

# Evolve the associated assets expansion model through the utilization of intellectual assets and co-creation with partners

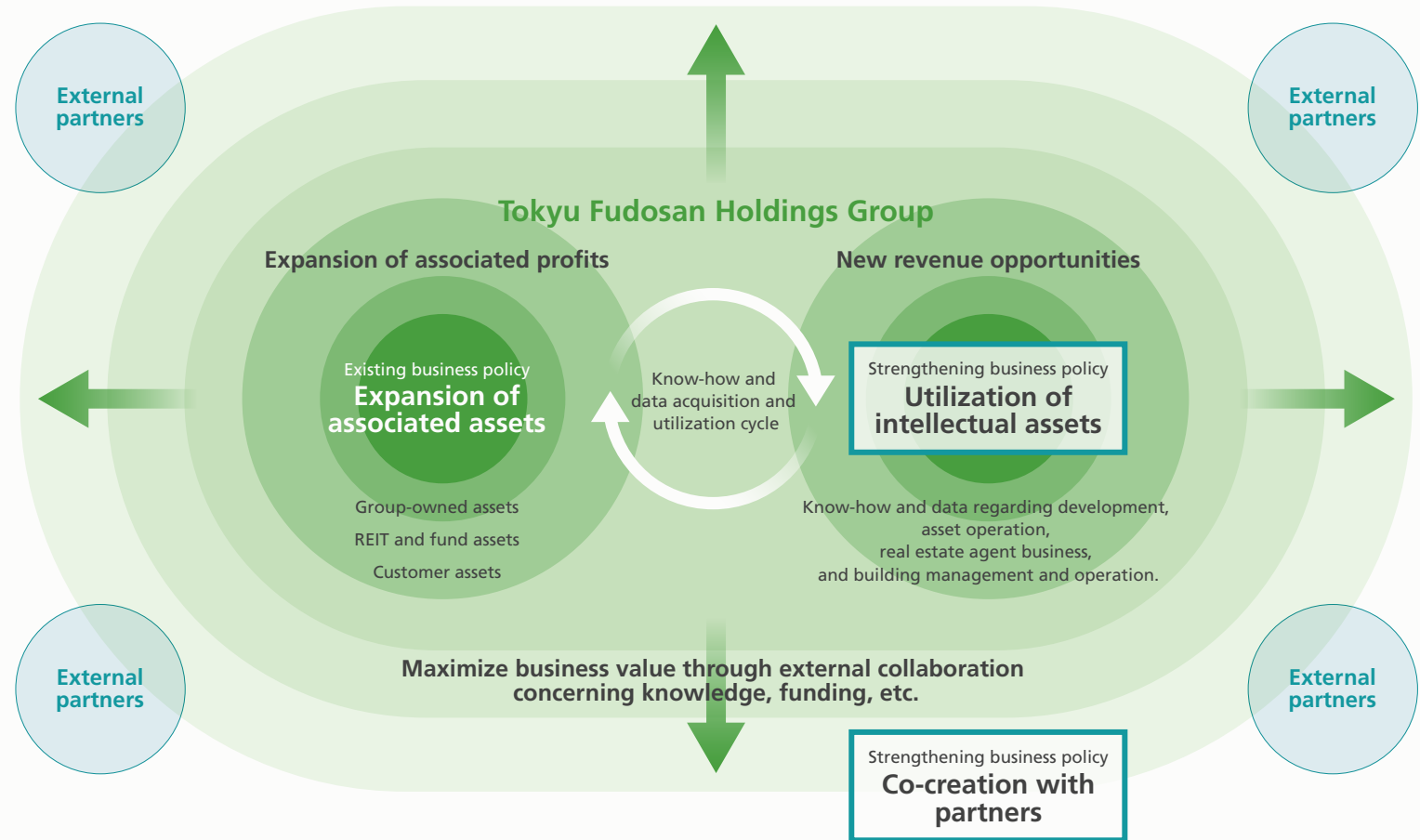


## Utilization of intellectual assets and co-creation with partners

The goal of the business policies formulated under our long-term management policy is to evolve the associated assets expansion model by increasing our focus on the utilization of intellectual assets and co-creation with partners.

Our definition of associated assets is not limited to assets under management, such as Group-owned assets, REITs, and other funds. It also includes assets entrusted to us by customers in our property management, real estate agent, and other businesses. In our previous medium-term management plan, we pursued the expansion of associated assets as a business policy, and accordingly, we were able to grow profits by taking advantage of one of the Group's strengths, which is our customer networks in a wide range of businesses, from property development to property management and operation. In order to build on the platform we have created under this policy and further evolve the associated assets expansion model, we will strengthen the utilization of intellectual assets and co-creation with partners to advance value creation that leverages our value chains.

