

The Value Creation Story

Who We Want To Be

The Tokyu Fudosan Holdings Group proposes and creates lifestyles, going beyond the bounds of physical structures. Since our foundation, we have always been truly committed to solving social issues through our business activities and have consistently provided new value to our customers and society. Having inherited this Challenge-oriented DNA, we aim "To Become a Corporate Group that Continues to Create Value", in order to realize a sustainable society and growth.

Tokyu Fudosan Holdings Group Ideal

To Become a Corporate Group that Continues to Create Value

We go beyond the bounds of physical structures to propose and create new lifestyles

Sustainability Vision

We will solve social issues through our business activities and work with stakeholders to realize a sustainable society and growth.

Sustainability Policy

- We will strive for environmental and economic harmony through our business activities.
- We will endeavor to collaborate properly with stakeholders and maintain and strengthen relationships with them.
- We will pursue sound and highly transparent management and actively disclose sustainability information.

Framework for Integrated Thinking of the Group with Challenge-oriented DNA

To Become a Corporate Group that Continues to Create Value

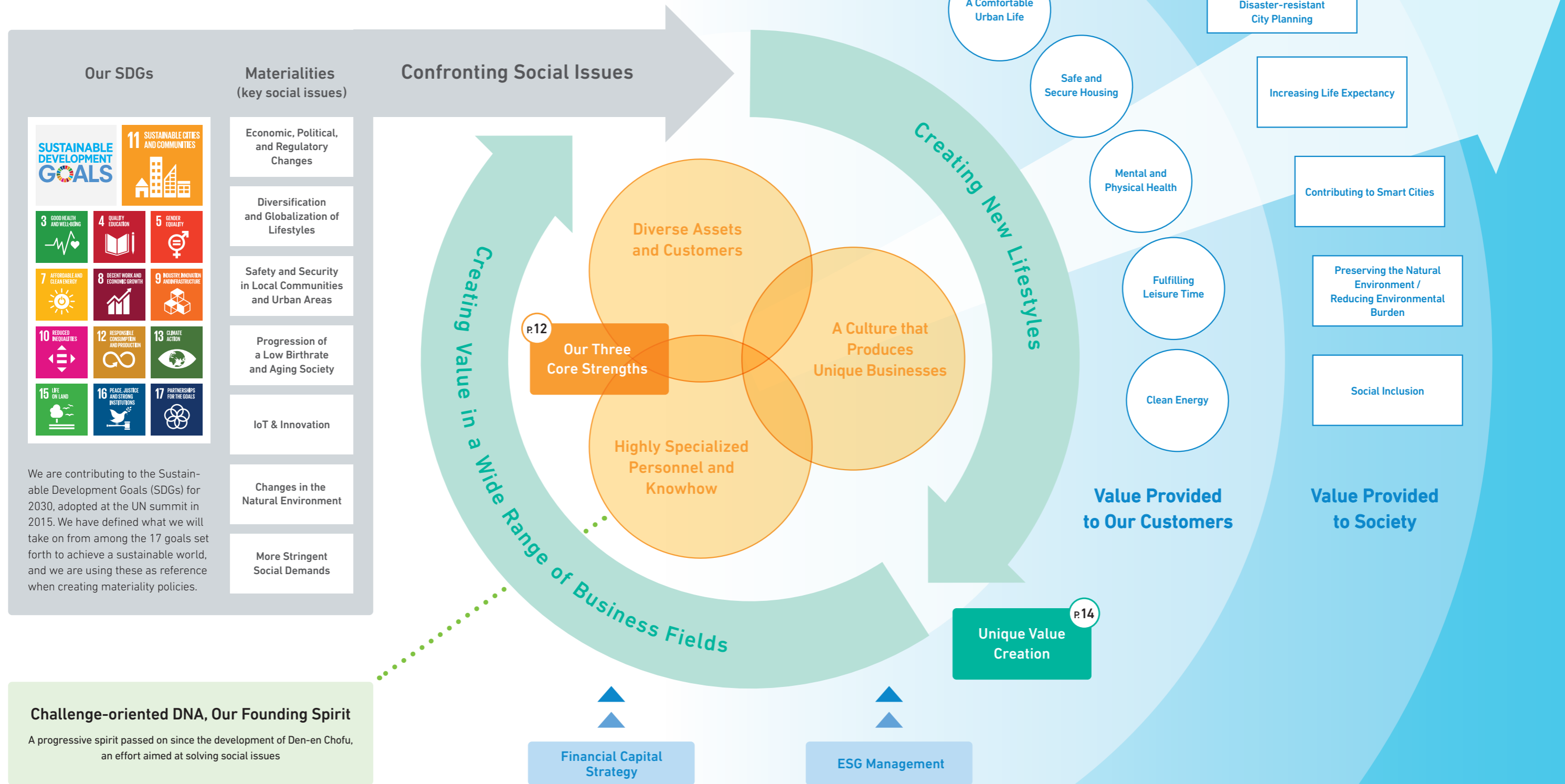


*Includes temporary employees

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Our Process for Value Creation

Our creating value begins with confronting social issues. We gain an accurate understanding of the social issues as they change with the times and create unique value, utilizing the three core strengths. Both ESG management and our financial capital strategy support our sustainable growth. Through this process cycle, we are able to implement our plan to become a corporate group that continues to create value.



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Creating Value Alongside Social Issues

Our origins lie with the development of Den-en Chofu, a pioneering effort to create the ideal town in a time of housing shortages. Since then, we have seriously faced the social issues in front of us, regardless of the times, and have taken a stand towards solving those issues through our business activities, while also inheriting our Challenge-oriented DNA. Our history follows the changes in society.



1950s and 1960s

From Post-war Recovery to Rapid Economic Growth

