

Part 4

Business Overview and Outlook

While responding to changes in the business environment, we are steadily evolving our business model, which is based on both the construction and real estate development businesses, to provide services with high added value.



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Civil Engineering

We will promptly adapt to changes in existing markets and persist with initiatives to resolve social issues.

Given Japan’s need to address intensifying natural disasters and the renewal of aging infrastructure, we will keep contributing to society by engaging in measures to strengthen national resilience as well as delivering quality infrastructure that ensures people’s safety and security. As the world shifts toward carbon neutrality, in the field of renewable energy we will leverage the knowledge and expertise we have acquired through the design, construction, procurement and contracting of offshore and onshore wind power projects to create a medium- to long-term revenue stream.

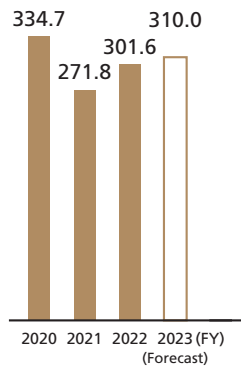


Masaru Kazama

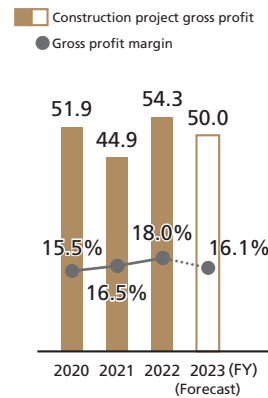
Representative Director, Executive Vice President,
General Manager, Civil Engineering Management Division

Business Overview

Revenues
(¥ billion)

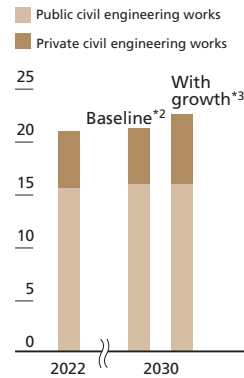


Construction Project Gross Profit
(¥ billion) /Gross Profit Margin



Market Environment

Medium-Term Forecast for Construction Investment in the Civil Engineering Field*1 (¥ trillion)



Outlook for Kajima Construction Amount by Field

	Construction field	Outlook
Existing markets	Dams, roads, railways, bridges, water and sewage facilities, other	→
Social issues solution-type area	Renewable energy generation facilities ▶ Page 41	↗
	Renewal/Renovation (Renewal & Repair) ▶ Page 44	↗

*1 Source: 1.2 Medium- to long-term forecasts for construction investment and supply and demand through 2035, *Construction Economics Report No. 74*, Research Institute of Construction and Economy

*2 Economic expansion at the current potential growth rate

*3 Market performance reflecting the effects of economic policies

Strengths

- Extensive construction track record and industry presence
- Management foundation (human resources, technology, etc.) to take on and realize new technologies and fields
- Engineering capabilities that meet all customer needs

Risks

- Decrease in the existing workforce due to implementation of upper limits on overtime work
- Shortages in the next-generation workforce due to aging of skilled workers and fewer people entering the industry
- Rising construction costs, including prices of materials and equipment

Opportunities

- Increased demand for infrastructure maintenance and renewal due to measures to strengthen national resilience
- Growth of the renewable energy market toward carbon neutrality
- Increased appreciation of labor-saving technologies using ICT and growing social needs

Business Policies

Key Measures of the Related Medium-Term Business Plan

<p>(a) Strengthen efforts to target projects that leverage comprehensive engineering capabilities</p>	<p>1 Further strengthen core businesses</p> <ul style="list-style-type: none"> Strengthen proposal, design-build, and engineering capabilities with a focus on growth areas Further promote the development of next-generation construction manufacturing systems Maximize customer value by expanding the business domain <p>2 Strive to create new value</p> <ul style="list-style-type: none"> Proactively promote businesses in solving social challenges Explore and create new businesses by promoting open innovation <p>3 Establish a strong management foundation and promote ESG measures for growth and transformation</p> <ul style="list-style-type: none"> Secure next-generation workforce while maintaining and strengthening the supply chain
<p>(b) Focus on growth areas and new business fields</p>	
<p>(c) Further innovation of production systems that utilize ICT</p>	
<p>(d) Enhance construction capabilities and expand the scale of business in collaboration with Group companies and external construction companies possessing specialized skills</p>	

See pages 31-34 for details of the Medium-Term Business Plan.

FY2022 Results and Future Initiatives

Continued orders for ECI projects(a)

For technically challenging projects, the ordering method is shifting from the conventional general evaluation bidding method to the ECI* method. This approach allows us to plan the most appropriate construction method and shorten the overall process.

