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GROUP VISION 2030



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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2022 Integrated Report
Letter to our stakeholders
Message from the President

Applying environmental management and DX to creating unique value for a future where everyone can shine in their own way



Awarai Tadahiko

President & CEO,
Tokyu Fudosan Holdings Corporation

STAKEHOLDERS LETTER

After two years of pandemic-induced business crisis, a V-shaped earnings recovery

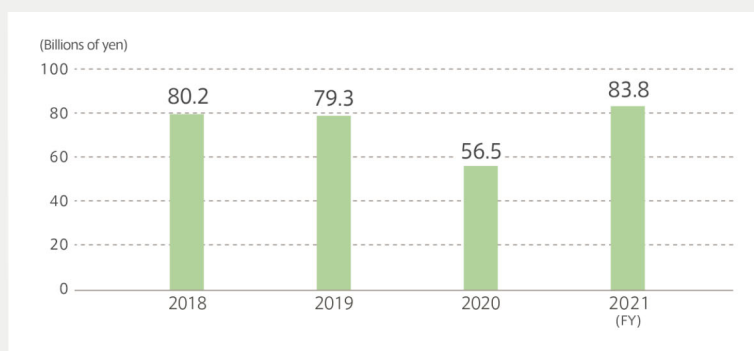
My start as Company president in spring 2020 coincided with the government's declaration of a state of emergency due to the COVID-19 pandemic. That was two years ago. During that time, I stood at the front of the Company and continuously promoted our WE ARE GREEN slogan to change the unprecedented crisis into an opportunity to bring about a major transformation. Our whole Group shares our aspiration and is working to create unique value as we pursue our Vision for 2030 to be a corporate group that continues to create value for the future.

The pandemic has persisted since I became president, and it's been frustrating to have to manage the Company without the benefit of in-person meetings with stakeholders. The message I have repeated inside the Company is to not rush and don't let the circumstance lead us astray; we must keep our feet firmly on the ground and remember the bigger perspective.

The Group has experienced the major crises of Japan's economic bubble and the global financial crisis, and we overcame both by remaking ourselves. Based on my experience at that time, I was convinced that if we were flexible and calm about change, we would definitely be able to overcome this crisis.

Even as the pandemic continued, in the past fiscal year we generated substantial growth in both sales and profits in a strong real estate market and produced a V-shaped recovery that included record-high operating profit. I am very proud of our performance because it shows the Group working together at its very best with Group employees remaining dedicated to their work while protecting the safety of our customers and the work sites.

Operating profit



However, other companies in our industry are expanding both their results and presence at an even faster pace. We cannot be complacent, but must continue working tirelessly.

The Group transformation that I am aiming for has only just begun. My mission as the president of a pure holding company is to turn the Group's broad business wings into a true strength and create new value. That is the reason we are doing all we can to construct a robust and unique business portfolio.

Last year, we aligned our businesses into four segments based on the investment of management resources and growth strategies. We are now seeking to improve each segment's profitability and efficiency by applying common standards to evaluate the businesses and will implement reform in any area needing improvement.

In March 2022, we sold our Tokyu Hands subsidiary to Cainz Corporation. The decision to sell the subsidiaries was made because it was the optimal solution for maximizing both value to the customer and business value, and we found a new partner that shares the same values as Tokyu Hands.

I believe selling the business is a big step forward in rebuilding our business portfolio. Going forward, we will seek to transform and grow each business by managing our business portfolio both quantitatively and qualitatively and keeping a firm eye on changes in the business environment.

In May, we formulated the medium-term management plan 2025 to realize our ideal vision described in our long-term vision. In the restructuring phase during the first half of the long-term business policy, we will seek to improve our earning power and efficiency to regenerate growth in the post-COVID-19 period.

Our competitive advantage is the breadth of our business wings spanning from development to management and operation.

I recently traveled to Chiba Prefecture to visit our Abiko Village, a large condominium complex developed by Tokyu Land Corporation in 1977 and managed and operated by Tokyu Community Corp. I was surprised and awed by how well maintained and managed the property is, making it hard to believe it's 45 years old. I was told that Tokyu Community and the very conscientious residents are working together so the building will have a long life.

The whole complex has a truly wonderful layout and the "local community" has been formed from the careful maintenance and renovations that have been conducted over the years. Abiko Village has a high occupancy rate, and the owners and residents are proud that the complex received an award from the Building and Equipment Long-Life Cycle Association, an association promoting the construction of buildings with long lifecycles.

That project that was built nearly half a century ago taught me what it means to turn the breadth of our business wings into a true strength. Our work does not end when construction is done, we must use our wings across a wide range of business areas and join with stakeholders to build a city together. That process will create a city that is loved for decades, and I believe it is an ideal to strive for. By engaging in a wide range of businesses spanning development, management, operation, renovation, and distribution and matching them to customer life stages, we are creating a virtuous cycle of listening directly to our customers and creating new businesses and services to meet their needs.

The Group's diverse human capital is the ones who carry out and sustain our wide variety of businesses. We boast an industry-leading presence in both the property management business and the brokerage business, and continuing to build our competitive advantages is further developing our Group identity.

Developing businesses that leverage our extensive customer contact points and operational know-how will enable us to provide new value to our customers and lead to the growth of the Group. Future society is one of our stakeholders, and I strongly feel that our Group's mission is to use our various projects for sustainable urban development.

In our home ground of the Greater Shibuya Area, the Group is working to improve the appeal of the entire area following the concept of "future sharing." The Shibuya commercial district is active 24 hours a day, and its charm lies in its diversity and entertainment. By weaving "impressive experiences" into the district's characteristic multifunctionality, we will boost its international attractiveness by proposing a new Shibuya-style urban lifestyle.

Sakuragaoka smart city concept



Numerous redevelopment projects are scheduled for the Shibuya Station area, and we will use the full breadth of our business wings to create value and build a community that, like the Abiko Village, will be loved for a long time.

An environmentally advanced company turning environmental issues into business power

The long-term vision we announced last year set environmental management and digital transformation (DX) as Group policies. We recognize that in the business environment ten years from now services and products will be selected based on the degree that they protect the environment and that the rapid integration of digitalization will significantly change how business is done.

Beginning in the current fiscal year, we have begun a phase in which we will incorporate these policies into concrete initiatives and produce tangible results. When we announced the medium-term management plan, we simultaneously issued our Environmental Management Report and DX Report, in which we presented to the Group and the public our value creation roadmap and the main initiatives we will pursue.

Environmental management means building on business opportunities in every Group business using the environment as a starting point. With environment awareness rapidly increasing in our society, environmental initiatives are more than an obligation, they are a business opportunity. Superficial efforts will not be enough, we need to seriously confront the environmental issues facing society and turn the solutions into power for new businesses.

Since its founding, the Group has used its business activities to contribute to a sustainable society and address environmental issues. When Tokyu Land Corporation's first president, Noboru Goto, set about developing a resort in the tropical island of Palau, he did everything he could to respect the harmony with nature, telling the planners, "Don't construct buildings taller than a palm tree." Tokyu Land Corporation took early steps to clarify its stance on the environment and established its Environmental Philosophy in 1998.

In my own experience, I became strongly conscious of the environment when I was a new employee assigned to the resort division. Resort development and management relies on the blessings of nature. One of our biggest missions is to use appropriate management to create a flourishing environment for future generations.

A good example of how we have connected the environment to business is our renewable energy business, where we have moved ahead of other companies in recent years and have become an industry leader in business performance. The business is developing solar power plants and wind power plants across the country, and by 2025 we aim to have the power generation capacity equivalent to two nuclear power plants.

The time is approaching when environmental value will be recognized as part of product value. As an environmentally advanced company we will continue leveraging the Group's advantages in environmental initiatives to address issues with a focus on our three priority areas of decarbonized society, recycling-based society, and biodiversity conservation.

Connecting digital technology and business, and using new "impressive experiences" as a source of competitiveness

The COVID-19 pandemic has caused major changes in our social lifestyles. I feel that the biggest change in business has been the rapid and wide spread integration of DX. It is truly an instance of turning a crisis into an opportunity. I believe we can use the power of digital technology to bring about a major transformation of our business and spur further growth.



The concept that is key to realizing DX is "fusion" - fusion of all aspects of life, fusion of online and offline, fusion that extends beyond business and organizational boundaries. We plan to make maximum use of digital technology to create value by removing barriers and creating fusion across what we call Lifestyle Creation 3.0.

Our DX vision is "removing all boundaries with the power of DX." We will maximize the value of our assets and human capital to establish a new profit model based on the three themes of business process, customer experience (CX), and innovation.

CX is of utmost importance to the Group because framing our services from the customer's perspective is essential to operating our various B2C businesses. We will use of our wealth of customer contact points, particularly at actual locations, and the know-how and data we have accumulated from our wide range of businesses to provide customers with "impressive experiences" in every situation.

The leaders of the next era will be the social native Z generation. When I talk to the younger generation, I find them to be very sensitive to society, whether it be the environment or DX, and they have many new ideas and concepts. We will actively listen to these voices and create an environment where the younger generations can take the lead creating new businesses and services.

Digital technology is evolving at a high pace. To fully harness the power of digital in our business, we need to raise the level of digital literacy throughout the organization. At each Group company, we will systematically train "bridge personnel" who will incorporate digital into their business and lead projects. Our newly established DX technology company TFHD digital Co., Ltd. will lead our hiring of advanced digital human capital and build a system for accumulating knowledge internally and facilitating co-creation with Group companies and external partners.

Creating an organizational culture for diverse human capital to thrive

Our Company shares were shifted to the new Prime Market with the reorganization of the Tokyo Stock Exchange. We are subsequently stepping up our measures to strengthen governance, establish sustainable growth, and improve corporate value over the medium and long term. One of the KPIs of our long-term management policy is to improve the effectiveness of the Board of Directors (through a third-party evaluation), and we working to achieve that by ensuring management soundness and transparency and by constructing a governance system that contributes to swift decision-making.

While improving governance, I am also emphasizing reforming the organizational culture as a foundation for sustainable growth.

We are creating an organizational culture in which diverse human capital can thrive. That's the type of organization and personnel I am aiming for. Society is placing increasing importance on human capital. In my long experience in human resources, I have found that the most effective way to improve the value of human capital is to "diversify the entrance and exit."

Hiring is the entrance, retirement is the exit. It is obvious that Japan's entrenched systems of mass hiring of new college graduates and mandatory retirement hinder the mobility of human capital.

One company cannot change the whole system, but we will create a structure that is open to various human capital, such as a by hiring mid-career professionals and creating opportunities for post-retirement individuals to rejoin the work force.

Families and lifestyles have changed a lot since I was young. Nowadays, we are in an era where taking an extended break will not adversely impact the promotion or career of either a man or a woman. It is important to be a company that makes it possible for an individual to work the way they want. The COVID-19 pandemic set the stage for new work styles, and we are creating a system that accommodates various workstyles so employees can work in a way that best suits their lifestyle.

Human capital is essential assets that generate innovation and is the source of the Group's value. As we seek to promote a diverse workforce, the gender gap is presently one of our biggest issues. Our long-term management policy sets various KPIs, such as for the percentage of women hired and women in management positions, but we have also begun providing various types of support, such as flexible mechanisms and systems to be more responsive to employee needs and so everyone can work in their own way and be active throughout their career.

An organizational culture that accepts diversity cannot be created overnight. During internal conversations in the Company, I often stress two points: Remove unconscious bias and Ensure psychological safety. Preconceived, unconscious ideas of a certain group, like the LGBTQ community, hinder communication. We are seeking to remove those obstacles one by one to create an environment of mutual respect.

Our health and productivity management activities include supporting the mental and physical health of our employees and creating a dynamic workplace. Through our corporate activities, products, and services, we will join with our customers and business partners to promote the overall health of society.

Our objective is to protect the safety and security of group employees, and to continue to be innovative and growing together with stakeholders. To achieve this goal, I also am working to shed old ways of thinking and be open to new ideas for improving our organizational culture.

Becoming a corporate group that is not only trusted but loved for accepting all individual lifestyles

I believe our WE ARE GREEN slogan, which is easy for anyone to understand, clearly communicates our purpose and our vision, and feel that it is gradually taking root inside and outside the Company.

The GREEN in our slogan is not just the environment. WE ARE GREEN represents our goal of "a future where everyone can be themselves and shine vigorously." Green is our corporate color, and the color gradation represents the diversity of the Group's wide range of businesses and human capital. Respect all values, accept diversity, and accept different ideas and ways of thinking. We will fuse the powers of the various shades of green of our Group businesses to create new value that will enhance our corporate value and help realize a sustainable society.

Another essential element to fulfilling our social responsibility is supply chain initiatives. Since 2016, we have been participating in the United Nations Global Compact, which supports Ten Principles of human rights, labor, the environment, and anti-corruption. We will provide strength as society advances by working with our business partners to promote human rights, health and productivity management, and environmental management.

What can we do for the future society? That question is on my mind every day as I manage the Group. I believe it is important for management to take a broad view and be bold. Particularly in this era of so much uncertainty, we must not get caught up by trivial near-term matters or stuck in fixed ideas or stereotypes. I strongly believe that we need future-oriented management that will steadily lead us to accomplishing what we envision for ourselves.

Consistent actions geared to the future will earn stakeholder trust, and they will eventually become "attached" to our Company. When a customer feels an attachment to a product or service, they would naturally have an affection for the Company too. I want our corporate Group to go beyond being trusted to being loved. To do that, we will accumulate the Group intangible asset of our unique value creation, and with that we will build strong brand power. The reason we will aim for that is because brand power is proof of attachment.

Last but not least, our ideal is a society in which individuals can be physically and mentally healthy and enjoy their own way of living and thinking. The Lifestyle Creation 3.0 concept fusing living, working and spending time is synonymous with a way of life. We want to create a bright future where each person lives their life their own way and achieves their own happiness. I feel so strong about this because I feel a sense of mission as a person who is building society. I believe a company is a mirror that reflects society and, together with our stakeholders, we will continue to working to create a sustainable society and grow as a company.

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TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project



Great East Japan Earthquake For smiling faces all over Japan

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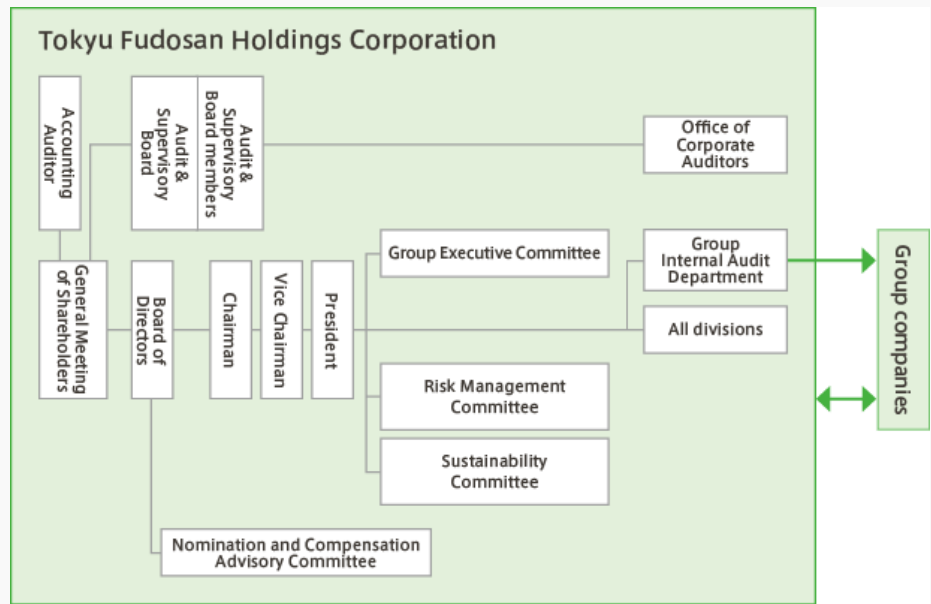
Aiming for continuous value generation, we have made Environmental, Social and Governance (ESG) factors as a vital part of the Group's management.

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.

Themes of our efforts to create value (Materialities) and KPI target for FY2030

Materiality

As of March 31, 2022

S **Create a variety of lifestyles**

KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
Customer satisfaction level ^{*1}	90% or more	90% or more	94.7%
Products and services that contribute to the Lifestyles Creation 3.0 ^{*2}	100 cases or more	50 cases or more	20 cases

S **Create well-being communities and lifestyles.**

KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
Measures to revitalize communities	100 cases or more	50 cases or more	21 cases
Strengthening of safety and security ^{*3}	100%	100%	100%

E



Create a sustainable environment.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
RE100: Achieve by 2025 ^{*6}	100%	100%	5.8%
Percentage of renewable energy power usage	60% or more ^{*4}	65% ^{*5}	4.0%
CO ₂ emissions (compared with FY2019)			
Scope1・2	(46.2)% (SBT certification)	Year 2023(50)%	(9.3)%
Scope3	(46.2)% (SBT certification)	Qualitative goal : Collaborative efforts with business partners such as construction companies	(5.1)%
Water usage	Reduction compared to the previous year	Reduction compared to the previous year	+7.3%
Waste volume (compared with FY2019)	(11)%	(6)%	(11.2)%
Environment certification acquisition (e.g. CASBEE, DBJ) ^{*7}	100%	70%	35.0%
Sustainable procurement (wood materials for molds)	100%	30%	0%
Midori wo Tsunagu Project (Area of Forest Protected)	3,000ha	2,400ha	2,031ha
Environmental efforts through business	100 cases or more	50 cases or more	22 cases

S



Create value in the digital era.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
Number of initiatives for digital utilization	100 cases or more	50 cases or more	30 cases
DX investment amount	Doubled when compared to FY2021	1.5 times	1.4 billion yen
Acquisition of IT passport ^{*6}	100%	80%	28.7%

S



Create an organizational climate under which diverse human capital is enlivened.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
Percentage of employees who undergo physical examinations	100%	100%	100%
Percentage of female hires	50%	42%	41.2%
Ensuring of diversity in the core human capital(Ratio of female managers)	20% or more	9%	9.2%
Ratio of childcare leave taken by male employees	100%	100%	43.5%
Deepening of understanding of LGBT (percentage of employees who took an e-learning course)	100%	100%	30.0%
Respect for human rights in the supply chain (implementation of due diligence for forced labor and child labor)	100%	50%	41.9%

G



Create governance to accelerates growth.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
Engagement with shareholders and investors	300 cases or more	290 cases	275 cases
Improvement of effectiveness of the Board of Directors (third-party evaluation)	100%	100%	100%
Observation of the code of compliant behaviors	100%	100%	97.4%

*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 The long-term management policy announced in 2021

*5 The mid-term management plan announced in 2022

*6 Tokyu Land Corporation

*7 Applies to large non-residential properties (with floor space of 10,000 m² or greater) that are owned Excluding some joint projects

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.

