrued retirement benefits for Directors and Audit & Supervisory Board Members of certain consolidated subsidiaries are provided based on the amount payable at the end of the current consolidated fiscal year in accordance with internal regulations.
- (5) Accounting for retirement benefits
- (i) Method of attributing estimated retirement benefits to periods
- The estimated amount of retirement benefits is attributed to the period until the end of the current consolidated fiscal year, based on the benefit calculation method.
- (ii) Method of amortizing actuarial gains and losses and past service costs
- Past service costs are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees when incurred.
- Actuarial gains and losses on retirement benefits are amortized beginning with the next consolidated accounting period, using the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the employees when incurred in each consolidated accounting period.
- (iii) Adoption of the simplified method for small companies, etc.
- Certain consolidated subsidiaries apply the simplified method to calculate retirement benefit liabilities and retirement benefit expenses, using the amount payable for voluntary resignation at the end of the fiscal year as retirement benefit obligations.
- (6) Basis for recognition of significant revenue and expense
- (i) Accounting standard for revenue recognition
- The main performance obligations in the Group's main businesses related to revenues arising from contracts with customers and the usual point in time at which such performance obligations are satisfied (the usual point in time at which revenues are recognized) are as follows.
- In the Commercial Properties business, the Group develops, sells, leases, and manages, etc. office buildings, retail facilities, and logistics properties and has obligations to deliver real estate based on contracts with customers, to lease real estate, and to provide services stipulated in the contracts with customers.
- In the Residential business, the Group develops, sells, leases, and manages, etc. condominiums, etc. and is obligated to deliver real estate based on contracts with customers, lease real estate, and provide services stipulated in contracts with customers.

The Asset Service business is engaged in real estate brokerage and consulting, purchasing and reselling of real estate, and the development and operation of parking facilities and is obligated to deliver real estate based on contracts with customers, to mediate real estate sales contracts, and to provide services stipulated in contracts with customers.

Of these performance obligations, the delivery obligation is satisfied at the time the property is delivered to the customer, and revenue is recognized at the time of delivery. The transaction price is determined based on the amount in the contract with the customer and is received at the time stipulated in the contract. With respect to sales of condominiums and other properties, a deposit is usually received as part of the transaction price at the time the contract is concluded, and the balance is received at the time of delivery of the property.

The Group's obligation to mediate real estate sales contracts is fulfilled at the point in time when the brokerage property is delivered, and the Group records revenue at the time of such delivery. The transaction value is determined pursuant to the brokerage contract with the customer and is received in accordance with the contract. Conversely, obligations to provide services and other items stipulated in the contract with customers are fulfilled at a point in time or over a certain period of time, depending on the nature of the service, whereby the Company records revenues. Transaction values are determined by consignment contracts with customers and are received based on said contracts.

For obligations to lease real estate based on contracts with customers, etc., revenue is recorded in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

In relation to the above performance obligations, no significant financial component is included in the amount of compensation.

Furthermore, no significant variable consideration is recognized that could cause the amount of consideration to vary.

(ii) Recognition of revenues from finance lease transactions

Sales and cost of sales are recognized at the time of receipt of lease payments.

(iii) Recording standards for advertising expenses, etc.

Advertising expenses, etc. related to for-sale condominiums are capitalized up to the point of delivery to the customer in order to match them with revenue and are then recorded as expenses in a lump sum at the time of delivery.

(7) Material hedge accounting methods

(i) Hedge accounting method

Interest rate swaps that meet the requirements for special treatment are accounted for using the special treatment, while other interest rate swaps are accounted for using the deferred hedge method.

(ii) Hedging instruments and hedged items

Hedging instrument: Interest rate swaps

Hedged items: Borrowings

(iii) Hedging policy

The Company enters into interest rate swaps to hedge the impact of interest rate fluctuations on earnings and does not enter into such swaps for speculative purposes.

(iv) Method of assessing hedge effectiveness

During the period from the inception of the hedge to the point at which its effectiveness is assessed, the Company compares the cumulative changes in cash flows of the hedging instrument with the cumulative changes in cash flows of the hedged item to determine its effectiveness. However, the effectiveness of interest rate swaps for which special treatment is applied is not assessed.

(8) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over the period in which the benefits are expected to be realized (10 to 20 years).

(9) Scope of funds in the consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments that are readily convertible to cash, risk-averse to price fluctuations, and redeemable within three months from the date of acquisition.

(Significant accounting estimates)

1. Valuation of non-current assets

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

	(Millions of yen)	
	FY2024	FY2025
Property, plant and equipment	974,614	1,005,129
Intangible assets	137,273	136,541
Impairment losses (Note)	1,270	1,902

(Note) The previous consolidated fiscal year includes ¥931 million recorded as loss on building reconstruction.

(2) Matters related to significant accounting estimates for identified items

(i) Method of calculation of the amount stated above under (1).

Pursuant to the “Accounting Standard for Impairment of Fixed Assets” (the Business Accounting Council), when there is an indicator that an asset or asset group may be impaired (an indication of impairment) and recovery of the investment is not expected, the book value is reduced to the recoverable amount. The amount of the reduction is recorded as an impairment loss. An indication of impairment is comprehensively assessed based on profit or loss arising from operating activities of the assets, changes in the scope or method of use, changes in the business environment, or declines in market price, etc. The recoverable amount is the higher of the net selling price of the assets or the value in use based on estimated future cash flows.

(ii) Key assumptions used in significant accounting estimates

Recoverable value is calculated for each asset or asset group using the business plan or real estate appraisal report developed based on the environment surrounding the business, past performance, and future market trends, etc. Key assumptions are the development schedule, assumed post-development tenant rent, construction costs, and discount rate.

(iii) Effect of significant accounting estimates on the consolidated financial statements for the consolidated fiscal year following the current consolidated fiscal year

In valuing non-current assets, the Company makes its best estimate based on the major assumptions mentioned above under (ii); however, in the event of changes in the business environment or other factors that may cause the above assumptions to change, it may be necessary to record additional impairment losses in the following consolidated fiscal year or later.

2. Valuation of inventories

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

	(Millions of yen)	
	FY2024	FY2025
Real estate for sale	261,318	271,892
Real estate for sale in process	307,858	340,230
Loss on valuation of inventory	244	2,006

(2) Matters related to significant accounting estimates for identified items

(i) Method of calculation of the amount stated above under (1).

For real estate for sale, etc. held in the ordinary course of business, the acquisition cost is used as the balance sheet amount. If the net selling price is lower than the acquisition cost due to a decline in profitability, the net selling price is used as the balance sheet amount in accordance with the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9) and the difference is recorded as a reduction of book value in operating costs (loss on valuation).

(ii) Key assumptions used in significant accounting estimates

In each real estate for sale, etc., net selling price is calculated using a business plan developed based on past sales performance, similar transactions, future market trends, etc. Key assumptions are the estimated sales amount of condominiums and properties for investors and the cost incurred in the future.

(iii) Effect of significant accounting estimates on the consolidated financial statements for the consolidated fiscal year following the current consolidated fiscal year

When valuing inventories, the Company makes its best estimate based on the major assumptions mentioned above under (ii). However, if the assumptions and other factors mentioned above change due to changes in the business environment or other reasons, it may be necessary to record additional write-downs of book value in the next consolidated fiscal year or later.

3. Valuation of investments in overseas entities accounted for using equity method

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

	(Millions of yen)	
	FY2024	FY2025
Investments in overseas entities accounted for using equity method (Note) 1	38,094	56,823
Of which, investments in associates accounted for using equity method related to the China business	23,576	10,835
Liabilities from application of equity method (Note) 2	146	354
Share of profit (loss) of overseas entities accounted for using equity method	815	(7,170)
Of which, share of profit (loss) of associates accounted for using equity method related to the China business	1,132	(6,203)

(Notes) 1. Figures are recorded in “investment securities” and “Other” under Investments and other assets on the consolidated balance sheet.

2. These amounts are recorded in “Other” under Non-current liabilities on the consolidated balance sheet.

(2) Matters related to significant accounting estimates for identified items

Through its overseas entities accounted for using equity method, the Group participates in the real estate development business in China, Southeast Asia, the United States, Australia, and the United Kingdom, including office buildings and condominiums, etc.

(i) Method of calculation of the amount stated above under (1).

As described in (Significant accounting estimates) in the notes to the consolidated financial statements, for certain receivables held by an associate accounted for using the equity method related to the China business, an allowance for doubtful accounts was recognized in accordance with the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10) due to a decline in recoverability, and the Company recorded a share of loss of entities accounted for using equity method of ¥6,054 million for the current consolidated fiscal year. (ii) Key assumptions used in significant accounting estimates

For certain receivables held by associates accounted for using equity method related to the China business, the classification of receivables and the estimated uncollectible amount are determined using the performance of the debtor related to these receivables, the status of debt repayment, and rating information from external rating agencies. Major assumptions are the expected future repayment amount of the debtor related to these receivables, the status of fund preservation at associates accounted for using equity method, and the projected progress of the project.

(iii) Effect of significant accounting estimates on the consolidated financial statements for the consolidated fiscal year following the current consolidated fiscal year

In valuing investments in overseas associates accounted for using equity method, the Company makes its best estimate based on the major assumptions mentioned above under (ii); however, in the event of changes in the business environment or other factors that may cause the above assumptions to change, profit or loss in the following consolidated fiscal year or later may increase or decrease.

The calculation method of the value in (1) other than the above (i) to (iii) for non-current assets held by overseas associates accounted for using equity method is the same as that described in 1. Valuation of non-current assets. For inventories held by overseas entities accounted for using equity method, the calculation method is the same as that described in 2. Valuation of inventories.

(Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes”)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and others have been applied from the current consolidated fiscal year. With respect to the amendment concerning the classification of corporate income taxes (taxation on other comprehensive income), the Group has applied the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Application Guidance”). There is no impact on the consolidated financial statements from this change in accounting policy.

Regarding the amendment related to the review of the treatment in the consolidated financial statements when gains or losses on sales of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the current consolidated fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous consolidated fiscal year have been presented after retrospective application. There is no impact on the consolidated financial statements for the previous consolidated fiscal year from this change in accounting policy.

(Unapplied accounting standards, etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34; September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33; September 13, 2024)

(1) Outline

As part of the efforts of the Accounting Standards Board of Japan to make Japanese accounting standards more consistent with international standards, the board has been considering the development of accounting standards for leases that require lessees to recognize assets and liabilities for all leases, based on international accounting standards. As a basic policy, the new accounting standards for leases are based on the single accounting model in IFRS 16, but rather than incorporating all of the provisions of IFRS 16, only the main provisions are incorporated, with the aim of creating a simple, convenient standard that basically does not require modifications even when the provisions of IFRS 16 are used for individual financial statements.

As for the accounting treatment for lessees, the same single accounting model as IFRS 16 will be applied to all leases, regardless of whether they are finance leases or operating leases, in terms of how the lessee allocates the cost of the lease, with the lessee recording depreciation expenses for the right-of-use asset and interest expenses for the lease liability.

(2) Scheduled date of application

The beginning of the fiscal year ending December 31, 2028.

(3) Impact of the application of said accounting standards, etc.

The impact of the application of the “Accounting Standard for Leases,” etc. on consolidated financial statements is currently under evaluation.

(Changes in presentation)

(Matters related to the consolidated balance sheet)

In the previous consolidated fiscal year, “Real estate for development” presented separately under current assets has been reclassified and included in “Real estate for sale in process” from the current consolidated fiscal year, as it has been determined to be more appropriate to present it on an aggregated basis as real estate for sale in process considering the diversification of business schemes.

To reflect this change in presentation, ¥138,095 million of “Real estate for development” in the consolidated balance sheet for the previous consolidated fiscal year has been reclassified as “Real estate for sale in process.”

In the previous consolidated fiscal year, “Advance payments to suppliers” related to the acquisition of real estate, which had been included in “Other” under current assets, has been reclassified and included in “Real estate for sale in process” from the current consolidated fiscal year, as it has been determined to be more appropriate to present it on an aggregated basis as real estate for sale in process considering the diversification of business schemes.

To reflect this change in presentation, ¥36,623 million of “Other” under current assets in the consolidated balance sheet for the previous consolidated fiscal year has been reclassified as ¥1,248 million in “Real estate for sale in process” and ¥35,375 million in “Other.”

(Additional Information)

(Board Benefit Trust (BBT))

For the purpose of raising awareness of the need to contribute to medium- and long-term growth in corporate value, the Company has introduced a share awards plan, the “Board Benefit Trust (BBT),” for Directors (excluding External Directors) and Managing Officers who do not concurrently serve as Directors of the Company (hereinafter collectively referred to as “Directors, etc.”).

Accounting treatment for the Plan is based on the gross amount method in accordance with the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (ASBJ Practical Issues Task Force No. 30; March 26, 2015).

1. Outline of Transaction

The Plan is a share award plan, under which the Company’s shares are acquired through a trust funded by the Company, and the Company’s shares and cash equivalent to the market value of the Company’s shares are paid out to Directors, etc. through the trust in accordance with the Regulations of Directors’ Equity Benefit stipulated by the Company. In principle, the time when Directors, etc. receive the Company’s shares, etc. is at the time of their retirement from office.

2. Shares of the Company remaining in the trust

The Company records its outstanding shares as treasury shares under net assets based on the book value (excluding the amount of incidental expenses) in the Trust. Such treasury shares recorded a book value of ¥694 million and 351,300 shares at the end of the previous consolidated fiscal year, and a book value of ¥653 million and 330,500 shares at the end of the current consolidated fiscal year.

(Matters related to the consolidated balance sheet)

*1. Assets pledged as collateral and liabilities related to collateral are as follows.

Assets pledged as collateral

(Millions of yen)

	FY2024		FY2025	
	(December 31, 2024)		(December 31, 2025)	
Real estate for sale	77	[—]	—	[—]
Buildings and structures	53,841	[49,520]	51,565	[47,538]
Land	21,459	[—]	21,459	[—]
Other (Property, plant and equipment)	172	[172]	129	[129]
Leasehold interests in land	90,532	[90,532]	90,512	[90,512]
Leasehold and guarantee deposits	4,512	[4,512]	4,512	[4,512]
Total	170,595	[144,738]	168,179	[142,693]

The figures in [] above indicate assets pledged as collateral for the non-recourse debt.

Liabilities related to collateral

(Millions of yen)

	FY2024		FY2025	
	(December 31, 2024)		(December 31, 2025)	
Short-term borrowings	3,240	[3,240]	3,240	[3,240]
Accounts payable - other	202	[—]	202	[—]
Other (Current liabilities)	16	[—]	16	[—]
Long-term borrowings	122,149	[122,149]	118,909	[118,909]
Leasehold and guarantee deposits received	93	[—]	76	[—]
Other (Non-current liabilities)	1,622	[—]	1,420	[—]
Total	127,325	[125,389]	123,865	[122,149]

The figures in [] above indicate non-recourse debt.

Other than the above, ¥1 million in cash and deposits (time deposits) and ¥305 million in investment securities were pledged as collateral for guarantees of borrowings of affiliated companies in the previous consolidated fiscal year and the current consolidated fiscal year.

*2. Relevant real estate, etc. outlined in the real estate specified joint enterprise law (silent partnership method) is as follows.

(Millions of yen)

	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Real estate for sale	927	487
Real estate for sale in process	4,572	5,103
Buildings and structures, etc.	18,887	17,612
Other (Investments and other assets)	1	0
Total	24,389	23,204

The corresponding investment received is recorded in “deposits received under real estate specified joint enterprise law.”

*3. The amounts due to unconsolidated subsidiaries and affiliated companies are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Other (Current assets) (Investments in capital)	1,840	1,840
Investment securities (stocks)	6,829	7,119
Investment securities (preferred equity)	270	12
Investment securities (other)	9,326	40,390
[Of which, amount of investments in jointly controlled entities]	[429]	[12,663]
Investments in silent partnerships	7,328	17,879
Other (Investments and other assets) (Investments in capital)	23,576	10,835

*4. Revaluation reserve for land

Pursuant to the Act on Revaluation of Land (Law No. 34, enacted on March 31, 1998), the Company revalued its business-use land, and for the revaluation difference, the tax equivalent amount related to that revaluation difference is recorded as “Deferred tax liabilities for land revaluation” in the liabilities section, and the amount after deducting this amount is recorded as “Revaluation reserve for land” in net assets.

- Revaluation Method

Land revaluation is based on the appraisal provided under Article 2, Item 5 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, enacted on March 31, 1998).

- Date of revaluation

December 31, 2000

*5. During the previous consolidated fiscal year, ¥15,271 million of property, plant and equipment and ¥3,180 million of intangible assets were transferred to real estate for sale of ¥18,451 million due to a change in the purpose of holding. During the current consolidated fiscal year, ¥16,601 million of property, plant and equipment was transferred to real estate for sale due to a change in the purpose of holding.

