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TOKYU FUDOSAN HOLDINGS GROUP  
**Recovery Support Project**

Great East Japan Earthquake For smiling faces all over Japan



**Message from the President**

Hironori Nishikawa  
President and CEO  
Tokyu Fudosan Holdings Corporation



**Tokyu Fudosan Holdings Group's Sustainability Initiatives**

As information disclosure guidelines, we refer to compliance with international standards and recommendations.

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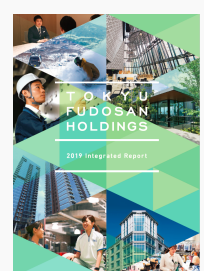
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## Message from the President



### Turning an Unprecedented Crisis Into an Opportunity, and Driving the Group's Transformation

Firstly, I would like to extend my sincere condolences to everyone affected by the COVID-19 pandemic, and my heartfelt thanks to all of the healthcare professionals and those working hard to maintain our social infrastructure.

The Tokyu Fudosan Holdings Group engages in a wide range of BtoC business operations connecting with many customers, in areas such as commercial facilities, hotel and resort facilities, fitness clubs and senior housing, as well as BtoB operations which include the supply of renewable energy. Under the current circumstances, we feel a renewed and heavy sense of responsibility for our role in supporting the social infrastructure that protects safe and secure lifestyles.

We have numerous essential workers, working at the facilities we operate nationwide, to ensure the continuous provision of services to our customers. We are proud of our Group employees making continuous efforts on the front lines. Moving forward, we will keep making our very best efforts, leveraging the Group's combined total capabilities to ensure the continuity of our business activities, with a priority on preventing the spread of infection and ensuring safety. (PDF) [See page 22, "Adapting to the New Normal as Society Changes with the COVID-19 Pandemic"](#)

### The Speed of Transformation Demanded as a Result of the COVID-19 Pandemic

I was appointed president and representative director of Tokyu Fudosan Holdings Corporation this spring. The mission entrusted to me as representative director of our pure holding company is to pursue total optimization of the Group from a medium to long-term perspective, and aim to improve corporate value and achieve sustainable growth. I want to create a roadmap for us to become a corporate group that is considered needed by all of its stakeholders, and — by extension — by society as a whole.

Fiscal 2020 is the final year of our Medium-Term Management Plan 2017-2020, which we have worked towards since fiscal 2017. With the impact of the pandemic, however, we expect to fall short of all of the financial indicators that we had set. Currently, we are working to determine what kind of impact the pandemic will have on our business operations in both the with- and post-COVID phases, and holding discussions with regard to our medium- and long-term management plan for next fiscal year onward. However the Group's stance of aiming to improve shareholder and corporate value by seeking to enhance its earning power while maintaining financial discipline remains unchanged. (PDF) [See page 46, "Financial Capital Strategy"](#)

After a major crisis such as this, it is conceivable that we will see a paradigm shift, in which the values of society as a whole will change. I am determined to drive the Group forward powerfully in its transformation, with a view to adapting to this post-COVID world. It seems safe to say that, as a result of the pandemic, the changes that we had predicted in the social and business landscape will be taking place quite a lot sooner than we had

envisaged. For this reason, I focus daily on the importance of advancing this transformation with an even greater sense of speed and urgency than ever before.

### **Business Management Crises We Have Overcome in the Past**

The Group has faced several other major business management crises in the past, and has overcome these difficulties by transforming itself.

The greatest crisis that the Group has faced since I joined TOKYU LAND CORPORATION in 1982 was the collapse of the Japanese economic bubble, the “asset price bubble” during the early 1990s. As the popular myth surrounding land prices that they would continue to rise indefinitely began to fall apart, the Group suffered serious damage as a result of plummeting land prices. In response, we used the situation as an opportunity for change, shifting the focus of our business structure away from the conventional long-term development of suburban detached housing towards the leasing of properties such as office buildings and commercial facilities.

By 2008, the negative legacy of the economic bubble had been settled, and the Group had finally gotten itself back on track for future growth and begun expanding its business operations. Then came the bankruptcy of Lehman Brothers, the climax to the US subprime mortgage crisis. The simultaneous fall in stock prices around the world ushered in a global financial crisis. The Tokyu Fudosan Holdings Group, too, was forced to deal with massive losses, and we worked at full strength to optimize our balance sheet.

As we were doing so, in 2011 came the Great East Japan Earthquake, which left the whole country in a state of shock. At the time, I was TOKYU LAND CORPORATION's executive officer responsible for crisis management. I worked to formulate company-wide BCPs (Business Continuity Plans), and was kept busy ensuring the safety of our employees and providing support for communities affected by the disaster.

Around the time the impact of the global financial crisis began to show signs of coming to an end, and with the strong conviction of its senior management to ensure that “the same kind of crisis would never be repeated again,” the Group listed two real estate investment trusts (REITs) organized by TOKYU LAND CORPORATION on the stock market, and began building a system for further accelerating its cyclical reinvestment model. In 2013, we established Tokyu Fudosan Holdings Corporation, as a pure holding company, strengthening the management base of the Group. After that we formulated a medium- and long-term management plan leading up until fiscal 2020, and worked to achieve stable growth for the Group such as by accelerating the pace of investments in good quality leasing properties, in the Greater Shibuya Area among others.  [See page 10, “At a Glance”](#))

The key thing that I have learned from these past management crises is the importance of having a stable revenue base and financial base. When a company falls into a management crisis, it takes several years for the situation to come to an end, and for the company to recover. When you consider the impact of this on the organization's culture, the loss is enormous. I have felt keenly just how important it is to surely and steadily amass earnings from day to day in order to prevent this.

### **Now is Not the Time to Panic or Be Swayed by Others Around Us**

Unlike the collapse of the economic bubble and the global financial crisis in the past, the current COVID-19 pandemic is not caused by financial factors, but rather by an external factor (i.e. the virus). Unlike the management crises of the past, in which the company had massive interest-bearing liabilities and was forced to immediately sell off assets, thanks to our sure and steady amassing of profits since the shift towards a holding company system, I also regard this current crisis as a chance to take the offensive.

Our Group has so far responded flexibly to the market conditions and environments while shifting its earning structure. In this current crisis, too, while withstanding short-term decreases in sales and cost-cutting primarily in our BtoC business operations, we believe that a new world will open up before us if we envisage the post-COVID world ourselves and spin the buds of next generation businesses.

In the media, we often see examples of extreme reporting which have an impact on the business environment, such as articles arguing that there is no need for offices, or stating that there is a complete lack of inbound demand. During situations such as this, I think that we must not be swayed by fleeting information, and identify the essential changes that are taking place, with our feet firmly on the ground. Based on our past experiences overcoming management crises, I am spreading the message, within the Group, the now is not the time to panic or be swayed by others around us; and am forcing myself to constantly consider our next moves from a long-term and higher-up perspective.

## The Potential of Shibuya Remains Unchanged

On our home, Shibuya, we have worked to alleviate the long-standing issue of the shortage of office space, completing both the office building SHIBUYA SOLASTA and the large complex SHIBUYA FUKURAS in 2019.

In response to the COVID-19 pandemic, we have seen progress in the widespread adoption of workstyles such as telework and workfrom-home. The way offices are used is changing. With the number of options available for workplaces and workstyles increasing, the significance of offices as “places where people gather together” is being reviewed, and we also hear many opinions asserting the necessity of face-to-face communication. With regard to this debate, rather than a two-dimensional argument between offline and online, I think that we should show people ways of working which are suitable for this new era, utilizing the positive points of both online and offline.

The SHIBUYA SOLASTA building in which we are based is a showcase for doing that. Here, by implementing new workstyles and engaging in various experimental initiatives ourselves, we are proposing a diverse range of workplaces to our customers. (📄 [See page 37, “Live Offices Proposing and Implementing New Workstyles”](#))

Shibuya has always been a multi-faceted district filled with diversity. In addition to the cultural foundation of movies and music, Shibuya has developed as one of a handful of commercial centers that communicates fashion and other new trends. This has now seen the addition of good quality office stock, with creative content and startup companies gathering in the area. The fact that Shibuya offers such truly diverse urban functions gives it a unique appeal that cannot be found in other areas such as Marunouchi, Nihonbashi or Roppongi.

The grouping of other richly individualistic areas such as Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama forms the Greater Shibuya Area. We are advancing the Greater Shibuya Area concept for increasing the value of the overall area, and working to create a city area that is sustainable in the long term. Even with the new lifestyles being demanded under the current pandemic, we believe that the appeal and attraction of the Greater Shibuya Area remains unchanged, and our policy is to continue to invest proactively in the area. (📄 [See page 25, “Feature: Greater Shibuya Area Concept”](#))



## Increasing Customer Experience Value Through Digital Transformation (DX)

### Solving Social Problems Through Lifestyle Creation

The origins of our Group lie with the Den-en Toshi Company, established by Eiichi Shibusawa and his associates in 1918. At that time, urbanization and population influx were progressing in Tokyo, and the signs of a housing shortage were becoming apparent. Den-en Chofu was developed based on the British-originated Garden City (Den-en Toshi) concept, combining the merits of both nature and the city.



For over more than 100 years since then, we have continue to inherit the Challenge-oriented DNA of working to resolve a variety of social issues through our business activities, and expanded our business portfolio with real estate as our starting point. (📖 [See page 12, “Social Issues and the History of Lifestyle Creation”](#))

Our three core strengths can be summarized as our Diverse Assets and Customers, a Corporate Culture that Produces Unique Businesses, and our Highly Specialized Personnel and Knowhow. (📖 [See page 11, “Our Three Core Strengths”](#))

As I also touched upon earlier, a distinctive feature of our Group's business operations is that we have many points of direct contact with customers, in comparison with other general real estate companies. It is because we have such a wide range of contact points with customers, that we are able to sensitively detect changes in customer needs in the field and create unique businesses.

Our value creation is really born out of dialogue with customers. The keyword that symbolizes our value creation is Lifestyle Creation, in which we work to resolve various social issues through new home, work and play styles.

Lifestyle Creation has continued to evolve through three phases. After Lifestyle Creation 1.0, in which we developed business from buildings and other real estate, the concept evolved to Lifestyle Creation 2.0, in which we utilized buildings to propose solutions. We now advocate Lifestyle Creation 3.0, which combines every aspect of life, transcending the conventional boundaries of living, working and spending time. (📖 [See page 24 feature, “Taking Up the Challenge of Lifestyle Creation 3.0”](#))

With the arrival of this new era, in which people can work anytime, anywhere, the boundaries between work and life for modern people are becoming increasingly blurred. It can therefore be said that the diversification of workstyles is essentially also the diversification of lifestyles. The range of options for spending time — playing, learning, resting and creating — has also become increasingly diverse, to the point where they can no longer be discussed in a uniform manner. The focus now is on how people work, live and spend their time. I feel that the Lifestyle Creation 3.0 concept is precisely what is needed for us to live in this modern era, to create a society in which people can feel happy and healthy both physically and mentally through the provision of an extensive array of time-spending options and experiences.

### **Making the Breadth of Our Business Wingspan Into a Real Advantage**

As the Group, we have sought to create unique value through the provision of services for all manner of life stages and overall areas, namely, the time axis and spatial axis, respectively, developing a wide range of businesses. The width of our business wingspan is one of our group's key advantages, and is so broad because we have built up various kinds of value creation in line with changes in the needs of customers and society. (📖 [See page 14, “Unique Value Creation”](#))

At the same time, having a broad business wingspan alone is not sufficient to achieve the realization of Lifestyle Creation 3.0, which combines every aspect of life. It is essential to maximize the depth of each business, and the synergies between businesses.

Our role as a pure holding company, is to allocate management resources appropriately as we seek to achieve total optimization of the Group from a medium to long-term perspective, to match changes in business conditions. Based on that, we delegate the execution of business to the Group's various operating companies, in order to maximize the effective utilization of the strengths of each Group company. Moving forward, in addition to seeking to increase the speed with which we implement strategies at each operating company, we will also work to turn the Group's broad business wingspan into a real advantage by driving business operations beyond the boundaries between individual operating companies. Specifically, our policy is to work to rebuild our business portfolio by carefully examining and determining which business operations we will continue as they are, which business we will revise, and which ones we will discontinue with a constant focus on total optimization, rather than the individual optimization of operating companies.

### **Society is Changing as a Result of Digitalization**

We are currently in the midst of a pandemic, living in an age filled with unpredictable elements we refer to as VUCA\*1. It is because we live in such a highly uncertain era that we must face up to the social issues that we must tackle from a long-term perspective, taking a bird's-eye view of developments in the world around us.

In Japan, with its progressing social problems of low birth rate and ageing society, labor shortages and difficulties in recruitment — brought about by the shrinkage of the productive population — are becoming

increasingly apparent. As an operator of labor-intensive building/facility management and operation services, these are very important issues for the Group.

Moreover, customer needs are changing as a result of dramatic progress in technological innovations. In particular, the Generation Z\*2 that will support our society in the future are digital natives who have been familiarized with the Internet and social media from childhood. They are said to have tendency towards valuing individuality, and it is thought that diversification of value and individual optimization will continue to progress further as a result of this. There will therefore be a need for the products and services that we provide to change into solutions that are better matched to the needs of individuals, rather than being uniform one-size-fits-all solutions.

In the Group's business domains, too, there is now a possibility of domination by new players from outside the industry. We must make full use of our imagination, and maintain a healthy sense of crisis.

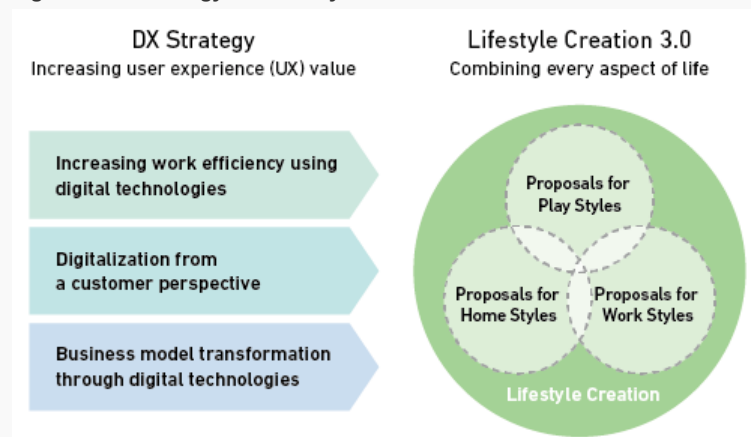
### Bold Business Innovation Through DX

To boldly execute the transformation that we had already conceived, and with this current sense of crisis, we established the Digital Transformation Promotion Office in April this year. We now regard the digital transformation (DX) of our business operations as a key pillar of our growth strategy. The three elements of this DX are increasing work efficiency using digital technologies, digitalization from a customer perspective and business model transformation through digital technologies. The purpose of driving DX is to establish a competitive advantage by transforming our work processes, organization and corporate culture, thereby offering merits to all of our stakeholders including not only customers but also our employees and suppliers.

As I stated earlier, a distinctive feature of our Group is that it has extensive contact with customers over a long period of time. Using this advantage, we will utilize data accumulated within the Group as we seek to improve operational and work process efficiency, and increase corporate value by encouraging the transformation of business models spanning across the Group.

We believe that pursuing the Lifestyle Creation 3.0 concept I mentioned earlier increases customer experience value, and that DX is an effective means of doing this. **(Figure 1. DX Strategy and Lifestyle Creation 3.0)**

Figure 1. DX Strategy and Lifestyle Creation 3.0



Moving forward, through initiatives such as utilizing data internally within the Group and creating smart cities, we will aim to create added value for real estate such as buildings and other physical spaces using digital technologies. The flagship project for our smart city initiatives is TOKYO PORTCITY TAKESHIBA, which we opened this year

Through this project and others like it, we are proposing urban lifestyles that combine new work and home styles, with smart buildings that feel as though they are from the near future. SoftBank Corporation has moved into the Office Tower — one of our largest ever buildings — as a tenant, and is engaged in joint efforts to build the smart city utilizing cutting-edge technologies. The project has also been selected by Tokyo Metropolitan Government as an advance model project for Smart Tokyo.

