

Toward a Vibrant Future for All

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WE ARE GREEN REPORT

2023 INTEGRATED REPORT

WE ARE GREEN
 **TOKYU FUDOSAN HOLDINGS**



WE ARE GREEN

We will incorporate the environment and digital transformation into our business to shape future lifestyles.

Be it renewable energy initiatives, digitally driven emotional experiences, or community development loved by locals, everything we do is inspired by a desire to encourage the wellbeing of every individual. We will continue to combine our Group's diverse green capabilities to create value for the future.

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The Group aims to realize a future where everyone can be themselves and shine vigorously under “WE ARE GREEN,” the slogan for achieving our long-term vision. Therefore, since last year, we have released the “WE ARE GREEN” report with the aim of providing all of our stakeholders, including shareholders and investors, with easy-to-understand information about how the Group addresses social issues through its businesses to achieve sustainable growth and improve its corporate value. The report covers our value creation story, long-term management policy, and medium-term management plan. It also explains both our financial and non-financial initiatives in areas such as human capital strategy and corporate governance, interspersed with case studies and messages from our employees. The International Integrated Reporting Framework advocated by the IFRS Foundation (formerly the Value Reporting Foundation), and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation published by Japan’s Ministry of Economy, Trade and Industry, and other resources were consulted in the creation of this report.

Reporting target

Covered in this report

Tokyu Fudosan Holdings Corporation and Group companies

Dates covered

April 1, 2022 to March 31, 2023 (including some information from April 2023 and later)

Released

August 2023

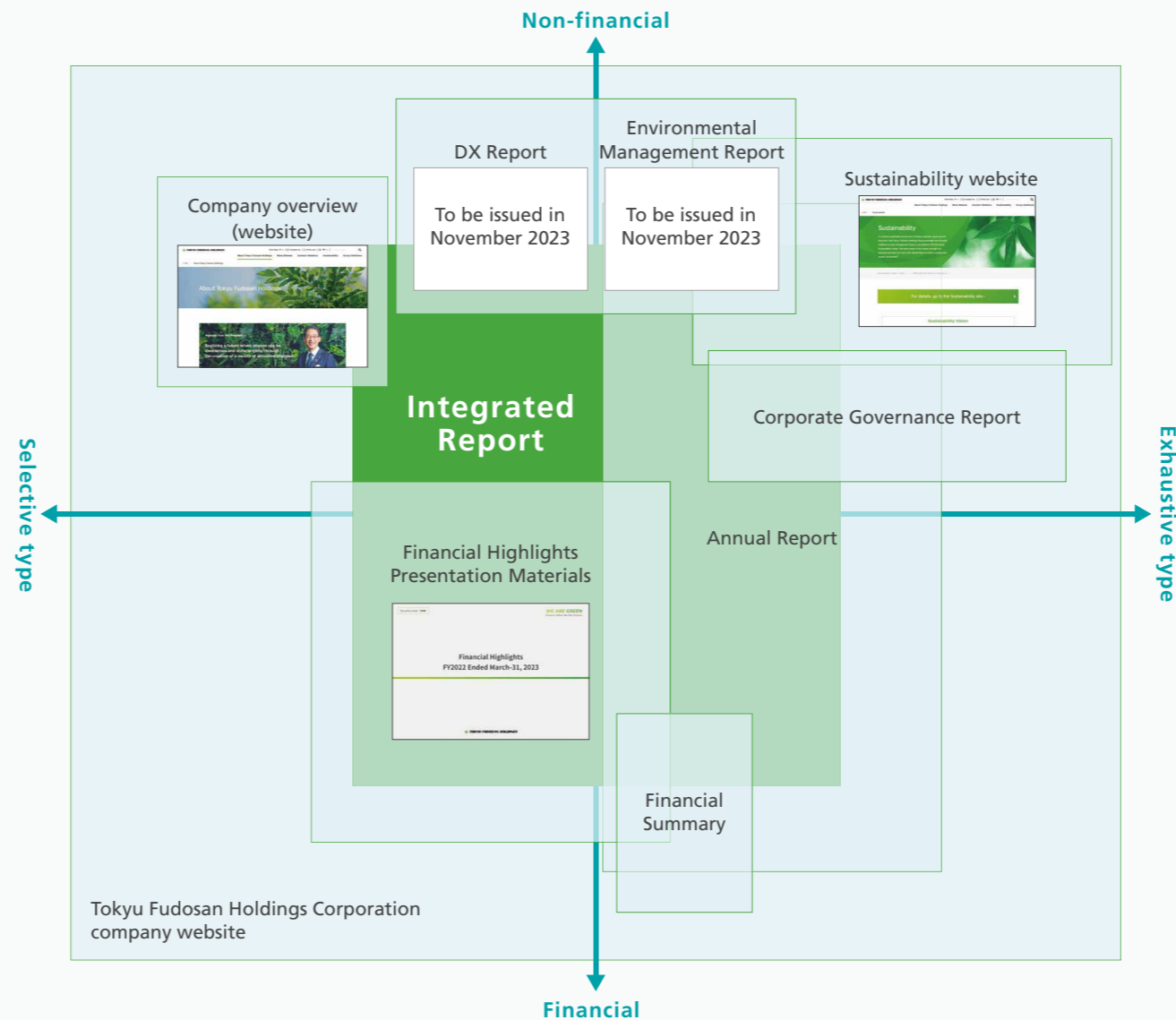
Administrative office and cooperative departments

Group Sustainability Promotion Department / Group Corporate Planning Department / Corporate Communication Department / Group General Administration Department / Group Human Resources Department / Group Digital Transformation Promotion Department / other departments at each Group company

Note on forward-looking statements

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, the statements herein do not constitute assurance regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

Information disclosure framework



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The Group Philosophy

We aspire to create value for the future to realize a sustainable society and growth, based on a Group Philosophy comprising our ideal vision, our pledge to society, and our founding spirit.

Our ideal vision

Create value for the future

We resolve social issues through our business activities and aim for sustainable society and growth together with our stakeholders. We realize a future where everyone can be themselves and shine vigorously through the creation of a variety of appealing lifestyles.

Our pledge to society

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders.

Customers

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

Group employees

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

Business partners

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

Local communities

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

Shareholders and investors

We will maximize shareholder value through sustainable growth.

Future society

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

Our founding spirit

“Challenge-oriented DNA”

A progressive spirit inherited since the development of Den-en Chofu, a pioneering effort to create the ideal town



Eiichi Shibusawa

1840–1931

Established the Den-en Toshi Company, the origin of the Group

Eiichi Shibusawa is often referred to as the father of Japanese capitalism for his role in building the foundation for the Japanese economy. He was active from the Meiji era (1868–1912) into the early Showa period (1926–1989). He was involved in the establishment and development of around 500 companies and around 600 public works projects, and made great efforts in support of philanthropic activities.