Regarding the utilization of intellectual assets, we will accumulate expertise and data from associated assets and then put these to use with the aim of expanding incidental earnings and capturing new earnings opportunities. Regarding co-creation with partners, we will break away from a closed, fully in-house approach and actively use external resources, including knowledge and funding, to maximize business value. We will also work to absorb and accumulate expertise through collaboration with outside partners.



# Project 01 Smart City Takeshiba—Combining area management and technology in Japan’s leading smart city



## Project overview

TOKYO PORTCITY TAKESHIBA, which opened in September 2020, comprises the Office Tower, with 40 floors above ground, and the Residence Tower, with 18 floors above ground. These have a combined total floor area of approximately 200,000 m<sup>2</sup>. This project has been certified as a qualified project in the National Strategic Special Zones initiative and it aims to create an international business hub as a focus point for digital and content creation industries. The project is being led by Takeshiba Area Management, a general incorporated association in which Tokyu Land Corporation owns a stake, and it is engaged in efforts including regional revitalization and the realization of Smart City Takeshiba under the smart city concept.



## Realizing a smart city through co-creation and DX

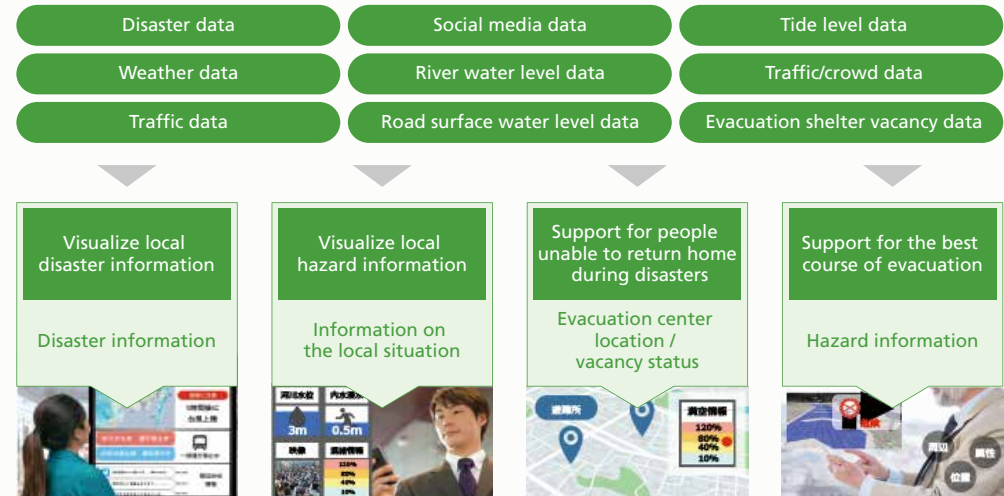
Tokyu Land Corporation is engaged in co-creation with SoftBank Corp. with a focus on building a smart city model that utilizes leading edge technology throughout the entire city. One of the major initiatives of this project is the operation of Smart City Platform, an urban operating system that will enable a range of businesses to utilize a variety of data collected in the Takeshiba area, including human traffic flow, visitor attributes, road conditions, traffic conditions, and water levels, in real time. We are also working to implement new services that utilize cutting-edge technologies. These initiatives help address issues in Takeshiba and the surrounding area by improving mobility, easing congestion, and strengthening disaster resilience. The project will work to promote economic development and create added value in the area via cross-sector services. Over the three years since fiscal 2020, Smart City Takeshiba has been

adopted as an initiative in the Smart City Tokyo project\*, and we are using this as an opportunity to accelerate our progress.

Also, since fiscal 2020, we have been participating in Project PLATEAU, an open data project being led by the Ministry of Land, Infrastructure, Transport and Tourism focused on the creation and use of 3D urban models, and we have developed multiple usage cases. This includes running disaster simulations and testing emergency response. Additionally, we are combining our urban development capabilities and ability to drive forward area management, which have been applied in multiple practical smart city models, with SoftBank’s technology and knowledge related to smart cities to advance disaster preparation measures for the entire city. In this way, we will strive to enhance the disaster response capabilities and regional value of the Takeshiba area while realizing next-generation community development.