The power of technology is essential to the future of urban development. By conducting demonstrative testing utilizing real-time data and cutting-edge technologies such as robotics, MaaS (Mobility-as-a-Service), Augmented Reality, Virtual Reality and 5G, with our Takeshiba project, we are communicating our image of the kind of next-generation urban development which embodies our DX strategy. [See page 28, "Feature: TOKYO PORTCITY TAKESHIBA"](#)

## Creating a Foundation for Executing Transformations

The Digital Transformation Promotion Office is pushing ahead swiftly with DX initiatives by taking a leading role in implementing the Business x IT (digital) strategies while coordinating organically with our corporate planning & IT strategy divisions, under the leadership of our director responsible for DX. We have launched an organization comprising responsible personnel at each operating company from across the Group, and are working to resolve issues through information-sharing session and meeting on themes. **(Figure 2. DX Promotion System)**

With regard to securing and developing human capital, we have defined the necessary abilities required by DX personnel as being able to create business designs using new digital technologies as a starting point based on knowledge of existing businesses, and are holding internal training sessions and communicating DX-related information. We are also driving investment in human capital, including bolstering our hiring of mid-career personnel.

In order to push ahead with DX, it is important to develop and enhance internal IT infrastructure, in addition to utilizing both internal and external resources. We will accelerate our DX initiatives using investment through corporate venture capital (CVC) and the creation of new businesses using internal venture schemes. We will also evaluate existing systems and update them as necessary, with the aim of building a platform that will enable us to visualize and utilize data, with a view to tackling the 2025 Digital Cliff problem\*4 highlighted in the Japanese Ministry of Economy, Trade and Industry (METI)'s DX Report.

In addition to such strategies, organizational structure and culture will also be important drivers for advancing DX. We will work to execute our transformation with the awareness that such initiatives, seeking to achieve overall group-wide innovation, are also part of our DX strategy.

Figure 2. DX Promotion System



## Achieving a Sustainable Society and Growth by Expanding the Circle of Satisfaction

### Human Capital Strategy and Promoting Health Management

I believe that the source of the Group's value creation is undoubtedly its human capital. The active contribution of younger generations is essential to reading future needs and creating innovation with new ideas.

Until now, too, we have advanced workstyle reforms to create more active workplaces, and had worked to implement telework and workfrom-home since before the COVID-19 pandemic. In order to make maximum effective use of human capital, we are advancing HR strategies such as diversity and inclusion, work-life balance and HR development. (📖 See page 50, "Human Capital Strategies")

In particular, promoting health management is an important management issue. While we can expect to see improvements in productivity as a result of introducing new technologies and advancing DX, it is also necessary for employees to familiarize themselves with these new technologies. As interpersonal relationships and behaviors change, and our home lives become more closely combined with our work, we experience an increase in physical and mental stress. We must also turn our attention to the fact that we may begin to suffer from lack of exercise.

For these reasons, the significance of health management is increasing, not only as a way of responding to the demands of society for lengthening healthy lifespans, but also as a way of maintaining the energy of employees to tackle the challenges of new changes. In view of this background, we are working to implement group-wide health management, with a priority focus on the physical and mental health of our employees.

Last year, when TOKYU LAND CORPORATION relocated its head office to the SHIBUYA SOLASTA building, we utilized the opportunity to launch the GREEN FLAG PROJECT; an effort to advance cross-divisional organizational cultural reforms driven primarily by young employees. The Group's management, too, hopes to back these kinds of initiatives led by young employees, and to link them on to the next generation of innovation. I myself will act as a flag bearer for improving openness within the company, responding flexibly and agilely to environmental changes, and aiming to create an autonomous organization that can turn the crisis before us into an opportunity.


### **Jingi-Dotoku (Humanity and Morality) and Giving Back to Society**

One of my beliefs in managing the Group is that of conducting activities in line with the common sense of the world around us. When put into words this seems like something that goes without saying, but we are members of society, and our activities are constantly together with society. A major prerequisite for any company to continue to prosper in perpetuity is for each of its constituent members — in other words, its individual employees — to be moral, and to act properly and ethically. The Group as it exists today has been built as a result of the accumulation of that. We must not forget that, before being a profit-making company, we are also a public institution of society.

In his book *Rongo and Soroban* (Analects of Confucius and the Abacus), Eiichi Shibusawa, who formed the origins of our Group, stated that “The root of wealth is *jingi-dotoku* (humanity and morality). If wealth is not based on correct morality, then it cannot continue in complete perpetuity.”

I also empathize very much with the idea that morality and earning exist in balance, and that we must create such a balance. The stance of valuing morality and pursuing what is morally just, with a sense of duty to come to terms to society, is the basic thinking of our Group. Eiichi Shibusawa preached this concept of *jingi-dotoku*, and worked in the pursuit of public profit. Like Shibusawa, TOKYU LAND CORPORATION's first president, Noboru Goto, also faced sincerely up to the social issues in front of him, and followed through on the stance of resolving those issues through business activities. Goto advocated that when a company carries out its original objectives properly, it is effectively giving back to society.

We are currently managing the Group based on our vision for sustainability, which is to “solve issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth.” The idea of following the correct path as a member of society, gaining wealth as a result, and achieving sustainable prosperity for both the company and society continues to be inherited by our Group to this day.


 [See page 1, “Lineage of Challenge-oriented DNA”](#)


### **Environmental, Social and Governance Initiatives**

Having inherited these high ideals and sense of duty, we are Working continuously toward the achievement of our vision.

In this modern era, we face a mountainous heap of long-term issues — including various environmental and energy-related problems — which must be tackled on a global scale, and the importance of initiatives in sync with international society is increasing. As members of international society ourselves, we are also contributing to the achievement of the Sustainable Development Goals (SDGs) — which were established at a UN summit in 2015 — by 2030.

With regard to our response to climate change, we endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and support RE100, which TOKYU LAND CORPORATION acquired, — an international initiative which aims to operate businesses using 100% renewable energy — and other activities aimed at suppressing climate change. Our renewable energy business, ReENE, has now grown to a rated power capacity of over 1GW, with over 50 facilities nationwide including those currently under development. We have also issued Green Bonds, which are used to raise funds for environment related projects.

 [See page 52, “Environment”](#)

To further advance our social initiatives, in fiscal 2019 we established our Human Rights Policy and Sustainable Procurement Policy, setting forth details of how we will work to thoroughly ensure fairness in our overall supply chain, respect for human rights and consideration for the environment.  [Page 51, “Social Needs”](#)

In corporate governance, in fiscal 2019, we incorporated third-party assessment by lawyers with no advisory relationship with the Group into our assessment of the effectiveness of our Board of Directors. Moving forward,



we will continue seeking to enhance our governance system with a view to improving management efficiency and building a sound and highly transparent management framework. (📄 page 54, “Corporate Governance”)

### Going Beyond Trust to Become a Corporate Group that Is Loved

The role of management is to achieve sustainable growth by increasing corporate value, by transforming the value provided through businesses (outputs) into value provided to society (outcomes). We believe that corporate value — which expresses the size of our impact on society — is the sum total of the levels of satisfaction of all of our stakeholders. We list five types of satisfaction by stakeholder (Customer Satisfaction, Shareholder and Investor Satisfaction, Local and Social Satisfaction, Client and Partner Satisfaction, and Employee Satisfaction), and work to increase corporate value by expanding this circle of satisfaction. (📄 See page 8, “Value We Provide”)

The most important thing in order for us to be a corporate group that continues to create value is to continue to be trusted and loved by all of our stakeholders. In order for us to captivate a diverse range of customers, it is necessary to deliver something which goes beyond trust; something emotional other than just practical utility. We could call it an attachment or fondness for the brand, or even becoming “fans” of the Group. I can’t help but feel that it is these kind of emotional, intangible assets that hold the key to the future of our Group.

Our aim is to become a corporate group that is loved by its stakeholders, by securing empathy with our ideas and initiatives. To achieve this aim, we will continue working ceaselessly to create value together with our 30,000 or so employees\*5, at over 100 Group companies.

\*1. VUCA: A term that is used to describe unpredictable socioeconomic environments. The initials stand for Volatility, Uncertainty, Complexity, and Ambiguity.

\*2. Generation Z: A general term for the generation of people born between 1996 and around 2010. This generation is currently gaining attention for its values and characteristics as the generation following on from the so-called Millennial Generation, who entered their 20s during the 2000s.

\*3. 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 multiple fields, utilizing cutting-edge technologies in an urban environment.

\*4. The 2025 Digital Cliff problem: The Report on Digital Transformation (DX) published by METI in 2018 pointed out the possibility that Japan may suffer an economic loss of up to 12 trillion yen per year from 2025 onward if Japanese companies fail to make progress in DX going forward.

\*5. Number of group employees: This number includes temporary employees.

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# Tokyu Fudosan Holdings Group's Sustainability



In order to achieve sustainable growth and increase corporate value over the long term, we have positioned non-financial efforts as a key management issue and promotes continuous strengthening of human capital strategy, social needs, environment and governance, with the Group Sustainability vision of "solving issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth".

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## Sustainability Vision

### 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.

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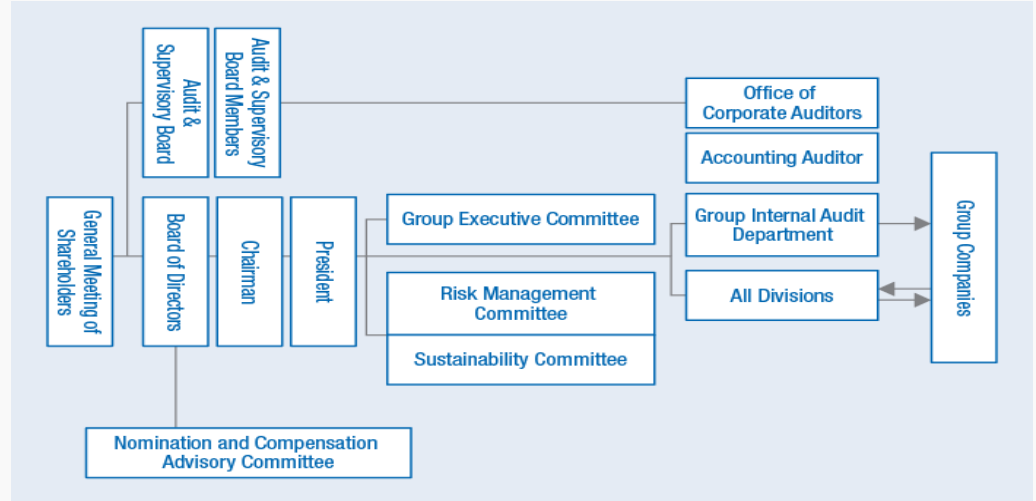
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## Promotion Structure

Aiming for continuous value generation, we have made Environmental, Social and Governance (ESG) factors as a vital part of the Group's management. Based on our identified social materiality, our Group's medium-term management has been organized into four themes with KPI targets in terms of ESG aspects, Environment, Work-style reform, Social needs and Corporate Governance. We are making Group-wide effort to achieve the KPI targets for FY2020, the last year of the medium-term management plan.

■ 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>

Tokyu Fudosan Holdings

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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 society and increases in our corporate value, we will undertake measures to address social issues through our business activities in accordance with the Value Frontier 2020 Medium-Term Management Plan.

## Identification 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 selected 31 materialities.

### Step 3 Stakeholder engagement

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 Group and society.

Management	Comment
<p><b>President and Representative Director</b> <b>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</b> <b>Hironori Nishikawa</b> 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**

**Low Birthrate, Aging Society**

**Tomoo Matsuda**  
 Research Director and Chief Producer  
 Platinum Society Center, Mitsubishi Research  
 Institute, Inc.

- 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.
- 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.

**Living/Lifestyles**

**Research institution (anonymous)**

- It is important to consider what type of space people will come to in order to spend their time.
- Businesses need to realize that minority groups are becoming the majority (e.g., unmarried persons, double-income no-kids households, at-home workers)

**Environment**

**Shiro Wakui**  
 Professor, Department of Environmental and  
 Information Studies, Tokyo City University

- Platform-like spaces and services that can change flexibly according to the diversity of individual consumers will be expected in the future.
- The key is how to create value with environmental measures.

**Work Styles**

**Keiko Tsuchiya**  
 General Manager, Personnel Division and Director,  
 Adecco Ltd.

- 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).
- As society becomes increasingly diverse, there will be calls for this to be reflected in buildings and the environment.

**ESG Investment**

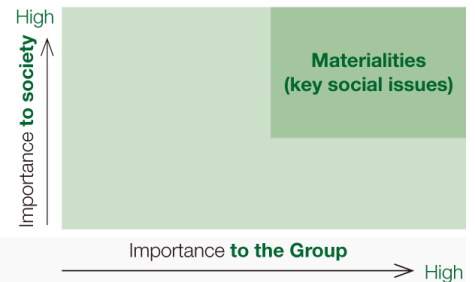
**Masaru Arai**  
 Chairman,  
 Japan Sustainable Investment Forum (JSIF)

- What is currently being emphasized with regard to ESG investment is governance. Whether boards of directors are functioning properly is being called into question.
- Policies, plans, and structures must be formulated, PDCA implemented, and the information disclosed.









\* 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 Sustainability Committee and finalized.



# Materialities and Our SDGs of the Tokyu Fudosan Holdings Group

Our SDGs	Materialities	Major Opportunities and Risks		Value Provided to Society
		Opportunities	Risks	
	<b>Economic, political, and regulatory changes</b> 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.	<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>	Increasing the value of real estate / Stable social infrastructure
 	<b>Diversification and globalization of lifestyles</b> Factors such as the diversification of lifestyles and consumer needs and the revitalization of regional communities significantly affect our business opportunities as an urban development company.	<ul style="list-style-type: none"> <li>● Expanded 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>	Improving quality of life / Creating communities
 	<b>Safety and security in local communities and urban areas</b> 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.	<ul style="list-style-type: none"> <li>● Expansion of markets related to existing stock, and 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>	Contributing to local economies / Disaster-resistant city Risks planning
 	<b>Progression of a low birthrate and aging society</b> As a Group that develops business in residences and senior housing, the low birthrate, aging population, and declining population in Japan will have a major impact on business opportunities.	<ul style="list-style-type: none"> <li>● Increasing demand related to senior citizens</li> </ul>	<ul style="list-style-type: none"> <li>● Falling demand in conjunction with the decline of the working age population</li> </ul>	Increasing life expectancy
	<b>IoT &amp; Innovation</b> 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.	<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>	Contributing to smart cities
  	<b>Changes in the natural environment</b> 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.	<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>	Preserving the natural environment / Reducing environmental burden
 	<b>More stringent social demands</b> Diverse demands from consumers, corporate governance, and various other factors will have a major impact on management systems.	<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>	Social inclusion



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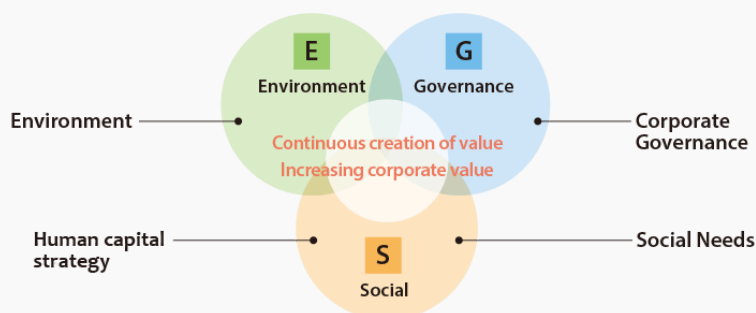
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# Tokyu Fudosan Holdings Group's ESG Management

We have established ESG as a significant management issue. In our Medium-Term Management Plan, we specified our Group materiality (key social issues), and formulate four themes from the perspective of ESG: human capital strategy, social needs, environment, and corporate governance. We established KPI goals for fiscal 2020 for each of these themes, and we are progressing across the Group with initiatives aimed at achieving these goals, while following the PDCA cycle.