Noboru Goto

1916–1989

First president of Tokyu Land Corporation

Noboru Goto led the Tokyu Group as the first president of Tokyu Land Corporation. He engaged in large-scale urban development and resort development projects, as well as serving as chairman of the Japan Chamber of Commerce and Industry (JCCI).

Provided by: Tokyu Corporation

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Group Overview

A history of growth and taking on challenges

Four factors for our next-generation community development

History

→ A History of Value Creation

Accomplishments

→ Business Overview

Strengths

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Special Feature

Community Development in the Greater Shibuya Area

→ See p. 11

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A Group with History

We have a history of addressing social issues and needs as they change with the times by advancing Group co-creation in pursuit of new value through our real estate business.

FY2022 operating revenue
¥1,005.8 billion

Major theme from 1953 to the 1960s
Eliminating housing shortages

Major theme up to the 1980s
Improving quality of life

Major theme up to the 2000s
Diversifying lifestyles

Major theme up to the present
Creating a sustainable society



Tokyu Skyline (condominiums)

During the period of rapid economic growth that followed Japan's post-war recovery, the problem of housing shortages in urban areas became apparent. The Group supplied residential properties and commercial facilities, primarily in its base area of Shibuya, and pursued the creation of value through real estate business.



Asumigaoka New Town (housing estate)

As living standards continued to rise, people's values also began to diversify. The Group started working to diversify its operations—expanding into property management and real estate agency operations, retail and resort development—and grew into a corporate group providing total lifestyle services.



Setagaya Business Square (office building)

After the collapse of Japan's economic bubble, the Group shifted its focus from the long-term development of suburban housing to the leasing of offices, commercial facilities and other properties. We also improved our finances and strengthened our revenue base.



Shibuya Fukuras (office and commercial complex)

In order to respond to global climate change and the digitalization of society, we are pursuing even greater value creation through urban development that is both economically and environmentally sustainable.

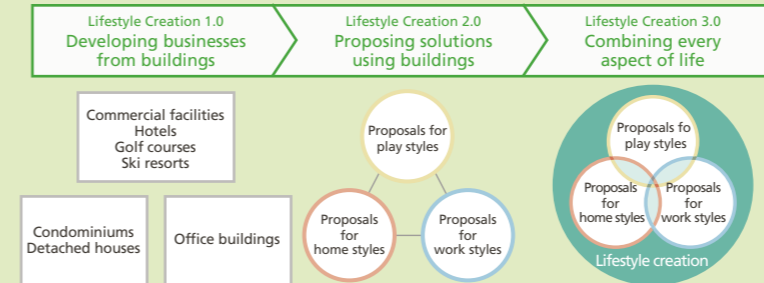
Our Origin: Den-en Chofu Urban Development

Den-en Toshi Company was established in 1918 by Eiichi Shibusawa and others. The company developed the Den-en Chofu district as a residential area in Tamagawadai, incorporating the British-originated garden city concept to offer the advantages of both natural and urban environments.



Business development that addresses social issues Realizing Lifestyle Creation 3.0

From buildings to solutions, and combination of lifestyle scenes. We are evolving our efforts to create value in a way that is conscious of social issues to realize Lifestyle Creation 3.0, which brings together the three areas of living, work, and play. We combine environmental management and digital transformation (DX) to propose new value that is more unique than ever before.



Changes in operating revenue* and establishment of major companies



* Fiscal 1953 to fiscal 1992: non-consolidated operating revenue from Tokyu Land Corporation. Fiscal 1993 to fiscal 2012: consolidated operating revenue from Tokyu Land Corporation. From fiscal 2013 onward: consolidated operating revenue from Tokyu Fudosan Holdings Corporation. Fiscal 1989 was only a 6-month fiscal term, as the fiscal term was changed from September to March that year.

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A Group with Accomplishments

We possess the expertise and resources required for future-oriented urban development across a wide variety of businesses, from real estate development to building management and operation, real estate agent operations, infrastructure building, and real estate investment.



Urban Development

➔ See p. 52

In the Urban Development segment, we develop and operate office buildings, commercial facilities, and other facilities, while also developing condominiums and rental housing (rental condominiums and student residences). Our focus is on redevelopment projects and developing complexes, taking advantage of our extensive experience as a comprehensive developer. We provide value in terms of a comfortable urban life and safe and secure housing through our business with the aim of creating attractive communities and lifestyles.



Shibuya Solasta



Property Management & Operation

➔ See p. 56

In the Property Management & Operation segment, we operate a wide range of customer-oriented businesses, 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 provide value in terms of a comfortable urban life, safe and secure housing, mental and physical health, and fulfilling leisure time through our business while working to maximize the value of customers' assets and facilities.



Niseko Tokyu Grand HIRAFU



Strategic Investment

➔ See p. 54

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 our overseas operations, centered around the United States and Indonesia, we are demonstrating our presence as a comprehensive developer. We provide value in terms of a comfortable urban life and the supply of clean energy through our business with the aim of building next-generation social infrastructure.



ReENE Matsumae Wind Power Plant



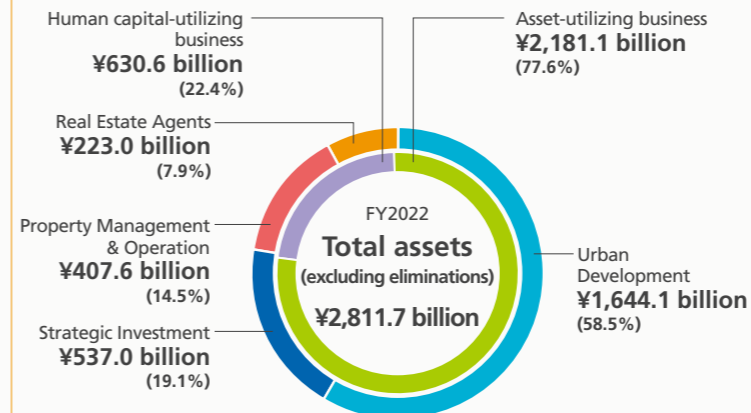
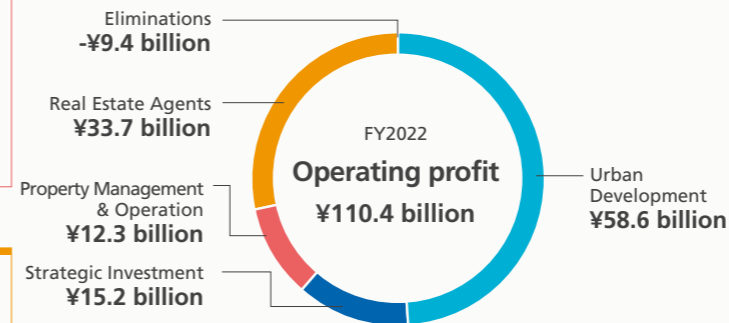
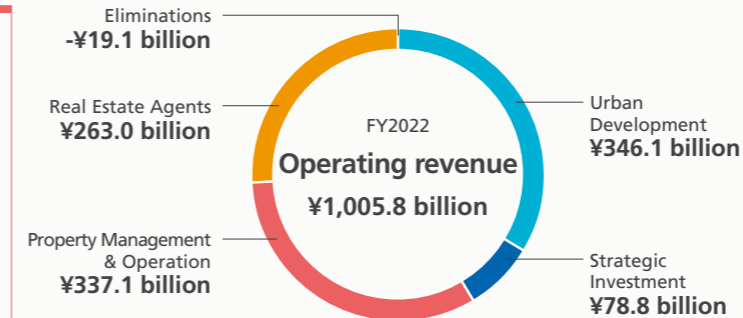
Real Estate Agents

