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– Value Creation Foundation –

**Strengthening our management foundation to
provide crucial support for achieving GROUP VISION 2030**

Sustainability Vision

We solve issues in 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 closely with stakeholders and maintain and strengthen relationships with them.
We pursue sound and highly transparent management and actively disclose sustainability information.

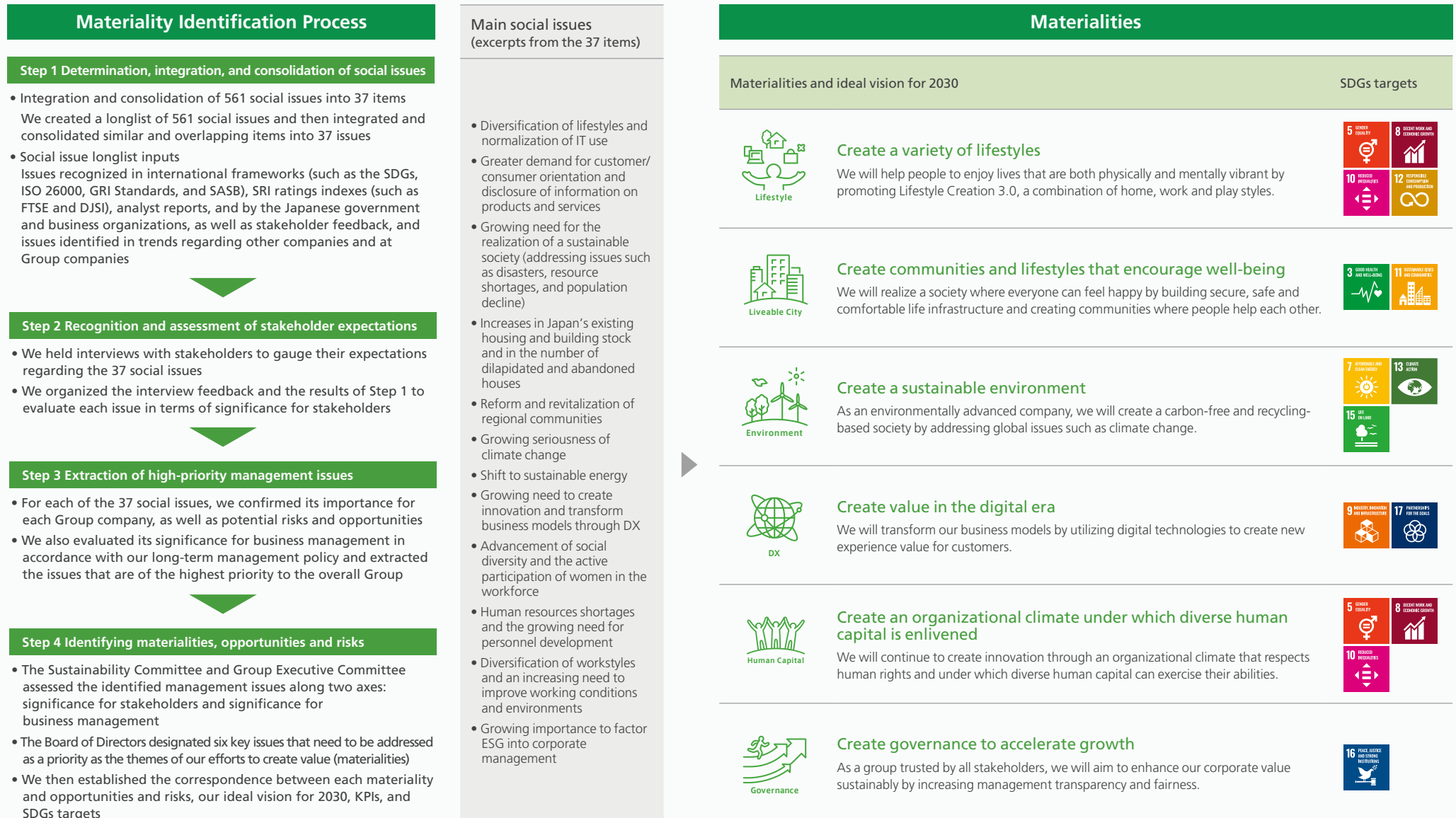
Sustainability promotion framework

We have established the Tokyu Fudosan Holdings Sustainability Committee comprising operating officers with the president and CEO as chairperson. The results of committee deliberations are reported to the Board of Directors. (→ See p. 80)

The Sustainability Council and Group Human Capital Council (→ See p. 46), which comprise members from each of our business companies, also hold meetings to deliberate on issues and monitor progress toward KPI targets. The outcomes are reported to the Sustainability Committee.







