

Tokyu Fudosan Holdings

CSR Report 2014-2015



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● **Editorial Policy**

This CSR Report has been published since 2009 in order to help both internal and external stakeholders of the Tokyu Fudosan Holdings Group deepen their understanding of its CSR activities. In this 2014–2015 edition, we introduce stakeholder dialogue and round table meetings involving employees that were held to examine how the Tokyu Fudosan Holdings Group can leverage its comprehensive strength for the betterment of society. In addition, we have organized, by theme, important information about our overall CSR initiatives that we would like to particularly share with stakeholders.

● **Intended Readers**

This report is compiled for a range of stakeholders, including our customers, shareholders, investors, employees and their families, suppliers, government agencies, NPOs/NGOs, local communities where the Tokyu Fudosan Holdings Group conducts business activities, and educational institutions.

● **Scope of Reporting**

The report covers the corporate social responsibility (CSR) initiatives carried out by all Tokyu Fudosan Holdings Group companies (See p. 33).

● **Reference**

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.1

● **Date of Publication**

November 2014 (Previous issue December 2013)

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Overview of the Tokyu Fudosan Holdings Group Philosophy

The Tokyu Group
Slogan

Toward a Beautiful Age — The Tokyu Group

Tokyu Fudosan Holdings Group Vision
Slogan

Working Together Toward a Brighter Tomorrow

In 2014, we established a vision for employees to further expand synergies and enhance collaboration within the Tokyu Fudosan Holdings Group. We will continually create new value by maximizing our resources and broad business domains to respond flexibly to the continually changing needs of society.

The Tokyu Group Philosophy

We hold this philosophy in common as we work together to create and support the Tokyu Group.

- **Mission Statement** We will create a beautiful living environment, where each person can pursue individual happiness in a harmonious society.
- **Management Policy** Work independently and in collaboration to raise group synergies and establish a trusted and beloved brand.
 - Meet current market expectations and develop new ones.
 - Manage in harmony with the natural environment.
 - Pursue innovative management from a global perspective.
 - Value individuality and make the most of each person.Through these means, we will fulfill our corporate social responsibilities.
- **Guidelines for Action** Fulfill your responsibilities. Collaborate to enhance each other's abilities. Reinvent yourself with a global awareness.



Tokyu Fudosan Holdings Group's CSR

Social Issues We are Addressing

Declining birthrate and aging society

Diversification of needs and tastes



Environmental conservation



Growing competition and disparities between cities



Globalization

Disaster recovery

Sound corporate management

Tokyu Fudosan Holdings Group

CSR Vision

We will contribute solutions to social issues through our business activities and in the process enhance the satisfaction of stakeholders.

Business Segments



Urban Development

Leasing of office buildings, commercial facilities and residential properties.



Property Management

Total building and condominium management services and remodeling work.



Residential

Sales of condominiums and detached homes.



Real-Estate Agents

Real estate brokerage, sales agent, and acquisition for resale businesses.



Wellness

Operation of hotels, golf courses, resorts, fitness clubs, and senior housing.



Tokyu Hands

Retail sales involving a broad spectrum of consumer goods.



Business Innovation and Others

Overseas business, contract construction and remodeling of custom-built homes, landscaping, and contracting of corporate benefits programs.

*Business segments have been changed to the above as of the fiscal year ending March 2015.

Approach and Structure

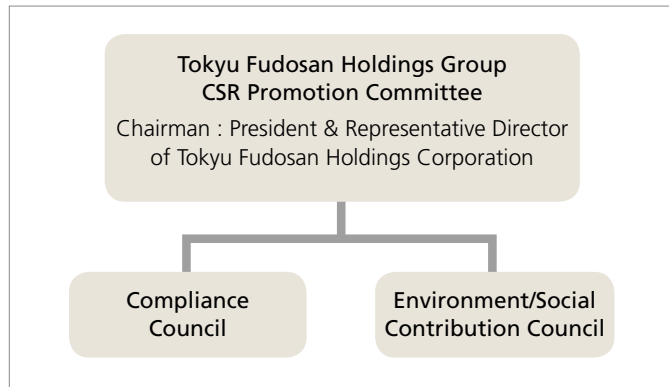
We find ourselves surrounded by a host of different challenges, spanning from environmental issues, such as global warming and ecosystem conservation, to social issues, such as aging society and a declining birthrate, as well as the need to reinforce compliance and risk management. Given this, the corporate social responsibility (CSR) of the Tokyu Fudosan Holdings Group is defined as promoting initiatives that leverage resources through its business activities to solve social challenges and in the process enhance the satisfaction of stakeholders. For this reason, we share the Tokyu Fudosan Holdings Group Vision with all subsidiaries and consider CSR to be an important management task for which we are promoting various initiatives through our core business.

CSR Promotion Structure

The Tokyu Fudosan Holdings Group has established a CSR Promotion Committee composed of directors in charge of CSR at each Group company, which directly reports to the President & CEO of Tokyu Fudosan Holdings Corporation.

The Group also has the Compliance Council to ensure compliance and risk management, as well as the Environment/Social Contribution Council to foster environmental management and social contribution activities. These councils are leading activities across the Group.

Tokyu Fudosan Holdings Group's CSR promotion structure



Tokyu Fudosan Holdings Group Resources and Know-how for Utilization

- Wide-reaching business domains
- Contact with a broad range of customers
- More than 17,000 employees
- Environmental initiatives that leverage a wealth of know-how
- Challenging spirit embedded in our DNA

Five Important Challenges related to CSR



Create value for customers

- Enhance customer satisfaction
- Reinforce disaster mitigation functions



Contribute to local communities

- Contribute to community revitalization
- Cooperate with local governments and educational institutions
- Promote area management



Environmental conservation

- Reduce CO₂ emissions
- Enhance energy efficiency function
- Conserve biodiversity



Human resource development and utilization

- Enhance training and educational opportunities
- Encourage diversity
- Promote respect for human rights



Organizational governance and compliance

- Strengthen internal controls
- Eliminate compliance violations
- Strengthen governance

The Tokyo Fudosan Holdings Group will collectively address social challenges and help society and the

Realizing Synergies under the New Management System to Achieve Sustainable Growth

The Tokyu Fudosan Holdings Group now comprises Tokyu Fudosan Holdings Corporation, which was established in October 2013, as well as the core operating companies of Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu Hands, Inc. and Tokyu Housing Lease Corporation, which will commence sales and marketing operations as of April 2015.

Until now, each of these companies has grown and achieved success independently in their respective business segments of real estate development, real estate selling and leasing agent services, management of buildings and condominiums, retailing, and the operation of resort facilities. Moving forward, we will integrate management under our new holding company structure to capitalize on synergistic effects by reinforcing our financial base as well as improving management efficiency and agility and combining the business experiences of each subsidiary. I firmly

Kiyoshi Kanazashi

President & CEO
Tokyu Fudosan Holdings Corporation

leverage its comprehensive strength to group achieve sustainability

believe that we will be able to maximize the advantages of this structure to achieve sustainable growth, despite the sudden and rapid social changes expected to occur in the future.

Our New Medium-Term Management Plan "Value Frontier 2020" Represents the Tokyu Fudosan Holdings Group's Commitment to the Future

In November 2014 we announced our very first medium-term management plan under the new management structure called "Value Frontier 2020". Within this plan, we have established a vision aimed at employees that calls for everyone to work together toward a brighter tomorrow in order to solidify our sense of identity as a group of companies.

Our goal for 2020 is to be a group of companies that delivers a great deal of satisfaction, with a close eye on both our customers and the exciting possibilities of the future. The new medium-term management plan contains the actions and consideration that we must take to continually monitor and achieve this vision for the future.

Our business climate is expected to undergo significant changes due to Japan's declining birthrate, aging population, and changes in the structure of demand. Given this, we will work to create a new future together with our customers while carrying out our business activities in an independent manner as a producer of comprehensive lifestyle services.

Growth Strategy and CSR Go Hand in Hand Solving Social Challenges through Our Core Business

Enhancing corporate value requires not only profitability but a commitment to CSR as well. Only when growth strategy and CSR are well balanced can a company maximize its value and achieve sustainable growth. There are many issues facing society today in which the Tokyu Fudosan Holdings Group can offer solutions through its core business. These include reducing CO₂ emissions which cause climate change, promoting greenery initiatives to conserve biodiversity, changing demographics caused by a declining birthrate and aging population, intense competition between cities, and the provision of products and services with an emphasis on disaster mitigation and personal security.

In 2014, we reaffirmed our vision for CSR as making

improvements in the satisfaction of stakeholders by offering solutions to social challenges through our business activities. At the same time, we identified key issues that the Tokyu Fudosan Holdings Group must address going forward. We plan on accelerating our efforts with the goal of contributing to the sustainable development of society and the sustainable development of the Tokyu Fudosan Holdings Group.

Always Putting the Customer First and Working Together as a Group

Tokyu Fudosan Holdings Group employees must value connections within the group and carry out their responsibilities with a greater sense of solidarity than ever before. We will be able to multiply the strengths of the Tokyu Fudosan Holdings Group by capitalizing on the experiences and track record of our employees to create and deliver new value.

We will always place ourselves in the position of customers as we fully leverage the comprehensive strength of the Tokyu Fudosan Holdings Group to address their needs, which in turn will enable us to create unique value in a speedy manner. The key word phrases for our future efforts are always put the customer first, tackle challenges, work together as a group, and execute with speed.

Our Commitment to being a Trusted Partner Now and Tomorrow

Nearly four years have passed since the Great East Japan Earthquake struck in March 2011. The Tokyu Fudosan Holdings Group launched projects soon after the quake and tsunami, and has since provided continual assistance through various ongoing measures tailored to the needs of the afflicted areas under the slogan of delivering smiles to Japan. However, people in the afflicted areas are still in the course of recovery, and for this reason we will continue to provide the assets and know-how possessed by the Tokyu Fudosan Holdings Group to contribute to the full recovery of the afflicted areas.

Our goal is always to be a progress group of companies that can continually deliver new forms of lifestyle support to consumers through spaces, time and services. To be a group of companies that creates value for and is always trusted by stakeholders, the entire Tokyu Fudosan Holdings Group will collectively work together to find solutions to the many challenges society faces today and tomorrow.



Accelerating CSR Management and Pursuing Sustainable Development

~ Aiming for CSR activity that is tailored to the Group and maximizes our diverse resources ~

At the Tokyu Fudosan Holdings Group, we are committed to reassessing our social responsibilities so as to better address societal issues via our business operations. In order to accelerate CSR management, and engage in sustainable development of both the company and society, a dialogue was held with knowledgeable experts from outside the company. During this dialogue we received feedback from a diverse array of perspectives on the effectiveness of previous initiatives and expectations for future activity.



Shiro Wakui

Professor, Faculty of Environmental Studies,
Tokyo City University

Diversification in and outside the company is a chance to develop the new system.

Since its founding the Tokyu Fudosan Group has helped to build and support lifestyles through urban planning, and in my opinion has excellent corporate DNA. However, while business development is pursued on a variety of fronts and success in those developments has been significant, I can't help but feel, with each company going independent and pursuing its own path, that this previous DNA has begun to unravel. With a new system being implemented, it is very important that the Group remember to return to this point of origin.

As we face a mountain of problems, including global warming, resource exhaustion, declining birthrates and aging populations, we are going to see a transition from a society

that pursues affluence and abundance to one that strives to deepen the value of its blessings. As part of this change, people will look to companies such as Tokyu Fudosan to Create Shared Value (CSV) and offer lifestyles that contribute to resolving societal issues. Doing so will require the company to take an outside-in approach. Considering the company in terms of a concentric model, encompassed by employees and customers, and further out by regional and global environments, it is important the Tokyu Fudosan recognize the types of problems faced by the outside society at large and its own place amid this environment, and then consider how it can contribute.

I believe the Group is facing a difficult position, where the individual companies, each with their own separate climate, are reorganized and must explore internally how much divergence is permissible. Unless a system is in place that is capable of responding to the diversity of society, the Group will be unable to meet the diversifying demands placed on it from outside. But I hope the Group will make the utmost of this chance to pursue new development.



Yukiko Furuya

Executive Adviser,
Nippon Association of Consumer Specialists

Sharing a vision of the future with customers and deepening CSR activity during operations.

The Tokyu Fudosan Holdings Group's development of impassioned and diverse CSR activities is very impressive. However, these activities tend to be limited in scope to customers, partners and employees. Increasing customer satisfaction is extremely important, but grasping the needs of individual customers and offering products and services that meet those needs is a corporation's bread and butter, and does not, alone, constitute CSR activity. It is important to coexist within society with customers, and view oneself as partners in envisioning a better future.

Encouraging customers to be aware of the problems facing society, helping to support them in fulfilling their own responsibilities as consumers, is indispensable. Likewise, the employees, who are an important stakeholder, are the vanguard in implementing CSR activity, so it is important that the company not only establish conducive working environments, but is also thorough in its CSR education.