➔ See p. 58

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 consignment sales, and engage in operations related to rental housing management. We provide value in terms of a comfortable urban life and safe and secure housing through our business in order to contribute to the development of a healthy society that uses building stock effectively.



Real estate agent business



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A Group with Strengths

The Group's unique strengths are the source of our competitiveness and are driving us toward sustainable growth.

Diverse assets and customers

Group facilities under operation
205



Customers served
Approx. 18.2 million *1



Tenant companies (office) **508** | Tenant companies (commercial) **1,387**

Condominium units under comprehensive management
Approx. 525,000

Condominium management company (non-consolidated)
Condominium units under comprehensive management (approx. 502,000)
No.1 in Japan
(Source: Mansion Kanri Shimbun, May 25, 2023 issue)

Real estate transactions through agents
Approx. 30,000

FY2022 Ranking for real estate transactions through agents
No.3 in Japan
(Source: Shukan Jutaku, May 29, 2023 issue)

etc.

A culture that produces unique businesses

Renewable energy business
ReENE



➔ See p. 99

As of June 2023

Rated Capacity **1,612MW** | Total number of businesses **87**

Reduction in CO₂ emissions
Approx. 1,526,000 t-CO₂/year

STEP
the Group's co-creation-based
internal venture scheme



Launched in FY2019

Cumulative proposals received **253** | Commercialized proposals **3**

Corporate Venture Capital



Launched in FY2017

Cumulative investments
34

Highly specialized personnel and knowhow

Group employees (including temporary employees)
Approx. 30,000



Employees with certifications
Approx. 12,200



Licensed architects (first and second class)
716

Real estate notaries
5,648

Licensed condominium managers
2,375

Licensed strata management consultants
1,943

Licensed care workers
561

IT Passport holders
937

Acquiring external knowledge and sharing expertise within the Group

We invite external experts to give self-development seminars. We also hold seminars led by internal instructors with the aim of encouraging mutual understanding between businesses and strengthening collaboration within the Group alongside other events.

Cumulative **111** events held | Total participants **14,728**



Becoming an environmentally advanced company



CDP Climate Change A List Selected in 2022
Selected for 2 consecutive years



First Japanese company*2 to completely switch to renewable energy in 2022 (Tokyu Land Corporation)

DX promotion initiatives



DX銘柄2023 Selected as a Digital Transformation Stock (DX stock) 2023

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*1. Includes outsourced employee welfare services members, commercial facility cardholders and app members, fitness club members, BRANZ CLUB members, Tokyu Cosmos Members Club members, and Tokyu Harvest Club members

*2. According to the list at the end of the RE100 2021 Annual Disclosure Report. Excludes financial institutions

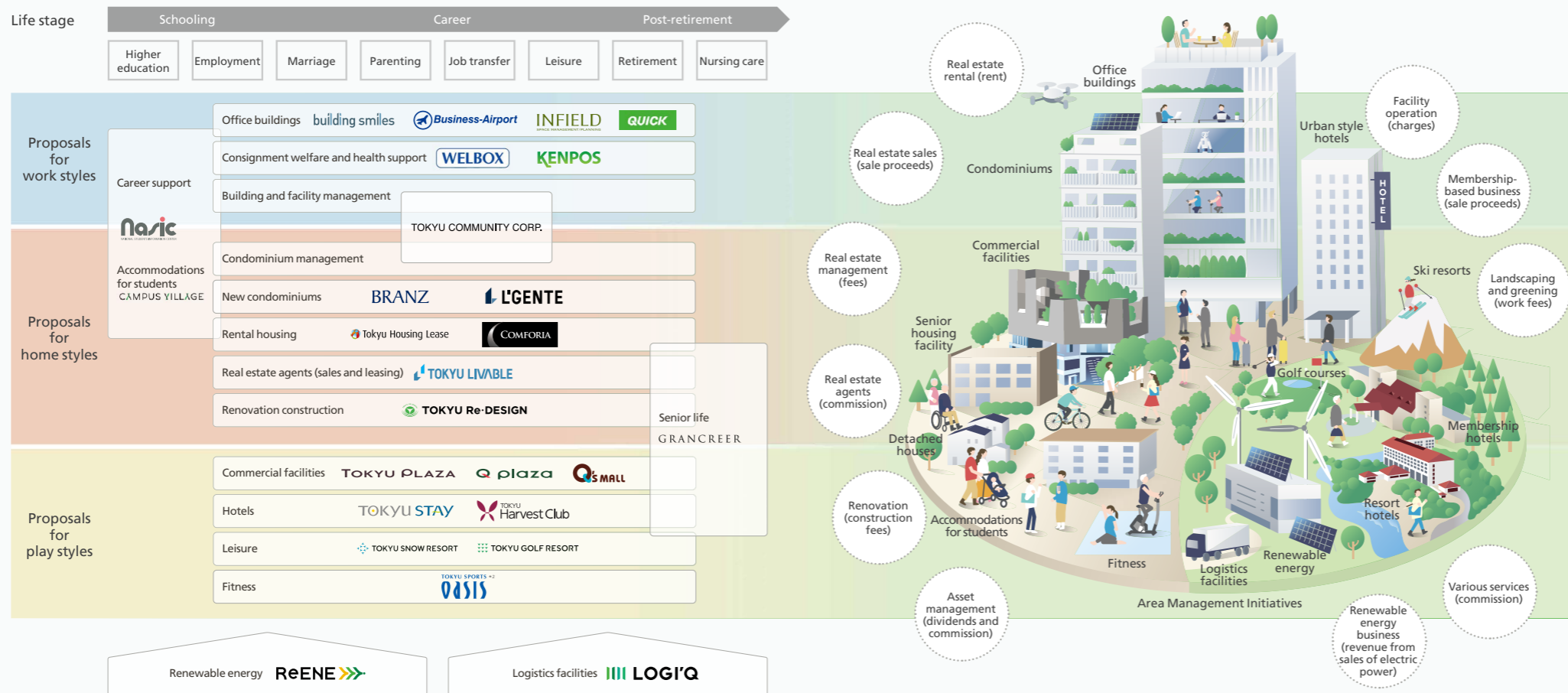
A Group with Vision

We are fulfilling customers' needs through unique proposals that combine home styles, work styles, and play styles. We aim to realize Lifestyle Creation 3.0 *1 by creating value on both time and spatial axes.

