

— Sustainability

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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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Promotion Structure

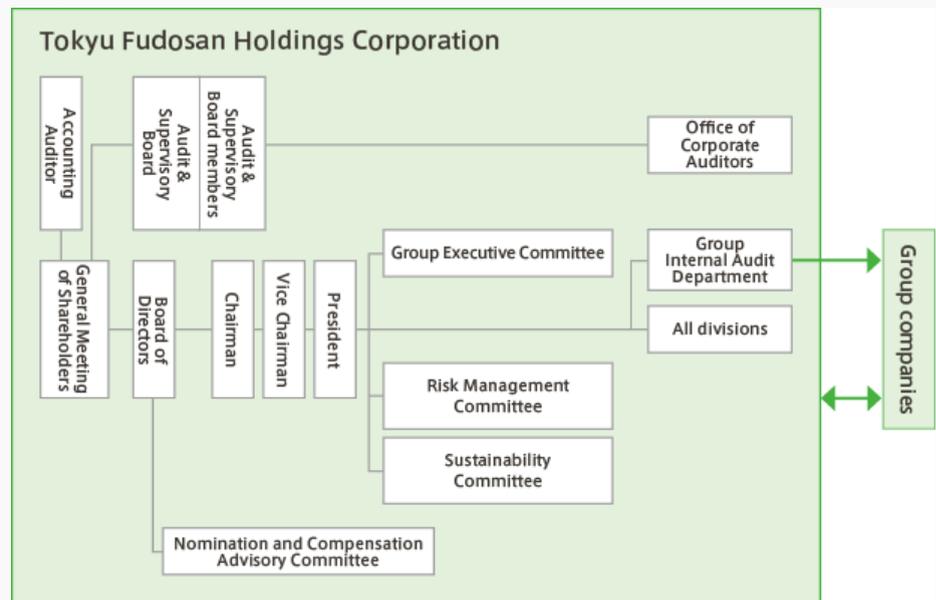
Aiming for continuous value generation, we have made Environmental, Social and Governance (ESG) factors as a vital part of the Group's management.

Based on our identified social materiality, the Group's long-term vision "GROUP VISION 2030" has been organized into six themes with KPI targets in terms of ESG aspects, and is promoting efforts that integrate financial and non-financial activities.

We are making Group-wide effort to achieve the KPI targets for FY2030, the last year of the long-term vision.

In particular, in order to monitor climate change, etc., the President and Representative Director serves as the chairman, and the "Sustainability Committee" has been established with executive officers as members.

Organization chart of CSR promotion



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Tokyu Fudosan Holdings Group Code of Conduct

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

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Identification of Materialities & Opportunities and Risks

To formulate the Long-term Management Plan, the Tokyu Fudosan Holdings Group determined social issues with a long-term importance to the Group, and identified materialities, taking into account inputs from the management and stakeholders including customers, local community, employees, clients and associates, and shareholders and investors. We are committed to solving social issues through our business activities in order to realize sustainable society and the Group's value creation.

Identification Process

Step 1 Determination, Integration and Consolidation of Social Issues

Social issues were determined and aggregated into a list of 561 items by references to stakeholders' comments, the Group companies' views, international frameworks such as SDGs, ISO26000, GRI and SASB, SRI ratings such as FTSE and DJSI, analyst reports, trends in competitors' activities and issues recognized by Japanese government and economic organizations. The list was integrated and consolidated into 37 social issues by sorting out similar ones, taking into account relevance to the Group.

Step 2 Recognition and Assessment of Stakeholder Expectations

We asked our 5 vital stakeholders, customers, employees, business associates /partners, stockholders/investors and local communities for their expectations to make sure they are sufficiently covered by the 37 issues whose importance were then evaluated.

Step 3 Clarification of Impacts / Relevance to Management/Business, Selection of Management Issues

For the 37 social issues, we evaluated their risks/opportunities to the Group as a whole and to each Group company to assess their importance. The issues were also considered for their relevance to the long-term management policies to select corresponding management issues.

Step 4 Identification of Management Issues, Risks and Opportunities

The management issues recognized and selected were discussed at the board meetings, reviewed by Group's management and outside board members before identified by the Board of Directors as especially material issues.

Materialities and Our SDGs of the Tokyu Fudosan Holdings Group

Themes to work on (Materialities and Our SDGs)	Main opportunities	Main risks
<p>Create a variety of lifestyles.</p> <p>We will realize a vibrant life both physically and mentally by promoting the Lifestyle Creation 3.0 that combines home, work and leisure styles.</p>     	<ul style="list-style-type: none"> ● Diversification of work styles, lifestyles home styles and play styles ● Fusion of all manner of lifestyle scenes 	<ul style="list-style-type: none"> ● Mismatch to consumer needs ● Degraded efficiency accompanying responding to segmentalized needs
<p>Create well-being communities and lifestyles.</p> <p>We will realize a society where everyone can feel happy by building a secure, safe and comfortable life infrastructure and creating mutual aid communities.</p>   	<ul style="list-style-type: none"> ● Increasing importance of community creation ● Growing needs for disaster preparedness and disaster damage reduction ● Increasing awareness regarding mental and physical health issues 	<ul style="list-style-type: none"> ● Subordination in competition between cities ● Declining attractiveness of city due to community decline ● Decreasing value due to insufficient asset maintenance and management
<p>Create a sustainable environment.</p> <p>As an environmentally advanced company, we will create a carbon-free society and a recycle-oriented society by addressing global issues such as climate change.</p>    	<ul style="list-style-type: none"> ● Growing needs to respond to the decarbonized and recycling-oriented society ● Expanding procurement of funds from ESG investors 	<ul style="list-style-type: none"> ● Escalation of climate change and natural disasters ● Increasing costs due to environmental restrictions, etc.
<p>Create value in the digital era.</p> <p>We will work on our business model transformation by utilizing digital technologies to create customer's new experience value.</p>   	<ul style="list-style-type: none"> ● Increasing importance of utilizing customer contact points ● Improving the scalability of services provided 	<ul style="list-style-type: none"> ● Declining position of real experiences due to enhancement of virtual ● Appearance of disruptors to existing businesses
<p>Create an organizational climate under which diverse human capital is enlivened.</p> <p>We will continue to create innovation by addressing an organizational climate that respects human rights and under which diverse human capital can exercise their abilities.</p>    	<ul style="list-style-type: none"> ● Increasing opportunities to secure diverse human capital ● Emergence of innovation due to diversification 	<ul style="list-style-type: none"> ● Intensifying competition and increasing costs in the human capital market ● Declining reputation due to the occurrence of human rights issues
<p>Create governance to accelerate growth.</p> <p>As a group trusted by all stakeholders, we will aim to enhance our corporate value sustainably by increasing management transparency and fairness.</p>  	<ul style="list-style-type: none"> ● Strengthening relationships with stakeholders by improving transparency ● Expanding procurement of funds from ESG investors 	<ul style="list-style-type: none"> ● Increasing cost of fundraising ● Decline in confidence due to legal violations

