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**+** Tokyu Fudosan Holdings Group's CSR

**>** A Commitment from Top Management

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**>** For ESG Investors

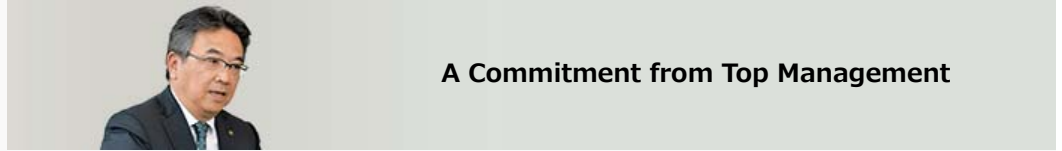
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# Tokyu Fudosan Holdings Group's CSR



In order to achieve sustainable growth and increase corporate value over the long term, we have positioned ESG (environment, society, governance) as a key management issue and practice ESG management in accordance with the Group CSR vision of raising the level of satisfaction among stakeholders by finding solutions to social issues through our business activities.

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## CSR Vision

**We will work on creating solutions for social issues through our business activities and in the process enhance the satisfaction of stakeholders.**

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 enhance the satisfaction of stakeholders in the process. For this reason, we share the Tokyu Fudosan Holdings Group CSR Vision with all subsidiaries and consider CSR to be an important management task for which we are promoting initiatives through our core business.

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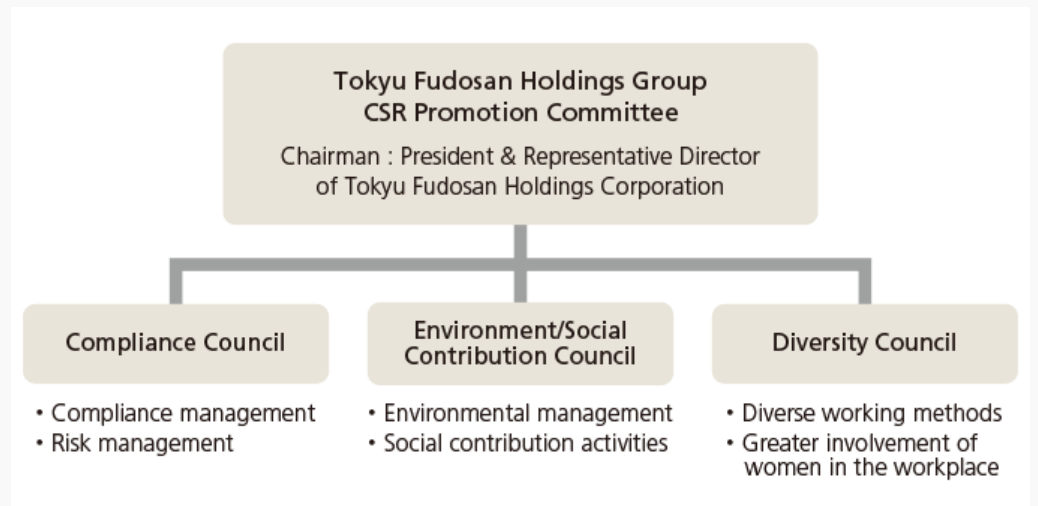


## CSR Promotion Structure

The Tokyu Fudosan Holdings Group has established the CSR Promotion Committee headed by the President & Representative Director in order to implement initiatives aimed at addressing various CSR issues.

We have established three councils, namely the Compliance Council, Environment/Social Contribution Council, and Diversity Council, as subcommittees of the CSR Promotion Committee, that lead management activities across the entire Tokyu Fudosan Holdings Group in their respective areas of focus.

■ Organization chart of CSR promotion



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# Tokyu Fudosan Holdings Group Code of Conduct

We have established the Tokyu Fudosan Holdings Group Code of Conduct as a set of action guidelines for all executives and employees to follow. The Code of Conduct documents action principles for all executives and employees in order for the Tokyu Fudosan Holdings Group to always be trusted by stakeholders. In addition to compliance, the Code of Conduct also addresses the environment and society to encourage responsible efforts within the group for helping society and the group to achieve sustainability.

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

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# Identification of Materialities & Opportunities and Risks

When formulating the Medium-Term Management Plan, the Tokyu Fudosan Holdings Group identified key social issues that will be important to the Group over the long term and then identified materialities while taking into consideration the opinions of experts with advanced knowledge regarding the low birthrate and aging society, lifestyles, the environment, work styles, and ESG investment. We verified opportunities and risks in our business activities associated with these key issues with an awareness of social problems that affect the Group. In order to achieve sustainable increases in value, we will undertake measures to address social issues through our business activities in accordance with the Value Frontier 2020 Medium-Term Management Plan.

## Selection Process

### Step 1 Determination and organization of social issues

When identifying key issues, the Group ascertained social issues while making reference to the Group's management plans, the GRI Guidelines, ISO 26000, the Sustainable Development Goals, issues recognized by the Japanese government and economic organizations, and other information, and generated a long list comprising 470 items.



### Step 2 Integration and consolidation of issues

We integrated and consolidated the 470 social issues by organizing similar items and taking into account relevancy to the Group. Based on the results, we tentatively evaluated importance based on relevancy to the Group's value creation process and stakeholder expectations and demands and identified 31 materialities.

### Step 3 Interviews of management staff and experts

We conducted interviews of management staff and experts with high levels of knowledge in specialized fields. We also gathered opinions regarding the importance of social issues from within the Company and society.

| Management  | Comment   |
|---|---|
| <p><b>President and Representative Director Yuji Okuma</b></p>  | <ul style="list-style-type: none"> <li>Sound and sustainable management requires an emphasis on the opinions of independent outside directors, arrangement of issues, and investigation of the details of measures.</li> <li>Sound and sustainable management requires an emphasis on the opinions of independent outside directors, arrangement of issues, and investigation of the details of measures.</li> </ul>                    |
| <p><b>Director, Operating Officer Hironori Nishikawa</b><br/>Responsible for general administration divisions</p> | <ul style="list-style-type: none"> <li>In a society with an aging population and advances in the Internet of things (IoT), business will be born from services that combine various issues and can be provided in an integrated manner</li> <li>When engaging in the resort business, it is necessary to take measures to mitigate environmental impact from business activities with regard to the issue of climate change.</li> </ul> |



| Specialized Field Expert   | Comment   |
|--|---|
| <p><b>Low Birthrate, Aging Society</b><br/> <b>Tomoo Matsuda</b><br/>                     Research Director and Chief Producer<br/>                     Platinum Society Center, Mitsubishi Research Institute, Inc.</p> | <ul style="list-style-type: none"> <li>It is important to create business from means of preventing the elderly from needing nursing care (such as sports, diet, and lifelong learning)—in other words, the perspective of preventing rather than addressing issues.</li> <li>In an aging society, there is potential for the Internet of things (IoT) including the use of big data relating to health to play extremely important roles and become a new growth business.</li> </ul> |
| <p><b>Living/Lifestyles</b><br/> <b>Research institution (anonymous)</b></p>   | <ul style="list-style-type: none"> <li>It is important to consider what type of space people will come to in order to spend their time.</li> <li>Businesses need to realize that minority groups are becoming the majority (e.g., unmarried persons, double-income no-kids households, at-home workers)</li> </ul>  |
| <p><b>Environment</b><br/> <b>Shiro Wakui</b><br/>                     Professor, Department of Environmental and Information Studies, Tokyo City University</p>   | <ul style="list-style-type: none"> <li>Platform-like spaces and services that can change flexibly according to the diversity of individual consumers will be expected in the future.</li> <li>The key is how to create value with environmental measures.</li> </ul>  |
| <p><b>Work Styles</b><br/> <b>Keiko Tsuchiya</b><br/>                     General Manager, Personnel Division and Director, Adecco Ltd.</p>  | <ul style="list-style-type: none"> <li>With regard to changes in work styles, emphasis will be placed on flexible working styles not limited to a single site, such as work from anywhere (a work style whereby employees can work not just at a single office, but also at home, satellite offices, and other locations).</li> <li>As society becomes increasingly diverse, there will be calls for this to be reflected in buildings and the environment.</li> </ul>                |
| <p><b>ESG Investment</b><br/> <b>Masaru Arai</b><br/>                     Chairman,<br/>                     Japan Sustainable Investment Forum (JSIF)</p>   | <ul style="list-style-type: none"> <li>What is currently being emphasized with regard to ESG investment is governance. Whether boards of directors are functioning properly is being called into question.</li> <li>Policies, plans, and structures must be formulated, PDCA implemented, and the information disclosed.</li> </ul>   |

\* Titles are as of June 2016 when the interviews were conducted.

**Step 4 Identification of Materialities**

Based on the interview results, we verified the appropriateness of the importance of each issue that should be prioritized by the Group. The evaluation results were plotted and organized as a materiality map and categorized into seven groups. The materialities were reported to the Board of Directors by the CSR Promotion Committee and identification was finalized.



# Materialities of the Tokyu Fudosan Holdings Group TOKYU

| Materialities  | Opportunities  | Risks   |
|--|--|---|
| <p><b>Economic, political, and regulatory changes</b></p> <p>Issues of social security by the Japanese government, privatization, uncertainty in the global economy, and other factors will have major impacts on business opportunities and capital procurement</p>   | <ul style="list-style-type: none"> <li>• Capturing new business opportunities</li> </ul>   | <ul style="list-style-type: none"> <li>• Risk of long-term interest rate increases</li> </ul>   |
| <p><b>Diversification and globalization of lifestyles</b></p> <p>As an urban development enterprise, diversification in life and work styles, increasing importance of multifaceted responses to consumer needs, invigoration of local communities, and other changes will have major impacts on business opportunities.</p> | <ul style="list-style-type: none"> <li>• Inbound demand</li> <li>• Expanded Opportunities for Overseas Business</li> </ul>   | <ul style="list-style-type: none"> <li>• Decline in total domestic demand (diversification of demand)</li> </ul>  |
| <p><b>Safety and Security in Local Communities and Urban Areas</b></p> <p>As a real estate developer, the increase and aging of existing stock and rising need to respond to disasters will have a major impact on business opportunities</p>  | <ul style="list-style-type: none"> <li>• Expansion of markets related to existing stock</li> <li>• Accelerated privatization of public asset processing and operation</li> </ul> | <ul style="list-style-type: none"> <li>• Issue of vacant homes</li> <li>• Deterioration of existing stock</li> </ul>  |
| <p><b>Progression of a low birthrate and aging society</b></p> <p>As a Group that develops business in residences and senior housing, the low birth rate, aging population, and declining population in Japan will have a major impact on business opportunities</p>   | <ul style="list-style-type: none"> <li>• Increasing demand related to seniors</li> </ul>   | <ul style="list-style-type: none"> <li>• Falling demand in conjunction with the decline of the working age population</li> </ul>  |
| <p><b>IoT &amp; Innovation</b></p> <p>As a company that provides both products and services, advances in IoT technology will have a major impact on innovation and changes in business models</p>  | <ul style="list-style-type: none"> <li>• Business Innovation</li> </ul>  | <ul style="list-style-type: none"> <li>• Lowering of barriers to entry into existing business fields, delayed market entry, and increasingly rigorous information security and control</li> </ul> |
| <p><b>More stringent social demands</b></p> <p>Diverse demands from consumers, corporate governance, and various other factors will have a major impact on management systems</p>  | <ul style="list-style-type: none"> <li>• Increase in non-financial value</li> </ul>  | <ul style="list-style-type: none"> <li>• Increasingly stringent responses to various types of risk</li> </ul>   |
| <p><b>Changes in the natural environment</b></p> <p>As a company that performs urban development, changes in infrastructure development and investor interests in conjunction with intensifying climate change will have a major impact on business opportunities and continuity</p>   | <ul style="list-style-type: none"> <li>• Expansion of environmental markets</li> </ul>   | <ul style="list-style-type: none"> <li>• Expansion of climate change risks</li> </ul>   |



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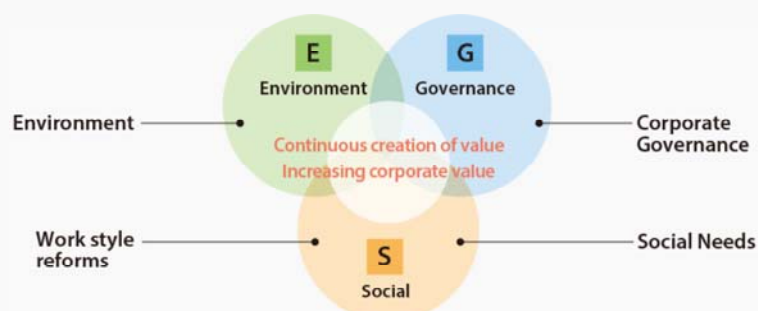
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# Tokyu Fudosan Holdings Group's ESG Management



## KPI Targets for Fiscal

| Item  |  | Fiscal 2020 Targets  | Fiscal 2016 results                   |   |
|---|--|--|---------------------------------------|---|
| E<br>Environment  | Environment  | CO <sub>2</sub> emissions  | 25% reduction compared to fiscal 2005 | -20% reduction compared to fiscal 2005  |
|   |  | Water use  | 25% reduction compared to fiscal 2005 | +10% reduction compared to fiscal 2005  |
|   |  | Waste emissions  | 25% reduction compared to fiscal 2005 | +0.7% reduction compared to fiscal 2005 |
|   |  | Acquisition of environmental certifications such as CASBEE and DBJ | 100%                                  | 100%                                    |
|   |  | Green buildings (roofs, walls, etc.)                               | 100%                                  | 100%                                    |
|   |  | Midori wo Tsunagu Project  | 2,000ha                               | 1,223ha                                 |
|   |  | S<br>Social  | Work style reforms                    | Working hours                           |
| Percentage of employees who undergo stress tests          | 100%   |  |                                       | 85.3%                                   |
| Percentage of female hires                                | At least 30%   |  |                                       | 41.6%                                   |
| Percentage of female managers                             | (Internal target)  |  |                                       | 5.7%                                    |
| Percentage of disabled employees                          | 2.2%   |  |                                       | 1.96%                                   |
| Percentage of employees who undergo physical examinations | 100%   |  |                                       | 98.2%                                   |
| Social needs  | Securing space for use during disasters* <sup>1</sup>  |  |                                       | 100%                                    |
|   | Building certified under the Barrier Free Act* <sup>1</sup>                                  | 100%   | 100%                                  |   |
|   | Condominiums with stockpiles of disaster relief goods* <sup>2</sup>                          | 100%   | 100%                                  |   |
|   | Persons who are nursing care workers or have other professional qualifications* <sup>3</sup> | 80%  | 67%                                   |   |



| Item                          |                             | Fiscal 2020 Targets                            | Fiscal 2016 results                            |      |
|-------------------------------|-----------------------------|--|--|------|
| <b>G</b><br><b>Governance</b> | <b>Corporate governance</b> | Number of outside directors                    | At least 1/3 (approximately 33%)<br>3/13 (23%) |      |
|                               |                             | Board of Directors meeting attendance rate     | 100%   | 100% |
|                               |                             | Female directors                               | At least one person                            | 0    |
|                               |                             | Compliance with the Compliance Code of Conduct | 100%   | 94%  |
|                               |                             | Awareness of the Compliance Helpline Counter   | 100%   | 74%  |

\*1. Tokyu Land Corporation office buildings, commercial facilities, and new large properties

\*2. Tokyu Land Corporation new condominiums

\*3. Nursing care workers

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



## A Commitment from Top Management



With our strengths of wide-ranging business development and long-term, continuous contact with customers, we propose lifestyles that are always a half-step ahead of the times. We are working to become a corporate group that continues to create value.

