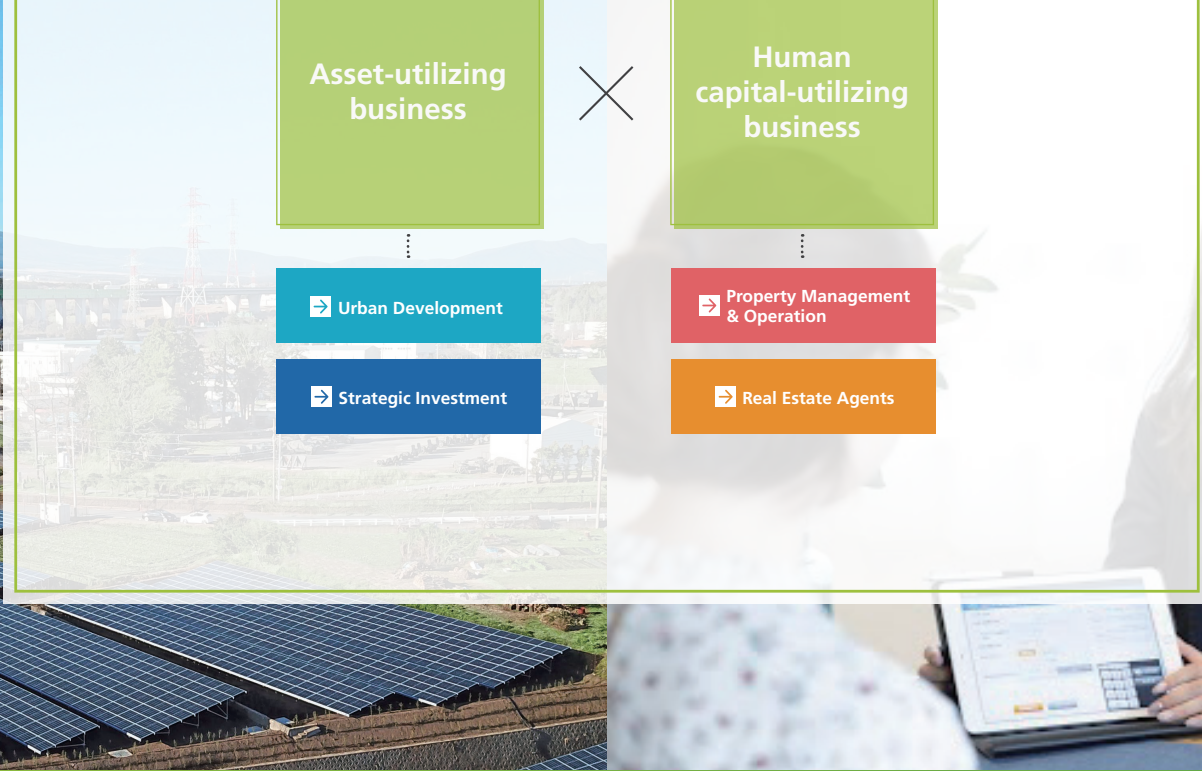


04

Strategy by Business Segment

Building a solid and distinctive business portfolio





Urban Development

Creating attractive communities and lifestyles



Business fields: Office buildings and commercial facilities / condominiums / rental housing (rental condominiums and student residences)



In the Urban Development segment, we develop and operate office buildings, commercial facilities, and other facilities, while also developing condominiums and leased housing. In recent years, we have been focusing on redevelopment projects and developing complexes, taking advantage of our extensive experience as a comprehensive developer. We are working to solve issues in target areas and improve their value. We will create comfortable, prosperous, supportive lifestyles through urban development while taking note of changing trends, such as the decreasing birthrate and aging population, diversification of lifestyles and workstyles, digitalization of society, and rising environmental awareness.