Lifestyle creation (value creation on a time axis)
 Providing diverse services for each life stage of our customers and creating new lifestyles



Wide range of business fields (value creation on a spatial axis)
 Creating value in all manner of urban settings on a spatial axis that utilizes the Group's value chains



*1. See Realizing Lifestyle Creation 3.0 on p. 7
 *2. In fiscal 2022, 40% of shares were transferred to Renaissance Incorporated. The remaining 60% of shares are scheduled to be transferred on March 31, 2024.

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Special Feature

Community Development in the Greater Shibuya Area

Our extensive history, achievements, strengths, and visions are being leveraged in our large-scale, once-in-a-century development centering on Shibuya Station. The Tokyu Group is promoting community development in a 2.5-kilometer radius of Shibuya Station, an area we call “Greater Shibuya.” We are enhancing the appeals of Shibuya in the broader sense of the smooth flow of people and culture. We will be going even further—by fiscal 2024, the Group is planning on completing and opening Shibuya Sakura Stage and three other new projects.

What is Greater SHIBUYA 2.0?

In July 2021, we formulated Greater SHIBUYA 2.0, a community development strategy for Shibuya which extends and evolves two visions for the area—the “Greater Shibuya” vision of Tokyu Land Corporation and the “Entertainment City SHIBUYA” vision of Tokyu Corporation. Alongside reinforcing these two visions, Greater SHIBUYA 2.0 adds additional focus to the element of “live.” By bringing together work, play, and live and engaging in the concepts of the “digital” and “sustainable” that serve as a foundation for these, Greater SHIBUYA 2.0 aims to produce synergies and realize a unique “Shibuya-style urban life” unlike anywhere else.



The appeals of the Greater Shibuya area

- Value creation potential** Unusual talent and ability feed off each other, creating innovation that is at the forefront of the times
- Communication potential** Trends are communicated to the entire world through diverse channels mixing the real and online
- Diversity** Diverse individuals, organizations, and companies gather in Shibuya, interacting and working with each other



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Greater SHIBUYA

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Community development in the Greater Shibuya area

2019

Shibuya Solasta (completed in March 2019)

From the entrance to the rooftop garden, Shibuya Solasta links greenery in three dimensions. A rarity in Shibuya, this large-scale office building exudes an abundant, natural atmosphere even indoors. It supports working styles that are highly intellectually productive through means such as offering numerous third places.



2023

Shibuya Fukuras (completed in October 2019)

The upper portion of Shibuya Fukuras consists of rental offices and membership-based shared office spaces. The middle section is occupied by the Tokyu Plaza Shibuya commercial complex. A tourist information center and bus terminal offering excellent airport access are on the first floor, making Shibuya Fukuras a new gateway to Shibuya and a hub for urban tourism.



Forestgate Daikanyama (scheduled to open in October 2023)

Located near Daikanyama Station, this mixed-use complex consists of two buildings and presents a concept for a new style of life. The MAIN Building was designed by architect Kengo Kuma and offers a lifestyle concept of working, living, and playing all taking place close by. The TENOHA Building is comprised of a cafe and event space. Focusing on providing a sustainable lifestyle experience, the TENOHA Building aims to coordinate with a diverse array of stakeholders and be a base for activities that connect the region and the city.



Shibuya Sakura Stage (scheduled for completion in November 2023)

An integrated development covering an approximately 2.6-hectare plot of land sprawling southwest of Shibuya Station, Shibuya Sakura Stage is a major project for completing the urban foundation around the station. In addition to commercial facilities, offices, and residences, there are plans to incorporate international medical facilities that meet the needs of international residents and visitors, serviced apartments, and childcare support facilities. Further, Shibuya Sakura Stage will be replete with entrepreneurship support facilities to cultivate business ventures in Shibuya.



2024 and beyond

Tokyu Plaza Harajuku "Harakado" (scheduled to open in Spring 2024)

A new center and source of culture, this commercial facility will be born at the Jingumae intersection where Omotesando and Meiji-dori Avenue cross. In addition to creating excitement as a new Shibuya landmark, Tokyu Plaza Harajuku "Harakado" is a redevelopment project that will create safe spaces for pedestrians and which will take into consideration the surrounding environment, helping to further increase the appeal of the Harajuku-Omotesando area.



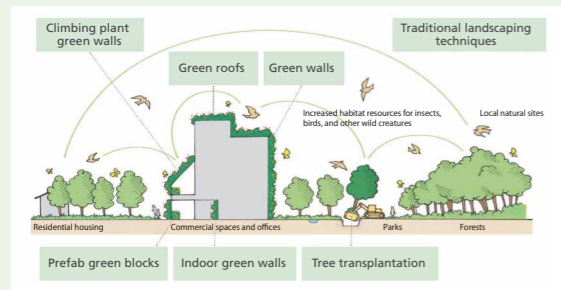
Yoyogi Park Park-PFI Project (operatorship scheduled to start in February 2025)

As Tokyo's first Park-PFI project, the Yoyogi Park Park-PFI Project will create a park that organically connects Yoyogi Park with the Shibuya-Harajuku area. Aiming to be a diverse set of stages where people will interact and energize each other, the development includes relaxing green terraces and plazas for exciting events and even skateboarding to welcome a rich variety of people.



Creating an ecological network in the Greater Shibuya area

The Greater Shibuya area is dotted with a large number of locations home to rich nature, including Meiji Jingu, Yoyogi Park, and the Akasaka Imperial Residence. We are actively promoting urban greening in the area. By connecting parks and other green spaces and providing way-stops for the animals that live there, we are working to create an ecological network.



Value chain topics Taking on new challenges through Group collaboration

Ishikatsu Exterior Inc. planted and manages the ecosystem-friendly Omohara Forest, Tokyu Plaza Omotesando Harajuku's rooftop garden. We began conducting an ecological survey in 2012 which has proven that the Omohara Forest serves as an ecosystem waypoint in an area surrounded by the large green spaces of Meiji Jingu, Yoyogi Park, and the Akasaka Imperial Residence.