President and Representative Director  
Tokyu Fudosan Holdings Corporation

Yuji Okuma

### Entering the Second Half of the Medium and Long-Term Management Plan (Stage 2)

We have reached the halfway mark of Value Frontier 2020: Becoming a Corporate Group that Continues to Create Value, our seven-year medium and long-term management plan.

I would like to begin by reviewing the first half of the medium and long-term management plan (stage 1). In fiscal 2016, operating profit was ¥73.2 billion (¥61.4 billion in fiscal 2013) and the D/E ratio was 2.6 (2.7 in fiscal 2013), reaching the targets set in the 2014–2016 Medium-Term Management Plan. I am proud to note that in the past three years, we have achieved steady profit growth and reinforcement of financial foundations. In March 2016, we opened the Tokyu Plaza Ginza, a large-scale commercial facility that will serve as the Tokyu Group's eastern base in Ginza, Japan's preeminent commercial district. We will assimilate with local communities and practice urban development that is supported by communities, the strong points of the Group, and continue our efforts to integrate with the Ginza district to inject new energy into the area.

Fiscal 2017 marks the first year of the second half of the medium and long-term management plan (stage 2). When we formulated a new Medium-term management plan amidst major changes in our business environment, society, and the economic environment, we began by identifying long-term social issues that are important to the Group (materialities). We further identified the intensification of global inter-city competition, rising inbound demand, expansion of stock-related and senior-related markets, and other factors as environmental changes worthy of particular attention. It was with this awareness that we formulated the 2017–2020 Medium-Term Management Plan and set our targets for fiscal 2020: operating profit of ¥93.0 billion, net profit\* of ¥42.0 billion, a D/E ratio of 2.3, and an EBITDA ratio of approximately 10. When the medium and long-term management plan was established in 2014, the operating profit target for fiscal 2020 was set at ¥100 billion. However, due to changes in the schedule of large projects and other factors, we determined that stable growth over a longer period would contribute to increasing our corporate value, and as such, we adjusted our trajectory. At the same time, we set a new target for net profit and will strive to respond to the expectations of shareholders even more than in the past by practicing management with an awareness of shareholder returns.

\* With regard to this and subsequent references, net income has been reclassified as profit attributable to owners of parent as of fiscal 2015.

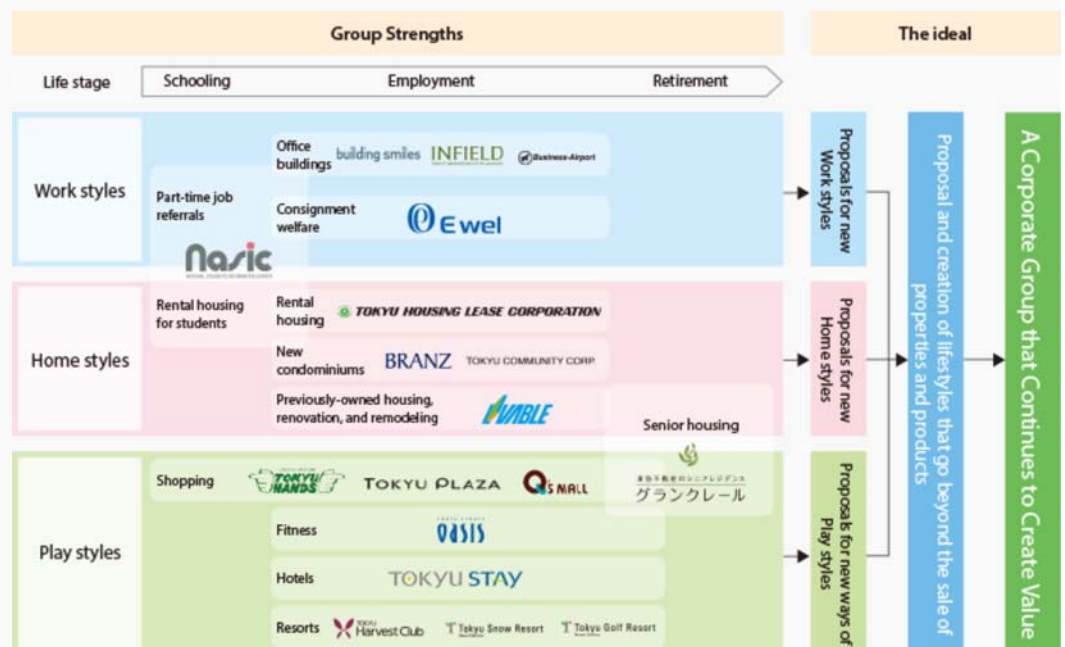
## Creating Value by Using the Group's Diversity and Uniqueness

We engaged in repeated internal discussions when formulating the Medium-Term Management Plan regarding our image of the Group in the future and a concrete image of the Group's essential nature. We have set "becoming a corporate group that continues to create value" as the ideal that we will pursue for the group. It is the role of managers to draw an ideal image of such creation of value and put it into practice.

I believe that the ability of the Group as a whole to provide products and services tailored to customers' life stages by using wide-ranging business development and long-term, continuous contact with customers is a strength of the Group not found in other companies. By combining our highly varied products and services and providing value that integrates the physical and non-physical, proposal and creation of lifestyles that go beyond the sale of properties and products. This is the creation of value that manifests the essential nature of the Group through its diversity and uniqueness.

Condominiums, senior housing, and student residences will become starting points that propose new Home styles. Office buildings centered on leasing and property management will propose new Work styles. Commercial facilities, resort facilities, hotels, and other assets where operating capabilities express true value will propose new Play styles. There is an abundance of opportunities for us to build long-term relationships with local communities and customers as we provide products and services for all lifestyle stages from attending school to employment and into retirement. We will work to make maximum use of those opportunities and solve social issues through our business activities including long-term and continuous urban development and responding to the shift to a stock-based society while sustainably increasing corporate value.

During the second half (stage 2) of the plan, we will continue to pursue the two fundamental policies of the Value Frontier 2020 plan—expansion of associated assets and creation of new demand—while looking ahead to the next stage starting in fiscal 2021 and taking measures to establish new profit foundations for the future and generate stable cash flows. In concrete terms, we will use the combined strength of the entire Group to present the creation of new value to society while carrying out our three growth strategies.



## Concepts Applied to the Three Growth Strategies

### Urban Development That Proposes Lifestyles

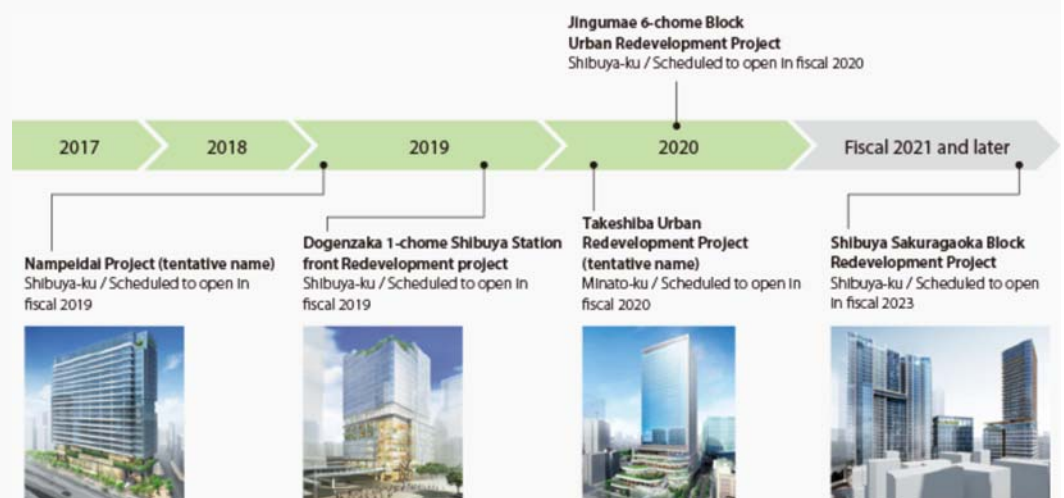
The first growth strategy is urban development that proposes lifestyles. As mentioned above, one way of creating value that is unique to the Group is proposing new styles of living, new styles of working, and new ways of spending time for all lifestyle stages while creating long-term relationships with local communities. We will use this strength to propose lifestyles that are always one half-step ahead of the times while engaging in unprecedented urban development.

One of the pillars of this strategy is the concept of the greater Shibuya area. Our home territory of Shibuya is a dynamic area that links several districts with unique characteristics including Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama. It offers diverse urban development functions including employment, residence, leisure, academia, relaxation, and creativity. We have designated the entire area around Shibuya Station as the greater Shibuya area and positioned it as a key base for the Group. Under the greater Shibuya area concept, we will propose urban development unique to the Group covering development of individual projects to area management and property management and operation in this area, which contains a high concentration of the Group's key properties. In this way we will increase the value of associated assets. I believe that making the transition from sites to areas and undertaking long-term, continuous, and expansive urban development will require not just asset holdings, but also enhancement and differentiation in non-physical realms that make use of our knowledge of the particulars of those assets including property management and operation.

As a part of redevelopment of the Shibuya Station area, we are working to make Entertainment City Shibuya a reality as a member of the Tokyu Group. By doing this, we can further enhance the potential of Shibuya including the concentration of IT firms, abundance of residential properties, generation of commerce, culture, and trends, and ease of access.

The other pillar is urban development that promotes interaction among generations and lifestyle continuity from one generation to the next. Through the Setagaya Nakamachi Project, under which a new community will open in September 2017, the Tokaichiba Project, scheduled for completion in fiscal 2019, and other projects, the Group is developing complex condominium units and senior housing. These projects aim to present solutions for the issue of an aging population and childcare, which are important social issues in Japan.

We are responding to diverse residential styles and social needs for healthy living by conducting urban development that fosters links with local communities. This involves community management that supports the transition from condominiums to senior housing and establishing public community facilities and nursery schools. We hope to create urban lifestyles that promote interaction among generations and build communities where diverse life stories can grow.



## Expanding the Scope of the Cyclical Reinvestment Business

The second growth strategy is expanding the scope of the cyclical reinvestment business. The Group has long worked with listed and private REITs to promote the cyclical reinvestment business, which seeks to expand our rental business portfolio through the cycle of development, ownership and operation, sale, and reinvestment, and we are working to establish a continuous business cycle. In the past, the reinvestment cycle business focused on office buildings, commercial facilities, and rental housing. Under this growth strategy, the scope will be expanded to include infrastructure, industry, hotels and resorts, and student residences in order to reinforce earnings capacity while expanding associated assets. Through these efforts, we plan to increase the Group's assets under management (AUM) to ¥1.3 trillion by fiscal 2020 (compared to ¥0.8 trillion in fiscal 2016).

In addition, continued economic growth is expected in the United States, and we will use our presence at 425 Park Avenue, a large-scale multipurpose building under development in New York City's Manhattan borough, to establish business foundations at an early stage and actively expand business.

## Reinforcing Use of Stock

The third growth strategy is reinforcing our use of stock. New demand in the Japanese market is declining as the population shrinks and the shift from a flow-based society to a stock-based society is accelerating.

We will take the expanding stock-based market as an opportunity to achieve dramatic growth in the Property Management business, which already boasts an industry-leading number of units under management, and in the Real Estate Agents business, which has a nationwide network of real estate sales agents. Both are stock-utilization businesses that symbolize the Group's expansion, and we are aware that they are real estate businesses that will be necessary in the coming era.

The Group is involved in a diverse range of real estate not limited to just condominiums, office buildings, commercial facilities, and rental housing, but also including public housing, airports, and other public facilities.

Going forward, we will expand our management stock even further, as well as actively acquiring business opportunities derived from portfolio assets and customers while maximizing use of real estate transaction information in the Real Estate Agents business. We plan to repeatedly undertake these types of initiatives and expand our stock utilization business.

## Exhibiting Group Strengths in Wide-Ranging Business Domains

### Four Core Business Segments

Next, I will explain our business strategies for each segment. The Group is building a portfolio comprising seven business segments that enables the entire group to respond flexibly to social issues and changes in the business environment. Of these seven segments, the Urban Development, Residential, Property Management, and Real Estate Agents businesses are positioned as core businesses and the pillars of the Group's profits.

In the Urban Development business, we are actively working to create urban and area value and expand the scope of the cyclical reinvestment business with the aim of establishing a solid and unique business at the core of the Group. For large-scale projects such as the Shibuya redevelopment, a project to which I have a strong personal attachment, and the Hamamatsucho and Takeshiba Projects, we will maximize the potential of each area and conduct appealing and energetic urban development that exceeds expectations.

In the Residential business, we are expanding the scale of business in city centers, redevelopment, and complex development with the aim of establishing a unique presence that can make use of the total capabilities of the Group.

In the property management business, we seek to become the leading comprehensive property management company and we are expanding associated assets even further, reinforcing collaboration among Group companies, and working to acquire business opportunities derived from the Real Estate Agents business and from stock such as the remodeling business.



In the Real Estate Agents business, which is the industry leader in terms of number of transactions and transaction value, we are utilizing wide-ranging business domains to find optimal solutions tailored to each customer's needs with the aim of becoming a real estate information multi-value creator that can add many types of value.

### Wellness Business Seeks to Become Fifth Pillar

In the Wellness business, which provides enriching and fulfilling lives and experiences in the leisure, health, and senior fields, we are using development and management capabilities developed over many years as strengths to establish an industry-leading position in the area of wellness. The Group's Wellness business has a history of developing and operating various facilities and services that are ahead of their times and has become a unique and prominent presence in the real estate industry. Under a favorable business environment supported by increasing inbound demand and a growing senior market, we will work to expand the scale of business while promoting cyclical reinvestment business in this field. We plan to establish the Wellness business as a fifth profit pillar (a new core business) for the Group by fiscal 2020.

The Tokyu Hands business, which enjoys overwhelming brand strength, is positioned as a business that contributes to increasing the Group's added value. We plan to strengthen the brand even further and transform profit structures with the aim of becoming the No. 1 lifestyle creation and proposal brand.

In the Innovation business, we will continue to reinforce overseas business with a focus on the United States and Indonesia so that the Group can exhibit its presence as a comprehensive developer. We believe that stable growth, particularly in the United States, will be an opportunity for substantial growth for the Group. Our policy is to reinforce this business from the perspective of asset allocation.

### Business Segment



## Strengthening Our Financial Base for Future Growth

Next, I will explain our financial strategy. First is our investment plan. Gross investment during the four years of the second half of the plan period (stage 2) will be ¥1.23 trillion.