Office building and commercial facilities business targets

	FY2022	FY2025
Total relevant floor area*1	1.60 million m ²	1.75 million m ²
Environmental certifications obtained*2	73.6%	100%

*1. Total amount of floor space from offices and industrial facilities with which the Group is involved (before conversion to equities)

*2. Office space and industrial facilities owned by Tokyu Land Corp. (floor space excluding some joint businesses)

*3. Positions established as a member of area redevelopment unions or business participant in redevelopment projects

*4. Cumulative total since fiscal 2021

Residential business targets

	FY2022	FY2025
Sales from related projects*3 *4	Approx. ¥230 billion	Approx. ¥250 billion
Profitable real estate asset scale	Approx. ¥76 billion	Approx. ¥160 billion

Urban Development

Strengthen redevelopment and complex development

We are making smooth progress on the realization of a redevelopment and complex development approach that embodies our vision of development that fuses together living, work, and play. In fiscal 2023, we are due to start work on large-scale projects, including in the Greater Shibuya Area (→ see p. 11), which is a priority area for the Group, as well as in other areas, such as COCONO Susukino.

Propose urban lifestyles that enhance CX

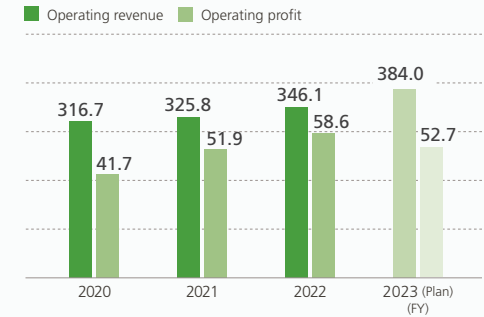
Creating and showcasing new culture through Tokyu Plaza Harajuku “Harakado” and other projects

We are aiming to build a cycle in which diverse creators create and showcase new culture through borderless collaboration, thereby attracting and bringing together people who resonate with and celebrate their work. This naturally leads to co-creation that generates the next new culture.

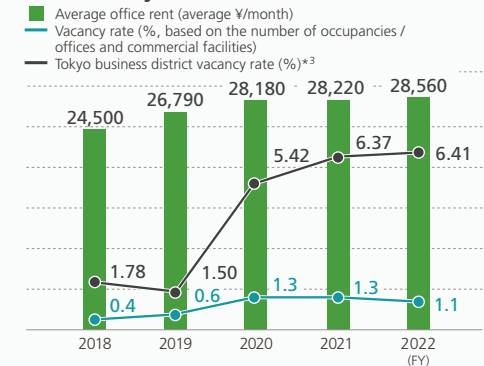


PROJECT LIFE LAND SHIBUYA, a Greater Shibuya Area project

Operating revenue / operating profit (Billions of yen)



Changes in average office rent*1 and vacancy rate*2



*1. Only for office buildings *2. For office buildings and commercial facilities *3. Source: Miki Shoji Co., Ltd.

Major projects (offices, commercial facilities, condominiums, etc.)

→ See p. 11 for an introduction to projects in the Greater Shibuya Area



TOKYO PORTCITY TAKESHIBA
Minato-ku
Office/commercial/housing
Floor space: 201,000m²
Opened September 2020



Kudan-Kaikan Terrace
Chiyoda-ku
Office/commercial
Floor space: 68,000m²
Opened October 2020



(Rendering)
Higashigotanda 2-chome Block 3 Type 1 urban redevelopment project
Scheduled to open in fiscal 2027



(Rendering)
JR Nishinomiya Station Southwest Block Type 1 urban redevelopment project
Scheduled to open in fiscal 2027

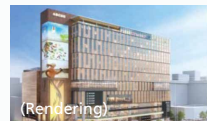


(Rendering)
Shirokane 1-chome West Central Block Type 1 urban redevelopment project
Scheduled to open in fiscal 2028



Up to FY2022 (opening year)

COCONO Susukino (Sapporo Susukino Ekimae Complex Redevelopment Project)
Sapporo, Hokkaido
Hotel/commercial/cinema, etc.
Floor space: 53,000m²
Scheduled to open in Autumn 2023



The Tower Jujo
Scheduled for completion in September 2024

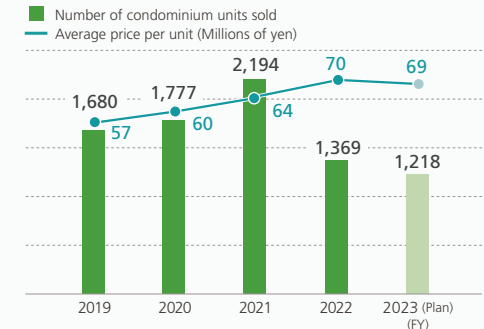


Shinjuku West Gate Redevelopment Plan
Shinjuku-ku
Office/commercial/ station facilities, etc.
Scheduled for completion in fiscal 2029