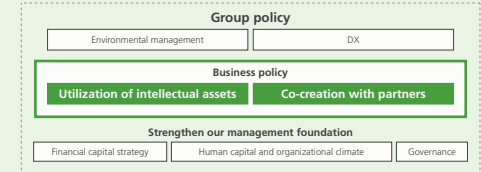
## Smart City Platform

Collecting and analyzing a wide range of data



\*A project being implemented to lead progress toward the realization of a Tokyo version of society 5.0, a society where citizens can enjoy a high quality of life. This is being achieved by using digital technology to draw out Tokyo’s potential and enhance quality of service.

# Project 01 Smart City Takeshiba—Combining area management and technology in Japan’s leading smart city



## Co-existing with the local environment and community

The Takeshiba area contains offices, hotels, theaters, commercial facilities, schools, gardens, and other attractions, and it is also surrounded by areas that are highly competitive on an international level, such as Otemachi, Marunouchi, and Yurakucho, which comprise an international financial center, and Shinagawa and Machida, which are attracting attention as transportation hubs. Tokyu Land Corporation is implementing various initiatives that aim to achieve sustainable community development by enhancing the appeal and vitality of the entire area. This includes fostering visitor networks by establishing a pedestrian deck that stretches from Hamamatsucho Station through to Takeshiba Station and Takeshiba Pier. Once the construction of a walkway above JR Hamamatsucho Station has been completed, there will be unobstructed pedestrian access from the ticket barriers all the way to TOKYO PORTCITY TAKESHIBA Office Tower.

Office Tower’s Skip Terrace, which contains the Eight New Views of Takeshiba, is a space that is open to the surrounding area through which we are trying to create a lush green environment under the management of Ishikatsu Exterior Inc. It even contains 145 m<sup>2</sup> of

rice paddies that are being used to hold rice planting and harvesting events for children from local nurseries, people connected to the buildings’ tenants, and residents of the residential tower. We are using the Eight New Views of Takeshiba for environmental education, regional exchange, and information sharing in order to showcase Japan’s urban biodiversity initiatives.

Also, Takeshiba Area Management, a general incorporated association in which Tokyu Land Corporation owns a stake, is engaged in a wide range of activities through public-private collaborations with Minato City and local businesses. These focus on areas including smart city promotion and use of public spaces, as well as local MICE\*, the rejuvenation of water transport, roadway use (open-air cafes and banners), and participation in local festivals. By connecting together various initiatives for solving the region’s issues and leveraging its appeal, we will encourage the creation of new value, thereby raising the area’s value.

\*MICE: An acronym for Meeting (corporate conferences), Incentive travel (corporate training and rewards), Convention (for international organizations and academic groups) and Event/Exhibition (exhibitions and trade shows). It refers to business events that entail a large convergence of people.



The Eight New Views of Takeshiba

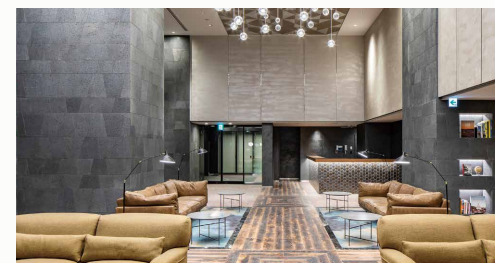


The Shiba Daijingu Daradara Festival

## Using technology to deliver smart urban residences

TOKYO PORTCITY TAKESHIBA Residence Tower, which is connected to TOKYO PORTCITY TAKESHIBA and Takeshiba Station via a pedestrian deck, is an urban smart residence that brings together many different technologies to offer lifestyle proposals suitable for an era of diverse values. Tokyu Housing Lease handles the management and operation of rental units and by offering a selection of housing styles that can be chosen in accordance with living environment preferences (residences, premium residences, serviced apartments, share houses) and diverse communal spaces, it is raising the comfort of everyday living and proposing new smart lifestyles in which a resident’s workplace is close to their home.

The tower uses IoT equipment to provide highly functional living spaces through a specialized app for residents (functions include visualization of electricity consumption and control of appliances and water heaters) and it also features smart mirrors (containing a digital display) and virtual windows (shows scenery from all over the world). These various smart residence proposals are contributing to the development of the Takeshiba area and the creation of a smart city model.



TOKYO PORTCITY TAKESHIBA Residence Tower’s entrance hall

### Value chain topics Taking on new challenges through Group collaboration

Tokyu Housing Lease has been involved in the TOKYO PORTCITY TAKESHIBA Residence Tower project since the development stage and we have introduced IoT equipment that leverages leading edge technology such as facial recognition systems and smart locks. The building is also distinctive in offering a rich selection of communal spaces, including multiple lounges to accommodate various purposes and a fitness room. When construction was completed, there was nothing else like it in the area, so when considering ways to operate the equipment and facilities, we had to leverage all the expertise we have cultivated to date while also referring back to the design concept. It took many, many discussions to finalize room layouts and rental prices.