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

Create Value for Customers

- > Enhancing Services and Improving Quality
- > Providing Safety and Security
- > Responding to the Trends Towards Smaller Families and an Aging Population
- > Promoting Communication

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TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project



Great East Japan Earthquake For smiling faces all over Japan

Create Value for Customers



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

> Enhancing Services and Improving Quality

> Providing Safety and Security

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

> Promoting Communication

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 Great East Japan Earthquake For smiling faces all over Japan

Enhancing Services and Improving Quality

Building homes that take customers views into account

Tokyu Land Corporation's "BRANZ" condominium brand has been using the "BRANZ VOICE" activity to canvas customers' views using surveys and interviews.

The opinions expressed by customers in these venues are used to identify customer needs; BRANZ then leverages its know-how and integration capability to transform these into physical form. Based around the concept of "Functional beauty that enhances your living experience," BRANZ has developed the "MEUP" original product plan. To date, surveys conducted regarding the issue of water circulation—an issue that many customers had expressed opinions about—have resulted in the commercial launch of MEUP kitchens, powder rooms and bathrooms.



Group interview



Wash-basin

Two different types of wash-basin are available, to meet the needs of people who like to be able to relax and use the wash-basin alone, and people who want to be able to use it together with another person in the morning when people are getting ready to go out.

TOKYU LAND CORPORATION

Service-way Forum

In 2009, the Tokyu Fudosan Holdings Group launched the Service-way Forum (SWF), the aim of which is to ensure a high level of customer satisfaction with service provision throughout the Group by promoting the sharing of know-how and information between Group member companies, particularly the five companies* whose personnel are most likely to have direct contact with customers (in relation to operation, etc.).

For example, one SWF activity is the implementation of the Hospitality Enhancement Program, a training program conducted by Tokyu Harvest Club, a membership resort hotel chain, which aims at ensuring that Tokyu Harvest Club employees provide guests with service that reflects a higher level of hospitality.

Besides putting in place measures to ensure that staff members remember guests' names, steps have also been taken to make sure that guests remember staff members' names, including the display of a Staff Board and the use of "face-cards" instead of conventional name-cards. The aim of these measures is to strengthen staff members' relationship with guests.

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



Training in progress



Staff Board

TOKYU SPORTS OASIS Inc., TOKYU LAND SC MANAGEMENT CORPORATION, Tokyu Resorts & Stays Co.,Ltd., Tokyu Stay Co., Ltd, TOKYU E-LIFE DESIGN Inc.

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.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

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Recovery Support Project

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Providing Safety and Security

Strengthening disaster preparedness measures

Tokyu Land Corporation's "BRANZ" condominium brand has been working actively to strengthen disaster preparedness, for example by becoming the first condominium brand in Japan to incorporate "pantry shelters" (which are used as storage space under normal circumstances, but can be used as an emergency shelter in the event of an earthquake etc.) Comprehensive measures have been taken to enhance disaster preparedness, including strengthening of the building structure, the making of improvements to storage facilities, and the arrangement of disaster prevention activities at the level of the building management unit, etc., with the aim of strengthening residents' awareness of the importance of being prepared for disasters.



Example of a storage area optimized for disaster preparedness

TOKYU LAND CORPORATION

Clear evacuation plans and Regular evacuation training for tenants

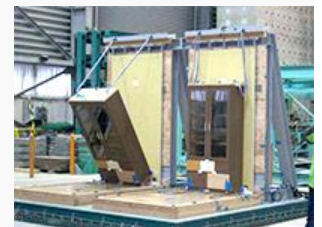
The Group prepares a clear evacuation plans in accordance with the Fire Service Act at each facility, and conducts annual training such as reporting, evacuation, and fire extinguishing to tenant employees under the guidance of the local fire department.

TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LAND SC MANAGEMENT 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 Re·design 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 Re·design 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 Re · design Corporation

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Great East Japan Earthquake 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



Grancree 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 LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

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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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

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 2021, 92.2% of the members gave us opinions that they are "satisfied". We will continue to strive to deepen communication with our customers. In FY2021, we began measuring the Net Percentage of Recommended Customers (NPS®), which measures "how well a company treats its customers and how well it generates customer loyalty. We will continue to analyze customer feedback and strive to provide even better service.



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

TOKYU LAND CORPORATION, EWEL, Inc.

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Environmental Conservation Initiatives



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



Environmental Vision

Basic Policy developed in 1998, revised in 2015

● Environmental Philosophy

We will create value to connect cities and nature, and people with the future.

● Environmental Policy

We will make efforts to harmonize the environment and the economy through business activities.

● Environmental Action

We will tackle five environmental issues from three viewpoints.

● Three viewpoints

- Publicize a goal and implement action.
- Endeavor to implement progressive activities.
- Conduct community-based activities in collaboration with local people.

● Five environmental issues

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

> Climate Change

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GROUP VISION 2030



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.

In response to this background, in May 2021, we have set “Environmental Management” as one of The Group policies and included the goal of Reduction of environmental impact through all our businesses (dissemination of clean energy, etc.) toward the realization of a decarbonized society in “Group Vision 2030”. Specifically, we have set the goal of Net Zero Emissions in 2050 and certified for the 2030 target at the SBT 1.5°C level. Furthermore, we have committed to the SBT net-zero target (2050) and also endorsed the Business Ambition for 1.5°C.

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 2 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

Efforts, Supports and Involvement for activities to avoid climate change

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

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.

For responding appropriately in those instances where the trade association position is significantly weaker than or contradicts that of the company

The Group supports and is actively involved in the activities of organizations working to avoid climate change. In the unlikely event that the policies of those organizations are significantly weaker or inconsistent than the policies of us, We will encourage the organizations to maintain consistency, and at the same time, if there is a large divergence and it is difficult to maintain consistency, we will take appropriate measures such as withdrawing from the group.

● United Nations Global Compact

Tokyu Fudosan Holdings 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, labor, environment, and anti-corruption, we are promoting responsible management aimed at contributing to the realization of a sustainable society.

Among them, the ESG subcommittee holds study sessions, etc. for more than 200 participating companies as a joint secretary company.



● TCFD

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). We are a member of the TCFD Consortium.



[Refer to our disclosures in accordance with TCFD recommendation](#)

● Japan Climate Initiative

Tokyu Fudosan Holdings Corporation participates in JCI in support of JCI's declaration, "Joining the front line of global trend for decarbonization from Japan."



● **SBT initiative • Business Ambition for 1.5°C • Race to Zero**

Tokyu Fudosan Holdings Corporation has declared to SBT initiative that it will work to set a Science Based Target for GHG reduction by 2030 and has been approved by SBT initiative as "Science-based target" in line with a 1.5°C trajectory.

Additionally, we have joined Business Ambition for 1.5°C and Race to Zero, global campaigns aiming to achieve net-zero emissions (of greenhouse gas) before 2050.



Tokyu Fudosan Holdings

● **RE100**

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.

Tokyu Land Corporation has set the target achievement year to 2025, which is significantly ahead of the target achievement deadline of "RE100". About 7% of the facilities such as offices, commercial facilities, hotels and resort facilities will be switched to renewable energy in 2021 and about 60% in 2022, and 100% in 2025.



TOKYU LAND CORPORATION

● **The environmental committee of The Real Estate Companies Association of Japan**

Tokyu Fudosan Holdings has the chairman of the board of the Company participating as a vice chairman of the Environmental Committee of the "The Real Estate Companies Association of Japan" and dispatched one employee of the Company to the association to deal with climate change and is actively working to consider and formulate policies. In addition, department heads and managers of related departments participate in the Environmental Committee and the two lower working groups (office buildings and housing) and we are 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".

In this way, we participate in the formulation of climate change strategies as an industry group that reflects national policies and make policy requests directly to the country or through Keidanren, an upper organization, in an effort to realize them.



Tokyu Fudosan Holdings

Risk management process

Tokyu Land Corporation implements the following management process as a countermeasure against natural disasters such as typhoons and earthquakes.

- BCP manual maintenance
- BCP duty, BCP standby personnel system
- Operation and improvement of BCP system such as property damage totaling system
- Installed a private power generator as a disaster countermeasure.

TOKYU LAND CORPORATION

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 \(Japanese\)](#).

Tokyu Fudosan Holdings

Unquantified, Process CO₂ 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 CO₂ reduction targets

【Medium- to long-term quantified target】

- The Tokyu Fudosan Holdings Group aims achieve net zero CO₂ emissions by FY2050.
- As a mid-term goal, we aim to reduce CO₂ emissions per floor area by 46.2% by FY2030 compared to FY2019.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

GHG(CO₂) emissions data

(unit: thousand t-CO₂)

	FY2019	FY2020	FY2021
Scope 1(Energy Origin)	62.0	58.0	63.6
(CFCs Leakage)			1.1
Scope 2	221.3	198.1	192.3
Scope 3	1,913.0	1,618.8	1,801.7

*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

*Scope 1 is disclosed separately to "energy origin" and "CFCs leakage" from FY2021.

Scope 3 CO₂ emissions data by category

(unit: thousand t-CO₂)

	FY2019	FY2020	FY2021
1 Purchased Goods & Services	708.3	666.4	998.4
2 Capital Goods	430.1	393.8	116.8
3 Fuel- and energy-related Activities (not included in scope 1 or scope 2)	45.2	42.5	43.7
4 Upstream transportation and distribution	0.3	0.2	0.1
5 Waste Generated in Operations	6.6	6.3	19.1
6 Business Travel	3.0	3.0	3.1
7 Employee Commuting	10.0	10.0	9.8
8 Upstream leased assets	-	-	-
9 Downstream transportation and distribution	-	-	-
10 Processing of Sold Products	37.7	30.3	-
11 Use of Sold Products	654.1	451.0	585.7
12 End-of-Life Treatment of Sold Products	10.4	7.4	13.3
13 Downstream leased assets	7.3	7.9	11.8
14 Franchises	-	-	-
15 Investments	-	-	-

*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

*Figures that were calculated as Category 10 until FY2020 are calculated as Category 11 from FY2021.

*Sold properties that have renewable electricity contracts with the electricity supplier are calculated as the emission factor of electricity is zero in Category 11.

*Category 8, 9, 10, 14, 15 are not applicable.

Tokyu Fudosan Holdings

Energy usage data

(unit: thousand GJ)

	FY2019	FY2020	FY2021
Scope 1	5,892.6	5,457.3	5,630.8

*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

Tokyu Fudosan Holdings

GHG(CO₂) emissions

(unit: thousand t-CO₂)

	FY2019 (base year)	FY2020	FY2021	FY2023 (target year)	FY2030 (target year)
Scope1・2	283,3	256,1	257.0	141.6	152.4
Reduction rate		-9.6%	-9.3%	-50.0%	-46.2%
intensity (Unit:kg-CO₂/m²)	86,8	75,1	74.6	-	-
Scope3 (category 1・2・11)	1,792.5	1,511.2	1,700.9	-	964.4
Reduction rate		-15.7%	-5.1%	-	-46.2%

Total floor area of subject facilities (Unit:m²)	3,262,124	3,410,445	3,443,397
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*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

*Target for FY2030 disclosed in May 2021、Target for FY2023 disclosed in May 2022.

Tokyu Fudosan Holdings

Reduction of CO₂ emissions / Reduction of energy consumption

●Reduction of CO₂ 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

- ①Electrical facility
 - Review of lighting time
 - Unnecessary lights go out
 - Review illuminance
- ②Water 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.
- ③Air 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

FY2016	FY2017	FY2018	FY2019	FY2020
-20%	-24%	-28%	-36%	-43%

●Process or quantified targets and records on reduction of CO₂ emissions or energy consumption (FY2020)

(1) Targets in the investment process and reduction record

① Electrical facility:

Energy reduction target 514MWh ⇒ record 863MWh

CO₂ reduction target 242t-CO₂ ⇒ record 259t-CO₂

② Water supply and sanitation facility:

Energy reduction target (fuel) 8kℓ ⇒ record 17kℓ

CO₂ reduction target 22t-CO₂ ⇒ record 47t-CO₂

③ Air conditioning equipment:

Energy reduction target (fuel) 0kℓ ⇒ record 13kℓ

Energy reduction target (electricity) 252MWh ⇒ record 717MWh

CO₂ reduction target 118t-CO₂ ⇒ record 373t-CO₂

(2) Targets and records in the management process

No results

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

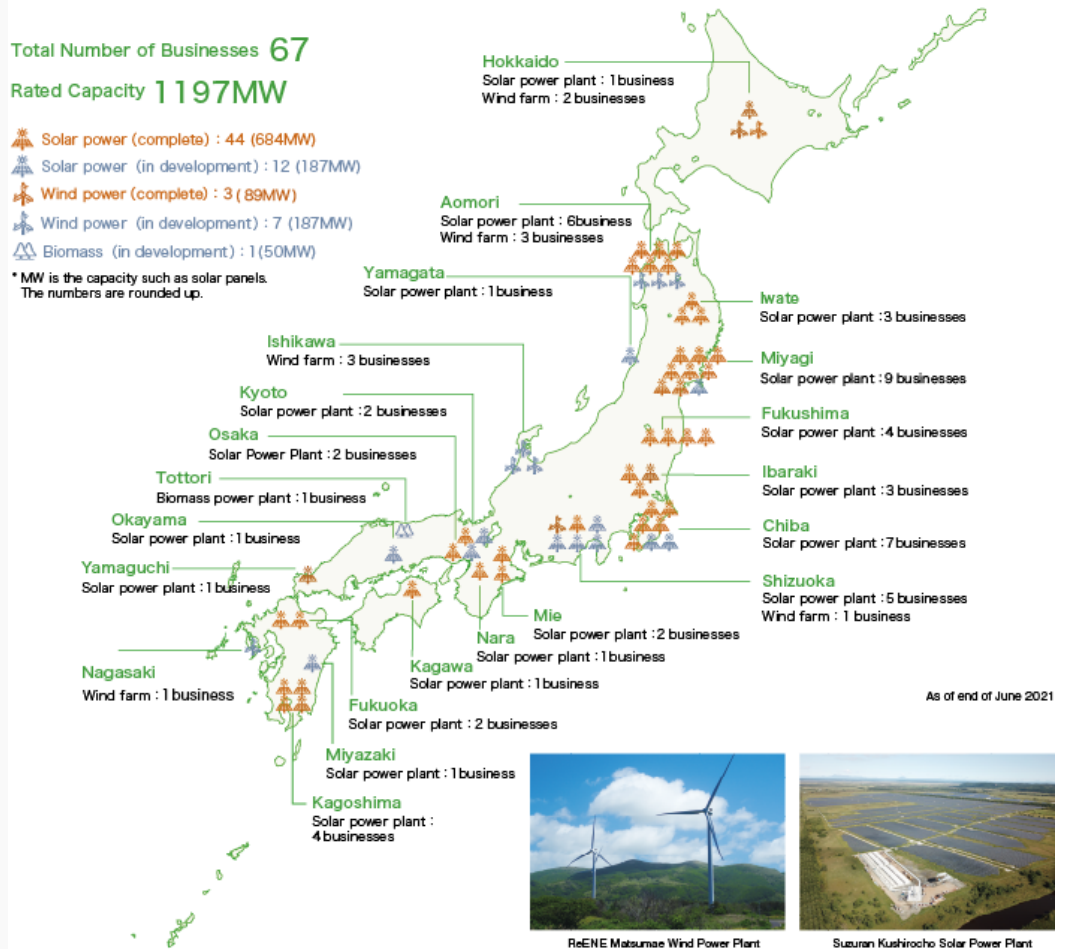


Total Number of Businesses 67

Rated Capacity 1197MW

- Solar power (complete) : 44 (684MW)
- Solar power (in development) : 12 (187MW)
- Wind power (complete) : 3 (89MW)
- Wind power (in development) : 7 (187MW)
- Biomass (in development) : 1 (50MW)

* MW is the capacity such as solar panels.
The numbers are rounded up.



ReENE Matsumae Wind Power Plant



Suzuran Kushirocho Solar Power Plant

Tokyu Fudosan Holdings

Reduction in CO₂ emissions in office buildings

The Group works to reduce CO₂ 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 CO₂ 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 CO₂ 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 CO₂ 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-CO₂ Residence and Building Leadership Project by the Ministry of Land, Infrastructure and Transport.



Branz City Shinagawa Katsushima



Enefarm for condominiums

TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP.

Use of renewable energy

The Group uses photovoltaic energy, wind power and other forms of natural energy to power various businesses. Solar power generation systems have been introduced to resort facilities, specifically to the Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA. In addition, at the commercial facility Tokyu Plaza Omotesando Harajuku, two wind turbines have been installed on the rooftop to foster the use of natural energy.