Project for Using Land at Tokyo Institute of Technology's Tamachi Campus (tentative name)
Minato-ku
Office/commercial/industry-academia-government collaboration, etc.
Complex operatorship scheduled to start in fiscal 2030

Number of condominium units sold



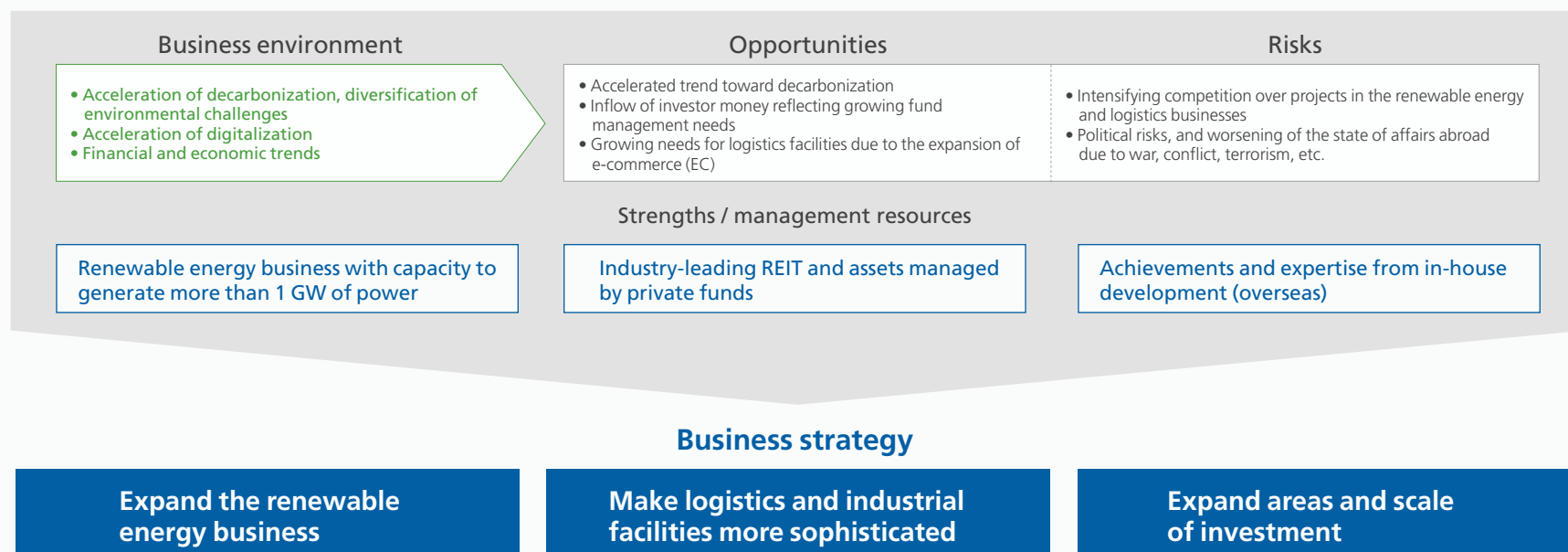


Strategic Investment

Building next-generation infrastructure



Business fields: Renewable energy power generation facilities / logistics facilities / overseas operations (North America and Asia) / investment management



In the Strategic Investment segment, we develop and improve infrastructures supporting lifestyles, such as renewable energy power generation facilities and logistics facilities. We also create diverse investment opportunities by applying our real estate investment management know-how in Japan and overseas. In the infrastructure and industry business, we will contribute to building next-generation social infrastructure by considering changes in energy policy and industrial structure. In our overseas operations, centered around Asia and the United States, we are advancing business by demonstrating our presence as a comprehensive developer.