## KPI Targets for Fiscal

Item		Fiscal 2019 results	Fiscal 2020 Targets
E Environment	CO2 emissions	36.2% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
	Water use	1.8% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
	Waste emissions	31.1% reduction compared to fiscal 2005	25% 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 (Area of Forest Protected)	1,636ha	2,000ha
	S Social	Working hours (Over time)	20.1 hours
Percentage of employees who undergo stress tests		92.4%	100%
Percentage of employees who undergo physical examinations		100%	100%
Percentage of female hires		32.2%	At least 30%
Percentage of female managers		8.1%	(Internal target)
Percentage of disabled employees		2.27%	2.2%

		Item	Fiscal 2019 results	Fiscal 2020 Targets
<b>S</b> <b>Social</b>	<b>Social needs</b>	Securing space for use during disasters* <sup>1</sup>	100%	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>	77%	80%
<b>G</b> <b>Governance</b>	<b>Corporate governance</b>	Number of outside directors	4/13 (approximately 31%)	At least 1/3 (approximately 33%)
		Board of Directors meeting attendance rate	99%	100%
		Female directors	1	At least one person
		Compliance with the Compliance Code of Conduct	99%	100%
		Awareness of the Compliance Helpline Counter	88%	100%

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

\*2. Tokyu Land Corporation new condominiums

\*3. Nursing care workers

Tokyu Fudosan Holdings

## Signatory to Initiatives

Tokyu Land Capital Management Inc. became a signatory of the Principles for Responsible Investment (PRI) as of June 2019, in agreement with the underlying concept.

The PRI is a set of investment principles established for the financial industry in 2006 under the leadership of the then United Nations Secretary-General Kofi Annan. The aim is for companies to include ESG factors in their decision-making processes on investment and enhance the long-term investment performance of their beneficiaries.

Signatory of:



Tokyu Land Capital Management Inc.

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## 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  
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> Promoting Communication

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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

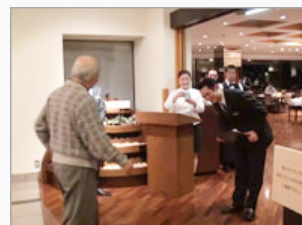
In 2009, the Tokyu Fudosan Holdings Group launched the Service-way Forum (SWF), the aim of which is to ensure a high level of customer satisfaction with service provision throughout the Group by promoting the sharing of know-how and information between Group member companies, particularly the five companies\* 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

Service  
Way  
Forum



Training in progress



Staff Board



### **Tenant satisfaction survey**

Tokyu Land SC Management Co., Ltd. investigates the satisfaction level of our company's management (relations, safety management, working environment in tenants, etc.) once a year for store managers of residents of major commercial facilities. Based on the responses of the questionnaire, we are extracting the issues of each facility and working on improvement.

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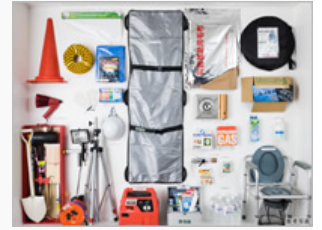


For smiling faces all over Japan

## 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 "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". Tokyu Homes Corporation's "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 "Total housing renovation system" and "Seismic Resistance System", your residence can be transformed into a new home that provides real security and peace of mind.



TOKYU HOMES CORPORATION

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For smiling faces all over Japan

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

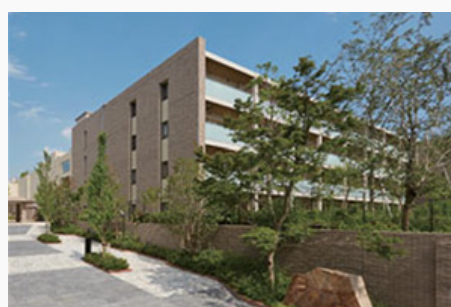
## Initiatives to Address Social Issues through the Senior Housing Business

In Japan, the aging of society is accelerating, with people age 65 or older accounting for more than 27% of the population. At the same time, there is a severe shortage in the supply of housing where senior citizens can continue to live comfortably with a sense of security. Moreover, partly because of the weakening of community bonds, there are many cases in which senior citizens and people who need long-term care live in isolation. The Group is applying the experience and expertise it has acquired over more than 10 years to support integrated community care and conduct initiatives to promote interaction among generations that include participation of community residents. We will continue to support the lifestyles of senior citizens so that everyone in the community, not just those who live in the housing the Group provides, can enjoy their own lifestyles for all time.

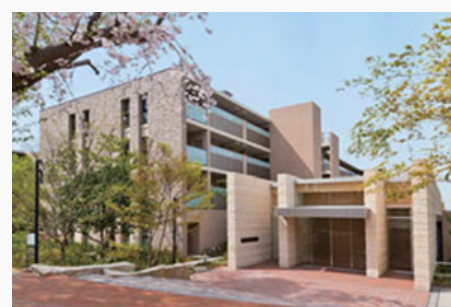
### Long-term urban development project to promote interaction among generations and lifestyle continuity from one generation to the next

In view of social issues such as interaction among generations and changes in life stages with the extension of healthy life expectancy, the Setagaya Nakamachi Project (Setagaya-ku, Tokyo), a complex consisting of senior housing and condominiums for sale, opened in 2017 based on the concept of promoting interaction among generations and lifestyle continuity from one generation to the next. This project involves development of a community where residents can continue to live in comfort, security and health no matter what life stage they are at. The project, which takes into account the needs of Japan's aging modern society, including the need for a sense of security from having multiple generations living nearby and realization of diverse home styles in the same community, was the first to be selected in the Tokyo Metropolitan Government's "Project to Establish Senior Housing with Services Combined with Ordinary Residences."

### SDGs in the Senior Housing Business



Grancreer Setagaya Nakamachi (senior housing)



BRANZ City Setagaya Nakamachi (condominiums for sale)



Setagaya Nakamachi Festival  
(scene on a festival day)



Setagaya Nakamachi Festival  
(exploring the town)

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 2019. (These photos are from 2018)



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

TOKYU LIVABLE, INC.



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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 100,000 members of the Tokyu Cosmos Club through the Group newsletter **Cosmos** and the member's only website called Cosmos WEB. In particular, in the customer satisfaction survey carried out in 2019, 91.2% of the members gave us opinions that they are "satisfied". We will continue to strive to deepen communication with our customers.



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

Sustainability

> Message from the President

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

Environmental Conservation Initiatives

> Climate Change

> Biodiversity Conservation

> Pollution and Resources

> Water Use

> Supply Chain (Environment)

+ Contributions to Local Communities

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+ Management Structure

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

# 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.



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

TOKYU FUDOSAN HOLDINGS GROUP

## 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)



## Sustainability

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+ Contributions to Local  
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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support  
Project

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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. The Group formulated our Sustainable Procurement Policy in January 2020. We promote the efficient use of energy and the use of renewable energy not only in our business activities but also throughout the life cycle of our products and services, and limit the impact of greenhouse gas emissions on climate variability. ( 5. Environmental measures, Tokyu Fudosan Holdings Group Sustainable Procurement Policy)

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.

## Commitments

It is based on this awareness that the Group is promoting the more efficient use of energy and the utilization of renewable energy to reduce greenhouse gases 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 Sustainability Committee, which is chaired by the President & Representative Director of Tokyu Fudosan Holdings and co-chaired by the Operating Officer of Tokyu Fudosan Holdings. The committee meets regularly 3 times 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 Sustainability Council, established as a subcommittee to the Tokyu Fudosan Holdings Group Sustainability Committee, leads relevant management activities across the entire Group.

the Sustainability 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.

Tokyu Fudosan Holdings

## Recognition of climate change ~ Disclose time horizon (short/medium/long term) of business related risk and/or opportunity

In fiscal 2017, the Tokyu Fudosan Holdings Group launched the 2017-2020 Management Plan as stage 2 of its Value Frontier 2020 medium-and long-term management plan. One of the materialities that form the basis for its formulation is the "change in the natural environment". Among them, we regard "climate change" as medium to long-term risk.

Tokyu Fudosan Holdings

### Impact of climate-related risks and opportunities

- With advanced renewable energy sources and technologies including energy management system becoming available, Tokyu Land Corporation has always been on the lookout for latest trends and technologies to identify and seize business opportunities that climate change presents. One such example is BRANZ City Shinagawa Katsushima, the first condominium in the world with each unit equipped with ENE-FARM, a fuel cell system developed specifically for multi-family residential. Also successfully completed in FY2017 are two multi-family residential projects, one with 11kW-solar power generation system and the other with EV sharing. We are now looking to offer residential with smart home services using cutting-edge energy management system and IoT technology.

- The Energy Conservation Act has been strengthened in recent years and we adhere to the stricter requirements as part of our climate-change risk management. Under the amended Act, we are required to make an effort to reduce annual emissions from our properties including office buildings, commercial facilities, resort facilities and fitness facilities by average of 1%. We renew and renovate our facilities and run routine energy management and energy conservation activities in order to meet the reduction target and other requirements.

#### Climate change risks and opportunities in our strategy

	Politics	Economy	Society	Technology
Transition risk (i.e. tighter regulations)	<ul style="list-style-type: none"> <li><b>Carbon price</b> <span style="color:red">Large impact</span> Increase in CO2 emission cost due to carbon tax etc.</li> <li><b>Carbon emission target/regulation</b> <span style="color:red">Large impact</span> Increased introduction cost for technologies and systems due to border coverage of and higher targets for Energy conservation law and cap-and-trade program, energy-efficient performance.</li> <li><b>ZEB Law</b> <span style="color:red">Large impact</span> Increase in construction / renovation cost in order to meet Zero Energy Building Law.</li> </ul>	<ul style="list-style-type: none"> <li>Energy price Wider use of renewable energy and cost increase of fossil fuel causes grid stability to decrease, leading to higher energy price.</li> <li>Trend in Energy demand Fluctuation in overall energy demand affects energy purchase cost.</li> <li>Change in energy mix Changes in % of renewable energy in the energy mix requires businesses to take measures to achieve additional emission reduction.</li> </ul>	<ul style="list-style-type: none"> <li><b>Changes in customer behavior</b> <span style="color:red">Large impact</span> Higher demand expected for buildings with ①disaster prevention performance ② eco-friendly features</li> <li><b>Changes in business reputation from customer/investor</b> <span style="color:red">Large impact</span> Lack of or deferred approach to buildings' ①disaster prevention features and ② eco-friendly features may lead to customer boycott and/or divestment.</li> </ul>	<ul style="list-style-type: none"> <li><b>Advanced ZEB technology</b> <span style="color:red">Large impact</span> Less cost burden for building construction/renovation thanks to advanced material and technology for ZEB</li> <li><b>Broader use of energy conservation/renewable energy technologies</b> <span style="color:red">Large impact</span> As the society moves toward low-carbon, advanced energy conservation and renewable energy related technologies become widely available, leading to lower introduction cost for such technologies.</li> </ul>
Physical risk (i.e. climate change)	<ul style="list-style-type: none"> <li><b>Rise in average temperature and sea-levels</b> <span style="color:red">Large impact</span> Higher average temperature leads to more cases of heatstroke and additional cooling cost. Higher sea-levels create risk of flooding of our facilities.</li> <li><b>Abnormal climate and acute disasters(wind hazard and flooding)</b> <span style="color:red">Large impact</span> Frequent typhoons, torrential rainfalls cause wind hazards and flooding, leading to increased cost for building repair and reduced customer.</li> </ul>			

Tokyu Fudosan Holdings

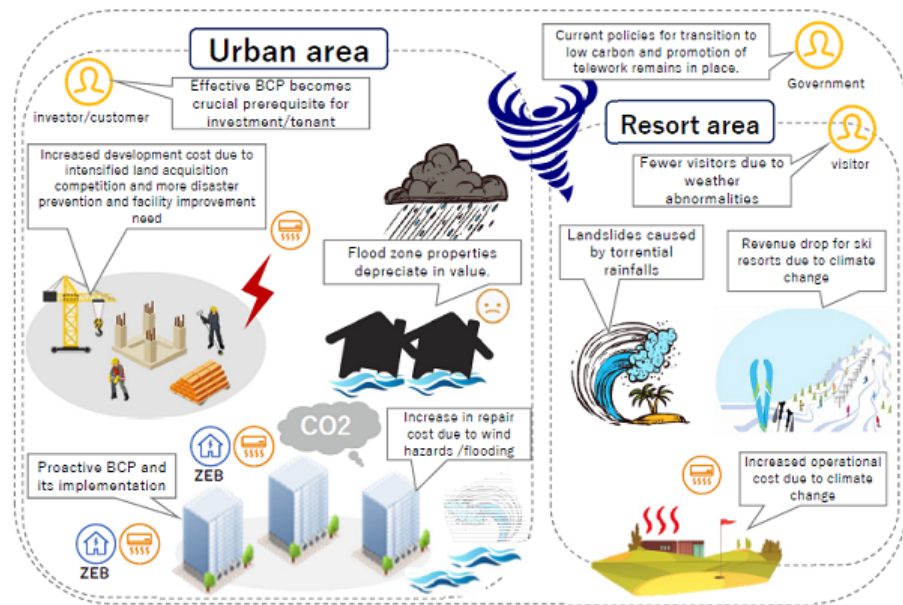
### Climate Scenario plannings and climate-related risk management

- Society in 4°C scenario

Worsening natural disasters while transition to low carbon/renewable energy stalled.

- Society in 2°C scenario

Natural disasters becomes not as worse as 4°C scenario while ZEB/renewable energy become popular.



■ Society in 4°C Scenario (Impact of climate change is large.)				
Environmental change	Negative business impact	Financial impact	Positive business impact	Financial impact
Intensification of natural disasters	{Urban area} Frequent wind hazards/floods {Resort area} Increased damage caused by landslides	↓	{Urban area· Resort area} Properties being selected based on BCP	↑
Average temperature rise	{Urban area} Sea level rise and storm surges constrain construction sites and architectural design {Resort area} Due to the reduction of snowfall, the operation period of the ski resort is shortened	↓	{Urban area} Resilient buildings· Remote Work· Setting up satellite offices {Resort area} Deploying cutting-edge snow machine.	↑
■ Society in 2°C Scenario (The impact of regulatory changes is significant.)				
Introduction of carbon tax	{Urban area· Resort area} Cost of carbon tax incurred	↓	{Urban area· Resort area} Superiority of high environmental performance buildings. Utilization of renewable energy	↑

## Financial quantification of climate change

### a: Costs associated with climate change

We expect apparent exposure to physical risks associated with climate change by year 2050. We have therefore established a set of expected climate change factors affecting our resort facility business in year 2050, and identified possible risks to the business:

- Decrease in revenue due to unexpected weather conditions including intense rainfalls and typhoons leading to fewer operating days.
- Added restoration cost related to collapsed slopes in the resort facilities caused by unexpected torrential rain.
- Decrease in revenue generated from our ski resorts and other winter sports facilities due to shorter operating period caused by warmer temperature and less snowfall amid global warming.

### b: Investment in R&D on climate change

In order to reduce exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon, we have been advancing our research of and exploring further deployment of renewable energy generation facilities including solar and wind power generations to our commercial and resort facilities.

## Support for activities to avoid climate change

Tokyu Fudosan Holdings Corporation has agreed to the recommendations of "Task Force on Climate-related Financial Disclosures(TCFD)" established by the Financial Stability Board (FSB).



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Tokyu Fudosan Holdings

Tokyu Land Corporation is a member of the international initiative "RE100", which aims to source 100% of the energy required for business from renewable energy by 2050.



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TOKYU LAND CORPORATION

As a member of the environmental committee of "The Real Estate Companies Association of Japan", Tokyu Land Corporation is working on promoting environmental action in the real estate industry. The committee periodically collects excellent efforts by member companies that lead to reduction of environmental burden and sustainable society building. They are used to share information among member companies and to further improve environmental awareness. Furthermore, we actively make proposals to public policies and regulations through "Low Carbon Town Planning Action Plan" or "Environmental voluntary action plan" etc.



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TOKYU LAND CORPORATION

## Supporting international initiatives

The Group supports and respects 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.



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Tokyu Fudosan Holdings

## Practice and Implementation

### Program to promote corporate value improvement through decarbon management

Tokyu Fudosan Holdings Co., Ltd. participated in the “Corporate Value Improvement Promotion Program by Decarbonizing Management” sponsored by the Ministry of the Environment in fiscal 2018, and studied internal carbon prices. Reference : [Ministry of Environment HP \(Japanese\)](#).

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Tokyu Fudosan Holdings

### Unquantified, Process CO<sub>2</sub> reduction targets

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.