In the future, I hope to see CSR not only inserted into operations, but societal issues being reevaluated for how they relate to business, for a deeper entrenchment of CSR. For instance, the Group is actively engaged in reducing CO₂ emissions, but from the outside it is difficult to judge in what way the environmental impact of building development is being grasped and whether or not the impact is being addressed. I hope to see greater importance placed on dialogue with stakeholders, and a deepening of activities that comprehend broad regional and global perspectives.



Ayako Sonoda (Facilitator)

President, Cre-en Inc.

I look forward to the company offering new proposals for resilient populations, regions and society.

The medium-term management plan, which incorporates CSR issues, struck me as one that strives to fuse management with CSR concerns. The Tokyu Fudosan Holdings Group possesses strong brand value, and many customers place their trust in the Group's products and services. For this reason, I expect that a CSV-style approach that utilizes the

company's strengths to resolve societal issues will become increasingly important in the future. In turn, it will also be necessary for individual employees to approach daily work from a long-term perspective.

More than ever, Tokyu Fudosan Holdings Group are expected to help build populations, regions and societies that possess the resiliency to flexibly adapt regardless of adversity. Large-scale products such as the redevelopment of Tokyo and Shibuya should not be limited to 'hard' measures such as the construction of new buildings, but also bring flexibility to people's life- and work-styles, and substantiate greater freedom. A brighter future is one of our intangible assets, but I believe creating this future is a business that bears significant value for Tokyu Fudosan.

In Response



Yuji Ohkuma

Director, Senior Executive Managing Officer,
Tokyu Fudosan Holdings Corporation

As for CSR, we have always taken an inside-out approach, considering the societal outcome of our activities. However, it is possible that we have neglected to fully consider issues from

an outside-in approach, confronting social issues head on and asking what the demand from society is. It is important that we reconsider whether each initiative we pursue is sufficiently linked to our business operations.

Thanks to the opinions we received during this dialogue I have become strongly aware that, precisely because we are a corporation that helps create lifestyles, it is important that we walk in step with the great number of stakeholders who look forward to a better future. Keeping our origins in mind, we will focus firmly on not only our customers and employees, but also the region and society that encompasses us, integrating operations and strategically pursuing CSR management.



Shuzo Yokoyama

Executive Manager, PR/CSR Promotion Department,
Tokyu Fudosan Holdings Corporation

I have always believed that CSR management, which asks of us how we can contribute to society through our business, can be a driving force for Tokyu Fudosan. We will strive to

pursue CSR in a way that is tailored to the Group and which maximizes our diverse resources.





Tokyu Fudosan Holdings Group New Growth and Shared

It has been one year since the Group was reorganized according to a new holdings structure. During this time, the Tokyu Fudosan Holdings Group has striven to create a shared impetus toward the future, and to increase our combined strength. We have worked to promote a shared vision among all Group employees. In formulating our vision we relied on the results of questionnaires distributed to all employees—with a response rate of over 80%—as well as workshops open to employees from each company. We recently held a roundtable discussion with five employees who had participated in these workshops, to discuss the Group’s ideal course.

(the discussion was held in September 2014 at the Tokyu Fudosan Holdings Conference Room)

A New Start as Tokyu Fudosan Holdings Group

Morita : When I first heard about the switch to a holdings structure, I was surprised and a little hesitant. To be honest, I wasn’t really sure at first how the change was going to affect us.

Ohara : I think in the background was the fact that there hadn’t been many opportunities up until now for the individual Group companies to cooperate. Up until now, we haven’t been able to create a corporate culture that stressed cross-company cooperation.

Morita : Even now, I think that for a great number of employees, it’s hard to see what kind of Group synergy

can be gained from the switch to a holdings structure. During the recent workshop on the shared Group vision, I felt again that the kind of vision required is **one in which all the employees can feel that by cooperating together as a single corporate group we are making new growth possible.**

Ishizuki : Even though we’re the same group, the business operations and customers differ company by company. So in a way, for us,

joining together in business to aim for new growth could be a difficult challenge. Which is precisely why these workshops are so significant. **It is important that the Group employees gather to exchange opinions.**

Oike : During the workshop we really got to hear a lot of different perspectives. During the discussion it occurred to me that, **with so many companies gathering together, it was a matter of course that each**

Tomo Ishizuki
Management Headquarters, Tokyu Livable Inc.



Mitsumi Morita
Corporate Planning Department, Tokyu Community Corp.





Tokyu Fudosan Holdings Group Vision

Slogan

Working Together Toward a Brighter Tomorrow

As guideposts, we ask ourselves:

Are we fully approaching issues from the same perspective as our customers?

Are we creating new value, without becoming hung up on the current status quo?

Are we fully maximizing the Group's knowledge and experience?

Do we have a sense of immediacy?

Are we carrying out work that we can be proud of?

Convictions

company would have their own way of looking at things. What is important is to find a shared value we can create within that difference. If we think of the vision as just shared points for each company, the Group's uniqueness will actually be lost. Moving forward, it made me rethink what our unique value as a Group is. **Kamikawara** : With the new system in place, I think big things will come from the Group companies being closer together than before. **Making the most of individual company differences and strengthening cooperation will bring a significant increase in Group competitiveness and allow us to lead in the industry.**

Deepening Group Understanding and Strengthening Cooperation

Oike : Before we can think about what makes the Group unique, we first have to understand each individual company. On reflection, previously, we tended to deal with work as an isolated company. Even though we were a Group we really didn't know much about each other. What we first have to do is **understand each other's products, businesses and sense of value.** This is the first step in creating synergy from a shared vision.

Kamikawara : At the very least, those of us who participated in the workshops were able to build

some cross-company connections. If something comes up during work, we'll probably be able to say, " why don't I ask so-and-so?" **So it will be easier to contact and discuss things with each other. Spreading this kind of connectivity throughout the company could be important.**

Ohara : I think that will be extremely important for expanding the value that we can offer to customers. If we don't understand all of the Group's products, even if we hit on a need in the market we risk disregarding that information as irrelevant to our company. Even in small matters, if there is a chance for cooperative business it is important that we proactively capitalize on it. Tokyu Relocation and Tokyu Sports Oasis previously cooperated on a new development. This led to a lot of good changes. For instance, young employees from both companies worked together to think up new

Daisuke Ohara
Development Headquarters, Tokyu Relocation Co., Ltd.



Jun Oike
Corporate Planning Department, Tokyu Hands, Inc.,



Manabu Kamikawara
Corporate Planning Department, Tokyu Fudosan Holdings Corporation



Special Feature/
Stakeholder Dialogues

Special Feature/
Employee Roundtable

Project to Support
Recovery from the Great
East Japan Earthquake

Customer
Satisfaction
Initiatives

Local Community
Initiatives

Environmental
Conservation
Initiatives

Employment
and Labor Practice
Initiatives

Management
Structure

schemes. It's an example of **how small successes can lead to bigger ones.**

Kamikawara : It's also necessary to visualize successful examples throughout the Group. Sharing this knowledge through the Group, as an impetus to cooperative business, might make ongoing cooperation between those involved more natural and sustainable. **Having a system in place for cooperation isn't enough on its own.** It's also necessary to change the thinking of each individual employee. And it will also help to propagate the Group vision.

Oike : The Group has already been holding "Knowledge Cafes" where employees at a company gather to share information related to business. We could use events such as these to further promote cross-company information sharing, which I think would help to better permeate the vision throughout the Group.



Ohara : During the workshop, the suggestion also came up for training to develop staff knowledgeable about all the Group's different products. If we added that sort of capability to the Tokyu Fudosan Holdings we might be able to better utilize the Group's product appeal to its utmost, with proposals grounded on having the right person in the right place.

**Shared Group Convictions:
Addressing Customers and
Communities**

Ohara : If we're talking about the kind of cooperative business our Group can carry out that would take advantage of our economy of scale, large-scale urban development projects would seem to be foremost. By offering one stop services we could do a lot of good work that **contributes to communities.**

For instance, Tokyu Fudosan constructs housing and commercial developments, Tokyu Livable handles housing sales, Tokyu Relocation carries out real estate rentals and Tokyu Homes can take charge of future renovations when necessary.

Ishizuki : That's true. **One of the strengths of our Group is that we touch on many different stages of our customers' lives, from childhood to old age.** It's not just for customers at an age

where they are looking for housing. We have products and services we can offer for many different life stages. In that light, rather than just offering products, we should think of ourselves, essentially, as offering society a broad range of affluence and leeway in their lifestyles

Kamikawara : I feel exactly the same. A customer might get married, buy their first home, have children, the children leave the nest. The parents may need to be cared for as they grow older. Connecting with people across this long time frame and offering services related to their lives is something characteristic of our Group. It's important that we approach things from the customer's perspective, occasionally even anticipate their needs in advance, and aim for proposals that change lives for the better.

Morita : Remaining close to customers and responding to diversifying lifestyles and changes in values is especially important for Tokyu Community. In order to **raise the satisfaction of customers** living in the apartments and condos we manages, the company is currently developing a "Kazoku-ryoku Plus" member service to offer emergency assistance and living support. As part of this development I think there's

Supporting lifestyles,



The joy of dance,
for all generations



Loads of hints to make
everyday life more fun



Matching homes to lifestyles



Apartment and
building management

significant room for cooperation with the Group. The number of units managed by the company is very high. By capitalizing on this throughout the Group we could offer value to an even greater number of customers. Another great possibility is that through our services we could connect different residents and help to build communities.

Utilizing Unique Group Features to Address Social Issues

Oike : Tokyu Hands is irregular in the Group in that it deals in retail. However, we can serve as a sort of spice to the Group, **adding a value that is missing from other real estate Groups.** For instance there's the Hands Hint Club, which is a popular crafts workshop for children we hold in the areas throughout the country where our stores are located. At the moment they're generally held as after-school clubs, but perhaps they could also be held in apartment complexes managed by the Group.

Morita : A lot of our customers are at an age where they are raising children, and I think they would be very happy to see events such as those held in the buildings' communal spaces. I think that would definitely be something to propose to building managements.



Ohara : As we build longer relationships with our customers, it's going to be even more important to be able to offer **a full lineup of services to senior-aged customers.**

For Tokyu Relocation customers, there are more than a few who are finding it hard to live in a large house as they grow older and would like to move and rent their home out. For customers looking to sell we can cooperate with Tokyu Livable, and for customers who are worried about living on their own Tokyu Fudosan handles senior living centers. If the Group developed assisted-living rentals with extensive linked value, I think their scope of use could really be broadened. Tokyu Community could manage such properties, and Tokyu Hands could cooperate in events

Ishizuki : At Tokyu Livable as well, as part of **responding an aging,** we are cooperating with tax counsellors to offer free consultations on inheritances. We're really ahead of other companies in doing this.

With the upcoming 2015 increase in inheritance tax this service will likely become even more important. Perhaps through this service we could also catch on to the needs of customers and pursue cooperative developments within the Group—for instance by reflecting what we find in the way we offer senior housing hereafter.

Ohara : A lot of new possibilities open up, don't they? And these seem like things that are really necessary for customers, and that customers are looking for things that aren't here right now. Meeting customer demands and increasing satisfaction is, of course, important. But the ideal approach is probably **to go one step further and use the Group's combined strength to rethink and offer new values that the customers haven't yet imagined.** I think that's what it will mean to realize the Group vision of "Working Together Toward a Brighter Tomorrow."

generation to generation



Worker- and environment-friendly office buildings



Commercial facilities suited to their communities



Supporting healthy and enjoyable lives



A variety of resort services



Peaceful, enjoyable senior residences

Special Feature/
Stakeholder Dialogues

Special Feature/
Employee Roundtable

Project to Support
Recovery from the Great
East Japan Earthquake

Customer
Satisfaction
Initiatives

Local Community
Initiatives

Environmental
Conservation
Initiatives

Employment
and Labor Practice
Initiatives

Management
Structure

Smile
for
Japan

Working to fill Japan
with happy faces

The Tokyu Fudosan Holdings Group's Project to Support Recovery from the Great East Japan Earthquake

Inspired by the motto "Smile for Japan", since April 2011 the Tokyo Fudosan Holdings Group has been carrying out activities on an ongoing basis to support the recovery of areas affected by the Great East Japan Earthquake of 2011. By implementing support activities that make effective use of the Group's resources, we continue to support the efforts to help these areas recover from the impact of the disaster.