Japan rebuilt its economy, boosted by special demand from the Korean War, and completing the postwar reconstruction, ushered in a period of rapid economic growth. However, the housing shortage in urban areas became a serious problem due to population concentration in the three major metropolitan areas and increasing urban sprawl.

Establishment of the Company, Focused on Urban Development in Shibuya, Daikanyama, etc., Starting with Den-en Toshi

TOKYU LAND CORPORATION was established as the real estate department was spun off from TOKYU CORPORATION. The Company offered housing, which was in short supply, and commercial facilities to support residents' lives around our home base of Shibuya. The Company sought value creation through the real estate business.



Advertisement from when TOKYU LAND CORPORATION was established

- 1953 TOKYU LAND CORPORATION is established**
New company inaugurated with Keita Goto as chairman and Noboru Goto as president
- 1955 Completion of Daikanyama Tokyu Apartment**
Japan's first luxury rental residence developed for foreign nationals
- 1958 Completion of Tokyu Skyline**
The first condominiums in the Japanese real estate industry
- 1961 Start of Tokyu-Mitsubishi Home Loan Program**
The prototype for the home loan system
- 1965 Opening of Shibuya Tokyu Building (later Tokyu Plaza Shibuya)**
A multipurpose commercial facility in front of Shibuya Station

Our Origin: Den-en Chofu Urban Development

Den-en Toshi Company was established in 1918, focused on Eiichi Shibusawa and others. During a time of housing shortages, the English-originated Garden City urban concept, combining the merits of nature and the city, was incorporated, and Den-en Chofu was created as the Tamagawadai residential area – a beautiful, comfortable town where housing and gardens coexisted.



Den-en Chofu at the time of development

1970s and 1980s

Drastic Change in the World Economy and Advancement of Living Standards

The period of rapid economic growth in Japan came to an end with the oil crisis. In Japan, which had become an economic superpower, people gained material well-being and began to seek spiritual enrichment. As a result, values in various areas of life, including society, culture and lifestyle, diversified.

Pursuing Business Diversification from an Early Stage to Become a Total Lifestyle Producer

We expanded into related business domains derived from real estate, including management, real estate agents, retail, fitness, resorts, and more early on. Through our business diversification, we grew to be a corporate group offering total lifestyle services.