In addition, ¥6,928 million of real estate for sale and ¥701 million of real estate for sale in process were transferred to property, plant and equipment of ¥7,630 million due to a change in the purpose of holding.

6. Guarantee liabilities and related values are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Liable for guarantees on loans to its customers	3,885	585
Liable for guarantees on loans to overseas affiliated companies		
SC Asset Three Company Limited	912	—
XW BP2 Company Limited	754	1,960
XW EEC1 Company Limited	436	1,324
SC CD1 Company Limited	—	1,822
SC CD3 Company Limited	823	1,099
SC CD4 Company Limited	—	1,073
SC CD5 Company Limited	—	3,163
SC L1 Company Limited	848	753
Liable for guarantees on loans to business partner		
Maekawa Inc.	1,684	1,612
Setoda Resort Co., Ltd.	30	—
Total	9,376	13,394

*7. In the current consolidated fiscal year, the reduction entry amount deducted from the acquisition cost due to the rights exchange procedures in connection with a Type 1 Urban Redevelopment Project under the Urban Renewal Act is as follows.

	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Construction in progress	4,334	—

*8. The amount of receivables and contract assets arising from contracts with customers in “trade notes, accounts receivable, and contract assets” are presented in “Notes (Revenue-recognition) 3. Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the following consolidated fiscal year or later from contracts with customers that existed at the end of the current consolidated fiscal year (1) Balance, etc. of contract assets and contract liabilities.”

*9. The amount of contract liabilities in “Other (current liabilities)” is included in “Notes (Revenue-recognition) 3. Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the following consolidated fiscal year or later from contracts with customers that existed at the end of the current consolidated fiscal year (1) Balance, etc. of contract assets and contract liabilities.”

(Matters related to the consolidated statement of income)

*1. Inventories held for sale in the ordinary course of business that have been written down in book value to reflect the decline in profitability are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Operating costs	244	2,006

*2. Major items and figures of Selling, general and administrative expenses are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Advertising expenses	5,125	3,805
Salaries	12,363	14,090
Taxes and dues	4,822	4,827
Provision for bonuses	336	388
Retirement benefit expenses	965	1,004
Provision for retirement benefits for directors (and other officers)	24	27
Provision for share awards for directors (and other officers)	163	127

*3. The breakdown of gain on sales of non-current assets is as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Land	0	19
Buildings and structures, etc.	0	19
Total	1	38

*4. The breakdown of loss on sales of non-current assets is as follows.

(Millions of yen)		
	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Buildings and structures, etc.	1	1

*5. The breakdown of loss on retirement of non-current assets is as follows.

(Millions of yen)		
	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Buildings and structures, etc.	154	208
Intangible assets	4	8
Total	159	216

*6. Impairment losses

FY2024 (January 1, 2024 to December 31, 2024)

Omitted due to immateriality.

FY2025 (January 1, 2025 to December 31, 2025)

The Group has recognized impairment losses for the following asset groups.

Main Use	Class	Location	Impairment losses (Millions of yen)
Park facilities, etc.	Buildings and structures, etc.	Shinjuku-ku, Tokyo, etc.	1,902

The Group has categorized its assets according to the smallest unit that generates cash flows that are generally independent of the cash flows of other assets or asset groups.

During the current consolidated fiscal year, for asset groups in which profit or loss from operating activities has been continuously negative, the book value was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss under extraordinary losses.

The breakdown of impairment losses is as follows.

Buildings and structures, etc.	1,661 (Millions of yen)
Intangible assets	241 (Millions of yen)
Total	1,902 (Millions of yen)

Note that the recoverable amount is measured mainly by value in use, which is calculated by discounting future cash flows at rates of 3.1% to 3.4%.

*7. Loss on building reconstruction

FY2024 (January 1, 2024 to December 31, 2024)

Breakdown of loss associated with the reconstruction plan of buildings for rent is as follows.

Impairment losses (Note)	931 (Millions of yen)
Total	931 (Millions of yen)

(Note) The Group has categorized its assets according to the smallest unit that generates cash flows that are generally independent of the cash flows of other assets or asset groups.

During the current consolidated fiscal year, the book value of a group of assets scheduled for reconstruction was reduced to the recoverable amount, and the amount of the reduction was recorded as a loss on building reconstruction under extraordinary losses.

Recoverable value is measured by value in use, and since the value in use based on future cash flows is negative, the recoverable value is evaluated as zero.

Main Use	Class	Location	Loss on building reconstruction (Millions of yen)
Building for rent	Buildings and structures, etc.	Shibuya-ku, Tokyo	931

*8. Revenue from contracts with customers

Operating revenues are not broken down into revenues arising from contracts with customers and other revenues. The amount of revenue from contracts with customers is included in “Notes (Revenue-recognition) 1. Information that disaggregates revenue from contracts with customers.”

(Matters related to the consolidated statement of comprehensive income)

* Amount of reclassification adjustment and income taxes and tax effect related to other comprehensive income

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Valuation difference on available-for-sale securities:		
Amount accrued in the current period	6,052	37,322
Amount of reclassification adjustment	(26,824)	(10,579)
Before income taxes and tax effect adjustment	(20,772)	26,742
Income taxes and tax effect	6,674	(9,288)
Valuation difference on available-for-sale securities	(14,097)	17,453
Revaluation reserve for land:		
Amount accrued in the current period	—	—
Amount of reclassification adjustment	—	—
Before income taxes and tax effect adjustment	—	—
Income taxes and tax effect	—	(802)
Revaluation reserve for land	—	(802)
Foreign currency translation adjustment:		
Amount accrued in the current period	1,703	2,704
Amount of reclassification adjustment	—	—
Before income taxes and tax effect adjustment	1,703	2,704
Income taxes and tax effect	—	—
Foreign currency translation adjustment	1,703	2,704
Remeasurements of defined benefit plans, net of tax:		
Amount accrued in the current period	227	4,992
Amount of reclassification adjustment	64	146
Before income taxes and tax effect adjustment	291	5,138
Income taxes and tax effect	(89)	(1,612)
Remeasurements of defined benefit plans, net of tax	202	3,525
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued in the current period	1,825	1,085
Amount of reclassification adjustment	(85)	(2,475)
Before income taxes and tax effect adjustment	1,739	(1,389)
Income taxes and tax effect	(588)	353
Share of other comprehensive income of entities accounted for using equity method	1,150	(1,036)
Total other comprehensive income	(11,040)	21,845

(Matters related to the consolidated statement of changes in equity)

FY2024 (January 1, 2024 to December 31, 2024)

1. Matters regarding issued shares

Class of shares	Beginning of consolidated FY2024	Increase	Decrease	End of consolidated FY2024
Common shares (shares)	209,167,674	—	—	209,167,674

2. Matters regarding treasury shares

Class of shares	Beginning of consolidated FY2024	Increase	Decrease	End of consolidated FY2024
Common shares (shares)	264,481	138,154	11,172	391,463

(Note) Common shares include 351,300 shares of the Company's shares held by the Board Benefit Trust (BBT).

(Summary of reasons for fluctuation)

Breakdown of the number of shares increased is as follows.

Increase due to purchase of shares of less than one unit	1,154 shares
Increase due to purchase through Board Benefit Trust (BBT)	137,000 shares

Breakdown of the number of shares decreased is as follows.

Decrease due to demand for purchasing of shares of less than one unit	172 shares
Decrease due to grant through Board Benefit Trust (BBT)	11,000 shares

3. Matters regarding dividends

(1) Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
March 27, 2024 Ordinary General Meeting of Shareholders	Common shares	7,737	37	December 31, 2023	March 28, 2024

(Note) The total value of dividends includes dividends of ¥8 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
August 8, 2024 Board of Directors	Common shares	7,737	37	June 30, 2024	September 6, 2024

(Note) The total value of dividends includes dividends of ¥12 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

(2) Dividends with a record date belonging to the current consolidated fiscal year and with an effective date belonging to the following consolidated fiscal year

Resolution	Class of shares	Financial source of dividends	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
March 26, 2025 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	12,129	58	December 31, 2024	March 27, 2025

(Note) The total value of dividends includes dividends of ¥20 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

FY2025 (January 1, 2025 to December 31, 2025)

1. Matters regarding issued shares

Class of shares	Beginning of consolidated FY2025	Increase	Decrease	End of consolidated FY2025
Common shares (shares)	209,167,674	—	1,189,100	207,978,574

(Summary of reasons for fluctuation)

Breakdown of the number of shares decreased is as follows.

Decrease due to cancellation of treasury shares 1,189,100 shares

2. Matters regarding treasury shares

Class of shares	Beginning of consolidated FY2025	Increase	Decrease	End of consolidated FY2025
Common shares (shares)	391,463	1,190,728	1,210,183	372,008

(Note) Common shares include 330,500 shares of the Company's shares held by the Board Benefit Trust (BBT).

(Summary of reasons for fluctuation)

Breakdown of the number of shares increased is as follows.

Increase due to purchase of shares of less than one unit 1,628 shares

Increase due to purchase of treasury shares based on the resolution of the Board of Directors meeting held on December 25, 2024 1,189,100 shares

Breakdown of the number of shares decreased is as follows.

Decrease due to demand for purchasing of shares of less than one unit 283 shares

Decrease due to grant through Board Benefit Trust (BBT) 20,800 shares

Decrease due to cancellation of treasury shares 1,189,100 shares

3. Matters regarding dividends

(1) Dividends paid

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
March 26, 2025 Ordinary General Meeting of Shareholders	Common shares	12,129	58	December 31, 2024	March 27, 2025

(Note) The total value of dividends includes dividends of ¥20 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

Resolution	Class of shares	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
August 8, 2025 Board of Directors	Common shares	9,997	48	June 30, 2025	September 8, 2025

(Note) The total value of dividends includes dividends of ¥16 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

(2) Dividends with a record date belonging to the current consolidated fiscal year and with an effective date belonging to the following consolidated fiscal year

The following proposal is to be made as an agenda item for the Ordinary General Meeting of Shareholders scheduled for March 26, 2026.

Resolution	Class of shares	Financial source of dividends	Total dividend amount (Millions of yen)	Dividend amount per share (yen)	Record date	Effective date
March 26, 2026 Ordinary General Meeting of Shareholders	Common shares	Retained earnings	11,852	57	December 31, 2025	March 27, 2026

(Note) The total value of dividends includes dividends of ¥18 million for shares of the Company's stock held by the Board Benefit Trust (BBT).

(Matters related to the consolidated statement of cash flows)

*1 The reconciliation of cash and cash equivalents at the end of period and the accounts disclosed in the consolidated balance sheet are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Cash and deposits	111,141	152,294
Time deposits with a deposit term exceeding three months	(1)	(1)
Cash and cash equivalents	111,139	152,292

*2. Increase/decrease in inventories includes increase/decrease in accounts payable related to inventories.

*3. Major assets and liabilities of the company that became consolidated subsidiaries through the acquisition of shares FY2024 (January 1, 2024 to December 31, 2024)

A breakdown of assets and liabilities at the beginning of consolidation resulting from the new consolidation of Suzuki Sanei Co., Ltd. through share acquisition, as well as the relationship between the acquisition cost of the company's shares and the net expenditure for the acquisition, are as follows.

In addition, the amounts of assets and liabilities of other companies that became consolidated subsidiaries through share acquisition are omitted due to immateriality.

	(Millions of yen)
Current assets	15,539
Non-current assets	36,473
Goodwill	9,964
Current liabilities	(3,896)
Non-current liabilities	(11,159)
Acquisition cost of the company's shares	46,922
Unpaid amount	(4,692)
Cash and cash equivalents of the company	(15,533)
Net: Expenditure for acquisition of the company	26,695

FY2025 (January 1, 2025 to December 31, 2025)

Omitted due to immateriality.

(Matters related to lease transactions)

1. Finance lease transactions

(Lessee side)

Non-ownership-transfer finance lease transactions

(1) Content of leased assets

- Property, plant and equipment mainly consists of buildings in the leisure business.

(2) Method of depreciation of leased assets

Please refer to “(Significant matters that serve as the basis for preparing consolidated financial statements) 4. Matters regarding accounting policies, (2) Method of depreciation of material depreciable assets.”

(Lessor side)

Non-ownership-transfer finance lease transactions

(1) Breakdown of lease investment assets

Current assets

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Gross lease receivables	7,775	7,463
Estimated residual value	—	—
Unearned interest income	(2,940)	(2,746)
Investments in leases	4,834	4,717

(2) Estimated amount of collection of the portion of lease receivables related to investments in leases after the consolidated closing date

Current assets

(Millions of yen)

	FY2024 (December 31, 2024)					
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Investments in leases	311	311	311	311	311	6,216

(Millions of yen)

	FY2025 (December 31, 2025)					
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Investments in leases	311	311	311	311	311	5,905

2. Operating lease transactions

(Lessee side)

Future minimum lease income under non-cancelable operating lease transactions

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Within one year	8,388	10,228
Over one year	134,609	137,562
Total	142,997	147,790

(Lessor side)

Future minimum lease income under non-cancelable operating lease transactions

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Within one year	34,070	33,267
Over one year	142,073	134,651
Total	176,144	167,918

(Matters related to financial instruments)

1. Matters regarding the status of financial instruments

(1) Policy on financial instruments

For fund management, the Group limits fund management to short-term deposits, etc. and raises necessary funds mainly through bank borrowings and bond issues. Derivatives transactions are used to avoid the risks described below, and the Company's policy is not to engage in speculative transactions.

(2) Content and risk of financial instruments

Marketable securities and investment securities are mainly equity securities of companies with which the Company has business relationships and are exposed to the credit risk of the issuers, interest rate fluctuation risk, and market price fluctuation risk, respectively.

Investments in silent partnerships are mainly investments in special-purpose companies and are exposed to the issuer's credit risk and interest rate fluctuation risk.

Short-term borrowings and commercial papers are mainly for procuring working capital, while long-term borrowings and bonds are mainly for procuring funds necessary for capital investment, etc. A portion of these borrowings have floating interest rates and are exposed to interest rate fluctuation risk. The Company hedges against interest rate fluctuation risk by using derivative transactions (interest rate swaps) to avoid interest rate fluctuation risk and fix the interest rate payable for a portion of these borrowings.

(3) Risk management system related to financial instruments

(i) Management of credit risk (Risks related to non-performance of contracts by counterparties, etc.)

The Group's departments in charge of trade receivables monitor the status of major customers in order to identify and mitigate the risk of collection at an early stage due to deterioration of their financial conditions or other factors.

(ii) Management of market risk (Risk of fluctuations in foreign exchange rates, interest rates, etc.)

The Group utilizes interest rate swap transactions to reduce the risk of fluctuations in interest rates payable on borrowings, etc. Marketable securities and investment securities are periodically reviewed for fair value and financial conditions of the issuers (counterparty companies), and their holding status is regularly reviewed in consideration of market conditions and the relationship with the counterparty companies.

(iii) Management of liquidity risk (Risk of failure to make payment when due) related to financing

Based on reports from each department, the Group manages liquidity risk by having the department in charge prepare and update funding plans in a timely manner and by maintaining liquidity on hand.

(4) Supplementary explanation on matters regarding the fair value, etc. of financial instruments

In calculating the reasonable value used when financial instruments have no market price, variable factors are incorporated, and the value could change by adopting different preconditions, etc.

2. Matters regarding the fair value, etc. of financial instruments

The amount recorded on the consolidated balance sheet, the fair values and their differences are as follows.

Cash is omitted from the notes and deposits and commercial papers are omitted from the notes as they are settled quickly, and their fair value approximates their book value.

The fair value of derivatives transactions for which special treatment of interest rate swaps is applied is included in the fair value of the relevant long-term borrowings, etc. as they are accounted for as an integral part of the hedged long-term borrowings payable, etc.

FY2024 (December 31, 2024)

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Marketable securities and investment securities			
Available-for-sale securities	118,962	118,962	—
Total assets	118,962	118,962	—
(1) Current portion of long-term borrowings and long-term borrowings	879,519	868,342	(11,176)
(2) Current portion of bonds payable and bonds payable	265,000	256,786	(8,213)
Total liabilities	1,144,519	1,125,129	(19,390)

FY2025 (December 31, 2025)

	Amount recorded on the consolidated balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Marketable securities and investment securities			
Available-for-sale securities	145,883	145,883	—
Total assets	145,883	145,883	—
(1) Current portion of long-term borrowings and long-term borrowings	1,038,874	1,014,289	(24,584)
(2) Current portion of bonds payable and bonds payable	305,000	290,665	(14,334)
Total liabilities	1,343,874	1,304,955	(38,918)

(Notes) 1. Book value of non-marketable equity securities and investments in partnerships, etc.