### Quantified CO<sub>2</sub> reduction targets

#### **[Short- to medium-term quantified target]**

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

#### **[Long-term quantified target]**

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

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## GHG(CO<sub>2</sub>) emissions data

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

	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1	210.7	43.0	42.9	41.9	43.1
Scope 2		190.1	184.6	188.6	176.4
Scope 3	821.9	682.1	585.9	1295.5	1571.0

• Scope 1・2 cover the scope of Tokyu Fudosan Holdings and six operating companies.

## Scope 3 CO<sub>2</sub> emissions data by category

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

	FY2015	FY2016	FY2017	FY2018	FY2019
1 Purchased Goods & Services	21.3	22.9	24.4	559.0	534.4
2 Capital Goods	227.0	124.3	112.3	258.9	430.1
3 Fuel- and energy-related Activities (not included in scope 1 or scope 2)	18.5	19.5	18.5	19.4	34.7
4 Upstream transportation and distribution	0.1	0.1	0.1	0.1	0.1
5 Waste Generated in Operations	2.2	2.9	6.1	3.4	3.4
6 Business Travel	2.5	2.7	2.7	2.9	3.0
7 Employee Commuting	4.6	5.7	5.8	8.8	9.2
8 Upstream leased assets	-	10.6	16.3	-	-
9 Downstream transportation and distribution	-	-	-	-	-
10 Processing of Sold Products	-	-	-	-	-
11 Use of Sold Products	545.7	493.5	399.7	443.1	556.0
12 End-of-Life Treatment of Sold Products	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-
14 Franchises	-	-	-	-	-
15 Investments	-	-	-	-	-

• Category 1・2・6~8 cover the scope of Tokyu Fudosan Holdings and consolidated subsidiaries.

Category 1 includes maintenance and cleaning costs, acquisition cost of real estate for sale, and merchandise from FY2018

Tangible lease which was the scope of Category 8, was moved to the scope of Category 2

Category 3 cover the scope of Tokyu Fudosan Holdings and five operating companies.

Category 4 covers the scope of Tokyu Fudosan Holdings and Tokyu Land Corporation.

Categories 5 and 11 cover Tokyu Land Corporation

Category 7 is calculated based on the number of employees in the securities report, temporary employments have been added to the scope from FY2018

Category 9 is included in Category 4

Category 11 is not calculated because it is difficult to grasp energy other than electricity used by residents.

In category 11, rental housing was added to target range from FY 2016

Category 12 is not calculated because it is difficult to grasp data.

Category 13 is included in scope 1・2.

Category 10, 14, 15 are not applicable.



## GHG(Freon gas) emissions data

(Unit : t)

	2015(FY)	2016(FY)	2017(FY)
Scope1	573.9	953.6	837.2
Scope2	0	0	0

• Scope 1・2 cover the scope of Tokyu Fudosan Holdings and five operating companies.

## Energy usage data

(unit: thousand GJ)

	FY2015	FY2016	FY2017	FY2018	FY2019
Scope 1	4,374.3	4,542.6	4,463.5	4,555.4	4,583.4
Scope 2					

• Scope 1・2 cover the scope of Tokyu Fudosan Holdings and six operating companies.

Tokyu Fudosan Holdings

## GHG(CO<sub>2</sub>) emissions and energy consumption

	FY2005 (base year)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (short-term target year)	FY2030 (long-term target year)
GHG (CO <sub>2</sub> ) emissions (Unit:thousand t-CO <sub>2</sub> )	65.5	210.7	233.0	227.5	230.5	219.5	-	-
Energy consumption (Unit:thousand GJ)	-	4,374.3	4,542.6	4,463.5	4,555.4	4,583.4	-	-
GHG (CO <sub>2</sub> )emissions (intensity) (Unit:kg-CO <sub>2</sub> /m <sup>2</sup> )	133	98.4	106.7	101.0	96.1	84.7	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-36%	-25%	-30%
Energy consumption (intensity) (Unit:GJ/m <sup>2</sup> )	-	2.0	2.1	2.0	1.9	1.8	-	-

Number of target facilities	-	210	192	204	213	216
Office buildings	-	80	70	73	78	76
Commercial facilities	-	64	59	64	65	67
Resorts facilities	-	58	55	55	59	61
Other	-	7	7	11	11	12
Overseas	-	1	1	1	-	-
Floor area	492.6	2,291.9	2,184.3	2,251.3	2,399.3	2,592.6
Office buildings	-	718.3	599.3	655.3	673.4	728.7
Commercial facilities	-	1,226.3	1,042.4	1,050.8	1,142.3	1,240.0
Resorts facilities	-	296.3	491.6	491.6	543.5	601.2
Other	-	35.7	35.7	38.3	40.2	22.7
Overseas	-	15.3	15.3	15.3	-	-

• As greenhouse gases other than CO<sup>2</sup> are extremely small amounts, CO<sup>2</sup> emissions are regarded as greenhouse gas emissions.

• Date cover the scope of Tokyu Fudosan Holdings and six operating companies.

• One overseas property was transferred to a resort facility from 2018.

Tokyu Fudosan Holdings

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

### •Reduction of CO<sup>2</sup> emissions / Reduce energy consumption at properties of Tokyu Land Corporation (office buildings, commercial facilities and resort facilities)

#### ( I ) Unquantified, Process targets

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

- ① Electrical facility: Introduction of LED lamps, renewals of elevator control equipment or power incoming unit
- ② Water supply and sanitation facility: Introduction of water-saving type faucets, renewal of boiler
- 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

FY2015	FY2016	FY2017	FY2018
-26%	-21%	-24%	-27%

### •Process or quantified targets and records on reduction of CO<sup>2</sup> emissions or energy consumption (FY2019)

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

- ① Electrical facility:

Energy reduction target 219MWh ⇒ record-1,435MW

CO<sub>2</sub> reduction target 107t-CO<sub>2</sub> ⇒ record-676t-CO<sub>2</sub>

②Water supply and sanitation facility:

Energy reduction target (fuel) 5kl ⇒ record-38kl

Energy reduction target (electricity) 9MWh ⇒ record-13MWh

CO<sub>2</sub> reduction target 19t-CO<sub>2</sub> ⇒ record-106t-CO<sub>2</sub>

③Air conditioning equipment:

Energy reduction target (fuel) 7kl ⇒ record-54kl

Energy reduction target (electricity) 185MWh ⇒ record-671MWh

CO<sub>2</sub> reduction target 107t-CO<sub>2</sub> ⇒ record-462t-CO<sub>2</sub>

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

Air conditioning equipment:

Energy reduction target (electricity) 165MWh ⇒ record-716MWh

CO<sub>2</sub> reduction target 81t-CO<sub>2</sub> ⇒ record-185t-CO<sub>2</sub>

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TOKYU LAND CORPORATION

### Promotion of Renewable Energy Business

Tokyu Fudosan Holdings has developed a wide range of businesses while always confronting social issues. In the field of renewable energy, we have been working on the brand "ReENE" since we entered the solar power business in Kagawa in 2014. We are steadily expanding our business with the keywords "contribution to decarbonization," "energy self-sufficiency rate improvement," and "regional contribution," and became a member of "RE100" in April 2019. In

addition, we have positioned this business as one of the new investment targets in the "Expansion of the area of the recycling-based reinvestment business," which is one of the growth strategies of the medium-term management plan. The number of solar power plants owned and operated, including those under development, has increased to 50 locations throughout Japan, and the rated capacity has grown to over 1 GW (= 1,000 MW).

We started a capital and business alliance with Renewable Japan Co., Ltd., a renewable energy company in 2017, and have continuing to strength our partnership. We currently are also a sponsor of Renewable Japan Energy Infrastructure Fund, Inc.

ReENE Matsumae Wind Power Plant, (Matsumae-gun, Hokkaido) the first wind power station with a storage battery in Hokkaido, started operation in April 2019. And, Suzuran Kushiro cho Solar power plant, (Kushiro-gun, Hokkaido) which is one of the largest power stations in Japan with a storage battery, has been in operation since February 2020. We plan to expand our assets to include not only the solar and wind power generation business, but also the biomass power generation business and the next-generation renewable energy business in the future.

Renewable energy is positioned as the main power source in Japan, and as the needs and social importance of clean energy increase, power generation companies and related businesses are required to have various functions and specialties. Therefore, Tokyu Land Corporation established the "Renewable Energy Association for Sustainable Power supply (REASP)" in December 2019 jointly with five companies including Renewable Japan Co., Ltd. We will continue to expand our business by creating a system for stable supply over the long term while discussing with related ministries and agencies.

#### SDGs in the Renewable Energy Business



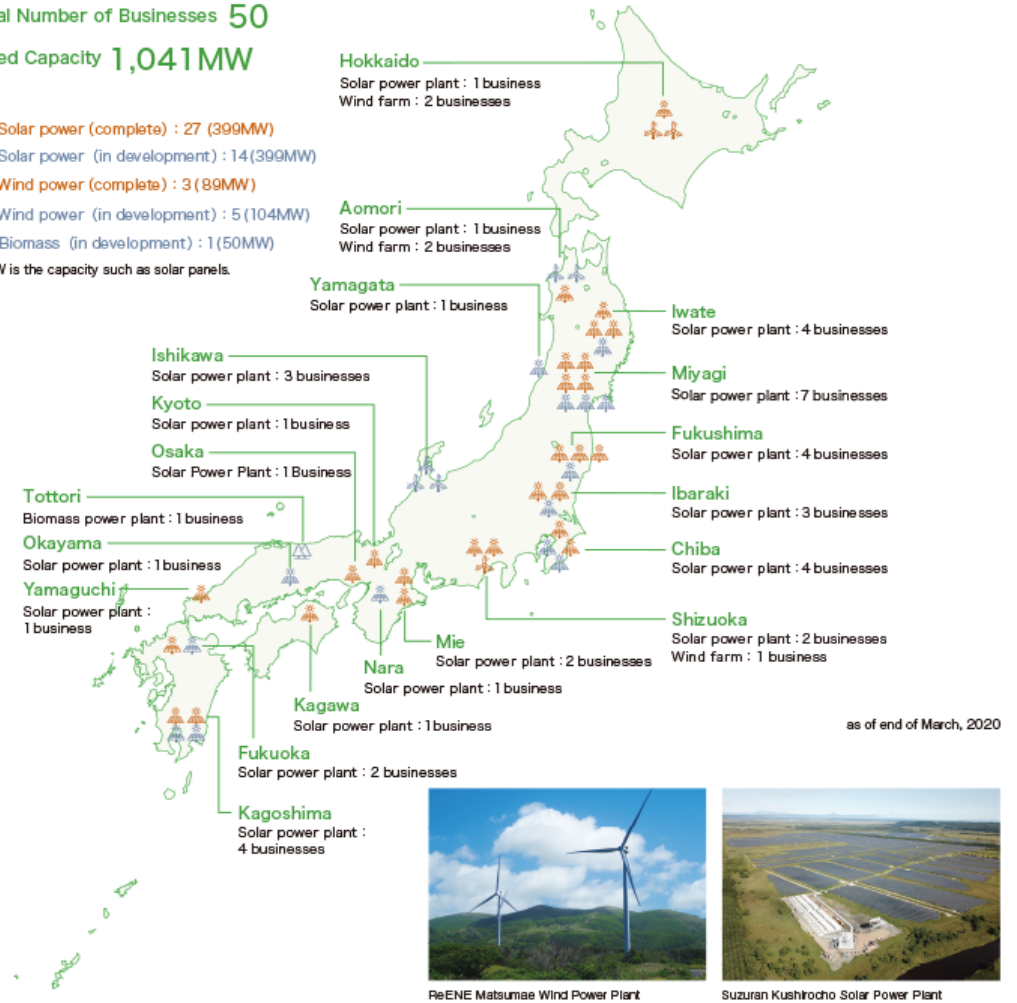
Renewable Energy Business Map



Total Number of Businesses 50

Rated Capacity 1,041MW

- Solar power (complete) : 27 (399MW)
  - Solar power (in development) : 14 (399MW)
  - Wind power (complete) : 3 (89MW)
  - Wind power (in development) : 5 (104MW)
  - Biomass (in development) : 1 (50MW)
- ※MW is the capacity such as solar panels.



ReENE Matsumae Wind Power Plant



Suzuran Kushirocho Solar Power Plant

Tokyu Fudosan Holdings

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

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TOKYU COMMUNITY CORP., TOKYU LAND CORPORATION

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## 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)

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

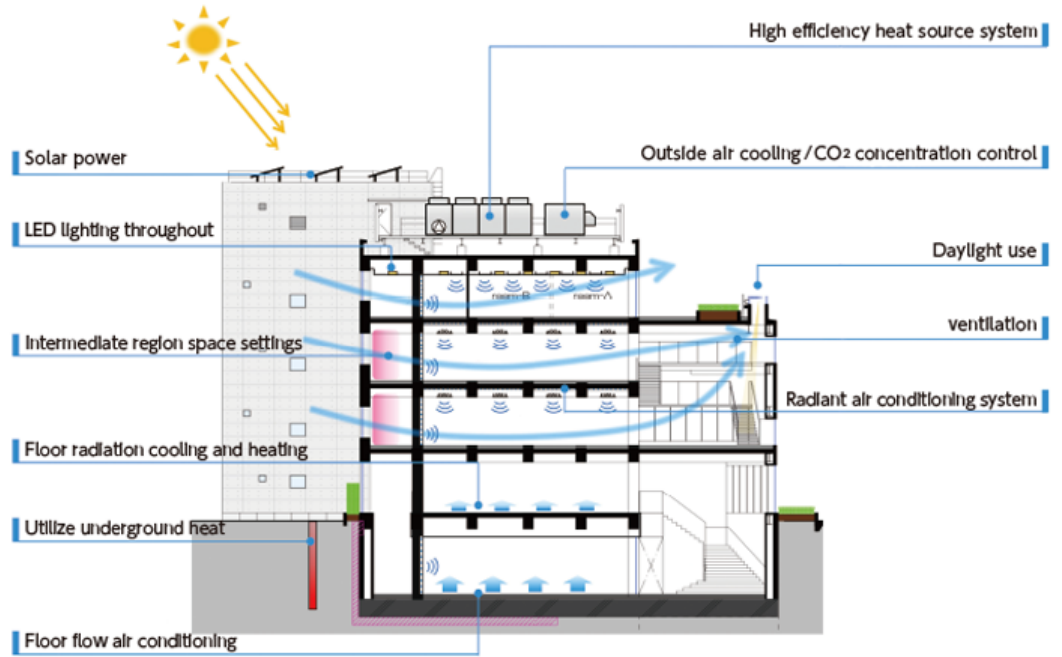
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## TOKYU COMMUNITY Technology Training Center NOTIA acquired Nearly ZEB

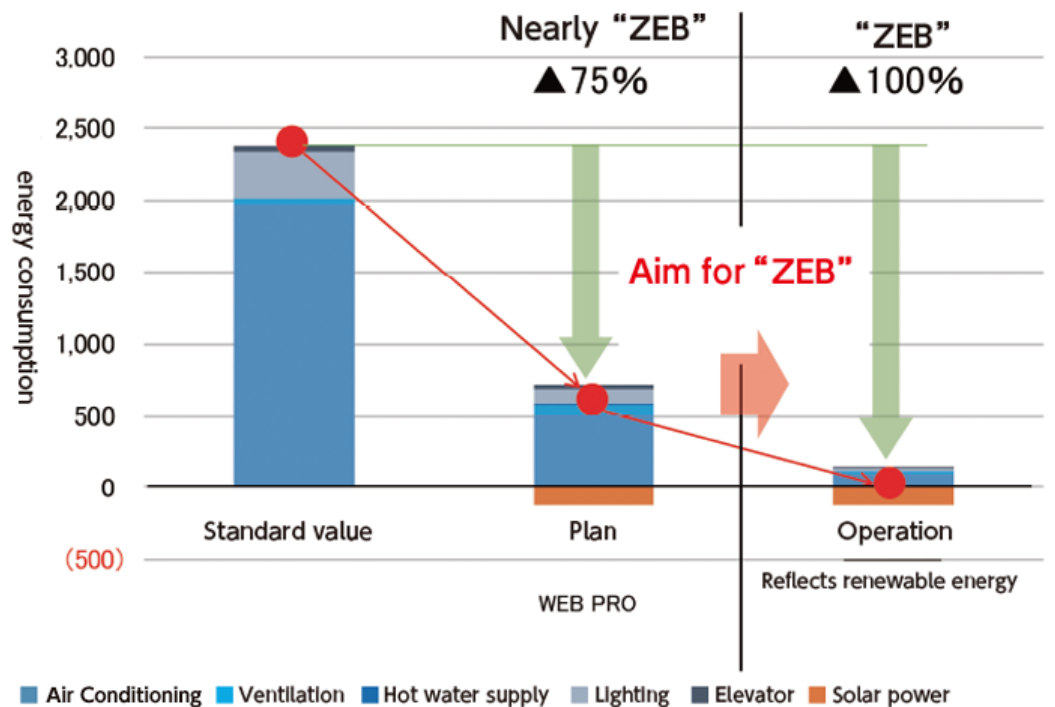
TOKYU COMMUNITY CORP. has acquired “Nearly ZEB” certification of Building-Housing Energy-efficiency Labeling System (BELS) led by the Ministry of Land, Infrastructure, Transport and Tourism at TOKYU COMMUNITY Technology Training Center NOTIA. Zero Energy Building (ZEB) refers to a building that aims to reduce total energy consumption by self-sufficient energy through solar power generation while minimizing energy consumption through energy-saving technologies on construction or equipment. NOTIA became the first office building in Tokyo to acquire “Nearly ZEB” with 75% energy reduction.