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



Wind power
(Tokyu Plaza Omotesando Harajuku)

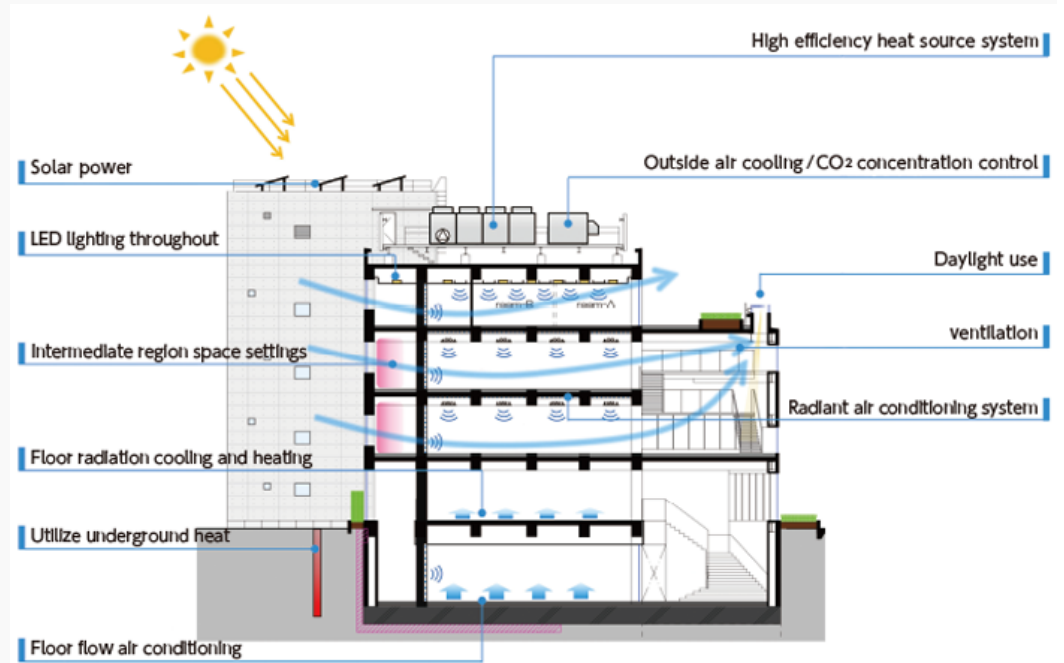
Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

TOKYU COMMUNITY Technology Training Center NOTIA acquired Nearly ZEB

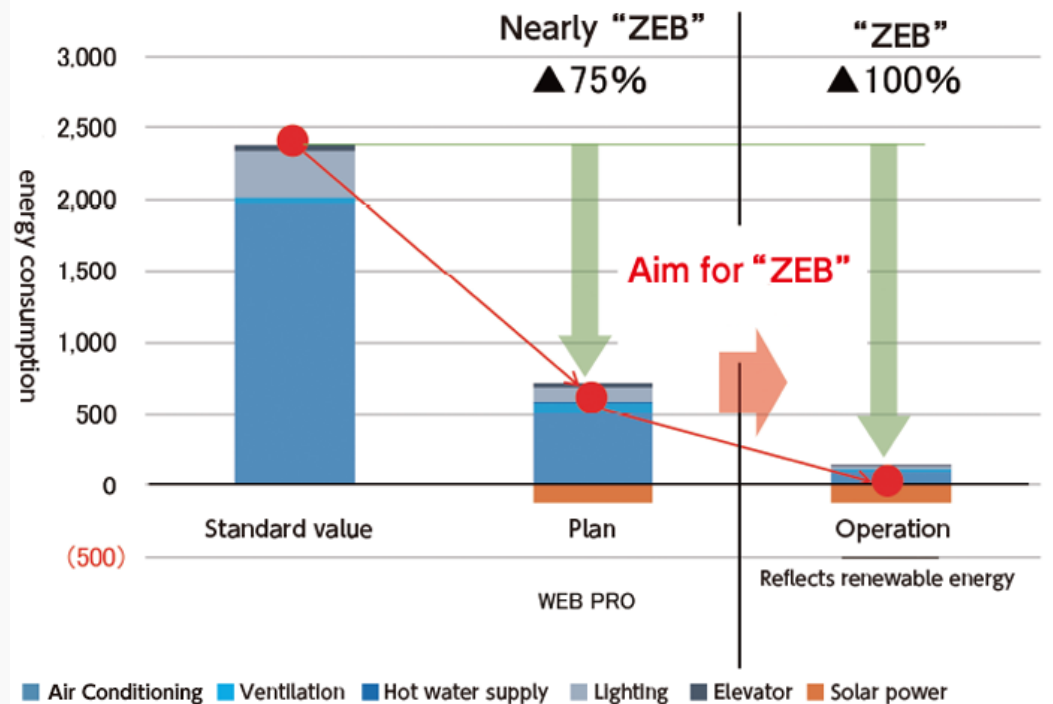
TOKYU COMMUNITY CORP. has acquired "Nearly ZEB" certification of Building-Housing Energy-efficiency Labeling System (BELS) led by the Ministry of Land, Infrastructure, Transport and Tourism at TOKYU COMMUNITY Technology Training Center NOTIA. Zero Energy Building (ZEB) refers to a building that aims 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/




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

Building Management Systems in place measuring energy efficiency of properties:

Tokyu Fudosan Holdings measures the energy efficiency of all real estate properties using an energy management system and uses it for future improvement measures. Specifically, first of all, we measure the energy such as electricity and gas used in the facilities that are continuously operated and managed, and periodically total them. Furthermore, using a simulation program, we estimate the energy-saving effect of renovation work and operational improvement of buildings and commercial facilities, and are promoting concrete measures.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Green leases offered to tenants of underlying property portfolio:

Tokyu Fudosan Holdings has introduced a green lease clause in some of the lease contracts for office buildings, commercial facilities, and housing that we operate and manage. In collaboration with tenants, we are actively promoting efforts to reduce the environmental load of facilities and compliance with environment-related laws and regulations.

TOKYU LAND CORPORATION, Tokyu Housing Lease Corporation, TOKYU LAND SC MANAGEMENT CORPORATION, NATIONAL STUDENTS INFORMATION CENTER CO., LTD.

Smart meters used in property portfolio

Tokyu Land Corporation has installed smart meters in all offices, commercial facilities, and condominiums that are operated and managed in Japan in order to promote efficient energy use.

TOKYU LAND CORPORATION

Phase out investments in carbon intensive assets

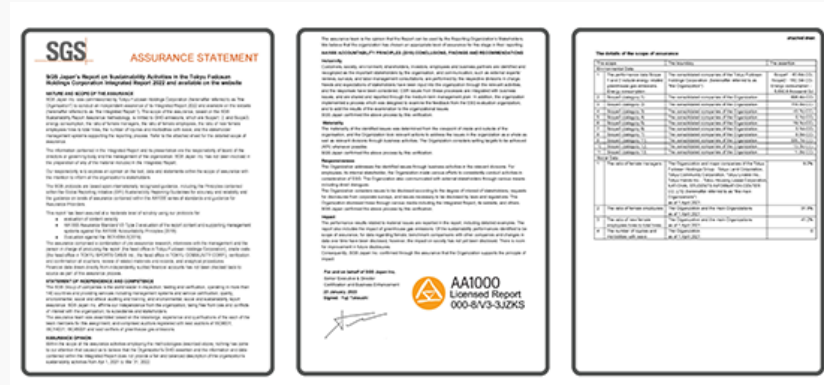
In office buildings and commercial facilities operated and managed by Tokyu Land Corporation, we will gradually decarbonize by replacing energy-efficient and carbon-intensive equipment with energy-efficient equipment at the time of renewal.

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 2021, the scope of this verification includes data for our greenhouse gas emissions (Scope 1, Scope 2, Scope 3 (Category 1-7 and 11-13) and energy consumption).

Third-party Verification Report on Environmental Data (Greenhouse Gas Emissions)



[Third-party Verification Report.pdf \(PDF:183KB\)](#)

Sustainability

Tokyu Fudosan Holdings Group's Sustainability

Create Value for Customers

Environmental Conservation Initiatives

Climate Change

TCFD disclosure

Biodiversity Conservation

Pollution and Resources

Water Use

Supply Chain (Environment)

Contributions to Local Communities

Employment and Labor Practice Initiatives

Management Structure

Integrated Reports / CSR Reports

For ESG Investors / (Index)

Main External Evaluation

Facts and Figures



Long-Term Vision

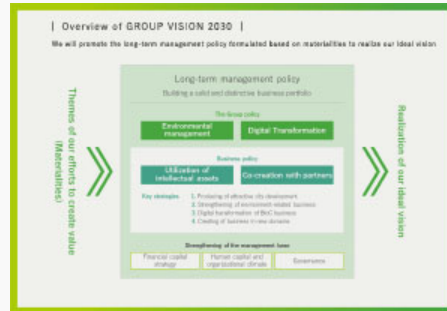
GROUP VISION 2030



TCFD disclosure

Tokyu Fudosan Holdings Group makes a commitment to environmental issues an integral part of our true corporate value. To this end, we have rolled out a Group-wide environmental management policy in Group Vision 2030, our long-term vision. Climate change is a foremost issue in the vision, and we strive to create decarbonized society and better lifestyle for consumers that contributes to the environment.

While climate change poses business risks, it also brings new business opportunities. Recognizing the importance of climate-related financial disclosures we have declared support for the TCFD in March, 2019, and joined Japan TCFD Consortium to effectively implement TCFD recommendations to advance our approaches in 4 categories, Governance, Strategy, Risk management and Metrics and Targets.



Governance

Corporate governance around climate related risks and opportunities

Strategy

Actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

Risk Management

Process to identify, assess and manage climate related risks

Metrics and Targets

Metrics and targets used to assess and manage relevant climate-related risks

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

■ Environmental Conservation Initiatives

> Climate Change

> TCFD disclosure

> Biodiversity Conservation

> Pollution and Resources

> Water Use

> Supply Chain (Environment)

+ Contributions to Local Communities

+ Employment and Labor Practice Initiatives

+ Management Structure

> Integrated Reports / CSR Reports

+ For ESG Investors / (Index)

> Main External Evaluation

> Facts and Figures



> Long-Term Vision

GROUP VISION 2030 ▶



TCFD disclosure

Governance

Sustainability Committee to assess and manage climate-related risks and opportunities

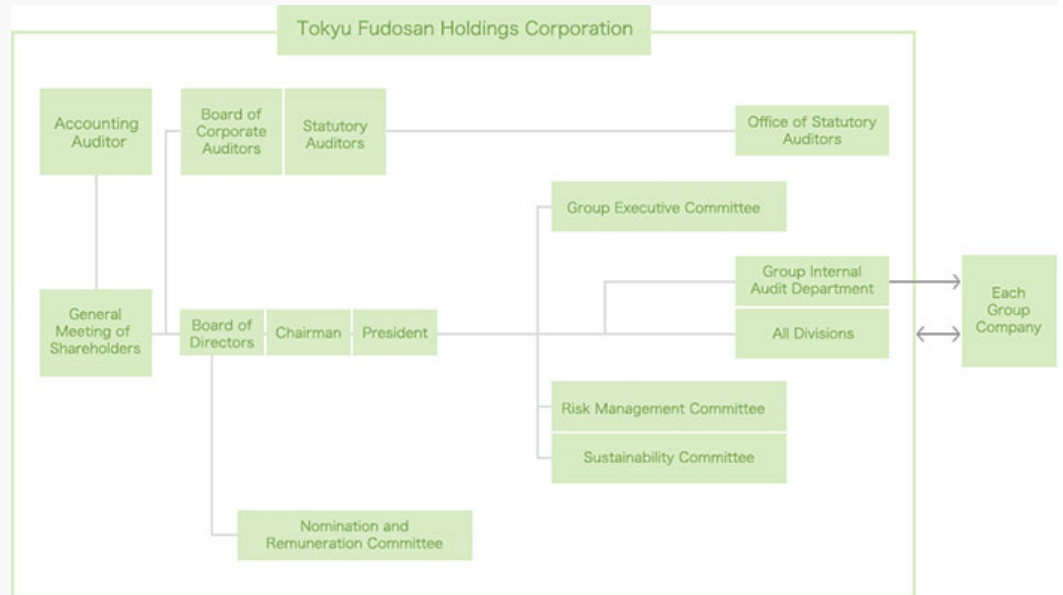
Tokyu Fudosan Holdings has in place the Sustainability Committee, comprising executive directors and chaired by the company president, which meets twice a year in conjunction with the Risk Management Committee to address, develop action plans and oversees performance against the targets, and other important issues including compliance, climate change, social contribution and diversity. The outcomes of these joint meetings are reported to Board of Directors.

Board's oversight of climate-related risks and opportunities

Based on reporting from the Sustainability Committee on prominent climate-related issues including those that influence management strategy, financial planning and goal setting, Tokyu Fudosan Holdings Board of Directors oversees climate-related risks and opportunities.

Sustainability Committee structure

■ Organization Structure



Tokyu Fudosan Holdings

Strategy

Faced with mounting threats of climate change and environmental challenges, it has become imperative to find solutions to these issues, and we are aware that our business operation's contribution to the environment is crucial in gaining market acceptance.

In our long-term GROUP VISION 2030, we have set "Creating sustainable environment" as a materiality for our value creation efforts, and included environmental management in our company-wide policies. The key environmental opportunities and risks have been identified as follows and KPI targets set accordingly.



With our robust Group-wide effort in environment management, we are implementing climate change initiatives based on TCFD recommendations and reducing environmental impact through our supply chain, aiming to achieve our quantitative targets. At the same time, viewing global-scale environmental challenges as business opportunities, we endeavor to build cutting edge businesses that lead the industry in the pathway to decarbonized society.

Time horizons for climate-related strategy

We define following short, medium and long-term time horizons for our climate-related strategies:

【Short-term】 1- 2 fiscal year(s)

【Medium-term】 3- 9 years. Medium-term management plan falls in this time horizon. Our medium-term scenario analysis assumes SBT of 1.5°C in year 2030.

【Long-term】 10- 30 years. Long-term management policy falls in this time horizon. Our long-term scenario analysis assumes zero-emission in year 2050.

Financial impacts of climate-related risks and opportunities

In setting climate-related strategies, we define magnitude of impacts on our business portfolio: (refer to disclosure rules in Tokyo Stock Exchange's Guidebook)

【High】 10% or more (of consolidated operating revenue)

【Medium-high】 10% or more (in each segment of the business portfolio)

【Medium】 5 to 10% (in each segment of the business portfolio)

【Medium-low】 2 to 5% (in each segment of the business portfolio)

【Low】 Less than 2% (in each segment of the business portfolio)

Businesses subject to climate change scenario analysis

The Group uses scenario analysis to assess impacts including on upstream and downstream value chain of our different business operations. Scenario analysis has been applied to, and expanded to include, following businesses in accordance with their relevance to climate change risks/opportunities.

【In 2018】 Urban development business(medium-term), Resort business(long-term)

【In 2020】 Urban development, Resort, Residential, Renewable energy businesses(all medium/long-term)

【Yet to be analyzed】 Logistics, Overseas, Human capital-utilizing business

Climate change scenario analysis process

Serving as the secretariat for the scenario analysis, the Group Sustainability Promotion Department identified, in consultation with the relevant departments, risks and opportunities that may have significant impacts on the business strategy and financial plan. With the help of external consultants, Sustainability Promotion Department conducted quantitative evaluation of the impacts and shared the information within the organization. Furthermore, strategies for likely scenarios are formulated in consultation with the relevant departments, approved by the Sustainability Committee, and reported to the Board of Directors.

Material climate-related issues

We have identified following material climate-related risks and opportunities that have potential impact on the Group :

Category	Type	Material issues
Current regulation	Current regulation	Energy conservation reporting requirement Energy Efficient Building Codes
	Emerging regulation	More stringent GHG emission reduction regulations Carbon taxation
	Technology	Increase in cost for ZEB/ZEH construction/renovation
	Legal cost	Credit purchase under Tokyo Cap-and-Trade Program
	Market	Delayed response to price trend reflecting environmental value Increasing energy cost
	Reputation	Changing customer/investor behavior
Physical risks	Acute	Intensified extreme weather events
	Chronic	Rising temperature / sea level
Opportunities	Resource efficiency	Transition to high-efficiency buildings, Recycling
	Energy source	Wider use of renewable energy source, government subsidies
	Products /services	Expanding low carbon products/services
	Market	Utilizing ESG finance
	Resilience	Energy efficiency renovations of operating assets BCP compliance

Scenario Analysis ① 1.5°C

【Selected scenario】

This scenario assumes steady shifts in policies/technologies/market toward decarbonized society in line with Paris Agreement, and expects to limit average global temperature rise to well below 2°C above pre-industrial level at the end of the 21st century.

- SDS developed by IEA World Energy Outlook, consistent with limiting the global temperature rise to 1.65°C with a 50% probability.
- B2DS developed by IEA Energy Technology Perspectives, consistent with limiting the global temperature rise to 1.75°C.
- RCP2.6 scenario developed by IPCC, consistent with global temperature rise of 0.9~2.3°C (average of 1.6°C) above pre-industrial level at the end of 21st century(2081~2100), referenced for gauging physical risks.
 - ◆ IEA(International Energy Agency), SDS(Sustainable Development Scenario), B2DS(Beyond 2 Degrees Scenario), IPCC(Intergovernmental Panel on Climate Change), RCP(Representative Concentration Pathways)

【Summary of scenario analysis assessment】

In the medium term (2030), we expect carbon pricing and ZEB construction cost to have substantial financial impact on our urban development business. For the long term (2050), however, we will complete ZEB

conversion, which improves our buildings' market competitiveness, leading to higher rental revenue. We also expect the renewable energy business to expand.

As for physical risks, natural disasters due to extreme weather conditions will increase moderately, but the magnitude of impact is expected to be low thanks to improved BCP and LCP.

Results of Scenario Analysis ① 1.5°C Scenario

Type	<p>【Transition risks】 Policy/regulation Market/reputation</p> <p>【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic</p> <p>【Opportunities】 Resilience</p>
Time horizon	Medium-term	Long-term
Description of risks/opportunities	<p>【Risk】 Increase in construction/renovation costs to meet stringent energy efficiency and ZEB/ZEH requirements</p> <p>【Risk】 Increase in construction/operation costs to adapt to carbon pricing program</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for ZEB on rent/occupancy rate</p> <p>【Risk/Opportunity】 More homebuyers demanding ZEH intensifies competitions among products</p> <p>【Opportunity】 Substantial increase in renewable energy demand</p>	<p>【Risk】 Gradual increase in damages to facilities by natural disasters</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate</p> <p>【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP</p> <p>【Risk】 Shorter business season for ski resort due to rising temperature</p>
Our approach	<p>【All】 Aggressively advance ZEB/ZEH conversion of new buildings, renovation of existing facilities, and early adoption of renewable energy sources to differentiate in the market</p> <p>【All】 Introduce internal carbon pricing to encourage each business unit to become low-carbon, so as to mitigate the impact of its nationwide implementation</p> <p>【All】 Cooperate with general contractors in reducing CO₂ emission before and during construction, so as to mitigate the impact of carbon pricing</p> <p>【Resort】 Utilize locally available natural energy sources</p> <p>【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate</p> <p>【Resort】 Operate resort facilities off-season to secure additional revenue source</p>
Financial impact	<p>【Urban development】 High in mid term: Building investment increase Medium-low in long term: Higher rent from ZEB converted buildings offsets some negative impact</p> <p>【Residential】 Medium-low: Adequate response to market demand</p> <p>【Resort】 Medium-low: Introduction of renewable energy sources</p> <p>【Renewable energy】 High positive impact: Steady increase in demands</p>	<p>【All】 Medium-low: Increased cost for renovation/repair, but successful differentiation leads to revenue growth</p>

Scenario Analysis ② 3°C Scenario

【Selected scenario】

This scenario assumes that all nations adhere to their NDCs, and the average global warming will be about 3°C above pre-industrial level at the end of the 21st century.

- STEP developed by IEA World Energy Outlook, reflecting policies declared by each nation.
- RTS developed by IEA Energy Technology Perspectives, consistent with each nation's existing energy and climate-related commitments including the NDCs of the Paris Agreement.
- RCP6.0 scenario developed by IPCC, consistent with global temperature rise of 2.0~3.7°C (average of 2.8°C) above pre-industrial level at the end of the 21st century(2081~2100).
 - ◆NDC(Nationally Determined Contribution), STEPS(Stated Policies Scenario), RTS(Reference Technology Scenario)

【Summary of scenario analysis assessment】

Compared to 1.5°C scenario, we expect financial impact over medium term(- 2030) to be lower due to slower ZEB conversion in our urban development business, but the impact from ZEB conversion is likely to persist into long-term (-2050). On the other hand, we expect to see some growth in our renewable energy business.

As for physical risk, although our resort business will experience bigger impact from faster increase in natural disasters and global warming compared to 1.5°C scenario, its financial impact can be limited given successful differentiation strategies including selecting right building locations and utilizing resort facilities during off season.