Infrastructure and industry business targets

	FY2022	FY2025
Rated capacity*1	Approx. 1.58 GW	2.1 GW
Amount of investment in logistics and industrial facilities*2	Approx. ¥90 billion	Approx. ¥280 billion

*1. Before equity conversions

*2. Cumulative total since fiscal 2021

*3. Total value from REIT and privately placed funds (unconsolidated)

*4. Investment amounts calculated based on exchange rates for March 31 of each fiscal year

Investment management/overseas business targets

	FY2022	FY2025
AUM*3	¥1.75 trillion	¥2.2 trillion
Investments in the U.S. and Asia*2 *4	Approx. ¥60 billion	Approx. ¥150 billion

Strategic Investment

Expand the renewable energy business



Renewable energy business list

As of March 31, 2023

- Total Number of Businesses: **89**
- Rated Capacity: **1,577 MW**
 - ▶ Equivalent to the energy used by approximately 736,000 regular households
- CO₂ emissions reduction: **1,520,000 t-CO₂/year**

Solar Power	Complete	59 (815.6MW)
	In development	12 (234.1MW)
	Rooftop	1 (55.0MW)
Wind Power	Complete	5 (164.2MW)
	In development	7 (197.6MW)
Biomass	Complete	1 (54.5MW)
	In development	4 (56.0MW)

Advancing the Rooftop Business (solar power generation on facility roofs)

Since fiscal 2019, we have installed solar panels on over 900 units of former employment incentive housing across Japan, and we have developed these into a nationwide Rooftop Business. This business supplies renewable energy to Group-owned and private sector facilities and also sells electricity to external parties. In 2023, we were selected to execute the installation of solar power generation equipment for supplying power to 53 schools

in Yokohama through a power purchase agreement and going forward, we plan to further advance our rooftop initiatives.

→ See p. 35



ReENE LOGI'Q Kyoto Kumiyama Solar Power Plant

Make logistics and industrial facilities more sophisticated

Advancing LOGI'Q to the next stage

LOGI'Q Minami Ibaraki will be the largest LOGI'Q facility to date, boasting 162,000 m² in floor space. It will be equipped with refrigeration and freezer compartments and local 5G compatible compartments, among other features, in order to meet diverse logistics needs. We also plan to ensure that 100% of the energy consumed by the facility is from renewable sources by using clean energy directly generated on site through rooftop solar panels, supplemented by renewable energy supplied by Group power plants located across Japan.



LOGI'Q Minami Ibaraki (scheduled for completion in fiscal 2023)

Expand areas and scale of investment

Expanding participation in US rental housing projects

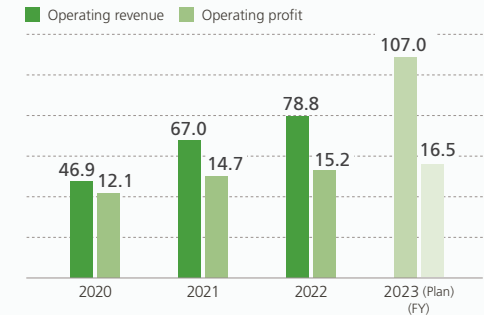
Since establishing TLUS* in 2012, we have participated in rental projects covering 4,707 rental housing units (in 21 properties) across the US and approximately 64,000 m² of office space (one property), with a focus on Los Angeles and New York. The cumulative total of rental housing units in which we have been involved is 8,000 (including student apartments). Leveraging this experience, in July 2023 we acquired a rental housing property in Renton, a suburb of Seattle, Washington State. This is the first fully owned asset to be managed by the Group in the US. We are currently working to raise the value of the property by renovating it in collaboration with Hankyu Hanshin Properties USA LLC, a fully-owned subsidiary of Hankyu Hanshin Properties Corp.

* Tokyu Land US Corporation, our subsidiary in the US

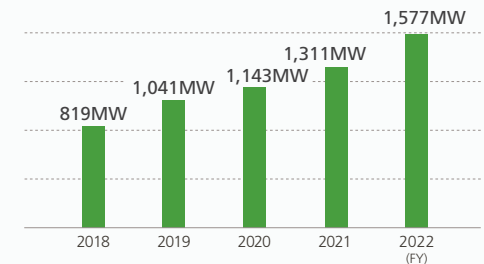


Rental housing for family households and smaller DINK (dual income, no kids) households, whose members commute to a nearby or city office area

Operating revenue / operating profit (Billions of yen)