In the Urban Development business, in addition to investment in existing major projects such as the Shibuya redevelopment, we expect to invest in new areas including office buildings, commercial facilities, infrastructure, and industry. These investments, along with investment in non-current assets and inventory assets, are expected to total ¥780 billion. In the Wellness business, which is expected to grow into a new core business, we plan to invest ¥135 billion in hotels, senior housing, and other areas. We also plan to invest in the residential business including condominiums and rental housing for investors as well as overseas business with a focus on the United States and Indonesia.

The gross investment amount will be ¥1.23 trillion, but returns are expected from the cyclical reinvestment business, so net investment is expected to be approximately ¥370 billion. This is premised on the balance of interest-bearing debt at the end of fiscal 2020 standing at ¥1.26 trillion and a D/E ratio of approximately 2.3.

I am aware that reinforcing our financial base is a key management issue for achieving stable growth in the future and making timely and appropriate investments in a dynamic manner.

The D/E ratio, an indicator of financial health, improved to 2.6 in fiscal 2016 (from 2.7 in fiscal 2013) as a result of the addition of equity capital. We aim to further improve the ratio to approximately 2.3 in fiscal 2020 by increasing equity by means such as accumulating yearly profits.

At the same time, we are very much aware of the need to increase our capacity to generate cash flows in preparation for operation of large-scale projects in the future, and we have set a new EBITDA ratio target of approximately 10 for fiscal 2020.

## Building Long-Term Ties and Mutual Trust with Shareholders and Investors

The Tokyu Fudosan Holdings Group will continue to actively foster long-term close-knit ties with its shareholders and investors.

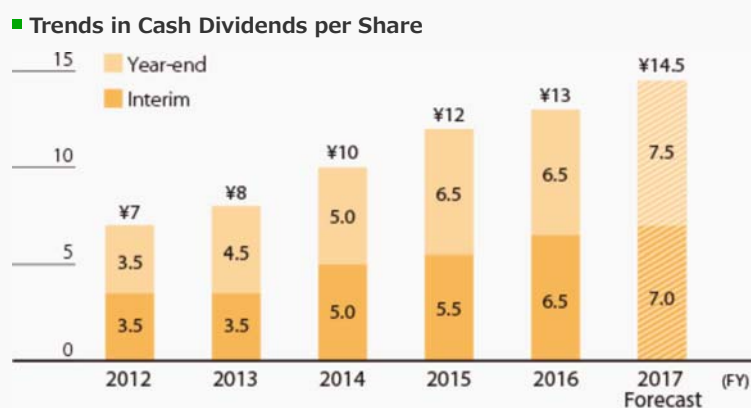
As a part of efforts to provide returns to our shareholders, we will ensure the stable payment of cash dividends and have set a dividend payment ratio target of at least 25%.

In fiscal 2016, the annual dividend was ¥13 per share, and it was the fourth consecutive year in which the dividend was increased. In fiscal 2017, we plan to pay a dividend of ¥14.5 per share. We will seek to increase dividends through continuous growth in profits with an awareness of net profit, for which a new target was recently set.

Tokyu Fudosan Holdings also places considerable emphasis on upgrading and expanding its shareholders' incentive programs. With the aim of attracting long-term investment, we provide a wide range of Tokyu Hands products as well as vouchers for many of the Group's facilities for the benefit of shareholders.

Six briefing sessions for individual investors were held in fiscal 2016. The briefings are intended to provide individual investors with a deeper understanding of the Group's management strategies and business activities.

We also introduced a new stock-based remuneration program for officers. The objective is to raise awareness regarding increasing corporate value over the medium to long term by having officers share the benefits and risks of fluctuations in share prices with shareholders. We will meet shareholders' expectations by conducting management integrated with their interests.



Data prior to the fiscal 2013 interim dividend reflects dividends paid by Tokyu Land Corporation.

## ESG Management Leads to Sustainable Growth

In order to achieve sustainable growth and increase corporate value over the long term, we have positioned ESG (environment, society, governance) as a key management issue and practice ESG management in accordance with the Group CSR vision of raising the level of satisfaction among stakeholders by finding solutions to social issues through our business activities.

As discussed above, when we formulated our Medium-Term Management Plan, the Group worked with outside experts in various fields to identify the Group's key materialities (social issues). Based on the results, we established four themes—corporate governance, workstyle reforms, social needs, and the environment—from an ESG perspective and set key performance indicators (KPI) for fiscal 2020 for each theme. Going forward, we will conduct management using these KPI.

In the area of corporate governance, which enhances the fairness and transparency of management, starting in fiscal 2016, we adopted a system of three independent outside directors, established a Nomination and Compensation Advisory Committee, introduced a stock-based remuneration program for officers, conducted evaluations of the effectiveness of the Board of Directors, and made other steady improvements.

Based on the belief that there is no organizational energy that can surpass meaningful work by each employee, we are undertaking workstyle reforms throughout the group from the perspectives of diversity, work-life balance, and healthy management.

In the future, I will continue to carry out ESG management as the Group's leader and strive to gain the confidence of all stakeholders including investors by externally disclosing fair and transparent information.

### Supporting international initiatives

The Group supports and respects the OECD Guidelines for Multinational Enterprises and international labor standards. In December, 2016, we stated our support for the UN Global Compact. I will announce again that the Group supports the 10 principles of the UN Global Compact broken down by the subjects of human rights, labor, environment, and anti-corruption. We are going to promote responsible management aimed at contributing to the realization of a sustainable society.

### The 10 Principles of the UN Global Compact

|                        |  |
|------------------------|--|
| <b>Human rights</b>    | <ul style="list-style-type: none"><li>● Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</li><li>● Principle 2: make sure that they are not complicit in human rights abuses</li></ul>  |
| <b>Labour</b>          | <ul style="list-style-type: none"><li>● Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</li><li>● Principle 4: the elimination of all forms of forced and compulsory labour:</li><li>● Principle 5: the effective abolition of child labour; and</li><li>● Principle 6: the elimination of discrimination in respect of employment and occupation</li></ul> |
| <b>Environment</b>     | <ul style="list-style-type: none"><li>● Principle 7: Businesses should support a precautionary approach to environmental challenges;</li><li>● Principle 8: undertake initiatives to promote greater environmental responsibility; and</li><li>● Principle 9: encourage the development and diffusion of environmentally friendly technologies</li></ul>   |
| <b>Anti-corruption</b> | <ul style="list-style-type: none"><li>● Principle 10: Businesses should work against all forms of corruption, including extortion and bribery</li></ul>  |

[Click here to learn more about the UN Global Compact](#)

Tokyu Fudosan Holdings engages in activities as a member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

[Click here to learn more about the GCNJ](#)



## Leading Reforms by Using Our DNA as a Challenger

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It is extremely difficult to accurately ascertain the business environment in 2020, when the Tokyo Olympic Games will be held, and later, but I believe that the Group's mission will not undergo significant changes.

As a corporate group that continues to create value, we will propose and create lifestyles that go beyond the sale of properties and products. We will propose new styles of living, new styles of working, and new ways of spending time and become a presence that is chosen in all lifestyle scenarios. This is the ideal that we are pursuing and is the significance of the Group's existence to society.

To remain needed by customers and society, establishing solid management foundations as well as the DNA of a challenger that flexibly and boldly responds to change will be essential. We will exhibit the challenger DNA that we have developed over many years and lead management reforms with an eye towards an uncertain future.

As we work towards achieving these goals, I request your continued support and understanding.

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Tokyu Fudosan Holdings

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- CSR

+ Tokyu Fudosan Holdings Group's CSR

> A Commitment from Top Management

+ Create Value for Customers

> Enhancing Services and Improving Quality

> Providing Safety and Security

> Responding to the Trends Towards Smaller Families and an Aging Population

> Promoting Communication

+ Environmental Conservation Initiatives

+ Contributions to Local Communities

+ Employment and Labor Practice Initiatives

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

## Create Value for Customers



The Tokyu Fudosan Holdings Group is committed to pursuing customer satisfaction by providing products and services with value tailored to customer needs in response to society's diverse lifestyles and values and the challenges posed by the trends towards smaller families and an aging population.

> Enhancing Services and Improving Quality

> Providing Safety and Security

> Responding to the Trends towards Smaller Families and an Aging Population

> Promoting Communication

## CSR

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## Enhancing Services and Improving Quality

### 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 using surveys and interviews.

The opinions expressed by customers in these venues 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. To date, surveys conducted regarding the issue of water circulation—an issue that many customers had expressed opinions about—have resulted in the commercial launch of MEUP kitchens, powder rooms and bathrooms.



Group interview



#### Wash-basin

Two different types of wash-basin are available, to meet the needs of people who like to be able to relax and use the wash-basin 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.

TOKYU LAND CORPORATION

## 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 operation, etc.).

For example, one SWF activity is the implementation of the Hospitality Enhancement Program, a training program 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 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.

\*Tokyu Resort Service Co., Ltd., Tokyu Sports Oasis, Inc., Tokyu Stay Service Co., Ltd., Tokyu E-LIFE DESIGN, Inc., and TOKYU LAND SC MANAGEMENT CORPORATION





Training in progress



Staff Board

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TOKYU SPORTS OASIS Inc., Tokyu Resort Service Co., Ltd, TOKYU LAND SC MANAGEMENT CORPORATION, Tokyu Stay Co., Ltd, TOKYU E-LIFE DESIGN Inc.

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## 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

TOKYU LAND CORPORATION

### Condominium design that emphasizes safety and peace of mind

Tokyu Land Corporation is working to create condominiums whose residents can enjoy safety and peace of mind.

To prevent furniture from falling over during an earthquake, we conduct testing in a vibration simulator to ensure that walls that will have furniture fixed to them using metal fixings have sufficient rigidity and strength and we utilize a specially reinforced specification for the metal fixings.



Testing in a vibration simulator  
Cooperation:  
Tokyu Construction Co., Ltd.  
Engineering Research Laboratory

TOKYU LAND CORPORATION

### Strengthening seismic resistance through home renovation

Tokyu Homes Corporation's "Kurashi Up GREEN" total housing renovation 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 protect against earthquakes 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.



TOKYU HOMES CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

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# Responding to the Trends towards Smaller Families and an Aging Society

## Senior life business

Tokyu Land Corporation is developing the Grancreer series of condominiums in an effort to respond to new housing needs arising from the advancement of aging societies and changes in people's views towards housing. As a stage where customers can live enjoyably in peace of mind, Grancreer properties feature comfortable living spaces with barrier-free designs and provide lifestyle assistance in the form of meals and medical services. The goal is to provide ideal living arrangements and support future peace of mind by providing detailed services for diverse senior lives, from those who are fit to those requiring nursing care.

In 2015, with the goal of comprehensive community care where seniors can live as they are accustomed to in their own home while also receiving health management support and opportunities to interact with others, Tokyu Land Corporation launched the Home Creer one-stop lifestyle support service for seniors, becoming the first major developer to do so.



TOKYU LAND CORPORATION, TOKYU E-LIFE DESIGN Inc.

## Junior golf lessons

Tokyu Land Corporation and Tokyu Resort Service Co., Ltd. have been arranging golf lessons for elementary school students during summer break to help children get fit and learn new skills and good manners. The lessons, led by golf pros, were held at the Otakijo Golf Club in Chiba Prefecture in August 2015. Approximately 51 elementary school students with a parent in 26 pairings took part in this enjoyable experience learning to play golf.



Otakijo Golf Club



Golf lesson in progress

Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

## Supporting child raising through condominiums

In September 2015, Tokyu Livable, Inc. opened the doors to the model unit for L'gente Liber Shiki, the first in a series of renovated condominiums with the concept of "creating happiness for families raising children." This building features a unique "child raising support master plan" in which layouts provide a comfortable living environment for families raising children and considers the future of the children living there. So that both children and families alike can live in comfort and peace of mind, condominiums that adopt this master plan are thoroughly checked by accredited experts in all aspects, from individual units, common areas and management system to property location and surrounding environment, receiving accreditation as a "child-friendly housing and environment" from Mikihouse Child & Family Research and Marketing Institute Inc.



Model unit for L'gente Liber Shiki

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# Promoting Communication

## Communication with customers

Reflecting the Group's desire to continue to enrich customers' lives even after they have purchased our products or used one of our services, we run the Tokyu Cosmos Club, which is an exclusive member's only organization. We are broadening communication with the more than 70,000 members of the Tokyu Cosmos Club through the Group newsletter *Cosmos* and the member's only website called Cosmos WEB.



the Group newsletter  
*Cosmos*

Tokyu Fudosan Holdings

## 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 inform tenants about special services offered by the Tokyu Fudosan Holdings Group that they can access. Both *Office To* and Office To CLUB have proved very popular with readers and site-users.



the free newspaper  
*Office To*

EWEL,Inc., TOKYU LAND CORPORATION



— CSR

+ Tokyu Fudosan Holdings Group's CSR

> A Commitment from Top Management

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■ Environmental Conservation Initiatives

> Climate Change

> Biodiversity Conservation

> Pollution and Resources

> Water Use

> Supply Chain (Environment)

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# Environmental Conservation Initiatives



The Tokyu Fudosan Holdings Group, based on its Environmental Vision, is implementing measures to address five environmental issues (climate change, biodiversity conservation, pollution and resources, water usage, and supply chain) from three viewpoints.



## Environmental Vision

Basic Policy developed in 1998, revised in 2015

### ● 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

- Climate Change
- Biodiversity Conservation
- Pollution and Resources
- Water Use
- Supply Chain

> Climate Change

> Biodiversity Conservation

> Pollution and Resources

> Water Use

> Supply Chain (Environment)



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## Climate Change

### Policy

The Tokyu Fudosan Holdings Group recognizes that climate change is an important environmental issue that greatly impacts its business activities.

In 2014, the Intergovernmental Panel on Climate Change (IPCC) released the Fifth Assessment Report (AR5). This report found that warming of the climate system is unequivocal and it is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century. Climate change caused by global warming not only causes rising sea levels, but also abnormal weather such as an increase in heavy rains and flooding as well as droughts. The businesses of the Group are not only directly affected by weather conditions, such as snowfall amounts required to operate ski areas, but also indirectly affected as well such as the fact that the worldwide procurement of various supplies required for our businesses may become difficult. It is based on this awareness that the Group is promoting the more efficient use of energy and the utilization of renewable energy at its business offices as well as the office buildings, commercial facilities and resorts that it owns in an effort to mitigate the impacts that its business activities have on climate change. The development and operation of energy efficient office buildings, commercial facilities and resorts will create business opportunities and enhance the competitiveness of the Group. We will continue to work with design firms, construction companies, end users and other stakeholders in an effort to realize a low-carbon society and address the issues of climate change and energy consumption.

Tokyu Fudosan Holdings

### Management Structure

The Tokyu Fudosan Holdings Group has in place the Tokyu Fudosan Holdings CSR Promotion Committee, which is chaired by the President & Representative Director of Tokyu Fudosan Holdings and co-chaired by the Director in Charge of CSR of Tokyu Fudosan Holdings, and whose members include directors in charge of CSR from Tokyu Fudosan Holdings' subsidiaries. The committee meets regularly twice a year to discuss, plan and confirm results pertaining to material issues, such as compliance, climate change, social contributions, and diversity. In turn, the results of committee deliberations are reported to the Board of Directors, which is led by the President & Representative Director of Tokyu Fudosan Holdings.