Results of Scenario analysis ② 3°C Scenario

Type	<p>【Transition risks】 Policy/regulation Market/reputation</p> <p>【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic</p> <p>【Opportunities】 Resilience</p>
Time horizon	Medium/Long-term	Long-term
Description of risks/opportunities	<p>【Risk】 Increase in construction/renovation costs to meet stringent energy efficiency and ZEB/ZEH requirements</p> <p>【Risk】 Increase in construction/operation costs to adapt to new carbon pricing program</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for ZEB on rent/occupancy rate</p> <p>【Risk/Opportunity】 Spread of remote work reduces demand/rent/occupancy rate of office space, but increases demand for satellite office space.</p> <p>【Risk/Opportunity】 More homebuyers demanding ZEH intensifies competitions among products</p> <p>【Opportunity】 Increase in renewable energy demand</p>	<p>【Risk】 Increase in damages to facilities by natural disasters</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate</p> <p>【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP</p> <p>【Risk】 Rising temperature leads to shorter business season for ski resort and cost increase in golf-course operation/maintenance</p>
Our approach	<p>【All】 Aggressively advance ZEB/ZEH conversion of new buildings, renovation of existing facilities, and early adoption of renewable energy sources to differentiate in the market</p> <p>【All】 Introduce internal carbon pricing to encourage each business unit to become low-carbon, so as to mitigate the impact of its nationwide implementation</p> <p>【All】 Cooperate with general contractors in reducing CO₂ emission before and during construction, so as to mitigate the impact of carbon pricing</p> <p>【Urban development】 Anticipate spread of remote work and develop satellite office space</p> <p>【Resort】 Utilize locally available natural energy sources</p> <p>【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate</p> <p>【Resort】 To differentiate from competitors, operate resort facilities off-season, concentrate investment in ski resorts in high latitude areas with high snowfall, use heat-tolerant golf course turfgrass</p>
Financial impact	<p>【Urban development】 Medium-high over medium-/long-term: Slower ZEB conversion, hence more gradual impact on building investment</p> <p>【Residential】 Medium-low: Adequate response to market demand</p> <p>【Resort】 Medium-low: Introduction of renewable energy sources</p> <p>【Renewable energy】 Medium-high positive impact: Steady increase in demands</p>	<p>【All】 Medium-low: Cost increase for renovation/repair, but successful differentiation leads to revenue growth</p> <p>【Resort】 Medium: Selection of right locations and successful differentiation measures offset some of the significant revenue decrease due to shorter business season and limited areas suitable for ski</p>

Scenario Analysis ③ 4°C Scenario

【 Selected scenario】

This scenario assumes that policies, technologies and markets advance on the current trend and rate, allowing average global warming to exceed 4°C above pre-industrial levels at the end of the 21st century and expects greater risk of climate change-induced natural disasters.

- RCP8.5 scenario developed by IPCC, consistent with global temperature rise of 3.2~5.4°C (average of 4.3°C) above pre-industrial level at the end of 21st century(2081~2100).

【Summary of scenario analysis assessment】

There will be limited impact of climate change for medium term(-2030) and transition risk will not emerge as significant financial impact during this period. For long-term(-2050), however, we will experience more severe natural disasters and rising temperature which likely aggravates financial impact. We expect to be able to alleviate the risk to some degree with successful differentiation through developing satellite office spaces(urban development business), selecting right building locations and off-season use of resort facilities. As for our renewable energy business, we look to expand in response to market trend.

Results of Scenario analysis ③ 4°C Scenario

<p>Type</p>	<p>【Transition risks】 Policy/regulation Market/reputation 【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic 【Opportunities】 Resilience</p>
<p>Time horizon</p>	<p>Long-term</p>	<p>Long-term</p>
<p>Description of risks/opportunities</p>	<p>【Risk】 increased construction cost for general contractors and running cost of air conditioner due to rising temperature 【Risk/Opportunity】 Spread of remote work reduces demand/rent/occupancy rate of office space, but increases demand for satellite office space. 【Risk/Opportunity】 Warmer temperature increases home buyers demand for housings with high environmental performance 【Opportunity】 Volatile market trends due to limited government support for renewable energy</p>	<p>【Risk】 Substantial increase in facility damages from natural disasters aggravated by sea level rise 【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate 【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP 【Risk】 Rising temperature leads to shorter business season for ski resort and cost increase in golf-course operation/maintenance including heat stroke preventive measures, decrease in PV efficiency</p>
<p>Our approach</p>	<p>【All】 Improve environmental performance of new buildings, upgrade existing buildings, and adopt renewable energy early to differentiate from competitors and alleviate impact of rising temperature, 【Urban development】 Anticipate spread of remote work and develop satellite office space 【Resort】 Offer new resort lifestyle(i.e. workation) 【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate 【Resort】 To defferentiate from competitors, operate resort facilities off-season, concentrate investment in ski resorts in high latitude areas with high snowfall, use heat-tolerant golf course turfgrass 【Renewable energy】 Introduce storage batteries and other measures to improve community infrastructure to differentiate</p>
<p>Financial impact</p>	<p>【Urban development】 Low positive impact: Satellite office demand offsets decrease in demand for conventional office space 【Residential】 Medium-low: Adequate response to market demand 【Resort】 Medium: Introduction of renewable energy sources 【Renewable energy】 Low positive impact: Uncertain trend in demand</p>	<p>【All】 Medium: Cost increase for renovation/repair, but successful differentiation leads to revenue growth 【Resort】 Medium-high: Shorter business season and limited areas suitable for ski.</p>

Impact of climate change risks/opportunities on business strategy

The Group's business strategy has addressed climate change risks/opportunities in following areas:

Area	Impact and our response
Products/services	In addition to our ongoing effort to mitigate risks by energy efficient remodeling and adapt to risks by strengthening BCP for facilities the Group operates, the Group's long-term vision formulated in 2021 aims to further advance ZEB/ZEH. Moreover, Tokyu Land Co. strives to expand and advance ReENE, its renewable energy business.
Supply chain/value chain	For upstream, we have addressed climate change issues in the Sustainable Procurement Policy formulated in 2020, and begun exploring how we can cooperate with general contractors to decarbonize construction process. As for downstream, we are expanding ZEH and renewable energy uses into condominiums and rental housings.
Research/development investment	Tokyu Community Co., a building management company, has built and acquired Nearly ZEB Certificate on NOTIA, a technical training center to improve its technical proposal capability.
Facility operation	Tokyu Land Co. operating urban/resort facilities, is set to expand use of its own renewable energy, and joined RE100 in 2019, a global environmental initiative which brings together companies committed to 100% renewable energy by 2050. The company aims to achieve this goal earlier and step up its mitigation measures.

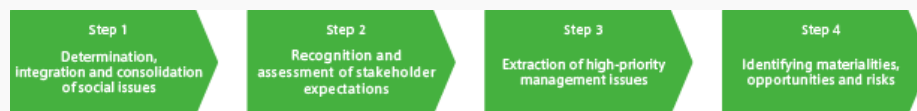
Impact of climate change risk/opportunity on business strategy and financial planning

The Group's financial plan integrates the following in response to climate change risks/opportunities:


Area	Impact and Response
Indirect cost	Based on scenario analysis and simulation on marginal CO ₂ emission reduction effect of energy efficient renovations and operational improvements at their existing facilities over the medium-/long-term, it was inevitable that Tokyu Land Co. must start purchasing renewable energy and reduce the emission even further if they are to meet the SBT. Intending to offset the emission with electricity from its own renewable energy business, the Company estimated the increase in overhead costs associated with renewable energy purchases. Given the estimate, the Company decided to expedite the introduction of renewable energy at their operating facilities while assessing the budget impact for each fiscal year, aiming to achieve RE100 early.
Capital allocation	Aligned with the government's renewable energy promotion measures, Tokyu Land Co. expanded into the large-scale solar business in 2014, in which they have been stepping up investment as the scenario analysis since fiscal 2018 helped them envision the business as a climate-related opportunity. The company operates 66 renewable energy facilities as of the end of March 2022 and has 7 solar power plants, 6 wind power plants, and 2 biomass power plants under development.
Liabilities	Based on the scenario analysis, Tokyu Fudosan Holdings Co. issued 10 billion yen in Green Bonds in fiscal 2019 to underscore its commitment to environmental issues and to win good reception from investors. The bond was issued with a maturity of 5 years for "Shibuya Solasta", an office building with an S-rank in CASBEE architecture, and "Riene Matsumae Wind Power Plant". Additionally, in fiscal 2020, we assessed the positive environmental and social impact of our initiatives, which led to a 5 billion yen positive impact financing.
Assets	We have made environmental impacts one of the evaluation indicators for our long-term business portfolio management.

Risk management

Identifying / assessing climate-related risks/opportunities



“Creating a sustainable environment” is one of our 6 priority themes(materiality) on the path to Tokyu Fudosan Holding's long-term GROUP VISION 2030, and environmental management has been the company-wide policy. We reflect on risks and opportunities associated with each materiality in the entire value chain and set KPI targets.

Materialities	Opportunities and risks ■ Opportunities ■ Risks	Ideal vision for 2030	Non-Financial KPI (FY2030)	SDGs Targets 
 Environment	<div style="border: 1px solid green; padding: 2px; display: inline-block;">Growing needs to respond to decarbonization and recycling</div>	A carbon-free society and a recycle-oriented society	<ul style="list-style-type: none"> • RE100* to be achieved by 2025* 7.2 • Percentage of renewable energy power usage 60% or more 7.2 • CO₂ emissions (compared with FY2019) (46.2)% (SBT certification) 13.1 	
	<div style="border: 1px solid red; padding: 2px; display: inline-block;">Intensification of disasters and increase in response costs</div>		<ul style="list-style-type: none"> • Reduce water usage (compared with the previous fiscal year) 6.4 • Waste volume (compared with FY2019) (11)% 12.2 • Environment certification acquisition* (e.g. CASBEE, DBJ) 100% 9.4 • Sustainable procurement (wood materials for molds) 100% 15.2 • Midori wo Tsunagu Project (area of forest protected) 3,000ha 15.2 • Environmental efforts through business 100 cases or more 11.6 	

Climate-related risk management process

Under the direct oversight of the company president, Tokyu Fudosan Holdings Sustainability Committee develops action plans and oversees performance against the targets on climate change and other important issues.

To ensure reporting compliant with relevant mandates and operate our business in a way that reduces environmental impact including GHG emission, waste, and water consumption, Group Sustainability Promotion Department, serving as a secretariat for the Sustainability Committee, sets targets for GHG emission reduction and other climate-related issues for each fiscal year, monitors performances and communicates information across the Group.

In January 2020, we laid out a Sustainable Procurement Policy to mitigate the impact of GHG emissions on climate change. To achieve this, we work with our stakeholders not only in our business operations but also upstream and downstream value chain and promote better energy efficiency and greater use of renewable energy throughout the lifecycle of products and services.

Integrating climate-related risk identification/assessment/management into organization's overall risk management

Tokyu Fudosan Holdings Co. identified 7 risks that possibly hinder the Group's management objectives, and recognized climate change risk as another highly significant emerging risk. To manage these risks, we formulated a Basic Risk Management Policy on which we developed and run a risk management framework.



Tokyu Fudosan Holdings

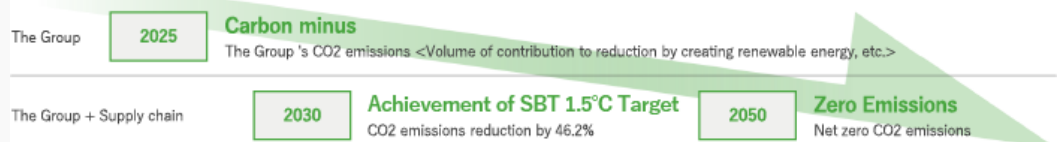
Metrics and targets

Climate change-related targets in our long-term GROUP VISION 2030

Tokyu Fudosan Holdings Group has set forth medium- and long-term targets linked to climate change in line with our long-term GROUP VISION 2030 developed in 2021, and is committed to materializing decarbonized society through our business.

- With our strength in the renewable energy business, we expect the reduction of scope 1 and 2 CO₂ emissions to exceed the Group's overall CO₂ emissions, essentially achieving net negative in 2025. Additionally, Tokyu Land Co. plans to expedite achieving RE100.
- We aim to reduce emissions from our own and controlled facilities and supply chain (scope 1, 2 and 3) and achieve SBT (Science Based Targets) to limit global warming to 1.5 °C by 2030, and net zero emission by 2050.

Targets related to climate change



Tokyu Fudosan Holdings Group's ESG 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. 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.

Themes of our efforts to create value (Materialities) and KPI target for FY2030

Materiality

As of March 31, 2022

E



Create a sustainable environment.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
RE100: Achieve by 2025 ^{*3}	100%	100%	5.8%
Percentage of renewable energy power usage	60% or more ^{*1}	65% ^{*2}	4.0%
CO ₂ emissions (compared with FY2019)			
	Scope1・2	(46.2)% (SBT certification)	Year 2023(50)% (9.0)%
	Scope3	(46.2)% (SBT certification)	Qualitative goal : Collaborative efforts with business partners such as construction companies (3.7)% (Calculated as of June 30, 2022)
Water usage	Reduction compared to the previous year	Reduction compared to the previous year	+7.3%
Waste volume (compared with FY2019)	(11)%	(6)%	(11.2)%
Environment certification acquisition (e.g. CASBEE, DBJ) ^{*4}	100%	70%	35.0%
Sustainable procurement (wood materials for molds)	100%	30%	0%
Midori wo Tsunagu Project (Area of Forest Protected)	3,000ha	2,400ha	2,031ha
Environmental efforts through business	100 cases or more	50 cases or more	22 cases

*1 The long-term management policy announced in 2021

*2 The mid-term management plan announced in 2022

*3 Tokyu Land Corporation

*4 Applies to large non-residential properties (with floor space of 10,000 m² or greater) that are owned Excluding some joint projects

Tokyu Fudosan Holdings

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

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GROUP VISION 2030



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. At Tokyo Port City Takeshiba, the largest office building in which Tokyu Land Corporation is involved, we are working on biodiversity conservation as Takeshiba Shinpachikei.

<https://tokyo-portcity-takeshiba.jp/skip-terrace/>

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.

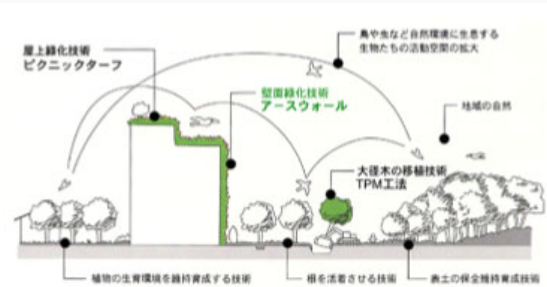
The Sustainability Council, comprised of environmental managers from each group company, manages the results of group-wide efforts on biodiversity issues and shares information based on a shared policy. This ensures biodiversity conservation is addressed throughout all business activities.

Responding to the impact on biodiversity ~ KPI Targets for Fiscal 2030

We believe that urban greening is important for addressing biodiversity issues. Therefore, in the wide-area Shibuya area, which the Group has designated as a priority development area, we are actively greening our business bases in order to conserve the ecosystem. We are working to form an ecological network in the wide-area Shibuya area by connecting the surrounding greenery and acting as a relay base for the creatures that live there.

Green buildings(roofs,walls,etc)* Fiscal 2020 Results 100% , Fiscal 2030 Targets 100%

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



Tokyu Fudosan Holdings

Biodiversity Action Plan (BAP)

The Group formulates a Biodiversity Action Plan (BAP) by identifying areas in all of our business regions that have sites, species, and functions of particular importance for conservation. In the relevant areas, biodiversity monitoring by experts is conducted on a regular basis, and the results are reflected in the management plan in an effort to conserve biodiversity.

Resort Town Tateshina plans to establish a monitoring plan to survey the habitat and growth environment of plants and animals in the villa area and surrounding wooded areas, etc., and if there are any rare plant or animal species or threats to the habitat or growth environment, countermeasures will be considered and utilized in the green space management plan.

TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

Biodiversity-related certification system

Especially for properties that have a lot of natural environment in the surrounding area and can secure a lot of green space on the premises, we encourage to obtain certification such as ABINC in order to support the securing of biodiversity.

Tokyu Fudosan Holdings

Practice and Implementation

Biodiversity risk assessment(Disclosure of biodiversity habitat) ~ 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.

Tokyu Fudosan Holdings

《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

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, ISHIKATSU EXTERIOR INC.

At "Tokyo Port City Takeshiba Office Tower", we are working on environmental education and reduction of environmental load through contact with living things and farming experience. We will improve people's awareness and understanding of biodiversity by developing the "Takeshiba Shinhakkei", which consists of eight views of "rain, water, islands, paddy fields, incense, vegetable gardens, bees, and the sky." In addition, in order to contribute to the creation of a habitat for birds of prey such as peregrine falcons, we have set up nest boxes for nesting and are working to maintain and improve biodiversity and ecosystems.



Rice planting



Pre-harvest strawberries



Bee hive

TOKYU LAND CORPORATION

"Tambara Ski Park" has been working to protect 'forest green tree frogs', which are registered as near-threatened and mild concerns on the Red List of Gunma Prefecture and the International Union for Conservation of Nature IUCN. During development, we preserved the pond inhabited to protect the forest green tree frogs. After that, every year, we carry out conservation activities in collaboration with local volunteer groups (Nature Lovers Association), such as cleaning the pond and replenishing water in the summer when the water level drops.



Newborn forest green frogs



Swimming forest green frog



Cleaning the pond

The coast in front of the resort hotel "Palau Pacific Resort" in the Republic of Palau was a sea where coral did not easily inhabit due to the outflow of mud. In 2002, the sea across the hotel was designated as a marine life reserve by state ordinance and is now a great snorkeling area where you can see many species of fish and corals. In April 2010, we transplanted 30 giant clams to the beach of the hotel with more than 30 guests. We are also co-sponsoring the holding of an educational event "Dugong Week" for all elementary and junior high school students in Palau to protect the endangered dugong that lives in the waters near Palau.



Seventy Island in Palau, designated as a Wildlife Sanctuary



"Dugong" inhabiting the Palauan waters

TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

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



TOKYU LAND CORPORATION

Creation of “Invasive Alien Species Response Manual”

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



(Non-native fauna)
Nettle caterpillar



(Non-native flora)
Annual fleabane

Tokyu Fudosan Holdings

Disclosure of engagement on efforts to reduce loss of biodiversity

Dialogues conducted to mitigate biodiversity loss Tokyu Resort Town Tateshina is an integrated resort developed by concluding a nature conservation agreement with Nagano Prefecture. Currently, we have concluded a comprehensive cooperation agreement with local governments, etc., and are strengthening our efforts for biodiversity by introducing biomass boilers using thinned wood generated in forest conservation.

Tokyu Fudosan Holdings is a member of the Keidanren Nature Conservation Council and aims to realize a sustainable society through the construction of a society that coexists with nature through exchanges with local companies and NPOs. In February 2022, the Nature Conservation Council held an online dialogue with the Mangrove Tree Planting Operation Liaison Council in the "Large-scale Mangrove Tree Planting Project in Sabua Tasara District, Nakhon Si Thammarat Province, Thailand".