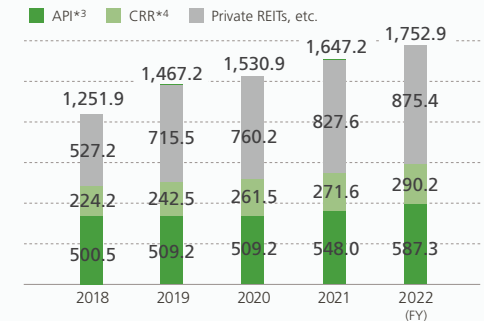


Number and rated power capacity of renewable energy projects*1



*1. Figures including facilities under development and before conversion to equities

Changes in AUM*2 (Billions of yen)



*2. Assets under management *3. Activia Properties Inc. *4. Comforia Residential REIT, Inc.



Property Management & Operation

Providing impressive experiences to customers



Business fields: Condominium management / building and facility management / renovation construction / rental conference rooms / hotels / leisure / healthcare / greening



In the Property Management & Operation segment, we operate a wide range of businesses that utilize customer touchpoints, including a property management business that helps maintain and improve asset values, and a wellness business that helps promote good health and create enriched lifestyles. We are shifting to intellectual asset-intensive businesses by taking advantage of our cultivated know-how and accumulated data related to real estate development, management, and operation. We will pursue customer satisfaction by providing customers with a safe, secure living environment and high-quality hospitality while also working to maximize the value of their assets and facilities.

Property management targets

	FY2022	FY2025
Life Time Portal*1 association function usage rate*2	16.9%	80%
Average annual growth rate for revenue from building construction*3	-2.4% FY2020-2022 growth rate 15.3%	8.4%

*1. A portal site for residents of condominiums managed by Tokyu Community Corp.

*2. Ratio for properties with secondary registration rates of management association leaders at 100%

*3. Cumulative total since fiscal 2021

*4. Total cumulative number of members registered at fitness facilities, specific health guidance instructors, WELBOX members, and cases of agent arrangements for medical examinations

Wellness targets

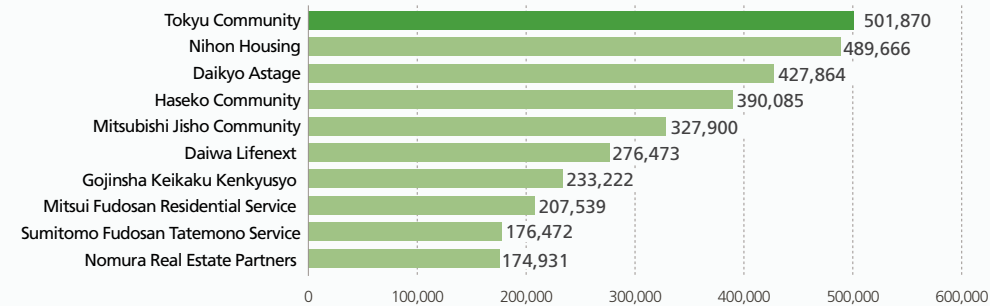
	FY2022	FY2025
Number of hotel rooms	9,232 rooms	10,000 rooms
Number of individuals receiving healthcare services*4	2.05 million	2.24 million

Property Management & Operation

Evolve a model that offers management solutions

We are adapting our operations to comply with the Condominium Management Proper Evaluation System and the Condominium Management Plan Authorization System, which are new frameworks started in fiscal 2022 to reflect the state of a condominium building's management and maintenance in its market valuation. As the corporate Group with the largest number of condominium units under management in the industry, we will continue working to meet the expectations of customers by contributing to the creation of a society a healthy housing stock and by continuing to provide solutions to the issues faced by each residents' management association.

Ranking of condominium management companies in terms of units managed (fiscal 2022)



*Source: Comprehensively Managed Unit Rankings 2022 by the Mansion Kanri Shimbun (May 25, 2023 issue)

Announcing the results of joint research*1 on building robot-friendly environments

For TOKYO PORTCITY TAKESHIBA Office Tower, which is managed and operated by Tokyu Land Corporation, we are organizing issues that need to be addressed to achieve robot friendliness in accordance with evaluation standards for robot friendliness levels*2. For each issue, we are currently considering options for measures that will facilitate the introduction of robots.