TOKYU COMMUNITY CORP., as a comprehensive real estate management company, aims to achieve an energy conservation effect of 75% or higher through further energy conservation operations of Nearly ZEB properties, and accumulate know-how regarding energy-saving operation of buildings and expand it into our sales and proposal activities.

[https://www.tokyu-com.co.jp/service/mansion\\_m/notia/](https://www.tokyu-com.co.jp/service/mansion_m/notia/)



## Process of realizing ZEB





## Company position on public policy for mitigating climate change

Tokyu Land Corporation approves the Tokyo Cap-and Trade program.

[Our date is here.](#)

TOKYU LAND CORPORATION

## Third-party Independent Verification of Environmental Data

The Tokyu Fudosan Holdings Group receives independent verification of its environmental data from a third-party in order to ensure the reliability of this information. For fiscal 2020, the scope of this verification includes data for our greenhouse gas emissions (Scope 1, Scope 2, Scope 3 (Category 1-7 and 11)) and energy consumption.

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



[Third-party Verification Report.pdf \(PDF:3,818KB\)](#)

Tokyu Fudosan Holdings

## Sustainability

> Message from the President

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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.

### commitment

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.

[Policies on biodiversity conservation]

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

Tokyu Fudosan Holdings

## Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address climate change issues, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability 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.

### Responding to the impact on biodiversity ~ KPI Targets for Fiscal 2020

Green buildings(roofs,walls,etc)\* Fiscal 2017 Results 100% , Fiscal 2020 Targets 100%

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

Tokyu Fudosan Holdings

## Practice and Implementation

### Biodiversity risk assessment ~ Conducting ecosystem studies and conserving biodiversity using greenery in the project

《New project》 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.

《Existing project》 For example, at the roof terrace garden named Omohara Forest at Tokyu Plaza Omotesando Harajuku, we conduct regular studies on living organisms throughout the year with Regional Environmental Planning, Inc., a specialist in natural environment conservation 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

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

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### Participation in the biodiversity certification system ~ 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



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TOKYU LAND CORPORATION

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## 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

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TOKYU FUDOSAN HOLDINGS GROUP

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# 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 Sustainability Committee headed by the President & Representative Director, and to address the issue of pollutants, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability 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

#### Setting standards to ensure residential indoor air quality

Tokyu Land Corporation has rigorous performance standards for its newly built condominiums in order to prevent indoor air pollution caused by building materials, some of which are as follows:

- All formaldehyde-emitting building materials are to meet JIS(Japanese Industrial Standards) and F☆☆☆☆ rating under JAS (Japanese Agricultural Standard).
- Aside from formaldehyde, toluene, xylene, ethylbenzene, styrene and other toxic emission from building materials have to be minimal.
- Newly built condominiums are subject to our indoor air quality testing to ensure that indoor chemical substance concentration does not exceed guideline values set forth by the Ministry of Health, Labour and Welfare.

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.

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TOKYU LAND CORPORATION

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## Waste

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### Policy

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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

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### Management Structure

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

The Sustainability 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

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## 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.

Tokyu Fudosan Holdings, TOKYU RESORT CORPORATION

### Data on waste volume

	2005(FY) (base year)	2015(FY)	2016(FY)	2017(FY)	2018(FY)	2019(FY)	2020(FY) (target year)
VOC emissions (Unit:liters)	-	0	0	0	0	0	-
Hazardous waste emissions (Unit:kg)	-	35,807	109,509	3,160	11,984	19,202	-
Non-recyclable waste emissions (Unit:t)	-	9,360	13,261	15,669	10,711	12,296	-
Recyclable waste emissions (Unit:t)	-	9,548	11,865	9,900	12,221	10,126	-
Cost of environmental fines (Unit:yen)	-	0	0	0	0	0	-
Waste emissions (intensity) (Unit:kg/m <sup>2</sup> )	13.23	10.06	12.50	12.64	10.15	9.14	9.92
Achievement rate	-	-24%	-5.5%	-4.5%	-23.3%	-31.1%	-25%

• Date cover the scope of Tokyu Fudosan Holdings and five operating companies.

Tokyu Fudosan Holdings

### Ratio of establishments receiving environmental management certification

There are no office that have received environmental management certification such as ISO14001 or EMAS.

Tokyu Fudosan Holdings

# Use of Resources

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## 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.

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Tokyu Fudosan Holdings

## Management Structure

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

The Sustainability 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.

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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

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

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Smile for Japan  
For smiling faces all over Japan

# 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.

### Commitments ~Group-wide actions to reduce water usage

It is based on above 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 Sustainability Committee headed by the President & CEO, and to address the issue of water resource conservation, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability 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.

### Unquantified, Process type water reduction targets

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

### Quantified water reduction targets

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.

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 (formerly known as The Tokyu Foundation for Better Environment) 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

### Business activities in a water shortage area

The Republic of Palau is chronically suffering from a shortage of water. At Palau Pacific Resort, we have our own water supply facilities from the time of opening, we operate the hotel with our own drinking water, and we strive to conserve water resources in the Republic of Palau by thorough water conservation.

TOKYU LAND CORPORATION

### Water usage — Goals and results

	2005 (FY) (base year)	2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)	2019 (FY)	2020 (FY) (target year)
Water usage (unit:m <sup>3</sup> )	-	2,811,153	2,662,803	2,547,920	2,611,855	2,815,428	-
Water use intensity (unit:m <sup>3</sup> /m <sup>2</sup> )	1.12	1.32	1.23	1.14	1.10	1.10	0.84
Achievement rate	-	+18.8%	+9.8%	+1.8%	-1.8%	-1.8%	-25%

• Date cover the scope of Tokyu Fudosan Holdings and five operating companies.

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 energy use, water resources conservation, biodiversity conservation, saving resources, reduction of pollutants and waste and appropriate treatment.

## Sustainable Procurement Policy

Tokyu Fudosan Holdings Group Sustainable Procurement Policy

1. Sustainable Procurement Policy

The sustainability vision of the Tokyu Fudosan Holdings Group (hereinafter, "the Group"), "to not only solve social issues through our business activities and work with stakeholders to realize a sustainable society and growth" to achieve this vision, the Group will treat environmental, social, and governance (ESG) matters as important management issues and promote ESG management.

As social and environmental issues have become even more pressing in recent years, stakeholders and society increasingly expect that corporate decision-making and other business activities be based on sustainability as well as profitability.

With the aim of always maintaining stakeholder trust, the Group strives to contribute to economic and social development by maintaining sound business operations based on proper fulfillment of social responsibilities and to add value, while striving for high compliance. To recognize and fulfill the social responsibilities pertaining to its business activities, the Group recently established the Sustainable Procurement Policy (hereinafter, "the Policy") with a view to realizing its Sustainability Vision.

By promoting procurement under this Policy, the Group will strengthen ESG management to realize responsible growth and a sustainable society. Therefore, it will be necessary and important to engage the entire supply chain, including business partners. The Group sets its business partners to understand the purpose and content of this Policy, and to help it implement sustainable procurement activities.

(Sustainable Procurement Policy Article)

1. Legal compliance

10-1. Total compliance with relevant laws and regulations

2. Respect for human rights

20-1. Compliance with and respect for international human rights and labor standards

20-2. No tolerance of discrimination

20-3. No tolerance of harassment

20-4. Respect for local standards

20-5. Respect for minority rights

3. Working in a safe and healthy environment based on safety, health and working

30-1. Provision of occupational safety and health training

30-2. No tolerance of forced labor

30-3. No tolerance of child labor

30-4. Fair wages

30-5. Extension of excessive working hours

30-6. Workplace health and safety measures

30-7. Emergency preparedness

30-8. Provision of occupational accident and disease

30-9. Industrial hygiene measures

30-10. Measures for physically demanding work

4. Ensuring proper business ethics

40-1. Preventing corruption

40-2. Preventing conflict with organized crime

40-3. Ensuring fair trade practices

40-4. Appropriate responses to conflicts of interest

40-5. Responsible political involvement

40-6. Protection of intellectual property rights

40-7. Maintaining confidential information and disclosure

40-8. Compliance with and whistleblower protection

5. Environmental issues

50-1. Combating climate change

50-2. Bio-diversity protection

50-3. Efficient use of resources

50-4. Proper waste use

50-5. Strive appropriate use of natural resources

6. Improving service and quality

60-1. Ensuring safety

60-2. Quality control and quality assurance systems

60-3. Proper attention to disclosure for products and services

7. Proper information management

70-1. Proper information management

8. Business Continuity Planning

80-1. Business Continuity Planning

9. Contributing to local communities

90-1. Contributing to local communities

10. Elements of the Sustainable Procurement Policy

100-1. Elements to business partners

100-2. Cooperation for marketing

2. Scope

This Policy applies to the Group's entire supply chain, including direct and indirect suppliers of all products, services and raw materials procured by each Group company.

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy\(PDF:137KB\)](#)

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:140KB\)](#)

## Supplier policy in the environmental supply chain

— **Energy use** — We will promote the efficient use of energy and the use of renewable energy throughout the entire group and will endeavor to reduce the impact of CO<sub>2</sub> / GHG emissions from business activities on climate change.

— **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.

### Property portfolio management policy

Tackling the real estate business in consideration of global environmental issues such as energy use, water resource, biodiversity conservation, resource saving, reduction of pollutants and waste and appropriate treatment will create business opportunities and enhance the competitiveness of the Group. It is based on this awareness that we will work with tenants and other stakeholders to help protect the environment across the entire supply chain of our businesses.

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Tokyu Fudosan Holdings

## Management Structure

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

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Tokyu Fudosan Holdings

### CO2(GHG) quantified reduction targets setting

#### [Short- to medium-term quantified target]

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

#### [Long-term quantified target]

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

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Tokyu Fudosan Holdings



## Practice and Implementation

### Results on quantified reduction targets for CO<sub>2</sub>(GHG) emissions and energy consumption

	FY2005 (base year)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (short-term target year)	FY2030 (long-term target year)
GHG (CO <sub>2</sub> ) emissions (Unit:thousand t-CO <sub>2</sub> )	65.5	210.7	233.0	227.5	230.5	219.5	-	-
Energy consumption (Unit:thousand GJ)	-	4,374.3	4,542.6	4,463.5	4,555.4	4,583.4	-	-
GHG (CO <sub>2</sub> )emissions (intensity) (Unit:kg-CO <sub>2</sub> /m <sup>2</sup> )	133	98.4	106.7	101.0	96.1	84.7	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-36%	-25%	-30%
Energy consumption (intensity) (Unit:GJ/m <sup>2</sup> )	-	2.0	2.1	2.0	1.9	1.8	-	-

Number of target facilities	-	210	192	204	213	216
Office buildings	-	80	70	73	78	76
Commercial facilities	-	64	59	64	65	67
Resorts facilities	-	58	55	55	59	61
Other	-	7	7	11	11	12
Overseas	-	1	1	1	-	-
Floor area	492.6	2,291.9	2,184.3	2,251.3	2,399.3	2,592.6
Office buildings	-	718.3	599.3	655.3	673.4	728.7
Commercial facilities	-	1,226.3	1,042.4	1,050.8	1,142.3	1,240.0
Resorts facilities	-	296.3	491.6	491.6	543.5	601.2
Other	-	35.7	35.7	38.3	40.2	22.7
Overseas	-	15.3	15.3	15.3	-	-

• As greenhouse gases other than CO<sub>2</sub> are extremely small amounts, CO<sub>2</sub> emissions are regarded as greenhouse gas emissions.

• One overseas property was transferred to a resort facility from 2018.

Tokyu Fudosan Holdings

### Results on goals of acquisition of environmental performance certification, including LEED and CASBEE

《Quantified target》 FY2020 : 100%

※Tokyu Land Corporation new large office building and commercial facilities.

《Results》 The Group works with stakeholders to obtain environmental performance certification to improve the environmental practices of its entire supply chain. The achievement ratio to the acquisition target in FY 2018 was 100%.

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

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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

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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.

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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<sup>2</sup> 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.

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TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

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### 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)

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TOKYU LAND CORPORATION

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### Aggregate energy data at all facilities for efficient energy use

Tokyu Land Corporation has introduced energy data aggregation systems at some 200 office buildings, commercial facilities and resorts that it owns or uses in an effort to reduce CO<sup>2</sup> emissions. The visualization of energy usage enables tenants of office buildings and commercial facilities to check and analyze their energy usage to carry out activities that more efficiently help to reduce CO<sup>2</sup> emissions.

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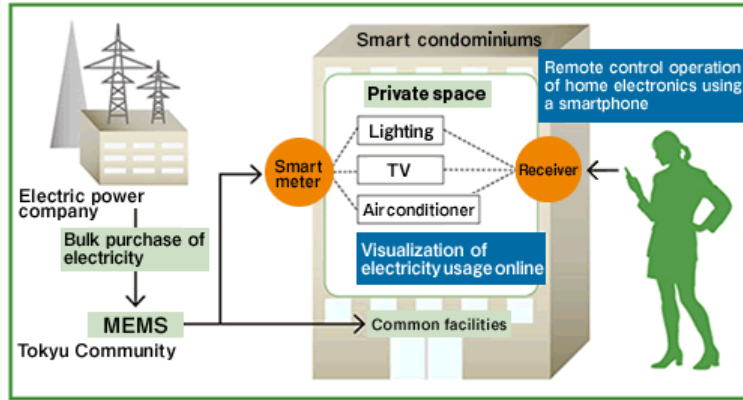
TOKYU LAND CORPORATION

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### Managing energy usage of condominiums

Tokyu Community Corporation has been selected to be a 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 COMMUNITY CORP.

### 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

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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

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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

## Sustainable Procurement Policy

Tokyu Fudosan Holdings Group Sustainable Procurement Policy

**1. Sustainable Procurement Policy**

The sustainability vision of the Tokyu Fudosan Holdings Group (hereinafter, "the Group"), "We will solve social issues through our business activities and work with stakeholders to realize a sustainable society and growth." To address this vision, the Group will treat environmental, social, and governance (ESG) matters as important management issues and practice ESG management.

As social and environmental issues have become more pressing in recent years, stakeholders and society increasingly expect that corporate decision-making and other business activities be based on sustainability as well as profitability.

With the aim of always maintaining a stable business, the Group strives to contribute to economic and social development by handling social business operations based on respect for human rights and local regulations and to the public interest, while abiding by thorough compliance. To recognize and fulfill the social responsibilities pertaining to its business activities, the Group recently established the Sustainable Procurement Policy (hereinafter, "this Policy") with a view to responding to stakeholder needs.

By properly procuring under this Policy, the Group will strengthen ESG management to realize corporate growth and a sustainable society. Therefore, it needs to be revised and improved to engage the entire supply chain, including business partners. The Group asks its business partners to understand the purpose and content of this Policy, and to help it implement sustainable procurement activities.