This ecological network of urban greening, including rooftop greening, is nature positive and contributes to the recovery of biodiversity in the Greater Shibuya area. It increases access to food resources, egg-laying sites, and other habitat resources and makes possible the life stages of feeding, nesting, and breeding.

Tepei Kawasaki

Environment and DX Promotion Section
Environment and DX Promotion Division
Ishikatsu Exterior Inc.



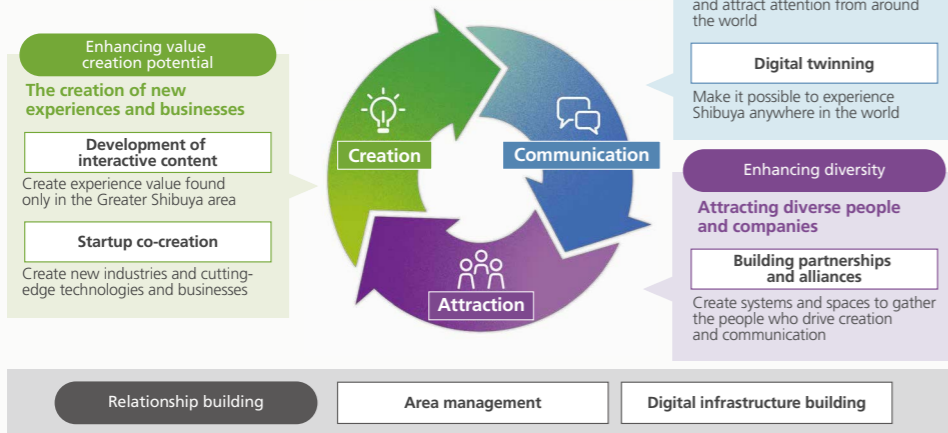
Community development introducing the world's first IOWN* service Realizing an environmentally advanced city combining working, living, and playing

Tokyu Land Corporation and the NTT Group are engaging in community development in the Greater Shibuya area that balances ultramodern convenience with reduced environmental impact. Through ultrafast, low-latency IOWN service enabling remote conferencing that feels like meeting in-person, real-time machine translation, and smart gyms and realistic virtual fitting mirrors in commercial facilities, we are aiming to contribute to the realization of Shibuya-style urban life.

*Innovative Optical and Wireless Network. This network (device-inclusive) and information-processing infrastructure aims to optimize the individual with the whole based on a variety of information, leveraging innovative technology particularly in the area of optics to enable the provision of high-speed, high-capacity communication as well as tremendous computational resources.

The Group's initiatives to increase the appeals of the Greater Shibuya area —Creating a cycle of creation, communication, and attraction—

In order to increase the appeals of the Greater Shibuya area, the Group is working to create a cycle of creation, communication, and attraction, as well as to develop area management and build digital infrastructure.



Creation

Development of interactive content

Collaborating with partners in other industries, we will create new, interactive content for the Greater Shibuya area that is buzzworthy and which will attract customers.

Example initiative • NewMake Labo is a fashion community operated in the Harajuku-Jingumae area which is taking on the issue of clothing waste with the aim of realizing circular fashion.



Startup co-creation

By incorporating the vitality and growth potential of startups, we will aim to promote Shibuya's branding as a district where new industries and services are constantly being created, increasing the area's value.

Example initiative • Together with Plug and Play Japan, a world-class innovation platform, are aiming to create a startup community to stimulate innovative creation.



Communication

Mediatization of the city

Through the interlinking of outdoor advertisements and events to strengthen Shibuya's media potential, we will enhance the reach of Shibuya-centered communication as well as the ability of the area to attract customers.

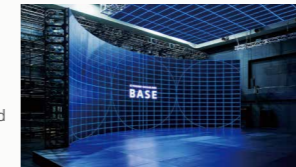
Future initiative • By taking over outdoor advertising at the Jingumae intersection where Tokyu Plaza Harajuku "Harakado" and Tokyu Plaza Omotesando Harajuku "Omokado" stand on opposite corners, we will broadcast the latest information from Shibuya to the world.



Digital twinning

Utilizing XR (VR/AR/MR), we will provide entertainment experiences merging the digital and real to enable people to experience Shibuya anywhere in the world.

Future initiative • We will be developing a digital background asset business for video and advertisement shooting at multiple properties.



Attraction

Building partnerships and alliances

By building partnerships and alliances with venture capital funds and creators, we will promote the development of new interactive content and startup co-creation, creating structures to attract partners in the Greater Shibuya area.

Current and future example initiatives
Harakado Neighborhood Association • A bold attempt to create a new pattern for commercial facilities that goes beyond any such initiative to date. Creators and other members of the Harakado Neighborhood Association scheduled to move into Tokyu Plaza Harajuku "Harakado" will plan their own events and content and share these with the world.

X& Circle Fund • A venture capital fund co-founded by Keisuke Honda which invests in entrepreneurs around the world. Through investment support for celebrity startups, X& Circle Fund strengths are its connections to the entertainment field and its ability to reach a wide audience, and we are engaging in long-term collaboration with the fund through limited partnership investment. By holding events dedicated to the themes of Shibuya, culture, and technology, we will aim to attract people involved in startups to Shibuya.



Harakado Neighborhood Association members



Relationship building

Area management

In cooperation with a variety of people from the government, the local area, and concerned organizations, we will hold events in public spaces leveraging whole area coordination unlike anything possible in any other city.

Digital infrastructure building

We will expand contacts with customers through the digital and gather, analyze, and utilize the data thus acquired to improve the navigability of the Greater Shibuya area as well as its ability to attract customers.

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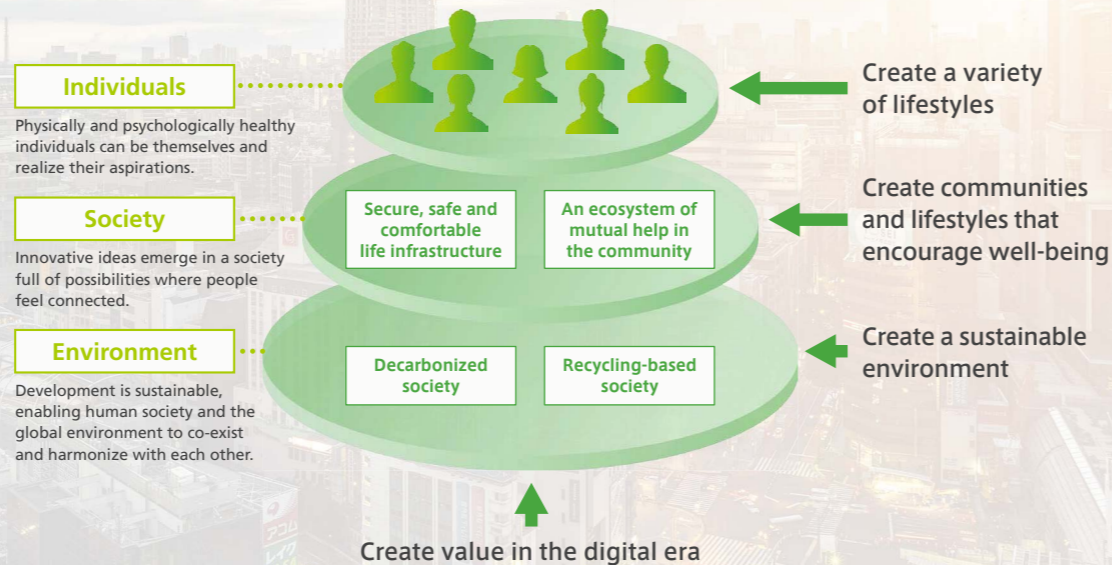
Data