Demonstrating our comprehensive engineering capabilities, we signed four contracts in FY2022 using the ECI method and secured preferential negotiation rights for several other projects. Our design and construction departments will continue their technical collaboration, aiming to maintain our order flow for ECI projects.

* ECI (Early Contractor Involvement): A type of construction contract where the prime contractor gets involved and provides input from the design phase.

Initiatives in the field of infrastructure renewal

▶Page 44(b)

Infrastructure built during the period of rapid economic growth is aging rapidly, and the demand for large-scale renewal and repair is increasing.

In FY2022, we secured a contract for the replacement of large deck slabs and seismic reinforcement of a highway bridge, for which we had earned preferential negotiation rights. Additionally, we have received orders for several infrastructure renewal projects through general bidding. We have set an annual sales target of ¥20.0 billion for FY2023 in the infrastructure renewal field and will persistently work towards achieving this target.



Nagano Expressway Okaya Viaduct
(infrastructure renewal)



Hanwa Expressway Onoyama Viaduct
(infrastructure renewal)



Automation of spraying operation
(Kamioka Test Tunnel)

Initiatives in the renewable energy field ▶Page 41(b)

The first commercial offshore wind power generation project in Japan, located at Akita and Noshiro Ports, was completed in March 2023.

Anticipating future expansion of the offshore wind power market, three companies — Penta-Ocean Corporation, Yorigami Maritime Construction Co., Ltd, and Kajima Corporation — are collaboratively building a large SEP vessel. Additionally, we have been selected as the preferred negotiator for three upcoming offshore wind power generation projects and are examining construction plans and additional details. As a part of NEDO*-adopted project for technological development, we are conducting research on floating offshore wind turbines in collaboration with Hitachi Zosen Corporation.

* New Energy and Industrial Technology Development Organization

Construction with automated construction machinery

▶Page 71(c)

The Naruse Dam construction project in Akita Prefecture achieved a new national monthly record for concrete poured in October 2022 using automated construction system to enable large-scale and high-speed construction. The A4CSEL automation construction system generates an efficient construction plan based on simulation and then autonomously and accurately executes it by moving construction machineries according to the plan. This technology is being expanded to tunnel construction, and a full-scale construction test is underway at the Kamioka Test Tunnel in Gifu Prefecture.

Building Construction

We will mobilize the Group’s comprehensive capabilities to meet growing demand and new customer needs, and to evolve our production processes.

The domestic building construction market is entering a new phase, with redevelopment projects, supersized production facilities, and growing demand for a decarbonized society. It is also facing implementation of upper limits on overtime work, starting in FY2024. Based on its accumulated technological capabilities and expertise, the Kajima Group will provide services with high added value to meet the changing market environment. We will also bring together a diverse range of people and technologies, including from those of Group companies, to further advance the construction process, including the progress in digital twin and smart construction technologies through BIM.

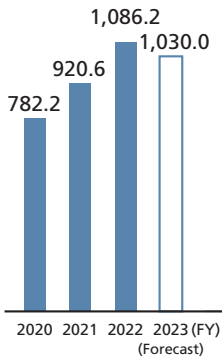


Koichi Matsuzaki

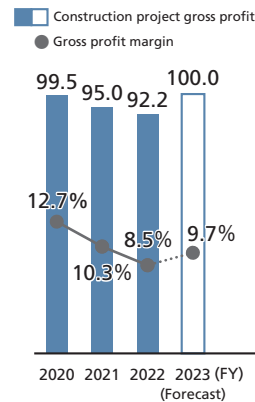
Executive Vice President,
General Manager, Building Construction Management Division

Business Overview

Revenues
(¥ billion)