Value Creation Foundation Themes of Our Efforts to Create Value (Materialities)

To realize our ideal vision, we are engaged in efforts focused around six themes (materialities) through our business activities. These themes were chosen based on the prioritization and analysis of important social issues, and by implementing strategies in line with each theme, we will contribute to the creation of a sustainable society.



Value Creation Foundation Overview of Sustainable Management

The Group has organized business opportunities and risks and established KPIs for each materiality toward the achievement of its ideal vision for 2030. In this way, we aim to increase outputs and impacts on society and contribute to achieving the SDG goals.

Materialities	Main opportunities	Main risks	Ideal vision for 2030	Non-financial KPI		SDGs	Financial KPI		Value we provide
					FY2030 targets	targets		FY2030 targets	
 <p>Lifestyle</p>	<ul style="list-style-type: none"> Diversification of work styles, home styles and play styles Fusion of all manner of lifestyle scenes 	<ul style="list-style-type: none"> Mismatch to consumer needs Declining efficiency accompanying response to segmentalized needs 	A vibrant life, both physically and mentally	Customer satisfaction level*1	90% or more	10.3	Reference indicators ROE 10% or more ROA 5% or more D/E ratio 2.0 times or less Operating profit ¥150 billion or more Net profit*8 ¥75 billion or more	Outputs (Value provided through businesses) Lifestyle Creation 3.0 <ul style="list-style-type: none"> A comfortable urban life Safe and secure housing Mental and physical health Fulfilling leisure time Supply of clean energy Impacts (Social value) A future where everyone can be themselves, and shine vigorously <ul style="list-style-type: none"> Improvements to quality of life Creation of cooperative communities Achieving the creation of a healthy society Urban resilience Development of local economies Preservation of the global environment Creation of a society with respect for diversity 	
				Products and services that contribute to Lifestyles Creation 3.0	100 cases or more	5.1 8.8 12.7			
 <p>Liveable City</p>	<ul style="list-style-type: none"> Increasing importance of community creation Growing need for disaster preparedness and disaster damage reduction Increasing awareness regarding mental and physical health issues 	<ul style="list-style-type: none"> Declining attractiveness of some cities due to intensifying competition between cities Declining attractiveness of cities due to community decline Decreasing asset values due to insufficient maintenance and management 	A society where everyone can feel happy	Measures to revitalize communities	100 cases or more	11.3			
				Strengthening building safety and security*2	100%	3.9 11.3 11.5			
 <p>Environment</p>	<ul style="list-style-type: none"> Growing need to respond to a decarbonized and recycling-based society Increasing funding from ESG investors 	<ul style="list-style-type: none"> Escalation of climate change and natural disasters Increasing costs due to environmental restrictions, etc. 	A carbon-free society and a recycling-based society	RE100*3 *4	To be achieved by 2025	7.2			
				Percentage of renewable energy power usage	60% or more	7.2			
				CO ₂ emissions (compared with FY2019) (SBT certification*5)	(46.2)%	13.1			
				Water usage	Less than the previous fiscal year	6.4 12.2			
				Waste volume (compared with FY2019)	(11)%	12.5			
				Environmental certification acquisition*6 (e.g. CASBEE, DBJ)	100%	9.4 15.5			
				Sustainable procurement (wood materials for molds)	100%	15.2			
				Midori wo Tsunagu Project (area of forest protected)	3,000 ha	15.2			
				Environmental efforts through business	100 cases or more	11.6 11.7			
				 <p>DX</p>	<ul style="list-style-type: none"> Increasing importance of utilizing customer contact points Improving scalability of services provided 	<ul style="list-style-type: none"> Declining position of real experiences due to enhancement of virtual experiences Appearance of disruptors to existing businesses 	Create customer's new experience value	Number of initiatives utilizing digital technology	100 or more
DX investment amount (compared with FY2021)*7	2 times	9.1							
Acquisition of IT passports*4	100%	4.4							
 <p>Human Capital</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 	An organizational climate for continuously creating innovation	Ratio of employees who undergo physical examinations	100%	8.5			
				Ratio of women among new graduate hires	50%	5.5			
				Ratio of female managers (ensuring the diversity of core human capital)	20% or more	5.5			
				Ratio of childcare leave taken by male employees	100%	5.1 5.5			
				Deepening understanding of DE&I (percentage of employees who took an e-learning course)	100%	10.3			
 <p>Governance</p>	<ul style="list-style-type: none"> Strengthening relationships with stakeholders by improving transparency Increasing funding from ESG investors 	<ul style="list-style-type: none"> Increasing cost of fund procurement Decline in confidence due to legal violations 	Sustainable improvement of corporate value	Engagement with shareholders and investors	300 cases or more	12.6			
				Improvement of effectiveness of the Board of Directors (third party evaluation)	100%	16.6			
				Adherence to the compliance code of conduct	100%	16.5			