**[Sustainable Procurement Policy Article]**

**1. Legal compliance**

10-1. Total compliance with relevant laws and regulations

**2. Respect for human rights**

20-1. Compliance with and respect for international human rights and labor standards

20-2. No tolerance of discrimination

20-3. No tolerance of harassment

20-4. Respect for child labor

20-4. Request for equality rights

**3. Striving to work environment based on safety, health and well-being**

30-1. Freedom of association, collective bargaining rights

30-2. No tolerance of forced labor

30-3. No tolerance of child labor

30-4. Fair wages

30-4. Elimination of excessive working hours

30-4. Workplace health and safety measures

30-5. Emergency preparedness

30-6. Prevention of occupational accidents and illness

30-6. Industrial hygiene measures

30-10. Measures for physically demanding work

**4. Striving to protect business ethics**

40-1. Preventing corruption

40-2. Preventing contact with organized crime

40-3. Ensuring fair trade practices

40-4. Applicable measures to conflicts of interest

40-5. Prevention of bribery and kickbacks

40-6. Protection of intellectual property rights

40-7. Maintaining confidential information and disclosure

40-8. Compliance hotline and whistleblower protection

**5. Environmental measures**

50-1. Combating climate change

50-2. Biodiversity protection

50-3. Effective use of resources

50-4. Proper waste use

50-6. Strive appropriate use of natural resources

**6. Improving service and quality**

60-1. Ensuring safety

60-2. Quality control and quality assurance systems

60-3. Proper information disclosure for products and services

**7. Proper information management**

70-1. Proper information management

**8. Business Continuity Planning**

80-1. Business Continuity Planning

**9. Contributing to local communities**

90-1. Contributing to local communities

**10. Extension of the Sustainable Procurement Policy**

100-1. Extension to business partners

100-2. Cooperation for realizing

**2. Scope**

This Policy applies to the Group's entire supply chain, including direct and indirect suppliers of all products, services and raw materials procured by each Group company.

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy\(PDF:137KB\)](#)

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:140KB\)](#)

Tokyu Fudosan Holdings



## Management Structure

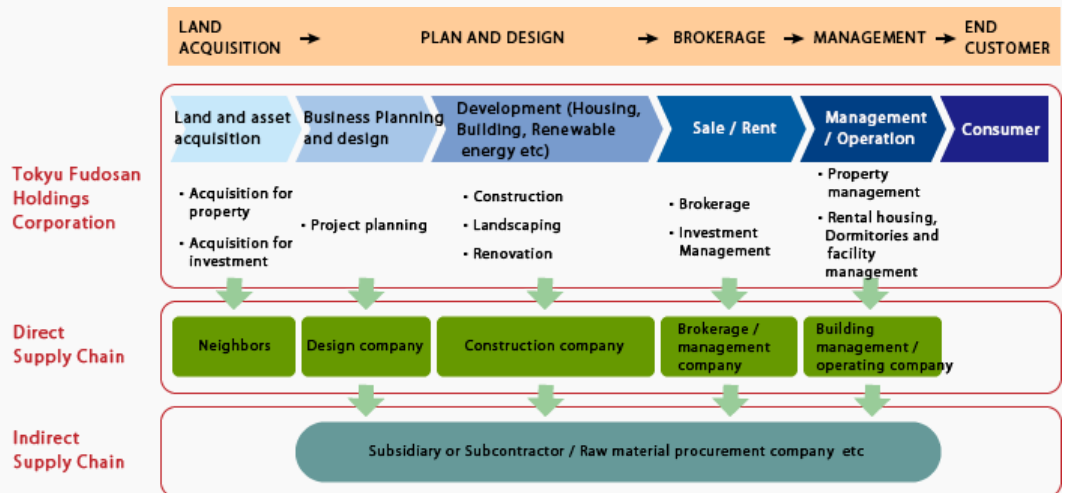
The Group strives to create value for local communities and end users by actively working to reduce the environmental burdens through urban revitalization or improved access to transit or to construct buildings that have barrier-free designs for individual projects in response to the initiatives it is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

## Arrangement of Real Estate business value chain



Tokyu Fudosan Holdings

## 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

### Every real estate development with excellent access to transit

Tokyu Land Corporation has a basic philosophy of every developing office buildings that can access public transportation. 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 CO2 emissions because their location encourages the use of public transit, which has less of an impact on the environment.

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TOKYU LAND CORPORATION

### Adoption of universal design and barrier-free design for people with disabilities

Tokyu Land Corporation's office buildings adopt barrier-free and universal design concepts to ensure that people with disabilities can use facilities 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 are handled sequentially, such as when carrying out remodeling work.

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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)

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TOKYU SPORTS OASIS Inc.

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TOKYU FUDOSAN HOLDINGS GROUP

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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. Then, in December 2019, we formulated the Tokyu Fudosan Holdings Group Human Rights Policy. It is based on this belief that we support the Universal Declaration of Human Rights and other international human rights doctrines and conduct with our suppliers to carry out 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

## Human Rights Policy

**Tokyu Fudosan Holdings Group Human Rights Policy**

Tokyu Fudosan Holdings Group (hereinafter, "the Group") values social issues through our business activities and works with stakeholders to realize a sustainable society and growth. The Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company's global operations.

**1. Adherence to International Human Rights Standards**

The Group respects and supports human rights as outlined in the International Bill of Human Rights, Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, and the U.S. Declaration on Fundamental Principles and Rights at Work. It promotes responsible management according to the UN Guiding Principles on Business and Human Rights, as well as the principles of the UN Global Compact. Whenever there is a conflict between internationally recognized human rights standards and the laws of a country in which it operates, the Group seeks ways to uphold global human rights principles.

**2. Importance of This Policy**

The Group states "respect human rights" in its Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. In addition to respecting human rights in compliance with the law and regulations implemented in the regions where it has bases, it 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. The Tokyu Fudosan Holdings Group Human Rights Policy (hereinafter, "this Policy") serves as a detailed explanation concerning the requirement to respect human rights in the Group Code of Conduct.

**3. Scope**

This Policy applies to all Group offices and employees, and the necessary education and training is provided. The operating office in charge of human resources is responsible for the application of this Policy. Business partners of the Group are expected to support this Policy and to work with the Group to protect human rights.

**4. Human Rights Due Diligence and Remedies**

The Group carries out human rights due diligence to identify any actual or potential impacts that business activities may have on human rights, and the Group management will mitigate them. Whenever it is discovered that the Group's activities have caused or contributed to adverse impacts on human rights, the Group will work to remedy the situation. The Group will make efforts to rectify any business or service that may be found to adversely impact on human rights through the adverse situations pathway or other remedial paths. A mechanism will also be established that allows internal and external stakeholders to report and consult on Group activities that may affect human rights.

**5. Stakeholder Dialogue**

As the Group's wide-range business areas, including real estate, largely affect communities and society, it is essential to work closely with a variety of stakeholders. With this in mind, the Group engages in dialogue with its stakeholders, including employees, local communities, business partners, and customers. It also shares the progress of its efforts on its website and in its integrated reports.


**6. Priority Human Rights Issues**

In order to avoid any infringement of human rights as a result of business activities, the Group will maintain a close dialogue with stakeholders and external experts concerning labor and environmental charges and its business activities, and it will identify priority human rights issues as they arise.

December 20, 2019

Tsg Okuma  
President & Chief Executive Officer (CEO)

大隈 郁仁

 [Tokyu Fudosan Holdings Group Human Rights Policy\(PDF:95KB\)](#)

Tokyu Fudosan Holdings

## Management Structure

The Group has established the Sustainability 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

## Identification of salient real estate industry-specific human rights issues and human rights vulnerable

The Group conducted a risk assessment in FY2019. In addition to the issues common to all businesses, we analyzed the possibility and potential impact of human rights issues in real estate-related business (domestic / overseas), wellness business, and hands business, and as a result, we conducted the Group. We have identified the following items regarding salient human rights issues related to our business activities.

- (1) Forced labor / child labor
- (2) Work conditions and work environment of employees and suppliers
- (3) Participation in infringement of employees' privacy and personal information protection rights
- (4) Impact on Local communities while land development
- (5) Employees and suppliers' safety in development
- (6) Infringement of rights to access remedy

We also considered the impact on human rights caused by corporate practices, and decided that "use of construction materials (concrete formwork)" and "consideration of humanright for foreign technical intern trainees( or workers)" should be priority committed.

In fiscal 2020, we will conduct a human rights and procurement questionnaire on priority issues to 24 construction companies, and strive to engage with our business partners in due diligence.

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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.

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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.

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Tokyu Fudosan Holdings

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For smiling faces all over Japan

# 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

## Commitments

We are committed to take the Group's business and advance it to serve our local communities in creating jobs and making them revitalize and flourish.

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

### 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

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.

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. 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 operations.

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.](#)



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

### Promoting Local Community Revitalization Programs

Tokyu Land Corporation and Tokyu Land SC Management Corporation which runs Q's Mall have been partnering with local communities in neighborhood revitalization, the "Smile Project".

As part of the project at Q's Mall embracing its slogan "Town is generous, people are joyful", the mall membership card holders donate their shopping points to "Let's give our school kids' safety alarms" program to make Q's Mall personal safety alarms to be presented to first graders in neighboring elementary schools every year.

The Smile Project has also implemented a number of community revitalization programs including donation of gym equipment to elementary schools around the Mall, responding to a local request for the better environment for local children to enjoy sports.





Q's Mall Original Personal Safety Alarms

TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

### 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.

For these activities we made the following donation in FY 2019.

(JPY)

<b>Cash contributions</b>	111,565,000
<b>Time contributions</b>	13,440,000
<b>Management overheads</b>	12,662,000
<b>Total</b>	137,667,000

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

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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

## Sustainability

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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 continue to seek to create a work environment where our diverse employees can thrive, by maintaining a positive working environment, ensuring employee safety, supporting maintenance and improvement of employee health as well as proactively eliminate factors that negatively impact our workplace environment. We also ask our outsourcing partners, construction companies and other important stakeholders of the Group businesses to thoroughly ensure health and safety at their own workplaces.

Tokyu Fudosan Holdings

## Management Structure

### Board of Directors to Oversee Health and Safety Issues

In order to supervise its employees health and safety risk management, Tokyu Fudosan Holding reviews the Group companies' workforce management practices. The results of biannual monitoring of workforce management related performance including overtime work and absentees are reported to Board of Directors to effectively manage Group-wide risks associated with human resources and labor health and safety.

Tokyu Fudosan Holdings

### Monitoring and Management of Health and Safety Performance

Tokyu Fudosan Holdings has set up goals for health consultation rates and has been gearing up measures to encourage Group employees to take physical exams and stress tests.

Physical exam participation rate – Goal for FY2020 is 100%. It was 99% and 100% in FY2018 and FY2019 respectively.

Stress test participation rate -- Goal for FY2020 is 100%. It was 91.9% and 89.0% in FY2018 and FY2019 respectively.

Tokyu Fudosan Holdings

### Third-party Evaluation of Health and Safety Data

Tokyu Fudosan Holdings Group offers the Group companies' employees regular stress tests by Ewel, Inc., whose results are sent to a third party expert agency to monitor and evaluate the employees' mental health.

These evaluation results helps to enhance the Group's measures to improve employees' health and safety. (Not all companies included.)

Tokyu Fudosan Holdings

## Health Management

TOKYU LAND CORPORATION, TOKYU LIVABLE, INC., TOKYU COMMUNITY CORP., TOKYU HANDS INC. and Tokyu Housing Lease Corporation have established “Health Declaration” and “Health Policy” to promote and maintain employees health. In order to ensure their “Health Management”, TOKYU LAND CORPORATION and TOKYU LIVABLE, INC. have appointed the president and the Division Manager of Business Administration respectively as Chief Health Officers, while the Human Resources Executive of TOKYU COMMUNITY CORP and the president of TOKYU HANDS INC. serve as Health Management Promotion Executives at respective organizations, and the president of Tokyu Housing Lease Corporation, its Chief of Health Management.

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TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., TOKYU LAND CORPORATION,  
Tokyu Housing Lease Corporation

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## Health committees , Labor liaison meetings

The Group has established Health Committees at its business offices with 50 or more employees. With a goal of improving occupational health, these committees usually meet once a month to discuss 1)fundamental measures for preventing employees’ health hazards, 2) fundamental measures for maintaining and promoting employees’ health and 3)cause of occupational injuries and recurrence prevention measures involving health aspects. At TOKYU LAND CORPORATION, members of Health Committee include managers of labor division, employees’ health management personnel, industrial physicians and labor union representatives.

Starting in fiscal 2011, we began sharing information on labor management pertaining to health and safety across the Group through the Group’s labor liaison meetings. In addition, we have been conducting employee stress testing via Group-wide infrastructure since fiscal 2016. (Not all companies included.)

The headquarters office in SHIBUYA SOLASTA, a group base of Tokyu Fudosan Holdings Group, has received preliminary certification of “WELL Building Standard” (WELL certification), which is the built environment evaluation system that considers health and wellness. (May 13, 2020)

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Tokyu Fudosan Holdings, TOKYU COMMUNITY CORP., TOKYU LAND SC MANAGEMENT CORPORATION,  
TOKYU LAND CORPORATION

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## 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.

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TOKYU LAND CORPORATION

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## 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 2019 a total of 19 newly appointed managers participated.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

### **Tokyu Fudosan Holdings Corporation was selected as a Health and Productivity Management Brand 2021**

Tokyu Fudosan Holdings Corporation has been selected as a "The Health and Productivity Management Brand" sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the second consecutive year.

As for The Health and Productivity Management Brand, in principle, one company is selected for each industry from the listed companies on the Tokyo Stock Exchange.

It considers employee health management from a management perspective and evaluates companies that are strategically working on it.



Tokyu Fudosan Holdings

### **Eight Companies Certified as Outstanding Health and Productivity Management Companies in 2021**

Tokyu Fudosan Holdings and the seven companies of the Group have been certified as outstanding health management and productivity companies in 2021 under the program encouraged by the Ministry of Economy, Trade and Industry.



The four companies Tokyu Fudosan Holdings Corporation, Tokyu Land Corporation, Tokyu Community Inc., and Ewel Inc. are among the top 500 (large companies) in the healthcare survey.



Tokyu Fudosan Holdings, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., TOKYU SPORTS OASIS Inc., EWEL, Inc., TOKYU LAND CORPORATION, Tokyu Housing Lease 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 Employees with Training in Health and Safety Standards

Tokyu Fudosan Holdings Group companies have offered their employees trainings on health and safety, whose records in fiscal 2019 are shown below.

Company	Training Subject	Participants	Number of Participants
TOKYU LAND CORPORATION	Mental health · Labor management	Group Leaders of new hires	19
TOKYU LAND CORPORATION	Labor management	New hires	33
*1	Sleep management	employee	100
*2	Health management for women	employee	55

\*1. Tokyu Fudosan Holdings , TOKYU LAND CORPORATION, TLC REIT Management Inc., Tokyu Land Capital Management Inc., TOKYU LAND SC MANEGMENT CORPORATION, Tokyu Resort Service Co.,Ltd., TOKYU E-LIFE DESIGN Inc., Tokyu Stay Co., Ltd., TOKYU LIVABLE, INC. , TOKYU COMMUNITY CORP. , COMMUNITY ONE CO., LTD., Tokyu Re · design Corporation, TOKYU HANDS INC. , HANDS LAB INC., Tokyu Housing Lease Corporation, Tokyu Fudosan R&D Center Inc.

\*2. Tokyu Fudosan Holdings , TOKYU LAND CORPORATION, Tokyu Resort Corporation, TOKYU SPORTS OASIS Inc., EWEL, Inc. , TOKYU LIVABLE, INC. , TOKYU COMMUNITY CORP. , TOKYU HANDS INC. , Tokyu Housing Lease Corporation

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## Addressing Global Health Issues

There are a number of countries suffering HIV, tuberculosis, malaria and other major health challenges and Tokyu Fudosan Holdings Group is committed to address these global health issues.

To make sure our employees have the right knowledge of and are protected against major infectious diseases, the Group companies provide their expatriate staff and families with health checkups prior to their assignments and recommend vaccinations as necessary.

We make it our priority to support our expatriate staff and their families lead healthy and safe living abroad.