As a result, we received a huge response as soon as we started taking rental applications and most of the units were filled before construction was completed. Over the three years since the building opened, we have maintained a high occupancy rate and I have heard from many residents that they want to move to a bigger unit within the building, giving the strong impression that the tower is well liked by its occupants.

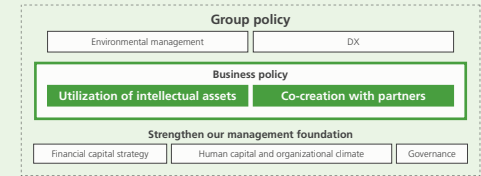


**Tatsuhiro Sasagawa**  
Senior Staff Member  
Tokyu Housing Lease Corporation



# Project 02

## Connecting historic buildings with future generations The regeneration of Kudan-Kaikan Terrace through cutting-edge technology and environmental awareness



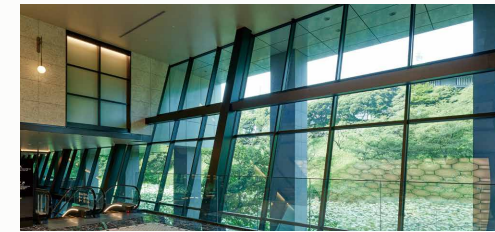
### Project overview

Reopened in October 2022. Through co-creation with Kajima Corporation, we preserved a section of the former Kudan Kaikan, which is a registered tangible cultural property of Japan, while also reconstructing it as Kudan-Kaikan Terrace, a building that offers some of the finest views of Central Tokyo, looking over Kitanomaru Park and the Imperial Palace moat. The name Kudan-Kaikan Terrace reflects the building's terrace landscape, which incorporates the greenery of Kitanomaru Park, while keeping the former Kudan Kaikan's name alive. In this way, it is a symbolic project for the area that will pass on historic value to future generations.



### Blending master craftsmanship from 90 years ago with cutting-edge technology

Kudan-Kaikan Terrace comprises a preserved section, that conserves and restores the original building in a way that fully utilizes its Teikan style, a Japanese architectural style that was popular at the time of its founding, and a new build section containing 17 above ground floors of state-of-the-art office space that utilizes IoT and offers views of the Imperial Palace moat. The former Kudan Kaikan was built 90 years ago, so the materials from that time are difficult to procure and the craftsmanship is difficult to recreate. Therefore, we realized co-creation that combined the office development abilities of the Group with the technical capabilities of Kajima Corporation in order to leverage as much of the original building's historical value as possible and utilize it in an advanced manner. The goal was to transform the building through a unique design that blends old and new. The preserved section is not just for display. We are preserving it in a state that keeps it fit for daily use to realize a space that merges tradition with innovation so that users feel more connected to the history of the former building.



View Smart Glass

In the reconstruction, we incorporated an environmentally friendly perspective that links to the circular economy. We were able to reduce CO<sub>2</sub> emissions by about 75%\* of the levels generated during new construction by using resources effectively and preserving and reusing the existing building. It also became the first office building in Japan to be equipped with View Smart Glass created by US-based View, Inc. This system uses sensors mounted on the building's roof and AI to optimize the levels of natural light and heat within the building, reducing electricity consumption by as much as 20% compared to regular low-emissivity glass.

The building also uses the Smart City Platform developed for TOKYO PORTCITY TAKESHIBA. The platform operates various IoT solutions in an integrated manner to enhance security within the building, reduce the building management workload, and mitigate congestion, among other benefits, thereby contributing to the safety and peace of mind of users.



The Banquet Hall Pearl, operated by Kudan-Kaikan Terrace Conference & Banquet. Its original design has been preserved and restored.

\*Comparison refers to preserving sections of the building. We estimated that fully dismantling and reconstructing the existing building would generate 82 tons of CO<sub>2</sub> emissions, while advancing construction in which certain sections of the existing building are preserved would generate 21 tons.