For more information about the Group's Project to Support Recovery from the Great East Japan Earthquake, go to <http://www.tokyu-fudosan-hd.co.jp/english/support-project/>

We are continuing to provide recovery

Recovery support activities in the Rikuzentakata district

Fiscal 2011

Immediate response (May 8 - 11)	No. of participants:8 Work undertaken:Cleaning mud out of affected residents' homes
First Round (September 8 - 10)	Formal launching of the Project to Support Recovery from the Great East Japan Earthquake No. of participants:25 Work undertaken:Weeding and debris removal
Second Round (October 11 - 13)	No. of participants:29 Work undertaken:Debris removal

Fiscal 2012

Third Round (April 20 - 22)	No. of participants:22 Work undertaken:Restoration of agricultural land to permit cultivation
Fourth Round (July 10 - 12)	No. of participants:28 Work undertaken:Dredging river channels
Fifth Round (September 12 - 14)	No. of participants:103 Work undertaken:Weeding, and clearing mud out of roadside ditches
Sixth Round (October 12 - 14)	No. of participants:39 Work undertaken:Clearing mud out of roadside ditches
Seventh Round (November 15 - 17)	No. of participants:34 Work undertaken:Clearing mud out of roadside ditches

Fiscal 2013

Eighth Round (April 20 - 22)	No. of participants:22 Work undertaken:Removing stones and driftwood from rice fields
Ninth Round (July 19 - 21)	No. of participants personnel:29 Work undertaken:Weeding
Tenth Round (September 6 - 8)	No. of participants personnel:31 Work undertaken:Searching for disaster victims' belongings to return them to their surviving relatives
Eleventh Round (October 9 - 11)	No. of participants:27 Work undertaken:Searching for disaster victims' belongings to return them to their surviving relatives

Fiscal 2014

Twelfth Round (July 25 - 27)	No. of participating personnel:30 Work undertaken:Assisting with the apple harvest
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● Group company employee volunteering activity

Employees of Tokyo Fudosan Holdings Group member companies have been volunteering to participate in a variety of activities, mainly in the Rikuzentakata City.



● Participation in volunteer activities by new employees

Starting from Fiscal 2012, Tokyu Land Corporation has been implementing a system whereby new employees participate in the Project to Support Recovery from the Great East Japan Earthquake. In Fiscal 2014, a total of 22 new employees took part in this initiative. They assisted with wakame edible seaweed processing at Hirota-cho, Rikuzentakata in Iwate Prefecture, working under the guidance of local fishermen during the day, and talking with local residents at night to learn about the issues affecting the districts devastated by the Great East Japan Earthquake of 2011, and the areas where they and others can make a contribution.



Assisting with the apple harvest



Processing wakame edible seaweed

● Opening an accommodation facility, the Futamata Recovery Exchange Center (July)

Three Companies - Tokyu Land Corporation, Tokyu Homes Corporation and Tokyu Sekkei - collaborated on the renovation of basic dormitory accommodation on the site of the former site of Yahagi Elementary School. The facility will be used as dormitory accommodation for volunteers working in the area, and also as an information center.



Yuki Oka (joined the company in 2014)

Urban Business Department,
Urban Business Unit,
Tokyu Land Corporation

Taking part in the volunteering activity gave us the opportunity to have direct communication with local people, listening to the fishermen talk about the current situation, the problems they are facing, etc. It made the problems affecting the areas struck by the disaster seem more real to us, and encouraged us to think more about what we can do to help.

Providing support for the Midori no Tohoku Genki Camp Program

● The Midori no Tohoku Genki Camp Program was launched to provide emotional and psychological support for children who experienced the 2011 Great East Japan Earthquake. With the help of outdoor activity experts and clinical psychologists, camps are held on the shores of Lake Onogawa in Urabandai. Since the first camp was held in 2011, the Tokyu Fudosan Holdings Group has been providing the camp staff accommodation and other facilities, while also arranging for volunteers from the Group to provide on-site assistance. A total of 9 camps have now been held over three years.

Spring Camp

30 participating children took on the challenge of learning to use snowshoes and make snow-holes. Volunteers from the Group took photos of the activities.



The Camp was held in March 2014

Summer Camp

By learning canoeing, tree-climbing and outdoor cooking skills, etc., the participating children developed self-reliance and the ability to collaborate effectively in teams.



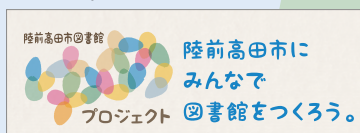
The Camp was held in August 2014

support on an ongoing basis

Support activities that make effective use of the Group's special capabilities

● Rikuzentakata Library Dream Project Collaborating on the plan to rebuild the city's library

Tokyu Land Corporation has been working together with Rikuzentakata City government and with Value Books Co., Ltd. to rebuild the Rikuzentakata municipal library (which was destroyed in the 2011 Great East Japan Earthquake). As of March 2014, a total of 2,389 books, worth approximately 54,238 yen, had been donated for this project. Rikuzentakata Library Dream Project Working together to give Rikuzentakata a new library!



<http://books-rikuzen.jp/>



Hands Hint Club held in Miyagi Prefecture



Participation in the Yukata de Gin-bura Festival 2014 charity event

● Donation of snow-clearing equipment for temporary accommodation

The Group donated two sets of snow-clearing equipment to the residents of temporary accommodation located in Aizu Wakamatsu in Fukushima Prefecture, which is an area that frequently experiences heavy snowfall. Tokyu Homes Corporation, which has been providing maintenance service to make life as comfortable as possible for the residents of the temporary accommodation, donated the snow-clearing equipment in response to residents' requests.



Photo taken with temporary accommodation residents



Snow-clearing equipment

● Hands Hint Club

The Hands Hint Club mobile classroom, organized by Tokyu Hands, Inc., gives children the opportunity to experience the joy of making things for themselves in various handicrafts. Aiming to let children in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture (areas that were affected by the 2011 Great East Japan Earthquake) enjoy making different types of handicrafts, the Hands Hint Club workshops are held in after-school children's clubs and children's activity centers.

● Participation in the Yukata de Gin-bura Festival 2014

The Yukata de Gin-bura Festival is a local event intended to give visitors to Tokyo's Ginza district the opportunity to experience a fun and enjoyable summer day. Tokyu Land Corporation provided sponsorship for, and had a booth at, this year's "Yappa Ginza da Beh" East Japan Reconstruction Support Project event at the Festival, at which green tea from Miyagi Prefecture was distributed to visitors. Tokyu Land Corporation has been participating in this project on an ongoing basis, with the money collected being donated to areas that were affected by the 2011 Great East Japan Earthquake.

● Tono Magokoro Net (Tono City Disaster Relief Network)

To help areas affected by the 2011 Great East Japan Earthquake, Tokyu Sports Oasis, Inc. fitness centers have been selling products such as rapeseed oil that are produced in areas affected by the disaster, supplied by Tono Magokoro Net (Tono City Disaster Relief Network), which operates in Tono City, Iwate Prefecture. The Group has also been participating in a scheme whereby users of a social media platform that click on the "Support" button can accumulate points to help support Tono Magokoro Net.



Musashikoganei branch of Tokyu Sports Oasis



Customer Satisfaction Initiative

Basic Stance

At Tokyu Fudosan Holdings Group, we are committed to enhancing customer satisfaction by providing products and services that reflect customers' values in today's society, characterized as it is by diversity of lifestyles and values and by the trends towards smaller families and an ageing population.

Enhancing Services and Improving Quality

● Service-way Forum

In 2009, the Tokyu Fudosan Holdings Group launched the Service-way Forum (SWF), the aim of which is to ensure a high level of customer satisfaction with service provision throughout the Group by promoting the sharing of know-how and information between Group member companies, particularly the five companies* whose personnel are most likely to have direct contact with customers (in relation to commercial facilities operation, etc.).

*Tokyu Resort Service Corporation, Tokyu Sports Oasis, Inc., Tokyu Stay Service Co., Ltd., Tokyu E-Life Design, Inc., and Tokyu Land SC Management Corporation



Activity poster

For example, one SWF activity is the implementation of the Hospitality Enhancement Program, a training programme conducted by Tokyu Harvest Club, a membership resort hotel chain, which aims at ensuring that Tokyu Harvest Club employees provide guests with service that reflects a higher level of hospitality.

Besides putting in place measures to ensure that staff



Hospitality training in progress



Staff Board

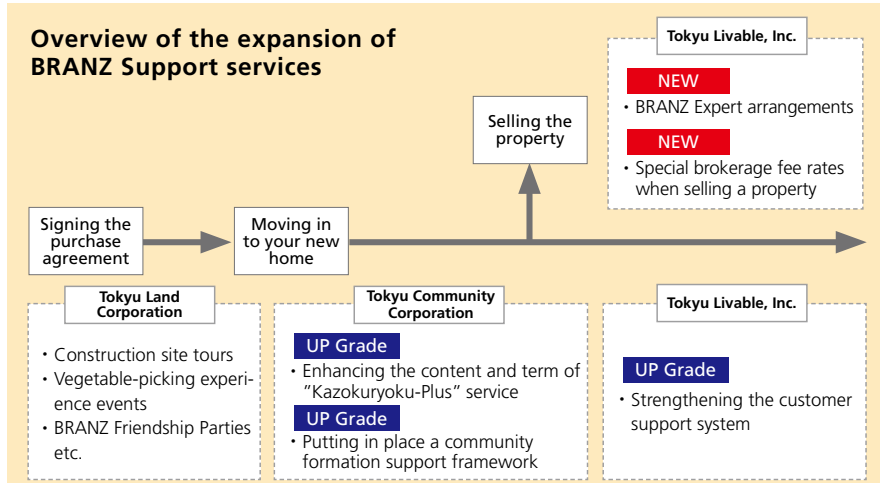
members remember guests' names, steps have also been taken to make sure that guests remember staff members' names, including the display of a Staff Board and the use of "face-cards" instead of conventional name-cards. The aim of these measures is to strengthen staff members' relationship with guests.

● Expansion of BRANZ Support Services

Tokyu Land Corporation, Tokyu Livable, Inc. and Tokyu Community Corporation provide purchasers of BRANZ-branded condominiums with BRANZ Support services covering the whole period from the signing of the purchase agreement, through to moving in, and after.

Since March 2013, Tokyu Fudosan Holdings Group has been working to strengthen coordination between the various Group Companies responsible for condominiums business, sales, management and agency services, expanding the scope of service provision to create value for customers across a wide range of business areas. Besides strengthening the "Kazokuryoku-Plus" service and community building support for customers who have already moved into their new home, we have also added new services, including periodic valuation to help customers monitor the value of the assets that they have acquired, and transaction support service for customers wishing to sell their property, etc. Through this expansion of the scope of BRANZ Support services, we are leveraging the capabilities of the whole Group to put in place a framework for supporting customers' lifestyles throughout their lives.

Overview of the expansion of BRANZ Support services



Providing Safety and Security

● Strengthening Disaster Preparedness Measures

Tokyu Land Corporation's BRANZ condominium brand has been working actively to strengthen disaster preparedness, for example by becoming the first condominium brand in Japan to incorporate "pantry shelters" (which are used as storage space under normal circumstances, but can be used as an emergency shelter in the event of an earthquake etc. Comprehensive measures have been taken to enhance disaster preparedness, including strengthening of the building structure, the making of improvements to storage facilities, and the arrangement of disaster prevention activities at the level of the building management unit, etc., with the aim of strengthening residents' awareness of the importance of being prepared for disasters.



Example of a storage area optimized for disaster preparedness

● Condominium Design that Emphasizes Safety and Peace of Mind

Tokyu Land Corporation makes painstaking efforts to create high-quality condominiums whose residents can enjoy safety and peace of mind.

For example, we ensure that walls that will have furniture fixed to them using metal fixings (to prevent furniture falling over in the event of an earthquake) have sufficient rigidity and strength, and to further reduce the risk of furniture falling over, we utilize a specially reinforced specification for the metal fixings and specify the best method of installing the fixings to ensure maximum stability.

● Kazokuryoku-Plus

Tokyu Community Corp. provides "Kazokuryoku-Plus" service for residents of the condominiums that the company manages, to handle any problems that may arise in relation to the properties, as well as any difficulties affecting residents' everyday lives, and changes that residents feel could make their lives better. Starting from February 2014, the range of services provided under Kazokuryoku-Plus has been expanded with the addition of three new services, including assistance with the removal of bulky and heavy garbage items, and "Helping Hand" service for when residents need a hand with a particular task. In addition, starting from August 2014 Tokyo Community Corp. building management staff members are being equipped with portable terminals to help them keep an eye on elderly residents living alone, when asked to do so.

● Strengthening Seismic Resistance through Home Renovation

Tokyu Homes Corporation's "Kurashi Up GREEN" total housing recycling system goes beyond renewing a property's interior and exterior decoration and facilities to achieve a complete renewal that "strengthens the building from the core to create a home that will last." The Tokyu Homes Corporation "Seismic Resistance System" is designed to cope with earthquakes with a magnitude of up to 6 on the Japan Meteorological Agency Seismic Intensity Scale, and with the aftershocks, and also includes the latest seismic damping device as standard. With Kurashi Up GREEN, your residence can be transformed into a new home that provides real security and peace of mind.