Tokyu Fudosan Holdings



**Number of employee's fatal occupational accidents – Employees including contract employees**

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)	2019 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

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

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)	2019 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

**Absentee Rate - Employees including contract employees**

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)	2019 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

## Sustainability

> Message from the President

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

+ Environmental Conservation Initiatives

+ Contributions to Local Communities

■ Employment and Labor Practice Initiatives

> Health and Safety

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Value Frontier 2020

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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

# 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, international labor standards and Guiding Principles on Business and Human Rights. In December 2016, we stated our support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to 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](#)



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Tokyu Fudosan Holdings

### **Communication of Corporate Policy on Labor Standards**

Tokyu Fudosan Holdings Group translates basic policy on labor management into English to ensure it is properly communicated to our employees and local staff at our overseas business locations.

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Tokyu Fudosan Holdings

### **Employment Initiatives, Apprenticeship, Internship Programs for Socially Disadvantaged and Youth with little formal education, qualification or opportunities**

Tokyu Fudosan Corporation offers internship opportunities for students to make educated career choices. Both undergraduate and graduate students are eligible to apply to the internship program which accepted 346 students in fiscal 2019.

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TOKYU LAND CORPORATION

### **Taking steps to promote diverse workforce regardless of race, religion, gender, age, sexual orientation, handicap, nationality, and equal opportunities, and to eliminate discrimination ~ Equal Employment Opportunities**

Tokyu Fudosan Holdings has set forth a code of conduct regarding human rights for each Group company to observe. The Compliance Group of the Group Legal Affairs Department and the Human Resources Development Group in the Group Human Resources Department are responsible for the company's positive and voluntary fulfillment of social responsibilities regarding human rights, and raising awareness and understanding of human rights issues throughout the Group.

Specific measures include trainings and e-learning programs on sexual, power and other types of harassments, discrimination and LGBT as part of our continuous awareness campaign. In addition, compliance helplines are available both within and outside of the company for employees to consult to via phone or e-mail regarding harassments and other issues.

We have launched an information liaison committee to further our effort to raise human rights awareness throughout the Group and strive to improve disability employment and hiring foreign nationals residing in Japan.

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Tokyu Fudosan Holdings

## Management Structure

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### Diversity Council

The Group has established the Sustainability 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" or a program to automatically shutdown computers after a certain period of time. 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 11.37 million yen in fiscal 2019.

### Dialogue between labor and management

Tokyu Land Corporation has instituted a labor negotiation mechanism to ensure dialogue between its employee representatives and senior management. Under the mechanism, the company's directors and the labor union meet annually and exchange their views and opinions, which nurtures better mutual understanding necessary for healthy labor-management relationship enabling both employees and the management to identify and share present issues, seek solutions and implement measures.

### Preventing child labor or forced 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.

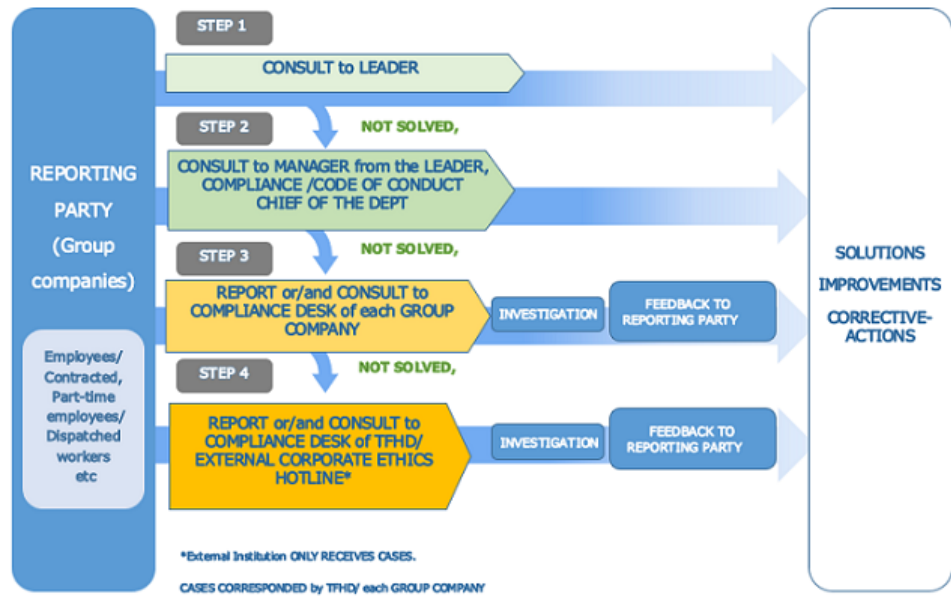
### Respect for human rights and mechanism for reporting violations of human rights

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.

## Whistleblower System

Whistleblower System of the TFHD Group assumes its steps 1-3 as below. We strongly believe that we should take actions by employee and organization themselves before reporting to compliance desk step 3. It also applies to early detection and the prevention of the compliance violation.



## Thorough dissemination of information to employees

"Guidebook for prevention of sexual harassment" and "Guidebook for prevention of power harassment" on the intranet so that all employees can see it at any time.

## Harassment/bullying prevention seminars targeting managers

The Group conducts various harassment/bullying prevention seminars targeting all managers on a regular basis.

Tokyu Fudosan Holdings

## Practice and Implementation

### Launched and Participated in Builders and Realtors Human Rights Due Diligence Workshop

On September 21, 2018, with Mitsubishi Estate as an organizer, Tokyu Fudosan Holdings, NTT Urban Development, Tokyo Tatemono Co., Nomura Real Estate Holdings, Obayashi Co., Shimizu Corporation and Taisei Corporation joined in launching of Builders and Realtors Human Rights Due Diligence Workshop.

The Workshop aims to identify adverse impacts that builders and realtors have on human rights, and research and explore how we can address them. By doing so, we make sure we are in line with the UN Guiding Principles on Business and Human Rights which require business enterprises to avoid infringing on human rights of others and to implement measures to prevent, mitigate and remedy human rights abuses on those linked to their businesses.

Amid recent globalization, our businesses today operate well beyond national boundaries and we are expected to embrace more internationalized, sophisticated corporate social responsibilities(CSR). At the same time, adaption of UN Sustainable Development Goals(SDGs) in 2015 has accelerated ESG investing practices where investors screen and invest in companies with strong E(environment), S(society) and G(governance) due diligence.

Regarding Human Rights, a core subject in Social Responsibility, UN Commission on Human Rights adopted UN Guiding Principles on Business and Human Rights in 2011, providing a framework for businesses to respect

human rights, in which companies are required to practice human rights due diligence in order to avoid and mitigate human rights infringement.

Human rights due diligence practice involves four steps: assessing human rights impacts; integrating findings and responding to impacts; tracking performance; and communicating about how impacts are addressed. Because these steps are to be taken not only on our own business entity but also on its entire supply chain and value chain network, the vastness of this scope has hindered us from thoroughly addressing the issues. That is why developers as well as construction companies in the supply chains decided to launch the Workshop, the first of its kind in the industry, to establish Human rights due diligence framework.

The Workshop provides member companies with opportunities to learn about human rights including international human rights standards and approaches expected of us. We intend to invite specialists from NGO and other experts to help us identify actual human rights risks and explore specific approaches.

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Tokyu Fudosan Holdings

### **Acceptance of foreign technical intern trainees and efforts to respect their human rights**

The Group responds to the fact that forced labors related to the foreign technical intern training program is regarded as a issue in Japan. We fully respect the human rights of foreign technical intern trainees as a priority issue for human rights risks, and have organized the issues related to the trainees and created the guidelines. And, we are also working to avoid and prevent human rights violations by taking questionnaires to the host companies of the Group.

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Tokyu Fudosan Holdings

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

We have set up a work-at-home system to create a work-friendly culture through flexible working styles at 29 of our group companies. TOKYU COMMUNITY CORP. enables a more flexible way of working by simultaneously using the “sliding work system” that allows working hours to be pushed up and pushed down. TOKYU COMMUNITY CORP. also has created a “Women Working Project Team” and is working to provide support for balancing childcare and work, which are necessary for women to continue working. This initiative has led to an increase in the number of women hired and continued employment, and we have obtained the highest “Eruboshi Certification” from the Minister of Health, Labor and Welfare as a company with excellent initiatives to promote the active participation of women.

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TOKYU COMMUNITY CORP.



## Continued employee satisfaction surveys

Tokyu Land Corporation continues to conduct employee satisfaction surveys. The purpose is to create a more rewarding organization / workplace by visualizing the engagement status of employees and improving their organizational capabilities.

	Rating	Score
FY2018 first half	BBB	56.3
FY2018 second half	BBB	57.0
FY2019 first half	A	58.0
FY2019 second half	BBB	57.9

ref : Engagement rating

AAA	AA	A	BBB	BB	B	CCC	CC	C	DDD	DD
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TOKYU LAND CORPORATION

## Employee training dedicated to skills development

The training that Tokyu Land Corporation conducted to develop the skills of regular employees is as follows. (FY2019)

- Total time: 13,151.7 hours
- Average time per person: 12.7 hours
- Average number of days per person: 1.7 days
- Type of training: hierarchical training, optional training, nomination type training

TOKYU LAND CORPORATION

## Turnover rate

The turnover rate per voluntary reason of Tokyu Land Corporation was 2.1%, and there were no cases of dismissal due to personnel cuts. (FY2019)

TOKYU LAND CORPORATION

## Skill Development Programs for Employees

In order to foster innovation within the Group required to create values for diverse lifestyles, the Group proactively promote individual skill development. A number of Group companies offer certificate assistance programs to help their employees obtain professional certifications including Licensed Real Estate Realtor, First-class Qualified Architect, Real Estate Transaction Specialist, Small and Medium Enterprise Management Consultant, Licensed Representative of Condominium Management Company, Licensed Strata Management Consultant, and The Official Business Skills Test in Bookkeeping. Language classes and other training programs are also available for the employees.

As one of the skill development programs, Tokyu Fudosan Holdings hosts Knowledge Café seminars quarterly, which invites top professionals from broad range of industries to share their expertise and views. The Café is open to all Group employees and some of these seminars draw over 200 audiences overflowing the venues eager to broaden their horizons.

Tokyu Fudosan Holdings

## Ratio of non-regular employees

The Group employs 10,468 contract workers, and 36% of all persons employed, including regular employees, have fixed term Contract employees.(April 1, 2020)

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 2020, the scope of this verification includes social data (eight 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



[Third-party Verification Report.pdf \(PDF:3,818KB\)](#)

Tokyu Fudosan Holdings

## Sustainability

> Message from the President

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TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support  
Project

Great East Japan Earthquake



# 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 Sustainability 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

## Action Plan for Act on Promotion of Women's Participation and Advancement in the Workplace

Based on Act on Promotion of Women's Participation and Advancement in the Workplace, Tokyu Land Corporation is committed to realize a society where everyone regardless of gender is free to exert his/her individuality and capability, and hereby establish action plans in pursuit of this goal.

1. Period : FY2019 to FY2021

2. Present issues :

(1) Although the ratio of female new recruits has been on the rise in recent years, the company still has a smaller pool of female employees compared to that of male counterpart.

(2) We need to establish a system and corporate culture that allow all employees to choose from various working styles and achieve high productivity at different stages of their lives.

3. Quantitative Goal :

Following goals have been set in order to boost the ratio of female in managerial positions to roughly 10%:

. By FY 2025, roughly 20% of assistant manager positions to be held female.

. Roughly one thirds of the company's new graduates recruits to be female.

4. Actions and Implementation Period

(1) Proactively sending message to job seekers that we provide working environment where women prosper.

⇒ Implementation : From the first half of FY2019

(2) Providing company-wide training on diversity

⇒ Implementation : From the second half of FY2019

(3) Setting up satellite offices aiming to boost productivity and provide better working conditions

⇒ Under implementation

(4) Pre-/ post parental leave interviews ⇒ Under implementation

(5) Instituting Reemployment system ⇒ Under implementation

TOKYU LAND CORPORATION

## Practice and Implementation

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### 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.

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TOKYU LIVABLE, INC.

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

### Diversity promotion and enhancement

Tokyu Fudosan Holdings Group organizes 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.

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Tokyu Fudosan Holdings

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### 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

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Tokyu Fudosan Holdings

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## [Work style reform]

### Employee satisfaction survey

Tokyu Land Corporation continues to conduct employee satisfaction surveys. We aim to create a more organized organization and workplace by visualizing the involvement situation of employees and improving organizational capabilities.

TOKYU LAND CORPORATION

### 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, Tokyu Livable and Tokyu Housing Lease 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, Tokyu Housing Lease 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.

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.

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.

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.

Tokyu Fudosan Holdings

## [ Awards & Rankings ]

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

Tokyu Community 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(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.



"L-boshi" Logo

TOKYU COMMUNITY CORP.



## Ranked as a “Great Place to Work”

Tokyu Livable ranked 25<sup>th</sup> in 2020 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 60 country specific ranking lists, and listed companies are recognized worldwide for their excellence.



"Great Place to Work®" Logo

TOKYU LIVABLE, INC.

## Social Data

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
1. The number of managers	person	1,530	1,861	1,821	1,956	2,000
2. The number of female managers	person	87	161	151	159	173
3. The ratio of female managers	%	5.7	8.6	8.3	8.1	8.7
4. The number of directors	person	13	13	13	13	13
5. The number of female directors	person	0	0	1	1	1
6. The ratio of female directors	%	0	0	7.7	7.7	7.7
7. The number of female operating officers	person	2	2	2	3	3
8. The number of employees	person	20,421	21,091	21,976	22,953	-
9. The number of full-time female employees	person	2,125	2,390	2,514	2,863	3,189
10. Ratio of Female Employees	%	26.5	27.2	28.5	29.8	31.4
11. The number of new hires	person	411	379	377	422	437
12. The number of new female employees hires to total hires	person	171	152	149	136	174
13. The ratio of new female employees hires to total hires	%	41.6	40.1	39.5	32.2	39.8
14. The average Length of Service by Female Employees	year	8.8	8.7	9.2	8.11	8.6
15. The average length of service by male employees	year	12.9	12.7	13.1	13.3	12.9
16. The gender differene in length of service	year	4.1	4.0	3.9	4.3	4.3

\*Major Companies of the Tokyu Fudosan Holdings Group

(Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu hands, Inc., Tokyu Housing Lease Corporation and National Students Information Center CO., LTD.) As of April 1.

\*4, 5 and 6 are the results of Tokyu Fudosan Holdings.

\*4 to 7 are the data after the general meeting of shareholders.

\*8 is the data as of the end of the target fiscal year, including non-regular employees .

Tokyu Fudosan Holdings

- Sustainability

> Message from the President

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# 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.

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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.

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### 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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## Practice and Implementation

### Compliance training

The Group conducts various compliance seminars targeting employees on a regular basis. Until now, we have worked on socially demanding themes such as "insider trading regulation", "power harassment / sexual harassment prevention measures", "fraudulent accounting prevention". We have made an effort to hold timely and appropriate such as inviting external lawyers to lecturers. We held a seminar entitled "Points to Self-Check/Review of Internal Reporting System" for persons in charge of receiving internal reporting, and also held seminars on "harassment elimination in the workplace" and "Risks in using social media" for all employees in FY2019. In October, we held a "Compliance Management" seminar for executives of Group companies. In addition, about 20,000 employees were provided e-learning training every year with the goal of 100% attendance, and twice in FY2019.

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Tokyu Fudosan Holdings

### Political contribution

We are in compliance with the Political Funds Control Act or the Public Officers Election Act. We do not donate to individual politicians. When making donations to political parties or political funding organizations or purchasing political funding party tickets, we do it legally.