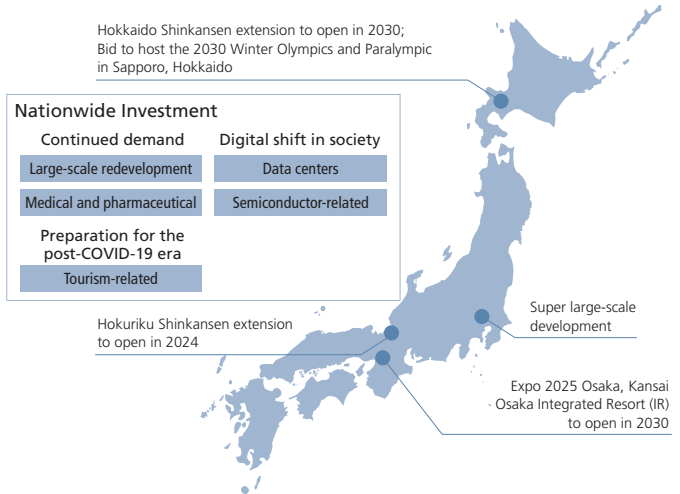


Construction Project Gross Profit
(¥ billion) /Gross Profit Margin



Market Environment

Construction Investment in the Building
Construction Field



Strengths

- Reliability of established smart construction technologies, BIM and digital twin technologies
- Project execution expertise leveraging comprehensive design-build capabilities
- Collaboration with Group companies covering the entire value chain from upstream to downstream in the construction business

Risks

- Rising construction costs, including prices of materials and equipment
- Shortage of supply resources in response to strong construction demand
- Decrease in the existing workforce due to the application of upper limits on overtime work
- Shortages in the next-generation workforce due to aging of skilled workers and fewer people entering the industry

Opportunities

- Expansion of capital investment by domestic and foreign companies, especially digital-related companies
- Increasing demand for large-scale redevelopment and renewal in metropolitan areas and regional urban centers
- Expanding needs for environmentally friendly technologies for carbon neutrality

Business Policies

Key Measures of the Related Medium-Term Business Plan

<p>(a) Develop and advance next-generation construction manufacturing systems</p>	<p>1 Further strengthen core businesses</p> <ul style="list-style-type: none"> Strengthen proposal, design-build, and engineering capabilities with a focus on growth areas Further promote the development of next-generation construction manufacturing systems Maximize customer value by expanding the business domain <p>2 Strive to create new value</p> <ul style="list-style-type: none"> Explore and create new businesses by promoting open innovation <p>3 Establish a strong management foundation and promote ESG measures for growth and transformation</p> <ul style="list-style-type: none"> Secure next-generation workforce while maintaining and strengthening the supply chain Develop people and systems to promote growth and transformation
<p>(b) Deepen digital twin technologies through BIM</p>	
<p>(c) Respond to customer needs by leveraging comprehensive design-build capabilities</p>	
<p>(d) Build a sustainable management foundation and construction system</p>	

See pages 31-34 for details of the Medium-Term Business Plan.

FY2022 Results and Future Initiatives

Expanding the application of smart construction technologies ▶Page 70 (a)

We have selected more than 110 model sites across Japan and are promoting on-site work reduction techniques, lightweight materials and equipment, and the use of ICT tools according to the needs of each construction site. By promoting the Kajima Smart Future Vision*1, we are addressing the upper limits on overtime work that will come into effect in FY2024 and the future shortage of skilled workers. In addition, the Construction RX Consortium*2 promotes mutual use and joint development of construction robots and BIM data utilization.

*1 A plan to achieve a 30% improvement in productivity based on the core concepts of "Half of the work with robots," "Half of project management done remotely," and "Digitalization of all processes."

*2 A consortium in which Kajima is one of the managing companies for technological collaboration in the field of construction robots and IoT.

Expanding the scope of application of digital twin technology ▶Page 70 (b)

We promote the use of BIM during the design phase. Along with streamlining design, structural, and facility design work, we are boosting production design efforts to ensure consistency and the input of construction information during the final design stage, in achieving virtual completion by the time construction starts.

In the construction phase, we are promoting "site digitization" using image data collected by 360° cameras, scanners, and sensors, and establishing remote construction management technology by integrating it with BIM to further improve quality and safety.



Fireproof coating sprayer robot (smart construction technologies)



Checking the construction alignment by overlaying the actual product and BIM (BIM utilization)



Chugai Life Science Park Yokohama (pharmaceutical-related facility)

Meeting the rise in construction demand (c)

Private capital investment in FY2020 declined significantly due to the COVID-19, but recovered in FY2022. In particular, large-scale redevelopment projects in the Tokyo metropolitan area and regional urban centers, digital-related projects such as semiconductor production facilities and data centers, and medical- and pharmaceutical-related demand are on the rise.

We provide valuable construction and services that meet the needs of our customers by leveraging our experience in design and construction, and by establishing an optimal design-build system armed with a wide variety of proposals on structure, cost, construction schedule, and seismic damping/seismic isolation technology.

Compliance with upper limits on overtime work ▶Page 80 (d)

In response to the implementation of upper limits on overtime work starting in FY2024, we are working to improve work efficiency and quality through digitalization, including the use of BIM and next-generation construction systems. We are also making company-wide efforts at the order stage to create and propose appropriate construction periods for private-sector projects, and to request and promote consensus building with client organizations.

