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 solve issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth.

Sustainability Policy

- We strive for environmental and economic harmony through our business activities.
- We endeavor to collaborate properly with stakeholders and maintain and strengthen relationships with them.
- We 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

Continues to Create

Become a Corporate Group

Our Three

Foundations Supporting Core Strengths

P.11

Diverse Assets and Customers

We conduct business in varied life settings and come into contact with diverse assets and around 10 million customers.

A Culture that Produces **Unique Businesses**

Inheriting our founding spirit of Challengeoriented DNA, we are involved in many pioneering and highly original businesses.

Highly Specialized Personnel and Knowhow

About 30,000* employees from Group companies work in a wide range of business fields, sharing urban development and business knowhow built up over many years.

Our Sustainable Growth

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Financial Initiatives

We aim to build on our stable financial base and increase shareholder value and corporate value by growing our earning power while maintaining financial discipline.

Non-Financial Initiatives

We are strengthening non-financial initiatives from the viewpoints of human capital strategy, social needs, environment, and corporate governance.

Create Value

Unique Value Creation

Lifestyle Creation

We are committed to solving various social issues through the proposal of new Home Styles, new Work Styles and new Play Styles.

Wide Range of **Business Fields**

We create value by providing diverse services to address social issues, ranging from real estate development to the management, agents and operation of real estate.

TOKYU FUDOSAN HOLDINGS 2020 INTEGRATED REPORT

^{*}Includes temporary employees

The Value Creation Story

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 financial initiatives and non-financial initiatives 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.

P.08 To Become a Corporate Group Value Provided to Society that Continues to Create Value P.08 **Businesses (Outputs)** Increasing the Value of Real Estate / Stable Social Infrastructure Sustainable Growth A Comfortable Improving Quality of Life / **Urban Life Creating Communities** Safe and Contributing to Secure Housing Local Economies/ Disaster-resistant City Planning Mental and Promoting Health and **Physical Health** Productivity Management / **Achieving the Creation of** a Healthy Society A Culture that **Produces Unique Businesses Fulfilling** Leisure Time **Building a Digital Society** Preserving the Natural Clean Energy Environment / Reducing Environmental Burden P.14 **Social Inclusion Unique Value** Creation **Non-Financial Initiatives**

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Our SDGs

SUSTAINABLE GOALS

Materialities (key social issues)

Confronting Social Issues

P.11

Our Three

Core Strengths

W. Wide Pange of Business Fields

Financial Initiatives

Creating

Value

3

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Diverse Assets

and Customers

Highly Specialized

Foundations Supporting Our Sustainable Growth

Economic, Political, and Regulatory Changes

Diversification and Globalization of Lifestyles

Safety and Security in Local Communities and Urban Areas

Progression of a Low Birthrate and Aging Society

IoT & Innovation

Changes in the Natural Environment

More Stringent Social Demands

able Development Goals (SDGs) for 2030, adopted at the UN summit in 2015. We have defined what we will take on from among the 17 goals set forth to achieve a sustainable world, and we are using these as reference when creating materiality policies.





















Challenge-oriented DNA, Our Founding Spirit

A progressive spirit passed on since the development of Den-en Chofu, an effort aimed at solving social issues

The Value Creation Story

Value We Provide **Outputs and Outcomes**

Value Provided Through **Businesses (Outputs)**

A Comfortable Urban Life

- Office buildings 60 (Total floorspace: 640.000m²)
- Commercial facilities 32 (Total floorspace: 844,000m²)
- Building and facility management 1,561
- Logistics facilities 12*1

Safe and Secure Housing

- Condominium units (cumulative number) Approx. 93.000
- Condominium units under management Approx. 830,000
- Rental housing units under management Approx. 145,000 Real estate agent transactions Approx. 26.000

Mental and Physical Health

- Senior housing facilities 13
- Nursing care housing facilities 6
- Membership fitness clubs 38
- Consignment welfare members Approx. 3.840.000

Fulfilling Leisure Time

- Membership resort hotels 25 Resort facilities 16
- Golf courses 19
- Ski resorts 8
- Urban style hotels 27
- ●TOKYU HANDS 58

Clean Energy

- Solar Power 41 (798MW)*
- Wind Power 8 (193MW)*
- Biomass Power 1 (50MW)*

Value Provided to Society (Outcomes)

Increasing the Value of Real Estate / Stable Social Infrastructure

Urban development creating cities full of vitality (Futako Tamagawa Rise, Abeno Q's Mall, etc.) Management services and renovation to increase asset value

Urban development through redevelopment projects (Shibuya, Takeshiba, Ofuna, etc.)