(Millions of yen)

Category	December 31, 2024	December 31, 2025
(i) Unlisted shares, etc.	3,085	3,123
(ii) Investments in partnerships, etc. (*)	6,002	6,267

(*) Investments in partnerships, etc. are mainly investments in silent partnerships. These are not subject to market value disclosure in accordance with Article 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31; June 17, 2021; hereinafter referred to as the “Implementation Guidance on Accounting Standard for Fair Value Measurement”).

2. Value of monetary claims with a maturity to be redeemed after the consolidated closing date
FY2024 (December 31, 2024)

	Within one year (Millions of yen)	Over one year and within five years (Millions of yen)	Over five years and within 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	100,331	—	—	—
Available-for-sale securities				
Bonds				
Bonds payable	—	—	—	3,000
Total	100,331	—	—	3,000

FY2025 (December 31, 2025)

	Within one year (Millions of yen)	Over one year and within five years (Millions of yen)	Over five years and within 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	137,987	—	—	—
Available-for-sale securities				
Bonds				
Bonds payable	—	—	—	3,000
Total	137,987	—	—	3,000

3. Value of long-term borrowings, bonds payable, and other interest-bearing debt to be repaid after the consolidated closing date

FY2024 (December 31, 2024)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)
Commercial papers	66,000	—	—	—	—	—
Bonds payable	20,000	10,000	10,000	20,000	—	205,000
Long-term borrowings	80,949	65,518	82,167	99,424	84,712	466,748
Lease liabilities	119	95	91	91	86	1,133
Long-term accounts payable	202	202	202	202	202	811
Total	167,271	75,816	92,461	119,718	85,001	673,693

FY2025 (December 31, 2025)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)
Bonds payable	10,000	10,000	20,000	—	20,000	245,000
Long-term borrowings	65,508	82,161	105,095	85,874	209,761	490,473
Lease liabilities	89	93	92	86	84	1,049
Long-term accounts payable	202	202	202	202	202	608
Total	75,800	92,457	125,390	86,163	230,048	737,131

3. Breakdown of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on quoted market prices for assets or liabilities for which such fair value is calculated in an active market among the inputs used to calculate observable fair value.

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs to the calculation of observable fair value.

Level 3 fair value: Fair value calculated using inputs related to the calculation of unobservable fair value.

When multiple inputs that significantly affect fair value are used, fair value is classified into the level with the lowest priority in the fair value calculation among the levels to which those inputs belong.

(1) Financial instruments carried on the consolidated balance sheet with fair value FY2024 (December 31, 2024)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities (Note) 1				
Available-for-sale securities				
Stocks	102,274	—	—	102,274
Bonds	—	2,989	—	2,989
Other	11,195	—	988	12,183
Total assets	113,470	2,989	988	117,448

FY2025 (December 31, 2025)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities (Note) 1				
Available-for-sale securities				
Stocks	125,046	—	—	125,046
Bonds	—	2,989	—	2,989
Other	15,571	—	736	16,308
Total assets	140,617	2,989	736	144,344

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

FY2024 (December 31, 2024)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Current portion of long-term borrowings and long-term borrowings	—	868,342	—	868,342
Current portion of bonds payable and bonds payable	—	256,786	—	256,786
Total liabilities	—	1,125,129	—	1,125,129

FY2025 (December 31, 2025)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Current portion of long-term borrowings and long-term borrowings	—	1,014,289	—	1,014,289
Current portion of bonds payable and bonds payable	—	290,665	—	290,665
Total liabilities	—	1,304,955	—	1,304,955

(Notes) 1. Investment trusts whose assets are real estate to which the Company applied the treatment in Paragraph 24-9 of the Implementation Guidance for Accounting Standard for Fair Value Measurement are not included in the table above. The amount of investment trusts, etc. in the consolidated balance sheet was ¥1,514 million in the previous consolidated fiscal year and ¥1,539 million in the current consolidated fiscal year. A note for reconciliation of the beginning and ending balance is omitted due to immateriality.

2. Valuation techniques used in the calculation of fair value and explanation of inputs related to the calculation of fair value

Assets

(1) Marketable securities and investment securities

Listed stocks are priced on the stock exchange and classified as Level 1 fair value based on market activity.

Marketable bonds (corporate bonds) are based on trading reference price, etc. and are classified as Level 2 fair value.

Listed real estate investment trusts are priced on the stock exchange and classified as Level 1 fair value based on market activity.

Non-marketable preferred securities are valued using the adjusted net asset value method, which is based on the market value of real estate held by the investee and are classified as Level 3 fair value as the impact of unobservable inputs on the fair value is significant.

Liabilities

(1) Current portion of long-term borrowings and long-term borrowings

Fair values of these are calculated by discounting the sum of the principal and interest by the interest rate applicable to a similar new borrowing.

Floating interest rate (excluding those subject to special treatment for interest rate swaps) is based on the book value, as it reflects the market interest rate in a short period of time, and the fair value is approximate to the book value.

Fair values of long-term borrowings with floating interest rates that qualify for special treatment as interest rate swaps are calculated by discounting the sum of the principal and interest that are accounted for together with the interest rate swaps by the interest rate that would be applicable if similar new borrowings were made.

These are classified as Level 2 fair value.

(2) Current portion of bonds payable and bonds payable

The fair value of bonds issued by the Company is based on trading statistics, etc. and is classified as Level 2 fair value.

3. Fair value information for Level 3 financial assets and liabilities that are carried at fair value on the consolidated balance sheet

Information on Level 3 financial instruments has been omitted due to their immateriality.

(Matters related to securities)

1. Available-for-sale securities

FY2024 (December 31, 2024)

	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities of which the amount recorded on the consolidated balance sheet exceeds the acquisition cost			
(i) Stocks	101,355	21,893	79,462
(ii) Bonds			
Government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(iii) Other	12,997	8,683	4,314
Subtotal	114,353	30,576	83,776
Securities of which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost			
(i) Stocks	919	1,100	(180)
(ii) Bonds			
Government bonds	—	—	—
Corporate bonds	2,989	3,000	(10)
Other	—	—	—
(iii) Other	699	816	(116)
Subtotal	4,609	4,916	(307)
Total	118,962	35,492	83,469

FY2025 (December 31, 2025)

	Amount recorded on the consolidated balance sheet (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities of which the amount recorded on the consolidated balance sheet exceeds the acquisition cost			
(i) Stocks	124,200	21,564	102,636
(ii) Bonds			
Government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(iii) Other	17,068	9,376	7,691
Subtotal	141,269	30,940	110,328
Securities of which the amount recorded on the consolidated balance sheet does not exceed the acquisition cost			
(i) Stocks	845	903	(57)
(ii) Bonds			
Government bonds	—	—	—
Corporate bonds	2,989	3,000	(10)
Other	—	—	—
(iii) Other	779	819	(39)
Subtotal	4,614	4,722	(107)
Total	145,883	35,663	110,220

2. Available-for-sale securities sold during the consolidated fiscal year

FY2024 (January 1, 2024 to December 31, 2024)

	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
Stocks	27,745	26,827	—

FY2025 (January 1, 2025 to December 31, 2025)

	Sales amount (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
Stocks	12,195	10,587	—

3. Securities for which impairment losses were recognized

In the previous consolidated fiscal year, impairment losses of ¥3 million were recognized for marketable securities, and ¥43 million for non-marketable securities.

There is no applicable information for the current consolidated fiscal year.

The criteria for impairment are as follows.

Marketable securities: In the event of a 50% or more decline in real value compared to acquisition cost or in the event of a 30% or more but less than 50% decline for three consecutive consolidated fiscal years, including the current fiscal year-end.

Non-marketable securities: In the event of a 50% or more decline in the market value compared to the acquisition cost (unless the possibility of recovery can be supported by sufficient evidence) or if a loss is deemed certain due to liquidation, etc.

(Matters related to derivatives transactions)

Derivatives transactions for which hedge accounting is applied

Interest rate-related

FY2024 (December 31, 2024)

Method of hedge accounting	Type of derivatives transaction, etc.	Main hedged items	Contract amount (Millions of yen)	Contract amount over one year (Millions of yen)	Fair value (Millions of yen)
Special treatment of interest rate swaps	Interest rate swaps Pay fixed, receive floating	Borrowings	10,018	—	(Note)
Total			10,018	—	—

(Note) Interest rate swaps for which special treatment is applied are accounted for together with the hedged borrowings.

Accordingly, their fair value is included in the fair value of such borrowings.

FY2025 (December 31, 2025)

Not applicable.

(Matters related to retirement benefits)

1. Outline of retirement benefit plans adopted

The Company has a defined benefit corporate pension plan and a lump-sum severance payment plan as a defined benefit plan, and a defined contribution pension plan as a defined contribution plan.

Certain consolidated subsidiaries provide lump-sum severance payment plans. Some consolidated subsidiaries also participate in a defined contribution corporate pension plan and a mutual aid system for small and medium-sized enterprise retirement allowances.

A simplified method is used to calculate retirement benefits for a part of the Company and some of its consolidated subsidiaries.

2. Defined benefit plan

(1) Reconciliation of the beginning and ending balance of retirement benefit obligation (excluding plans to which the simplified method is applied, which are listed in (3))

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Balance of retirement benefit obligation at beginning of period	24,274	24,466
Service cost	1,370	1,396
Interest expense	140	141
Actuarial gains (losses)	190	(3,485)
Retirement benefits paid	(1,510)	(1,567)
Balance of retirement benefit obligation at end of period	24,466	20,951

(2) Reconciliation between the beginning and ending balances of plan assets (excluding plans to which the simplified method is applied, which are listed in (3))

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Balance of plan assets at beginning of period	13,169	13,798
Expected return on plan assets	197	206
Actuarial gains (losses)	418	1,517
Contribution from employer	311	310
Retirement benefits paid	(298)	(308)
Balance of plan assets at end of period	13,798	15,524

(3) Reconciliation of the beginning and ending balances of retirement benefit liability for plans to which the simplified method is applied

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Balance of retirement benefit liability at beginning of period	1,438	1,512
Retirement benefit expenses	209	219
Retirement benefits paid	(148)	(338)
Increase due to the addition of consolidated subsidiaries	13	12
Balance of retirement benefit liability at end of period	1,512	1,404

(4) Reconciliation of balance of retirement benefit obligation and plan assets at the end of the period and retirement benefit liability and retirement benefit asset recognized in the consolidated balance sheet

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Retirement benefit obligation of funded plans	12,034	9,835
Plan assets	(13,798)	(15,524)
	(1,763)	(5,688)
Retirement benefit obligation of non-funded plans	13,943	12,520
Net liabilities and assets recorded in the consolidated balance sheet	12,180	6,832
Retirement benefit liability	13,943	12,520
Retirement benefit asset	(1,763)	(5,688)
Net liabilities and assets recorded in the consolidated balance sheet	12,180	6,832

(5) Amount of retirement benefit expenses and the breakdown

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Service cost	1,370	1,396
Interest expense	140	141
Expected return on plan assets	(197)	(206)
Amortization of actuarial gains (losses)	(32)	38
Expense amount processed for past service cost	97	97
Retirement benefit expenses calculated by the simplified method	209	219
Retirement benefit expenses for defined benefit plans	1,588	1,686

(6) Remeasurements of defined benefit plans, net of tax

The components of the items recorded in remeasurements of defined benefit plans, net of tax (before income taxes and tax effect deductions) are as follows:

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Past service cost	(97)	(97)
Actuarial gains (losses)	(194)	(5,041)
Total	(291)	(5,138)

(7) Remeasurements of defined benefit plans

The components of the items recorded in remeasurements of defined benefit plans, net of tax (before income taxes and tax effect deductions) are as follows:

(Millions of yen)

	FY2024 (December 31, 2024)	Current consolidated FY (December 31, 2025)
Unrecognized past service cost	869	772
Unrecognized actuarial gains (losses)	(220)	(5,262)
Total	648	(4,490)

(8) Matters related to pension plan assets

(i) Major breakdown of pension plan assets

The following is a breakdown of the major categories of pension plan assets as a percentage of total pension plan assets.

	FY2024 (December 31, 2024)	Current consolidated FY (December 31, 2025)
Bonds	38.0%	36.0%
Stocks	26.9	26.9
General accounts	9.4	8.5
Investment trusts	22.7	26.0
Other	3.0	2.6
Total	100.0	100.0

(ii) Method of establishing the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension plan assets, the Company considers the past and expected rate of return of each asset comprising the pension plan assets.

(9) Matters related to actuarial basis

Principal actuarial basis

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Discount rate	0.4-6.5%	0.4-7.1%
Expected long-term rate of return on plan assets	1.5	1.5
Expected rate of salary increase	0.0-7.6	0.0-8.0

3. Defined contribution plan

The required contribution to the defined contribution plan by the Company and its consolidated subsidiaries was ¥524 million in the previous consolidated fiscal year and ¥569 million in the current consolidated fiscal year.

(Matters related to tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

	(Millions of yen)	
	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Deferred tax assets		
Tax loss carryforward	1,403	1,946
Retirement benefit liability	3,988	3,988
Impairment losses	10,413	10,767
Depreciation of real estate for sale	3,916	4,619
Loss on valuation of shares of subsidiaries and associates	1,071	942
Excess depreciation	1,011	1,250
Unrealized gains (losses) on distributions from silent partnerships	1,933	1,936
Compensation income	1,353	1,003
Adjustments due to unification of accounting treatment between parent and subsidiaries	7,648	7,714
Asset retirement obligations	1,685	1,801
Enterprise taxes payable	1,275	819
Other	6,402	7,087
Subtotal of deferred tax assets	42,103	43,878
Valuation allowance	(21,611)	(23,106)
Total deferred tax assets	20,492	20,772
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(27,029)	(36,317)
Revaluation of subsidiary assets	(13,981)	(11,954)
Reserve for tax purpose reduction entry of replacement assets	(2,946)	(3,024)
Retained earnings of affiliates	(741)	(499)
Reserve for special account for tax purpose reduction entry of non-current assets	—	(1,435)
Other	(1,923)	(6,056)
Total deferred tax liabilities	(46,623)	(59,288)
Net deferred tax assets (liabilities)	(26,131)	(38,515)

(Changes in presentation)

“Asset retirement obligations,” which were included in “Other” in the previous consolidated fiscal year, have been presented separately from the current consolidated fiscal year because of increased materiality. The notes for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

2. Breakdown by major cause when there is a significant difference between statutory tax rate and effective tax rate

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Statutory tax rate	— %	30.6%
(Adjustment)		
Increase (decrease) in valuation allowance	—	(0.9)
Entertainment expense(s) and other items not permanently deductible for income tax purposes	—	0.3
Dividends income and other items not permanently includable in income	—	(1.8)
Difference due to difference in effective tax rate	—	1.2
Share of loss (profit) of entities accounted for using equity method	—	2.3
Dividends from consolidated subsidiaries and entities accounted for using equity method	—	1.6
Effect of increase in deferred tax liabilities at the end of period due to change in tax rate	—	0.3
Other	—	(1.1)
Effective tax rate	—	32.5

(Note) In the previous consolidated fiscal year, as the difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting was less than 5% of the statutory tax rate, notes are omitted.

3. Adjustment of the amount of deferred tax assets and deferred tax liabilities due to change in tax rate of income taxes

In connection with the enactment of the “Act to Partially Amend the Income Tax Act, etc.” (Act No. 13 of 2025) on March 31, 2025, the “Special defense corporate tax” will be imposed for consolidated fiscal years beginning on or after April 1, 2026. Accordingly, for temporary differences expected to be reversed in consolidated fiscal years beginning on or after January 1, 2027, deferred tax assets and deferred tax liabilities have been calculated by changing the statutory tax rate from 30.6% to 31.5%. As a result of this change, the amount of deferred tax liabilities (after deducting deferred tax assets) for the current consolidated fiscal year increased by ¥1,298 million, income taxes - deferred increased by ¥223 million, valuation difference on available-for-sale securities decreased by ¥1,034 million, and remeasurements of defined benefit plans decreased by ¥40 million. In addition, deferred tax liabilities for land revaluation increased by ¥802 million, and revaluation reserve for land decreased by the same amount.

(Matters related to leasing real estate properties)

The Company and some of its consolidated subsidiaries own leasing office buildings, for-rent condominiums, and leasing retail facilities, etc. in Tokyo and other areas. Some leasing office buildings and other properties are used by the Company and some of its consolidated subsidiaries and therefore are classified as real estate including portions used as leasing properties.

The amount recorded on the consolidated balance sheet, changes during the period, and fair value of these leasing properties and real estate, including portions used as leasing properties, are as follows.

(Millions of yen)

			FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Leasing real estate properties	Amount recorded on the consolidated balance sheet	Balance at beginning of period	701,955	775,148
		Changes during period	73,192	(4,589)
		Balance at end of period	775,148	770,559
	Market value at end of period		1,286,208	1,316,994
Real estate including portions used as leasing property	Amount recorded on the consolidated balance sheet	Balance at beginning of period	215,459	252,591
		Changes during period	37,131	34,935
		Balance at end of period	252,591	287,526
	Market value at end of period		297,121	341,032

(Notes) 1. The amount recorded on the consolidated balance sheet is the amount obtained by subtracting accumulated depreciation from acquisition costs.

