

Message from the Officer in Charge Becoming a collection of human capital which creates an unending stream of value



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Approach to human capital management

As we enter an era of great change in the environments around both companies and individuals, human capital is becoming ever more important. The Group comprises over 100 companies and approximately 30,000 employees, so I think it is essential that we strengthen our management foundation to create an organization that engages its diverse workforce. Our Group perceives the knowledge, skills, and drive of our employees as “human capital.” We will be actively investing in our human capital and formulating and implementing human capital strategies that interlock with our management strategies. We are confident this will lead us to our aims—to “create value for the future” and “a future where everyone can be themselves and shine vigorously.”

Our human capital philosophy and three human capital strategies

To achieve GROUP VISION 2030, our vision for what we want the Group to be by the year 2030, we have established a human capital philosophy of aiming for growth and the creation of a sustainable society with every employee having “challenge-oriented DNA” and

a “mission to engage in society.” Based on this philosophy and our management strategies, we have formulated and are moving forward with three human capital strategies as policies to be implemented—“Develop people who create value,” “develop organizations with diversity and a sense of unity,” and “enhance motivation to work and foster an employee-friendly work culture.”

The first, developing people who create value is a policy for cultivating human resources based on our Group philosophy and management strategies. Together with instilling the Group philosophy, we are striving to achieve our long-term vision through measures interlinking our Group policy, namely developing DX talent and advancing human capital development based on environmental management. In instilling our philosophy, we are putting particular effort into strengthening horizontal coordination between Group companies under our WE ARE GREEN slogan. We have established the degree of personal investment in achieving the long-term vision of executive officers at each Group company as a KPI, enhancing the impetus to realize this vision. As this KPI applies to operating officers, I will be personally taking the lead and actively engage in Group coordination.

The second strategy, developing organizations

with diversity and a sense of unity is a policy which concerns the establishment of an internal environment which supports the Group’s value creation. In addition to promoting the success of women in the workplace, such as increasing the ratio of female managers; and promoting the workplace success of diverse human capital through diversity, equity, and inclusion (DE&I) initiatives, we believe that fostering an organizational climate which is highly innovative and psychologically safe is essential to the embodiment of “challenge-oriented DNA” and the creation of value which maximizes the Group’s value chain. It was a formative experience for me to be assigned to a commercial facility for the first few years after I was hired and struggle with the difficulties of facility operation and management alongside the employees of the affiliated equipment, cleaning, and security companies. I still vividly remember the difficulty of overcoming organizational boundaries to coordinate the

capabilities of the diverse members involved, and just how much could be accomplished when everyone was aligned along the same vector.

The third strategy, enhancing motivation to work and fostering an employee-friendly work culture is a policy which concerns the establishment of an internal environment which supports each individual employee. In addition to implementing health and productivity management and supporting diverse working styles in line with individual life stages, we are also monitoring initiatives to increase employee engagement from the perspective of job satisfaction as a key measure.

By engaging in these three human capital strategies, we will aim to realize environments where employees can work with motivation and ambition and in good physical and mental health. At the same time, we will also aim to produce human resources who are highly-productive and widely contribute to society and, in turn, maximize our value chain.

Dissemination of Group philosophy “WE ARE GREEN” measures

FY2022 results
Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination)
84% (140 operating officers total)

“WE ARE GREEN” was established as the Group slogan in GROUP VISION 2030. Green is both our corporate color and a color which symbolizes the environment and sustainability. “WE ARE GREEN” expresses our intention to combine the diverse green capabilities the Group develops and create new value. We are working to deliver a unified message and enhance awareness and permeation through television commercials, information sharing on our portal website T-MAG, e-learning for all our employees, and joint Group training for new hires. Of particular note, during e-learning

for the 140 operating officers of the Group’s companies, we measured their degree of personal investment, representing the degree to which they personally had implemented Group coordination, receiving an answer of 84%. Aiming for 90% in 2025, we are striving to increase awareness of Group coordination among our senior management members.



The Group slogan: “WE ARE GREEN”

Establishing a structure for implementing human capital management based on our human capital philosophy



Our approach on which our human capital management is based

To achieve GROUP VISION 2030 and our medium-term management plan, the aim of the Group's human capital management is to formulate and implement human capital strategies that interlock with our management strategies. By investing in the human capital that is one of the sources of the Group's competitiveness, we are aiming to strengthen our management foundation and in turn maximize the Group's comprehensive

strength. Having formulated a human capital philosophy that bears the progressive spirit of the challenge-oriented DNA passed down since our establishment, each and every one of our employees, from senior management members down, will create high social value. Through this, we will aim to be a corporate group that balances diversity and unity as we implement human capital management.



Human capital management implementation structure

We have established a structure for implementing human capital management to ensure the interlinking of human capital and management strategies. After receiving reports on human capital strategy issues and KPI progress, the Sustainability Committee and Risk Management Committee discuss what course to take together with senior management members and report the results to the Board of Directors.

In addition, to implement our human capital strategies across the Group, we hold Group Human Capital Council meetings twice a year, sharing our vision with the Group's companies and at the same time engaging in the comprehensive monitoring of human capital issues and KPIs. Further, meetings of the following cross-sectional sub-working groups are also held: The Diversity Implementation Council, Recruitment Strategy Council, Labor Management Council, Disabled Persons Employment Liaison Council, and Health and Productivity Management Information Exchange Council.

The Recruitment Strategy Council deliberates and reports on matters concerning employee

recruitment and assignment, namely issues concerning the recruitment of new graduates and mid-career hires. The council is involved in recruitment activities at the Group's companies in accordance with our vision of the kind of human capital the Group requires.

The Group Human Capital Council deliberates and reports on issues concerning human capital cultivation, transfers, evaluations, and compensation. To support individual growth, each Group company operates systems such as job rotation systems, internal free agent (FA) systems, and open application systems in order to enhance the organizational capabilities by placing the right individuals in the most appropriate positions. We also maintain and operate evaluation and compensation systems adapted to the unique characteristics of each Group company and business. Our evaluations are not restricted to just business results. They consider an employee's participation from various angles, including conduct, demonstration of capabilities, and 360° evaluation, nurturing growth from a medium- and long-term perspective.

- Implementation structure**
- Platforms for connecting with the Board of Directors
 - Maintenance of a structure and mechanisms for strategy implementation such as monitoring activities and the establishment of various councils

Structure and mechanisms