Number of public housing units nanaged by private companies Ranked 1st in Japan*²

Improving Quality of Life / Creating Communities

- Urban development based on lifestyle proposals centered around housing Life Story Town Area management (Greater Shibuya Area, Takeshiba, etc.)
- Support for student lifestyles (accommodations for students, support for career creation)

Contributing to Local Economies / Disaster-resistant City Planning

- Creating employment opportunities and tourism demand in communities (Niseko, Palau, etc.) Development of robust, disaster-resistant city functionality and alleviation of areas with high concentrations of wooden housing
- (Shibuya Sakuragaoka Block Redevelopment Plan, BRANZ Tower Ofuna, etc.)

Promoting Health and Productivity Management / Achieving the Creation of a Healthy Society

- Creating easy-to-work workplaces that seek to improve the mental and physical health of
- Improving the health of senior citizens through the provision of preventive medicine programs (Collaboration with Juntendo, an educational corporation, Fitness salon Lactive, etc.)

The Health & Productivity Stock Selection

WELL Building Standard (Precertified)*3

Building a Digital Society

- Provision of new value through digital transformation (DX)
- (Utilization of customer data, online customer services, $MaaS^{*4}$ demonstrative testing, etc.)
- Smart cities and smart offices utilizing IoT (TOKYO PORTCITY TAKESHIBA, SHIBUYA SOLASTA, etc.)

Model project for Tokyo Society 5.0 "Smart Tokyo"*5

Preserving the Natural Environment / Reducing Environmental Burden

- Urban development for coexistence with the environment
- (environmental real estate, green buildings, etc.) Supplying power with ReENE, a renewable energy business

Support for TCFD

Joining RE100*6

20 DBJ Green Buildings

Social Inclusion

- Utilizing diverse human capital
- (employment of people with disabilities, active participation of women, etc.)
- Achieving stakeholder engagement (Human Rights Policy, Sustainable Procurement Policy) Urban development that is friendly to everyone, through universal design, etc.
- (Shibuya redevelopment, etc.)

Eruboshi Accreditation*7

DSDC Gold award for dementia-friendly design*8

Sustainable Growth

To Become a Corporate Group that **Continues to Create Value**

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

Corporate value is the sum total of the levels of satisfaction of all of our stakeholders

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders. We seek to achieve sustainable growth by expanding the circle of satisfaction for all manner of stakeholders.



Local and Social Satisfaction

We contribute to a sustainable society through efforts such as working to revitalize communities and conserve the environment through our business activities.

Customer Satisfaction

We provide value that will ensure that we continue to be chosen by customers, based on our Group Customer Service Standard.

Stakeholder and Investor Satisfaction

We answer to the expectations of shareholders and investors by maximizing share value through sustainable growth.

Employee Satisfaction

We strive to nurture human capital who can tackle the challenges of the VUCA*9 era, and create workstyle environments where Group employees can work actively.

Client and Partner Satisfaction

We aim to achieve growth together with our suppliers and partners by creating value across our entire supply chain.

- *1. Including in development
 *2. Number of public housing units managed by TOKYU COMMUNITY CORP. (Source: Real Estate Economic Institute, 2018)
 *3. The Group has obtained preliminary certification under the WELL Building Standard (WELL certification) system for one of its key locations: its head office inside the SHIBUYA SOLASTA building. WELL certification is an assessment and rating system for buildings and indoor environments that pay consideration for health and comfort.

 *4. MaaS: Mobility-as-a-Service. It is the concept of mobility seamlessly connecting transport services into a single service through information and communication technologies (ICT).

 *5. Smart City Takeshiba has been selected as one of the projects in a public offering by Tokyo Metropolitan Government aimed at creating a "Smart Tokyo". The project will aim to implement services spanning multi-
- ple fields, utilizing cutting-edge technologies in an urban environment.

 *6. In April 2019, TOKYU LAND CORPORATION joined RE100, an international initiative aimed at sourcing 100% of electricity consumed in business activities from renewable energy.

 *7. TOKYU COMMUNITY CORP, received the highest of the three levels of Eruboshi certification, which is granted by the Minister of Health, Labor and Welfare (MHLW) based on the Act on the Promotion of Women's
- Participation and Advancement in the Workplace.
 *8. Grancreer Setagaya Nakamachi Care Residence and Creer Residence Yokohama Tokaichiba have received the Gold award, the highest award from the University of Stirling's Dementia Services Development Centre (DSDC) in the United Kingdom
- *9. VUCA: Volatility, Uncertainty, Complexity, and Ambiguity, referring to an unpredictable socio-economic env