

# Human & Future Development



## Results of the first year of the second medium-term management plan (fiscal year ended November 2021)

(Unit: Million yen)

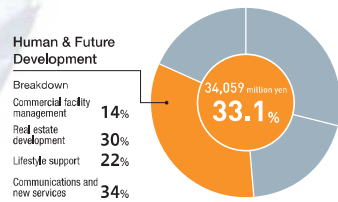
	1st year (fiscal year ended November 2021)				2nd year (fiscal year ending November 2022)		Final year (fiscal year ending November 2023)
	Medium-term plan	Results	Difference	Evaluation	Medium-term plan	Forecast*	Medium-term plan
Sales	33,000	34,059	1,059	↑	34,000	33,400	37,400
Operating income	5,700	6,115	415	↑	6,000	6,000	6,650
Operating margin	17.3%	18.0%	0.7 points	↑	17.7%	18.0%	17.8%

\*Announced in January 2022

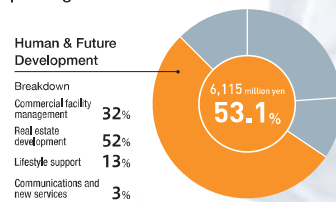
## Performance by business segment for the fiscal year ended November 2021

Note: Sales distribution was calculated based on group-wide sales excluding sales of "Others" and adjustment divisions (3,612 million yen). Operating income distribution was calculated based on the total amount of segment income excluding "Others" and the adjustment amount (-1,610 million yen).

### Sales distribution



### Operating income distribution



## Main products and services

- Commercial facility management: Shopping centers
- Real estate development: Real estate leasing, sales of solar energy, construction business
- Lifestyle support: Childcare and after-school childcare, nursing care, sports related
- Communications and new services: Communications, Kids Land (amusement facility for young children), franchise business (Baskin Robbins, Tsutaya, etc.)

## Continuing to grow so we can make a greater contribution



Director and Managing Executive Officer  
General Manager of Human & Future Development Division  
**Yoshiro Kawamura**

- Business overview**
- Provision of products and services that meet local needs through regional development encompassing stores to entire communities; development of real estate
- Key policies**
- Pursue customer satisfaction and employee satisfaction to continue providing products and services as the undisputed regional No.1
  - Strengthen interaction within business divisions to expand options for community and regional development
  - Strive to maximize the profits of overall group-company-owned assets and maximize asset value
  - Emphasize talent development and have employees demonstrate thoughtful action as professionals in each field

## Sustainable management approach and business strategy

### Our division's approach

"We have an essential role to play in society and business that we need to maintain. For this, we will need to keep our company growing, and that growth is built on people." This is the basic philosophy of the Human & Future Development Division. It is important, therefore, that the people at every level and in every context, be it business management, strategic planning/implementation or job execution, are themselves growing through the activities they perform. It is important that they adopt a responsible, customer-oriented perspective in their work, making sure to demonstrate thoughtful action. Our approach to business relies on the constant pursuit of customer and employee satisfaction, providing products and services that make us the overwhelming regional No. 1.

### Risks and opportunities

For our division, we recognize the business risk presented by increasing energy costs for large shopping centers and other facilities, as well as increasing materials costs for construction-related businesses. At the same time, however, the increasing focus on outdoor activities and greater health consciousness among the public represents new sales opportunities for our different businesses, such as our golf, tennis and other sports business and our confectionery retail and other franchise business. We are ramping up efforts to capitalize on these opportunities.

### Future business strategy

From the fiscal year ending November 2022, our division will be organized into four departments: the SC Department, Real Estate Development Department, Life Value Services Department, and Communications and New Services Department. Our aim is to ensure strong interaction between these departments leading to synergistic growth. We will continue to refine our existing business model and bring our accumulated wealth of know-how to bear in service of society to earn the affection of our stakeholders and help build a brighter future. Our mission is to support people's lifestyles through commercial facilities, sports facilities, and other real estate as well as to support their lives in a range of contexts, from child care to nursing care, striving to ensure we remain an essential business that is focused on the future.

### Topics Tokyo Building renovation

Nikke has begun renovation work on the Nikke Tokyo Building in Tokyo's Chuo Ward. The work is scheduled to be completed in the fall of 2024 and will serve as a symbol of an environmentally conscious "new normal" era.



Conceptual image of the completed building (see p. 34 for details)