Example of a demonstration experiment for avoiding collisions between people and robots at corners



*1. The 2022 Innovative Robot Research and Development, Etc. Infrastructure Building Project, a subsidized project by the Ministry of Economy, Trade and Industry being advanced by Tokyu Land Corporation, Tokyu Community Corp., SoftBank Corp., and Nikken Sekkei Ltd.

*2. Evaluation standards proposed by the above-mentioned project in fiscal 2021

Build a new wellness business model

Average daily rates (ADRs) and revenue per available room (RevPAR) have recovered to pre-pandemic levels* due to a recovery in inbound demand. Going forward, we will seek to capture a greater share of domestic and inbound demand through initiatives such as developing condominium hotels. We are also addressing new post-pandemic workstyles by launching corporate training programs that can be taken during workation stays at hotels we operate.

* Tokyu Stay results as of Mar 31, 2023 (ADR: ¥12,529; RevPAR: ¥10,399)



HARVEST Work Style, a Tokyu Harvest Club workation project

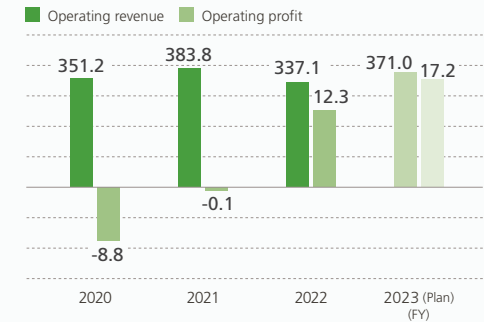
Opening our second "In-type" location

In July 2023, we opened Tokyu Harvest Club Hida-Takayama. This is our second "In-type" location, in which we convert a portion of the guest rooms at carefully selected hotels operated by other companies into a members-only resort hotel. Our first location is Tokyu Harvest Club Kyoto Higashiyama, which opened in July 2022. We plan to continue opening "In-type" hotels with the aim of providing facilities that satisfy guests.

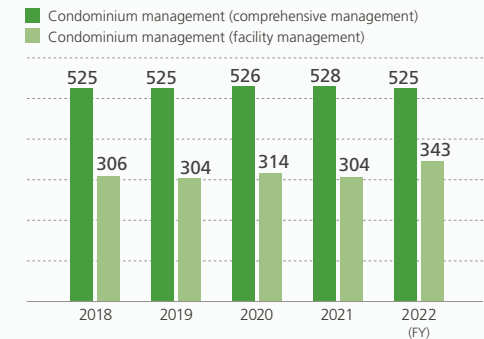


First floor lounge

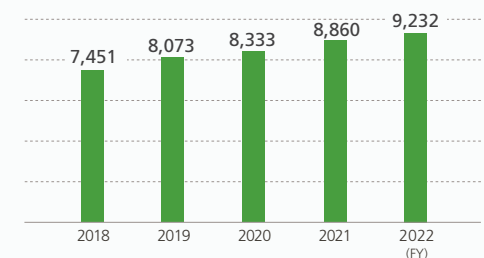
Operating revenue / operating profit (Billions of yen)



Changes in stock under management (1,000 units)