In addition, Tokyu Fudosan Holdings is participating in the 30 by 30 initiative organized by the Ministry of Environment to achieve the goal of halting and restoring biodiversity loss by 2030 (Nature Positive) and to achieve the conservation and protection of at least 30% of our terrestrial and marine areas by 2030.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

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GROUP VISION 2030



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

Process targets to reduce or avoid pollution:

Tokyu Land Corporation has set the following process-type goals for the facilities it operates and manages and is working to reduce pollution.

- (1) Removal of asbestos in buildings. Periodically inspect some unremoved areas and pay close attention to prevent the situation from deteriorating.
- (2) Disposable plastic products abolished in hotels, stores, etc. (straws, muddlers, etc.)

● Progress in 2020

- (1) Implemented in 4 office buildings
- (2) Conducted at 3 hotel facilities

TOKYU LAND CORPORATION

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.

TOKYU LAND CORPORATION

Measurement of NOx, SOx, emissions

According to the Air Pollution Control Act, the Group measures the concentration of soot and dust at a certain frequency in the operation and management facilities such as office buildings and commercial facilities, and we keep records of the measurement results. We are working to prevent air pollution by ascertaining the status of emissions of soot and NOx into the atmosphere associated with our business activities and confirming that they do not exceed emission standards.

(unit : t)

	FY2018	FY2019	FY2020
NOx	0.268	0.278	0.151
SOx	-	-	-

Annual emissions at Northport Mall (at Yokohama)

TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LAND SC MANAGEMENT CORPORATION

Waste

Policy

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

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

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

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

Tokyu Fudosan Holdings

Management Structure

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 11% compared to FY2019 by the FY2030.

Tokyu Fudosan Holdings

Practice and Implementation

Process targets to reduce or avoid waste:

Tokyu Land Corporation has set the following process-type goals for the facilities it operates and manages, and is working to reduce waste.

- (1) Reduction of food waste by recycling by compost, etc. and devising meal provision methods, etc.
- (2) Recycling of waste cooking oil generated from the kitchen of a restaurant
- (3) Reduce the volume of excess sludge in sewage treatment facilities

TOKYU LAND CORPORATION

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

	2019(FY) (base year)	2020(FY)	2018(FY)	2030(FY) (target year)
VOC emissions (Unit:liters)	0	0	0	
Non-recyclable waste emissions (Unit:t)	17,837	18,000	10,947	
Hazardous waste emissions (Unit:kg)				
Recyclable waste emissions (Unit:t)	11,414	9,637	17,092	
Waste emissions (Unit:t)	29,251	27,637	28,039	
intensity(Unit:kg/m ²)	9.6	8.3	8.5	8.5
Reduction rate	-	-13.6%	-11.2%	-11.0%
Cost of environmental fines (Unit:yen)	0	0	0	
Total floor area of subject facilities (Unit:m²)	3,053,380	3,338,518	3,297,684	

*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

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

Reduce waste by collaboration with other companies

The Tokyu Fudosan Holdings Group is continuously working to reduce waste. At commercial facilities, used cooking oil that is discarded at restaurants is recycled into biofuel in collaboration with oil and fat business companies, and they are used as alternative fuels for light oil in Japan and overseas. In fiscal 2020, we recycled about 10,000 liters of used cooking oil.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

Use of LCA (Life Cycle Analysis)

The Tokyu Fudosan Holdings is developing a wide range of businesses related to the development, operation, and management of the real estate, and in that, we analyze and examine the life cycle of buildings and promote the reduction of environmental burden.

Tokyu Land Corporation calculates the primary energy consumption at the operation stage when designing a condominium, and reports on it based on the Building Energy Conservation Law. For CASBEE-certified properties, life cycle CO₂ is calculated for each category such as construction, repair/renovation/demolition, and operation. We aim to reduce environmental pollution and utilize resources by using the results of comparisons with general buildings (reference values) in our design process.

In addition, Tokyu Community Corp. analyzes the life cycle of the building when entrusting the management of condominiums and formulates a long-term repair plan for building maintenance. As a result of examining these, it was found that the cycle of large-scale renovation work can be extended more than before by adopting highly durable materials. This will reduce the number of large-scale renovations during the entire building life cycle and reduce building materials and waste during construction. This has made it possible for us to extend the cycle of large-scale renovation work at Brands City Hongodai from 12 years to 16 years.

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

Use of Resources

Policy

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

We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses. The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting the reuse of resources in business activities, will create business opportunities and enhance the competitiveness of the Group.

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

Tokyu Fudosan Holdings

Management Structure

The Group has established the 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.

Tokyu Fudosan Holdings

Progress against previously set targets to reduce resource use:

Our group strives to reduce the use of resources by recycling waste.

● Quantified targets

We have set a target of 80% waste recycling rate at our head office building for FY2030, and are increasing the waste recycling rate to achieve this goal by distributing recycling guides and reducing burnable waste, etc. The actual waste recycling rate in FY2021 was 60.4%.

● Unquantified, process targets and Achievement

- Recycling of waste materials
 - Energy generation by recycling waste oil
 - Conversion of food waste into compost
- Education and awareness of tenants
 - Distribution of recycling guides to building tenants

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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

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

Investment in R&D on reducing impacts

The Tokyu Fudosan Holdings Group has invested in a company that promotes the furniture recycling business. They are researching and developing recyclable furniture and distribution methods in order to create a mechanism for repairing furniture returned after renting it for a certain period and distributing it again. In this way, we are actively working to conserve the global environment by realizing a sound material-cycle society that does not throw away things.

Tokyu Fudosan Holdings

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GROUP VISION 2030

TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake



Water Use

Policy

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

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

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.

Actions to reduce water use

Unquantified targets (corporate level)

- Development of new condominiums for sale, etc.: Installation of water-saving showerheads, water-saving toilets, water-saving faucets, etc. Use of rainwater, well water, etc.
- Development of new office buildings, etc.: Installation of high-efficiency water heating equipment, water supply systems, water-saving fixtures, automatic faucets, automatic flushing devices, etc.
- Environmental actions related to own business: Implementation of daily water saving actions

Unquantified, Process type targets (project level)

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

Quantified targets (corporate level)

We aim to reduce water use per floor area of our business offices and real estate portfolio by fiscal 2030 compared to the previous fiscal year.

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

Water management plan

Tokyu Land Corporation has established water management plans for all the facilities it operates and manages. Based on the actual water consumption compared to the planned amount of tap water, we are working to reduce water consumption by installing water-saving devices in toilets and showers. Where possible, we recycle used tap water. There are 23 facilities that use gray water or rainwater to reduce the amount of tap water used.

Tokyo Port City Takeshiba uses gray water for toilet flushing. The gray water is supplied from the facility's kitchen drainage, rainwater, and air conditioning drain water, and can be replenished from the heat storage tank in case of emergency. Kitchen wastewater is purified by a gray water desalination system (membrane treatment + bioreactor system) via a grease removal system installed in a restaurant in the building, while rainwater and air conditioning drain water are purified by a filtration system (pressure type rapid filtration system + activated carbon adsorption system) and used respectively.

Tokyu Fudosan Holdings, 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.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, we are also promoting the effective use of water by using well water on the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

Engagement with stakeholders at water-stressed sites

Tokyu Land Corporation develops and operates hotels, golf courses, villas, etc., but in areas where water resources are scarce, we are discussing water use with local governments. Tokyu Resort Town Tatেশina, which was developed in Nagano Prefecture, is engaged in a water supply business for 23.5 km² in consultation with Chino City. During the operation period, we have continuous discussions, engage in water supply population and water supply amount every 10 years and supply water based on the decided plan.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

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

Works with others to reduce water use

Tokyu Fudosan Holdings is a regular member of the Real Estate Association, and in 2013 we formulated the "Real Estate Business Environment Implementation Plan" at the Environment Committee. Among them, as concrete actions to reduce the amount of water used, we aim to use water-saving appliances such as toilets and showers, automatic faucets, automatic cleaning devices, rainwater, etc. In addition, we are working to further raise environmental awareness by sharing information on excellent initiatives, and we are working to save water in collaboration with not only real estate companies but also construction companies and other industry companies as a whole.

Tokyu Fudosan Holdings

Implementation of industrial ecology in collaboration with local governments

At Tokyu Plaza Totsuka, industrial water supplied by Yokohama City is used for cleaning toilets. This will prevent ground subsidence due to excessive pumping of groundwater, and will work in collaboration with local governments, such as energy reduction by subsidence treatment and use of raw water without performing chemical treatment or filtration treatment processes such as water supply. We are promoting industrial ecology.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

The number of incidents of non-compliance with water quality/quantity permits, standards and regulations

The following table shows the number of violations of water quality/water quantity permits, standards, and regulations at facilities operated and managed by Tokyu Land Corporation.

	FY.2019	FY.2020	FY.2021
the number of incidents of non-compliance	0	0	0

TOKYU LAND CORPORATION

Water use

Water withdrawal / Recycled water usage

(Unit:m³)

	FY2019 (Base year)	FY2020	FY2021	FY2030 (Target year)
Surface water from rivers, lakes and natural ponds	0	0	0	
Seawater, water that takes in the sea	0	0	0	
Groundwater from wells and mining	1,077,369	958,387	942,480	
Water collected at the quarry	0	0	0	
Tap water	4,673,697	3,623,252	3,924,422	
Total water intake	5,751,065	4,581,639	4,866,901	
Basic unit(m ³ /m ²)	1.8	1.3	1.4	
Year-on-year comparison		-27.3%	7.3%	decrease from the previous year
Recycled water usage	69,733	108,589	138,058	

Water discharge

(Unit:m³)

	FY2019	FY2020	FY2021
Total drainage to surface water (river)	984,814	869,810	929,748
Total drainage to the sea area	0	0	0
Total drainage to groundwater / well water	0	0	0
Total amount of wastewater to an external water treatment plant (sewerage)	4,835,985	3,820,418	4,075,211
Water provided to a third party / total amount of other wastewater	0	0	0
Total drainage	5,820,798	4,690,228	5,004,959
Total floor area of subject facilities (Unit:m²)	3,174,972	3,480,665	3,444,317

*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

Sustainability

Tokyu Fudosan Holdings Group's Sustainability

Create Value for Customers

Environmental Conservation Initiatives

Climate Change

TCFD disclosure

Biodiversity Conservation

Pollution and Resources

Water Use

Supply Chain (Environment)

Contributions to Local Communities

Employment and Labor Practice Initiatives

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Long-Term Vision

GROUP VISION 2030



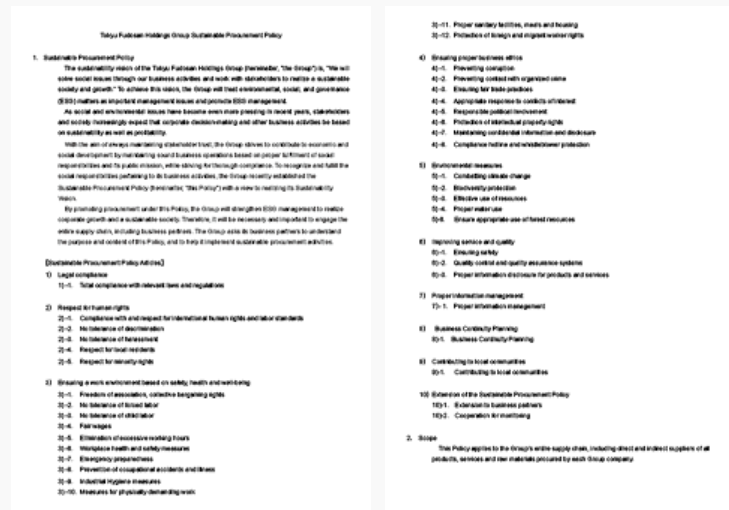
Supply Chain (Environment)

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\(PDF:137KB\)](#)

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:41.7KB\)](#)

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 CO₂ / 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.

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.

Tokyu Fudosan Holdings

Existing suppliers to identify those that are high risk

In fiscal 2020, we conducted interviews on human rights and procurement with 24 construction companies, and conducted a questionnaire survey on the environment with three of them to evaluate risks. As a result, we did not find any non-compliance, so we did not take any concrete measures.

TOKYU LAND CORPORATION

Practice and Implementation

Results on quantified reduction targets for CO₂(GHG) emissions and energy consumption

	FY 2005 (base year)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020 (short-term target year)	FY 2030 (long-term target year)
GHG (CO ₂) emissions (Unit:thousand t-CO ₂)	65.5	210.7	233.0	227.5	230.5	219.5	234.6	-	-
Energy consumption (Unit:thousand GJ)	-	4374.3	4542.6	4463.5	4555.4	4583.4	5004.1	-	-
GHG (CO ₂)emissions (intensity) (Unit:kg-CO ₂ /m ²)	133	98.4	106.7	101.0	96.1	84.7	79.0	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-36%	-41%	-25%	-30%
Energy consumption (intensity) (Unit:GJ/m ²)	-	2.0	2.1	2.0	1.9	1.8	1.7	-	-

Number of target facilities	-	210	192	204	213	216	217
Office buildings	-	80	70	73	78	76	78
Commercial facilities	-	64	59	64	65	67	67
Resorts facilities	-	58	55	55	59	61	61
Other	-	7	7	11	11	12	11
Overseas	-	1	1	1	-	-	-
Floor area	492.6	2291.9	2184.3	2251.3	2399.3	2592.6	2970.4
Office buildings	-	718.3	599.3	655.3	673.4	728.7	837.6
Commercial facilities	-	1226.3	1042.4	1050.8	1142.3	1240.0	1518.0
Resorts facilities	-	296.3	491.6	491.6	543.5	601.2	602.3
Other	-	35.7	35.7	38.3	40.2	22.7	12.5
Overseas	-	15.3	15.3	15.3	-	-	-

- As greenhouse gases other than CO₂ are extremely small amounts, CO₂ emissions are regarded as greenhouse gas emissions.
- One overseas property was transferred to a resort facility from 2018.
- Data as of June 15,2021

Tokyu Fudosan Holdings

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

《Quantified target》 FY2021 : 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 2021 was 100%.

《Case study》 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 fiscal 2020, we received the DBJ Green Building 5 Star as a building with outstanding "environmental and social considerations" that is one of the best in Japan at Tokyo Port City Takeshiba Office Tower.

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



Tokyo Port City
Takeshiba Office
Tower

《Environmental Certifications》

		FY.2021
DBJ Green Building	Number of properties	20
	Floor space (m ²)	650,259
	Floor area ratio	34.1%
CASBEE	Number of properties	3
	Floor space (m ²)	77,928
	Floor area ratio	4.1%
ABINC	Number of properties	2
	Floor space (m ²)	212,404
	Floor area ratio	11.1%
BELS	Number of properties	3
	Floor space (m ²)	22,564
	Floor area ratio	1.2%
Certification Total	Number of propaties	24
	Propaties ratio	22.8%
	Floor space (m ²)	692,429
	Floor area ratio	36.3%
Total properties subject to certification (Excluding duplicates of each certification.)	Number of propaties	105
	Floor space (m ²)	1,906,667

※Properties owned excluding minor share

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 LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

Reduction of water usage by using rainwater

The office building "Kasumigaseki Tokyu Building" developed by Tokyu Land Corporation has introduced facilities to utilize rainwater falling on the roof.

The collected rainwater is used for miscellaneous water such as toilet wash water to save water usage. Water retention pavement for suppressing the rise in road surface temperature is laid on a part of the outer structure by thermal evaporation of water vapor, and it is expected that the heat island phenomenon will be mitigated.

TOKYU LAND CORPORATION

Operating energy management systems together with tenants

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

At Abeno Q's Mall in the Abeno Ward of Osaka, Tokyu Land Corporation together with business owners and tenants jointly operates the Motto Save system with Osaka Gas Co., Ltd. that makes it possible to mitigate CO₂ emissions. This system aggregates energy usage data for the common space and private space of the mall on a cloud so that business owners and tenants can check, analyze and share findings about the energy usage data of each tenant.

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

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

Visualizing energy usage with smart meters

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



Smart meter (sample image)

TOKYU LAND CORPORATION

Aggregate energy data at all facilities for efficient energy use

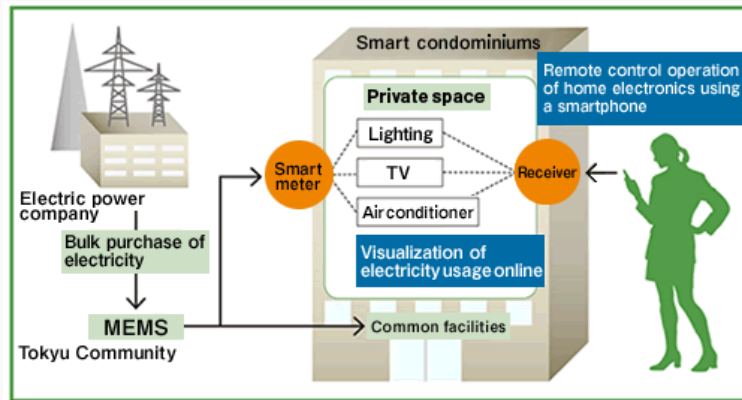
Tokyu Land Corporation has introduced energy data aggregation systems at some 200 office buildings, commercial facilities and resorts that it owns or uses in an effort to reduce CO₂ emissions. The visualization of energy usage enables tenants of office buildings and commercial facilities to check and analyze their energy usage to carry out activities that more efficiently help to reduce CO₂ emissions.

TOKYU LAND CORPORATION

Managing energy usage of condominiums

Tokyu Community Corporation has been selected to be an MEMS aggregator as an energy management service provider by the Ministry of Economy, Trade and Industry. It is adopting MEMS (condominium energy management systems) and bulk high-voltage electricity receiving services (a type of energy-saving system) in the condominiums that it manages.

These systems were introduced for approximately 786 housing units during FY2014 as part of efforts to reduce energy use at existing condominiums.



Conceptual diagram of bulk electricity purchases and MEMS

TOKYU COMMUNITY CORP.

Dialogue /engagement to mitigate biodiversity loss

As a member of the Keidanren Nature Conservation Council, we engage in dialogue /engagement with related organizations and NGOs.

Tokyu Fudosan Holdings

Participation in initiatives on environmental impacts

Tokyu Fudosan Holdings participate in the Environmental Management Committee of the Global Compact Network Japan.

Tokyu Fudosan Holdings

Training and providing programs to raise employees' environmental awareness and sustainability awareness

Tokyu Fudosan Holdings Group implements various programs and training to raise awareness of sustainability (including environmental themes) among group employees. In addition, we conduct a survey once every six months to check the progress.

- Tokyu Fudosan Holdings distributes a newsletter on sustainability to group employees once a month. We carry out e-learning once every six months, and we always take up the theme of sustainability.
- Tokyu Land Corporation conducted e-learning on the basics of sustainability in June 2021 and TLC REIT Management Inc. conducted it in August 2021.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TLC REIT Management Inc.

Environmental policy/policies integrated with suppliers

Tokyu Land Corporation distributes sustainable procurement policies to the suppliers, construction companies, and confirms the status of suppliers' compliance with environmental policies. If there are issues, we aim to build a responsible supply chain by coordinating and cooperating with each other.