2. Among changes during the period, the major increases in the previous consolidated fiscal year were ¥105,631 million for the acquisition of real estate and ¥36,442 million from an increase in real estate in connection with the accumulation of a newly consolidated subsidiary. The primary decreases were depreciation of ¥13,476 million and transfer to real estate for sale of ¥18,451 million.

The major increases in the current consolidated fiscal year were ¥55,396 million for the acquisition of real estate and ¥6,759 million from a transfer from real estate for sale. The primary decreases were depreciation of ¥13,353 million and transfer to real estate for sale of ¥16,601 million.

3. The market value at the end of the period is the value based on the valuation of properties by an outside licensed real estate appraiser for principal properties and the value calculated by the Company based on the Real Estate Appraisal Standards (including values adjusted using indicators) for other properties.

Income (loss) from real estate that includes leasing properties and portions of real estate used as leasing properties are as follows.

(Millions of yen)

		FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Leasing real estate properties	Leasing revenue	88,636	90,399
	Leasing expenses	60,131	59,333
	Difference	28,505	31,066
	Other gains (losses)	(1,335)	(1,670)
Real estate including portions used as leasing property	Leasing revenue	10,153	10,568
	Leasing expenses	5,519	4,912
	Difference	4,634	5,655
	Other gains (losses)	(13)	(2)

- (Notes) 1. Since real estate that includes portions used as leasing properties also includes portions used by the Company and some of its consolidated subsidiaries for the provision of services and business administration, leasing revenue is not recorded for these portions. Expenses related to such portions (rent, depreciation, building management fees, taxes and dues, etc.) are included in leasing expenses.
2. Other gains (losses) mainly consisted of loss on building reconstruction in the previous consolidated fiscal year and impairment losses in the current consolidated fiscal year.

(Matters related to revenue-recognition)

1. Information that breaks down revenue from contracts with customers
FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments				Other (Note)1	Total
	Commercial Properties Business	Residential Business	Asset Service Business	Total		
Real estate sales	53,215	182,083	14,759	250,058	—	250,058
Real estate leasing, etc.	84,122	5,941	6,650	96,714	—	96,714
Other service offerings	39,235	23,456	33,332	96,024	20,926	116,951
Revenues from external customers	176,573	211,481	54,742	442,797	20,926	463,724

Revenue from contracts with customers	99,587	191,787	42,810	334,185	20,312	354,498
Revenue from other sources (Note) 2	76,985	19,693	11,932	108,611	614	109,226
Revenues from external customers	176,573	211,481	54,742	442,797	20,926	463,724

(Notes) 1. The “Other” segment is a business segment not included in reportable segments and includes Leisure business, Fund business (former Asset Management business), and Overseas business, etc.

2. “Revenue from other sources” includes leasing income in accordance with ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” and real estate sales in accordance with the ASBJ Transferred Guidance No. 10, “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies.”

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments				Other (Note)1	Total
	Commercial Properties Business	Residential Business	Asset Service Business	Total		
Real estate sales	86,162	134,874	22,147	243,183	—	243,183
Real estate leasing, etc.	94,434	6,617	7,320	108,371	—	108,371
Other service offerings	39,581	23,647	33,987	97,216	25,814	123,031
Revenues from external customers	220,177	165,139	63,454	448,771	25,814	474,586

Revenue from contracts with customers	121,166	158,711	56,159	336,036	24,289	360,326
Revenue from other sources (Note) 2	99,011	6,427	7,295	112,735	1,524	114,259
Revenues from external customers	220,177	165,139	63,454	448,771	25,814	474,586

(Notes) 1. The “Other” segment is a business segment not included in reportable segments and includes Leisure business, Fund business (former Asset Management business), and Overseas business, etc.

2. “Revenue from other sources” includes leasing income in accordance with ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” and real estate sales in accordance with the ASBJ Transferred Guidance No. 10, “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies.”
3. From the current consolidated fiscal year, in the Commercial Properties business, the accounting category for facility operation revenues such as hotels operated on self-owned floors has been changed from “Other service offerings” to “Real estate leasing, etc.”
4. The actual results for the previous consolidated fiscal year have been reclassified and presented in accordance with the new categories.

2. Fundamental information for understanding revenues from contracts with customers

The fundamental information for understanding revenues from contracts with customers is as described in “(6) Basis for Recognition of Significant Revenue and Expense, in ‘4. Matters regarding accounting policies’ of Notes (Significant matters that serve as the basis for preparing consolidated financial statements).”

3. Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in the following consolidated fiscal year or later from contracts with customers that existed at the end of the current consolidated fiscal year.

(1) Balance of contract assets and contract liabilities

FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Balance at beginning of period (January 1, 2024)	Balance at end of period (December 31, 2024)
Receivables arising from contracts with customers	9,859	10,814
Contract assets	50	250
Contract liabilities	37,586	37,660

The receivables arising from contracts with customers consist of trade accounts receivable and trade notes receivable that are unconditional rights to payment as of the end of the consolidated fiscal year.

The contract assets correspond to the Group’s rights to the consideration for work that has created assets controlled by the customer at the end of the consolidated fiscal year but has not yet been invoiced. Contract assets are transferred to receivables when the right to payment becomes unconditional.

Contract liabilities relate to the consideration received or receivable by the Group from customers for the Group’s obligation to transfer goods or services to customers and primarily consist of deposits received or receivable from customers for condominiums at the end of the consolidated fiscal year.

Revenue recognized during the current consolidated fiscal year that was included in the contract liability balance at the beginning of the period amounted to ¥21,356 million.

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Balance at beginning of period (January 1, 2025)	Balance at end of period (December 31, 2025)
Receivables arising from contracts with customers	10,814	12,521
Contract assets	250	88
Contract liabilities	37,660	32,367

The receivables arising from contracts with customers consist of trade accounts receivable and trade notes receivable that are unconditional rights to payment as of the end of the consolidated fiscal year.

The contract assets correspond to the Group’s rights to the consideration for work that has created assets controlled by the customer at the end of the consolidated fiscal year but has not yet been invoiced. Contract assets are transferred to receivables when the right to payment becomes unconditional.

Contract liabilities relate to the consideration received or receivable by the Group from customers for the Group’s obligation to transfer goods or services to customers and primarily consist of deposits received or receivable from customers for condominiums at the end of the consolidated fiscal year.

Revenue recognized during the current consolidated fiscal year that was included in the contract liability balance at the beginning of the period amounted to ¥37,227 million.

(2) Transaction prices allocated to remaining performance obligations

At the end of the previous consolidated fiscal year, transaction prices allocated to unfulfilled (or partially fulfilled) performance obligations by the Group amounted to ¥40,946 million, mainly related to real estate sales in the Residential business and are generally expected to be recognized as revenue within three years from the end of the consolidated fiscal year.

At the end of the current consolidated fiscal year, transaction prices allocated to unfulfilled (or partially fulfilled) performance obligations by the Group amounted to ¥105,991 million, mainly related to real estate sales in the Residential business and are generally expected to be recognized as revenue within three years from the end of the

consolidated fiscal year.

In making notes, the practical expedient method is applied, and contracts with initially expected contract periods of one year or less and contracts for which revenue from the fulfillment of performance obligations is recognized in accordance with Paragraph 19 of the Implementation Guidance are not included.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The Company's reportable segments are the Company's constituent units for which separate financial information is available and for which the Board of Directors conducts a regular review to determine the allocation of management resources and assess the business performance.

The Company has established business divisions according to the nature of its business, and each division formulates comprehensive strategies for the businesses it handles and develops business activities.

Therefore, the Company comprises business segments with the business divisions as the basis and conducts the three (3) businesses of Commercial Properties Business, Residential Business, and Asset Service Business as its reportable segments.

In the Commercial Properties business, operations include developing, selling, leasing, and managing of office buildings, retail facilities, logistics properties, etc. In the Residential business, operations include developing, selling, leasing, and managing of condominiums and other residential properties. In the Asset Service business, operations include real estate brokerage, consulting, purchasing and reselling of real estate, and parking lot development and operations.

2. Method of accounting for operating revenue, profit (loss), assets, and other items by reportable segment

The accounting method for reportable business segments is the same as that described in "Notes (Significant matters that serve as the basis for preparing consolidated financial statements)." Inter-segment revenues and transfers are based on prevailing market prices.

We have also redefined segment profit (business profit) from the current consolidated fiscal year as follows to allow for flexible sale of non-current assets and diversification of investment schemes in overseas business.

Before change: Segment profit (business profit) = Operating profit + Share of profit (loss) of entities accounted for using equity method

After change: Segment profit (business profit) = Operating profit + Share of profit (loss) of entities accounted for using equity method, etc. + Gain (loss) on sale of non-current assets. Share of profit (loss) of entities accounted for using equity method, etc. includes dividend income, interest income, and gain (loss) on sale of investment equity in investment vehicles for overseas business)

Note that segment information for the previous consolidated fiscal year has been prepared based on the new calculation method.

3. Information on operating revenue, profit (loss), assets and other items by reportable segment

FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments				Other (Note)1	Total	Adjustment (Note) 2	Per consolidated financial statements (Note) 3
	Commercial Properties Business	Residential Business	Asset Service Business	Total				
Operating revenue								
External customers	176,573	211,481	54,742	442,797	20,926	463,724	—	463,724
Inter-segment transactions	999	600	5,464	7,064	218	7,282	(7,282)	—
Total	177,573	212,081	60,206	449,861	21,145	471,006	(7,282)	463,724
Segment profit								
Operating profit	41,399	38,150	11,537	91,088	1,388	92,476	(12,806)	79,670
Share of profit (loss) of entities accounted for using equity method, etc.	530	(513)	—	16	(361)	(344)	—	(344)
Gain (loss) on sale of non- current assets	—	(0)	0	(0)	1	0	0	0
Total	41,930	37,636	11,537	91,104	1,028	92,132	(12,806)	79,326
Segment assets	1,422,600	298,963	98,436	1,820,000	151,342	1,971,342	109,884	2,081,226
Other items								
Depreciation	16,213	2,086	2,638	20,937	1,236	22,173	216	22,390
Investments in entities accounted for using equity method	388	—	—	388	38,138	38,526	—	38,526
Increase in property, plant and equipment and intangible assets	163,808	1,134	2,095	167,038	5,524	172,563	1,256	173,820

(Notes) 1. The “Other” segment is a business segment not included in reportable segments and includes Leisure business, Fund business (former Asset Management business), and Overseas business, etc.

2. (1) Adjustment of ¥(12,806) million for segment profit includes inter-segment elimination of ¥(242) million and corporate expenses, etc. of ¥(12,563) million that are not distributed to the reportable segments. Corporate expenses, etc. are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥109,884 million includes the company-level assets of ¥205,414 million and inter-segment elimination of ¥(95,530) million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets relating to corporate departments.

3. Segment profit is adjusted by adding share of profit (loss) of entities accounted for using equity method, etc. and gain (loss) on sale of non-current assets to operating profit in the consolidated statement of income.

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments				Other (Note)1	Total	Adjustment (Note)2	Per consolidated financial statements (Note)3
	Commercial Properties Business	Residential Business	Asset Service Business	Total				
Operating revenue								
External customers	220,177	165,139	63,454	448,771	25,814	474,586	—	474,586
Inter-segment transactions	943	446	822	2,212	280	2,492	(2,492)	—
Total	221,120	165,585	64,277	450,984	26,094	477,078	(2,492)	474,586
Segment profit (loss) (business profit (loss))								
Operating profit	67,059	25,569	11,482	104,111	4,172	108,284	(12,520)	95,763
Share of profit (loss) of entities accounted for using equity method, etc.	303	—	—	303	(6,685)	(6,381)	—	(6,381)
Gain (loss) on sale of non-current assets	—	—	12	12	0	12	24	37
Total	67,363	25,569	11,494	104,427	(2,512)	101,915	(12,495)	89,419
Segment assets	1,473,533	329,873	108,931	1,912,338	191,241	2,103,579	169,140	2,272,720
Other items								
Depreciation	16,682	2,110	3,109	21,902	1,549	23,452	128	23,580
Investments in entities accounted for using equity method	133	—	—	133	56,834	56,968	—	56,968
Increase in property, plant and equipment and intangible assets	52,195	9,891	2,012	64,099	2,936	67,036	299	67,336

(Notes) 1. The “Other” segment is a business segment not included in reportable segments and includes Leisure business, Fund business (former Asset Management business), and Overseas business, etc.

2. (1) Adjustment of ¥(12,495) million for segment profit (loss) includes inter-segment elimination of ¥(142) million and corporate expenses, etc. of ¥(12,352) million that are not distributed to the reportable segments. Corporate expenses, etc. are primarily general and administrative expenses that do not belong to the reportable segments.

(2) Adjustment of segment assets of ¥169,140 million includes the company-level assets of ¥276,224 million and inter-segment elimination of ¥(107,083) million. The company-level assets chiefly consist of the Company’s cash, deposits and investment securities and assets relating to corporate departments.

3. Segment profit (loss) is adjusted by adding share of profit (loss) of entities accounted for using equity method, etc. and gain (loss) on sale of fixed assets to operating profit in the consolidated statement of income.

Related information

FY2024 (January 1, 2024 to December 31, 2024)

1. Information by Product and Service

Information by product and service is omitted as similar information is stated in “3. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment” in “Segment Information.”

2. Information by Region

(1) Operating revenue

Operating revenue is omitted because the amount of operating revenue to external customers in Japan exceeded 90% of the amount of operating revenue stated in the consolidated statement of income.

(2) Property, plant and equipment

Property, plant and equipment are omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment stated in the consolidated balance sheet.

3. Information by Major Customer

Information by major customer is omitted because the amount of operating revenue to specified customers, which is included in operating revenue to external customers, is less than 10% of the operating revenue stated in the consolidated statement of income.

FY2025 (January 1, 2025 to December 31, 2025)

1. Information by Product and Service

Information by product and service is omitted as similar information is stated in “3. Information on Operating Revenue, Profit (Loss), Assets and Other Items by Reportable Segment” in “Segment Information.”

2. Information by Region

(1) Operating revenue

Operating revenue is omitted because the amount of operating revenue to external customers in Japan exceeded 90% of the amount of operating revenue stated in the consolidated statement of income.

(2) Property, plant and equipment

Property, plant and equipment are omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment stated in the consolidated balance sheet.

3. Information by Major Customer

Information by major customer is omitted because the amount of operating revenue to specified customers, which is included in operating revenue to external customers, is less than 10% of the operating revenue stated in the consolidated statement of income.

Information on Impairment Losses of Non-Current Assets by Reportable Segment

FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments				Other	Total	Adjustment	Per consolidated financial statements
	Commercial Properties Business (Note)	Residential Business	Asset Service Business	Total				
Impairment losses	931	—	334	1,265	4	1,270	—	1,270

(Note) Includes ¥931 million recorded as loss on building reconstruction.

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments				Other	Total	Adjustment	Per consolidated financial statements
	Commercial Properties Business (Note)	Residential Business	Asset Service Business	Total				
Impairment losses	—	—	166	166	1,736	1,902	—	1,902

Information on Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment

FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments				Other	Total	Adjustment	Per consolidated financial statements
	Commercial Properties Business	Residential Business	Asset Service Business	Total				
Amortization during period	178	51	—	229	5	235	—	235
Balance at end of period	11,120	102	—	11,222	168	11,391	—	11,391

FY2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments				Other	Total	Adjustment	Per consolidated financial statements
	Commercial Properties Business	Residential Business	Asset Service Business	Total				
Amortization during period	676	51	—	727	8	736	—	736
Balance at end of period	10,444	50	—	10,495	159	10,655	—	10,655

Information on Gain on Bargain Purchase by Reportable Segment

FY2024 (January 1, 2024 to December 31, 2024)

Not applicable.

FY2025 (January 1, 2025 to December 31, 2025)

Gain on bargain purchase of ¥133 million was recorded in the Other segment. This was recognized as gain on bargain purchase because the acquisition cost of the shares of Shin Oyama Country Club Co., Ltd. was less than the fair value of net assets at the time of business combination when it was newly consolidated.

Information on related parties

FY2024 (January 1, 2024 to December 31, 2024)

Not applicable.

FY2025 (January 1, 2025 to December 31, 2025)

Not applicable.

(Per Share Information)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Net assets per share	¥2,567.66	¥2,846.85
Basic earnings (loss) per share	¥315.50	¥283.08

(Notes) 1. Diluted earnings per share is not shown because there are no potential dilutive shares.