Number of hotel rooms



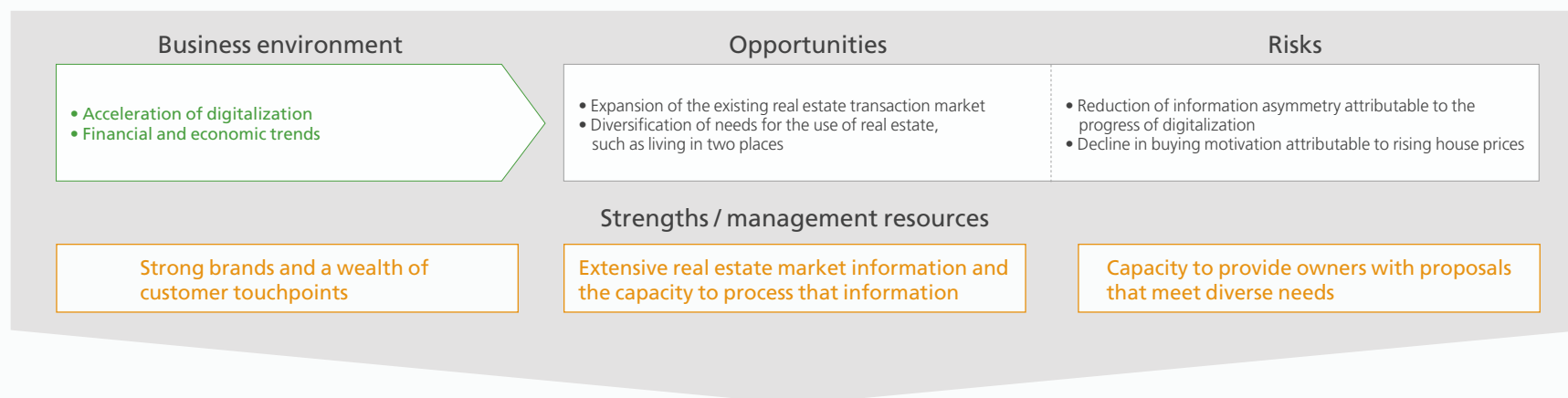


Real Estate Agents

Leading to a society with a healthy building stock situation



Business fields: Real estate agents (sales and leasing) / consignment sales / real estate sales / rental housing services



Business strategy

Evolve the real estate brokerage business model in anticipation of changes in the value of information

Increase the scale and improve the efficiency of our rental housing services

In the Real Estate Agents segment, we provide solutions related to the use of real estate stock, such as real-estate sales agent services, and engage in operations related to rental housing management. We create new revenue opportunities by leading the transformation of real estate agents through the effective use of digital technologies and intellectual assets. We will also play a role in realizing appealing lifestyles, a goal of the Group, and contribute to the development of a healthy society that uses building stock effectively.

Real estate brokerage targets

	FY2022	FY2025
Number of retail transactions	28,000	38,000
Wholesale revenue	¥14.5 billion	¥17.0 billion

Rental housing services, etc. targets

	FY2022	FY2025
Units under management*1	182,000 units	208,000 units
Productivity*2 *3	1.01 x	1.5 x

*1. Cumulative total from Tokyu Housing Lease and National Students Information Center

*2. Operating profit per individual divided by labor costs per person (Cumulative total from Tokyu Housing Lease and National Students Information Center before goodwill amortization)

*3. Compared to fiscal 2021

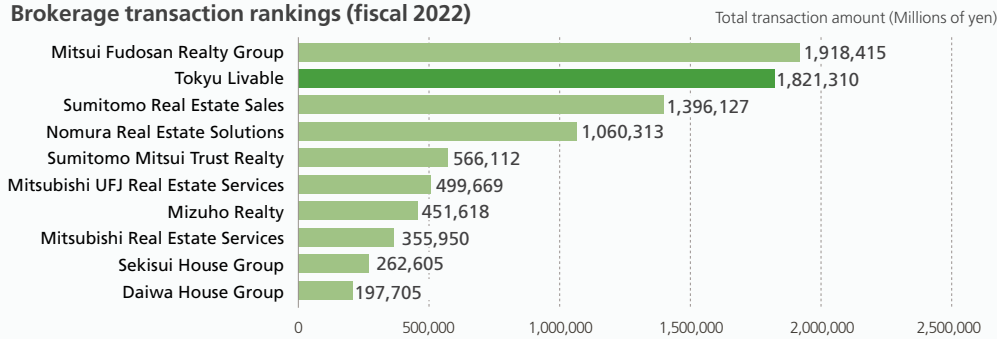
Real Estate Agents

Evolve the real estate brokerage business model in anticipation of changes in the value of information

Tokyu Livable has renewed its corporate branding* with the aim of becoming the industry's leading brand. Under its three strategies for becoming the No.1 company in the industry (raising customer appraisals, enhancing competitiveness, ensuring job satisfaction) and its three strategies for transforming the industry (add value to information, improve operational efficiency, strengthen ability to adapt to the environment), it will continue to focus on building a foundation for growing profitability into the future.