Additionally, the Environment/Social Contribution Council, established as a subcommittee to the Tokyu Fudosan Holdings Group CSR Promotion Committee, leads relevant management activities across the entire Group.

The Environment/Social Contribution Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for greenhouse gas emissions, a major cause of climate change, monitors results and shares information based on a shared policy. This ensures proper reporting under relevant laws and regulations and environmental impacts are reduced through business activities.

The Group considers the reduction of CO<sub>2</sub> emissions, a major cause of global warming, to be of particular importance in addressing the issue of climate change. For this reason, we have set the following targets.

#### Short- to medium-term target

The Tokyu Fudosan Holdings Group aims to reduce CO<sub>2</sub> emissions per floor area of our business offices and real estate portfolio 25% compared to FY 2005 by the FY 2020.

## Long-term target

The Tokyu Fudosan Holdings Group aims to reduce CO<sub>2</sub> emissions per floor area of our business offices and real estate portfolio 30% compared to FY 2005 by FY 2030.

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums must comply with Insulation Performance Level 4 within the Evaluation Methods and Standards based on the Housing Quality Assurance Act. Also, Tokyu Plaza Ginza, a large-scale commercial facility, will be developed with the same level of performance as quasi-top level place of business recognized for outstanding countermeasures taken against global warming by the Tokyo Metropolitan Government.

Tokyu Fudosan Holdings

## CO<sub>2</sub> emissions and energy consumption

|  | 2005<br>(FY; base year) | 2014<br>(FY) | 2015<br>(FY) | 2016<br>(FY) | 2020<br>(FY; short-term<br>target year) | 2030<br>(FY; long-term<br>target year) |
|--|-------------------------|--------------|--------------|--------------|---|--|
| CO <sub>2</sub> emissions<br>(Unit:thousand t-CO <sub>2</sub> )                        | 655.4                   | 234.8        | 210.7        | 232.7        | -                                       | -                                      |
| Energy consumption<br>(Unit:thousand GJ)   | -                       | 4,659.7      | 4,374.3      | 4,542.9      | -                                       | -                                      |
| CO <sub>2</sub> emissions<br>(intensity)<br>(Unit:kg-CO <sub>2</sub> /m <sup>2</sup> ) | 133                     | 101.9        | 98.4         | 106.6        | 100                                     | 93                                     |
| Achievement rate   | -                       | -23%         | -26%         | -20%         | -25%                                    | -30%                                   |

|                             |       |         |         |         |
|-----------------------------|-------|---------|---------|---------|
| Number of target facilities | -     | 226     | 210     | 192     |
| Office buildings            | -     | 86      | 80      | 70      |
| Commercial facilities       | -     | 71      | 64      | 59      |
| Resorts facilities          | -     | 59      | 58      | 55      |
| Other                       | -     | 9       | 7       | 7       |
| Overseas                    | -     | 1       | 1       | 1       |
| Floor area                  | 492.6 | 2,377.3 | 2,291.9 | 2,184.3 |
| Office buildings            | -     | 715.8   | 718.3   | 599.3   |
| Commercial facilities       | -     | 1,117.5 | 1,226.3 | 1,042.4 |
| Resorts facilities          | -     | 506.2   | 296.3   | 491.6   |
| Other                       | -     | 23.0    | 35.7    | 35.7    |
| Overseas                    | -     | 14.8    | 15.3    | 15.3    |

Tokyu Fudosan Holdings

## Reduction of CO<sub>2</sub> emissions / Reduction of energy consumption

### ● Reduction of CO<sub>2</sub> emissions / Reduce energy consumption at resort facilities

#### ( I ) Unquantified, Process targets

##### (1) Targets in the investment process

- ① Electrical facility : Introduction of energy saving fluorescent spheres and LED lamps
- ② Water supply and sanitation facility : Introduction of water-saving type faucets
- ③ Air conditioning equipment : Update, Installation of inverter control device

##### (2) Targets in the management process

- ① Electrical facility
  - Review of lighting time
  - Unnecessary lights go out
  - Review illuminance
- ② Water supply and sanitation facility
  - Revision of temperature setting of cold / hot water
  - Review operating hours
  - Review temperature setting and capacity of hot water tank, bath tub or pool etc
- ③ Air conditioning equipment
  - Operation at proper temperature
  - Stop unnecessary air conditioning and introduce outside air and efficient operation of total heat exchanger
  - Clean filter or fin of air conditioner, ventilator and kitchen exhaust hood

#### ( II ) Achievement status on quantified reduction targets

[Achievement status]

※Compared to FY2005

| FY2013 | FY2014 | FY2015 | FY2016 |
|--------|--------|--------|--------|
| -26%   | -23%   | -26%   | -21%   |

### ● Process or quantified targets and records on reduction of CO<sub>2</sub> emissions or energy consumption (FY2016)

#### (1) Targets in the investment process and reduction record

- ① Electrical facility:
  - Energy reduction target 10.55kl ⇒ record 17.23kl
  - CO<sub>2</sub> reduction target 20.50t-CO<sub>2</sub> ⇒ record 33.50t-CO<sub>2</sub>
- ② Water supply and sanitation facility:
  - Energy reduction target 6.98kl ⇒ record 6.72kl
  - CO<sub>2</sub> reduction target 17.11t-CO<sub>2</sub> ⇒ record 16.76t-CO<sub>2</sub>

③ Air conditioning equipment:

Energy reduction target 14.18kl ⇒ record 19.31kl

CO<sub>2</sub> reduction target 31.11t-CO<sub>2</sub> ⇒ record 41.97t-CO<sub>2</sub>

**(2) Targets and records in the management process**

① Electrical facility :

Energy reduction target 15.43kl ⇒ record 25.21kl

CO<sub>2</sub> reduction target 30.00t-CO<sub>2</sub> ⇒ record 49.00t-CO<sub>2</sub>

② Water supply and sanitation facility:

CO<sub>2</sub> reduction target 40.14kl ⇒ record 35.78kl

CO<sub>2</sub> reduction target 86.64t-CO<sub>2</sub> ⇒ record 112.45t-CO<sub>2</sub>

③ Air conditioning equipment:

CO<sub>2</sub> reduction target 39.75kl ⇒ record 27.74kl

CO<sub>2</sub> reduction target 84.21t-CO<sub>2</sub> ⇒ record 61.59t-CO<sub>2</sub>

TOKYU LAND CORPORATION

## Practice and Implementation

### Reduction in CO<sub>2</sub> emissions in office buildings

The Group works to reduce CO<sub>2</sub> 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.



Shin-Meguro Tokyu Building



Energy management monitor for each floor

TOKYU LAND CORPORATION

### Reduction in CO<sub>2</sub> emissions in condominiums

The 356-unit Branz City Shinagawa Katsushima is a large condominium building in which the collective strengths of the Tokyu Group, including Tokyu Land Corporation and Tokyu Community Corporation, are being used to make it more energy efficient.

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 CO<sub>2</sub> 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). We will verify CO<sub>2</sub> 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-CO<sub>2</sub> Residence and Building Leadership Project by the Ministry of Land, Infrastructure and Transport.



Branz City Shinagawa Katsushima



Enefarm for condominiums

TOKYU COMMUNITY CORP., TOKYU LAND CORPORATION

### Use of renewable energy

The Group uses photovoltaic energy, wind power and other forms of natural energy to power various 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.



Photovoltaic energy  
(Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA)



Wind power  
(Tokyu Plaza Omotesando Harajuku)

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

TOKYU LAND CORPORATION

## Third-party Verification of Environmental Data

The Tokyu Fudosan Holdings Group receives verification of its environmental data from a third-party in order to ensure the reliability of this information. For fiscal 2017, the scope of this verification includes data for our greenhouse gas emissions (Scope 1, Scope 2, and Scope 3).

### Third-party Verification Report on Greenhouse Gas Emissions



 [Third-party Verification Report.pdf \(PDF:109KB\)](#)



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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



# Biodiversity Conservation

## Policy

Tokyu Fudosan Holdings Group's business activities rely heavily on ecosystem services for land development and materials procurement. Given this, we are strongly aware that biodiversity conservation represents an important environmental issue.

The loss of biodiversity would make it difficult for us to reap the benefits of ecosystem services that until now have benefited our businesses in terms of land use and construction materials procurement, which carries with it the risk of much higher costs. Furthermore, the loss of biodiversity is an extremely critical issue that could threaten the very existence of society and human life.

The development and operation of housing, office buildings, commercial facilities and resorts that help to conserve biodiversity will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible materials procurement and conduct ecosystem studies at the time of development for our business activities as well as the office building, commercial facilities and resorts we develop in an effort to mitigate impacts on biodiversity and conserve biodiversity.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the CSR Promotion Committee headed by the President & Representative Director, and to address climate change issues, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group. The Environment/Social Contribution Council, comprised of environmental managers from each group company, manages the results of group-wide efforts on biodiversity issues and shares information based on a shared policy. This ensures biodiversity conservation is addressed throughout all business activities.

Tokyu Fudosan Holdings

## Practice and Implementation

### Conducting ecosystem studies and conserving biodiversity using greenery

The Group actively introduces greenery at its condominium, office and commercial facility buildings, which links with community greenery to form ecological networks considerate of biodiversity. When developing large-scale properties that will impact the local community, we conduct ecosystem studies on the local environment during the planning stage in order to introduce greenery through planters or other means that will provide a habitat for native birds and insects. Such formation of greenery networks helps to conserve the biodiversity of the entire community.

Additionally, we conduct regular studies on living organisms throughout the year at the roof terrace garden named Omohara Forest at Tokyu Plaza Omotesando Harajuku in order to gain an understanding of the ecosystem created there.



Ecosystem study in progress  
at Tokyu Plaza Omotesando Harajuku



Seven-spot ladybug



Japanese white-eye

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

### Acquired the top AAA rank for JHEP Certification

The FUTAKO TAMAGAWA Rise integrated commercial and residential complex that is a joint venture between Tokyu Land Corporation and Tokyu Corporation acquired the top rank (AAA) for JHEP Certification, which is Ecosystem Conservation Society - Japan's system for certification of biodiversity assessments. We developed 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 and a killifish pond in an aim to create a community that is in harmony with the abundant natural environment in the surroundings.



FUTAKO TAMAGAWA Rise



Killifish pond created  
as part of the roof garden



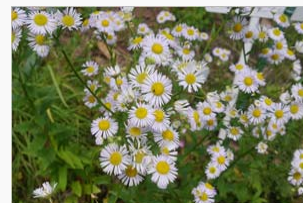
TOKYU LAND CORPORATION

### Creation of "Invasive Alien Species Response Manual"

According to the Invasive Alien Species Act (Ministry of the Environment), an invasive alien species is a species of fauna or flora that did not originally reside in Japan and was brought to Japan intentionally or unintentionally by human actions and that may cause damages to local ecosystems. The Group has created a manual that outlines ways to deal with an invasive alien species if it is found in order to protect the community's ecosystem.



(Non-native fauna)  
Nettle caterpillar



(Non-native flora)  
Annual fleabane

Tokyu Fudosan Holdings

## Environmental impact assessment associated with wood conducted by NGO

Tokyu Homes Corporation has established a wood procurement policy incorporating international standards in an effort to promote the procurement of fair wood. With the assistance of International Environmental NGO FoE Japan, Tokyu Homes Corporation conducts environmental impact assessments associated with wood and carries out continual improvement activities based on the results. Environmental impact assessments conducted in March 2016 (percentage versus approximately 27m<sup>3</sup> of wood usage per home) found that 98.2% of the wood used to construct Millcreek custom-built homes is sourced from materials that have a low or relatively low environmental impact.

\*Environmental impact assessment associated with wood

An assessment method that evaluates the environmental impacts of applicable wood and wood products by assigning point scores to risks for each environmental impact category (illegal thinning risk, environmental impact risk on thinned areas, impact risk from transport, and risk of extinction of tree species, etc.) and then computes the total score.

TOKYU HOMES CORPORATION

### Acquired PEFC-CoC Forest Certification

Tokyu Homes Corporation is promoting fair wood procurement together with its supply chain based on the company's wood procurement policy.

### Acquired PEFC-CoC Forest Certification

Tokyu Homes Corporation is promoting fair wood procurement together with its supply chain based on the company's wood procurement policy. In August 2014, Tokyu Homes Corporation acquired PEFC-CoC Certification\*. A forest certification program uses a third party to evaluate and certify that wood is produced from responsibly managed sustainable forests. This certification was acquired for the entire supply chain, from forest to saw mill, processing, distribution and supply to home construction. This means that Tokyu Homes Corporation's products are responsibly contributing to environmental preservation consistently from forest to customer. Tokyu Homes Corporation is committed to engaging in further efforts to preserve the environment, for which interest is growing internationally.



\*PEFC: Programme for the Endorsement of Forest Certification Schemes; a forest certification body based in Switzerland. The administration of the PEFC forest certification program is carried out by the PEFC Council of NPOs and independent NGOs.

TOKYU HOMES CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

Great East Japan Earthquake



## Pollution and Resources

### Pollution

#### Policy

The Tokyu Fudosan Holdings Group believes that one of its duties is to mitigate the release of pollutants from its business activities. This is why we are working with design firms, construction companies and other stakeholders to prevent the release of pollutants and mitigate pollutants by avoiding the use of materials that are a source of pollutants in order to reduce our impacts on the environment.

Tokyu Land Corporation has established specific measures for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums or detached housing must be in compliance with Formaldehyde Abatement Level 3 and the company has created an in-house manual on soil contamination and asbestos abatement to ensure it takes proper measures.

Tokyu Fudosan Holdings

#### Management Structure

The Group has established the CSR Promotion Committee headed by the President & Representative Director, and to address the issue of pollutants, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group. The Environment/Social Contribution Council, comprised of environmental managers from each group company, manages the results of efforts on pollutants and shares information based on a common policy. This ensures pollutants are addressed throughout all business activities.

Tokyu Fudosan Holdings

### Practice and Implementation

#### Preventing VOCs in homes

Tokyu Land Corporation has established its own proprietary design standards to prevent sick house syndrome in the condominiums and houses it builds and it has adopted the use of low-formaldehyde interior and construction materials in order to mitigate the causes of this syndrome.

TOKYU LAND CORPORATION

#### Handling of hazardous substances

The Group's office buildings, commercial facilities and resorts manage and dispose of hazardous substances in a responsible manner in accordance with relevant laws and regulations. We carry out procedures and dispose of fluorocarbons used in air conditioners and PCBs used in electrical facilities in accordance with the law. These substances are handled with the utmost care to prevent leakage or release. For asbestos and soil pollution, we carry investigative studies in a timely manner and implement proper measures or controls based on the situation.

TOKYU LAND CORPORATION

# Waste

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## Policy

The Group recognizes that the mitigation and proper disposal of waste is an important environmental issue because increased business activities will result in increased waste.

We also believe that it is important to endeavor to reduce waste emissions based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses.

The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting recycling in business activities, will contribute to reduction of pollution through curbing the use of resources in business activities.

It is based on this awareness that we will continue to work with design firms, construction companies, end customers and other stakeholders to reduce waste through responsible recycling and achieve a recycling-oriented society.