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Tokyu Fudosan Holdings Group's ESG Management

We have established ESG as a significant management issue. Based on our identified social materiality, the Group's long-term vision "GROUP VISION 2030" has been organized into six themes with KPI targets in terms of ESG aspects. We established KPI goals for fiscal 2030 for each of these themes, and we are progressing across the Group with initiatives aimed at achieving these goals, while following the PDCA cycle.

Scope of efforts

Regarding society, environment, and governance, we are working on these initiatives targeting 100% of the Group's business activities.

KPI target for FY2030

	Themes to work on (Materialities)	KPI	Fiscal 2030 Targets
S	Create a variety of lifestyles. 	Customer satisfaction level	90% or more ^{*1}
		Products and services that contribute to the Lifestyles Creation 3.0 ^{*2}	100 cases or more
S	Create well-being communities and lifestyles. 	Measures to revitalize communities	100 cases or more
		Strengthening of safety and security	100% ^{*3}
E	Create a sustainable environment. 	RE100: Achieve by 2025 ^{*4}	100%
		Percentage of renewable energy power usage	60% or more
		CO ₂ emissions (compared with FY2019)	(46.2)% (SBT certification)
		Water usage	Reduction compared to the previous year
		Waste volume (compared with FY2019)	(11)%
		Environment certification acquisition (e.g. CASBEE, DBJ)	100% ^{*3}
		Sustainable procurement (wood materials for molds)	100%
		Midori wo Tsunagu Project (Area of Forest Protected)	3,000 ha
		Environmental efforts through business	100 cases or more
		S	Create value in the digital era.
DX investment amount	Doubled when compared to FY2021		
Acquisition of IT passport	100% ^{*4}		

Themes to work on (Materialities)		KPI	Fiscal 2030 Targets
S Create an organizational climate under which diverse human capital is enlivened. 		Percentage of employees who undergo physical examinations	100%
		Percentage of female hires	50%
		Ensuring of diversity in the core human capital(Ratio of female managers)	20% or more
		Ratio of childcare leave taken by male employees	100%
		Deepening of understanding of LGBT (percentage of employees who took an e-learning course)	100%
		Respect for human rights in the supply chain (implementation of due diligence for forced labor and child labor)	100%
G Create governance to accelerates growth. 		Engagement with shareholders and investors	300 cases or more
		Improvement of effectiveness of the Board of Directors (third-party evaluation)	100%
		Observation of the code of compliant behaviors	100%

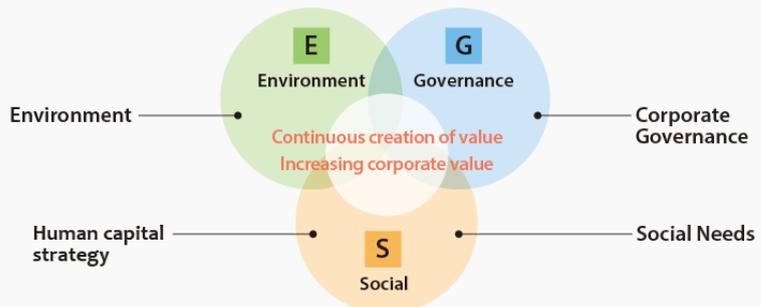
*1 Tokyu Cosmos Members Club Questionnaire survey

*2 The creation of ideal lifestyles for customers through the fusion of work styles, home styles and play styles.

*3 The target is large, non-residential buildings.

*4 Tokyu Land Corporation

KPI Targets for FY2020



		Item	Fiscal 2020 results	Fiscal 2020 Targets
E Environment	Environment	CO2 emissions	43.2% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
		Water use	28.6% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
		Waste emissions	51.4% 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)	1849ha	2000ha
S Social	Work style reforms	Working hours (Over time)	9.1 hours	(Internal target)
		Percentage of employees who undergo stress tests	91.0%	100%
		Percentage of employees who undergo physical examinations	99.96% (Data as of December, 2021)	100%
		Percentage of female hires	39.8%	At least 30%
		Percentage of female managers	8.6%	(Internal target)
		Percentage of disabled employees	2.49%	2.2%
	Social needs	Securing space for use during disasters*1	100%	100%
		Building certified under the Barrier Free Act*1	100%	100%
		Condominiums with stockpiles of disaster relief goods*2	100%	100%
		Persons who are nursing care workers or have other professional qualifications*3	82%	80%
G Governance	Corporate governance	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

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

*2. Tokyu Land Corporation new condominiums

*3. Nursing care workers

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.