2. In the calculation of net assets per share and basic earnings per share, the shares of the Company held by the Board Benefit Trust (BBT) are included in the treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period and the average number of shares outstanding during the period. The number of shares outstanding at the end of the period of the concerned treasury shares deducted in the calculation of the total number of shares outstanding at the end of the period was 351,000 shares for FY2024 and 330,000 shares for FY2025, and the average number of shares outstanding during the period of the concerned treasury shares deducted in the calculation of the average number of shares outstanding during the period was 305,000 shares for FY2024 and 337,000 shares for FY2025.

3. The calculation basis for basic earnings per share is as shown below.

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Basic earnings (loss) per share		
Profit attributable to owners of parent (Millions of yen)	65,882	58,879
Amount not belonging to the holders of common shares (Millions of yen)	—	—
Profit attributable to owners of parent that pertains to common shares (Millions of yen)	65,882	58,879
Average number of shares outstanding during the period (Thousands of shares)	208,822	207,994

4. The calculation basis for net assets per share is as shown below.

Item	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Total net assets (Millions of yen)	547,524	603,137
Amount of deduction from total net assets (Millions of yen)	11,458	12,113
[Non-controlling interests included in the above (Millions of yen)]	11,458	12,113
Net assets at the end of the period that pertain to common shares (Millions of yen)	536,065	591,024
Number of common shares at the end of the period, which were used for the calculation of net assets per share (Thousands of shares)	208,776	207,606

(Major Subsequent Events)

(Issuance of bonds)

Based on the resolution of the Board of Directors meetings held on February 12, 2025 and February 12, 2026 regarding the maximum amount and outline of issuance of unsecured ordinary bonds, the Company resolved to issue unsecured ordinary bonds (sustainability bonds) on February 20, 2026 and issued them on February 27, 2026.

The outline is as follows.

37th Unsecured bond (Sustainability bond)

1. Total issue amount: ¥40,000 million
2. Issue price: ¥100 per ¥100 of face value
3. Interest rate: 2.677% per annum
4. Redemption date: February 27, 2036 (lump-sum repayment at maturity)
5. Payment date (issue date): February 27, 2026
6. Use of proceeds: To be used partly as acquisition and construction funds for the Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District A and District B)

(v) Consolidated supplementary schedules

Schedule of corporate bonds

Company name	Issuer name	Issue date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Collateral	Redemption date
Tokyo Tatemono Co., Ltd.	23rd Unsecured bond	May 6, 2016	10,000	10,000 [10,000]	0.63	None	May 1, 2026
Tokyo Tatemono Co., Ltd.	24th Unsecured bond	September 1, 2016	10,000	10,000	0.82	None	September 1, 2031
Tokyo Tatemono Co., Ltd.	25th Unsecured bond	March 22, 2017	10,000	10,000	0.52	None	March 19, 2027
Tokyo Tatemono Co., Ltd.	27th Unsecured bond	August 30, 2017	10,000	10,000	0.80	None	August 30, 2032
Tokyo Tatemono Co., Ltd.	29th Unsecured bond	February 22, 2018	10,000	10,000	0.48	None	February 22, 2028
Tokyo Tatemono Co., Ltd.	30th Unsecured bond	February 22, 2018	15,000	15,000	1.08	None	February 22, 2038
Tokyo Tatemono Co., Ltd.	1st Hybrid bond	March 15, 2019	30,000	30,000	1.66	None	March 15, 2056
Tokyo Tatemono Co., Ltd.	2nd Hybrid bond (Green bond)	March 15, 2019	50,000	50,000	2.15	None	March 14, 2059
Tokyo Tatemono Co., Ltd.	31st Unsecured bond (Sustainability bond)	July 16, 2020	20,000 [20,000]	—	0.22	None	July 16, 2025
Tokyo Tatemono Co., Ltd.	32nd Unsecured bond (Sustainability bond)	July 16, 2020	20,000	20,000	0.50	None	July 16, 2030
Tokyo Tatemono Co., Ltd.	3rd Hybrid bond (Sustainability bond)	February 10, 2021	40,000	40,000	1.13	None	February 10, 2061
Tokyo Tatemono Co., Ltd.	33rd Unsecured bond (Sustainability bond)	July 30, 2021	10,000	10,000	0.29	None	July 28, 2028
Tokyo Tatemono Co., Ltd.	34th Unsecured bond (Sustainability bond)	July 6, 2023	20,000	20,000	0.88	None	July 6, 2033
Tokyo Tatemono Co., Ltd.	35th Unsecured bond (Sustainability bond)	May 2, 2024	10,000	10,000	1.19	None	May 2, 2031
Tokyo Tatemono Co., Ltd.	4th Hybrid bond (Sustainability bond)	June 5, 2025	—	50,000	2.66	None	June 5, 2062
Tokyo Tatemono Co., Ltd.	36th Unsecured bond (Sustainability bond)	July 11, 2025	—	10,000	1.76	None	July 9, 2032
Total	—	—	265,000 [20,000]	305,000 [10,000]	—	—	—

(Notes) 1. Of the balance at end of period, those scheduled to be redeemed within one year are shown in [].

2. Estimated total redemption amount per year within 5 years from the consolidated balance sheet date is as follows.

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)
Bonds payable	10,000	10,000	20,000	—	20,000

Schedule of borrowings, etc.

Category	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Due date
Current portion of long-term borrowings	77,709	62,268	0.47	—
Current portion of non-recourse long-term borrowings	3,240	3,240	0.51	—
Current portion of lease liabilities	119	89	—	—
Long-term borrowings (excluding loans to be settled within one year)	676,420	854,456	1.07	January 2027 to February 2045
Non-recourse long-term borrowings (excluding loans to be settled within one year)	122,149	118,909	0.51	January 2029 to March 2030
Lease liabilities (excluding lease liabilities to be repaid within one year)	1,498	1,404	—	January 2027 to February 2048
Other interest-bearing debt				
Commercial papers	66,000	—	—	—
Accounts payable – other (due within one year)	202	202	0.78	—
Long-term accounts payable – other (excluding current portion of long-term accounts payable)	1,622	1,420	0.78	September 2033
Total	948,963	1,041,991	—	—

- (Note) 1. The average-interest rate is the weighted average interest rate on the balance of borrowings at the end of the period.
2. The average interest rate for lease liabilities is not stated since consolidated subsidiaries that record lease liabilities on the consolidated balance sheet at amounts prior to deducting the amount equivalent to interest included in the total lease payments are included.
3. Lease liabilities due within one year are included in “Other” Current liabilities on the consolidated balance sheet, and lease liabilities due after one year are included in “Other” Non-current liabilities.
4. Long-term accounts payable – other in other interest-bearing debt are included in “Other” Non-current liabilities in the consolidated balance sheet.
5. The amounts of long-term borrowings, non-recourse long-term borrowings, lease liabilities, and long-term accounts payable – other (excluding current portion of long-term accounts payable) due within five years from the consolidated balance sheet date are as follows.

	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)
Long-term borrowings	78,921	101,855	74,194	109,012
Non-recourse long-term borrowings	3,240	3,240	11,680	100,749
Lease liabilities	93	92	86	84
Long-term accounts payable – other	202	202	202	202

Schedule of asset retirement obligations

Disclosure is omitted as the value of asset retirement obligations is no more than one-hundredth of the total liabilities and net assets at the beginning and end of the current consolidated fiscal year, respectively.

(2) Other

Quarter information, etc. in the current consolidated fiscal year

(Cumulative period)		1st Quarter	Interim consolidated accounting period	3rd Quarter	Current consolidated FY
Operating revenue	(Millions of yen)	126,665	208,793	298,833	474,586
Profit before income taxes	(Millions of yen)	21,424	30,620	44,120	88,406
Profit attributable to owners of parent	(Millions of yen)	14,347	20,549	29,515	58,879
Basic earnings (loss) per share	(yen)	68.77	98.62	141.81	283.08

(Accounting period)		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Basic earnings (loss) per share	(yen)	68.77	29.80	43.18	141.44

- (Notes) 1. The Company has introduced a Board Benefit Trust (BBT), and the Company shares held by the trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares as a deduction in the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share for the period.
2. For the 1st and 3rd quarters, although the financial information for the quarter in accordance with the rules stipulated by the financial instruments exchange has been prepared, an interim review of the financial information for the quarter has not been received.

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Financial Statements

(i) Non-Consolidated Balance Sheet

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Assets		
Current assets		
Cash and deposits	51,646	99,014
Trade accounts receivable	8,250	9,311
Investments in leases	3,446	3,380
Real estate for sale	*2,*3 193,248	*2,*3 194,198
Real estate for sale in process	*2 288,225	*2,*3 316,472
Prepaid expenses	2,546	3,291
Short-term loans receivable	35,671	36,429
Other	22,036	32,280
Allowance for doubtful accounts	(46)	(47)
Total current assets	605,026	694,331
Non-current assets		
Property, plant and equipment		
Buildings	*1,*2 160,299	*1,*2 156,171
Structures	*2 2,607	*2 2,716
Machinery and equipment	*2 1,977	*2 1,974
Vehicles	102	89
Tools, furniture and fixtures	*2 2,611	*2 2,237
Land	*1 555,248	*1 560,594
Leased assets	5	3
Construction in progress	*6 99,773	143,189
Other	2,432	2,451
Total property, plant and equipment	*3 825,057	*3 869,429
Intangible assets		
Leasehold interests in land	33,358	33,032
Other	39	37
Total intangible assets	*3 33,398	33,070
Investments and other assets		
Investment securities	*1 98,471	*1 120,131
Shares and Investments in capital of subsidiaries and associates	150,655	182,047
Investments in other securities of subsidiaries and associates	18,070	22,967
Investments in silent partnerships	4,884	4,997
Investments in silent partnerships of subsidiaries and associates	65,231	76,093
Long-term loans receivable from subsidiaries and associates	28,332	25,232
Leasehold and guarantee deposits	11,606	11,311
Other	*2 34,935	*2 35,519
Allowance for doubtful accounts	(7,391)	(9,705)
Allowance for investment loss	(738)	—
Total investments and other assets	404,058	468,595
Total non-current assets	1,262,514	1,371,095
Total assets	1,867,540	2,065,426

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Liabilities		
Current liabilities		
Short-term borrowings	111,764	110,312
Commercial papers	66,000	—
Current portion of bonds payable	20,000	10,000
Lease liabilities	5	1
Accounts payable - other	*1 12,809	*1 19,725
Accrued expenses	13,249	14,064
Income taxes payable	13,220	6,258
Contract liabilities	34,844	29,490
Advances received	5,017	4,574
Deposits received	16,248	17,667
Provision for bonuses	362	405
Deposits received under real estate specified joint enterprise law	*2 6,300	*2 2,000
Other	*1 596	*1 365
Total current liabilities	300,419	214,864
Non-current liabilities		
Bonds payable	245,000	295,000
Long-term borrowings	676,945	855,227
Lease liabilities	7	2
Deferred tax liabilities	10,054	21,644
Deferred tax liabilities for land revaluation	27,274	28,077
Provision for retirement benefits	8,196	7,961
Provision for share awards for directors (and other officers)	410	477
Leasehold and guarantee deposits received	*1 74,736	*1 80,223
Deposits received under real estate specified joint enterprise law	*2 14,806	*2 12,591
Asset retirement obligations	2,660	2,672
Other	*1 19,305	*1 17,658
Total non-current liabilities	1,079,399	1,321,537
Total liabilities	1,379,819	1,536,402
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus		
Legal capital surplus	63,729	63,729
Other capital surplus	0	—
Total capital surplus	63,730	63,729
Retained earnings		
Other retained earnings		
for tax purpose reduction entry of replacement assets	6,644	6,543
Reserve for special account for tax purpose reduction entry of non-current assets	—	3,121
Reserve for tax purpose reduction to promote open innovation	75	75
Retained earnings brought forward	234,356	259,291
Total retained earnings	241,076	269,031
Treasury shares	(751)	(756)
Total shareholders' equity	396,506	424,456
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	48,027	61,766
Revaluation reserve for land	43,187	42,801
Total valuation and translation adjustments	91,215	104,568
Total net assets	487,721	529,024
Total liabilities and net assets	1,867,540	2,065,426

(ii) Non-Consolidated Statement of Income

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Operating revenue		
Revenue from commercial properties business	133,227	172,866
Revenue from residential business	190,388	143,268
Revenue from other business	1,705	2,726
Total operating revenue	325,322	318,862
Operating costs		
Cost of commercial properties business	94,590	109,688
Cost of residential business	135,912	103,603
Cost of other business	2,058	1,992
Total operating costs	232,561	215,284
Operating gross profit	92,761	103,577
Selling, general and administrative expenses	*2 30,924	*2 28,699
Operating profit	61,836	74,878
Non-operating income		
Interest and dividend income	8,331	8,556
Reversal of allowance for doubtful accounts	—	6
Foreign exchange gains	2,279	97
Other	359	208
Total non-operating income	10,969	8,869
Non-operating expenses		
Interest expenses	8,960	13,188
Borrowing fee	766	1,389
Bond issuance costs	61	484
Dividends paid on real estate specified joint enterprise law	4,375	344
Provision of allowance for doubtful accounts	2	2,399
Other	1,259	74
Total non-operating expenses	15,426	17,880
Ordinary profit	57,380	65,867

(Millions of yen)

	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)	FY2025 (Jan. 1, 2025 to Dec. 31, 2025)
Extraordinary income		
Gain on sale of non-current assets	0	17
Gain on sale of investment securities	26,748	10,570
Gain on sale of shares of subsidiaries and associates	—	4
Gain on sale of investments in capital of subsidiaries and associates	1,103	1,254
Gain on liquidation of subsidiaries and associates	—	7
Reversal of allowance for investment loss	—	103
Gain on extinguishment of tie-in shares	—	506
Reversal of allowance for doubtful accounts	—	77
Total extraordinary income	27,853	12,542
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	48	46
Loss on building reconstruction	*3 890	—
Loss on valuation of investment securities	3	—
Loss on valuation of shares of subsidiaries and associates	—	125
Loss on valuation of investments in capital of subsidiaries and associates	—	3,213
Provision of allowance for doubtful accounts	3,110	—
Total extraordinary losses	4,054	3,385
Profit before income taxes	81,179	75,024
Income taxes - current	24,087	19,426
Income taxes - deferred	(524)	2,142
Total income taxes	23,562	21,569
Profit	57,616	53,454

Operating Cost Statement

(a) Statement of cost of commercial properties business

Category	Note number	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)		FY2025 (Jan. 1, 2025 to Dec. 31, 2025)	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Cost of real estate sales	*1	40,268	42.6	54,801	50.0
Personnel expenses	*2	5,379	5.7	5,841	5.3
Expenses, etc.		48,943	51.7	49,046	44.7
Taxes and dues	*3	[8,831]		[7,422]	
Land and building rent		[8,598]		[8,117]	
Maintenance expenses		[1,938]		[2,101]	
Utilities		[4,619]		[4,949]	
Administrative expenses		[7,969]		[8,182]	
Depreciation and amortization	*4	[12,897]		[13,257]	
Total		94,590	100.0	109,688	100.0

*1 Cost of real estate sales is the direct cost of real estate sales and includes land costs, construction costs and incidental expenses. Costs are calculated on a job-order cost system. Furthermore, cost of real estate sales includes book value devaluation of real estate for sale of ¥243 million in the previous fiscal year and ¥1,272 million in the current fiscal year.

*2 Personnel expenses include legal welfare expenses.

*3 Taxes and dues mainly consist of property taxes.

*4 Depreciation and amortization includes depreciation and amortization of real estate for sale under lease.

(b) Statement of cost of residential business

Category	Note number	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)		FY2025 (Jan. 1, 2025 to Dec. 31, 2025)	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Cost of real estate sales	*1	131,039	96.4	98,265	94.9
Personnel expenses	*2	318	0.2	341	0.3
Expenses, etc.		4,554	3.4	4,995	4.8
Land and building rent		[1,791]		[1,760]	
Administrative expenses		[396]		[403]	
Depreciation and amortization	*3	[1,339]		[1,482]	
Total		135,912	100.0	103,603	100.0

*1 Cost of real estate sales is the direct cost of real estate sales, including land costs, construction and development costs, and incidental expenses. The cost is calculated based on a job-order cost system. Furthermore, cost of real estate sales includes book value devaluation of real estate for sale of ¥724 million in the current fiscal year.

*2 Personnel expenses include legal welfare expenses.

*3 Depreciation and amortization includes depreciation and amortization of real estate for sale under lease.

(c) Statement of cost of other business

Category	Note number	FY2024 (Jan. 1, 2024 to Dec. 31, 2024)		FY2025 (Jan. 1, 2025 to Dec. 31, 2025)	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Personnel expenses	*	754	36.6	736	36.9
Expenses, etc.		1,303	63.4	1,256	63.1
Land and building rent		[209]		[240]	
Depreciation and amortization		[316]		[335]	
Total		2,058	100.0	1,992	100.0

* Personnel expenses include legal welfare expenses.