Real Estate Development

We will take approaches unique to Kajima, expand the construction value chain, enhance profitability and investment efficiency, and diversify assets.

We will take full advantage of our strengths in the real estate development business, which combines construction technology and real estate expertise. We will also strengthen profitability and improve investment efficiency by adding quality assets and further promoting the short-term turnover business model. In addition, we will further pursue synergies with the construction business and cultivate the construction value chain by expanding the Group's profit-earning opportunities through REIT management, etc. Furthermore, we will diversify our assets by developing high-end real estate and focus on initiatives to solve social issues such as environmental considerations and smart buildings.

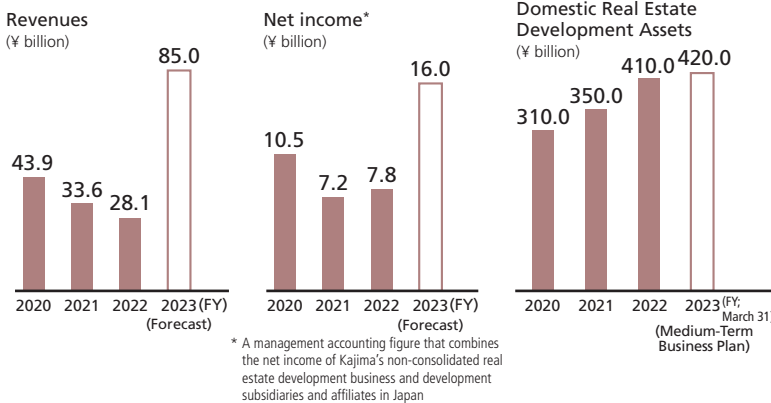


Takahiko Tsukaguchi

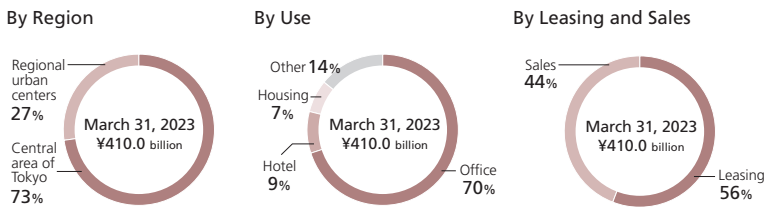
Executive Officer

General Manager, Real Estate Development Division

Business Overview



Domestic Real Estate Development Assets



Market Environment

Medium-Term Outlook for Real Estate Market in Japan

Field	Current	Outlook
Investment markets (overall)	positive	Generally firm due to strong investor demand, mainly from the continuation of monetary easing policies.
Office	positive	Although there is overall market weakness, quality has become a clear differentiating factor so high-quality buildings are generally performing well.
Housing	positive	Residential condominiums are performing well, centering on high-end properties in central Tokyo, while rental housing continues to be generally solid with stable demand.
Hotel	positive	Market conditions are improving due to an increase in inbound travel and other factors, and further recovery is expected in the future.
Logistics facilities	positive	Although the increase in new supply has led to a greater selection of properties, demand continues to be strong and remains robust.

Strengths

- In-house businesses that focus on integrating construction technology from project inception to construction and commercialization
- Diverse business opportunities that leverage the Group's extensive information network
- Pursuit of investment efficiency through approaches integrating real estate and finance, including private REITs

Risks

- Decline in demand due to changes in social needs and the market environment
- Increased business costs due to inflation and higher interest rates

Opportunities

- Increase in redevelopment needs due to urban structural change
- Growing need for new real estate development in line with the trend toward digitalization and carbon neutrality
- Post-pandemic inbound tourism recovery and changes in the business environment

Business Policies

- (a) Create quality assets that generate stable revenues
- (b) Improve profitability by acquiring new real estate for sale and promoting short-term turnover-type businesses
- (c) Conduct business planning and diversify portfolios to address new social and customer needs
- (d) Expand Group profit opportunities by tapping into the growth of private REITs

Key Measures of the Related Medium-Term Business Plan

- 1 Further strengthen core businesses**
 - Maximize customer value by expanding the business domain
 - Increase profits by proactive investment in the real estate development business
- 2 Strive to create new value**
 - Proactively promote businesses in solving social challenges
 - Explore and create new businesses by promoting open innovation

See pages 31-34 for details of the Medium-Term Business Plan.