Seismic strengthening

Responding to the Trends Towards Smaller Families and an Aging Population

● Nature Study and English-Language Learning "Home-Stay" Experience

Tokyu Land Corporation and Tokyu Resort Service Corporation have been collaborating with Hokkaido International Foundation to arrange a "Niseko 'Study Abroad' Tour" program, launched in August 2014, which includes home-stay and summer camp experiences at the Niseko Mt. Resort Grand Hirafu.

Children taking part in the program can enjoy a "home-stay" experience in the homes of foreign families living in Niseko, study at the local international school, or take part in nature-study activities at a summer camp. The program thus helps to give children a more international outlook and also strengthens their environmental awareness.



"Niseko 'Study Abroad' Tour" experience

● Junior Golf Lessons

Tokyu Resort Service Co., Ltd. has been arranging golf lessons to help children get fit and learn new skills and good manners.

The lessons, taught by golf pros, were held at the Nasu Kokusai Country Club in Tochigi Prefecture in July 2014, at the Arita Tokyu Golf Club in Wakayama Prefecture in July – August, and at the Otakijyou Country Club in Chiba Prefecture in August. Approximately 200 elementary school students took part, and had an enjoyable experience learning to play golf.



Family golf lessons – Parent-and-child round (Nasu)

● Condominiums with Childcare Support

Through its condominium business, Tokyu Relocation Co., Ltd. is helping to provide support for the upbringing of the next generation of children.

The Brote Okurayama condominium building is equipped with special childcare support facilities such as a Kids' Room, and holds regular community events aimed to providing additional support for parents. In Fiscal 2013, activities such as "Parent and Child Yoga" were held to bring parents and children closer together; residents enjoyed these activities immensely.



"Parent and Child Yoga" event

● Providing work Experience Opportunities

The Tokyu Fudosan Holdings Group is actively involved in providing work experience opportunities for young people to help them learn more about adult life and encourage them to think about what they want to do in the future.

In Fiscal 2014, the Group is providing opportunities for junior high school students to experience working on the reception desk at fitness centers.



Work experience at a fitness center

● Expert "Inheritance x Real Estate" Consultations

Recognizing the growing concern among senior citizens about real estate inheritance issues, Tokyu Livable, Inc. has joined forces with Legacy Licensed Tax Accountants Corporation to provide Expert "Inheritance x Real Estate" Consultation service. With this service, Legacy provides the client with an Inheritance Tax Simple Diagnostic Report, and Tokyu Livable, Inc. provides a Real Estate Simple Assessment Report, both of which are compiled on the basis of expert opinion. Based on these reports, suggestions are then offered as to what strategies the client should adopt.



● "Dementia Supporter" Training

With the continued aging of the population, there is a growing need for greater awareness and understanding of dementia. Since March 2008, Tokyu Community Corp. has been engaged in the cultivation of "Dementia Supporters"* who have a proper understanding of dementia and are able to communicate effectively with customers in this regard. "Dementia Supporter Training" seminars are being provided for Tokyu Community's "Amenity Mates" (building managers) in the Tokyo area.

*"Dementia Supporter": People who have acquired a proper understanding of dementia through participation in a "Dementia Supporter Training" seminar organized jointly by "Caravan Mate" instructors with specialist knowledge of dementia and local government authorities or vocational organizations.

● "Livable Vacant House Consultation" Service

In August 2014, Tokyu Livable, Inc. launched a new "Livable Vacant House Consultation" service, in response to the growing problem of vacant homes that are in danger of collapsing because of structural deterioration, or which are being used for illegal dumping of refuse.

Tokyu Livable provides free diagnostic consultation in relation to vacant houses, and compiles a "Vacant Home Diagnostic Report." On the basis of this report, Tokyu Livable offers a recommendation as to whether the property owner should sell the property, rent it out, or implement direct management.



VOICE

Ms. Yoshie Iwasaki
Grancreeper Azamino resident



I very much enjoy living at Grancreeper Azamino.

After my husband passed away, I began to think that I should move into sheltered accommodation for senior citizens while I was still reasonably fit. At Grancreeper Azamino, the staff members are very friendly and helpful; there is a cheerful atmosphere, and the food is nutritionally well-balanced, and tasty.

A program of concerts and movie showings is laid on for us; I have been attending a "Media Studies" class. What I particularly like is that there are beautiful flowers in the central courtyard all year round.

Promoting Communication

● Publication of the Group Newsletter

Reflecting the Tokyu Fudosan Holdings Group's desire to continue to enrich customers' lives even after they have purchased a Group product or used one of the Group's services, the Group newsletter Cosmos is distributed to around 170,000 customers who have signed up as subscribers. The Group has also overhauled its "Cosmos WEB" website (which also uses a subscriber model) to achieve effective two-way communication with customers.



The Group newsletter Cosmos

● Communication with Tenants

With the aim of helping the office workers working in buildings managed by the company to enjoy a more fulfilling "office lifestyle," Tokyu Land Corporation publishes the free newspaper "Office To," and also operates the "Office To CLUB" website in collaboration with EWEL Inc. to provide a range of lifestyle services to tenants. Both Office To and Office To CLUB have proved very popular with readers and site-users.



"Office To CLUB" membership-system only website

"Office To" free newspaper

● Work-Life Balance Day for Parents and Children

EWEL, Inc. held its 6th "Work-Life Balance Day for Parents and Children" in November 2013. A workshop was held, led by Mr. Takashi Saito, around the theme of "How Dads Can Communicate Better with their Kids."



Workshop speaker Mr. Takashi Saito

● Building Homes that Take Customers' Views into Account

Tokyu Land Corporation's "BRANZ" condominium brand has been using the "BRANZ VOICE" activity to canvas customers' views.

The opinions expressed by customers are used to identify customer needs; BRANZ then leverages its know-how and integration capability to transform these into physical form.

Based around the concept of "Functional beauty that enhances your living experience," BRANZ has developed the "MEUP" original product plan. In the last fiscal year, a survey was conducted regarding the issue of water circulation (an issue that many customers had expressed opinions about), leading to the commercial launch of MEUP kitchens, powder rooms and bathrooms starting from June 2014.



Group interview



Wash-basin counter

Two different types of wash-basin counters are available, to meet the needs of people who like to be able to relax and use the wash-basin counter alone, and people who want to be able to use it together with another person in the morning when people are getting ready to go out.

VOICE

Ritsu Otsuka (left), Takayuki Tsuge (center) and Tomomi Fukazawa (right)
Business Strategy Department, Residential Business Unit, Tokyu Land Corporation



Keeping ahead of clients' expectations

Besides making ongoing efforts to improve the handling of customers' problems, BRANZ condominiums also incorporate heightened functionality and enhanced design to offer clients solutions that can take their lifestyle up to a whole new level of beauty and satisfaction. To realize this vision of "homes that are the ultimate in human living," in the future we will continue to listen to customers' views, setting ourselves the goal of keeping one step ahead of customers' expectations by developing products that genuinely meet their needs.

Special Feature/
Stakeholder Dialogues

Special Feature/
Employee Roundtable

Project to Support
Recovery from the Great
East Japan Earthquake

Customer
Satisfaction
Initiatives

Local Community
Initiatives

Environmental
Conservation
Initiatives

Employment
and Labor Practice
Initiatives

Management
Structure



Local Community Initiatives

Basic Stance

The Tokyu Fudosan Holdings Group conducts social contribution activities that will lead to the resolution of issues in local communities with the aim of developing a sustainable society and creating abundant communities.

Contributions to Local Communities

● Restoration of a Ferris Wheel in Response to the Opinion of the Local Community

Tokyu Land Corporation and Tokyu Land SC Management Corporation decided to revitalize the Ferris wheel in the Kamataen recreation area on the roof of Tokyu Plaza Kamata in response to local residents calling for the Ferris wheel to live on.

The Ferris wheel started operation along with the commercial facilities in 1968, and while it was enjoyed by many customers even during its second generation, it was temporarily closed when the facilities were renewed. Subsequently, as a result of more calls from local residents than expected for the Ferris wheel to live on, it was restored to be the only rooftop Ferris wheel within the Tokyo Metropolitan area in October 2014.

The new name was determined to be the Happy Ferris Wheel from among the submissions made by the general public, and the local community has hopes that it will lead to the further revitalization of the region as a symbol for Kamata.



Kamata's Happy Ferris Wheel that was restored in October

● Tokyu Hands' Handcrafting Class that Communicates the Appeal of Manufacturing

Tokyu Hands, Inc. holds courses for a wide range of generations so that many people can learn more about the appeal of manufacturing, with a focus on things that are practical for everyday living.

A handcrafting class called the Hands Hint Club is held to communicate the joy of handcrafting to children. It is held after school at elementary schools and children's facilities so that children at these facilities can learn about how fun handcrafting is.

At the Paint DIY! Playing with Paint event jointly held by

Tokyu Hands, Inc. and the NPO Shibuya University Network in November 2013, employees of Tokyu Hands, Inc. served as instructors and taught a course in which wooden boards and paint was used to make blackboards.



Hands Hint Club



Paint DIY ! with Shibuya University Network

● Q's Mall Smile Project

Tokyu Land Corporation and Tokyu Land SC Management Corporation are implementing the Smile Project at the commercial facility Q's Mall with the view to revitalize the area jointly with local communities and transform it into a comfortable urban space where people can feel happy. We are conducting a variety of activities to help people smile in the areas around Q's Mall (Abeno, Amagasaki, and Minoh).

• Donation of picture books to local libraries

Along with the books requested by the Osaka Municipal Abeno Library, Amagasaki City Central Library, and Minoh City Central Library, we also donated original picture books using Q's Mall characters that were created for this project to these libraries, resulting in a donation of 80 picture books in total.



Original picture book

• **Tennoji Zoo Hooded Crane Project**

With the objective of breeding the hooded crane that is valuable on a global level as an endangered species, this project was conducted to bring a male from the Inokashira Park Zoo in Tokyo to mate with a female being kept at the Tennoji Zoo. This project was made possible with the cooperation of customers that donated the card points they had accrued towards the transportation costs for the hooded crane.



Hooded crane transported to Tennoji Zoo

● **Participation in Community Cleanup Activities**

In order to cooperate with the beautification of the Shibuya area, Tokyu Land SC Management Corporation participated in the Shibuya Station Square Clean Campaign on April 28 (Shibuya Day), while Tokyu Land Corporation participated in cleanup activities sponsored by Shibuya Ward in October.

As part of its community contribution activities, Tokyu Sports Oasis, Inc. conducts cleanup activities in the areas surrounding its business locations. We will continue conducting community-based activities like these in the future.



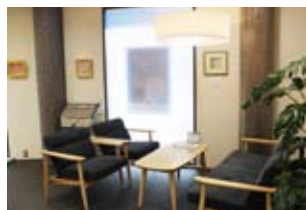
Cleanup activities in Shibuya

● **Establishment of the Community Place as a Place for Social Exchange**

Tokyu Livable, Inc. established the Livable Community Place in Chigasaki in part of the Chigasaki Center that was sold in April 2014 as a place for social exchange that can be used freely by



Tokyu Livable Chigasaki Center



Painting exhibition at the Livable Community Place

people such as local community members and neighborhood store associations. Exhibition of paintings and other objects are held to create a sense of familiarity with local people. A new location was opened in Denenchofu in the same year, and a photo exhibition was held at this location.

● **Creation of Local Employment Opportunities**

Ewel, Inc. opened a second operation center that handles administrative processing in Yonago City, Tottori Prefecture to follow the other center in Matsue City, Shimane Prefecture. The Yonago Operation Center (tentative name) is scheduled to commence operations in February 2015 and it is expected to employ approximately 300 people from the area over a period of five years, which will contribute to the creation of local employment opportunities.



Yonago Operation Center (tentative name)

● **Farmland Regeneration Project**

Tokyu Land Corporation established a joint venture together with Chiba Ichihara Nousan (agricultural production corporation) in February 2014 called Nihon Reno Agri in order to conduct a regeneration project for abandoned farmland in Ichihara City, Chiba Prefecture.

There are plans to gradually develop farm lots of approximately 60ha that are covered by the project, make it arable once more, and produce vegetables such as soybeans and broccoli.



Abandoned farmland in Ichihara City



VOICE

Hideyuki Takada
Business Creation Division
Tokyu Land Corporation



We support farmland regeneration.

Farmland in the Higashikuniyoshi area of Ichihara City that we acquired over 40 years ago has since been abandoned, and we have launched a farmland regeneration project in order to resolve this issue. In addition to the regeneration of farmland, in the future we plan to contribute to local community revitalization through efforts including farmland regeneration support projects, projects using mountain and forest resources including energy projects, farming experience facility projects, and consulting projects supporting sixth sector industrialization.



