



Human & Future Development

Continuing to grow so we can make
a greater contribution

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

Yoshiro Kawamura



Results of the 2nd year of the 2nd medium-term management plan (fiscal year ended November 2022)

(Unit: Million yen)

	1st year		2nd year				3rd year (final year)	
	Fiscal year ended November 2021		Fiscal year ended November 2022				Fiscal year ending November 2023	
	Medium-term plan	Results	Medium-term plan	Results	Difference	Evaluation	Medium-term plan	Forecast*
Sales	33,000	34,059	34,000	34,938	938	↗	37,400	30,800
Operating income	5,700	6,115	6,000	6,151	151	↗	6,650	6,250
Operating margin	17.3%	18.0%	17.7%	17.6%	[0.1 points]	↘	17.8%	20.3%

*Announced in January 2023

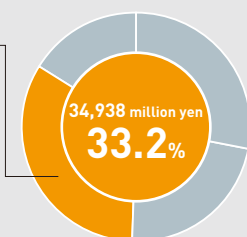
Performance by business segment for the fiscal year ended November 2022

Note: Sales distribution was calculated based on group-wide sales excluding sales of "Others" and adjustment divisions (3,720 million yen). Operating income distribution was calculated based on the total amount of segment income excluding "Others" and the adjustment amount (-1,584 million yen).

Human & Future Development

Breakdown
Commercial facility management 13%
Real estate development 31%
Lifestyle support 23%
Communications and new services 33%

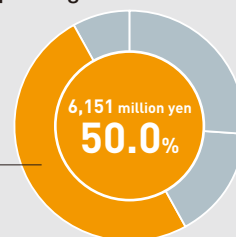
Sales distribution



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Breakdown
Commercial facility management 29%
Real estate development 51%
Lifestyle support 15%
Communications and new services 4%

Operating income distribution



Changes in ROIC (return on invested capital)

	2018	2019	2020	2021	2022 (fiscal year ended November)
ROIC	13.5%	17.8%	13.3%	16.1%	16.6%

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.)



Business overview

- Provision of 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 Nikke Group-owned assets and maximize asset value
- Emphasize talent development and have employees demonstrate thoughtful action as professionals in each field

Sustainable management-focused medium-term management plan and strategy

Business advantage

“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

Our division is concerned about soaring energy costs for large shopping centers and other facilities. We are also mindful of the risk of rising costs due to increasing construction material prices.

There is finally a steady rebound in the number of visitors to our various facilities after the decline caused by the pandemic. We will continue to work to provide ever more customers with comfortable and safe services.

Business strategy

In the fiscal year ended November 2022, our division was 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 help people live fuller and richer lives through commercial facilities, sports facilities, and other real estate, as well as to support their lives in a range of contexts, from childcare to nursing care, striving to ensure we remain an essential business focused on the future.

Nikke Colton Plaza renovation

On October 22, 2022, we opened the renovated Nikke Colton Plaza in Ichikawa, Chiba Prefecture. A partial redesign of the interior has made it more customer-friendly and easier to navigate, providing greater food options and enhancing the quality of daily life.