FY2022 Results and Future Initiatives

Accumulating quality assets and creating new business opportunities through steady business promotion(a)(b)

In FY2022, three large-scale projects, KUDAN-KAIKAN TERRACE, YOKOHAMA CONNECT SQUARE, and HILTON OKINAWA MIYAKO ISLAND RESORT, were completed and are expected to contribute to our future performance. In addition, construction began on three projects, including the Yokohama City Hall District Redevelopment Project, and eight new business opportunities were acquired, including the New Prince Chichibu Memorial Rugby Stadium (tentative name) Construction and Operation Project. After investing approximately ¥58.0 billion and recovering approximately ¥17.0 billion through the sale of properties, the balance of assets as of March 31, 2023 was approximately ¥410.0 billion, putting us on track to achieve the Medium-Term Business Plan target (¥420.0 billion). In FY2023, we plan to complete six projects and start construction on ten others. We will continue to expand our construction value chain by developing real estate development projects that are unique to Kajima and that combine our construction technology and real estate expertise.

In addition, to improve investment efficiency, we will establish a short-term turnover business model, replace assets appropriately, and utilize capital-saving project companies, and promote business operations with an awareness of ROIC and other indicators.

Establishing a subsidiary specializing in high-end real estate that appeals to the global real estate market(c)

▶Page 32

Recognizing the growing demand for high-end real estate that meets international standards in the domestic real estate market in recent years as a business opportunity, we established Eaton Real Estate Co., Ltd, a wholly owned subsidiary specializing in this field. Going forward, we intend to develop and invest in a variety of assets, including commercial facilities and high-end rental residences in central Tokyo, as well as create synergies through collaboration with our real estate development business.

In addition, we will actively engage in the development of environmental real estate and smart buildings, and provide products that adapt to future social and customer needs.

Increased profit opportunities through expansion of private REITs ▶Page 48(d)

Kajima Private REIT purchased two properties from us in FY2022, resulting in an asset scale of approximately ¥70.0 billion. Our goal is to expand the asset scale to ¥80.0 billion as of March 31, 2024 and to ¥100.0 billion as soon as possible, and we will provide full support as a sponsor, aiming for the Kajima Group to expand profit opportunities in the fee business.

Real Estate Development Project Schedule

Project name	Primary use	Completion	Project name	Primary use	Completion (planned)
KYUKAN SUEHIRO DORI Building	Office	April 2023	Kajima Minami Rokugo Logistics Center (tentative name)	Logistics facilities	October 2024
Omiya SORAMICHI KOZ	Office	May 2023	Kajima Tomiya Logistics Center (tentative name)	Logistics facilities	October 2024
HANEDA INNOVATION CITY (Phase II)	Office	June 2023	Ginza 1-chome Office Project (tentative name)	Office	January 2025
FUKUOKA K SQUARE	Office	June 2023	Sapporo 4-chome Project (tentative name)	Office and Commercial	January 2025
Park Tower Kachidoki South	Housing	August 2023	Sendai Chuo 3-chome Project (tentative name)	Office	March 2025
HILLSIDE FOREST Yokohama Totsuka	Housing	October 2023	Yokohama City Hall District Redevelopment Project	Office	FY2025

Note: Completion dates are subject to change.