(iii) Non-Consolidated Statement of Changes in Equity
FY2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings		
					Reserve for tax purpose reduction entry of replacement assets	Reserve for tax purpose reduction to promote open innovation	Retained earnings brought forward			
Balance at beginning of period	92,451	63,729	0	63,729	5,786	75	193,073	198,935	(425)	354,691
Changes during period										
Dividends of surplus							(15,475)	(15,475)		(15,475)
Profit							57,616	57,616		57,616
Provision of reserve for tax purpose reduction entry of replacement assets					873		(873)	—		—
Reversal of reserve for tax purpose reduction entry of replacement assets					(15)		15	—		—
Purchase of treasury shares									(344)	(344)
Disposal of treasury shares			0	0					18	18
Net changes in items other than shareholders' equity										
Total changes during period	—	—	0	0	857	—	41,282	42,140	(325)	41,815
Balance at end of period	92,451	63,729	0	63,730	6,644	75	234,356	241,076	(751)	396,506

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	62,980	43,187	106,168	460,859
Changes during period				
Dividends of surplus				(15,475)
Profit				57,616
Provision of reserve for tax purpose reduction entry of replacement assets				—
Reversal of reserve for tax purpose reduction entry of replacement assets				—
Purchase of treasury shares				(344)
Disposal of treasury shares				18
Net changes in items other than shareholders' equity	(14,953)	—	(14,953)	(14,953)
Total changes during period	(14,953)	—	(14,953)	26,861
Balance at end of period	48,027	43,187	91,215	487,721

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					Treasury shares
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings	
					Reserve for tax purpose reduction entry of replacement assets	Reserve for special account for tax purpose reduction entry of non-current assets	Reserve for tax purpose reduction to promote open innovation	Retained earnings brought forward		
Balance at beginning of period	92,451	63,729	0	63,730	6,644	—	75	234,356	241,076	(751)
Changes during period										
Dividends of surplus								(22,126)	(22,126)	
Profit								53,454	53,454	
Reversal of revaluation reserve for land								(416)	(416)	
Reversal of reserve for tax purpose reduction entry of replacement assets					(101)			101	—	
Provision of reserve for special account for tax purpose reduction entry of non-current assets						3,121		(3,121)	—	
Purchase of treasury shares										(3,004)
Disposal of treasury shares			0	0						41
Cancellation of treasury shares			(2,957)	(2,957)						2,957
Transfer from retained earnings to capital surplus			2,956	2,956				(2,956)	(2,956)	
Net changes in items other than shareholders' equity										
Total changes during period	—	—	(0)	(0)	(101)	3,121	—	24,935	27,955	(5)
Balance at end of period	92,451	63,729	—	63,729	6,543	3,121	75	259,291	269,031	(756)

	Shareholders' equity	Valuation and translation adjustments			Total net assets
	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	396,506	48,027	43,187	91,215	487,721
Changes during period					
Dividends of surplus	(22,126)				(22,126)
Profit	53,454				53,454
Reversal of revaluation reserve for land	(416)				(416)
Reversal of reserve for tax purpose reduction entry of replacement assets	—				—
Provision of reserve for special account for tax purpose reduction entry of non-current assets	—				—
Purchase of treasury shares	(3,004)				(3,004)
Disposal of treasury shares	41				41
Cancellation of treasury shares	—				—
Transfer from retained earnings to capital surplus	—				—
Net changes in items other than shareholders' equity		13,739	(386)	13,353	13,353
Total changes during period	27,949	13,739	(386)	13,353	41,303
Balance at end of period	424,456	61,766	42,801	104,568	529,024

Notes

(Significant accounting policies)

1. Valuation criteria and valuation method for material assets

(1) Valuation criteria and valuation method for securities

(i) Held-to-maturity debt securities

Amortized cost method (straight-line method)

(ii) Stocks of subsidiaries and affiliates

Cost method based on the moving-average method

(iii) Available-for-sale securities

Stocks and securities other than non-marketable equity securities, etc.

Fair value method (Unrealized gains and losses are included directly in net assets, and the cost of securities sold is determined by the moving-average method.)

Non-marketable equity securities, etc.

Cost method based on the moving-average method

Investments in investment limited partnerships and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are accounted for by taking the equity-method equivalent amount on a net basis based on the most recent financial statements available on the settlement date stipulated in the partnership agreement.

(2) Valuation criteria and valuation method inventories

(i) Real estate for sale: Specific Identification Inventory Valuation Method (The book value is written off due to a decline in profitability.)

(ii) Real estate for sale in process: Same as above

2. Depreciation method of non-current assets

(1) Property, plant and equipment (excluding lease assets)

(i) Buildings: Straight-line method

(ii) Structures: Same as above

(iii) Machinery and equipment: Same as above

(iv) Vehicles: Declining-balance method

(v) Tools, furniture and fixtures: same as above

(2) Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized by the straight-line method based on the usable period in the Company (5 years).

(3) Leased assets

(i) Leased assets related to finance lease transactions that transfer ownership

Depreciation is computed by the same method as that applied to non-current assets owned by the Company.

(ii) Leased assets related to non-ownership-transfer finance lease transactions

Depreciated using the straight-line method regarding the lease period as the useful life and assuming the residual value as zero.

3. Recording criteria for allowances

(1) Allowance for doubtful accounts

To prepare for losses due to bad debts, the Company reports the expected uncollectible amount using the loan loss ratio for general claims and individually examines the collectability of claims with a possibility of default and bankruptcy or reorganization claims.

(2) Allowance for investment loss

To provide for possible losses on investments in subsidiaries, the Company records an amount deemed necessary, taking into consideration the financial position and expected future recovery of such investments.

(3) Provision for bonuses

Accrued bonuses to employees are provided for the portion of estimated bonuses to be paid in the current fiscal year.

(4) Reserve for retirement benefits

To provide for the payment of retirement benefits to employees, the Company accrues an estimated amount of retirement benefit obligations and plan assets at the end of the current fiscal year. Actuarial gains and losses on retirement benefits are amortized from the following fiscal year using the straight-line method over a fixed number of years (10 years) within the employee's average remaining years of service.

(5) Provision for share awards for directors (and other officers)

To provide for the payment of the Company's shares to the Directors and Audit & Supervisory Board Members in accordance with the Company's "Regulations of Directors' Equity Benefit," the Company records an amount based on the estimated amount of liabilities for share benefits as of the end of the current fiscal year.

4. Basis for recognition of revenue and expense

(1) Accounting Standard for Revenue Recognition

The main performance obligations in the Company's main businesses related to revenues arising from contracts with customers and the usual point in time at which such performance obligations are satisfied (the usual point in time at which revenues are recognized) are as follows.

In the Commercial Properties business, the Company develops, sells, leases, and manages, etc. office buildings, retail facilities, and logistics properties and has obligations to deliver real estate based on contracts with customers, to lease real estate, and to provide services stipulated in the contracts with customers.

In the Residential business, the Company develops, sells, leases, and manages, etc. condominiums, etc. and is obligated to deliver real estate based on contracts with customers, lease real estate, and provide services stipulated in contracts with customers.

Of these performance obligations, the delivery obligation is satisfied at the time the property is delivered to the customer, and revenue is recognized at the time of delivery. The transaction price is determined based on the amount in the contract with the customer and is received at the time stipulated in the contract. With respect to sales of condominiums and other properties, a deposit is usually received as part of the transaction price at the time the contract is concluded, and the balance is received at the time of delivery of the property.

Conversely, obligations to provide services and other items stipulated in the contract with customers are fulfilled at a point in time or over a certain period of time, depending on the nature of the service, whereby the Company records revenues. Transaction values are determined by consignment contracts with customers and are received based on said contracts.

For obligations to lease real estate based on contracts with customers, etc., revenue is recorded in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; March 30, 2007).

In relation to the above performance obligations, no significant financial component is included in the amount of compensation.

Furthermore, no significant variable consideration is recognized that could cause the amount of consideration to vary.

(2) Recognition of revenues from finance lease transactions

Sales and cost of sales are recognized at the time of receipt of lease payments.

(3) Recording standards for advertising expenses, etc.

Advertising expenses, etc. related to for-sale condominiums are capitalized up to the point of delivery to the customer in order to match them with revenue, and are then recorded as expenses in a lump sum at the time of delivery.

5. Other matters that serve as the basis for preparing non-consolidated financial statements

(1) Treatment of deferred assets

Bond issuance costs

The entire amount is expensed at the time of expenditure.

(2) Hedge accounting method

(i) Hedge accounting method

Interest rate swaps that meet the requirements for special treatment are accounted for using the special treatment, while other interest rate swaps are accounted for using the deferred hedge method.

(ii) Hedging instruments and hedged items

Hedging instrument: Interest rate swaps

Hedged items: Borrowings

(iii) Hedging policy

The Company enters into interest rate swaps to hedge the impact of interest rate fluctuations on earnings and does not enter into such swaps for speculative purposes.

(iv) Method of assessing hedge effectiveness

During the period from the inception of the hedge to the point at which its effectiveness is assessed, the Company compares the cumulative changes in cash flows of the hedging instrument with the cumulative changes in cash flows of the hedged item to determine its effectiveness. However, the effectiveness of interest rate swaps for which special treatment is applied is not assessed.

(3) Accounting for Retirement Benefits

The accounting method for unrecognized actuarial gains and losses and unrecognized past service costs related to retirement benefits differs from the method used in the consolidated financial statements.

(Significant accounting estimates)

1. Valuation of non-current assets

(1) Amount recorded in the financial statements for the current fiscal year

	(Millions of yen)	
	FY2024	FY2025
Property, plant and equipment	825,057	869,429
Intangible assets	33,398	33,070
Loss on building reconstruction	890	—

(2) Matters related to significant accounting estimates for identified items

The calculation method of the amount in (1) is the same as that described in “1. Valuation of non-current assets” in “(1) Notes to Consolidated Financial Statements (Significant accounting estimates)” of “1. Consolidated Financial Statements.”

2. Valuation of inventories

(1) Amount recorded in the financial statements for the current fiscal year

	(Millions of yen)	
	FY2024	FY2025
Real estate for sale	193,248	194,198
Real estate for sale in process	288,225	316,472
Loss on valuation of inventory	243	1,996

(2) Matters related to significant accounting estimates for identified items

The calculation method of the amount in (1) is the same as that described in “2. Valuation of inventories” in “(1) Notes to Consolidated Financial Statements (Significant accounting estimates)” of “1. Consolidated Financial Statements.”

3. Valuation of shares and investments in capital of subsidiaries and associates

(1) Amount recorded in the financial statements for the current fiscal year

	(Millions of yen)	
	FY2024	FY2025
Shares and Investments in capital of subsidiaries and associates	150,655	182,047
Of which, investments in capital of subsidiaries and associates related to the China business	16,898	9,712
Allowance for investment loss	(738)	—
Loss on valuation of shares and investments in capital of subsidiaries and associates	—	3,339
Of which, loss on value of investments in capital of subsidiaries and associates related to the China business	—	3,213

(2) Matters related to significant accounting estimates for identified items

(i) Method of calculation of the amount stated above under (1).

Shares and investments in capital of subsidiaries and associates are stated at cost on the balance sheet. When the actual value of such shares and investments in subsidiaries and affiliates declines significantly due to deterioration in the relevant company’s financial condition, a corresponding reduction in value is made, and the valuation difference is recognized as a loss for the fiscal year.

In the current fiscal year, in response to the recognition of an allowance for doubtful accounts on certain receivables held by affiliates related to the China business, the Company reviewed the valuation of investments in affiliates related to the China business and recorded a loss on valuation of investments in capital of subsidiaries and associates of ¥3,213 million for associates whose actual value of investments in capital had declined significantly.

(ii) Key assumptions used in significant accounting estimates

The key assumptions used in the calculation of the actual value are those used in the valuation of the real estate held by each project company, which are described in “3. Valuation of investments in overseas entities accounted for using equity method,” “(1) Notes to Consolidated Financial Statements (Significant accounting estimates)” of “1. Consolidated Financial Statements.”

(iii) Effect of significant accounting estimates on the financial statements for the fiscal year following the current fiscal year

In valuing shares and investments in capital of subsidiaries and associates, the best estimates are made based on the key assumptions mentioned above in (ii). In the event of changes in the business environment or other factors that alter the assumptions used above, additional losses may need to be recognized in the following fiscal year or later.

(Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes”)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and others have been applied from the current fiscal year.

Regarding the amendment concerning the classification of income taxes, the Company has followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard. There is no impact on the financial statements from this change in accounting policy.

(Changes in presentation)

(Matters related to the balance sheet)

In the previous fiscal year, “Real estate for development” presented separately under current assets has been reclassified and included in “Real estate for sale in process” from the current fiscal year, as it has been determined that it is more appropriate to present it on an aggregated basis as real estate for sale in process considering the diversification of business schemes.

To reflect this change in presentation, ¥137,881 million of “Real estate for development” in the balance sheet for the previous fiscal year has been reclassified as “Real estate for sale in process.”

In the previous fiscal year, “Advance payments to suppliers” presented separately under current assets has been reclassified and included in “Real estate for sale in process” from the current fiscal year, as it has been determined that it is more appropriate to present it on an aggregated basis as real estate for sale in process considering the diversification of business schemes.

To reflect this change in presentation, ¥1,118 million of “Advance payments to suppliers” in the balance sheet for the previous fiscal year has been reclassified as “Real estate for sale in process.”

(Additional Information)

(Board Benefit Trust (BBT))

For the purpose of raising awareness of the need to contribute to medium- and long-term growth in corporate value, the Company has introduced a share awards plan, the “Board Benefit Trust (BBT),” for Directors (excl. External Directors) and Managing Officers who do not concurrently serve as Directors of the Company (hereinafter collectively referred to as “Directors, etc.”). For details, please refer to “(1) Notes to Consolidated Financial Statements (Additional Information)” of “1. Consolidated Financial Statements.”

(Matters related to the balance sheet)

*1. Assets pledged as collateral and liabilities related to collateral are as follows.

Assets pledged as collateral		
	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Buildings	4,330	4,036
Land	19,166	19,166
Total	23,496	23,202

Liabilities related to collateral		
	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Accounts payable - other	202	202
Other (Current liabilities)	16	16
Leasehold and guarantee deposits received	93	76
Other (Non-current liabilities)	1,622	1,420
Total	1,935	1,716

Other than the above, ¥305 million of investment securities were pledged as collateral for guarantees of borrowings of funds by affiliated companies in the previous and current fiscal years, respectively.

*2. Relevant real estate, etc. outlined in the real estate specified joint enterprise law (silent partnership method) is as follows.

	(Millions of yen)	
	FY2024	FY2025
	(December 31, 2024)	(December 31, 2025)
Real estate for sale	927	487
Real estate for sale in process	4,629	5,158
Buildings, etc.	18,887	17,612
Other (Investments and other assets)	1	0
Total	24,445	23,258

The corresponding investment received is recorded in “deposits received under real estate specified joint enterprise law.”

*3. During the previous fiscal year, ¥15,271 million of property, plant and equipment and ¥3,180 million of intangible assets were transferred to real estate for sale of ¥18,451 million due to a change in the purpose of holding.

During the current fiscal year, ¥16,601 million of property, plant and equipment was transferred to real estate for sale due to a change in the purpose of holding. In addition, ¥6,928 million of real estate for sale and ¥701 million of real estate for sale in process were transferred to property, plant and equipment of ¥7,630 million due to a change in the purpose of holding.

4. Guarantee liabilities and related values are as follows.

	(Millions of yen)	
	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Liable for guarantees on loans to its customers	3,885	583
Liable for guarantees on loans to overseas affiliated companies		
XW BP2 Company Limited	754	1,960
XW EEC1 Company Limited	436	1,324
SC CD1 Company Limited	—	1,822
SC CD3 Company Limited	823	1,099
SC CD5 Company Limited	—	3,163
Liable for guarantees on loans to transactions with affiliated companies		
E-State Online Co., Ltd.	12	12
Nihon Parking Corporation	4	4
Liable for guarantees on loans to business partner		
Maekawa Inc.	1,684	1,612
Setoda Resort Co., Ltd.	30	—
Total	7,631	11,582

5. Monetary receivables and payables to subsidiaries and affiliates (excluding those presented separately) are as follows.

	(Millions of yen)	
	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Short-term monetary receivables	39,016	40,698
Long-term monetary receivables	9,203	8,539
Short-term monetary payables	37,228	50,324
Long-term monetary payables	5,630	5,682

*6. During the current fiscal year, the reduction entry amount deducted from the acquisition cost for non-current assets due to the rights exchange procedures in connection with a Type 1 Urban Redevelopment Project under the Urban Renewal Act is as follows.