Asumigaoka New Town

- 1970 Establishment of TOKYU COMMUNITY CORP.**
Expansion into the property management business to create comfortable lives and living spaces
- 1972 Establishment of Area Service Co., Ltd. (predecessor of TOKYU LIVABLE, INC.)**
Expansion into the real estate agents business as a pioneer in real estate transactions
- 1976 Establishment of TOKYU HANDS INC.**
A pioneer in true DIY activities, creating new lifestyles and culture
- 1982 Launch of the Asumigaoka New Town business**
One of the largest urban developments in Japan, in harmony with natural surroundings
- 1984 Opening of Palau Pacific Resort**
An authentic resort hotel where development and environmental conservation co-exist
- 1986 Opening of TOKYU SPORTS OASIS Esaka**
A members-only fitness club offering programs to promote healthy lifestyles
- 1988 Opening of Tokyu Harvest Club Tateshina**
A membership resort hotel offering new ways to enjoy leisure time

1990s and 2000s

Post-bubble Period and Diversification of Lifestyles

Due to prolonged economic stagnation, coupled with the declining birthrate, aging population, and a drop in land prices, people began to return to the cities. Lifestyles and values became more diverse as a result of the advancement and diffusion of information technology and the tide of globalization.

Strengthening Our Revenue Base by Shifting the Focus to the Leasing Business in the Post-bubble Era

Not only did we enter in to the hotel and senior housing businesses, but we also improved our finances and strengthened our revenue base by shifting towards our urban development business, including office buildings and commercial facilities, in order to survive the post-bubble era.



Setagaya Business Square

- 1993 Opening of former Tokyu Stay Kamata**
Urban style hotels that can be used for medium- and long-term stays
- 1993 Opening of Setagaya Business Square**
Tokyu Group's first super-high-rise office building
- 1999 Start of the Real Estate Securitization Business**
Securitization of large-scale shopping centers, etc.
- 2004 Opening of Grancree Azamino**
One of the first in the industry to enter the senior housing business

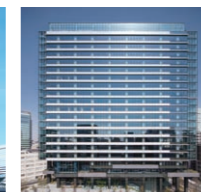
Main Development Projects Since 2010



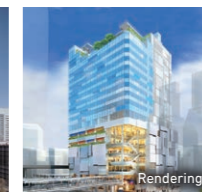
Futako Tamagawa Rise Tower & Residence
Completed in 2010



Tokyu Plaza Ginza
Opened in 2016



SHIBUYA SOLASTA
Completed in 2019



SHIBUYA FUKURAS
Due to be completed in October 2019



Rendering of the Shibuya Station area after completion
Around in 2027

2010s Onwards

Towards a Sustainable Society

Under globalization, a paradigm shift has taken place with both the public and private sectors looking to achieve sustainable growth. Further advances in information technology will bring major innovations to people's lives, society and the industrial structure.

Towards Sustainable Growth Through Group Co-creation, Anticipating the Changes in Values and Needs

We transitioned to a holdings system to anticipate changes and create new value. Aiming for medium- to long-term growth, we are creating lifestyles as a Group while inheriting our Challenge-oriented DNA.



Advertisement from when Tokyu Fudosan Holdings Corporation was established

- 2013 Establishment of Tokyu Fudosan Holdings Corporation**
Merger of TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP. and TOKYU LIVABLE, INC.
- 2014 Establishment of Tokyu Housing Lease Corporation**
Merger of Group's rental housing businesses
- 2016 Consolidation of NATIONAL STUDENTS INFORMATION CENTER CO., LTD. into a Subsidiary**
Strengthening the management of rental housing business of student condominiums, etc.
- 2019 Completion of SHIBUYA SOLASTA**
A smart office supporting diverse work styles

Changes in Operating Revenue*



* From fiscal 1953 to fiscal 1992, non-consolidated operating revenue from TOKYU LAND CORPORATION, from fiscal 1993 to fiscal 2012, consolidated operating revenue from TOKYU LAND CORPORATION, and from fiscal 2013 onward, consolidated operating revenue from Tokyu Fudosan Holdings Corporation. (fiscal 1989 was only a 6-month fiscal term, as the fiscal term was changed from September to March that year)

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Our Three Core Strengths

Our strengths, developed through our commitment to solving social issues in a changing society, can be broadly divided into three core strengths. Business Foundations, Corporate Culture and Human Capital. Each of these strengths nurtures the uniqueness of the Tokyu Fudosan Holdings Group and the inheritance and evolution of Challenge-oriented DNA since our foundation leads to unique value creation.