HANEDA INNOVATION CITY



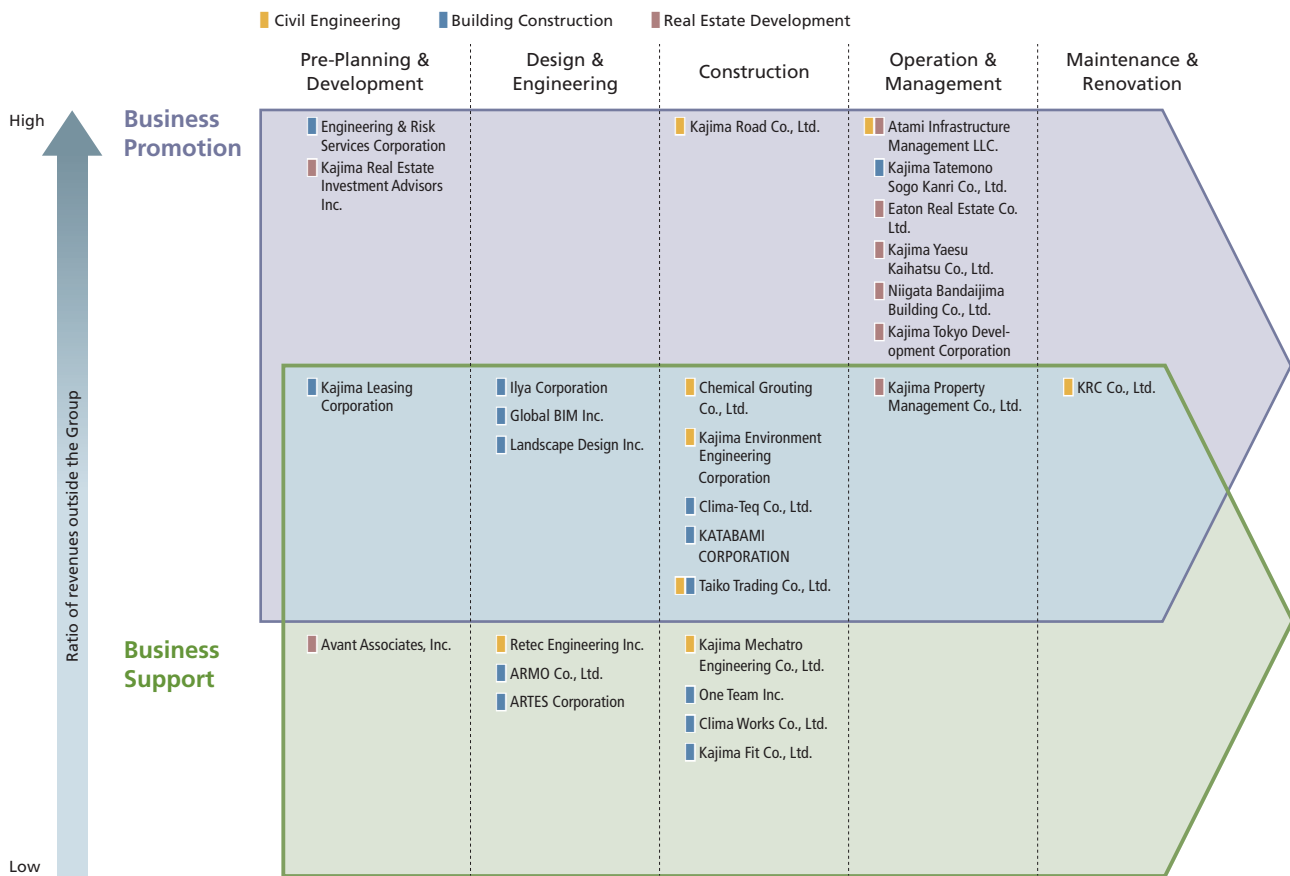
Omiya SORAMICHI KOZ

Domestic Subsidiaries and Affiliates

The Kajima domestic Group companies will cooperate with each other to strengthen and expand their businesses

As of March 31, 2023, the Kajima Group has 107 domestic subsidiaries and affiliates (47 subsidiaries and 60 affiliates) in a wide range of fields, from pre-planning and development to design and engineering, construction, operation and management, and maintenance and renovation, and the organic collaboration among these companies makes up the construction value chain of Kajima Group. We will continue to strengthen the core businesses of the Kajima Group by enhancing cooperation within the Group, and at the same time, we will take on the challenge of entering new business domains that meet the needs of society.

Principal Subsidiaries and Affiliates



Pre-Planning & Development: Kajima Leasing Corporation helps customers make their projects a reality through a menu of financing options, including building leases. Avant Associates, Inc. is a think tank for urban and community development.

Design & Engineering: Ilya Corporation is responsible for high-grade interior design and construction. Landscape Design Inc. aims to create high-quality urban environments through the design of exterior spaces.

Construction: In the civil engineering field, Kajima Road Co., Ltd. has developed pavement construction as its core business, while Chemical Grouting Co., Ltd. is responsible for

comprehensive underground engineering. In the building construction field, Clima-Teq Co., Ltd. is responsible for water supply, drainage, sanitation, air conditioning, and electrical installation work. Taiko Trading Co., Ltd. is a general trading company for construction materials and equipment.

Operation & Management: Kajima Tatemono Sogo Kanri Co., Ltd. provides comprehensive building life-cycle management. Atami Infrastructure Management LLC. operates the Atami Beach Line. Kajima Tokyo Development Corporation operates Tokyo East 21.

Maintenance & Renovation: KRC Co., Ltd. repairs, reinforces, and extends the service life of infrastructure structures.

One Team Inc. to support every aspect of construction site operations

Construction sites are facing increasing workloads due to higher quality requirements, while at the same time, overtime work restrictions require shorter working hours. One Team was established in 2019 to address these challenges, and has dispatched dedicated units to many sites to support all aspects of construction site operations.