02

— Our Ideal Vision —

Create value for the future

The value creation we aim to achieve
A future where everyone can be themselves, and shine vigorously



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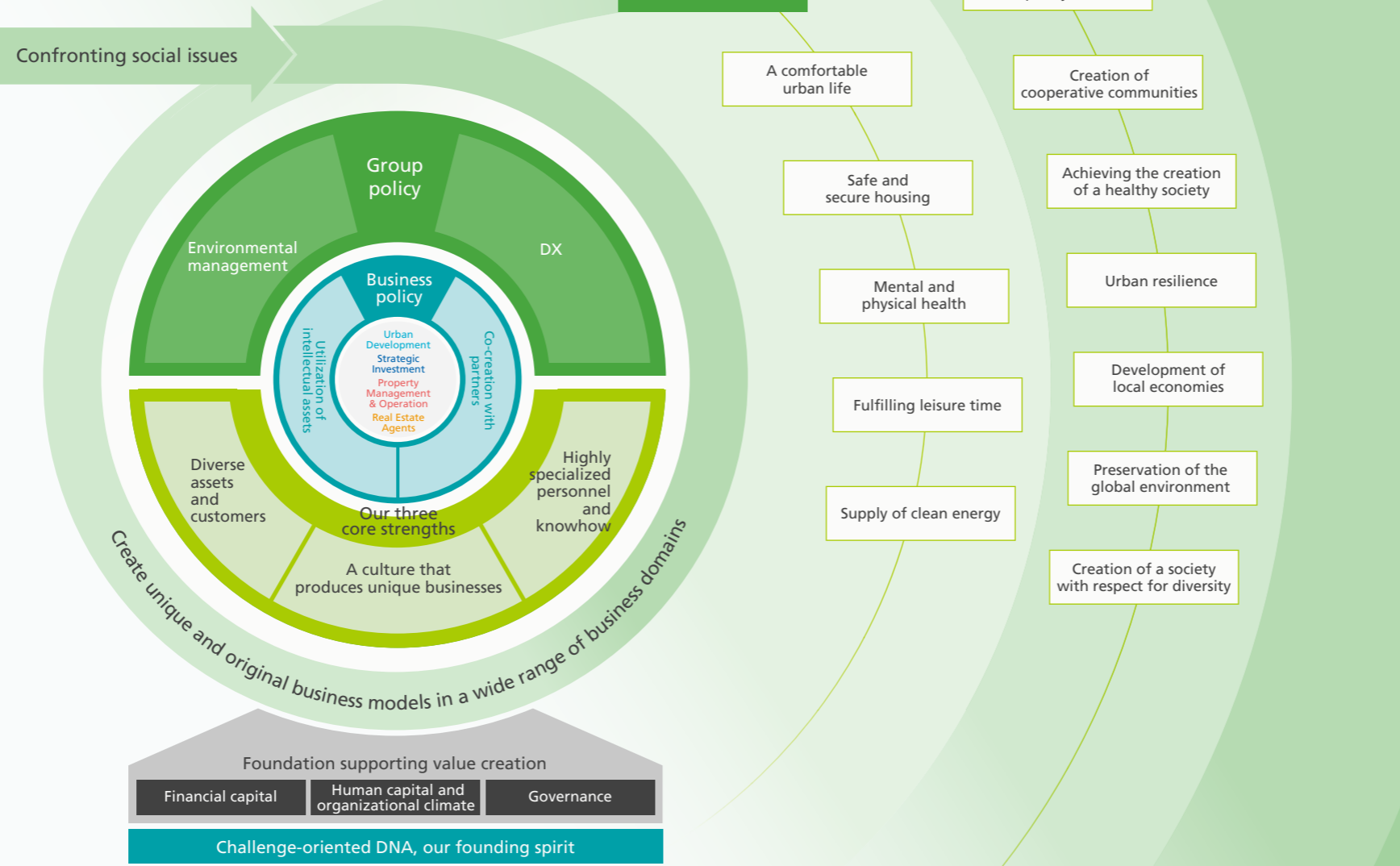
Create Value for the Future

We create unique and original business models by confronting social issues and aim to realize a sustainable society alongside sustainable growth for the Group by providing diverse value to stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

Engagement themes (materialities)

- Create a variety of lifestyles
- Create communities and lifestyles that encourage well-being
- Create a sustainable environment
- Create value in the digital era
- Create an organizational climate under which diverse human capital is enlivened
- Create governance to accelerate growth



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Value Provided to Stakeholders

We will enhance the satisfaction of all stakeholders and realize a better future by creating diverse value for customers and society through our business.



Aim for a sustainable society and growth

We will solve social issues to create a beautiful, abundant environment and urban development that has enduring appeal, not only for the next generation, but for all future generations.

Customers

We will realize enriching and convenient lifestyles by facilitating the seamless use of a wide range of Group services in accordance with the diverse lifestyles and life stages of individual customers.



Group employees

We will cultivate highly productive human resources who can contribute to wider society by establishing environments that enable employees to maintain their physical and mental health while working with motivation and aspirations.



Business partners

We will contribute to the creation of a sustainable society through our entire supply chain by supporting the growth of not only Group companies, but also our partners.



Local communities

We will contribute to regional revitalization and resilient, sustainable urban development through the creation of cities and communities that are resistant to disasters and in harmony with the environment.



Shareholders and investors

We will establish a position as an attractive investment destination for investors who focus on ESG and impact analysis by enhancing medium- to long-term corporate value.