*1. Tokyu Cosmos Members Club questionnaire survey *2. Support for people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc. *3. An international collaborative initiative with the goal of companies procuring 100% of the electric power consumed by their business activities from renewable energy sources. *4. Tokyu Land Corporation *5. An abbreviation of Science Based Targets. These are medium- to long-term targets for the reduction of greenhouse gases that have been formulated based on scientific research *6. Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures. *7. Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures *8. Profit attributable to owners of parent

Value Creation Foundation Financial and Non-Financial KPI Targets and Results

Figures for fiscal 2022 include data that has yet to undergo third-party verification and is therefore subject to change.

	Category	Materiality	KPI	FY2030 target	FY2025 target	FY2022 results	
Financial targets	Finance		ROE	10% or more	9%	7.3%	
			ROA	5% or more	4%	4.1%	
			D/E ratio	2.0 times or less	2.2 times or less	2.2 times	
			Operating profit	¥150 billion or more	¥120 billion	¥110.4 billion	
			Net profit* ¹	¥75 billion or more	¥65 billion	¥48.2 billion	
Non-financial targets	Society	Create a variety of lifestyles	Customer satisfaction level* ²	90% or more	90% or more	94.3%	
			Products and services that contribute to Lifestyles Creation 3.0 (cumulative)	100 cases or more	50 cases or more	35 cases	
	Society	Create communities and lifestyles that encourage well-being	Measures to revitalize communities (cumulative)	100 cases or more	50 cases or more	38 cases	
			Strengthening building safety and security* ³	100%	100%	100%	
	Environment	Create a sustainable environment	RE100 to be achieved by 2025* ⁴	100%	100%	66.3%	
			Percentage of renewable energy power usage	60% or more* ⁵	65%* ⁶	52.9%	
				Scope 1 and 2	(46.2)% (SBT certification)* ⁵	FY2023 (50)%* ⁶	(50.6)%
			CO ₂ emissions (compared with FY2019)	Scope 3 (Categories 1, 2, and 11)	(46.2)% (SBT certification)	Qualitative target: Collaborative initiatives with partners (construction companies, etc.)	(10.9)%
			Water use	Less than the previous fiscal year	Less than the previous fiscal year	+18.7%	
			Waste volume (compared with FY2019)	(11)%	(6)%	(22.5)%	
			Environmental certification acquisition* ⁷ (e.g., CASBEE, DBJ)	100%	70%	48.7%	
			Sustainable procurement (wood materials for molds)	100%	30%	2.8%	
			Midori wo Tsunagu Project (area of forest protected)	3,000 ha	2,400 ha	2,086 ha	
			Environmental efforts through business (cumulative)	100 cases or more	50 cases or more	36 cases	
	Society	Create value in the digital era	Number of initiatives utilizing digital technology (cumulative)	100 or more	50 or more	43	
			DX investment amount (compared with FY2021)* ⁸	2 times	1.5 times	2.7 times	
			Acquisition of IT passports* ⁴	100%	80%	71.4%	
	Society	Create an organizational climate under which diverse human capital is enlivened	Ratio of employees who undergo physical examinations	100%	100%	100%	
			Ratio of women among new graduate hires	50%	42%	40.1%	
			Ratio of female managers (ensuring the diversity of core human capital)	20% or more	9%	7.3%	
			Ratio of childcare leave taken by male employees	100%	100%	65.2%	
Deepening understanding of DE&I (percentage of employees who took an e-learning course)			100%	100%	86.5%		
Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)			100%	50%	72.7%		
Governance	Create governance to accelerate growth	Engagement with shareholders and investors	300 cases or more	290 cases or more	284 cases		
		Improvement of effectiveness of the Board of Directors (third party evaluation)	100%	100%	100%		
		Adherence to the compliance code of conduct	100%	100%	98.7%		