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Tokyu Fudosan Holdings

## Management Structure

The Group has established the CSR Promotion Committee headed by the President & Representative Director, and to address the issue of waste, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Environment/Social Contribution Council, comprised of environmental managers from each group company, manages the setting of group-wide targets, results of efforts, and shares information about waste based on a common policy. This ensures data on the use and storage of waste by each company is understood and that proper management/disposal is carried out in accordance with relevant laws and regulations. This also ensures that we are making efforts to reduce waste through our business activities.

The Group has established the following target for waste.

### Target

We aim to reduce waste emissions per floor area of our business offices and real estate portfolio 25% compared to FY2005 by the FY 2020.

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Tokyu Fudosan Holdings

## Practice and Implementation

### Waste reduction through remodeling

The Tokyu Fudosan Holdings Group is working to reduce waste through home renovations. Tokyu Resort Corporation is conducting the sales of vacation homes that have been seismically diagnosed and guaranteed and also ecologically remodeled under its REWORTH program.

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Tokyu Fudosan Holdings, TOKYU HOMES CORPORATION

## Data on waste volume

|  | 2005(FY)<br>(base year) | 2014(FY) | 2015(FY) | 2016(FY) | 2020(FY)<br>(target year) |
|--|-------------------------|----------|----------|----------|---------------------------|
| VOC emissions<br>(Unit:liters)                           | -                       | 0        | 0        | 0        | -                         |
| Hazardous waste emissions<br>(Unit:kg)                   | -                       | 144,205  | 35,807   | 110,349  | -                         |
| Non-recyclable waste<br>emissions<br>(Unit:t)            | -                       | 10,621   | 9,360    | 13,280   | -                         |
| Recyclable waste emissions<br>(Unit:t)                   | -                       | 8,175    | 9,548    | 11,848   | -                         |
| Cost of environmental fines<br>(Unit:yen)                | -                       | 0        | 0        | 0        | -                         |
| Waste emissions (intensity)<br>(Unit:kg/m <sup>2</sup> ) | 13.23                   | 10.23    | 10.06    | 13.32    | 9.92                      |
| Achievement rate   | -                       | -23%     | -24%     | +0.7%    | -25%                      |

Tokyu Fudosan Holdings

## Use of Resources

### Policy

The Group recognizes that the responsible use of resources is an important environmental issue because increased business activities will result in increased use of resources, even though these resources are limited in nature.

We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses.

The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting the reuse of resources in business activities, will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with design firms, construction companies and other stakeholders to use resources responsibly and more effectively.

Tokyu Fudosan Holdings

### Management Structure

The Group has established the CSR Promotion Committee headed by the President & Representative Director, and to address the issue of use of resources, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Environment/Social Contribution Council, comprised of environmental managers from each group company, shares information from across the group based on a common policy. This ensures that we are using resources responsibly and efficiently.

Tokyu Fudosan Holdings



## Practice and Implementation

### Forming a reuse cycle for wood resources

The Green Connection Project is an initiative with customers and other stakeholders of the Group to help preserve forests. This initiative has preserved forests in various uses, from condominium purchases to use of offices and resorts, with more than 1,000 hectares saved to date. Wood produced from forests is utilized in various businesses operated by the Group and also provided to customers, which forms a reuse cycle.



Eave materials for  
the Shin Aoyama Tokyu Building



Morinomiya Q's MALL  
BASE playground equipment



Original stationery sold  
at Tokyu Hands

Tokyu Fudosan Holdings, TOKYU HANDS INC., TOKYU LAND SC MANAGEMENT CORPORATION,  
TOKYU LAND CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



# Water Use

## Policy

The Tokyu Fudosan Holdings Group recognizes the importance of water conservation in its capacity as a fundamental component of social infrastructure.

Today, water shortages are growing more serious worldwide due to desertification and other factors. Although Japan, where the vast majority of the Group's business offices are located, has yet to experience chronic water shortages, in light of the water resources used to produce the materials we import, so-called "virtual water", the issue of water shortages and water pollution around the world is not irrelevant to our business operations. The development and operation of homes, office buildings, commercial facilities and resorts that excel at water conservation through the use of water saving systems and features will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible management and efficient use of local water resources for our business activities and at the office buildings, commercial facilities, and resorts we own.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the CSR Promotion Committee headed by the President & CEO, and to address the issue of water resource conservation, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Environment/Social Contribution Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for water use and shares information based on a common policy. This ensures we are able to understand water use volume for each group company, report proper information in accordance with relevant laws and regulations, and work to reduce water use throughout all business activities.

We have set the following target for water use.

### Target

We aim to reduce water use per floor area of our business offices and real estate portfolio 25% compared to FY 2005 by the FY 2020.

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects.

For example, development projects involving new build condominiums or detached housing must use water efficient toilets that use less than six liters of water per flush as well as efficient hot water saving kitchen, shower, and bathroom vanity fixtures.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## Practice and Implementation

### Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water by actively using mountain groundwater.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

### Initiatives Along the Tama River - Environmental Conservation of the 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.

Tokyu Fudosan Holdings

### Water use

|   | 2005 (FY)<br>(base year) | 2014 (FY) | 2015 (FY) | 2016 (FY) | 2020 (FY)<br>(target year) |
|---|--------------------------|-----------|-----------|-----------|----------------------------|
| Water use<br>(unit:m <sup>3</sup> )                           | -                        | 3,141,305 | 2,811,153 | 2,662,803 | -                          |
| Water use intensity<br>(unit:m <sup>3</sup> /m <sup>2</sup> ) | 1.12                     | 1.39      | 1.32      | 1.23      | 0.84                       |
| Achievement rate  | -                        | +24%      | +18%      | +10%      | -25%                       |

Tokyu Fudosan Holdings

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## Supply Chain (Environment)

### Policy

In the real estate business involving the Tokyu Fudosan Holdings Group, since development and operation of houses, office buildings, commercial facilities, resort facilities, etc. are going on for a long time and many stakeholders are involved, we recognize that we need to work on the entire supply chain in cooperation with stakeholders (design companies, construction companies, customers etc.). Also, since we utilize large amounts of resources from the environment for our business activities, we will work on the entire supply chain for water resources conservation, biodiversity conservation, saving resources, reduction of pollutants and waste and appropriate treatment.

**–Water Resource–** In order to properly manage water resources according to region / time and efficiently use water resources, it is necessary to work in cooperation with stakeholders. Also, Japan, where many of our business sites are concentrated, has yet to experience chronic water shortage, but in our business activities, we recognize that it is necessary to consider the water resources used for the production of imported materials (so-called “virtual water”).

**–Biodiversity Conservation–** Land development and materials procurement in our business activities are highly dependent on ecosystem services. Because damaging the ecosystem makes it difficult to receive such service, the Group will conduct appropriate material procurement and ecosystem surveys in collaboration with our stakeholders and work on biodiversity conservation.

**–Saving Resources–** The Group recognizes that the responsible use of resources is an important environmental issue because global environmental resources are finite. We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses. The Group will work with stakeholders to use resources responsibly and more effectively.

**–Reduction of Pollutants and Waste and Appropriate Treatment–** The Group recognizes that the reducing emissions of pollutants and waste in business activities is one of the corporate social responsibilities. The Group will work to reduce the impact for the environment in cooperation with design firms and construction companies to reduce pollutants and waste discharges, reduce materials causing the pollutants and waste, and apply appropriate treatment when discharging it we will work.

On the other hand, tackling the real estate business in consideration of the global environment will create business opportunities and enhance the competitiveness of the Group. It is based on this awareness that we will work with stakeholders to help protect the environment across the entire supply chain of our businesses.

Tokyu Fudosan Holdings

### Management Structure

The Group has established the CSR Promotion Committee headed by the President & CEO, and to address environmental issues within the supply chain, the Environment/Social Contribution Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

## Practice and Implementation

### Acquisition of environmental performance certification, including LEED and CASBEE

The Group works with stakeholders to obtain environmental performance certification to improve the environmental practices of its entire supply chain.

In August 2015, Futako Tamagawa Rise Tower Office (Setagaya City) acquired LEED for New Construction Gold certification through a partnership involving Tokyu Corporation, Tokyu Land Corporation and Setagaya City. In November 2015, the entire Futako Tamagawa Rise development became the first location in the world to receive LEED for Neighborhood Development Gold certification. This neighborhood development project received high marks not only for its verdant surrounding environment next to the Tama River, but also for its excellent access to public transportation, high density, compact development, and its initiatives for biodiversity and the more efficient use of energy.

In addition, we are also actively working to acquire CASBEE and DBJ Green Building certification for our residential, office and commercial facility developments as part of our efforts to display environmental performance.

\*LEED

A green building certification program administered by the U.S. Green Building Council.



Futako Tamagawa Rise

TOKYU LAND CORPORATION

### Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water by actively using mountain groundwater.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

### Reduction of water usage by using rainwater

The office building "Kasumigaseki Tokyu Building" developed by Tokyu Land Corporation has introduced facilities to utilize rainwater falling on the roof. The collected rainwater is used for miscellaneous water such as toilet wash water to save water usage. Water retention pavement for suppressing the rise in road surface temperature is laid on a part of the outer structure by thermal evaporation of water vapor, and it is expected that the heat island phenomenon will be mitigated.

TOKYU LAND CORPORATION

### Operating energy management systems together with tenants

Tokyu Land Corporation actively employs energy saving equipment and is constantly working to improve the management and operation of equipment that consume large amounts of energy, such as air conditioners.

At Abeno Q's Mall in the Abeno Ward of Osaka, Tokyu Land Corporation together with business owners and tenants jointly operates the Motto Save system with Osaka Gas Co., Ltd. that makes it possible to mitigate CO<sub>2</sub> emissions. This system aggregates energy usage data for the common space and private space of the mall on a cloud so that business owners and tenants can check, analyze and share findings about the energy usage data of each tenant.

We will continue to work on energy saving measures with the goal of realizing a low-carbon society in the future.

TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

### Visualizing energy usage with smart meters

Tokyu Land Corporation installs smart meters for the condominium units it sells to encourage the visualization of energy usage. At Branz Sapporo Nakajima Koen, smart meters come standard that automatically read electricity usage data in 30-minute increments using telecommunications.



Smart meter (sample image)

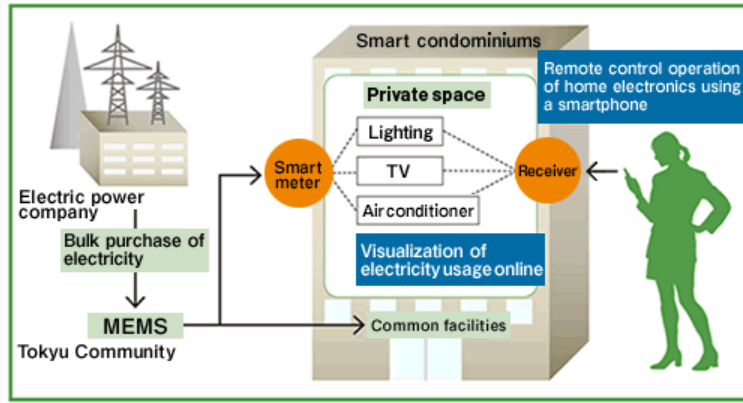
TOKYU LAND CORPORATION

### Managing energy usage of condominiums

Tokyu Community Corporation has been 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 786 housing units during FY2014 as part of efforts to reduce energy use at existing condominiums.





Conceptual diagram of bulk electricity purchases and MEMS

Tokyu Fudosan Holdings

### Hosting of environmental seminars

Tokyu Homes Corporation (Newly built housing division), recognizing the importance of working with suppliers to achieve the sustainable use of forest resources, holds seminars respecting the forest environment every year for construction materials manufacturers. Tokyu Homes Corporation will continue to raise awareness about the environment across the supply chain in an effort to realize more sustainable procurement of resources in the future.

TOKYU HOMES CORPORATION

### CO<sub>2</sub> emissions data

(unit: thousand t-CO<sub>2</sub>)

|         | 2014 (FY) | 2015 (FY) | 2016 (FY) |
|---------|-----------|-----------|-----------|
| Scope 1 |           |           | 42.9      |
| Scope 2 | 234.8     | 212.5     | 189.8     |
| Scope 3 | 1,034.1   | 821.9     | 1,228.7   |

Tokyu Fudosan Holdings

### Energy usage data

(unit: thousand GJ)

|         | 2014 (FY) | 2015 (FY) | 2016 (FY) |
|---------|-----------|-----------|-----------|
| Scope 1 |           |           | 4,542.9   |
| Scope 2 | 4,659.7   | 4,374.3   |           |

Tokyu Fudosan Holdings

— CSR

+ Tokyu Fudosan Holdings Group's CSR

> A Commitment from Top Management

+ Create Value for Customers

+ Environmental Conservation Initiatives

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

## Contributions to Local Communities



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.

> Supply Chain (Society)

> Human Rights and Community

> Contributions to Local Communities and Society

## - CSR

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## Supply Chain (Society)

### Policy

The Tokyu Fudosan Holdings Group recognizes the cooperation of stakeholders is necessary and important to ensuring proper social responses in our business activities across the entire supply chain. In particular, the real estate business of the Group largely affects communities and parties over long-term time horizons from development to operation, so it is essential that we work closely with a variety of stakeholders. Additionally, the development and operation of homes, office buildings, commercial facilities and resorts that are mindful of local community development will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with stakeholders such as local governments, local communities, design firms, construction companies, and end customers to help revitalize and develop society across the entire supply chain of our businesses.

Tokyu Fudosan Holdings

### Management Structure

The Group strives to create value for local communities and end users by actively working to reduce the environmental burdens through urban revitalization or improved access to transit or to construct buildings that have barrier-free designs for individual projects in response to the initiatives it is carrying out for social issues in the supply chain.

Our group demands all of our business associates compliance with the following:

- (1) Ban on associating with anti-social forces
- (2) Compliance with general contractor selection criteria
- (3) Compliance with laws and regulations regarding reuse/recycling ratio of construction materials
- (4) Reduction of CO<sub>2</sub> emissions
- (5) Ban on unfair labor practice

Tokyu Fudosan Holdings

### Real estate development with excellent access to transit

Tokyu Land Corporation is developing a number of office building properties mainly located around major hub stations with excellent access to transit. About 90% of the office buildings it develops are within a five-minute walk of the station and such excellent locations near stations with quick access to transit have received high marks from tenants because of the convenience and shortened commute times they offer. These buildings also help to mitigate CO<sub>2</sub> emissions because their location encourages the use of public transit, which has less of an impact on the environment.

TOKYU LAND CORPORATION

## Practice and Implementation

### Redevelopment project in Shibuya

The Group is actively involved in urban redevelopment projects in an effort to create more appeal and attractive urban communities.

One of Japan's largest terminal stations, Shibuya fulfills a role not only as a hub of transportation, but also a hub of community information and culture. Currently, a public-private partnership is taking place to make fundamental changes to Shibuya's urban functions and Tokyu Land Corporation is a participant in this redevelopment project. In 2027 when all redevelopment is completed and the area serves as a hub for creative contents industries and urban tourism, Shibuya will be transformed into a community that attracts even more people from Japan and abroad.