Environmental Conservation Initiatives

Basic Stance

The Tokyu Fudosan Holdings Group, based on its Environmental Vision, is implementing concrete measures for five environmental issues (CO₂ emissions reduction, biodiversity conservation, healthcare, conservation of water resources, and resource saving) from three viewpoints.



**Creating Cities
Co-Existing with Nature
Creating a Future
for People**

TOKYU FUDOSAN HOLDINGS GROUP

Environmental Vision

Basic Policy developed in 1998, revised in 2011

- **Environmental Philosophy**
We will create value to connect cities and nature, and people with the future.
- **Environmental Policy**
We will make efforts to harmonize the environment and the economy through business activities.
- **Environmental Action**
We will tackle five environmental issues from three viewpoints.

● Three viewpoints

- Publicize a goal and implement action.
- Endeavor to implement progressive activities.
- Conduct community-based activities in collaboration with local people.

● Five environmental issues

- CO₂ emissions reduction
- Biodiversity conservation
- Energy saving
- Conservation of water resources
- Healthcare

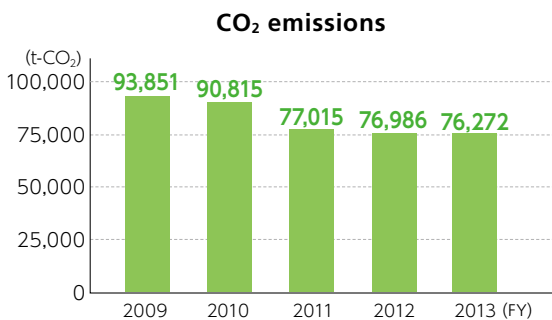
CO₂ Emissions Reduction

◆ Policies on activities

1. **CO₂ reduction in business establishments**
We have set a target of cutting CO₂ emissions by an annual average of at least 1% per unit floor area of our business establishments.
2. **Increase in energy-efficient buildings**
We will strive to improve energy efficiency of buildings in efforts to achieve our target of cutting CO₂ emissions by at least 20% from the 1990 level.
3. **CO₂ reduction in operations**
We will endeavor to raise employees' awareness and step up monitoring and reduction of CO₂ emissions from our operations.

● Reduction in CO₂ Emissions

The Tokyu Fudosan Group is working to reduce CO₂ emissions in compliance with the environmental laws and regulations as well as with its Environmental Vision. In FY2013, we reduced our CO₂ emissions by about 19% from the FY2009 level.



* Total emissions for 55 office buildings and commercial and resorts facilities

● Reduction in CO₂ Emissions in Office Buildings

The Group works to reduce CO₂ emissions in the office buildings it manages through the installation of energy-saving equipment and in cooperation with its tenants. By implementing these initiatives, the Group aims to serve a pioneering role in achieving the numerical energy conservation targets for new office buildings stipulated in the environmental action plan formulated by the Real Estate Companies Association of Japan.

At the Shin-Meguro Tokyu Building developed by Tokyu Land Corporation, we have achieved visualization through the installation of BEMS (building energy management system) monitors on each floor that allow tenants to confirm their energy consumption and also reduced energy use for the entire building through means such as the installation of natural ventilation systems and automatic dimming equipment.



Visualization of energy

● Reduction in CO₂ Emissions in Condominiums Branz City Shinagawa Katsushima

Branz City Shinagawa Katsushima is a large condominium with 365 housing units at which the entire Tokyu Group works together in energy efficiency initiatives with the cooperation of Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Fudosan Next Generation Engineering Center Inc., and Tokyo City University. As a result of efforts including the adoption of the world's first home use fuel cell for condominiums called Enefarm in all housing units and the installation of HEMS as a system that enables the visualization of home power consumption, it has been estimated that CO₂ emissions have been reduced by at least 60% and the highest S Rank (self-evaluation) has been acquired using CASBEE (Comprehensive Assessment System for Built Environment Efficiency).

In addition, shared design has been proposed as a new way of condominium living, and support will be provided for software that allows residents to share energy with each other. We will verify CO₂ reduction results and provide feedback to residents as we aim for even further energy efficiency. In recognition of these efforts, the project was selected as a Low-CO₂ Residence and Building Leadership Project by the Ministry of Land, Infrastructure and Transport. (construction is scheduled to be completed in 2015).



Branz City Shinagawa Katsushima



Energy Orb that senses room air temperature, humidity, and illuminance

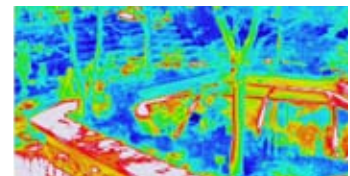


Enefarm

● Reduction in CO₂ Emissions through the Greening of Facilities

The Group actively promotes the greening of facilities, and it is involved with roof greening and wall greening activities.

Tokyu Plaza Omotesando Harajuku developed by Tokyu Land Corporation has a roof terrace garden named Omohara Forest. The transpiration of tall trees including the keyaki and katsura in this garden serves to suppress temperature increases and contribute to an easing of the heat island phenomenon.



Thermography photo of the Omohara Forest

● Reduction in CO₂ Emissions through TV Conferences

Tokyu Land Corporation uses a TV conference system that connects its headquarters with offices in locations such as Kansai and Sapporo in an effort to reduce CO₂ emissions that would otherwise be caused by business trips. The use of the TV conference system not only results in a reduction in CO₂ emissions, it also reduces travel time and costs that would otherwise be required for business trips.



Use of TV conference system

◆ Awards and certification

Branz City Shinagawa Katsushima and Branz Tower Wellith Shinsaibashi North certified as low-carbon buildings

Branz City Shinagawa Katsushima and Branz Tower Wellith Shinsaibashi North were certified in 2013 and 2014, respectively, as low-carbon buildings based on their energy saving performance. A low-carbon building is a structure for which measures to control CO₂ emissions have been implemented as stipulated in the Low Carbon City Promotion Act (Eco-city Act). We will continue contributing to the development of low-carbon buildings going forward by promoting CO₂ efficiency in housing.



The DBJ Green Building Certification Gold 2013 newly acquired for three office buildings

In 2014, the Shin-Meguro Tokyu Building, Kasumigaseki Tokyu Building, Nihonbashi Front, and Nihonbashi Maruzen Tokyu Building obtained the Gold 2013 certification under the Green Building Certification system implemented by the Development Bank of Japan (DBJ), being evaluated as buildings developed with "exceptionally high environmental & social awareness." This certification system evaluates and certifies real estate that takes into account environment and social considerations. We will continue to do our utmost to support the standards required of office buildings in the future.



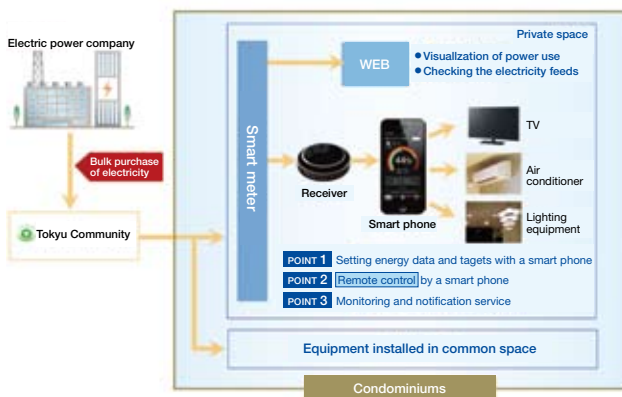
Receipt of the Osaka Stop Global Warming Award Osaka Prefecture Governor's Award for Abeno Cues Town

Abeno Cues Town received the Osaka Stop Global Warming Award in February 2014. This award is presented to businesses that set examples of best practices in curbing emissions of greenhouse gases and artificial exhaust heat as well as leveling electricity demand in business activities in accordance with Osaka Prefectural Ordinance regarding Global Warming Prevention. Abeno Cues Town was awarded with this honor in recognition of its visualization system that facilitates the reduction of energy consumption.



● Reduction in CO₂ Emissions in Existing Condominiums Bulk High-Voltage Electricity Receiving and Introduction of MEMS

Tokyu Community Corporation was selected to be an MEMS aggregator as an energy management service provider by the Ministry of Economy, Trade and Industry. It is adopting MEMS (condominium energy management systems) and bulk high-voltage electricity receiving services (a type of energy-saving system) in the condominiums that it manages. These systems were introduced for approximately 13,000 housing units during FY2013 as part of efforts to reduce energy use at existing condominiums.



Conceptual diagram for the bulk purchase of electricity and MEMS

● Use of Renewable Energy

The Tokyu Fudosan Holdings Group uses renewable energy such as solar power and wind power in a variety of businesses. Solar power generation systems have been introduced to resort facilities, specifically to the Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA. In addition, at the commercial facility Tokyu Plaza Omotesando Harajuku, two wind turbines have been installed on the rooftop to foster the use of natural energy.



Tokyu Harvest Club Atami Izusan & VIALA

● Light-Down (i.e. Lights-Off) Campaign

The Group takes part in the CO₂ Reduction / Light-down (i.e. lights-off) Campaign being run by the Ministry of the Environment, and we will try to turn off lights as much as possible during this campaign.



When lights are on



When lights are off

● Initiatives Implemented in Cooperation with Customers

The Tokyu Fudosan Group is also fostering CO₂ emissions reduction initiatives in cooperation with customers. At the commercial facilities of Tokyu Land Corporation, we are implementing the Ecomaki project aimed at giving people the opportunity to feel more familiar with environmental activities and social contribution activities. During FY2013, we conducted water sprinkling with tenants to allow visitors to feel cooler.



Water sprinkling at Tokyu Plaza Akasaka

● Development of a Mega Solar Project

Tokyu Land Corporation is constructing and conducting project supervision for a mega solar project (large-scale solar power generation plant) that is located on a former golf course in Mitoyo City, Kagawa Prefecture through a joint venture. Solar power generation panels capable of producing 10MW and supplying approximately 3,500 general households with power are being installed in an aim to launch operations in August 2015.



Mega solar project in Kagawa Prefecture

VOICE

Mr. Yuto Yonemistu
Hooters Akasaka
A tenant in Tokyu Plaza Akasaka



We participated in an environmentally-friendly water sprinkling project

We participated in a water sprinkling project as part of our environmental activities. By saying hello with a friendly greeting while sprinkling water, our staff members brought joy to people passing by. Tokyu Plaza Akasaka was renovated last year to make it more green, and these renovations have been well-received by customers, with some customers commenting that the greener atmosphere feels more bright and colorful. We hope to continue to bring happiness to many people through services at our stores and voluntary social services.

Biodiversity Conservation

Special Feature/
Stakeholder Dialogues

Special Feature/
Employee Roundtable

Project to Support
Recovery from the Great
East Japan Earthquake

Customer
Satisfaction
Initiatives

Local Community
Initiatives

Environmental
Conservation
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Employment
and Labor Practice
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Management
Structure

◆ Biodiversity Policies

1. We will grasp the relation between our operation and biodiversity.
2. We strive to minimize the effect of the operations on biodiversity.
3. We strive for sustainable use of biological resources.

● Forming Ecological Networks through Greening and Implementing Ecosystem Studies

By actively developing green spaces for various buildings and facilities including condominiums, office buildings, and commercial facilities, the Group is working to form ecological networks that are linked with green areas in the surroundings and to give consideration to biodiversity.

At the condominium Branz City Shinagawa Katsushima, we contribute to local biodiversity conservation by regularly conducting ecosystem studies on the surroundings and developing green spaces through the cultivation of plants that will attract living organism in the large garden at the site in order to form green networks linked to the surrounding area.

In addition, at the roof terrace garden named Omohara Forest at Tokyu Plaza Omotesando Harajuku, we conduct regular studies on living organism throughout the year in order to gain an understanding on the living organisms in green spaces there. During 2014, we newly confirmed pigmy woodpeckers, thrushes, and black swallowtails, and sparrows nesting behavior was seen in a birdhouse.



Ecosystem study



Seven-spot ladybug



Japanese white-eye

◆ Awards and certification

Awards and certification in recognition of the activities of Tokyu Plaza Omotesando Harajuku

In recognition of the biodiversity conservation efforts of the Omohara Forest at Tokyu Plaza Omotesando Harajuku, we received the Nihon Keizai Shimbun Award in the Rooftop Garden Section of the 12th Rooftop, Wall, and Special Space Greening Technology Competition. Furthermore, in February 2014, Business Innovation in Harmony with Nature and Community Certification was first acquired from the Association for Business Innovation in Harmony with Nature and Community (ABINC) that assesses initiatives such as land use that contributes to biodiversity conservation.