*1. Profit attributable to owners of parent *2. Tokyu Cosmos Members Club questionnaire survey *3. Support for people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc. *4. Tokyu Land Corporation

*5. Set at the same time as the long-term management policy (fiscal 2021) *6. Set at the same time as the medium-term management plan (fiscal 2022) *7. Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures

*8. Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures. The result for fiscal 2021 is ¥1.4 billion

Increasing corporate value by encouraging thorough dialogue

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders, so we are working to raise stakeholder satisfaction. We are looking to make improvements and create new value by engaging in thorough dialogue through our business activities, so that we can fulfill our responsibilities to each stakeholder and foster the sustainable society of the future.



Customers

Always coming face-to-face with customers, we will provide value that will ensure that we continue to be chosen by them

We operate Tokyu Cosmos Members Club, which comprises approximately 130,000 customers who buy our products and use our services. We also maintain daily contact with customers through our services and provide additional perks with purchases in order to encourage contract renewals. Other initiatives include conducting questionnaire surveys during sales activities, issuing a free newspaper to office building tenants, and carrying out environmental awareness raising activities such as encouraging electricity and water saving.



A special performance by cast members of the opera La Traviata held exclusively for Tokyu Cosmos Members Club members on July 5, 2023 (10 pairs of tickets were issued)

Group employees

We develop human capital who can tackle challenges and create workstyle environments where Group employees can work actively

Under our Group human capital strategy, each of our Group companies is establishing its own frameworks and systems that will enable diverse human capital to thrive and each employee to fully demonstrate their individual capabilities. We carry out monitoring, including regular worker engagement surveys, to ensure workplaces are psychologically safe and we also work to foster innovative organizational cultures and work environments where everyone can work actively through initiatives that include providing an e-learning program covering diversity, equity, and inclusion (DE&I) and setting KPI targets for matters related to physical and mental health.



Screenshot from Approach to Diversity and Inclusion, an e-learning program for Group employees taught by Keiko Hamada

Business partners

We will create value in partnerships and aim to achieve growth together with our partners

We collaborate with business partners in order to achieve mutual growth and enhanced corporate value. We engage with these partners through our business activities, including holding joint safety events with partner companies, informing suppliers of our sustainable procurement policies, and conducting exchanges of information concerning social issues such as human rights and the environment.



An engagement event with Toda Corporation

Local communities

We will contribute to a sustainable society by initiatives to coexist with communities and revitalize them

We work to revitalize communities and make them sustainable through area management activities such as conducting cleaning events and disaster preparation training, and dispatching instructors for special lessons at elementary schools. We also attend local council meetings and work to solve local issues through our business so that we can contribute to raising the value of and creating economic benefits for each area.



A cleaning activity in Shibuya

Shareholders and investors

We will maximize shareholder value through sustainable growth

Our president and the officers and employees responsible for IR activities conduct individual meetings with shareholders and investors and we also regularly hold financial results presentations for institutional investors and analysts and briefings for individual investors.

In addition to this, we have set engagement with shareholders and investors as a KPI (fiscal 2022 result: 284 cases; fiscal 2025 target: 290 cases or more). Furthermore, we regularly present reports on the opinions and concerns we receive from shareholders and investors through this engagement at meetings attended by senior management members, so that they can be used to improve management in a way that leads to the medium- to long-term growth of corporate value.

Future society

We aspire to pass on to future generations a world full of hope with a rich environment

We strive to engage with the generations that will shoulder the sustainable growth of the Group and society in the future. Efforts include measures by each Group company to support young employees, the Student Mirai Community Project, which is a joint project with Kyoto City in which we work with students to realize future-oriented community development through workshops on social issues, and various activities by the National Student Information Center that provide career development support for students.



The Student Mirai Community Project website

➔ For details, see the project's website (only in Japanese)