## Project 02 Connecting historic buildings with future generations The regeneration of Kudan-Kaikan Terrace through cutting-edge technology and environmental awareness

### Considering the physical and mental health of office workers

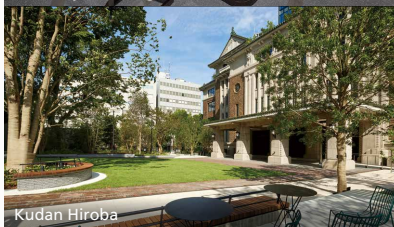
Kudan-Kaikan Terrace includes a variety of facilities that propose new working styles under the theme of “health.” We collaborated with monosus inc., a company that is working to realize a recycling-based society, to establish Kudan-Shokudo. This is a worker cafeteria based on the new concept of involving users in the consideration of everything from the production through to the consumption of food. The menu offers a selection that caters for diverse lifestyles and health conditions in order to provide meals that support well-being. In addition to this, the building contains Business-Airport Kudanshita, a membership-based shared office facility which has a dining zone that can also be used by non-members, providing a space for communication. There is also a Clinic Mall. These facilities have been highly rated by tenants as being beneficial to their health and productivity management initiatives.



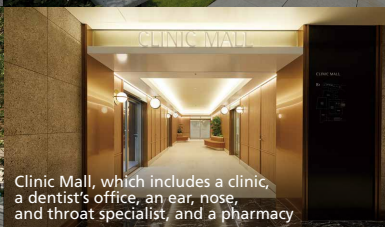
Kudan-Shokudo, which features a design that naturally encourages communication



Rooftop Garden, located on the fifth floor



Kudan Hiroba



Clinic Mall, which includes a clinic, a dentist's office, an ear, nose, and throat specialist, and a pharmacy

### Harmonizing with nature and the local community

Within the Kudan-Kaikan Terrace grounds, we have established a rooftop garden surrounded by greenery, the Kudan Hiroba plaza space, and the Kudan Komichi walkway as spaces that will help raise productivity by encouraging external exchange and providing workers with a natural boost through greenery.

Kudan Hiroba is receiving recognition for its design, which aims to create a green space in the heart of the city that actively draws the community in, and it won the Grand Prize for Greening (Symbol Garden Category) at the 32nd Green Environmental Planning Awards.

Also, we have shown respect for the history of the site and balance with local biodiversity by taking species native to the area into consideration when choosing saplings.

### Value chain topics Taking on new challenges through Group collaboration

One cherry blossom season has passed since the building's opening and visitor numbers have remained consistently high. Among all these visitors, one scene that made a particular impression on me was an elderly couple who seemed to be looking at the facade with nostalgic expressions. That moment reminded me that we have a responsibility to manage and operate this building as an important part of the Kudanshita scenery which is steeped in history dating back to the early twentieth century. Since development started, we have worked to strengthen our management framework and bring together the opinions and knowledge that each person involved in the project has cultivated based on their individual backgrounds with the goal of giving the former Kudan Kaikan a new life as Kudan-Kaikan Terrace, an appealing building that merges tradition with innovation. We are doing our best to ensure that it will remain a well-loved place and a symbol of the Kudanshita area for a long time to come.

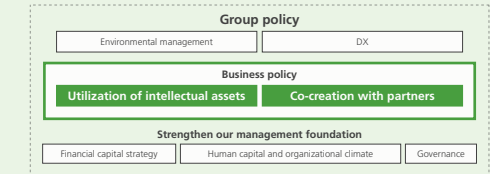
#### Hiroshi Shimada

General Manager  
Kudan-Kaikan Terrace Management Office  
(on secondment from Tokyu Land Corporation)

One year before the building opened, I was seconded to Tokyu Land Corporation to support preparations for the opening. At first, I struggled to incorporate the perspective of managing a cultural property into our approach as a developer but after plenty of trial and error, the feeling of achievement I received when we successfully opened was the greatest of my life so far. I was also able to leverage my experience of working at Tokyu Community Corp. to smoothly align the direction of the companies involved in the collaboration, particularly in terms of administration. Going forward, we will aim to leverage the characteristics of the local area and ensure the facility is open to the community through facility management that raises visitor numbers and contributes to the satisfaction of people living in the area.

#### Masaki Okudaira

Assistant Manager  
Kudan-Kaikan Terrace Management Office  
(on secondment from Tokyu Community Corp.)



From left: Suguru Iguchi, Hiroshi Shimada, Masaki Okudaira

My secondment involved moving from construction to the completely different industry of real estate, and I remember how nervous I felt at first. However, as the project moved forward, I found that although the content of the work was different, it was underpinned with the same basic desire to create something good. I was able to leverage the ability to make proposals and the leadership skills that I cultivated at Tokyu Re-design Corporation to draw out the latent needs of tenants and increase customer satisfaction. Now, in addition to strengthening relationships with tenants, we will aim to create new value from a community building perspective as a symbolic building with deep roots in the Kudan area.

#### Suguru Iguchi

Kudan-Kaikan Terrace Management Office  
(on secondment from Tokyu Re•design Corporation)