Conceptual image upon completion of the redevelopment project around Shibuya Station

TOKYU LAND CORPORATION

### Adoption of universal design and barrier-free design

Tokyu Land Corporation's office buildings adopt barrier-free and universal design concepts to ensure that everyone using the building, from office workers to visitors, can do so safely. The company has created the Office Building Universal Design Guidelines to ensure a standardized approach. All of its newly constructed office buildings must comply with these guidelines, while existing buildings must comply within the extent possible, such as when carrying out remodeling work.

TOKYU LAND CORPORATION

### Partnerships with university hospitals

In July 2015, Tokyu Sports Oasis, Inc. began accepting heart disease patients from Nippon Medical School Musashi Kosugi Hospital for heart rehabilitation. The company's heart rehabilitation program is carried out using preselected exercises based on a medical exam and ensures participant safety by having a physician on call to respond immediately in case of an emergency. In the future, Tokyu Sports Oasis, Inc. will work with Nippon Medical School Musashi Kosugi Hospital to create an urban area heart rehabilitation program jointly run by both.



Rehabilitation (sample image)

TOKYU SPORTS OASIS Inc.

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



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# Human Rights and Community

## Policy

The Tokyu Fudosan Holdings Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations and an expectation placed in all companies. It is based on this belief that we support the Universal Declaration of Human Rights and other international human rights doctrines and conduct business activities that fully respect human rights.

We take action both inside and outside of Japan to ensure that we do not violate the human rights of local residents due to economic disparities. We also support UNICEF's Children's Rights and Business Principles in an effort to effectively eliminate child labor and respect human rights.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the CSR Promotion Committee headed by the President & CEO, and to respect the human rights of the stakeholders involved in the business of the Group, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

## Human rights impact or risk assessments

Regarding the potential new projects and the existing projects, Tokyu Land Corporation respects the human rights of stakeholders regarding the project itself and business activities in the local community by continuously evaluating risks related to respect for human rights in accordance with our risk management process.

TOKYU LAND CORPORATION

## Practice and Implementation

### Understanding of LGBT penetration

In July 2017, the Group invited Mx.Maki Muraki who is the representative director of a specific NPO "Rainbow Color Diversity", and Mx.Yuji Kato who is a staff of Tokyo office. We held a study group titled " We can make use from tomorrow! LGBT basic knowledge and current Japan" and 85 people from 16 companies of our group participated.

LGBT is an acronym for a lesbian, gay, bisexual, and transgender that refers to sexual oriented (which sexuality) or sexual recognition (what is your sex).

On that day, they explained the challenges of the LGBT and talked about the expected response to the company. Participants received opinions such as frank stories of the parties and felt the need for future response.

Tokyu Fudosan Holdings

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# Contribution to Local Communities and Society

## Policy

The Tokyu Fudosan Holdings Group recognizes the sustainability of communities and society is an important issue for the sustainable development of companies.

It is based on this awareness that the Group carries out various self-led activities through its businesses for communities and society, such as enhancing the value of an area or generating economic benefits. We will continue to work with stakeholders such as design firms, construction companies, and end customers to help revitalize local communities through our businesses.

Tokyu Fudosan Holdings

## Practice and Implementation

### Community investment for developing startup companies in Shibuya

Tokyu Fudosan Holdings Corporation and Tokyu Land Corporation established two programs with total investment of 5 billion yen for financially vulnerable start-up companies.



Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

### 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, which opened in February 2015, plans on hiring around 300 people from the local community over the next five years, which will contribute to the creation of local employment opportunities.



Yonago Operation Center  
(Yonago City, Tottori Prefecture)



Work space

EWEL, Inc.



## Contributing to communities in the tourist haven of Palau

For nearly three decades Tokyu Land Corporation through its management of the Palau Pacific Resort has continually worked on environmental conservation, the passing down of cultural traditions, the creation of employment opportunities and development of infrastructure in Palau. More than 80% of the Palau Pacific Resort's staff is hired from Palau and Tokyu Land Corporation gives back to the local community through the creation of employment opportunities and developing human resources qualified for working in the hospitality industry.



Palau Pacific Resort

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TOKYU LAND CORPORATION

## Continuing to support disaster-stricken areas in the recovery effort

The Group has continued to provide assistance toward the recovery effort of the Great East Japan Earthquake since 2011 by utilizing its network of resources. Our ongoing efforts include employee volunteer activities in Rikuzentakata City and the Midori no Tohoku Genki Camp Program, which seeks to provide mental care to children affected by the disaster mainly living in Fukushima Prefecture.

Tokyu Land Corporation has established a volunteer leave program that enables employees to take up to five days of leave per year in order to take part in volunteer activities in support of the reconstruction effort from the Great East Japan Earthquake. This program also provides up to a 20,000 yen (including consumption tax) stipend per person per activity to defray their costs. Additionally, Tokyu Land Corporation dispatches personnel around once or twice per month to attend local meetings with Kesenuma Regional Development, the developer of a planned commercial facility in the city's port area that will serve as a symbol of Kesenuma's reconstruction. In turn, these personnel provide advice concerning the operation, management and tenant solicitation for this facility to support its pre-opening preparations.

Tokyu Fudosan Holdings Corporation and Tokyu Resort Service Co., Ltd. have established an e-commerce site selling products from the Tohoku region and Kumamoto in order to support the reconstruction of these areas. One percent of the sales from this site will be donated locally through the Japanese Red Cross Society.

[Click here for more details.](#)



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Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

## Contribution to the community through partnerships with NPOs

Tokyu Land Corporation and Tokyu Land SC Management Corporation are implementing the Smile Project at Q's Malls with the vision to revitalize the area jointly with local communities and transform it into a comfortable urban space where people can feel happy, which is embodied in the brand slogan "the town is generous and people are joyful".

Since the city of Amagasaki is considered a town of candy because the plant and head office of a major candy maker is located there, at Amagasaki Q's Mall (Hyogo Prefecture), we organized an event featuring candy sales and designing candy homes with the help of social welfare corporations and NPOs involved with candy making and local candy stores from the community. In addition, we conduct various activities in partnership with the local community in areas surrounding Q's Malls.



Event in progress

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TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

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## Supporting local activities

Tokyu Land Corporation is involved with the activities of an NPO called the Shibuya Station Area Community Planning Council, which was established in order to promote Shibuya Station area, where Tokyu Land Corporation was founded, as a place to live, work to raise the profile of the community and promote its attractiveness. As part of its support, Tokyu Land Corporation sponsors the Shibuya Music Festival, a local event organized by the Council every year, and provides direct support to the Festival with employee volunteers. In addition, Tokyu Land Corporation is a member and supports the activities of the Shibuya Sakuragaoka Community Planning Council, established with a similar goal for the nearby Shibuya and Sakuragaoka neighborhoods.

In addition, TFHD and TLC have sponsored the Aoyama Festival's "Aoyama Sports Halloween Parade" since moving the headquarters to Minamiaoyama in Minato-ku in 2015. We organize the music event "BOSSA Aoyama" which is the main content of the Aoyama festival, and it is held free in the main lobby of the head office.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

## Employment and Labor Practice Initiatives



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.

> Health and Safety

> Labor Standards

> Diversity Promotion

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# Health and Safety

## Policy

The Tokyu Fudosan Holdings Group recognizes that ensuring the health and safety of its employees is an important issue for its sustainable development.

It is based on this awareness that the Group continuously works toward maintaining a positive workplace environment, ensuring the safety of employees, and supporting employees' health maintenance and improvement so as to create workplace environments where its diverse pool of human resources can thrive. We will also ask outsourcing partners, construction companies and other important stakeholders of the Group's business to thoroughly ensure health and safety at their own workplaces.

Tokyu Fudosan Holdings

## Management Structure

### Health committees , Labor liaison meetings

The Group has established health committees at its business offices that have 50 or more employees. These committees meet at least once per month to deliberate on three areas in order to improve occupational health standards in workplaces. The three areas include: (1) fundamental measures for preventing health problems in workers; (2) fundamental measures for promoting the health maintenance and improvement of workers; and (3) ways to identify the cause and prevent the reoccurrence of occupational injuries. At Tokyu Land Corporation, labor managers or health managers, industrial physicians, and labor union representatives participate in the company's health committee.

Starting in fiscal 2011, we began sharing information on labor management as it pertains to the overall health and safety of the Group through the Group's labor liaison meetings. From fiscal 2016, a stress check was conducted on employees via the Group's shared infrastructure. As of today, none of our business sites has obtained OHSAS 18001 certification.

### Application to stakeholders

We have concluded a construction contract with the construction company. The agreement contains the fact that it takes measures necessary to prevent occupational accidents of workers of construction companies and workers of related contractors at construction sites.

Tokyu Fudosan Holdings

## Practice and Implementation

### Employees' physical health and mental health

The Group endeavors to offer sound workplaces that are dynamic so that each and every employee can contribute their skill set to the fullest extent possible, based on the belief that employees are one of our most important assets.

Tokyu Land Corporation offers employees training programs based on their number of years of service in order to enhance the skills needed to produce new value. It also provides self-development programs that allow employees to select the program that best fits their needs. All the company's employees also undergo annual health examinations to safeguard their health. The company has established no overtime days and Commitment Leave as a means to rest their mind and body and return to work fresh and with a new sense of vigor. For employees' mental health, Tokyu Land Corporation carries out stress checks and has introduced an employee assistance program (EAP) implemented by an external health organization. Mental health training is provided annually to newly appointed managers, and in fiscal 2017 a total of 16 newly appointed managers participated.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

### Acquired Health Management Rating from the DBJ

In February 2015, Ewel, Inc. received the highest DBJ Employee's Health Management Rating of A from the Development Bank of Japan Inc, which awards ratings to companies with excellent health management practices. The company's wide ranging activities carried out at all of its business sites were impetus for this rating. These activities included promoting action through the company-wide Well Being Project that includes detailed health measures and incentive programs as well as its offices that are considerate of the work environment.



Logo of the DBJ  
Employee's Health  
Management Rating

EWEL, Inc.

### Number of fatal occupational accidents – Employees including contract employees

| 2014 (FY)   | 2015 (FY)   | 2016 (FY)   |
|-------------|-------------|-------------|
| 0 incidents | 0 incidents | 0 incidents |

Tokyu Fudosan Holdings

### Injury and morbidity rate with leave (LTIFR) - Employees including contract employees

| 2014 (FY)   | 2015 (FY)   | 2016 (FY)   |
|-------------|-------------|-------------|
| - incidents | 0 incidents | 0 incidents |

Tokyu Fudosan Holdings

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## Labor Standards

### Policy

The Tokyu Fudosan Holdings Group will respect the following matters as a set of fundamental rights in hiring and employment in order to achieve co-existence and co-prosperity with employees.

- (1) Prohibition of discrimination: We will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment.
- (2) Prohibition of harassment: We will never engage in sexual harassment, power harassment, or any other form of harassment toward people in the workplace. We will also never tolerate language or actions related to harassment.
- (3) Prevention of forced labor: We will strive to eliminate and prevent all forms of forced labor.
- (4) Curtailment of overwork and reduction of overtime: We will establish a fundamental policy on work management to curtail overwork and reduce overtime work giving consideration to employees' work-life balance and their health maintenance/improvement. In Japan, we will comply with the "Article 36 Agreement."
- (5) Prevention of child labor: We will support and practice the effective abolishment of child labor.
- (6) Respect for freedom of association and the right to collective bargaining: In recognizing that the freedom of association and the right to collective bargaining are fundamental human rights that must be respected by a company, in countries and regions where the formation of labor unions is allowed we fully recognize employees' right to organize, right to collective bargaining and right to strike in labor agreements. In addition, even in countries and regions that do not allow the formation of labor unions due to laws or practice, we will effectively promote conflict resolution through dialogue involving management and labor with the purpose of securing the freedom of association and the right to collective bargaining.
- (7) Payment of wages above and beyond the minimum wage: We will comply with labor laws and regulations and adopt a fundamental policy on labor management in which we will pay wages to employees above and beyond the minimum wage.

### Supporting international initiatives

The Group supports and respects the OECD Guidelines for Multinational Enterprises and international labor standards. In December, 2016, we stated our support for the UN Global Compact. In accordance with the 10 principles of the UN Global Compact broken down by the subjects of human rights, labour, environment, and anti-corruption, we are promoting responsible management aimed at contributing to the realization of a sustainable society.


### The 10 Principles of the UN Global Compact

|                 |   |
|-----------------|---|
| Human rights    | <ul style="list-style-type: none"> <li>● Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>● Principle 2: make sure that they are not complicit in human rights abuses</li> </ul>  |
| Labour          | <ul style="list-style-type: none"> <li>● Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</li> <li>● Principle 4: the elimination of all forms of forced and compulsory labour:</li> <li>● Principle 5: the effective abolition of child labour; and</li> <li>● Principle 6: the elimination of discrimination in respect of employment and occupation</li> </ul> |
| Environment     | <ul style="list-style-type: none"> <li>● Principle 7: Businesses should support a precautionary approach to environmental challenges;</li> <li>● Principle 8: undertake initiatives to promote greater environmental responsibility; and</li> <li>● Principle 9: encourage the development and diffusion of environmentally friendly technologies</li> </ul>  |
| Anti-corruption | <ul style="list-style-type: none"> <li>● Principle 10: Businesses should work against all forms of corruption, including extortion and bribery</li> </ul>   |



[Click here to learn more about the UN Global Compact](#) 

Tokyu Fudosan Holdings engages in activities as a member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

[Click here to learn more about the GCNJ](#) 



Tokyu Fudosan Holdings

## Management Structure

### Diversity Council

The Group has established the CSR Promotion Committee headed by the President & CEO, and to address the issues of diversity with regard to employees and work styles, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

### Management of work hours

Each subsidiary of the Group monitors employees for chronic and constant prolonged work hours and makes improvements when necessary by discussing information about employees working prolonged hours and solutions at meetings of the Group Executive Committee and meetings involving executive officers.

Tokyu Land Corporation has a mechanism in place for labor-management negotiations and it also holds no overtime days and takes other measures. Tokyu Livable, Inc. also strives to prevent prolonged work hours by using a program to automatically shutdown computers after a certain period of time and other solutions.

### Management of wages

The Group follows the minimum wage laws of each country where it operates to ensure that it pays wages that exceed the local minimum wage. The average annual wage of Tokyu Fudosan Holdings Corporation was 12.13 million yen in fiscal 2015.

### Dialogue between labor and management

Tokyu Land Corporation has established a mechanism for negotiations between labor and management that enables employee representatives to hold dialogue with the company's senior management.

### Preventing child labor

The Group primarily provides knowledge-based services, which means child labor or forced labor does not typically occur in this business segment. In its employment regulations, Tokyu Land Corporation prohibits employees under the age of 18 from working more than eight hours in one day, and as of today, there have been no cases of child labor or forced labor. To prevent child labor or forced labor from occurring in the future, checks are conducted as part of daily operations. If a case of child labor or forced labor is found, a mechanism and reporting system are in place to report the matter to the company.