Until now, site managers have been responsible for the various inspections that occur during the construction phase. One Team has divided the work into separate tasks and trained experts in each of these inspections, including on-site inspections (reinforcement inspection, interior in-process inspection, and finish inspection) and factory inspections (steel frame inspection).

In addition, as part of promoting Kajima Smart Future Vision, the company is supporting the introduction and

operation of 3D K-Field [▶Page 70](#), a real-time location information service within the construction site.

In addition, One Team supports Kajima Smart Future Vision in various areas, such as providing operational support for K-Mobile and supporting the introduction of various types of construction robots. The company's workforce increased to 138 as of March 31, 2023 (32 as of March 31, 2021), helping to maintain and improve the Kajima Group's construction capabilities and take construction site operations to a new level.



Reinforcement inspection by One Team

Atami Infrastructure Management LLC. to provide a venue for demonstrating new technologies

Atami Infrastructure Management LLC., established in 2021, has begun operating the Atami Beach Line toll road in Shizuoka Prefecture. Kajima Group is conducting demonstrations of road maintenance and renovation, as well as environmentally responsible technologies, on the Atami Beach Line to strengthen its competitiveness in the field of infrastructure renewal and maintenance, a market that is expected to grow in the future. One of these is the use of high-performance distributed optical fiber measurement technology, which can be used as a road management tool to supplement on-site checks by surveillance

cameras and patrols by monitoring the road pavement conditions in real time.

Kajima Group will continue to work toward solving social issues such as infrastructure renewal and a decarbonized society, based on the technological demonstration and achievements made on the Atami Beach Line.



Atami Beach Line

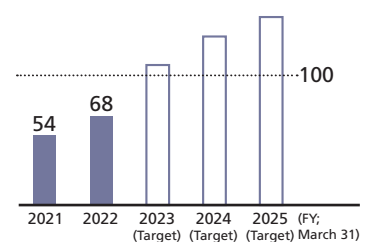
Global BIM Inc. to support the spread and expansion of BIM

Global BIM was established in 2017 as a company dedicated to BIM for the purpose of acquiring advanced BIM technologies in Japan and abroad, securing BIM engineers, and promoting and advancing BIM on construction sites.

In line with the promotion of BIM use within and outside the Kajima Group, Global BIM provides BIM consulting and other services with advanced technical and support capabilities, including construction planning and quantity calculation using modeling data, comprehensive coordination and construction drawings that take into account process and procurement information and construction performance, and CDE*

implementation support.

Global BIM will continue to contribute to the advancement of the Kajima Group's production technology and productivity improvement by recruiting and training engineers with advanced BIM skills to meet the growing demand for BIM in the construction industry.



* CDE: Common Data Environment

Number of BIM engineers (Global BIM)

Overseas Operations

We will utilize our global network of subsidiaries, deeply rooted locally, to provide high-quality, value-added services.

The Kajima Group operates in 28 countries and regions across North America, Asia, Europe, and Oceania. With over 100 local subsidiaries adapting to their respective markets, we have established a multi-dimensional network that enables us to deliver globally renowned, high-quality services. Our strength lies in our ability to handle all stages of real estate development, from design and construction to operation and property sales, in an integrated manner. With a focus on growth, we are committed to managing risks effectively, expanding our business platforms, and diversifying our revenue sources as the best local player in a well-defined business domain.

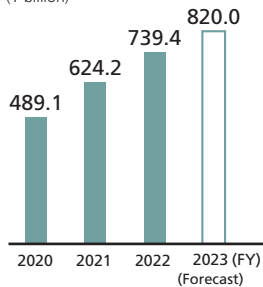


Keisuke Koshijima

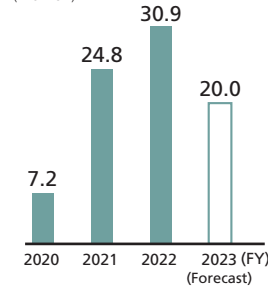
Representative Director, Executive Vice President,
General Manager, Overseas Operations Division

Business Overview

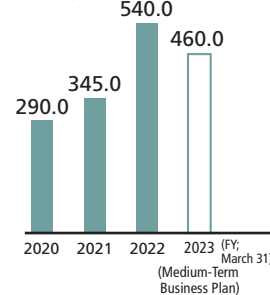
Revenues
(¥ billion)



Net income
(¥ billion)

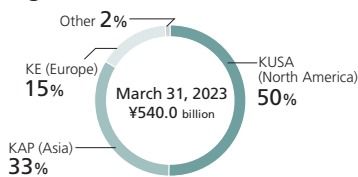


Overseas Real Estate
Development Assets
(¥ billion)