Branz City Miyakojima Tomobuchi-cho awarded with Green Community Building Award

In November 2013, Branz City Miyakojima Tomobuchi-cho was awarded with the Consultants of Landscape Architecture in Japan Kansai Division Award in the Landscape Division of the 3rd Green Community Building Award. The award was received in recognition of the creation of a local landscape that connects the city and housing, inside and outside, and people and nature at Branz City Miyakojima Tomobuchi-cho, as well as the excellent design characteristics at this site.



Futako Tamagawa Rise acquired the top AAA rank for JHEP Certification

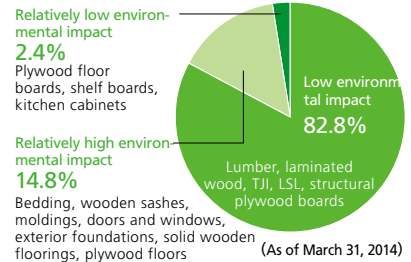
The Futako Tamagawa Rise (Second Phase) integrated commercial and residential complex that is a joint venture with Tokyu Corporation acquired the top rank (AAA) for JHEP Certification, which is Ecosystem Conservation Society - Japan's system for certification of biodiversity assessments. We will develop the building's roof garden into an open space containing water and greenery as a large-scale roof garden with features such as a vegetable garden area and a killifish pond as we aim to create a community that is in harmony with the abundant natural environment in the surroundings.



● Mitigating the Impact of our Business

Tokyu Homes Corporation promotes fair wood procurement based on its Lumber Procurement Policy established by incorporating the relevant international procurement standards. The company makes wood-related environmental risk assessments receiving support from FoE Japan, an international environmental NGO, and continues to conduct improvement activities based on the assessment results.

Environmental impact assessment associated with wood (made on Millcreek North American-style homes)



● Forest Conversation Initiatives in Cooperation with Customers Green Connection Project

The Group has implemented the Green Connection Project in cooperation with customers since 2011. As reuse cycle has been formed in which forests are conserved based on the use of the Group's products and services, wood produced in used in our business, and products are provided to customers once more. During 2014, further efforts were made to use timber from conserved forest, for examples as the construction materials for the Shin Aoyama Tokyu Building and original stationary for Tokyu Hands, Inc.



Original stationery using timber



Shin Aoyama Tokyu Building

● Preservation of Endangered Species

Efforts are made to protect endangered species at the resort facilities operated by Tokyu Resort Service Corporation. At the Grandeco Resort in Fukushima Prefecture, we hold events to observe the rare chestnut tiger butterfly in which participants conduct marking to record the movement of the chestnut tiger butterfly. These movement records are then made public on our website.

At Ishitaku Exterior, Inc. efforts are made through golf course management to maintain and improve course scenery while preserving precious plants that are endangered species.



Chestnut tiger butterfly

● Environmental Education Activities

The Honeybee Project is conducted by Tokyu Land Corporation for the purpose of ecosystem preservation and environmental education. During 2014, neighborhood children were taught about the environment through the observation of honeybees and watching honey collection on the rooftop of a building owned in Ebisu.

At the resort hotel Palau Pacific Resort in the Republic of Palau, we have broadly contributed to environmental preservation in Palau through the sponsorship of educational events on dugong preservation, the implementation of guided nature tours, and efforts to have the beach in front of the hotel designated as a marine life preservation zone by the State of Koror in Palau.



Environmental education to children through honeybees

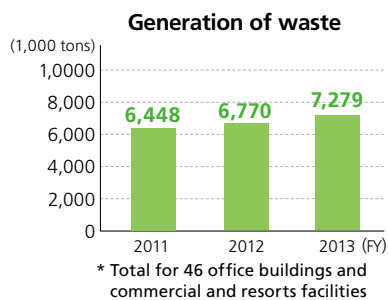


Honey collected in Ebisu

Energy Saving

● Reduction of Waste

Toward the creation of a recycling-oriented society, the Tokyu Fudosan Group is fostering the reuse of resources and reducing the generation of waste, while striving to prolong the life of houses and other facilities. In FY2013, we increased the generation of waste by about 13% from the FY2011 level.



● Efforts to Reduce Waste

Tokyu Livable, Inc. has adopted confidential document collection boxes in an effort to prevent information leakage, recycle, and save resources. Tokyu Hands, Inc. has made efforts to reduce the number of disposable bags used since FY2012 in cooperation with its customers. Furthermore, at Tokyu Stay extended-stay hotels operated by Tokyu Relocation Co., Ltd. efforts have been made to reduce waste by only providing the required amount of amenities such as toothbrushes at the front desk.



Efforts to reduce disposable bags

● Waste Reduction through Remodeling

Through the Kurashi Up Green whole-residence regeneration system of Tokyu Homes Corporation, we have achieved residences that are friendly to the global environment through the use of good parts of current homes such as foundation and pillars, which reduces construction waste by approximately 90% compared to rebuilding.

In addition, Tokyu Resort Service Corporation is conducting the sales of vacation homes that have been seismically diagnosed and guaranteed and also ecologically remodeled under its REFORTH program.



● Garbage Composting in Palau

The resort hotel Palau Pacific Resort in the Republic of Palau produces waste including leftover food and cardboard boxes every day. Because the average temperature in Palau is stable at 28 to 29 degrees Celsius, this makes it suitable for composting. The compost waste disposal facilities in the State of Koror are used for the hotel's waste so that it can be reduced to 1/3 its volume and turned into compost through natural decomposition.



Palau Pacific Resort

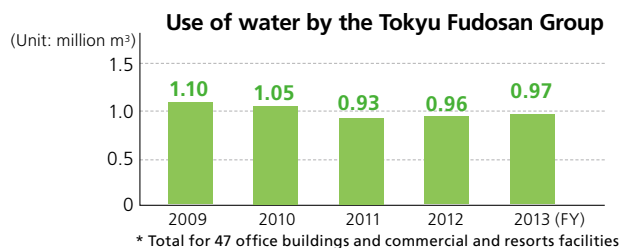


Compost waste disposal facilities

Conservation of Water Resources

● Reduction in the Use of Water

In FY2013, the Tokyu Fudosan Group achieved an approximately 11% reduction in water use from the FY2009 level by such measures as introducing water-saving equipment.



● Use of Rainwater and Groundwater

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. In addition to proactively implementing greening activities, efforts have also been made to conserve water resources through the adoption of water-saving toilets and reducing the use of tap water by

actively using mountain groundwater.

At Tokyu Harvest Club Hotel Harvest Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively based on the concept of harmony with nature, for example, through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui that uses spring water

● Environmental Conservation of the Tama River and its Basin

The Tokyu Foundation for Better Environment (Public Interest Incorporated Foundation) works to improve the environment of the Tama River area by conducting surveys of the Tama River and its basin, supporting environmental activities, and disseminating information.

Healthcare

● Treatment of Toxic Chemicals

At the Tokyu Fudosan Group's office buildings, commercial facilities and resort facilities, toxic chemicals are appropriately managed and disposed of in compliance with the related laws and regulations.

For CFCs used in air conditioners as coolants and PCBs contained in electric equipment, we strictly ensure legal treatment and disposal to prevent any leaks or emissions. We make timely checks for the presence of asbestos and soil contamination, implement necessary measures, and ensure appropriate management on a case by case basis.

● Promoting Health in a Safe, Secure, and Enjoyable Manner at Home

Tokyu Sports Oasis, Inc. provides and offers healthy lifestyles. With the participation of Papaya Suzuki and the creative unit Shiodome Innovation Studios, we have developed a dance DVD and specialized mat that allow people to get in shape enjoyably while dancing. In the future, we will continue to make exercise products that enable people to continue exercising in a safe, secure, and enjoyable manner by leveraging the know-how we have accumulated.



Promoting enjoyable health maintenance at home

● Acquisition of Asbestos Handling Qualification

Tokyu Homes Corporation considers response to asbestos that causes a significant impact on the human body to be an important issue, and it conducts special asbestos education for people involved in handling asbestos. At the special asbestos course that was conducted in July 2014, a workshop was held on the toxicity and handling of asbestos.

● Implementation of Programs to Promote Health

At the resort facility Tokyu Harvest Club Atami Izusan & VIALA, we hold yoga lessons that all of our guests are welcome to participate in. This is an initiative aimed at both promoting the health of guests and providing them an opportunity to come in touch with nature.



The Tokyu Harvest Club Atami Izusan & VIALA where guests can experience yoga

Special Feature/
Stakeholder Dialogues

Special Feature/
Employee Roundtable

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Employment and Labor Practice Initiatives

Basic Stance

The Tokyu Fudosan Holdings Group aims to establish energetic workplaces that allow each and every employee to perform to the best of their ability and work in a lively manner in order to improve customer satisfaction and corporate value.

Development and Utilization of Human Resources

● Human Resource Development and Training

The Tokyu Fudosan Holdings Group considers employees to be “human assets” rather than “human resources.” In other words, the Group views employees to be assets that are directly linked with corporate value and profits. With a view to turning each employee into a value producer, Tokyu Land Corporation (TLC) conducts human resource development focused on a training program that has four training stages for employees, each of which lasts for five years, and provides them with training to help them acquire necessary skills as they advance from the initial stage (first five years in the company) through to the fourth stage. In addition, self-development programs have also been actively introduced that allow each employee to select programs that would be useful for their own career development, including support for the acquisition of qualifications. Specifically, there are various forms of career support training programs in anticipation of the next job level, including fifth year career training, tenth year career training, and assessment training for management positions, as well as theme-based training such as business skill training, logical communication training, and legal seminars. Furthermore, programs such as English training are available for employees that want to brush up their skills in these areas in line with the Group’s focus on the expansion of its business overseas.

● Improving Technical Capabilities and Service Quality

Tokyu Community Corporation conducts introductory training through classroom lectures and practical training when people enter the company in an aim to develop high

quality management employees and operations employees knowledgeable of construction equipment. Employees are assigned to condominiums after learning about topics such as condominium equipment and business manners and conducting practical work training at a specialized condominium management training center equipped with the latest equipment.



Outside the Condominium Life Training Center Inside the Condominium Life Training Center

● Personnel Rotation Program

TLC implements a planned personnel rotation program targeting young employees whose years of service are below around nine years, aiming to eventually develop them into human resources who can manage the company with a broad understanding of its business. Having an interview with Human Resources every years, in principle, employees are allowed to experience at least two kinds of business and jobs during about nine years after joining the company, consideration their desire. This program enables the company to assess employees’ aptitude for multiple jobs at an earlier stage of their career and to develop human resources who can conduct business operations from not only their own sectional but also a cross-organizational viewpoint.

Outline of the training program implemented by TLC

Years of service	First to ninth years	10th to 15th years	16th year onwards
Rank	General employees	Managers	Executives
Skill-up programs (input)	Marketing Finance Logical communication Accounting Career development Legal seminars Financial seminars	Information gathering Information analyzing Risk assessment Hypothesis formation and verification Assessments	Strategy formulation Business creation Business management skills Training on evaluation skills
Performance goals (output)	Wide-ranging experience	Improvement of specialized skills	Improvement of management skills

Promotion of Diversity

● Respect for Human Rights

The Tokyu Fudosan Holdings Group states “Respect human rights” in the Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. The Group respects basic human rights in compliance with the Universal Declaration of Human Rights adopted by the United Nations as well as with the local laws and regulations implemented in the regions where it has bases. The Group also takes steps to prevent discriminatory behavior and speech, sexual harassment and power abuse while making efforts to respect the diverse values, individuality, and privacy of individuals. TLC holds a training seminar for all new employees on the theme “Issues Surrounding Companies and Human Rights,” so that they can have a grasp of human rights issues.

● Proactive Use of Female Employees

Tokyu Livable, Inc. has established the Diversity Promotion Division in an aim to create an environment that encourages the active employment of women, seniors, foreigners, and people with disabilities and to increase the rate of female managers to 10% by FY 2018. A Career Support Re-employment System was established in April 2014 that enables the continued employment of employees that fulfill certain internal standards until age 70 if they wish to remain employed. In addition to promoting the proactive use of female employees, the Group will actively work towards creating a workplace that can take advantage of the abundant experience and personal connections of senior employees that are expected to increase in the future so that they can be effectively used in the organization.

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Emi Nozawa
Hiyoshi Partner Office
Distribution Business
Department, Sales Support
Division Tokyu Livable, Inc.



Using in-house childcare facilities to achieve a balance between childcare and work

In the past, I had difficulty in finding childcare facilities to which I could entrust my children on weekends and holidays when I had to work on these days, but this was solved with the opening of the in-house childcare facility named “Livable Kids Room.” Because these facilities are open until 20:00, this means I am able to pick up my children in time. I also feel reassured in keeping my children there due to the high quality of the care. The children also seem to look forward to using the facility on holidays when I have to work. Thanks to this support, I can continue working without any concerns.