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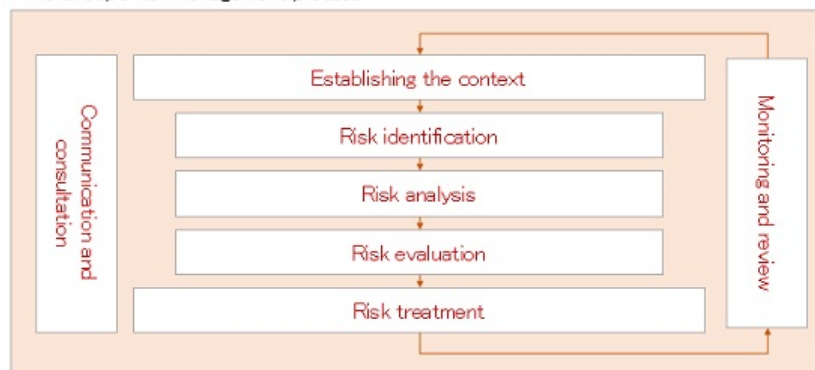
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# Risk Management

## 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》

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

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

### 《Example of 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

Risks that have a greater impact on business performance and financial status

- ① Investment risk
- ② Financial capital risk
- ③ Personnel labor risk
- ④ Climate change risk

<https://www.tokyu-fudosan-hd.co.jp/english/ir/mgtpolicy/risk/>

# 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.

The Board of Directors has established the "Compliance Regulations" as guidelines for actions of executives and employees, and we supervise corporate activities in good faith and fairness and ensure the soundness of management based on self-discipline.



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. We have established departments responsible for individual risk, and that department grasps, evaluates and analyzes the risk management structure and management situation of the group.





## Dealing with serious ESG events and incidents

### a) Scenario planning or stress test

- Selection of important risk (creation of risk map) or review and formulate measures (practical plan)
  - Investment · Financial Capital Risk Management (Business Risk Management)
    - Understanding total risks (Calculation of VaR value),
    - Market forecast (KRI setting, monitoring),
    - Individual investment management (Report progress on large-scale investment projects to the Group Management Council, Board of Directors)
- ⇒ The Risk Management Committee summarizes in the fiscal year and reports to the Board of Directors.

### b) Response plan and emergency procedure

- In accordance with the role in the report route at the time of the crisis, appropriate crisis management is carried out based on the emergency response basic manual.

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## Regular rotation and re-involvement of audit partners

Accordance with the regulations of the audit firm based on the Certified Public Accountant Act, etc., has been operating as follows.

- Audit partners cannot be involved in the auditing business of the Company for more than seven accounting periods, and the Senior audit partners for more than five accounting periods.
- Audit partners cannot be involved in the auditing business of the Company again for five accounting periods after the replacement, and the Senior audit partners again after the replacement.

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## 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, 2019: None
- Disclosures until December 31, 2020: None planned

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# Information Security

## Policy

The Tokyu Fudosan Holdings Group formulated the "Information Management Basic 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.

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## 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, Tokyu Livable, Inc., and EWEL, 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., EWEL, Inc.

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Disclosure Categories Recommended	Initiative contents	Disclosure destination
Disclose the organization's governance around climate-related risks and opportunities.		
Governance	a) Describe the board's oversight of climate risks and opportunities.	<a href="#">Promotion Structure</a> <a href="#">Climate Change</a> <a href="#">Identification of Materialities &amp; Opportunities and Risks</a>
	Processes and frequency by which the board of directors is informed about climate-related issues, and how the board monitors and oversees progress against climate-related targets	
	Agenda at board meetings with consideration to climate-related issues	
	b) Describe management's role in assessing and managing climate risks and opportunities.	<a href="#">Climate Change</a>
	Structure and role of ESG management centered around the Sustainability Committee	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over short, medium, and long term.	<a href="#">Promotion Structure</a> <a href="#">Climate Change</a> <a href="#">Identification of Materialities &amp; Opportunities and Risks</a>
		Identifying short-, medium- and long-term climate related risks and opportunities
		Identifying risks and opportunities that impact the medium-term management plan
		Identifying risks and opportunities by Scenario Analysis
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">Climate Change</a>
	Determining impacts on business and financial plannings, and strategies by Scenario Analysis	
	Financing through Green Bond	<a href="#">About the Green Bond</a>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">Climate Change</a>
	Implementing Scenario Analysis	
	Promotion of renewable energy business, participation in RE100	

Disclosure Categories Recommended	Initiative contents	Disclosure destination	
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.		
	a) Describe the organization's processes for identifying and assessing climate-related risks.	Development of the Medium-term Management Plan  Identification and assessment of climate related risks through ESG management led by the Sustainability Committee	<a href="#">Identification of Materialities &amp; Opportunities and Risks</a> <a href="#">Climate Change</a>
	b) Describe the organization's processes for managing climate-related risks.	Setting KPI targets for climate-related issues and managing progress, in accordance with the Environmental Vision	<a href="#">Climate Change</a>
	c) Describe how processes for identifying and assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The Sustainability Committee and the Risk Management Committee work integrally, with their meetings held together.	<a href="#">Promotion Structure</a> <a href="#">Risk Management</a>
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CO <sub>2</sub> emission, energy and water usage, waste management, rate of major properties' with environmental certifications, buildings' greening rate and area of conserved forest are set as assessment metrics.	<a href="#">Tokyu Fudosan Holdings Group's ESG Management</a> <a href="#">Climate Change</a> <a href="#">Water Usage</a> <a href="#">Pollution and Resources</a>
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1, 2 and 3 emissions are subject to third party verifications.	<a href="#">GHG(CO<sub>2</sub>) emissions data</a> <a href="#">Supply Chain (Environment)</a>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	KPI targets on intensities and progress against the targets on CO <sub>2</sub> emissions, water usage, waste management (base year: 2005, target year: 2020(2030 for CO <sub>2</sub> emissions))	<a href="#">Climate Change</a> <a href="#">Supply Chain (Environment)</a> <a href="#">Water Usage</a> <a href="#">Pollution and Resources</a>
KPI targets for FY2020 and progress against the targets on environmental certification acquisition rates for major properties, building greening rate, area of forest conservation		<a href="#">Tokyu Fudosan Holdings Group's ESG Management</a> <a href="#">Biodiversity Conservation</a>	

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### Real Estate

TOPIC	CODE	ACCOUNTING · METRIC	UNIT OF MEASURE	REFERENCE
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	<a href="#">GHG(CO<sub>2</sub>) emissions data</a> , <a href="#">Energy usage data</a>
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Gigajoules (GJ), Percentage (%)	(1) <a href="#">GHG(CO<sub>2</sub>) emissions data</a> , <a href="#">Energy usage data</a>
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	<a href="#">GHG(CO<sub>2</sub>) emissions data</a> , <a href="#">Energy usage data</a>
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	<a href="#">List of DBJ Green Building</a>
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	<a href="#">Climate Change Commitments</a>
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	(1) 100% (2) 0%(No applicable area)
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	(1) <a href="#">Water usage — Goals and results</a> (2) Japan 0%, Palau 0%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	<a href="#">Water usage — Goals and results</a>
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	<a href="#">Water Use</a>

TOPIC	CODE	ACCOUNTING · METRIC	UNIT OF MEASURE	REFERENCE
Management of Tenant Sustainability Impact	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (ft <sup>2</sup> )	n/a
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Percentage (%) by floor area	n/a
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	n/a	<a href="#">Climate Change Commitments</a> Partially started green lease contract <a href="#">Reduction in CO<sub>2</sub> emissions in office buildings</a>
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Square feet (ft <sup>2</sup> )	n/a
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	<a href="#">Climate Change</a>

## Real Estate Services

TOPIC	CODE	ACCOUNTING · METRIC	UNIT OF MEASURE	REFERENCE
Sustainability Services	IF-RS-410a.1	Revenue from energy and sustainability services	Reporting currency	n/a
	IF-RS-410a.2	(1) Floor area and (2) number of buildings under management provided with energy and sustainability services	Square feet (ft <sup>2</sup> ), Number	<a href="#">Building Management (TOKYU COMMUNITY CORP.)</a> <a href="#">Track record of building and facility management (Japanese only)</a>
	IF-RS-410a.3	(1) Floor area and (2) number of buildings under management that obtained an energy rating	Square feet (ft <sup>2</sup> ), Number	<a href="#">List of DBJ Green Building</a>
Transparent Information & Management of Conflict of Interest	IF-RS-510a.1	Brokerage revenue from dual agency transactions	Reporting currency	n/a
	IF-RS-510a.2	Revenue from transactions associated with appraisal services	Reporting currency	n/a
	IF-RS-510a.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Reporting currency	n/a



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The Ten Principles of the UN Global Compact			Disclosure destination
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> <li>● <a href="#">Human Rights and Community</a></li> <li>● <a href="#">Health and Safety</a></li> <li>● <a href="#">Labor Standards</a></li> <li>● <a href="#">Diversity Promotion</a></li> </ul>
	Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> <li>● <a href="#">Supply Chain (Society)</a></li> </ul>
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>● <a href="#">Labor Standards</a></li> </ul>
	Principle 4	the elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> <li>● <a href="#">Labor Standards</a></li> </ul>
	Principle 5	the effective abolition of child labour; and	<ul style="list-style-type: none"> <li>● <a href="#">Labor Standards</a></li> </ul>
	Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>● <a href="#">Labor Standards</a></li> <li>● <a href="#">Corporate Governance</a></li> </ul>
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> <li>● <a href="#">Promotion Structure</a></li> <li>● <a href="#">Identification of Materialities &amp; Opportunities and Risks</a></li> <li>● <a href="#">Environmental Conservation Initiatives</a></li> <li>● <a href="#">Green Bond</a></li> </ul>
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> <li>● <a href="#">Support for activities to avoid climate change</a></li> <li>● <a href="#">Signatory to Initiatives</a></li> </ul>
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>● <a href="#">Supply Chain (Environment)</a></li> </ul>
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>● <a href="#">Compliance</a></li> <li>● <a href="#">Risk Management</a></li> <li>● <a href="#">Anti-Corruption</a></li> <li>● <a href="#">Political contribution</a></li> </ul>

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ISO26000		Disclosure destination
Core Subject	Issues	
Organizational governance		<ul style="list-style-type: none"> <li>● <a href="#">Message from the President</a></li> <li>● <a href="#">Group slogan · Group Philosophy</a></li> <li>● <a href="#">Tokyu Fudosan Holdings Group Code of Conduct</a></li> <li>● <a href="#">Identification of Materialities &amp; Opportunities and Risks</a></li> <li>● <a href="#">Corporate Governance</a></li> <li>● <a href="#">Compliance</a></li> <li>● <a href="#">Anti-Corruption</a></li> <li>● <a href="#">Risk Management</a></li> <li>● <a href="#">Information Security</a></li> </ul>
Human rights	<ol style="list-style-type: none"> <li>(1) Due diligence</li> <li>(2) Human rights risk situations</li> <li>(3) Avoidance of complicity</li> <li>(4) Resolving grievances</li> <li>(5) Discrimination and vulnerable groups</li> <li>(6) Civil and political rights</li> <li>(7) Economic, social and cultural rights</li> <li>(8) Fundamental principles and rights at work</li> </ol>	<ul style="list-style-type: none"> <li>● <a href="#">Human Rights and Community</a></li> </ul>
Labour practices	<ol style="list-style-type: none"> <li>(1) Employment and employment relationships</li> <li>(2) Conditions of work and social protection</li> <li>(3) Social dialogue</li> <li>(4) Health and safety at work</li> <li>(5) Human development and training in the workplace</li> </ol>	<ul style="list-style-type: none"> <li>● <a href="#">Health and Safety</a></li> <li>● <a href="#">Labor Standards</a></li> <li>● <a href="#">Diversity Promotion</a></li> </ul>
The environment	<ol style="list-style-type: none"> <li>(1) Prevention of pollution</li> <li>(2) Sustainable resource use</li> <li>(3) Climate change mitigation and adaptation</li> <li>(4) Protection of the environment, biodiversity and restoration of natural habitats</li> </ol>	<ul style="list-style-type: none"> <li>● <a href="#">Climate Change</a></li> <li>● <a href="#">Biodiversity Conservation</a></li> <li>● <a href="#">Pollution and Resources</a></li> <li>● <a href="#">Water Use</a></li> <li>● <a href="#">Supply Chain (Environment)</a></li> <li>● <a href="#">About the Green Bond</a></li> </ul>
Fair operating practices	<ol style="list-style-type: none"> <li>(1) Anti-corruption</li> <li>(2) Responsible political involvement</li> <li>(3) Fair competition</li> <li>(4) Promoting social responsibility in the value chain</li> <li>(5) Respect for property rights</li> </ol>	<ul style="list-style-type: none"> <li>● <a href="#">Anti-Corruption</a></li> <li>● <a href="#">Supply Chain (Society)</a></li> </ul>

ISO26000		Disclosure destination
Core Subject	Issues	
Consumer issues	(1) Fair marketing, factual and unbiased information and fair contractual practices (2) Protecting consumers' health and safety (3) Sustainable consumption (4) Consumer service, support, and complaint and dispute resolution (5) Consumer data protection and privacy (6) Access to essential services (7) Education and awareness	<ul style="list-style-type: none"> <li>● <u>Privacy Policy</u>.</li> <li>● <u>Enhancing Services and Improving Quality</u>.</li> <li>● <u>Providing Safety and Security</u>.</li> <li>● <u>Responding to the Trends towards Smaller Families and an Aging Society</u>.</li> <li>● <u>Promoting Communication</u></li> </ul>
Community involvement and development	(1) Community involvement (2) Education and culture (3) Employment creation and skills development (4) Technology development and access (5) Wealth and income creation (6) Health (7) Social investment	<ul style="list-style-type: none"> <li>● <u>Supply Chain (Society)</u></li> <li>● <u>Human Rights and Community</u></li> <li>● <u>Contribution to Local Communities and Society</u></li> </ul>

## Sustainability

> Message from the President

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

+ Environmental Conservation Initiatives

+ Contributions to Local Communities

+ Employment and Labor Practice Initiatives

+ Management Structure

> Integrated Reports / CSR Reports

■ For ESG Investors / (Index)

> TCFD Index

> SASB Index

> UNGC Index

> ISO26000 Index

> ESG Index

> Elected for SRI Indices

> Facts and Figures



> Mid-/Long-Term Management Plan

Value Frontier 2020

> The Group Sustainability



TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

## ESG Index

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	✓
Materialities and the Related SDGs	✓
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	
G	Corporate Governance	Basic Views on Corporate Governance	✓
		Composition of the Board of Directors and Audit & Supervisory Board	✓
		Policy and procedures on determining the remuneration of directors and other officers	✓
		Approach concerning selection of directors and other officers	✓
		Specialization and professional history of directors and other officers	✓
		Basic Views on Internal Control System	✓
		Schematic Diagram of Corporate Governance System	✓
		Management Monitoring Function	✓

Compliance	Compliance System	✓
	Whistleblowing System (Compliance Helpline)	✓
	Prevention of Relationships with Anti-social Forces	✓
	Tokyu Fudosan Holdings Group Code of Conduct	✓
	Anti-Corruption	✓
Risk Management and Other Matters	Risk Management	✓
	Information Security	✓
General Meeting of Shareholders	Convocation Notice	✓
	Notice of Resolutions	✓

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Great East Japan Earthquake For smiling faces all over Japan

## 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

## GRESB Real Estate

Tokyu Fudosan Holdings Corporation acquired "Green Star" in 2020, which is given to companies that excel in both "management and policy" and "execution and measurement" in the "GRESB" real estate evaluation. In the "disclosure evaluation", the score is 99 points, which is the highest "A" evaluation. GRESB is an organization founded in 2009 by a group of major European pension funds, with the aim of maintaining and improving shareholder value by assessing and improving sustainability efforts in the global real estate sector.



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**

Powered by the S&P Global CSA

\* 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

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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

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Tokyu Fudosan Holdings

## FTSE Blossom Japan Index

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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.



FTSE Blossom  
Japan

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Tokyu Fudosan Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products. <https://www.ftserussell.com/products/indices/FTSE4Good>

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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.

### 2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF TOKYU FUDOSAN HOLDINGS CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOKYU FUDOSAN HOLDINGS CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Tokyu Fudosan Holdings

## MSCI Japan Empowering Women Index

The MSCI Japan Empowering Women Index (WIN) is 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. For the MSCI Japan Empowering Women Index, MSCI selects industry leading companies in terms of attracting, retaining and promoting women, as well as advancing gender diversity. Selection is based on data regarding female employment disclosed according to the Act on Promotion of Women's Participation and Advancement in the Workplace as well as information publicly disclosed by companies such as company policy on gender diversity.

### 2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF TOKYU FUDOSAN HOLDINGS CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOKYU FUDOSAN HOLDINGS CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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