TOKYU LAND CORPORATION

Tokyu Re・design Corporation conducts training every year for the managers and staff of construction companies as suppliers at safety competitions, etc. Among them, we explain the environmental policy and strive to spread it. In fiscal 2021, we conducted training on the handling of construction waste and measures to prevent environmental pollution caused by harmful substances generated in the work.

Tokyu Re・design Corporation

Applying biodiversity commitments to the supply chain

Tokyu Fudosan Holdings distributes the Sustainable Procurement Policy to its supplier construction companies and at the same time conducts questionnaires to check the status of each company with the goal of achieving a 100% compliance rate with the Environmental Policy by fiscal 2030. If any issues arise during this process, Tokyu Land Corporation and the construction companies will work together to address them, aiming to build a responsible supply chain. In fiscal 2021, 36% of the construction companies surveyed confirmed that their suppliers had a sustainable procurement policy that includes biodiversity.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

No-Deforestation Commitment

Much of plywood used for concrete formwork in Japan is made of south-sea timber logged in Malaysia, Indonesia and other nations, and environmental destruction in the native forests and land grabbing from indigenous peoples have become a problem. In light of this situation, Tokyu Land Corporation, in cooperation with its tier-1 suppliers, construction companies, has pledged to procure 100% of its plywood for concrete forms from sustainable sources such as FSC or PEFC certified or domestic timber by fiscal 2030, with emphasis on environmental protection and human rights issues. In fiscal 2021, 48% of construction companies indicated that certified or domestic lumber was available for formwork plywood.

TOKYU LAND CORPORATION

Commitment to Green Field Development

Tokyu Land Corporation is committed to utilizing underutilized and underutilized agricultural land and green spaces in a way that contributes to the local community.

- In December 2022, we started operation of the "Riene Solar Farm Higashimatsuyama Solar Power Plant" as part of our efforts to simultaneously solve the dual problems of energy and agriculture.
- Aiming to eliminate idle farmland, we will develop a highly productive next-generation facility horticultural park, and realize a land improvement project that involves the creation of non-agricultural land that systematically responds to urban land demand. Agricultural land conversion and development permission has been obtained for a non-agricultural land area created in a land improvement business district in Shiraoka City, Saitama Prefecture.

TOKYU LAND CORPORATION

— Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

+ Environmental Conservation Initiatives

▣ Contributions to Local Communities

> Supply Chain (Society)

> Human Rights and Community

> Contribution to Local Communities and Society

+ Employment and Labor Practice Initiatives

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GROUP VISION 2030 ▶

TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project



Great East Japan Earthquake For smiling faces all over Japan

Contributions to Local Communities



The Tokyu Fudosan Holdings Group conducts social contribution activities that will lead to the resolution of issues in local communities with the aim of developing a sustainable society and creating abundant communities.

> Supply Chain (Society)

> Human Rights and Community

> Contributions to Local Communities and Society

Sustainability

Tokyu Fudosan Holdings Group's Sustainability

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Supply Chain (Society)

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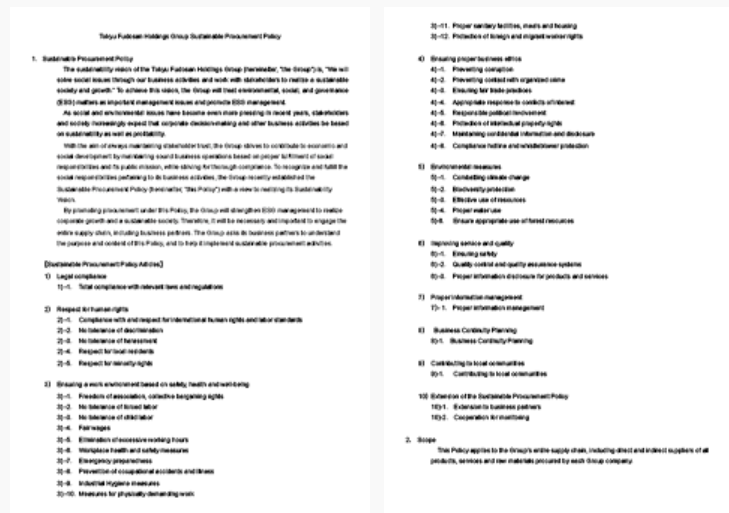
The Tokyu Fudosan Holdings Group recognizes the cooperation of stakeholders is necessary and important to ensuring proper social responses in our business activities across the entire supply chain.

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\(PDF:137KB\)](#)

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:41.7KB\)](#)

In the Tokyu Fudosan Holdings Group, buyers comply with the Sustainable Procurement Policy.

Tokyu Fudosan Holdings

Property portfolio management policy

We believe that addressing social issues such as health and safety in our real estate business will create business opportunities and improve our competitiveness. Based on this recognition, the Group is committed to addressing social issues for the benefit of its tenant employees. For example, with regard to safety, we will conduct annual drills for tenant employees at each of our facilities to prepare them for possible fires, evacuations, firefighting, and other drills. In terms of health, we will strive to maintain a good air environment by implementing appropriate ventilation at each facility and regularly measuring CO₂ concentration.

In order to provide equal opportunities, we communicate with tenants to ensure that there are no problems in recruiting employees for tenants of commercial facilities.

In addition, Tokyu Land Corporation is working with tenants of the facilities it operates and manages to increase the recycling rate of waste in order to reduce resource consumption. At office buildings, we distribute recycling guides on waste separation, explaining the distinction between recyclable and non-recyclable waste and the necessity of waste separation, and encourage the installation of mix paper boxes to promote recycling.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Management Structure

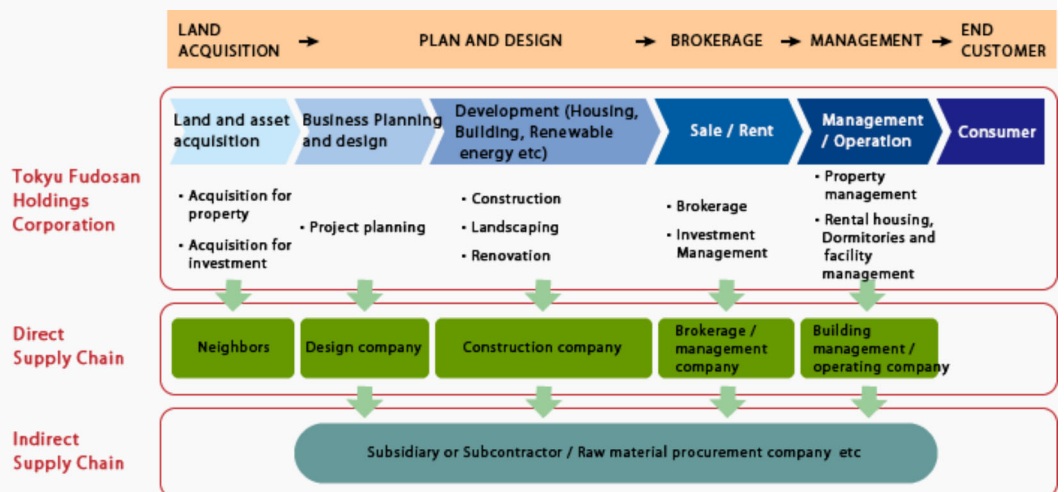
The Group strives to create value for local communities and end users by actively working to reduce the environmental burdens through urban revitalization or improved access to transit or to construct buildings that have barrier-free designs for individual projects in response to the initiatives it is 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 CO₂ emissions
- (5) Ban on unfair labor practice

Tokyu Fudosan Holdings

Arrangement of Real Estate business value chain



Tokyu Fudosan Holdings

Supply Chain Management

●**Critical Suppliers** The buildings developed by our group are not only sold and leased directly to customers, but are also important assets that generate the business of our group companies, including subsequent brokerage, management, and operation.

●**Supply Chain Quantity Analysis** Construction-related expenses accounted for 18.2% of the total amount paid by the Group in FY2021. Of the 335 suppliers related to construction and operation management at Tokyu Land Corporation, the core company of the Group, 93 (27.8%) were important suppliers.

●**Introduction of ESG Factors** As part of the supply chain management strategy, selection criteria for cost, construction period, and quality are set by the implementing departments to screen suppliers, and financial information from the head office department is used to screen suppliers with regard to business stability. In addition, our Sustainable Procurement Policy stipulates respect for human rights, a healthy, safe, and comfortable work environment, and consideration for the environment, and we conduct due diligence surveys of our supplier general contractors, using the results as a reference index when deciding which suppliers to order from.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Practice and Implementation

Resolving Social Issues through dialogue with local communities and tenants

Tokyu Land Corporation provides opportunities for dialogue with local communities and tenants, and works to resolve local issues with all stakeholders.

For example, with regard to "disaster prevention," which is a common issue in the community, we conduct regular disaster prevention drills with our tenant employees and discuss the results of these drills with them to ensure that they are prepared to evacuate safely in the event of a disaster. In addition, to "improve the beauty of the community," our employees participate in volunteer cleanup activities in the community where our facilities are located, interacting and conversing with the local community association and residents. When developing office buildings and commercial facilities, we engage in dialogue with local merchants' associations, etc., and when necessary, we install local cargo handling areas within the facilities to "improve safety" for pedestrians when handling cargo.

TOKYU LAND CORPORATION

Redevelopment project in Shibuya

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

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



Conceptual image upon completion of the redevelopment project around Shibuya Station

TOKYU LAND CORPORATION

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.

TOKYU LAND CORPORATION

Disabled persons access is assessed for all buildings

Tokyu Land Corporation is taking measures such as stipulating design standards so that people with disabilities can use the facility safely in all development projects that are the main business entity. For example, for office buildings, we have introduced barrier-free and universal design, and have formulated the "Office Building Universal Design Guidelines" for the purpose of achieving a unified response. In addition, condominiums, office buildings, and commercial facilities are constructed as close as possible to railroad stations so that they can be easily accessed.

TOKYU LAND CORPORATION

Partnerships with university hospitals

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



Rehabilitation (sample image)

TOKYU SPORTS OASIS Inc.

Stakeholder Engagement on Human Rights, etc. - Due Diligence on Suppliers

Tokyu Fudosan Holdings Corporation considers construction companies that construct buildings among its suppliers to be important stakeholders and is working to resolve priority human rights issues in its supply chain.

Based on the Human Rights Policy and Sustainable Procurement Policy formulated in FY2019, in FY2020, we conducted "Due Diligence on Environmental and Social Issues in the Supply Chain" for 24 construction companies with which we have transactions, to identify negative impacts on social issues such as human rights and to understand procurement risks. We identified negative impacts on social issues such as human rights and identified procurement risks. (In addition, as part of our due diligence activities for construction companies, we have been regularly assessing the soundness of their corporate management, particularly from a financial perspective, as well as the risk of credit factors, every year since fiscal 2013.)

In fiscal 2021, we presented our "Human Rights Policy" and "Sustainable Procurement Policy" to all 172 construction companies with which we do business, and began requesting compliance with the policies, including secondary suppliers. We also conducted an online sustainable procurement questionnaire (self-assessment questionnaire) to determine the compliance status of 46 responding companies with respect to the Human Rights Policy and the Sustainable Procurement Policy, and rated 39 companies as low risk and 7 companies as high risk. We provided each company with written feedback including risk assessment results and improvement plans (conducted annually on a regular basis). (The results of the risk assessment and feedback, including improvement plans, were provided to each company in writing (conducted annually).

In FY2022, we will present our "Human Rights Policy" and "Sustainable Procurement Policy" to construction companies and others even at the stage of obtaining quotations before placing construction orders, as a prerequisite for placing orders if secondary suppliers and other suppliers comply with the policies, and conduct supplier engagement on environmental and social issues with two construction companies with which we have business relationships at real meetings.

In addition, we held real meetings with two construction companies with which we have business relationships to discuss measures to prevent and mitigate human rights, environmental and other risks and to deepen mutual understanding of our initiatives, based on our risk assessment for fiscal 2021.

Through due diligence on suppliers, we will continue to identify procurement risks in the supply chain, prevent and mitigate negative impacts on human rights and other issues, increase the effectiveness of human rights risk reduction, and promote the resolution of human rights issues throughout the supply chain.



Engagement with TODA CORPORATION
(Date: December 20, 2022; Location: Toda Corporation Headquarters; Number of participants: 13)

Tokyu Fudosan Holdings

Capacity building for suppliers

Tokyu Re・design Corporation conducts training such as safety competitions for managers and staff every year for construction companies that are suppliers. Among them, we explain social issues such as safety measures in construction, human rights, and the use of certified timber, and invite outside lecturers to share good practices and strive to strengthen their capabilities. In 2021, we conducted training on illegal logging of timber and human rights issues.

Tokyu Re・design Corporation

Integrated Social Supply Chain policy

(1) Buyer training

Tokyu Land Corporation outsources various operations such as construction orders, and all employees play the role of buyers. For this reason, we have stated the supply chain policy in the e-Learning conducted for all employees as training, and we are training on the scope and content of our responsibility.

(2) Supplier contracts

We integrate the supply chain policy into the supplier contract for construction orders by describing the supply chain policy in the quotation outline.

TOKYU LAND CORPORATION

Monitoring of suppliers for social issues

Tokyu Land Corporation conducts on-site audits of suppliers regarding safety and the environment in all development projects in which we are the main business entity. We regularly inspect construction sites to see what measures construction companies are taking to ensure safety and the environment, and if any problems are found, we discuss them with the construction company managers and implement measures to quickly resolve them.

TOKYU LAND CORPORATION

Sustainability

Tokyu Fudosan Holdings Group's Sustainability

Create Value for Customers

Environmental Conservation Initiatives

Contributions to Local Communities

Supply Chain (Society)

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Contribution to Local Communities and Society

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Human Rights and Community

Policy

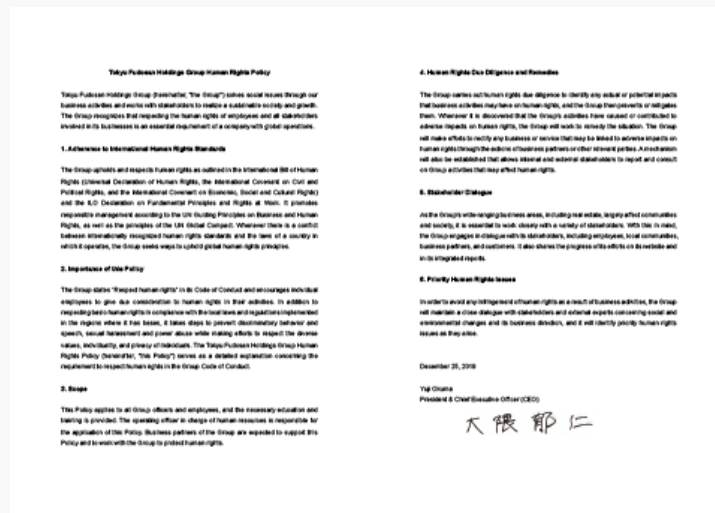
The Tokyu Fudosan Holdings Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations and an expectation placed in all companies. Then, in December 2019, we formulated the Tokyu Fudosan 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.

We also expect all stakeholders, including business partners, to respect human rights.

Tokyu Fudosan Holdings

Human Rights Policy



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, that report to the Board of Directors, and to respect the human rights of the stakeholders involved in the business of the Group. The Diversity Council to Human Resources Department, established as a subcommittee, leads relevant management activities across the entire Group. Day-to-day responsibilities and resources for relevant functions have been allocated to Human Resources Department.

Tokyu Fudosan Holdings

Identification of salient human rights issues specific to the business

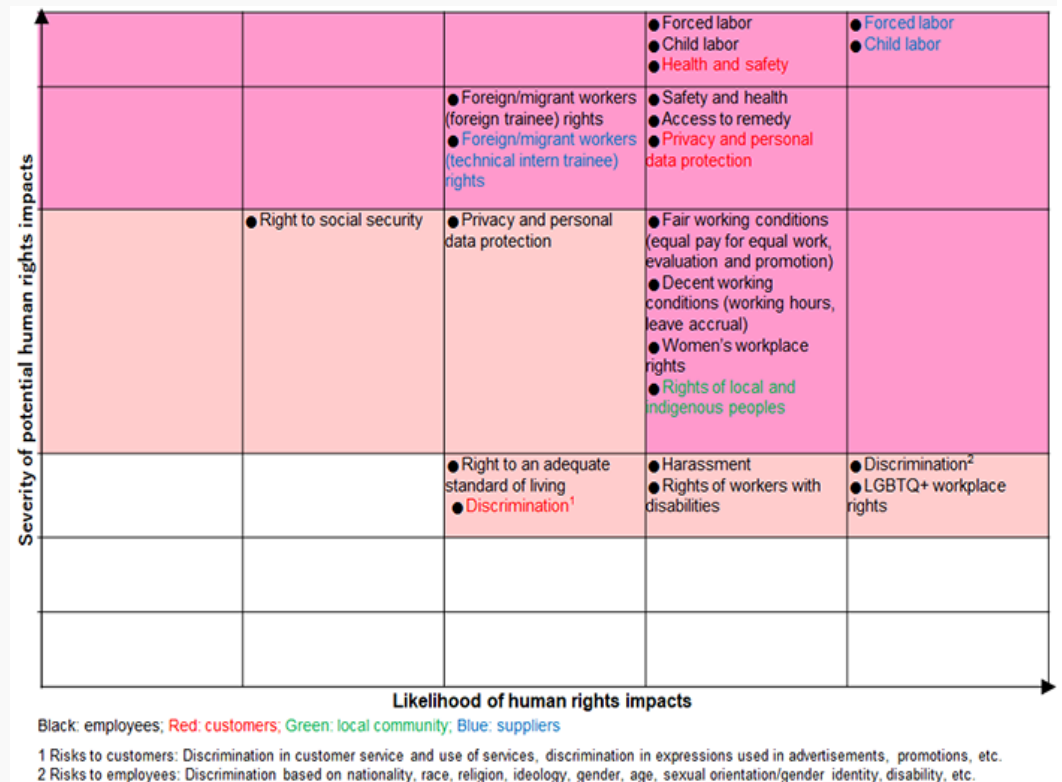
In FY 2019, the Group conducted a human rights risk assessment of its own businesses, value chains, etc., to analyze human rights issues in its domestic and international real estate-related businesses (urban, residential, management, brokerage, etc.) and domestic wellness businesses (resort hotels, urban hotels, senior housing, healthcare, golf courses, golf courses, and), and domestic wellness businesses (resort hotels, urban hotels, senior housing, healthcare, golf courses, ski resorts, fitness clubs, etc.), we analyzed human rights issues using the likelihood of occurrence and potential impact severity of human rights issues as indicators. As a result, the following important human rights issues were identified

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

In FY2022, we have reviewed the risks in line with changes in the Group's business and the materiality risks in our long-term vision, and have organized them into the following risk map.