Achievement of Work-Life Balance

● Enhancement of the Support System for Childcare and Nursing Care

The Tokyu Fudosan Group has been implementing a variety of measures to provide employees with diverse work style options. TLC revised its childcare support system in 2012 to allow employees to take childcare leave for a longer period (the maximum period of until the child becomes one and a half years old was changed to until the child becomes two years old) as part of efforts to improve the system to make it more supportive of childbirth and childcare. Tokyu Hands, Inc. offers exemption from overtime work to employees with children who are third graders at elementary school or younger, and allows employees with family members who need nursing care not to work overtime and choose their working hours. Tokyu Sports Oasis, Inc. is also fostering the flexible use of human resources by enabling employees to take childcare leave until the child becomes three years old, work three hours shorter per day for six months after returning to work, and apply to the Childcare Employee System to choose their working hours until the child graduates from elementary school.

● Obtaining Approval for the Use of the “KURUMIN Mark”

The Tokyu Fudosan Group is working to acquire the “KURUMIN Mark” (the Certified for Next Generation Accreditation Mark). This mark is awarded to a company who has strongly committed to supporting the development of next generations. This certification is obtained by meeting the certification criteria such as fostering a better work-life balance through the establishment and improvement of necessary systems and awareness-raising among employees. Specifically, it encouraged male employees to take childcare leave, established a system to allow employees to accumulate expiring annual leave days to use them to support childbirth by their spouses or to give nursing care to their family members, and also urged employees to take paid holidays based on an action plan. Currently, Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu Hands, Inc., Ewell, Inc., and Tokyu Sports Oasis, Inc. have also acquired the certification.



Kurumin Mark

● Support to Volunteer Activities

TLC has a Volunteer Leave System to encourage employees to participate in activities to support recovery from the Great East Japan Earthquake. Under the system, employees are allowed to take paid holidays for up to five days per year and given a certain amount of subsidy to cover the participation costs. Also, for other volunteer activities, such as social welfare and environmental conservation activities, the company has a system to allow employees to use part of the accumulated annual leave to participate in the activities.

● Work-Life Design

Based on the work-life design concept that aims to create mutual synergies and build up reciprocally beneficial relationships between the company and employees by encouraging employees to design both their work and private lives on their own initiatives.

For example, the company has designated every Wednesday as “No Overtime Day” and established a Commitment Leave system, under which each employee submits an annual plan to take at least seven paid holidays during the year at the beginning of that year. This system is designed to provide employees with enough time to refresh and develop themselves in addition to resting their bodies, thereby helping them make their work and private lives compatible and liberate themselves from mental pressure.

Improving the Health and Motivation of Employees

● Health Examinations for Employees and Mental Health

All employees of TLC undertake health examinations every year and also receive secondary examinations and interviews by health nurses depending upon the checkup results. Moreover employees whose overwork hours have exceeded the in-house criteria are provided with detailed health check services.

For the mental health of employees, TLC has introduced an employee assistance program (EAP) implemented by an external health organization, which is available also to families of employees. Users of the program can ask for professional advice even on problems not related to work, such as those regarding childcare and nursing care. Furthermore, employees take an annual test to check their mental health status and stress level.



User instruction card for the mental health-care consultation service

● Kusanone Project

The Kusanone Project is the name of an initiative aimed at fostering communication among about 17,000 Group employees in a bottom-up manner. The project was launched during FY 2012 with the aim of establishing a strong corporate group with employees able to provide customers with better products and services by deepening understanding and communication among themselves. By fostering mutual

understanding among employees and workplaces through the holding of sports events for employees, such as golf lessons and marathon relay races and the Group newsletter Kusanone and a special website for the project, the Group aims to nurture the creation of a bright and open corporate culture.



Group newsletter Kusanone

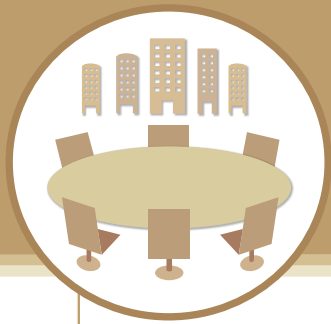
● Knowledge Forum and Knowledge Café

The Tokyu Fudosan Holdings Group has been holding in-house seminars under the title “Knowledge Forum” to help employees improve work motivation, reform corporate culture, and increase knowledge through interchanges with advanced companies.

The company invites top runners in various fields to speak at the seminars to share their experience and findings with employees. In addition, the Knowledge Café has been held since FY 2014 with the aim of promoting mutual understanding within the Group. We invited leaders in the field from each Group company well-versed in each theme to share information on business and the topics discussed.



Knowledge Forum being held



Management Structure

Basic Stance

To continue to be a corporate group trusted by society, the Tokyu Fudosan Holdings Group has been increasing the transparency and efficiency of Group management, while enhancing its corporate governance and compliance.

Corporate Governance

● Governance System

Group management is conducted by Tokyu Fudosan Holdings Group, while operations are conducted by each operating company. The Board of Directors functions as a supreme decision-making body second to the General Meeting of Shareholders, and makes decisions on the management policies and other important issues related to business operations. The Board also supervises the execution of duties by the directors. The Board members meet monthly in principle, and also have extraordinary meetings as necessary.

Statutory auditors attend the Board meetings, interview the directors, review important documents, and check the financial situation. Through these activities the auditors correctly assess the corporate status to effectively carry out audits on the business operations of Tokyu Fudosan Holdings and its subsidiaries as well as on the execution of duties by the directors. Of the four statutory auditors, three are appointed from outside the company to ensure management transparency.

We seek to create optimal corporate governance frameworks for efficient and sound Group management, and for this reason a Group Management Committee has been established for the review body for important plan proposals and implementation

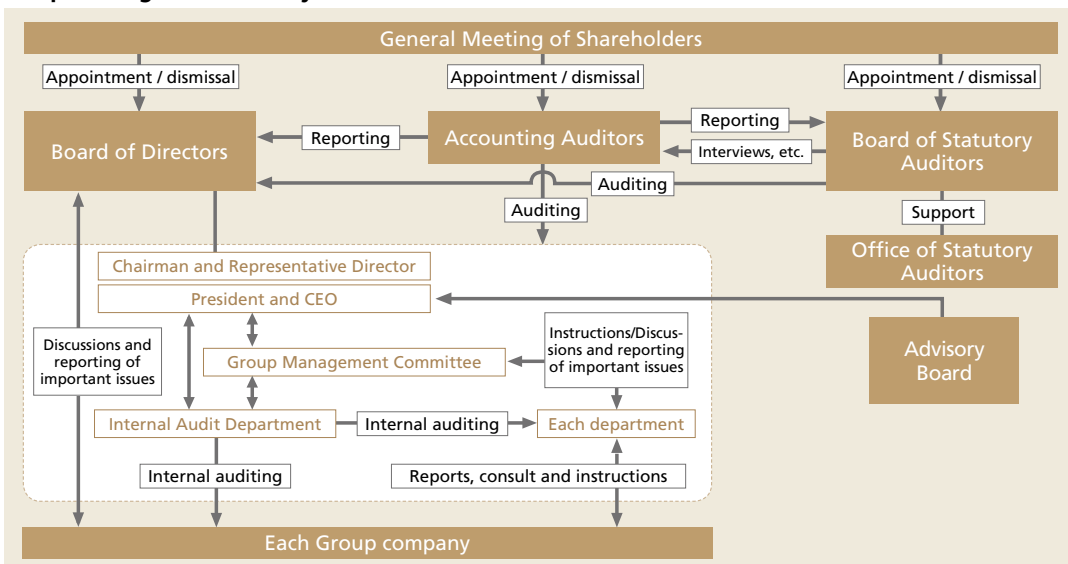
proposals, and an Executive Officer System had been introduced with the aim of improving management efficiency and accelerating decision-making processes. Furthermore, an Advisory Board composed of six people has been established with the aim of receiving broad and beneficial advice and recommendations for external experts in consideration of the customer's perspective and social issues. We are actively working to make management more transparent and understand the needs and expectations of society.

● Internal Control System

Tokyu Fudosan Holdings Corporation is fostering its internal control system under the leadership of Tokyu Fudosan Holdings Group. The holding company makes resolutions for the Group's appropriate business operations at the meetings of the Board of Directors, promotes the improvement of the related systems, and regularly checks progress to ensure compliance management.

To ensure the independence and fairness of internal auditing, we have also established the Internal Audit Department, thereby building up a scheme to carry out and manage internal audits on Tokyu Fudosan Holdings and its subsidiaries and a system to examine and evaluate the legality and rationality of our business operations and foster their improvement.

Corporate governance system



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Compliance

● Governance System

The Tokyu Fudosan Holdings Group has the Tokyu Fudosan Holdings Group CSR Promotion Committee as the core of its compliance system and ensures compliance management in line with the Tokyu Fudosan Holdings Group Code of Conduct. Moreover the Group has the Tokyu Fudosan Holdings Group Compliance Manual, which makes specific explanations about each item of the Code to help employees achieve compliance. Furthermore, employees are regularly trained on compliance to increase their awareness.

● Awareness-raising Measures

Each Group company has established the compliance programs, plans the specific activities to be conducted under the programs in the fiscal year, and provides directors, general employees, contract employees, and also temporary staff with compliance training on a regular basis. In FY 2013, the company held a total of four compliance seminars for employees, based on themes including social media, the misuse of dominant bargaining positions, and customer support. In the compliance e-learning program, which is one of the awareness-



Compliance training

raising programs, employees are educated on the Tokyu Fudosan Holdings Group Code of Conduct and on compliance-related problems, laws and regulations at Group companies including TLC, Tokyu Community Corporation, and Tokyu Livable, Inc. Moreover, examples of compliance incidents faced by other companies are posted on signboards monthly to warn employees. Other measures implemented by the company to strengthen legal compliance include holding a regular in-house legal consultation meeting, making better use of the corporate lawyer, and providing employees with access to information on the enactment and revision of relevant laws and regulations.

● Provision of Helpline Services

The Group has its own Compliance Helpline Counter (a whistleblowing system) to prevent and rectify incompliance, including frauds and the violation of laws and regulations. The Group also makes an external compliance helpline service counter provided by lawyers available to employees, so that they can easily ask for advice regarding compliance issues.

● Policy for Anti-social Forces

The Group clearly states, "Never connect with anti-social forces" in its Code of Conduct. Based on this policy, we stand firm against any demands from anti-social forces based on close cooperation with the police, lawyers and other external organizations. In this regard, TLC has set the preventive measures and other practical procedures in the Guidelines for Anti-social Forces and the Anti-social Forces Policy Manual, and employees are educated on the issue as part of their compliance training.

Tokyu Fudosan Holdings Group Code of Conduct

1. Compliance with Laws and Regulations and Fair Trading	2. Ensuring Customer oriented Awareness	3. Suitable Execution of Duties	4. Proper Management of Information	5. Ensuring Good Faith in Business Conduct
<ul style="list-style-type: none"> ● Ensure compliance with applicable laws and regulations. ● Ensure best practice in material procurement and fair trade. ● Ensure compliance with fiduciary responsibility in the execution of duties. ● Never connect with antisocial forces. 	<ul style="list-style-type: none"> ● Identify customer needs and develop products to meet their needs. ● Prompt and dedicated response to customers' comments and requests. ● Customers' safety and security comes first when providing products and services. ● Provide a suitable and appropriate explanation and marketing of our products and services. 	<ul style="list-style-type: none"> ● Responsible execution of duties, keeping concepts of "speed" and "evolution" in mind. ● Nurture organization culture of placing emphasis on "Collective wisdom." ● Take advantage of combined strength of the corporate group. ● Ensure proper decision making process. ● Proper management of rules. ● Proper negotiations with business associates. 	<ul style="list-style-type: none"> ● Operate appropriate document and information management systems. ● Proper management of confidential information and compliance with confidentiality obligation. ● Prohibit insider trading. ● Timely and appropriate information disclosure and PR activities. ● Internal control to ensure proper accounting and financial reporting 	<ul style="list-style-type: none"> ● Preserve corporate assets. ● Ensure a robust, safe, and comfortable working environment. ● Respect human rights. ● Contribution to society and consideration of the environment. ● Reasonable business entertaining and gift-giving. ● Clear distinction between business and personal matters.

Risk Management System

● Day-to-Day Risk Management

The Tokyu Fudosan Holdings Group has established the Basic Regulations on Risk Management to manage risks in a comprehensive and systematic manner, and it has also established a system to execute a cycle of plan, do, check and act (PDCA cycle) to identify and manage risks within the Group. TLC examines and manages project specific important risks based on the results of deliberations made by the Management Committee. At the same time, the Tokyu Fudosan Group systematically fosters risk management across the Group through the Group CSR Promotion Committee.