Diverse Assets and Customers

We are involved in diverse assets through a wide range of businesses in the varied life settings of live, work and spend time, and create opportunities for contact with a variety of customers.

Involvement in Diverse Assets

- Office buildings
60
- Rental housing units under management
Approx. 137,000
- Condominium units under management*1
Approx. 831,000
- Hotels and resorts*2
84
- Commercial facilities
33
- Condominium units (cumulative number)
Approx. 93,000
- Real estate agent transactions
Approx. 25,000
- Senior housing facilities
16

Customer Contact Points: Approx. 10 Million Customers

- TOKYU HANDS Club members
Approx. 4,760,000
- BRANZ CLUB members
Approx. 117,000
- Tokyu Harvest Club members
Approx. 26,000
- Consignment welfare members
Approx. 3,840,000
- Fitness club members
Approx. 102,000

*1. Includes public housing
*2. Includes urban style hotels, resort facilities, golf courses, ski resorts and overseas facilities.

Highly Specialized Personnel and Knowhow

Around 30,000 employees (including temporary employees) work in these business fields. They also share their knowhow with other Group employees through opportunities such as seminars and workshops.

Number of employees with professional qualifications 7,282

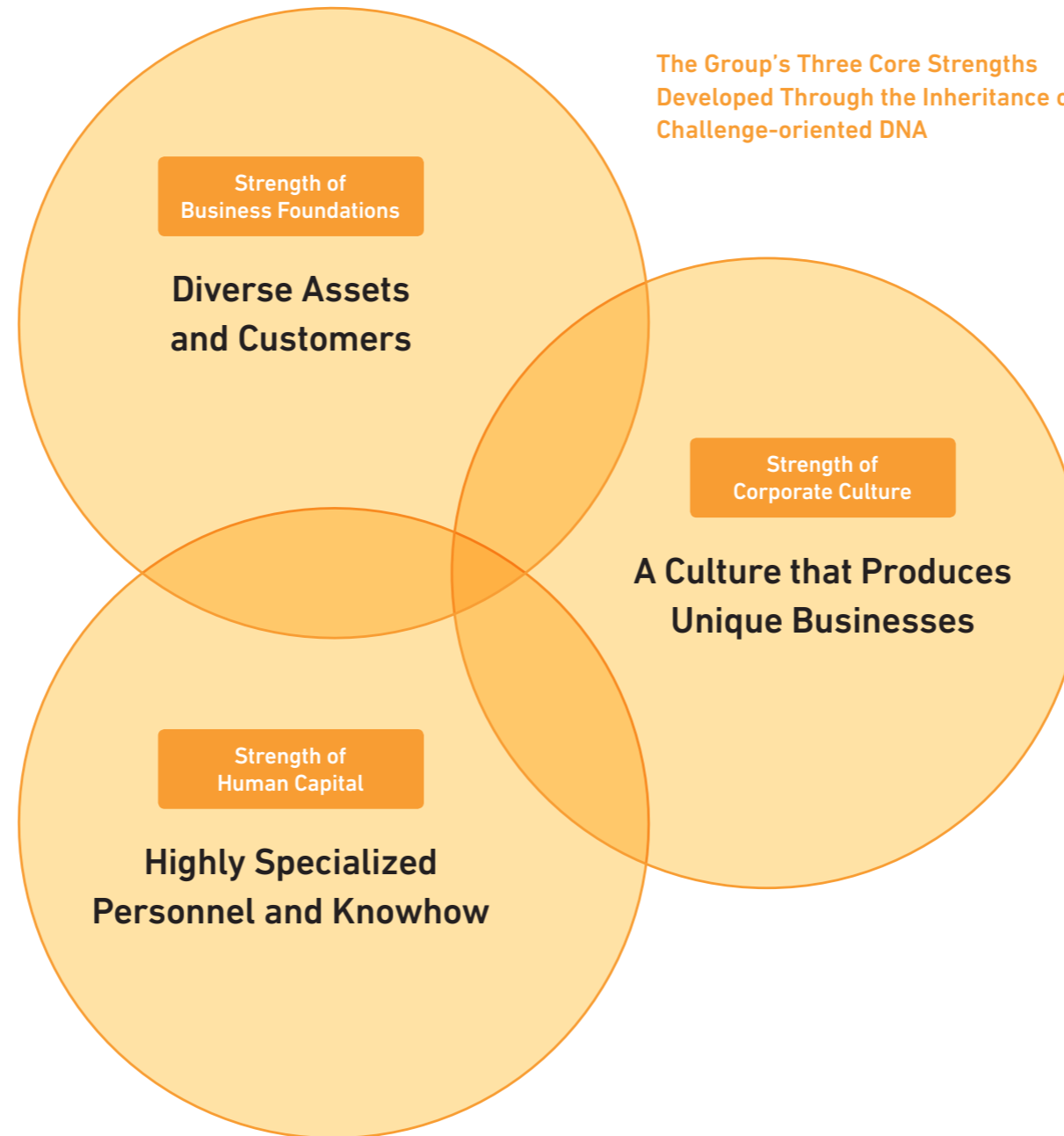
- First-class registered architects: 328
- Second-class registered architects: 414
- Real estate notaries: 5,960
- Condominium managers: 580