Human Rights Risk Map

* Some issues salient to Group (February 2023)



As a result of reviewing the impact on human rights caused by our business activities among material human rights issues, we set "sustainable procurement (concrete formwork lumber)" and "consideration of human rights in the supply chain (implementation of due diligence on forced labor and child labor)" as KPIs for the fiscal 2030 target in our long-term vision. We are promoting human rights due diligence in our supply chain. As for suppliers, we are prioritizing "consideration of human rights for foreign technical intern trainees (workers).

As a specific initiative in human rights due diligence, we conduct human rights questionnaires, evaluations, and dialogues with suppliers to construction companies that are important to us as stakeholders. We will continue to engage with stakeholders to identify outstanding human rights issues and prevent and mitigate human rights risks.

Human rights impact or risk assessments

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

TOKYU LAND CORPORATION

Existing suppliers to identify those that are high risk

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. We did not find any non-compliance, so we did not take any concrete measures.

TOKYU LAND CORPORATION

Practice and Implementation

Clear communication of human rights expectations to stakeholders

Tokyu Fudosan Holdings, Inc. requests that all stakeholders, including business partners, consider respect for human rights through its Sustainable Procurement Policy and other means. In particular, Tokyu Land Corporation holds regular engagement meetings with general contractors, as business partners, regarding human rights and communicates its expectations regarding human rights. In particular, we have separately addressed the human rights of foreign technical intern trainees, which has become an issue in recent years.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Efforts to respect human rights of suppliers and ensure sustainable procurement

At the 2021 Supplier Safety Convention, Tokyu Re・design Corporation gave a notice and explained from the president about the human rights consideration and timber procurement of foreign technical intern trainees for sustainable procurement.

Tokyu Re・design Corporation

Target for 2030 – 100% Sustainable Wood for Concrete Formworks

Much of plywood used for concrete formwork in Japan is made of south-sea timber logged in Malaysia, Indonesia and other nations, where some NGOs have pointed out that land grabbing in indigenous peoples' territories and environmental destruction have become problems.

In view of this situation, the Tokyu Fudosan Holdings Group takes human rights issues and environment protection seriously and pledge to obtain 100% of our plywood for our constructions' concrete formworks to from sustainable sources including FSC or PEFC certified or domestically sourced by year 2030.

Tokyu Fudosan Holdings

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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GROUP VISION 2030



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 investments

Tokyu Land Corporation has set the priority strategy of producing attractive cities in its long-term management policy for fiscal 2030 and is promoting urban development projects based on that strategy. Especially in large-scale redevelopment projects, we will strengthen disaster prevention functions for temporary returnees in the event of a disaster, improve the road network by replacing arterial roads, and improve public transportation facilities by improving bus stops, etc. We have positioned the area centered around Shibuya Station as the group's priority base "the Greater Shibuya Area", and in addition to the redevelopment project to improve the mobility around the station, we have developed and operated various commercial facilities and office buildings. It contributes to improving the international competitiveness of the city.

In addition, based on the concept of "future sharing," in which we share the "future" with all people, we are developing area branding to enhance the attractiveness of the city through startup co-creation, cooperation with people involved in Shibuya, area management, and other activities. For example, we are actively participating in the Shibuya Ekimae Area Management Association as its secretariat, and are working to make the Shibuya area more attractive through public-private partnerships under the theme of "Let your playful spirit move Shibuya."

● Cleanup Efforts

In Shibuya, we participate and cooperate in a wide range of community activities such as local festivals, volunteer cleanups, and events to enliven the city. For example, in cleanup activities, we regularly conduct volunteer cleanups before work in cooperation with various partners, including our employees, local residents, neighborhood workers, and entrepreneurs.

● Donation of crime-prevention buzzers to local elementary school students

Q's mall, a commercial facility in the Kansai area, collects point donations from its loyalty card members for "community use" and donates "original crime prevention buzzers" to first-year elementary school students in the vicinity of the facility on an annual basis. The program began in fiscal 2018, and 16,721 buzzers had been donated by fiscal 2021.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

Community investment for developing startup companies in Shibuya

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

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Creation of local employment opportunities

Ewel, Inc. opened a second operation center that handles administrative processing in Yonago City, Tottori Prefecture to follow the other center in Matsue City, Shimane Prefecture. The Yonago Operation Center, which opened in February 2015, plans on hiring around 300 people from the local community over the next five years, which will contribute to the creation of local employment opportunities.



Yonago Operation Center
(Yonago City, Tottori Prefecture)



Work space

EWEL, Inc.

Contributing to communities in the tourist haven of Palau

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



Palau Pacific Resort

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 LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

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 CORPORATION, TOKYU LAND SC MANAGEMENT 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 2021.

(JPY)

Cash contributions	85,673,648
Time contributions	7,266,000
Management overheads	13,530,000
Total	106,469,648

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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GROUP VISION 2030 ▶

TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



Employment and Labor Practice Initiatives



The Tokyu Fudosan Holdings Group aims to establish energetic workplaces that allow each and every employee to perform to the best of their ability and work in a lively manner in order to improve customer satisfaction and corporate value.

> Health and Safety

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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

Tokyu Land Holdings conducts monthly labor management surveys at each Group company to oversee the management of employee health and safety risks.

In this survey, the status of overtime work, the use of five days of annual leave, and other performance figures are monitored on a regular basis. The results are reported twice a year to the Risk Management Committee and the Board of Directors to manage risks to the health and safety of Group employees' personnel and labor systems.

In addition, a Group Labor Liaison Meeting is held twice a year with labor managers from each Group company to share issues related to 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%, 100% and 100% in FY2018, FY2019 and FY2020 respectively.
- Stress test participation rate -- Goal for FY2020 is 100%. It was 91.9%, 89.0%, 98.5% in FY2018, FY2019 and FY2020 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

Named position responsible at Board level to Oversee Health and Safety Issues

The director responsible for promoting occupational safety management is the director in charge of the human resources and other general administrative divisions.

Tokyu Fudosan Holdings

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. (December 28, 2020)

Currently, we have no offices that have received ISO45001 certification.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Application to stakeholders

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

TOKYU LAND CORPORATION

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 2021 a total of 27 newly appointed managers participated.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Seven Companies Certified as Outstanding Health and Productivity Management Companies in 2023

Tokyu Fudosan Holdings and the seven companies of the Group have been certified as outstanding health management and productivity companies in 2023 under the program encouraged by the Ministry of Economy, Trade and Industry.



The five companies Tokyu Fudosan Holdings Corporation, Tokyu Land Corporation, TOKYU LIVABLE inc., Tokyu Housing Lease Corporation, and Ewel Inc. are among the top 500 (large companies) in the healthcare survey.



Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., Tokyu Housing Lease Corporation, TOKYU SPORTS OASIS Inc., EWEL, Inc.

Number of staff trained on health and safety standards

Tokyu Fudosan Holdings conducts annual health and safety training for new employees, new group leaders and employees (in fiscal 2021, 33 new employees and 28 new group leaders of Tokyu Land Corporation, 178 group company employees attended).

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

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.

(1)Employees

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.

(2)Community

Tokyu Land Corporation has been operating in Indonesia since 1975, and through its local subsidiary PT. Tokyu Land Indonesia, we hold various programs related to the prevention and management of health problems of local residents. In FY2021, as a measure against COVID-19, we provided a total of 1000 vaccines twice in September and October. We will continue to contribute to Indonesia through these activities.



The opening ceremony



Waiting residents

Tokyu Fudosan Holdings

Risk Assessment carried out regarding health and safety

● Potential new operations or projects

In all development projects in which Tokyu Land Corporation is a principal operator, the site of potential new projects is checked and evaluated in advance and discussed with the construction company, and necessary guidance and measures are provided to ensure the safety of employees and the surrounding environment.

● Existing operations or projects

For existing buildings under management and operation, we regularly inspect the inside and outside of the building to ensure that the working environment is safe for our employees as well as for tenant employees and visitors and implement safety measures as necessary.

TOKYU LAND CORPORATION

Monitoring and managing health and safety performance

In order to ensure safety in construction, the construction divisions of our group companies set targets for frequency rate^{*1} and strength rate^{*2} and manage them annually based on actual performance to foster safety awareness. The actual results for FY2021 were 0.27 and 0.000, respectively, which are below the industry standard of 1.3 and 0.24. The targets for FY2022 are 0.49 and 0.018, respectively.

*1 Number of fatalities and injuries due to industrial accidents/total number of actual working hours x 1,000,000)

*2 Number of days lost per 1,000 total actual working hours/total actual working hours x 1,000,000)

Tokyu Fudosan Holdings

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

2017 (FY)	2018 (FY)	2019 (FY)	2020 (FY)	2021 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

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

2017 (FY)	2018 (FY)	2019 (FY)	2020 (FY)	2021 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

Absentee Rate - Employees including contract employees

2017 (FY)	2018 (FY)	2019 (FY)	2020 (FY)	2021 (FY)
0 incidents	0 incidents	0 incidents	0 incidents	0 incidents

Since FY2017, we have had no workplace accidents regarding the above, not to mention fatalities.

We will continue our efforts to achieve zero accidents in the future.

Sustainability

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake



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 and human trafficking: We will strive to eliminate and prevent all forms of forced labor and human trafficking.
- (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 for acceptable living conditions.

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

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

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

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



Tokyu Fudosan Holdings

Management Structure

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 Fudosan Holdings

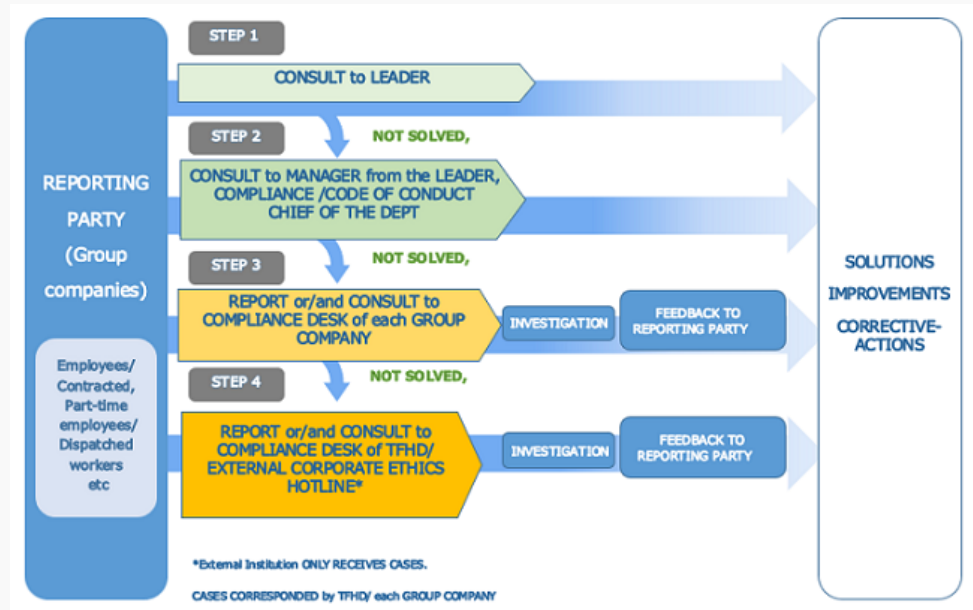
The specific action is taken regarding labor standards non-compliance

At Tokyu Land Corporation, In the event of non-compliance with labor standards, the consuler may use the internal reporting system to report the matter to the contact point. The Legal Department accepts the consultation received, and the Human Resources Department and other departments conduct fact-finding and other investigations before finding a solution. Corrective measures are then taken to improve the workplace environment.

TOKYU LAND CORPORATION

Whistleblower System

Whistleblower System of the TFHD Group assumes it step 1-4 as below. We strongly believe that we should take actions by employee and organization themselves before reporting to compliance desk step 4. It also applies to early detection and the prevention of the compliance violation.



•Non-retaliation policy

In accordance with the Whistleblower Protection Act, whistleblowers are legally protected so that their personal information is kept anonymous, their reports are kept confidential, and they are not subjected to any prejudicial treatment.

•Proactively communicated to employees

This system is actively communicated to employees by the following.

- Distribution of report window card
- Notification using compliance communication (issued monthly) and e-learning (twice a year)
- Posting on the TLC portal site

Tokyu Fudosan Holdings

Training on human rights policy

Tokyu Land Corporation conducts training on human rights policies in e-learning for all employees to raise awareness of the need for human rights protection in business. We also provide training on our human rights policy to all new employees to deepen their understanding of human rights issues under the theme "Issues Surrounding Companies and Human Rights,".

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.

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. By conducting surveys of the Group's host companies, we are continuously and proactively evaluating whether there are any negative impacts on human rights, and are working to avoid and prevent human rights violations. The results of the survey conducted in FY2020 showed no problems, but if problems are discovered in the future, we will work to mitigate them.

Tokyu Fudosan Holdings

The Employment of under-privileged groups and Internship Programs for Youth unemployment initiatives

Tokyu Land Corporation and TOKYU LIVABLE, INC. provide an environment where people with disabilities can work comfortably, such as by arranging work according to disabilities so that employees with disabilities can fully exert their abilities.

Tokyu Land 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 190 students in fiscal 2021.

TOKYU LAND CORPORATION, TOKYU LIVABLE, INC.

Preventing child labour and forced labour

The Group is committed to preventing child labor and forced labor by complying with the laws and regulations of each country concerning human rights and labor. In order to prevent child labor, we verify the age of each employee by using his or her certificate of residence when hiring.

To prevent forced and compulsory labor, we conduct periodic monitoring at each Group company and have established a contact point where employees can report possible violations. In addition, we always hire based on the applicant's willingness to apply, and mid-career hires, in particular, are hired based on the applicant's agreement after presenting working hours, wages, and other information in writing.

Tokyu Fudosan Holdings

Supporting a living wage

In addition to monthly salaries, Tokyu Land Corporation pays employees bonuses according to business performance several times a year.

TOKYU LAND CORPORATION

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. and Tokyu Housing Lease Corporation also strive to prevent prolonged work hours by using a program to automatically shutdown computers after a certain period of time and other solutions.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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.

Tokyu Fudosan Holdings

Harassment training for all employees and managers

The Group regularly holds e-learning and training by inviting external lecturers for all employees and managers to prevent harassment. The themes are not limited to mere learning, but also cover practical themes such as communication gaps between generations, unconscious bias and anger management, and include instances of harassment. We strive to prevent harassment by deepening the understanding of all employees and managers.

Tokyu Fudosan Holdings

Diversity Council

The Group has 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

Initiatives to create an employee-friendly work culture

With the exception of a few companies, Tokyu Land Holdings Group companies have established telecommuting systems to create a comfortable work environment through flexible work styles.

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.

Communicate labor standards globally to employees

Tokyu Land Corporation explains labor laws, employment regulations, labor contracts, and other labor standards to all employees, including those of Group companies in overseas locations, during training for new employees, newly appointed managers, and other level-specific education. In such cases, necessary materials are distributed in Japanese, English, and other languages as needed to create an environment in which employees can understand the information in their native language (or an equivalent language).

TOKYU LAND CORPORATION

Equal Pay for Equal Work Policy

In accordance with the provisions of the Part-Time and Fixed-Term Worker Law, the Worker Dispatching Law, etc., we are working to establish a system to ensure equal and balanced treatment regardless of gender or employment status.

Tokyu Fudosan Holdings

Practice and Implementation

Initiatives for Respect for Human Rights and Sustainable Procurement

Tokyu Fudosan Holdings held study sessions on respect for human rights and sustainable procurement twice in fiscal 2020 for related departments of the Group.

Tokyu Fudosan Holdings

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, research and explore how we can address them and share good practices with general construction companies which are one sector of the suppliers. 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 such as FoE Japan and other experts to help us identify actual human rights risks and engage in biodiversity dialogues to explore specific approaches.

Tokyu Fudosan Holdings

Participate in industry collaboration in labor standards

Tokyu Land Corporation are a member of the Shibuya Labor Standards Association, and we are always working closely with the labor standards administration promoted by the Shibuya Labor Standards Inspection Office, and we strive to create a safe, healthy and comfortable workplace through mutual communication and cooperation among our members.

TOKYU LAND CORPORATION

Freedom of Association

In Tokyu Land Corporation, the employee participation rate for the association (labor union) in fiscal 2021 was 41.8%.

TOKYU LAND CORPORATION

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.

TOKYU LAND CORPORATION

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
FY2020 first half	BBB	56.5
FY2020 second half	BBB	56.2
FY2021 first half	A	59.0
FY2021 second half	A	58.5

*FY2021 Survey breakdown: 70% for men and 30% for women

ref : Engagement rating

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

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 10.71 million yen in fiscal 2020.

Tokyu Fudosan Holdings

Sustainability

+ 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

> Labor Standards

> Diversity Promotion

+ Management Structure

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GROUP VISION 2030



Labor Standards

Turnover rate

The turnover rate and voluntary turnover rate at Tokyu Land Corporation were 3.2% and 2.0%, respectively, and there were no layoffs for the purpose of personnel reduction. (FY2021)

TOKYU LAND CORPORATION

Ratio of non-regular employees

The Group employs 10,494 contract workers, and 36% of all persons employed, including regular employees, have fixed term Contract employees.(April 1, 2021)

Tokyu Fudosan Holdings

Employee training dedicated to skills development

The training that Tokyu Land Corporation conducted to develop the skills of regular employees is as follows. (FY2021)

- Total time: 14,870 hours
- Average time per person: 12.7hours
- Average number of days per person: 1.7 days
- Type of training: hierarchical training(11.0h), optional training(1.4h), nomination type training(0.3h), (In parentheses) is the average time per person

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.

In addition, Tokyu Land Holdings holds "Knowledge Forums," self-development seminars in which professionals and top runners in various fields and industries are invited to share their experiences, and "Knowledge Cafés," in which employees serve as lecturers to promote mutual understanding of business operations. The "Knowledge Café" is held about four times a year for Group employees as a place for mutual understanding.

These seminars are popular as a place to deepen knowledge, with one particularly popular event attracting more than 200 participants, exceeding the venue's capacity.

Tokyu Fudosan Holdings

Response to Compliance Violations

In FY2021, the Help Lines received 129 consultations and reports, including minor consultations and questions. The Group Human Resources Department identifies, evaluates, and analyzes labor problems, which are reported to the Risk Management Committee and the Board of Directors, and appropriate action is taken within each company, such as issuing cautions to the individual concerned and other relevant personnel, in an effort to improve the situation.

Tokyu Fudosan Holdings

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

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GROUP VISION 2030



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 is promoting cross-group management at the Diversity Council regarding promotion and improvement of diversity, women's utilization, and work-life balance initiatives.