* Including a new slogan: Connecting to solutions, connecting to the future

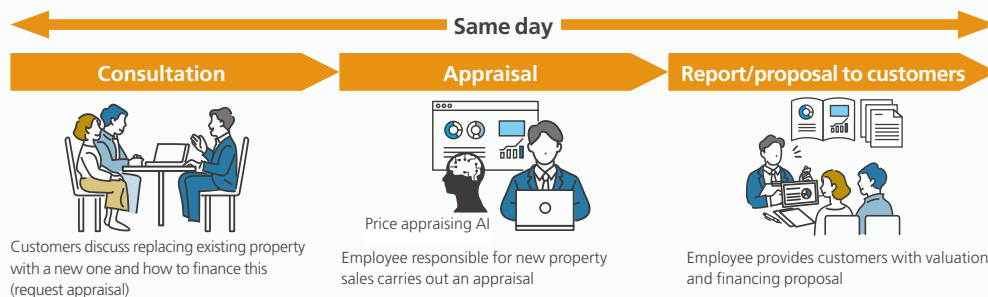
Brokerage transaction rankings (fiscal 2022)



*Source: FY2022 Brokerage Transactions by Major Real Estate Companies in Shukan Jutaku (May 29, 2023 issue)

Incorporating AI appraisals into consultations on buying a new residential property to replace an existing property

Tokyu Livable has been using an AI appraisal system to assess property sales values at its stores handling real estate sales since fiscal 2022. This system has now been upgraded so that it can be used in stores that handle new property sales, allowing the staff at these stores, who previously focused solely on sales matters, to quickly and easily provide potential clients with valuations for their existing properties.



Increase the scale and improve the efficiency of our rental housing services

In the rental housing service business, we plan to raise productivity by advancing DX, including digitalizing business processes, while also strengthening our ability to make proposals to owners and expanding the scale of the business. Initiatives include efforts by Tokyu Housing Lease to introduce smart property viewings on a trial basis and to move rental contract procedures online, and efforts by National Students Information Center to consolidate four of its locations in the Tokyo Metropolitan area. We plan to further raise efficiency by accelerating these initiatives.



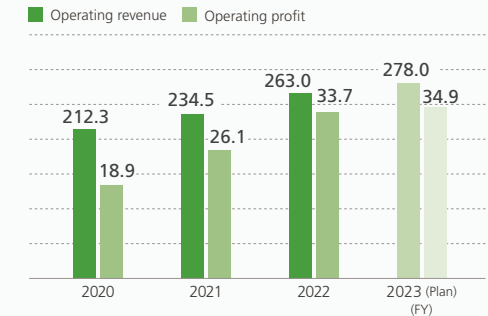
The Tokyo Dai-ichi Branch's Tokyo Metropolitan Area Leasing Center

Introducing a new contract scheme to make rental housing more accessible to non-Japanese

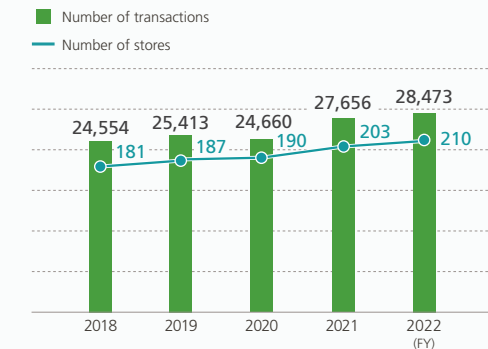
Tokyu Housing Lease has concluded a business collaboration agreement with Enplus Inc. to introduce a new housing rental contract scheme specifically tailored to non-Japanese residents. The scheme aims to capture more of the business opportunities created by the recovery in inbound demand.



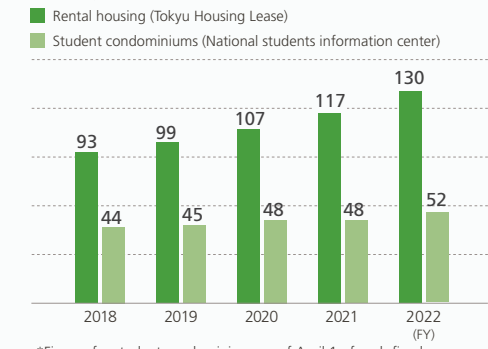
Operating revenue / operating profit (Billions of yen)



Changes in retail



Changes in rental housing units under management (1,000 units)



*Figures for student condominiums as of April 1 of each fiscal year