Knowledge Café
(held 28 times with a total of 3,381 participants)

We hold seminars for Group employees around five times a year to promote understanding of the Group's businesses and create opportunities for cooperation between Group companies. We invite employees who work at various Group companies as speakers and share advanced initiatives at each company.



The Group's Three Core Strengths Developed Through the Inheritance of Challenge-oriented DNA



A Culture that Produces Unique Businesses

We have always anticipated the needs of the times and created innovative, unique businesses. This Challenge-oriented DNA is deeply rooted in the Group as a whole as our organizational culture.



Palau Pacific Resort balances protection of the natural environment with continued development.



Tokyu Harvest Club private membership resort hotels propose new ways of spending leisure time.



Business-Airport membership-based satellite office service offers people the opportunity to cater for diverse work styles.



Morinomiyaya Q's MALL BASE specializes in sport and health.



RAKUTIVE adult health salons help extend healthy life expectancy.



Hil Tenshu Project at TOKYU HANDS Shinjuku Store makes life more enjoyable through customer service.

Examples of Services Utilizing the Characteristics of Each Business



Knowledge Forum
(held 22 times with a total of 2,935 participants)

We hold awareness raising seminars for Group employees, inviting professionals and leaders from various business fields and industries. The Knowledge Forum is held around four times a year and these are popular seminars, providing employees with an opportunity to increase their knowledge.



Dai Tamesue giving a lecture on the topic of Sports Business (November 5, 2018)



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Unique Value Creation

The originality of our Group can be discussed in terms of creation of value on the time axis and creation of value on the spatial axis. On the time axis, we create new lifestyles by offering diverse services at every life stage of our customers. Meanwhile, on the spatial axis, we create value by harnessing our wide range of business fields in all kinds of urban settings.

Value Creation on Time Axis
Creating New Lifestyles



Value Creation on Spatial Axis
Creating Value in a Wide Range of Business Fields

We offer diverse services at every life stage to all generations of customers, from students and professionals to families and retired people. Proposing new Home Styles, Work Styles and Play Styles in various life settings leads to the creation of new lifestyles.

We create lifestyles that go beyond the bounds of physical structures in all kinds of settings, ranging from urban living to resort life. Value creation in a wide range of business fields creates diverse business models, including management, agents and operation, and generates new sources of earnings.