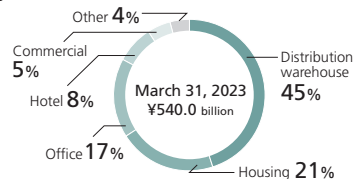


Overseas Real Estate Development Assets

By Region



By Use



Market Environment

Medium-Term Outlook for the Regional Real Estate Development and Construction Markets Kajima Serves

Field	Current	Outlook
North America	positive →	Generally solid due to resilience in the U.S. economy
Asia	positive ↗	Recovering trend due to resumption of economic activity after COVID-19
Europe	neutral →	Need to keep a close watch on the impact of the situation in Ukraine, etc.
Oceania	positive →	Generally solid with stable demand

Strengths

- Multi-dimensional global network based on organizations and businesses well-rooted in each country and region
- Trusted relationships with global customers and local partners fostered over a long history
- Own development platform capable of creating appealing real estate development business

Risks

- Responding to changes in market environments due to inflation and high interest rates
- Geopolitical risks in specific regions
- Recruitment and development of local human resources for the next generation

Opportunities

- Abundant sales projects backed by active investment related to production facilities
- Improvement in occupancy rates of properties under development and management due to recovery in human flow and economic activity
- Projects with future revenue potential proposed by customers and partners

Business Policies

(a) Aim to be the best player in the markets and fields each business is focused on

(b) Create unique business opportunities through collaboration within the Group

(c) Create a multi-dimensional global network

Key Measures of the Related Medium-Term Business Plan

1 Further strengthen core businesses

- Increase profits by proactive investment in the real estate development business
- Build and enhance global platforms

2 Strive to create new value

- Explore and create new businesses by promoting open innovation

3 Establish a strong management foundation and promote ESG measures for growth and transformation

- Develop people and systems to promote growth and transformation

See pages 31-34 for details of the Medium-Term Business Plan.

FY2022 Results and Future Initiatives

Progress of Overseas Businesses in FY2022 Results and Development Investments

Driven by the real estate development business, primarily in the U.S., we achieved a record net income of ¥30.9 billion. Construction orders remained strong, driven by demand for production facilities and distribution warehouses. Revenues increased in all regions due to ongoing construction projects and foreign exchange rate fluctuations. For FY2023, we forecast a net income of ¥20 billion, surpassing the ¥16 billion target outlined in our Medium-Term Business Plan and ensuring profitability beyond projections. We are actively investing in real estate projects, with a planned total investment of ¥384 billion for 2021-2022. By March 31, 2023, our overseas real estate assets will reach ¥540 billion. The sale of properties, particularly distribution warehouses, has generated substantial revenue. Through our global network, we will continue to invest in profitable projects, aiming to expand our portfolio and consistently achieve profits.

Risk Mitigation and Management ▶Page 103

To manage risks effectively, we have implemented measures such as Head Office special-purpose committee deliberations before starting new projects, strengthening and expanding overseas audits, and operating a quality control system similar to Japan's. Our workforce includes exceptional individuals from mergers and acquisitions of like-minded companies. They actively contribute to the business operations of our local companies, collaborating with expatriates from Japan and locally hired staff.

Initiatives in Each Business Area

■ North America ▶Page 49

Demand for construction related to carbon neutrality and the digital society remains strong. We have secured orders for EV-related plants, logistics facilities, and other projects in sectors where these factors are crucial. In the real estate development business, we focus on earning from investment and sale of distribution warehouses and rental housing complexes, closely monitoring market trends.

■ Europe

We are creating a platform of unique characteristics in different regions and markets, including distribution warehouses and student accommodations. Additionally, we are actively venturing into renewable energy facility site development as a new business domain. In 2021, we acquired PAD-RES, and in 2023, we further acquired a 70% stake in Hymon, a specialist in installing solar panels and other renewable energy facilities.

■ Southeast Asia ▶Page 67

As COVID-19 restrictions are lifted, our business operations are experiencing improved earnings. In Vietnam, to capitalize on Asia's economic growth, we are developing distribution warehouses under the Core5 brand and our original boutique hotel brand, Wink Hotels.

Additionally, we aim to attract and collaborate with talented local individuals and establish new businesses at The GEAR, a cutting-edge hub for fostering open innovation opened in Singapore in August 2023.



Hymon (Poland)



Magnolia Apartments (Texas, U.S.)



Core5 Hài Phòng (Vietnam)