Impacts (Social value)

A future where everyone can be themselves, and shine vigorously

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

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Letter to Our Stakeholders

Taking the transformation
of the Group to the next
stage for a future where
everyone can be themselves,
and shine vigorously



President & CEO,
Tokyu Fudosan Holdings Corporation



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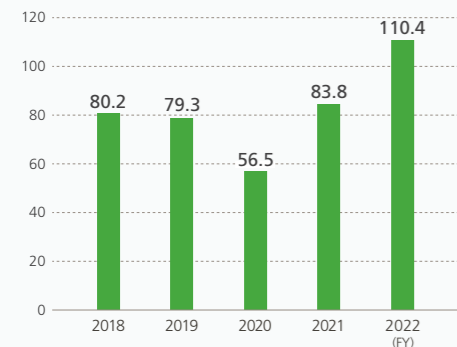
Letter to Our Stakeholders

Our performance in fiscal 2022 and future outlook

In fiscal 2022, the first year of our current medium-term management plan, for the first time ever we achieved operating revenue of over ¥1 trillion yen as well as record-high operating profit in excess of ¥100 billion. These are gratifying results for a milestone year marking the 10th anniversary of our establishment, but to be honest, for the past three years we have been working frantically to bring about a recovery in business results depressed by the COVID-19 pandemic. It is also true that the business environment provided a favorable tailwind in the previous fiscal year and that the rest of the industry also did well during this time frame. We are not allowing ourselves to rest on the laurels of the words “record high,” a phrase that makes a

Operating profit

(Billions of yen)



comparison only with one's own past results, and have strengthened our resolve to achieve further advances.

Since I became president in 2020, the Group has been united in pushing forward with its transformation. I believe that in management it is important to have a broad perspective as well as courage, and during the pandemic, the Group took the situation as an opportunity to come together as one, continuing to promote our transformation without pause. As a result, the Group's restructuring to build a solid and distinctive business portfolio is set to be completed a year earlier than anticipated.

([➔ See p. 27](#))

The purpose of this transformation is the maximization of the Group's comprehensive strength, and from the current fiscal year we have been working on reforming our value chain, the veritable core of our transformation efforts. What we are aiming for is “a future where everyone can be themselves and shine vigorously through the creation of a variety of appealing lifestyles.” In order to make the ideals we have touted under our WE ARE GREEN slogan a reality, we will need to be a corporate group which continues to create value. So, how can we realize a sustainable society and Group growth? I will answer that question by providing specific growth scenarios that will actualize our ideal vision depicted in the Group's long-term vision.

Transitioning from centrifugal management to loose centripetal management

Tokyu Fudosan Holdings was established as a pure holding company in 2013 to maximize the Group's comprehensive strength and promote the further growth of its individual companies. Our reasons for this decision at the time were as follows.

Purposes for the establishment of Tokyu Fudosan Holdings

- Improve management agility and efficiency through reformation of the Group's management foundation
- Expand inter-business synergies through Group collaboration
- Accelerate growth of the Group's businesses through a strengthened financial foundation

Tokyu Land Corporation, the core company of the Group, was born 70 years ago after the real estate division of Tokyu Corporation was spun off into an independent entity. Thereafter, in responding to the needs of society, property management company Tokyu Community, brokerage firm Tokyu Livable, and retailer Tokyu Hands were established.

By increasing their orders from outside the Group, Tokyu Community and Tokyu Livable have each grown to become one of the largest companies in their respective industries. Tokyu Hands defined a generation as a pioneer of the DIY industry and even today after its transfer outside the Group, it retains overwhelming brand strength. Our corporate group, with Tokyu Land Corporation at its core, has steadily grown through centrifugal (decentralized) management emphasizing each constituent company's independence, acquiring distinctly broad business wings.

A side effect of our centrifugal management, however, is that its focus on compartmentalized optimization lowered the sense of identification with the Group as a whole, making it difficult for us to create the kind of unique value our Group is capable of. Conversely, however, excessive centripetal force from the parent company can lead to member companies blunting the competitive edges they have cultivated in the aggressive pursuit of business outside the Group.

Accordingly, the Group has chosen a policy of “loose centripetal (centralized) management.” As a pure holding company, by aiming for what is optimum for the Group as a whole over the medium- and long-term perspective and balancing centralization and decentralization, we are seeking to promote the creation of synergies leveraging the strong competitiveness of each Group company and maximize the Group's comprehensive strength.

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What I've implemented in my three years as president

Since transitioning to a holding company structure, despite ups and downs in the market, our Group has continued to grow steadily. We have expanded business opportunities and consolidated redundant ventures, including establishing Tokyu Housing Lease (integrating our rental housing businesses), purchasing National Students Information Center (acquiring a new customer base), establishing Tokyu Re-design (integrating our renovation businesses), and establishing Tokyu Resorts & Stays (integrating our hotel and resort operations businesses).

Even so, when I became president in 2020, our goal of maximizing the Group's comprehensive strength had still only been achieved halfway. Further, due to the COVID-19 pandemic, the future of society as a whole became extremely uncertain. Feeling an even greater need for the entire Group to share a single direction, I commenced working on formulating our long-term vision.

Under GROUP VISION 2030, which uses a backcasting approach to envision our future, we present a 10-year plan to improve both shareholder and corporate value, positioning the first five years from fiscal 2021 as a restructuring phase and the second five years as a resilience phase. As part of this, based on the social roles and growth scenarios of each of our businesses, we reorganized our business segments into asset-utilizing and human

capital-utilizing businesses.

Next, we formulated our medium-term management plan. In this plan, we established a concrete growth strategy for the restructuring phase, which aims to improve our earning power and efficiency to regenerate growth in the post-COVID-19 period. Under the clear guideline to improve return on equity and earnings per share, we have promoted drastic business restructuring over the past two years.

Main business restructurings

- Transferring shares of Tokyu Hands
- Replacing commercial facility assets (sale of Tokyu Plaza Ginza)
- Partially transferring assets of leisure business (four golf courses and one ski resort)
- Transferring shares of Tokyu Sports Oasis* (fitness business)

These restructuring efforts, in which nothing has been considered off-limits, are akin to surgery on the Group, and enabled us to achieve a certain level of progress in fiscal 2022. As a result, we are expecting ROE to improve to 8.8% in fiscal 2023, from 5.7% in fiscal 2021.

Our post-restructuring portfolio is primarily comprised of industry-leading businesses, and I believe that utilizing the abundant contacts with customers they possess is the key to turning the breadth of our business wings into a true strength.

Strategy 1

Aim for organizational improvement through value chain reformation

The next issue we are working on, one that is essential to realize the maximization of the Group's comprehensive strength, is reforming the Group's value chain. Adding to

my previous surgery metaphor, if the Group were the body of a person, this could be compared to improving one's physical condition through healthy food and exercise habits as a foundation for creating a body that is leaner and more muscular.