### Respect for Human Rights

The Group has clear stipulations prohibiting discrimination based on race, religion, gender, age, sexual orientation, disability or nationality. Such forms of discrimination are not present within the Group as of the present, and checks are conducted as part of daily operations in order to prevent discrimination from occurring in the future. If a case of discrimination is found, a mechanism and reporting system are in place to report the matter to the company.

In addition, 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. Tokyu Land Corporation 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.

Tokyu Fudosan Holdings

## Practice and Implementation

### Seminar for executive officers led by outside expert

In October 2015, as part of its diversity promotion efforts the Group held a seminar for executive seminars led by Ms. Yoshie Komuro, President & Representative Director of Work Life Balance Co., Ltd. Ms. Komuro spoke about the importance of the commitment expected of management and top management as employees and work styles become more diverse. During the seminar participants engaged in active discussions on the topic.

Tokyu Fudosan Holdings

### Promoting diversity and creating dynamic workplaces

Tokyu Livable, Inc. has established the Diversity Promotion Section in an effort to create a workplace environment where women, seniors, foreign nationals and people with disabilities can be more actively involved. The company has introduced a mentor program for female real estate agents and provides training in an effort to increase the number of female managers. In 2015, Tokyu Livable, Inc. became the first major real estate sales company to receive the Tokyo Labor Bureau Director-General's Award of Excellence in the category of equal opportunity promotion at the Equal Opportunity and Work-Life Balance Promotion Awards organized by the Ministry of Health, Labor and Welfare.

The company also has a Career Expert Re-employment System in place 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.

TOKYU LIVABLE, INC.

### Initiatives to create an employee-friendly work culture

Tokyu Community Corp. introduced the teleworking system from May 2016. Approximately 120 people are currently applying for the system. In addition by using the "slide work system" already introduced which can advance the working hours can forward at the same time, more flexible way of working can be done. On the other hand, we have launched the "Women Employment Project Team" and are working on improving support for balancing child rearing and continuing employment. As a result, the number of women adopted increased, employment continued, we were able to earn the highest rank of "Eruboshi Certified\*" as a company with good work on promoting women's success.

\* "Eruboshi Certified\*" is a certification system of Minister of health , Labor and Welfare.

TOKYU COMMUNITY CORP.

### Employee training hours dedicated to skills development

The average hours spent on skills development per regular employee of Tokyu Land Corporation was 13 hours per year.(FY2016)

TOKYU LAND CORPORATION

### Turnover rate

The average turnover rate per voluntary reason at the Group's six main subsidiaries was 3.6%, and there were no cases of dismissal due to personnel cuts.(FY2016)

Tokyu Fudosan Holdings

### Ratio of non-regular employees

The Group employs 10,024 contract workers, and 37% of all persons employed, including regular employees, have fixed term contracts.(April 1,2017)

Tokyu Fudosan Holdings

### Social Data

|   | (Unit) | 2014   | 2015   | 2016   |
|---|--------|--------|--------|--------|
| Number of employees                               | person | 18,243 | 19,230 | 20,421 |
| Ratio of female managers                          | %      | 5.70   | 5.91   | 5.7    |
| Female directors                                  | person | 0      | 0      | 0      |
| Female audit & supervisory board member           | person | 0      | 0      | 0      |
| Female operating officer                          | person | 2      | 2      | 2      |
| Average years of service (male employees)         | year   | 13.21  | 13.01  | 12.9   |
| Average years of service (female employees)       | year   | 8.96   | 8.71   | 8.8    |
| Ratio of full-time employees (female employees)   | %      | 24.22  | 25.26  | 26.5   |
| Ratio of new female employee hires to total hires | %      | 33.00  | 35.37  | 41.6   |



\*Numerical data for companies that fall within the scope of disclosure based on the Law on Promoting Women in the Workforce (Ministry of Health, Labour and Welfare): Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu hands, Inc., and Tokyu Housing Lease Corporation


Tokyu Fudosan Holdings

### Third-party Verification of Social Data

The Tokyu Fudosan Holdings Group receives verification of its non-financial data from a third-party in order to ensure the reliability of this information. For fiscal 2017, the scope of this verification includes social data (nine items including the ratio of female managers, average years of service, and the ratio of new female employee hires to total hires, etc.).

## Third-party Verification Report on Social Data

|  |   |
|--|---|
| <p><b>SGS</b> ASSURANCE STATEMENT</p> <p><b>SGS Japan's Report on Sustainability Activities in the Tokyu Fudosan Holdings Corporation 2017 Integrated Report</b></p> <p><b>NATURE AND SCOPE OF THE ASSURANCE</b><br/>         SGS Japan Inc. was commissioned by Tokyu Fudosan Holdings Corporation (hereinafter referred to as "the Client") to conduct an independent assurance of its 2017 Integrated Report. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included data on the number of employees* in fiscal 2016, the ratio of female managers, the number of female directors, the number of female audit and supervisory board members, the number of female operating officers, the average wage of female and male employees, the ratio of female female employees, the ratio of new female employees to total hires, and the management systems supporting the hiring process. The scope of the data is most representative full-time employees in the Tokyu Fudosan Holdings Group (Tokyo Land Corporation, Tokyo Community Corporation, Tokyo Lodging Inc., Tokyu Hotels Inc., and Tokyu Housing Lease Corporation).<br/>         *The scope of the employees covers consolidated companies of the Organization, and the definition of "employee" is based on the business report.</p> <p>The information contained in the 2017 Integrated Report and its presentation are the responsibility of the directors or governing body and the management of the organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the 2017 Integrated Report.</p> <p>Our responsibility is to express an opinion on the text, data and statements within the scope of assurance with due attention to relevant of the organization's information.</p> <p>The SGS protocols are based upon internationally recognized guidance including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.</p> <p>This report has been assured at a moderate level of activity using our protocols for:</p> <ul style="list-style-type: none"> <li>evaluation of content reliability</li> <li>AA1000 Assurance Standard (2008), Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008).</li> </ul> <p>The assurance comprised a combination of pre-assurance research, interviews with the division responsible for CSR and the person in charge of producing the report at the head office in Tokyu Fudosan Holdings Corporation, verification and confirmation of sources, and review of related materials and records.</p> <p>Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.</p> <p><b>STATEMENT OF INDEPENDENCE AND COMPETENCE</b><br/>         The SGS Group of companies is the world leader in provision, testing and verification, operating in more than 140 countries and providing services including management systems and service certification, quality, environmental, social and ethical auditing and training, and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts</p> | <p>of interest with the organization, its subsidiaries and stakeholders.</p> <p>The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with local auditors of environmental management systems (EMAS), occupational health and safety assessment systems (OHSAS), social accountability (ISO26000) and lead verifiers of greenhouse gas emissions.</p> <p><b>ASSURANCE OPINION</b><br/>         Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the 2017 Integrated Report does not provide a fair and balanced description of the organization's sustainability activities from Apr 1, 2016 to Mar 31, 2017.</p> <p>The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.</p> <p><b>AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS</b></p> <p><b>Integrity</b><br/>         Customers, society, environment, stakeholders, investors, employees and business partners are identified and recognized as the important stakeholders by the organization, and communications, such as external equity, reviews, surveys, and labor-management consultations, are performed by the respective divisions. In charge needs and expectations of stakeholders have been input into the organization through the relevant activities, and the responses have been consolidated. CSR issues from these processes are integrated with business needs, and are related and reported through the medium-term management plan.<br/>         SGS Japan confirmed the above process by this verification.</p> <p><b>Materiality</b><br/>         The materiality of the identified issues was determined from the viewpoint of inside and outside of the organization, and the Organization took relevant actions to address the issues in the organization as a whole as well as relevant divisions through business activities. The Organization considers setting targets to be achieved 100% wherever possible.<br/>         SGS Japan confirmed the above process by this verification.</p> <p><b>Reasonableness</b><br/>         The Organization addresses the identified issues through business activities in the relevant divisions. For employees, its internal stakeholders, the Organization made various efforts to consistently conduct activities in consideration of ESG. The Organization also communicated with external stakeholders through various means including their dialogues.<br/>         The Organization considers items to be disclosed according to the degree of interest of stakeholders, requests for disclosures from external parties, and items necessary to be disclosed by laws and regulations. The Organization disclosed them through various media including the 2017 Integrated Report, its website, and other.<br/>         SGS Japan confirmed the above process by this verification.</p> <p>For and on behalf of SGS Japan Inc.<br/>         Senior Executive &amp; Business Manager    Tsp. Takashi<br/>         Certification and Business Engagement<br/>         11<sup>th</sup> December, 2017<br/>         Signed: </p> <p> <b>AA1000</b><br/>         Lloyds Assurance Provider<br/>         2008</p> |
|--|---|

 [Third-party Verification Report.pdf \(PDF:171KB\)](#)

## CSR

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TOKYU FUDOSAN HOLDINGS GROUP  
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Great East Japan Earthquake For smiling faces all over Japan

# Diversity Promotion

## Policy

The Tokyu Fudosan Holdings Group will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment. We accept each other in the difference in a variety of attributes and bring about innovation by showing individual ability to the maximum and continue to create value through our business activities.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the CSR Promotion Committee headed by the President & CEO, and to address the issues of diversity with regard to employees and work styles, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

## Practice and Implementation

### [ Promotion of women's participation and advancement ]

#### Diversity promotion and enhancement

Tokyu Fudosan Holdings Group organizes biannual Diversity Conference where representatives from group companies come together to promote group-wide diversity. The conference set KPI targets and monitor progress on percentage of female employees and women in managerial positions as well as employment of persons with disabilities. It also serves as a place to share innovative measures within and outside the group to improve group-wide diversity.

Tokyu Fudosan Holdings

#### Promoting women's participation

With an aim to promote women's participation, Tokyu Fudosan Holdings Group supports group-wide networking group where group employees, mostly women, meet up for "Positive Networking College" to discuss relevant issues. The program is open to everyone including male employees.



Positive networking college session

Tokyu Fudosan Holdings

## Japan Innovative Women's Network(J-win)-encouraging women's leadership

In 2015, our effort to encourage growth mindset and more aspiration for women to fully display their capabilities led us to join an NPO, Japan Innovative Women's Network(J-win), who provides tailored supports for member companies in all industries in implementing measures to advance women in workplace. Tokyu Fudosan Corporation send two female employees to participate in workshops and seminars hosted by J-win on nurturing women's leadership and skill development.

Tokyu Fudosan Holdings

## [ Work style reform ]

### Achieving Work-life balance

Our group offer diverse working arrangements to achieve better efficiency and productivity as well as employees' work-life balance. Thanks to advanced IT, Tokyu Fudosan, Tokyu Community and Tokyu Livable have introduced telework scheme to accommodate more flexible work style. Many employees have already been taking advantage of the arrangement, which have proven to lead to more efficient use of time, improving productivities and employee satisfaction.

TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU LAND CORPORATION

## [ Support for balancing work, childcare and eldercare ]

### Support for childcare and eldercare

Each company in Tokyu Fudosan Holdings Group has been taking measures suitable to its business environment, to achieve a workplace where employees can balance their work and various life events or personal commitments including childcare and eldercare, and continue in their career.

#### <Examples of Group companies' and measures and programs>

- Tokyu Hands believes employees are their greatest asset, and none of them should have to leave the company for childcare, eldercare or other personal commitments. That is why they have launched "Now and Future Support Team" to support all employees in both professional and personal life. Tokyu Hands' employees at their career milestones have opportunities to visualize and plan their future career and personal life through workshops. The company also offers seminars for better understanding of balancing work and eldercare.



Diversity campaign poster

- In addition to reemployment program for those who leave work for childcare, Tokyu Community has "Pro Career Path" program for former employees who are qualified and willing. Employees leaving the company can sign up for the program if they meet certain criteria, and when ready to come back to work, they are eligible to take reemployment test in which they are given priority over others.

TOKYU COMMUNITY CORP., TOKYU HANDS INC.



### **Seminar on diversity**

As part of our diversity initiative, Tokyu Fudosan Holdings held an executive seminar in October 2015 with Work-Life Balance Co. President Ms. Toshie Komuro as a speaker. Participants learned how to manage increasingly diverse workforce and workstyles and importance of executive commitment , and also engaged in a lively discussion.

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Tokyu Fudosan Holdings

### **[ Role of elderly and workers with disabilities ]**

#### **Employment for people with disabilities**

Tokyu Livable offers employment opportunities for those with disabilities, where everyone finds right work for his/her skills and competencies and becomes a valuable member of the company. Many physically or mentally challenged employees, or “satellite staff” have been teleworking, drawing plans and guide maps on PC, while mentally disabled employees or “challenge staff” have been working as a team at the head office and each division, taking on wide range of back office tasks including handling interoffice mails and issuing certificates.

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TOKYU LIVABLE, INC.

#### **Employment for older workers**

Tokyu Livable’s “Career expert re-employment” program ensures extended employment up to 70 years of age for older workers who are willing and meet the company standards. Tokyu Community’s retirement extension program, just introduced in October 2017, extends retirement age to 65 years old from current 60 for their technical staff. Both schemes are intended for growing number of older workers to take active roles in the workplace, as well as for the companies to tap on senior workers’ valuable experience and connections.

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TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC.

#### **LGBT Employees Forum**

As gender identity and sexual orientation have gained recognition as part of human rights in today’s society, Tokyu Fudosan Holdings Group hosted in July 2016, a forum on LGBT workers, inviting two speakers from NPO Nijiuro (rainbow) Diversity, Ms. Maki Muraki, a representative director and its staff member, Mr. Yuji Kato. 85 employees from 6 companies across the group participated in the event to raise awareness and deepen understanding of LGBT issues in Japan.

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Tokyu Fudosan Holdings

## [ Awards & Rankings ]

### L-boshi certified\* with highest ratings

Tokyu Community launched Women's Working Project Team to develop support programs to balance work and childcare/eldercare to ensure women's continuing career. This project was highly evaluated for achieving more employment opportunities and continuous career for women, and led to the highest ratings in L-boshi certificate awarded by Health, Labor and Welfare Minister as a company with excellent program implementation for advancement of women in workplace.



"L-boshi" Logo

\*L-boshi(star) certification is given to companies that meet criteria set forth based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

TOKYU COMMUNITY CORP.

### Ranked as a "Great Place to Work"

Tokyu Livable ranked 24<sup>th</sup> in 2018 Great Place to Work in Japan. Based on feedbacks from employees around the world, Great Place to Work®, one of the world's largest survey institutes, shares 50 country specific ranking lists, and listed companies are recognized worldwide for their excellence.



"Great Place to Work®" Logo

TOKYU LIVABLE, INC.