	(Millions of yen)	
	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Construction in progress	4,334	—

(Matters related to the statement of income)

1. Transactions with subsidiaries and affiliates are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Transactions related to operating revenue	15,194	15,981
Transactions related to operating expenses	18,510	13,291
Non-operating transactions	6,072	5,753

*2. Selling expenses accounted for 55.9% and 52.0% in the previous and current fiscal years, respectively, and general and administrative expenses accounted for 44.1% and 48.0% in the previous and current fiscal years, respectively.

Major items and figures of selling, general and administrative expenses are as follows.

	(Millions of yen)	
	FY2024	FY2025
	(Jan. 1, 2024 to Dec. 31, 2024)	(Jan. 1, 2025 to Dec. 31, 2025)
Advertising expenses	5,008	3,602
Miscellaneous selling expenses	4,917	2,755
Salaries	5,731	6,996
Taxes and dues	4,178	4,038

*3. Loss on building reconstruction

FY2024 (January 1, 2024 to December 31, 2024)

Breakdown of loss associated with the reconstruction plan of buildings for rent is as follows.

Impairment losses (Note)	890 (Millions of yen)
Total	890 (Millions of yen)

(Note) The Group has categorized its assets according to the smallest unit that generates cash flows that are generally independent of the cash flows of other assets or asset groups.

The book value of a group of assets scheduled for reconstruction was reduced to the recoverable amount, and the amount of the reduction was recorded as a loss on building reconstruction under extraordinary losses in the current fiscal year.

Recoverable value is measured by value in use, and since the value in use based on future cash flows is negative, the recoverable value is evaluated as zero.

Main Use	Class	Location	Loss on building reconstruction (Millions of yen)
Building for rent	Buildings and structures, etc.	Shibuya-ku, Tokyo	890

(Matters related to securities)

Shares of subsidiaries and associates

FY2024 (December 31, 2024)

The fair values of shares of subsidiaries and associates are not stated as they do not have market prices.

FY2025 (December 31, 2025)

The fair values of shares of subsidiaries and associates are not stated as they do not have market prices.

(Note) Book value of non-marketable equity securities and other securities on the balance sheet

(Millions of yen)

Category	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Shares of subsidiaries	133,517	172,092
Shares of associates	123	126
Total	133,640	172,218

(Matters related to tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Millions of yen)

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Deferred tax assets		
Provision for retirement benefits	2,508	2,508
Impairment losses	8,058	8,250
Loss on valuation of real estate for sale	708	1,322
Loss on valuation of shares of subsidiaries and associates, etc.	5,621	6,641
Excess allowance for doubtful accounts	2,276	3,072
Unrealized gains (losses) on distributions from silent partnerships	1,933	1,936
Compensation income	1,353	1,003
Depreciation of real estate for sale	2,804	3,271
Other	9,100	7,118
Subtotal of deferred tax assets	34,365	35,124
Valuation allowance	(19,374)	(20,527)
Total deferred tax assets	14,990	14,596
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(20,626)	(27,905)
Reserve for tax purpose reduction entry of replacement assets	(2,929)	(3,008)
Reserve for special account for tax purpose reduction entry of non-current assets	—	(1,435)
Other	(1,489)	(3,892)
Total deferred tax liabilities	(25,045)	(36,241)
Net deferred tax assets (liabilities)	(10,054)	(21,644)

2. Breakdown by major cause when there is a significant difference between statutory tax rate and effective tax rate

	FY2024 (December 31, 2024)	FY2025 (December 31, 2025)
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Increase (decrease) in valuation allowance	0.6	0.8
Entertainment expense(s) and other items not permanently deductible for income tax purposes	0.2	0.2
Dividends income and other items not permanently includable in income	(2.0)	(2.0)
Foreign withholding tax	0.1	0.2
Effect of increase in deferred tax liabilities at the end of period due to change in tax rate	—	(0.1)
Other	(0.5)	(0.9)
Effective tax rate	29.0	28.8

(Changes in presentation)

“Foreign tax credit,” which was presented separately in the previous fiscal year, has been included in “Other” from the current fiscal year because of immateriality. The notes for the previous fiscal year have been reclassified to reflect this change in presentation.

(Adjustment of the amount of deferred tax assets and deferred tax liabilities due to change in tax rate of income taxes)

In connection with the enactment of the “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) on March 31, 2025, the “Special defense corporate tax” will be imposed for fiscal years beginning on or after April 1, 2026. Accordingly, for temporary differences expected to be reversed in fiscal years beginning on or after January 1, 2027, deferred tax assets and deferred tax liabilities have been calculated by changing the statutory tax rate from 30.6% to 31.5%. As a result of this change, the amount of deferred tax liabilities (after deducting deferred tax assets) for the current fiscal year increased by ¥763 million, income taxes - deferred decreased by ¥103 million, and valuation difference on available-for-sale securities decreased by ¥797 million. In addition, deferred tax liabilities for land revaluation increased by ¥802 million, and revaluation reserve for land decreased by the same amount.

(Matters related to revenue-recognition)

Notes have been omitted as information that forms the basis for understanding revenue from contracts with customers is identical to “(1) Notes to Consolidated Financial Statements (Revenue recognition)” of “1. Consolidated Financial Statements.”

(Major Subsequent Events)

(Issuance of bonds)

Based on the resolutions of the Board of Directors meetings held on February 12, 2025 and February 12, 2026 regarding the maximum amount and outline of issuance of unsecured ordinary bonds, the Company resolved to issue unsecured ordinary bonds (sustainability bonds) on February 20, 2026 and issued them on February 27, 2026.

For details, please refer to “Notes (Major Subsequent Events)” of “1. Consolidated Financial Statements.”

(iv) Supplementary schedules

Schedule of property, plant and equipment

(Millions of yen)

Category	Asset type	Balance at beginning of period	Increase in current year	Decrease in current year	Depreciation in current year	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	160,299	7,344	2,380	9,091	156,171	131,236
	Structures	2,607	377	6	262	2,716	8,267
	Machinery and equipment	1,977	254	14	243	1,974	3,302
	Vehicles	102	21	0	35	89	820
	Tools, furniture and fixtures	2,611	544	19	898	2,237	5,865
	Land	555,248 [53,438]	19,858	14,511 [(416)]	—	560,594 [53,854]	—
	Leased assets	5	—	—	1	3	8
	Construction in progress	99,773 [17,024]	43,968	551	—	143,189 [17,024]	—
	Other property, plant and equipment	2,432	18	—	—	2,451	—
	Total	825,057	72,387	17,483	10,531	869,429	149,501
Intangible assets	Leasehold interests in land	33,358	5	331	—	33,032	—
	Other	39	0	0	2	37	345
	Total	33,398	5	331	2	33,070	345

(Notes) 1. Figures in [] in the “Balance at beginning of period,” “Decrease in current year,” and “Balance at end of period” columns represent the difference between the book value of the land before revaluation conducted in accordance with the Order for Enforcement of the Act on Revaluation of Land (1998, Law No. 34). The decrease in the current year was due to sale.

2. Major items in “Increase in current year” are as follows.

	Participating committee members’ contributions, etc. in Type-1	
Construction in progress	Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (District B)	¥35,770 million

Schedule of allowances

(Millions of yen)

Category	Balance at beginning of period	Increase in current year	Decrease in current year	Balance at end of period
Allowance for doubtful accounts	7,438	2,467	152	9,753
Allowance for investment loss	738	—	738	—
Provision for bonuses	362	405	362	405
Provision for share awards for directors (and other officers)	410	127	60	477

(2) Major assets and liabilities

Statement is omitted as the Company prepared the consolidated financial statements.

(3) Other

Not applicable.

VI. Information on Share Administration of the Company

Fiscal year	From January 1 to December 31
Ordinary General Meeting of Shareholders	To be held in March
Record date	December 31
Record date for dividends of surplus	Interim dividend: June 30 Year-end dividend: December 31
Number of shares constituting one unit	100 shares
Purchase and sale of shares of less than one unit	
Office for handling business	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Head Office Transfer Agent Department Mizuho Trust & Banking Co., Ltd.
Transfer agent	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
Forwarding office	—
Handling charge for purchase and sale	Free-of-charge
Method of Public Notice	The Company carries out its public notifications by means of electronic public notice. However, in the event that it is not possible to provide electronic public notice due to an accident or other unavoidable reason, public notice shall be provided in the Nihon Keizai Shimbun published in Tokyo. Electronic public notices are posted on the Company's website, and the URL is as follows. https://tatemono.com/ir/kokoku.html

Special benefit for shareholders	1. Eligible shareholders Shareholders recorded in the register of shareholders as of December 31 each year who satisfy the requirements regarding the holding period and the number of shares held.								
	2. Details of shareholder benefits Web catalog gifts and facility use discount tickets (*) are presented according to the holding period and the number of shares held as of the most recent record date. * Discount tickets usable at resort hotels operated by the Group (Hotel Regina Kawaguchiko, Regina Resort), bathing facilities (Ofuro no Ousama), and golf courses								
	• Shareholders who have continuously held 200 or more shares of the Company for one year or more but less than three years								
	<table border="1"> <thead> <tr> <th style="text-align: center;">Number of shares held as of the most recent record date</th> <th style="text-align: center;">Benefit details</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">200 shares or more but less than 400 shares</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥2,000) and facility use discount tickets (2 tickets each)</td> </tr> <tr> <td style="text-align: center;">400 shares or more but less than 800 shares</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥4,000) and facility use discount tickets (4 tickets each)</td> </tr> <tr> <td style="text-align: center;">800 shares or more</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥8,000) and facility use discount tickets (8 tickets each)</td> </tr> </tbody> </table>	Number of shares held as of the most recent record date	Benefit details	200 shares or more but less than 400 shares	Web catalog gift (equivalent to ¥2,000) and facility use discount tickets (2 tickets each)	400 shares or more but less than 800 shares	Web catalog gift (equivalent to ¥4,000) and facility use discount tickets (4 tickets each)	800 shares or more	Web catalog gift (equivalent to ¥8,000) and facility use discount tickets (8 tickets each)
	Number of shares held as of the most recent record date	Benefit details							
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	800 shares or more	Web catalog gift (equivalent to ¥8,000) and facility use discount tickets (8 tickets each)							
	• Shareholders who have continuously held 200 or more shares of the Company for three years or more								
	<table border="1"> <thead> <tr> <th style="text-align: center;">Number of shares held as of the most recent record date</th> <th style="text-align: center;">Benefit details</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">200 shares or more but less than 400 shares</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥3,000) and facility use discount tickets (2 tickets each)</td> </tr> <tr> <td style="text-align: center;">400 shares or more but less than 800 shares</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥6,000) and facility use discount tickets (4 tickets each)</td> </tr> <tr> <td style="text-align: center;">800 shares or more</td> <td style="text-align: center;">Web catalog gift (equivalent to ¥12,000) and facility use discount tickets (8 tickets each)</td> </tr> </tbody> </table>	Number of shares held as of the most recent record date	Benefit details	200 shares or more but less than 400 shares	Web catalog gift (equivalent to ¥3,000) and facility use discount tickets (2 tickets each)	400 shares or more but less than 800 shares	Web catalog gift (equivalent to ¥6,000) and facility use discount tickets (4 tickets each)	800 shares or more	Web catalog gift (equivalent to ¥12,000) and facility use discount tickets (8 tickets each)
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400 shares or more but less than 800 shares	Web catalog gift (equivalent to ¥6,000) and facility use discount tickets (4 tickets each)								
800 shares or more	Web catalog gift (equivalent to ¥12,000) and facility use discount tickets (8 tickets each)								
*Requirements regarding the holding period and the number of shares held									
• “Continuously holding 200 or more shares of the Company for one year or more but less than three years” means that 200 or more shares under the same shareholder number have been recorded in the register of shareholders as of December 31 each year for two or more but less than four consecutive times counting backwards from the most recent record date.									
• “Continuously holding 200 or more shares of the Company for three years or more” means that 200 or more shares under the same shareholder number have been recorded in the register of shareholders as of December 31 each year for four or more consecutive times counting backwards from the most recent record date.									
• If the number of shares held as of the record date of December 31 each year falls below 200 shares, that period is not included in the holding period requirement.									

(Note) The Company’s Articles of Incorporation stipulate that shareholders of the Company may not exercise any rights other than the following rights with respect to their shares constituting less than one unit.

- (1) Rights stipulated in each item of Paragraph 2, Article 189 of the Companies Act.
- (2) The right to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act.
- (3) The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by the shareholder.
- (4) The right to request the sale of the number of shares that, together with the number of shares of less than one unit held by the shareholder, will constitute one unit of shares.

VII. Reference Information on the Company

1. Information on the Parent Company, etc.

The Company has no parent company.

2. Other Reference Information

The Company filed the following documents during the period from the commencing date of the current fiscal year to the filing date of the Annual Securities Report.

(1) Annual Securities Report and the Attachments Thereto, and Confirmation Letter Fiscal Year (207th Fiscal Year) (From January 1, 2024 to December 31, 2024)	March 26, 2025 Filed with the Director- General of Kanto Local Finance Bureau
(2) Internal Control Report and the Attachments Thereto	March 26, 2025 Filed with the Director- General of Kanto Local Finance Bureau
(3) Semiannual Report and Confirmation Letter 208th Fiscal Year (from January 1, 2025 to June 30, 2025)	August 12, 2025 Filed with the Director- General of Kanto Local Finance Bureau
(4) Amended Shelf Registration Statement (Bonds)	March 31, 2025 May 9, 2025 June 20, 2025 Filed with the Director- General of Kanto Local Finance Bureau
(5) Shelf Registration Supplement (Bonds) and the Attachments Thereto	May 30, 2025 June 27, 2025 February 20, 2026 Filed with the Director- General of Kanto Local Finance Bureau
(6) Extraordinary Report This is an extraordinary report pursuant to Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Results of Exercise of Voting Rights at the General Meeting of Shareholders).	March 28, 2025 Filed with the Director- General of Kanto Local Finance Bureau
(7) Share Buyback Report Reporting period (from March 1, 2025 to March 31, 2025) Reporting period (from April 1, 2025 to April 30, 2025) Reporting period (from May 1, 2025 to May 31, 2025) Reporting period (from June 1, 2025 to June 30, 2025) Reporting period (from July 1, 2025 to July 31, 2025) Reporting period (from August 1, 2025 to August 31, 2025)	April 11, 2025 May 9, 2025 June 9, 2025 July 8, 2025 August 12, 2025 September 9, 2025 Filed with the Director- General of Kanto Local Finance Bureau

Part II: Information on Guarantors, etc. for the Company

Not applicable.

(For Translation Purposes Only)

Independent Auditor's Report

March 23, 2026

To the Board of Directors
Tokyo Tatemono Co., Ltd.:

Ernst & Young ShinNihon LLC.

Tokyo, Japan

Designated and Engagement Partner Managing Partner	Certified Public Accountant	Yuji Mukaide
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Designated and Engagement Partner Managing Partner	Certified Public Accountant	Koji Ojima
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<Audit of Consolidated Financial Statements>

Opinion

In order to provide audit certification pursuant to Paragraph 1 of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Tokyo Tatemono Co., Ltd. for the consolidated fiscal year (from January 1, 2025 to December 31, 2025), provided in the "Financial Information," which comprises the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows, significant matters that serve as the basis for preparing consolidated financial statements, other notes, and consolidated supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Tokyo Tatemono Co., Ltd. and its consolidated subsidiaries as of December 31, 2025, as well as its consolidated financial performance and consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the requirements for professional ethics in Japan (including the requirements applicable to the audit of financial statements of entities with high public interest), and we have fulfilled our other ethical responsibilities as Auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current consolidated fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from real estate sales transactions (excluding residential sales)	
Description of Key Audit Matter	Auditor's Response
<p>Tokyo Tatemono Co., Ltd. (the "Company") and its consolidated subsidiaries are engaged in real estate sales. Revenue from real estate sales transactions is included in "Real estate sales" (86,162 million yen in the Commercial Properties Business, 134,874 million yen in the Residential Business, and 22,147 million yen in the Asset Service Business) that is part of "1. Information that disaggregates revenue from contracts with customers" under "Revenue-recognition" in the notes to the consolidated financial statements for the consolidated fiscal year ended December 31, 2025.</p> <p>In general, real estate sales transactions (excluding residential sales) are highly individual in nature and the transaction amounts are large. Such transactions involve the risk that revenue is inappropriately recognized, despite substantially all the risks and rewards of ownership having not been transferred, due to the Company and its consolidated subsidiaries continuing to be involved with the real estate through, for example, the entrustment of management after the sale of real estate and the provision of substantial guarantees of future cash flows from the transferred real estate.</p> <p>Accordingly, we determined that real estate sales transactions (excluding residential sales) are a key audit matter.</p>	<p>We mainly performed the following procedures for real estate sales transactions (excluding housing sales) to test for risks of inappropriate revenue recognition.</p> <ul style="list-style-type: none"> • In order to consider transactions as a whole, the attributes of transaction counterparties, and whether there is any continuing involvement in real estate after its sale, as well as the details of such involvement, we inspected sales contracts, requests for approval, minutes of meetings of the board of directors, and external information such as websites and other sources. • In order to test transaction amounts, we compared the amounts with peripheral transactions and real estate appraisals. • In order to assess the impact of any continuing involvement in real estate after its sale, as well as the details of such involvement, on the transfer of the risks and rewards of ownership, we inspected sale contracts and other related agreements and made inquiries of management and the responsible divisions. • In order to test the facts of transactions, we inspected supporting documents related to cash receipts and the company register.