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 : FY2022 to FY2025
2. Present issues :
Although the percentage of women hired is steadily increasing, the talent pool of female management candidates remains small compared to that of men.
3. Quantitative Goal :
 - (1) The ratio of female hires among new graduates will be approximately 40%.
 - (2) By FY2025, the ratio of female managers will be approximately 10%.
4. Actions and Implementation Period
 - (1) Incorporation into management policy from FY2022
Management will commit to and communicate the importance of promoting women's activities in the management strategy.
 - (2) Recruitment—ongoing efforts
Actively publicize to job seekers that the company is a workplace where diverse human resources, including women, can play an active role.
 - (3) Training from FY2022
Consider development measures for female employees and supervisors.
 - (4) Flexible work styles—ongoing efforts
Promote flexible work styles, including telework.
 - (5) Fostering a corporate culture —ongoing efforts
Conduct training on diversity and inclusion for all employees.

TOKYU LAND CORPORATION

Practice and Implementation

Promoting diversity and creating dynamic workplaces

In April 2013, TOKYU LIVABLE, INC. became the first major real estate distribution company to establish a division dedicated to diversity, followed by the establishment of a division dedicated to work style reform in April 2018. Tokyu Livable aims to be a company where each and every employee, regardless of gender, age, or disability, can fulfill their potential in their own way, and is committed to promoting diversity and reforming the way they work. For example, we have established a "partner system" for female sales and brokerage salespeople working shorter hours to work on projects with a partner in conjunction with reduced targets, to provide backup for customer service and a shift system for days off.

The company also has a Career Expert Re-employment System in place that enables the continued employment of employees that fulfill certain internal standards until age 70 if they wish to remain employed. In addition to promoting the proactive use of female employees, the Group will actively work towards creating a workplace that can take advantage of the abundant experience and personal connections of senior employees that are expected to increase in the future so that they can be effectively used in the organization.

TOKYU LIVABLE, INC.

[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. It also serves as a place to share innovative measures within and outside the group to improve group-wide diversity.

Tokyu Fudosan Holdings

[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 LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., Tokyu Housing Lease Corporation, NATIONAL STUDENTS INFORMATION CENTER CO., LTD.

[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 COMMUNITY CORP.

TOKYU COMMUNITY CORP. holds seminars for managers on nursing care, where they learn about support measures based on specific examples, in an effort to prevent employees from leaving their jobs to care for family members, and to support employees who are working while caring for family members.

In addition, the company has prepared a "Work-Life Balance Promotion Guidebook" that outlines childcare, nursing care, and other benefit programs, and continues to promote awareness of these programs.

- TOKYU LIVABLE, INC.

TOKYU LIVABLE, INC. has introduced a system for employees on childcare leave to exchange information and conduct interviews before and after returning from maternity leave to help employees balance work and childcare.

At the same time, we have introduced a "partner system" for employees who wish to work shorter hours, which, in conjunction with reduced targets, provides a system for working on projects with a partner to provide backup in dealing with customers and a shift system for days off.

TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC.

Education on Diversity and Inclusion

Tokyu Land Holdings, Inc. believes that creating a workplace where a diverse workforce can work with vigor and enthusiasm leads to increased corporate value. To this end, we regularly conduct e-learning programs to deepen understanding of the importance of diversity and inclusion in corporate management.

Tokyu Fudosan Holdings

[Role of elderly and workers with disabilities]

Employment for people with disabilities

Tokyu Livable Staff Corporation, a subsidiary of 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.

The employment rate of persons with disabilities at Tokyu Fudosan Holdings in 2021 was 2.4%.

Tokyu Fudosan Holdings, Tokyu Livable Staff Corporation

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 Land Corporation supports the diverse work styles of its senior employees by introducing a side job system for rehired contract employees and a partner system that allows them to choose the number of days they work.

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

LGBTQ Initiatives

In fiscal 2021, Tokyu Land Corporation and Tokyu Community Corporation received the highest "Gold" and "Silver" ratings, respectively, in the PRIDE Index, which evaluates the LGBTQ initiatives of companies and organizations.

Under the Tokyu Land Holdings Group Human Rights Policy, the Tokyu Land Holdings Group is committed to eliminating discrimination based on gender, age, nationality, race, ethnicity, religion, social status, disability, gender identity, sexual orientation, and other factors, and to creating a mutually respectful organization that provides value to society. We will give back to society by creating an organization that respects each other.

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

[Correspondence to diverse races, religions, and nationalities]

Correspondence to Muslims

Tokyu Land Corporation has set up a prayer room for Muslims in Shibuya SOLASTA, our headquarter, to create an environment where people can play an active role regardless of race, religion, or nationality for the local employees in Indonesia, where our affiliated companies operate.

TOKYU LAND CORPORATION

[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 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.

Social Data

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
1. The number of managers	person	1,821	1,956	2,000	2,064	2,041
2. The number of female managers	person	151	159	173	189	143
3. The ratio of female managers	%	8.3	8.1	8.6	9.2	7.0
4. The number of directors	person	13	13	13	15	13
5. The number of female directors	person	1	1	1	2	2
6. The ratio of female directors	%	7.7	7.7	7.7	13.3	15.4
7. Female operating officer	person	2	4	4	6	2
8. The number of employees	person	21,976	22,953	23,411	21,276	—
9. The number of full-time employees	person	8,808	9,603	10,164	10,497	10,431
10. The number of full-time female employees	person	2,514	2,863	3,136	3,343	3,329
11. Ratio of Female Employees	%	28.5	29.8	31.4	31.8	31.9
12. The number of new hires	person	377	422	437	347	322
13. The number of new female employees hires to total hires	person	149	136	174	143	129
14. The ratio of new female employees hires to total hires	%	39.5	32.2	39.8	41.2	40.1
15. The average Length of Service by Female Employees	year	9.2	8.11	8.6	8.7	7.6
16. The average length of service by male employees	year	13.1	13.3	12.9	12.7	10.4
17. The gender difference in length of service	year	3.9	4.3	4.3	4.0	2.8

*The percentage of other women in 2022 is as follows.

18. Share of women in junior management positions 3.6%

19. Share of women in management positions in revenue-generating functions 28.4%

20. Share of women in STEM-related positions 37.6%

*Major companies of the Tokyu Fudosan Holdings Group as of April 1 of each year are covered. From 2022, Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu Housing Lease Corporation and National Students Information Center CO., LTD. (Six companies, including Tokyu Hands Inc., until fiscal 2021.)

*4 to 6 are the results of Tokyu Fudosan Holdings, and are the data after the general meeting of shareholders.

*7 Number of directors and executive officers included. Third-party verification does not include directors and executive officers in the number of female executive officers (3 in FY 2019 and 3 in FY 2020).

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

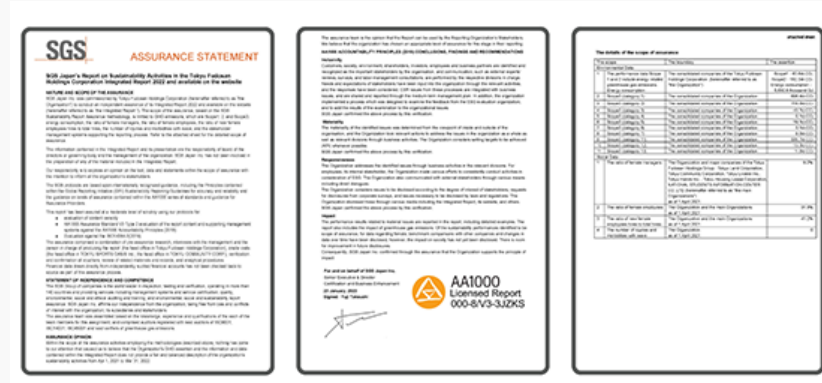
*20 STEM workers use their knowledge of science, technology, engineering or mathematics in their daily responsibilities.

Third-party Independent Verification of Social Data

The Tokyu Fudosan Holdings Group receives independent verification of its non-financial data from a third-party in order to ensure the reliability of this information.

The verification of FY2021 includes four social data (the ratio of female managers, the ratio of new female employee hires to total hires, etc.).

Third-party Verification Report on Social Data



[Third-party Verification Report.pdf \(PDF:183KB\)](#)

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

+ Environmental Conservation Initiatives

+ Contributions to Local Communities

+ Employment and Labor Practice Initiatives

Management Structure

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GROUP VISION 2030 >

TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



Management Structure



To continue to be a corporate group trusted by society, the Tokyu Fudosan Holdings Group has been increasing the transparency and efficiency of Group management, while enhancing its corporate governance and compliance.

> Anti-Corruption

> Risk Management

> Information Security

Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

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GROUP VISION 2030

TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake



Anti-Corruption

Policy

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

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

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

Tokyu Fudosan Holdings

Management Structure

Board audit on corporate ethics (corruption, money laundering, etc.)

Tokyu Fudosan Holdings regularly conducts anti-corruption audits on all businesses. We audit annually on compliance with anti-corruption code of conduct such as corruption and money laundering, and report the results to the Board of Directors.

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.

Tokyu Fudosan Holdings

Practice and Implementation

Compliance training

The Group regularly holds compliance seminars for employees. We have taken up themes that are highly demanded by society, such as "insider trading regulations," "measures to prevent power harassment and sexual harassment," and "prevention of accounting irregularities," and have made efforts to hold these seminars in a timely and appropriate manner by inviting outside lawyers as lecturers.

In addition, e-learning training sessions are held annually for approximately 20,000 employees, with the goal of achieving a 100% participation rate. In addition to the same themes as the seminars mentioned above, training was held twice on topics such as "labor affairs" and "internal reporting system. Furthermore, Tokyu Land Corporation regularly holds e-learning sessions for all employees, including temporary and contract employees, regardless of their employment status.

Tokyu Fudosan Holdings

Disclosure of total amount of political contributions made

Tokyu Fudosan Holdings does not make donations to political activities as stipulated in Article 4, Paragraph 4 of the Political Funds Control Act.

Tokyu Fudosan Holdings

Employee Discipline, Dismissal, and Fines/Penalties Resulting from Violations of Anti-Corruption Policies

The results for fiscal 2021 regarding anti-corruption at Tokyu Land Holdings are as follows

	FY2021
Number of violations of anti-corruption policies	0
Employee Discipline and Termination	none
Fines related to corrupt practices	0
Application of penalties related to corrupt practices	none

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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. Corruption and bribery are centrally managed within the risk management system, regardless of the level of risk. Especially for high-risk businesses, 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. The results of the Risk Management Committee are reported to the Board of Directors and the risk management process is reviewed as necessary.



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.

Tokyu Fudosan Holdings

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.

Tokyu Fudosan Holdings

Reviews compliance with its Code of Conduct/Code of Ethics and identifies any non-compliance

In the event of a violation of laws, regulations, or internal rules, we will investigate and respond to the violation in accordance with the Compliance Rules, including the parties involved, the history of the facts, the nature and details of the violation, the amount of damages, and the impact on interested parties, as well as report to the relevant government agencies, formulate measures to prevent recurrence, and take disciplinary action.

Tokyu Fudosan Holdings

Reserve Fund for Legal Violations and Litigation

At the end of every fiscal year, Tokyu Fudosan Holdings estimates the amounts of penalties for ESG issues or legal settlements that are likely to occur in the future due to events (including corruption and bribery) 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, 2020: None
- Disclosures until December 31, 2021: None planned

Tokyu Fudosan Holdings

Corruption risk assessment in the business

Before commencing any business, Tokyu Land Corporation always conducts a corruption risk survey of its business partners, brokers, and other counterparties. We comprehensively assess risks related to corruption, bribery, embezzlement, fraud, labor violations, crime, abuse and slavery, tax evasion, money laundering, extortion, and human rights violations, and work to prevent corruption. In cases where we determine that there is a particularly high risk, we review the results of the investigation in detail and, if necessary, conduct additional investigations to reconsider and manage the situation.

TOKYU LAND CORPORATION

Reporting Contact for External Stakeholders

We have established a point of contact to receive comments and suggestions not only from our employees, but also from our customers and other external stakeholders.

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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 “Information Security Rules” and the “Detailed Information Security Regulations”, including the rules on the monitoring of employees’ access to information by information managers and on the use of computer terminals.

Tokyu Fudosan Holdings

Management Structure, Practice and Implementation

Information Security Management System

Information security at Tokyu Fudosan Holdings is managed by the Information Security Committee, which is headed by the director in charge of the general administrative divisions who is also the Chief Information Security Officer. The Information Security Committee implements organizational, personnel, technical, and physical measures, inspections, and improvements based on the Information Security Policy, thereby establishing the information security PDCA cycle and continuous operational improvements.

Tokyu Fudosan Holdings

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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Theme	Recommended Disclosure	Approach
Governance	a) The board's oversight of climate related risks and opportunities	<ul style="list-style-type: none"> ● <u>Tokyu Fudosan Holdings Sustainability Committee chaired by the company president discusses significant climate-related issues, whose outcome to be brought to attention at the board of directors.</u>
	b) Management's role in assessing/managing climate related risks and opportunities	
Strategy	a) Climate related risks and opportunities the organization has identified over the short, medium and long-term	<ul style="list-style-type: none"> ● <u>Assessed risks and opportunities for each of urban development, resort, residential and renewable energy businesses over mid-term (- 2030) and long-term(- 2050) for 1.5°C, 3°C and 4°C scenarios.</u> ● <u>Promote ZEB/ZEH, expand renewable energy, businesses and green financing at each business level</u>
	b) Impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	
	c) Resilience of organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	
Risk Management	a) Processes for identifying / assessing climate-related risks	<ul style="list-style-type: none"> ● <u>Addressed climate change as an issue of high significance in the long-term management strategy, set KPI targets for 2030 accordingly and the Sustainability Committee has been monitoring progress.</u> ● <u>Sustainability Committee and Risk Management Committee meet together to discuss the issues.</u>
	b) Processes for managing climate-related risks	
	c) Integrate processes for identifying, assessing, and managing climate-related risks into the organization's overall risk management	
Metrics and Targets	a) The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> ● <u>Our GHG emission target for 2030 was approved as SBT aligned with 1.5°C. Pledged to achieve net zero CO₂ emissions by 2050 across our operations and supply chain.</u> ● <u>Tokyu Land Co. joined RE100 with the target year as early as 2025.</u> ● <u>Set KPI targets to reduce water consumption and waste, obtain environmental performance certificates for buildings, and contribute to forest conservation area</u>
	b) Scope1, 2 and 3 GHG emissions and the related risks	
	c) Targets used by the organization to manage climate related risks and opportunities and performance against those targets	

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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	● GHG(CO₂) emissions data , Energy usage data
	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) GHG(CO₂) emissions data , Energy usage data
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	● GHG(CO₂) emissions data , Energy usage data
	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	● List of DBJ Green Building
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	● Climate Change Commitments
	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
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 ³), Percentage (%)	(1) Water usage — Goals and results (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 (%)	● Water usage — Goals and results
IF-RE-140a.4		Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	● Water Use
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	Percentage (%) by floor area, Square feet (ft ²)	n/a

TOPIC	CODE	ACCOUNTING · METRIC	UNIT OF MEASURE	REFERENCE
		and (2) associated leased floor area, by property subsector		
	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	<ul style="list-style-type: none"> ● <u>Climate Change Commitments</u> ● Partially started green lease contract ● <u>Reduction in CO₂ emissions in office buildings</u>
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Square feet (ft ²)	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	<ul style="list-style-type: none"> ● <u>Climate Change</u>

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 ²), Number	<ul style="list-style-type: none"> ● <u>Building Management (TOKYU COMMUNITY CORP.)</u> ● <u>Track record of building and facility management (Japanese only)</u>
	IF-RS-410a.3	(1) Floor area and (2) number of buildings under management that obtained an energy rating	Square feet (ft ²), Number	<ul style="list-style-type: none"> ● <u>List of DBJ Green Building</u>
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"> ● Human Rights and Community ● Health and Safety ● Labor Standards ● Diversity Promotion
	Principle 2	make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> ● Supply Chain (Society)
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"> ● Labor Standards
	Principle 4	the elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> ● Labor Standards
	Principle 5	the effective abolition of child labour; and	<ul style="list-style-type: none"> ● Labor Standards
	Principle 6	the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> ● Labor Standards ● Corporate Governance
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> ● Promotion Structure ● Identification of Materialities & Opportunities and Risks ● Environmental Conservation Initiatives ● Green Bond
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> ● Support for activities to avoid climate change ● Signatory to Initiatives
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> ● Supply Chain (Environment)
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> ● Compliance ● Risk Management ● Anti-Corruption ● Political contribution

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

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"> ● Privacy Policy ● Enhancing Services and Improving Quality ● Providing Safety and Security ● Responding to the Trends towards Smaller Families and an Aging Society ● Promoting Communication
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"> ● Supply Chain (Society) ● Human Rights and Community ● Contribution to Local Communities and Society

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Tokyu Fudosan Holdings Group's CSR

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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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FTSE4Good

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



Tokyu Fudosan Holdings

FTSE Blossom Japan Index

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



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>

Tokyu Fudosan Holdings

FTSE Blossom Japan Sector Relative Index

Tokyu Fudosan Holdings Corporation has been selected for the FTSE Blossom Japan Sector Relative Index, adopted by GPIF (Government Pension Investment Fund) as one of the benchmarks for its ESG investment strategy.

The FTSE Blossom Japan Sector Relative Index is developed by FTSE Russell to identify the sector-specific performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.



Tokyu Fudosan Holdings

MSCI Japan ESG Select Leaders Index

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

2022 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.

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Tokyu Fudosan Holdings

S&P Carbon Efficient Index

Tokyu Fudosan Holdings Corporation has been selected for inclusion in the S&P/JPX Carbon Efficient Index, a stock price index for ESG investment by the General Pension Investment Fund (GPIF), which focuses on the environment among other ESG factors. The index's inclusion ratio is determined based on environmental information disclosure status and carbon efficiency (carbon emissions per unit of sales).



Tokyu Fudosan Holdings

The Sustainability Yearbook

S&P Global, a global financial services company, evaluated the sustainability of more than 7,800 of the world's major companies from the three aspects of economy, environment, and society, and selected the top 15% of the companies in each industry. 708 companies (84 of which are Japanese companies) including our company were listed in 2023. In 2023, 708 companies including our company (of which 84 are Japanese companies) were listed.

Tokyu Fudosan Holdings

CDP Climate Change

Tokyu Fudosan Holdings Corporation has been recognized for leadership in performance on climate change initiatives by global environmental non-profit CDP, securing a place on its annual 'A List', for the second consecutive year.



Tokyu Fudosan Holdings

CDP Supplier Engagement Leader

For the third year in a row since 2020, we have been awarded the highest rating of A (Leadership) in a survey conducted by CDP, an international environmental nonprofit organization, which evaluates companies' efforts to understand their greenhouse gas Scope 3 (upstream) emissions, set reduction targets, and engage with their suppliers.



Tokyu Fudosan Holdings

GRESB

Tokyu Fudosan Holdings, Inc. has received a 4-star rating in the GRESB Real Estate Assessment for the Standing Investment Benchmark, which is related to the operation of existing properties, for two consecutive years since fiscal 2021. In addition, in the disclosure evaluation, which measures the level of ESG information disclosure, Tokyu Fudosan Holdings has received the highest rating of "A" for six consecutive years since fiscal 2017, and received a score of 100 points in the 2022 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