## Social Data

|  | Unit   | 2014   | 2015   | 2016   |
|--|--------|--------|--------|--------|
| 1. Total number of employees in senior management                                  | person | 1,508  | 1,538  | 1,530  |
| 2. Number of women in senior management  | person | 86     | 91     | 87     |
| 3. Percentage of women in senior management  | %      | 5.7    | 5.9    | 5.7    |
| 4. Total number of directors on board  | person | 13     | 11     | 13     |
| 5. Number of women directors on board  | person | 0      | 0      | 0      |
| 6. Percentage of women directors on the board                                      | %      | 0      | 0      | 0      |
| 7. Total workforce   | person | 18,243 | 19,230 | 20,421 |
| 8. Number of women employees in workforce  | person | 1,840  | 2,089  | 2,125  |
| 9. women employees in total workforce  | %      | 24.2   | 25.3   | 26.5   |
| 10. Total number of newly hired employees  | person | 600    | 831    | 411    |
| 11. Number of women employees in new hires   | person | 198    | 294    | 171    |
| 12. Percentage of women employees in new hires                                     | %      | 33.0   | 35.4   | 41.6   |
| 13. Average years employed by the company for female employees                     | year   | 9.0    | 8.7    | 8.8    |
| 14. Average years employed by the company for male employees                       | year   | 24.2   | 25.3   | 26.5   |
| 15. Percentage difference in average employment years for female to male employees | year   | 15.3   | 16.6   | 17.7   |

\*Main company of the Tokyu Fudosan holdings group (Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu hands, Inc., and Tokyu Housing Lease Corporation) 7. Total workforce : Includes it other than the regular staff.

Tokyu Fudosan Holdings

— CSR

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For smiling faces all over Japan

# Management Structure



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.

> Anti-Corruption

> Risk Management

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## Anti-Corruption

### Policy

The Tokyu Fudosan Holdings Group recognizes that corruption and bribery are serious risks that could considerably damage the trust and credibility of a company. We are committed to maintaining sound relationships with stakeholders and will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society. Specifically, we will thoroughly implement the following.

- (1) We will never engage or be complicit in any and all forms of bribery, including money laundering, embezzlement, or obstruction of justice, etc.
- (2) In fully understanding laws and regulations about relationships with public offices and other similar persons in Japan or other countries, we will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society and we will never provide monetary or other benefits to gain illicit profits.
- (3) We will not provide or receive business entertainment or gifts from business partners or other parties that deviates from sound business practices or social norms.
- (4) We will not use our position or authority to demand personal benefits from our business partners or other parties.

In addition, a code of conduct is stipulated in the code of ethics for executive officers approved by the Board of Directors Meeting to counteract all corruption activities including bribery.

Tokyu Fudosan Holdings

### Management Structure

#### Whistleblower System

The Group has established the Compliance Helpline, as an outlet for all employees to report any violation of laws, company rules, and the Code of Conduct directly to the General Manager of the Group Legal Affairs Department or an outside lawyer. The Tokyu Fudosan Holdings Group Compliance Manual defines the Group's conduct based on five themes: 1) Compliance with Laws and Regulations and Fair Trading; 2) Ensuring Customer-oriented Awareness; 3) Suitable Execution of Duties; 4) Proper Management of Information; and 5) Ensuring Good Faith in Business Conduct. Particularly, number 5, which reads ensuring good faith in business conduct, further defines specific behavior guidelines, including 1) reasonable business entertaining and gift-giving, 2) prevention of corruption and bribery, 3) entertaining and gift-giving involving politicians and civil servants, and 4) code of behavior for deemed civil servants, in order to counteract all forms of corruption and not just bribery. More details about the Compliance Helpline can be found in the Tokyu Fudosan Holdings Group Compliance Manual.

#### Thorough dissemination of information to employees

The Tokyu Fudosan Holdings Group Compliance Manual defines the Group's code of conduct based on five themes: 1) Compliance with Laws and Regulations and Fair Trading; 2) Ensuring Customer-oriented Awareness; 3) Suitable Execution of Duties; 4) Proper Management of Information, and 5) Ensuring Good Faith in Business Conduct. More specifically, theme 5. Ensuring Good Faith in Business Conduct has further defined behavior guidelines, including 1) reasonable business entertaining and gift-giving, 2) prevention of corruption and bribery, 3) entertaining and gift-giving involving politicians and civil servants, 4) code of behavior for deemed civil servants, in order to counteract all forms of corruption and not just bribery. Employees can review this code of conduct on the Intranet at anytime.

Every year, e-learning on compliance is conducted targeting all employees. The learning program features questions related to laws and code of conduct, as well as refreshes employees' understanding of the Tokyu Fudosan Holdings Group Compliance Manual and Whistleblower System. Questions on elements of anti-corruption, including bribery, are posed to promote well-spread recognition and understanding, as well as to encourage active communication between all employees.

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Tokyu Fudosan Holdings

### **Compliance training**

The Group conducts various compliance seminars targeting all employees on a regular basis. In May 2016, an outside lawyer was invited to give a lecture on Prevention of Accounting Fraud and Compliance. In this seminar, the lecturer also defined demands for personal interest using one's position, and receipt of entertainment and gifts.

Six workshops were held from April to December in 2017, and a total of approximately 600 people participated. Three more workshops are scheduled from January to March in 2018. In addition, e-learning training was conducted once and about 20,000 people attended (attendance rate 96.7%).

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For smiling faces all over Japan

# Risk Management

## Policy

Tokyu Fudosan Holdings Corporation prepares and operates a risk management system based on the "Risk Management Basic Rules". This risk management system refers to ISO 31000 which is a representative risk management framework.

The Group's risk management process



The Company recognizes all internal and external factors that adversely affect its management, such as financial loss, loss of brand image, discontinuance or suspension of business continuity, as a risk. In order to comprehensively manage them, we are grasping the serious risks of the whole company and implementing countermeasures systematically and on a scheduled basis according to priority. In addition, each group company evaluates and analyzes the risk and manages it.

Management risks, business process risks and other risks that seriously affect management (such as crisis management response) are managed as "Major Risks". They are managed in the following individual risk unit.

### 《Major Risks》

- ①Investment risk    ②Financial capital risk    ③Personnel labor risk
- ④Legal compliance risk    ⑤IT strategy risk    ⑥Information leakage risk
- ⑦Crisis management response

CSR risk (ESG risk) is managed as a sub category of "major risks".

### 《Example of CSR risk (ESG risk) 》

- Climate change    · Biodiversity conservation    · Environmental pollution
- Waste reduction and appropriate treatment    · Resource utilization
- Water resources conservation    · Human rights protection
- Prevention of child labor    · Contribution to the community and society
- Employee health and safety    · Employee human rights    · Corruption, Bribery
- Corporate governance, etc

Tokyu Fudosan Holdings

## Management Structure

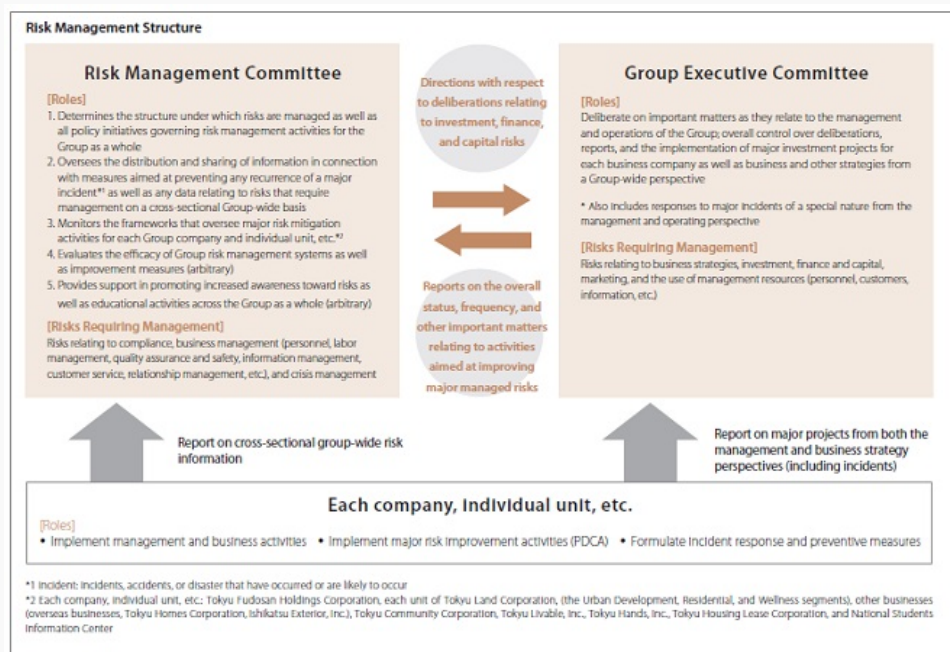
### Risk Management System

The corporate Auditors audit the execution of risk management by the President and Representative Director, who is the head of risk management, based on the "Risk Management Basic Rules", and the Internal Audit Department of the Group audits risk management systems and risk management operations at each group company.





Risk management is managed through the Group Management Committee and the Board of Directors and The Risk Management Committee manages the risk management carried out by each group company in a comprehensive manner.



Tokyu Fudosan Holdings

## Reserve Fund for Legal Violations and Litigation

At the end of every fiscal year, Tokyu Fudosan Holdings estimates the amounts of penalties or legal settlements that are likely to occur in the future due to events from the current and previous fiscal years (if the loss of a court case is expected) and sets aside a reserve fund. We determine whether to disclose this amount or not (including in notes to financial statements) on a case by case basis in light of the materiality of the amount on the consolidated balance sheet. Over the previous three years, there have been no disclosures with regards to legal settlements or other matters. Future plans for disclosure are as follows.

- Disclosures as of December 31, 2016: None
- Disclosures until December 31, 2020: None planned

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## Information Security

### Policy

The Tokyu Fudosan Holdings Group 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.

Tokyu Fudosan Holdings

### Management Structure, Practice and Implementation

#### 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.

Moreover, when outsourcing the handling of personal information, outsourcing partners are selected with due care and their treatment of information is monitored appropriately to ensure information security.

Tokyu Community Corporation, and Tokyu Livable, Inc., have obtained approval to use the Privacy Mark, which provides a proof that these companies are safely managing and appropriately protecting personal information.

Tokyu Fudosan Holdings, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC.

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## Elected for SRI Indices

Tokyu Fudosan Holdings Corporation was selected for inclusion in SRI indices because its efforts toward important management issues such as the environment, compliance were recognized as contributing to sustainable growth in the future. Going forward, we will continue to contribute to the creation of a sustainable society while also being mindful of the importance that CSR plays in our business.

Tokyu Fudosan Holdings

## Dow Jones Sustainability Index Asia Pacific (DJSI Asia Pacific)

The shares of TFHD have been selected for inclusion in the Dow Jones Sustainability Asia/Pacific Index(DJSI Asia Pacific), which is the Asia/Pacific edition of the Dow Jones Sustainability Index (DJSI), the global benchmark for social responsibility investment (SRI)\*.

The DJSI is the world's best known SRI index, jointly developed by U.S. based media firm Dow Jones and Swiss based SRI research and rating firm RobecoSAM. The index rates enterprises' sustainability based on economic, environmental, and social aspects, and selects corporations that it finds to offer overall excellence.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

\* Social responsibility investment (SRI): An investment method where individual and institutional investment considers as investment criteria in addition to financial analytical data, CSR information such as social, environmental, and corporate governance also matters.

Tokyu Fudosan Holdings

## FTSE4Good

Tokyu Fudosan Holdings Corporation was selected for inclusion in the FTSE4Good Japan Index. FTSE4Good is an index created by FTSE Russell, the wholly-owned subsidiary of the London Stock Exchange, which recognizes company's efforts toward their social responsibilities from the perspectives of the environment, society, and governance.



FTSE4Good

Tokyu Fudosan Holdings

## FTSE Blossom Japan Index

Tokyu Fudosan Holdings Corporation has been selected for the FTSE Blossom Japan Index, adopted by GPIF (Government Pension Investment Fund) as one of the benchmarks for its ESG investment strategy. The FTSE Blossom Japan Index is developed by FTSE Russell to identify the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.



Tokyu Fudosan Holdings

## MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index developed by MSCI Inc. offers investors a method to integrate ESG into their investment process. The index consists of companies with high ESG profiles relative to their sector peers within its parent index, the MSCI Japan IMI Top 500 Index, which includes large, mid and small-cap securities in the Japanese markets.



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## For ESG Investors

## Tokyu Fudosan Holdings Group's CSR

Link to each location

|   |   |
|---|---|
| CSR Vision  | ✓ |
| CSR Promotion Structure                                     | ✓ |
| Tokyu Fudosan Holdings Group Code of Conduct                | ✓ |
| Identification of Materialities & Opportunities and Risks   | ✓ |
| Tokyu Fudosan Holdings Group's ESG Management (KPI Targets) | ✓ |

## Link to each location

|   |   | Policy | Management Structure | Practice and Implementation | Third-party Verification |
|---|---|--------|----------------------|-----------------------------|--------------------------|
| E | Climate Change                                | ✓      | ✓                    | ✓                           | ✓                        |
|   | Biodiversity Conservation                     | ✓      | ✓                    | ✓                           | -                        |
|   | Pollution                                     | ✓      | ✓                    | ✓                           | -                        |
|   | Waste   | ✓      | ✓                    | ✓                           | -                        |
|   | Use of Resource                               | ✓      | ✓                    | ✓                           | -                        |
|   | Water Use                                     | ✓      | ✓                    | ✓                           | -                        |
|   | Supply Chain (Environment)                    | ✓      | ✓                    | ✓                           | -                        |
| S | Supply Chain (Society)                        | ✓      | ✓                    | ✓                           | -                        |
|   | Human Rights and Community                    | ✓      | -                    | -                           | -                        |
|   | Contribution to Local Communities and Society | ✓      | -                    | ✓                           | -                        |
|   | Health and Safety                             | ✓      | ✓                    | ✓                           | -                        |
|   | Labor Standards                               | ✓      | ✓                    | ✓                           | ✓                        |
|   | Diversity Promotion                           | ✓      | ✓                    | ✓                           | -                        |

|          |                                   | Link to each location   |                   |
|----------|-----------------------------------|---|-------------------|
| <b>G</b> | Corporate Governance              | Basic Views on Corporate Governance   | <a href="#">✓</a> |
|          |                                   | Composition of the Board of Directors and Audit & Supervisory Board                   | <a href="#">✓</a> |
|          |                                   | Policy and procedures on determining the remuneration of directors and other officers | <a href="#">✓</a> |
|          |                                   | Approach concerning selection of directors and other officers                         | <a href="#">✓</a> |
|          |                                   | Specialization and professional history of directors and other officers               | <a href="#">✓</a> |
|          |                                   | Basic Views on Internal Control System  | <a href="#">✓</a> |
|          |                                   | Schematic Diagram of Corporate Governance System                                      | <a href="#">✓</a> |
|          |                                   | Management Monitoring Function  | <a href="#">✓</a> |
|          | Compliance                        | Compliance System   | <a href="#">✓</a> |
|          |                                   | Whistleblowing System (Compliance Helpline)   | <a href="#">✓</a> |
|          |                                   | Prevention of Relationships with Anti-social Forces                                   | <a href="#">✓</a> |
|          |                                   | Tokyu Fudosan Holdings Group Code of Conduct  | <a href="#">✓</a> |
|          |                                   | Anti-Corruption   | <a href="#">✓</a> |
|          | Risk Management and Other Matters | Risk Management   | <a href="#">✓</a> |
|          |                                   | Information Security  | <a href="#">✓</a> |
|          | General Meeting of Shareholders   | Convocation Notice  | <a href="#">✓</a> |
|          |                                   | Notice of Resolutions   | <a href="#">✓</a> |