Evaluations during development periods for non-current assets related to large-scale development projects	
Description of Key Audit Matter	Auditor's Response
<p>The Company and its consolidated subsidiaries are engaged in multiple real estate development businesses, and at the end of the consolidated fiscal year ended December 31, 2025, property, plant and equipment, primarily consisting of land and construction in progress, amounted to 1,005,129 million yen on the Consolidated Balance Sheet.</p> <p>Real estate development projects generally take a long period of time from initial investment to return, during which time development is exposed to various risks and thus might not proceed as planned after the decision is made to invest in the project. This presents the risk that profitability will be lower than initially estimated and that invested funds will not be recovered. Specifically, there is a risk of delays in agreements with other landowners, failure to obtain development permits from local governments, delays in construction work, increases in construction costs, and leasing not proceeding as planned. Considering that large-scale development projects in particular require large investments and lengthy development periods, any related impairment loss is also material if recorded.</p> <p>For non-current assets related to development projects, impairment accounting requires determining whether there are indicators of impairment. Such determinations must be made by comprehensively evaluating the various risks described above; errors in these determinations may result in a failure to recognize the appropriate amount of impairment loss. Significant assumptions used in these evaluations, namely development schedules, anticipated rental income from tenants, construction costs, and discount rates, involve uncertainty.</p> <p>Accordingly, we determined that evaluations during development periods for non-current assets related to large-scale development projects are a key audit matter.</p>	<p>We mainly performed the following procedures to ascertain whether there are indications of impairment in the application of impairment accounting during development periods for non-current assets related to the large-scale real estate development business.</p> <ul style="list-style-type: none"> • In order to consider whether there have been significant changes giving rise to indications of impairment, we inspected requests for approval, minutes of meetings of the board of directors, and project plans, and made inquiries of management and the responsible departments, as necessary, regarding the recent status of development projects, including discussions with other landowners and local governments, the receipt of major permits, construction costs, construction progress, and tenant leasing efforts. • In order to consider the feasibility of development projects, we compared significant assumptions, namely anticipated rents to be paid by tenants, construction costs, and discount rates, with publicly available external information and actual amounts in similar cases and in portions of existing contracts.

Measurement of equity method investment losses related to equity-method affiliates in the China business	
Description of Key Audit Matter	Auditor's Response
<p>The Company is involved in the real estate development business in China through equity-method affiliates (the "Affiliates").</p> <p>As described in (Significant accounting estimates) in the notes to the consolidated financial statements, the Company recorded investment losses of 6,203 million yen for the fiscal year ended December 31, 2025.</p> <p>This was primarily attributable to the recognition of an allowance for doubtful accounts on certain receivables held by the Affiliates, as their recoverability has declined.</p> <p>To provide for losses due to bad debts, the Company assesses the recoverability of certain receivables, including doubtful receivables, on an individual basis, and the estimated uncollectible amounts are recognized as an allowance for doubtful accounts by the Affiliates.</p> <p>The estimated uncollectible amounts include significant assumptions regarding the debtor's expected future repayments related to the receivables.</p> <p>The Company also assesses the status of funds held and the expected progress of projects at the Affiliates in measuring equity method investment losses.</p> <p>Given that these assumptions involve significant uncertainty as well as management subjectivity in the selection and application of accounting estimation, we determined that the measurement of equity method investment losses related to the Affiliates is a key audit matter.</p>	<p>We mainly performed the following procedures in the measurement of equity method investment losses.</p> <ul style="list-style-type: none"> • We made inquiries of management and the responsible business divisions to understand the debtor's intention and ability to repay the receivables held by the Affiliates. • In order to evaluate a debtor's expected future repayments related to the receivables, we inspected minutes of meetings with the debtor and assessed the debtor's recent repayment history. • In order to evaluate the status of funds held at the Affiliates, we inspected joint agreements and accounting books and examined whether funds were held by reconciling them with external supporting documents. • In order to evaluate the expected progress of the real estate development business held by the Affiliates, we inspected the Company's minutes of meetings of the board of directors and made inquiries of management and the responsible business divisions. • We recalculated the allowance for doubtful accounts and the resulting equity method investment losses.

Other Information

Other information consists of that included in the Annual Securities Report, other than the consolidated financial statements, the financial statements and our Auditor's reports thereon. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the going concern basis of accounting and responsible for disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and implementation of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's report that includes our opinion from an independent perspective on the consolidated financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement due to fraud or error. In addition, design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures are at our discretion. Furthermore, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty related to the going concern basis of accounting exists, we are required to draw attention in our Auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our Auditor's report date. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform an audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit of consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board members and Audit & Supervisory Board regarding, among other matters that are required by auditing standards, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, if measures have been taken to eliminate inhibiting factors or safeguards have been applied to reduce inhibiting factors to an acceptable level, the content of such measures or safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

In order to provide audit certification pursuant to Paragraph 2, Article 193-2 of the Financial Instruments and Exchange Act, we have audited the management's report on internal control over financial reporting of Tokyo Tatemono Co., Ltd. as of December 31, 2025.

In our opinion, the management's report on internal control referred to above, which represents that the internal control over financial reporting of Tokyo Tatemono Co., Ltd. as of December 31, 2025 is effectively maintained, presents fairly, in all material respects, the results of management's assessment of internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of internal control in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit section of internal control of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the requirements for professional ethics in Japan (including the requirements applicable to the audit of financial statements of entities with high public interest), and we have fulfilled our other ethical responsibilities as Auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report

The management is responsible for establishing and operating internal control over financial reporting and preparing and properly presenting an internal control report in accordance with the evaluation standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor's Responsibilities in the Audit of Internal Control

Our responsibilities are to obtain reasonable assurance about whether the management's report on internal control is free from material misstatement and to express an opinion from an independent perspective on an internal control report in our audit report of internal control.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Conduct audit procedures to obtain audit evidence regarding the results of the evaluation of internal control over financial reporting in the internal control report. Audit procedures for audit of internal control are selected and applied at the Auditor's discretion based on the materiality of the effects on the reliability of financial reporting.
- Examine representations on the scope, procedures, and results of assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Plan and perform an audit of the internal control to obtain sufficient appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the management's report on internal control. We are responsible for direction, supervision and review of the audit of management's report on internal control. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board members and Audit & Supervisory Board regarding the planned scope and timing of the audit of internal control, results of the audit of internal control, including identified material weaknesses that should be disclosed, the results of remediation, and other matters that are required by auditing standards for internal control.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, if measures have been taken to eliminate inhibiting factors or safeguards have been applied to reduce inhibiting factors to an acceptable level, the content of such measures or safeguards.

<Fee-Related Information>

The amounts of compensation paid to our firm and others in the same network for audit attestation services and non-audit services for the company and its subsidiaries are as described in "(3) Status of Audits" under "Corporate Governance, etc." included in "Status of the Company."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

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- *1 The original of the above Independent Auditor's Report is kept separately by the Company (the company submitting the annual securities report).
 - 2 XBRL data is not included in the scope of the audit.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

(For Translation Purposes Only)

Independent Auditor's Report

March 23, 2026

To the Board of Directors
Tokyo Tatemono Co., Ltd.:

Ernst & Young ShinNihon LLC.

Tokyo, Japan

Designated and Engagement Partner Managing Partner	Certified Public Accountant	Yuji Mukaide
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Designated and Engagement Partner Managing Partner	Certified Public Accountant	Koji Ojima
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<Audit of Financial Statements>

Opinion

In order to provide audit certification pursuant to Paragraph 1 Article 193-2 of the Financial Instruments and Exchange Act, we have audited Tokyo Tatemono Co., Ltd.'s non-consolidated financial statements for the 208th fiscal year (from January 1, 2025 to December 31, 2025), provided in the "Financial Information," which comprises the balance sheet, statement of income, statement of changes in equity, significant accounting policies, other notes, and supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Tokyo Tatemono Co., Ltd. as of December 31, 2025, and its financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the requirements for professional ethics in Japan (including the requirements applicable to the audit of financial statements of entities with high public interest), and we have fulfilled our other ethical responsibilities as Auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current fiscal year. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the Auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from real estate sales transactions (excluding residential sales)

The details of this key audit matter (recognition of revenue from real estate sales transactions (excluding residential sales)) have been omitted since they are the same as those described in the auditor’s report for the consolidated financial statements.

Evaluations during development periods for non-current assets related to large-scale development projects

The details of this key audit matter (evaluations during development periods for non-current assets related to large-scale development projects) have been omitted since they are the same as those described in the auditor’s report for the consolidated financial statements.

Valuation of investments in affiliates related to the China business	
Description of Key Audit Matter	Auditor’s Response
<p>The Company is involved in real estate development projects in China through equity-method affiliates (the “Affiliates”).</p> <p>As described in (Significant accounting estimates) in the notes to the financial statements, the Company recorded a valuation loss of 3,213 million yen on investments in Affiliates.</p> <p>This was attributable to the recognition of an allowance for doubtful accounts on certain receivables held by the Affiliates, as their recoverability has declined.</p> <p>To provide for losses due to bad debts, the Company assesses the recoverability of certain receivables, including doubtful receivables, on an individual basis, and the estimated uncollectible amounts are recognized as an allowance for doubtful accounts by the Affiliates.</p> <p>The estimated uncollectible amounts include significant assumptions regarding the debtor’s expected future repayments related to the receivables.</p> <p>The Company also assesses the status of funds held and the expected progress of projects at the Affiliates in valuating investments in the Affiliates.</p> <p>Given that these assumptions involve significant uncertainty as well as management subjectivity in the selection and application of accounting estimation, we determined that the valuation of investments in affiliates related to the China business is a key audit matter.</p>	<p>We mainly performed the following procedures in the valuation of investments in Affiliates related to the China business.</p> <ul style="list-style-type: none"> • We made inquiries of management and the responsible business divisions to understand the debtor’s intention and ability to repay the receivables held by the Affiliates. • In order to evaluate a debtor’s status of repayments related to the receivables, we inspected minutes of meetings with the debtor and examined the debtor’s recent repayment history. • In order to evaluate the status of funds held at the Affiliates, we inspected joint agreements and accounting books and examined whether funds were held by reconciling them with external supporting documents. • In order to evaluate the expected progress of the real estate development business held by the Affiliates, we inspected the Company’s minutes of meetings of the board of directors and made inquiries of management and the responsible business divisions. • We recalculated the allowance for doubtful accounts and the resulting valuation loss on investments in Affiliates.

Other Information

Other information consists of that included in the Annual Securities Report, other than the consolidated financial statements, the financial statements and our Auditor’s reports thereon. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by the Directors in designing and operating the reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In the course of our audit of the financial statements, our responsibility is to read through the other statements and, in the course of reading, to consider whether there are material inconsistencies between the other statements and the financial statements or our knowledge obtained in the audit, otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements on the going concern basis of accounting and responsible for disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and implementation of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's report that includes our opinion from an independent perspective on the non-consolidated financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement due to fraud or error. In addition, design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures are at our discretion. Furthermore, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting to prepare the non-consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty related to the going concern basis of accounting exists, we are required to draw attention in our Auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to our Auditor's report date. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board members and Audit & Supervisory Board regarding, among other matters that are required by auditing standards, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, if measures have been taken to eliminate inhibiting factors or safeguards have been applied to reduce inhibiting factors to an acceptable level, the content of such measures or safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current fiscal year and are, therefore, key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fee-related information stated in the Independent Auditor's Report for the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

*1 The original of the above Independent Auditor's Report is kept separately by the Company (the company submitting the annual securities report).

2 XBRL data is not included in the scope of the audit.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

Cover

Document Filed:	Internal Control Report
Applicable Law:	Paragraph 1 of Article 24-4-4 of the Financial Instruments and Exchange Act
Filed to:	Director-General of Kanto Local Finance Bureau
Filing Date:	March 23, 2026
Company Name:	Tokyo Tatemono Kabushiki Kaisha
Company Name in English:	Tokyo Tatemono Co., Ltd.
Name and Title of Representative:	Katsuhito Ozawa, Representative Director, President & Chief Executive Officer
Name and Title of Chief Financial Officer:	Yutaka Onuma, Managing Executive Officer & Chief Financial Officer
Location of Head Office:	1-9-9 Yaesu, Chuo-ku, Tokyo (The above is the address registered as the location of the head office of the Company. Actual business operations are conducted at the following location.) 1-4-16 Yaesu, Chuo-ku, Tokyo
Place for Public Inspection:	Tokyo Tatemono Co., Ltd. Kansai Branch (3-4-8 Honmachi, Chuo-ku, Osaka-shi, Osaka) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

1. Matters concerning the basic framework for internal control over financial reporting

Katsuhito Ozawa, Representative Director, President & Chief Executive Officer, and Yutaka Onuma, Managing Executive Officer & Chief Financial Officer, are responsible for designing and operating effective internal control over financial reporting of Tokyo Tatemono Co., Ltd. (“the Company”), and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters related to the scope of valuation, record date and valuation procedures

We conducted our assessment of internal control over financial reporting with a base date of December 31, 2025, the end of the current fiscal year. Our assessment followed generally accepted standards for assessing internal control over financial reporting. In conducting this assessment, we evaluated internal controls that may have a material effect on the entire financial reporting on a consolidated basis (“company-level controls”) and based on the results of this assessment; we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. We also evaluated the effectiveness of internal control by assessing the related internal control over information technology.

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method affiliated companies, from the perspective of the materiality that may affect the reliability of our financial reporting. The materiality of the impact on the reliability of financial reporting is determined by considering both quantitative and qualitative impacts as well as the likelihood of their occurrence. We confirmed that we had reasonably determined the scope of the assessment of internal controls over business processes considering the results of the assessment of company-level controls conducted for the Company and its eight consolidated subsidiaries. Consolidated subsidiaries and equity method affiliates deemed insignificant in terms of the impact on financial reporting were not included in the company-wide internal control evaluation scope.

For the purpose of selecting the scope of process-level control assessment, four business locations were selected as “Significant Business Locations,” which comprise the Company and its consolidated subsidiaries selected in descending order based on their fiscal year’s net sales, and which contributed approximately two-thirds of the Company’s consolidated net sales in the aggregate. In the selected Significant Business Locations, since the main businesses are the Commercial Properties business, Residential business, and Asset Service business, all business processes related to the accounts closely associated with the Company’s business objectives, such as operating revenue, trade accounts receivable, real estate for sale, and real estate for sale in process, were included in the scope of assessment. Furthermore, regardless of the Significant Business Locations, certain business processes related to significant accounts involving estimates and forecasts were added to the scope of assessment as business processes with the material impact of financial reporting, such as valuation of securities and investments in capital, tax effect accounting, and impairment of non-current assets, etc.

3. Matters related to the results of the evaluation

Based on the above evaluation results, we have determined that the Company’s internal control over financial reporting is effective as of the end of the current fiscal year.

4. Note

There is nothing to be added.

5. Special note

There are no special items to be noted upon confirmation.

Cover

Document Filed:	Confirmation Letter
Applicable Law:	Paragraph 1 of Article 24-4-2 of the Financial Instruments and Exchange Act
Filed to:	Director-General of Kanto Local Finance Bureau
Filing Date:	March 23, 2026
Company Name:	Tokyo Tatemono Kabushiki Kaisha
Company Name in English:	Tokyo Tatemono Co., Ltd.
Name and Title of Representative:	Katsuhito Ozawa, Representative Director, President & Chief Executive Officer
Name and Title of Chief Financial Officer:	Yutaka Onuma, Managing Executive Officer & Chief Financial Officer
Location of Head Office:	1-9-9 Yaesu, Chuo-ku, Tokyo (The above is the address registered as the location of the head office of the Company. Actual business operations are conducted at the following location.) 1-4-16 Yaesu, Chuo-ku, Tokyo
Place for Public Inspection:	Tokyo Tatemono Co., Ltd. Kansai Branch (3-4-8 Honmachi, Chuo-ku, Osaka-shi, Osaka) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

1. Matters concerning the appropriateness of the information in the Annual Securities Report

Katsuhito Ozawa, Representative Director, President & Chief Executive Officer of the Company, and Yutaka Onuma, Chief Financial Officer of the Company, have confirmed that the information in the Annual Securities Report of the Company for the 208th fiscal year (from January 1, 2025 to December 31, 2025) is properly presented in accordance with the Financial Instruments and Exchange Act.

2. Special note

There are no special items to be noted upon confirmation.