● Disaster Control System

In the event of emergencies that could cause serious damage to the Group, such as disasters, the Tokyu Fudosan Holdings Group will make appropriate responses based on the Emergency Response Provisions, including distributing information and making decisions as necessary to minimize damage. The Group also prepares for disasters through the establishment of the Emergency Response Basic Manual and other individual manuals created to deal with various risks. Moreover the Group is preparing business continuity plans (BCPs) to ensure the business of each operating company is not interrupted, while also providing employees with training on cardiopulmonary resuscitation (CPR).



CPR drills

Information Management and Disclosure System

● Information Management System

Tokyu Fudosan Holdings Corporation formulated the Information Management Provisions to ensure the appropriate treatment of information in its business operations. Based on the provisions, the company is fostering information sharing to increase business efficiency, preventing the leakage of secrets, and disclosing information in an appropriate manner.

As for electronic information, the company has set the rules to be obeyed by directors and employees based on the basic policy on information security, including the rules on the monitoring of employees' access to information by information managers and on the use of computer terminals.

● Protection of Personal Information

Each Group company develops policies, regulations, and manuals concerning the protection of personal information to ensure compliance with the related laws and regulations. Training is also conducted with employees to increase their awareness of handling personal information. Also, TLC chooses the companies to which it entrusts the treatment of personal information with due care and monitors the treatment of the information by the selected companies to foster information safety. Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu Relocation Co., Ltd., and Ewel, Inc. have obtained approval to use PrivacyMark, which provides a proof that these companies are safely managing and appropriately protecting personal information.

● Prohibition of Insider Trading

Tokyu Fudosan Holdings Group has set rules, Provision of Insider Trading Prohibition, to prevent the illegal insider trading of financial instruments and make all employees aware of the rules.

● IR Activities

The Tokyu Fudosan Holdings Group works to dispatch information to shareholders and investors in a fair, accurate and timely manner. We comply with the related laws and regulations, and proactively disclose information about our management strategies and financial position to help stakeholders have a broader understanding of the Group's business activities. Tokyu Fudosan Holdings Group received the Internet IR/Excellent Company Award 2013 from Daiwa Investor Relations (Daiwa Securities Group) and also won a bronze prize in the Gomez IR Site Ranking 2014.



Daiwa Investor Relations Internet IR/Excellent Company Award 2013



Bronze prize in the Gomez IR Site Ranking 2013

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Tokyu Fudosan Holdings Group Overview

Corporate Profile

(as of March 31, 2014)

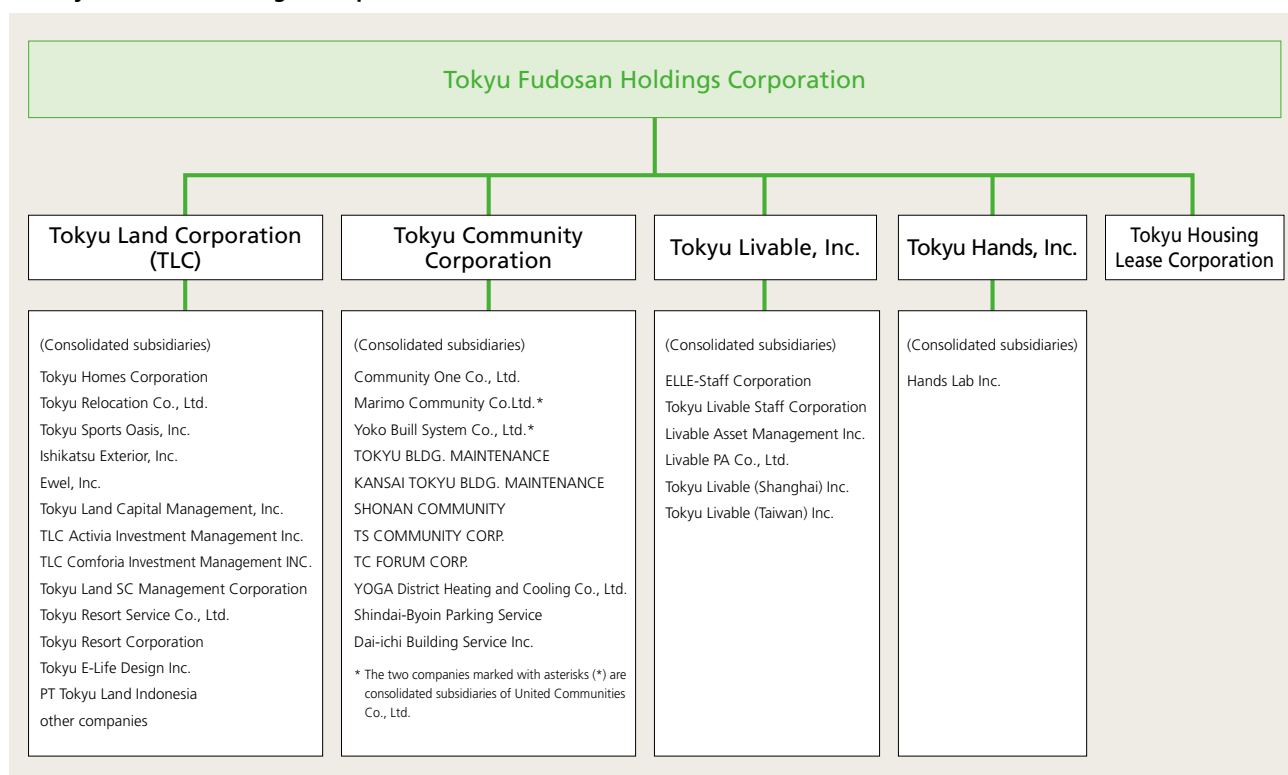
Corporate name: Tokyu Fudosan Holdings Corporation
Establishment: October 1, 2013
Headquarters: Shin-nanpeidai Tokyu Bldg.,
 Dogenzaka 1-21-2, Shibuya-ku, Tokyo

President & Representative Director: Kiyoshi Kanazashi
Capital: 60,000 million yen
Website: <http://www.tokyu-fudosan-hd.co.jp/english/index.html>

Holding Company System

As a pure holding company, Tokyu Fudosan Holdings Corporation makes and implements management strategies for the entire Group, appropriately allocates managerial resources, fosters the creation of opportunities to increase synergy effects between the businesses conducted by the Group, and promotes cooperation across the Group. Under this holding company, each operating company conducts business in line with the management strategies, flexibly promotes business expansion based on the delegation of responsibility, and grasps new business opportunities by strengthening mutual cooperation, with the goal of improving the corporate value of the entire Group.

Tokyu Fudosan Holdings Group



Tokyu Housing Lease Corporation is scheduled to begin operations in April 2015.

Financial Data

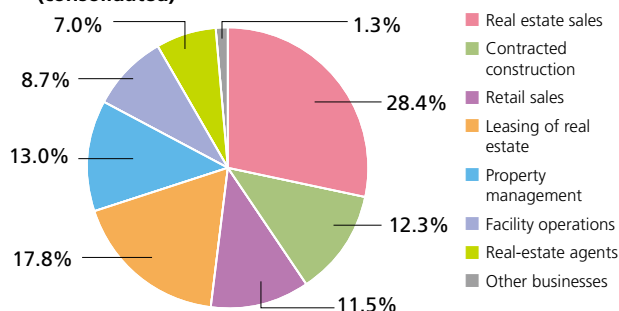
Financial Summary (Consolidated)

(Unit: ¥ billion)

Consolidated	FY2011	FY2012	FY2013
Operating revenue	5,568	5,959	7,141
Operating income	501	520	614
Ordinary income	349	399	506
Net income	342	221	237
Total assets	17,448	17,184	17,898
Total net assets	2,753	3,070	3,692

The financial data for FY2012 and before are based on TLC's consolidated business performance.

Breakdown of operating revenue by segment (consolidated)



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The effort that Tokyu Fudosan Holdings has put into its CSR management has been very impressive; this effort is reflected in the inclusion of Tokyu Fudosan Holdings in a leading international Socially Responsible Investment (SRI) benchmark index. I sincerely hope that, in the future, Tokyu Fudosan Holdings will continue to build on these achievements, striving for further improvement based on a deepening of dialog with stakeholders.

1 Emphasizing commitment from senior management and participation by ordinary employees

In the year that marked the establishment of Tokyu Fudosan Holdings as a holding company – an important milestone for Tokyu Fudosan – I was deeply impressed by the way that CSR was positioned as an integral part of the management philosophy of the new Tokyu Fudosan Holdings Group. The vision expressed by the senior management, which stressed the importance of the Group's growth strategy and its CSR strategy as "two wheels on the same bicycle", was powerful and clearly expressed. There was a strong sense that Tokyu Fudosan's senior management is deeply committed to using the new group structure to create further synergy from the interaction between the group's constituent elements, while also strengthening the framework for using Tokyu Fudosan's core business to provide solutions to social issues. I was also very impressed by the commitment to ongoing, long-term efforts to support the recovery of those areas affected by the 2011 Great Eastern Japan Earthquake.

Besides the commitment to CSR by top management, the efforts to get ordinary employees involved in the building of the group's vision for the future are also noteworthy. It is clear from the way the CSR Report is written that it attaches due importance to the company employees who will be reading it, and aims to enhance their awareness of key issues and their enthusiasm for participating in CSR activities.

It is my earnest hope that, in the future, Tokyu Fudosan Holdings will continue to leverage its strengths – in terms of vigorous leadership from senior management, and an ethos that encourages active participation by ordinary employees – to face up to the problems affecting Japan's rapidly-changing society by stepping up the adoption of measures, in those areas where Tokyu Fudosan Holdings is particularly strong (including community building and lifestyle creation), to help build a sustainable future.

2 Integrating the PDCA cycle with the reporting process

I believe that the key to building on the commitment from senior management and active participation from ordinary employees that

was outlined above so as to achieve concrete results from a CSR perspective lies in the management system. CSR management needs to be put in place, and made to work effectively, by deciding what needs to be prioritized, by determining who needs to do what by when, and by establishing medium-term goals and annual objectives and then monitoring implementation status.

Viewed from this perspective, it has to be said that, after reading the CSR Report, it is not readily apparent exactly how the content relates to the PDCA (Plan-Do-Check-Act) cycle, in terms of how the individual companies that make up the Tokyu Fudosan Holdings Group actually go about planning, implementing, evaluating and improving their integration of sustainability into core business. It is also not clear from the Report how the CSR Promotion Committee operates, or how the ideas and suggestions put forward at employee workshops are used to identify issues that the Group needs to tackle. Rather than just outlining what measures the Group has put in place over the past year, and what results it has achieved during this time, it would be better if the Report could also disclose some of the Group's future goals in relation to CSR, and outline the progress being made in regard to these goals and the framework and processes adopted to achieve them. By positioning the CSR Report as part of the CSR management cycle, the Report itself can come to play a more effective role in the implementation of CSR activities within the Group.

3 Expanding the scope of the approach to human rights

This year's CSR Report notes the efforts that Tokyu Fudosan Holdings has been making to promote diversity within the Company, and its proactive measures to help female employees maximize their potential. However, given that disability is an important diversity-related issue, it would seem that the Report should also outline the current status of the Company's employment of disabled persons, and discuss the issues involved.

A further point is that the perspective adopted in the Report's discussion of human rights is limited to the Company's own internal situation; there does not seem to be enough coverage of human rights issues as they relate to other parts of the value chain and other stakeholders. Globally speaking, the taking of steps in advance to prevent infringement on human rights, and the demonstrating of respect for human rights across all business areas, is very important for a business enterprise. I hope that the Company will make improvements in this regard in the future.

Third Party Opinion Acknowledgement

First of all, I would like to thank Professor Seki for his valuable comments regarding the Tokyu Fudosan Holdings Group's CSR activities and CSR Report.

It is now just over a year since Tokyu Fudosan Holdings Corporation was established as a pure holding company. We have been keenly aware of stakeholders' expectations that we would take the opportunity provided by the creation of the new framework to achieve greater synergy, and to fulfill our social responsibility more effectively. In response to these expectations, CSR has been positioned as an important management issue, and we consider it to

be of great importance that we contribute, through our business operations, towards dealing with society's problems, such as the trend towards smaller families and an aging population, environmental problems, and



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the tendency for population to be concentrated in major cities while rural areas gradually become depopulated.

In response to Professor Seki's comments regarding the relationship between CSR activities and PDCA cycle management, we will be striving to attain a higher degree of transparency in our CSR Report by setting clear goals, monitoring the progress made towards meeting those goals, and disclosing this information in an appropriate manner.

With regard to the issue of respect for human rights, we do realize that this is a very serious issue that is global in scope, and we will be working to strengthen our approach to this issue from a broader perspective, not only within the Company, but in terms of the entire value chain.

In the future, we will be striving to make effective use of our Group's resources and know-how in our CSR activities so as to ensure that Tokyu Fudosan is viewed, by every member of society, as a well-regarded business group that plays a vital role in society. We look forward to hearing more of Professor Seki's comments on our CSR activities in the future.



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