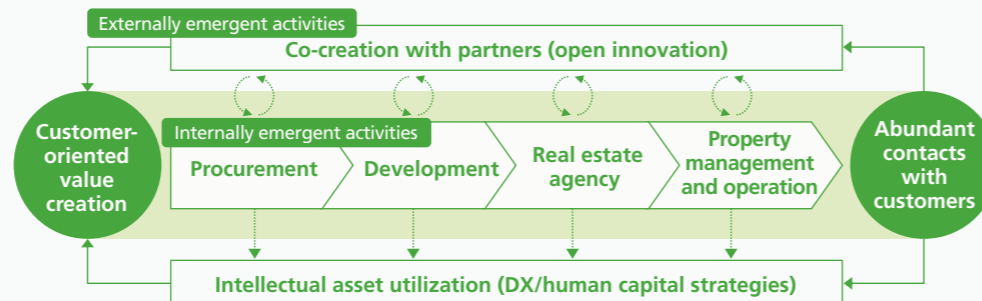
Customer-oriented value creation leveraging our strengths

The Group's value chain is, in essence, a cycle. Businesses are developed from a variety of angles utilizing the tangible assets of land and buildings to provide services with added experience value for our customers, and the intellectual assets born of the knowhow and data we thus accumulate are in turn leveraged to create further new businesses. What enables us to establish this cycle for producing sustainable growth is a "body" endowed with the Group's unique strengths, the sources of our competitiveness.

Sources of the Group's competitiveness

- Diverse, quality assets centered on the Greater Shibuya area
- The diverse customers of our property management/operation and real estate agency businesses
- Knowhow and human capital with advanced expertise in a broad range of business fields
- A corporate culture which perceives social needs and produces unique businesses

Value creation leveraging the strengths of our value chain



* In fiscal 2022, 40% of shares were transferred to Renaissance Incorporated. The remaining 60% of shares are scheduled to be transferred on March 31, 2024.

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In most industries, it has long been established that sales are unidirectional, flowing from the “upstream” of suppliers to the “downstream” of customers. The information for creating new businesses, as well, has largely been concentrated upstream.

Today, however, digitalization has enabled amazing advances in the ability to utilize data, and now it is the customers who have the most information and who are the starting point for services. Our Group develops a broad range of businesses in the field of real estate and it is important for us to base our thinking not on the upstream but rather to incorporate customer needs from direct points of contact with them such as real estate agents and property management and operation. Further, it is important to leverage this in our businesses, regardless of whether they are B2C or B2B.

“Dual-axis management” which promotes internally and externally emergent activities

Our value chain will function through Group-wide, customer-oriented optimizations implemented by individual employees with an awareness of the chain of value creation. Business creation within the Group (internally emergent) and business creation through collaboration with external entities (externally emergent) will mutually induce each other. At the same time we will continue to promote organic lifestyle and business creation, a system we dub “dual-axis management.”

We have strengthened collaboration within the Group for internally emergent activities to promote the development of new

products and services which tap into latent customer needs.

For externally emergent activities, we have already promoted initiatives such as regional and government partnerships, industry–academic collaboration, and joint venture creation. Under our business policy of co-creation with partners as established in the Group’s long-term vision, we will be further increasing our efforts to promote value creation through open innovation.

Case examples of internally emergent activities

- Coordination between manufacturing, sales, and management divisions on condominiums
- Group collaboration on redevelopment projects → See p. 71
- Internal Group strategy for wealthy customers

Case examples of externally emergent activities

- Comprehensive business partnership with JR East
- Advance introduction of IOWN to the Greater Shibuya area through partnership with the NTT Group
- Participation in an industry-academic collaboration program with the Massachusetts Institute of Technology
- Collaboration agreements with local municipalities: Matsumae Town, Hokkaido; Fujimi Town, Nagano Prefecture; and Kawajima Town, Saitama Prefecture

In reforming our value chain, our aim is to reinforce the change in the way of our thinking from compartmentalized optimization to optimization of the Group as a whole and in turn maximize the value we provide to customers. While balancing internally and externally emergent activities and utilizing our downstream abundant contacts with customers, we will create a corporate culture and structure which enables customer-oriented value creation across our entire value chain. In our B2C businesses, we will be promoting lifestyle creation suited to each individual customers, while in our B2B businesses, we will be promoting business creation which utilizes our operational knowhow.

To realize our dual-axis management, one more business policy will be important—that of utilizing intellectual assets. Through our human capital strategies and the promotion of digital transformation (DX) utilizing our knowhow and data, we will maximize the value of our intangible assets, which in turn will lead to revenue. In order to turn our intangible assets into intellectual assets, we will be changing the way we view our non-financial assets, instead looking at them as “unfinanced capital” and promoting the perception throughout the Group of such assets as future financial capital.

Both internally and externally emergent activities share the perspective of “What should we do so that customers choose us?” In order to ensure this attitude toward customer needs takes root in our employees, we constantly ask them to look at the work that takes place behind and in front of them, to turn their gaze

outward, and to take their point of view a step higher. To cultivate human capital that will engage in their work from a perspective that is thoroughly on the side of the customer, we will be linking our human capital strategies, which contributes to the maximization of the Group’s value, to our management strategies.

Strategy 2

Increasing inter-municipal competitiveness with our community planning knowledge

Our strengthened value chain ties into a growth scenario over the medium and long term of leveraging the achievements and knowledge acquired through community development and redevelopment projects to solve a variety of social issues.

In recent years, it has been the prevailing view that the social issues that the real estate industry should concern itself with are the development of communities that are comfortable to live in, and the promotion of people’s wellbeing. Today, however, these are considerations that are a matter of course. The question now is to how competitive a community can be made in comparison with other municipalities. Increasing the international municipal competitiveness of Tokyo, in particular, is something we see as a key issue for stimulating the Japanese economy.

In response to this challenge, the Tokyu Group is focusing its efforts on its community development strategy in Shibuya. Defining the area within a 2.5 kilometer radius of Shibuya Station as “Greater Shibuya,” we will be aiming

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for a community that leverages both physical and technological infrastructure to grow sustainably and bring together work, play, and living. By fiscal 2024, the Group will complete construction of and open four new projects, expanding its activity base across the entire area to take our community development of the Greater Shibuya area to a new stage.

New projects opening in the Greater Shibuya area

- Forestgate Daikanyama (scheduled to open in October 2023)
- Shibuya Sakura Stage (scheduled for completion in November 2023)
- Tokyu Plaza Harajuku “Harakado” (scheduled to open in Spring 2024)
- Yoyogi Park Park-PFI Project (operatorship scheduled to start in February 2025)

In this new stage, our keywords are “whole area coordination” and “people,” and we will be co-creating with a diverse array of people and companies as well as establishing mechanisms to promote interaction and

Community development growth scenario



exchange. Through this, we will engage in community development that establishes a cycle of creation, communication, and attraction, and build partnerships and alliances based on shared ambitions and the diverse people who are the source of everything that makes Shibuya so appealing.

Shibuya is an area which possesses the divergent characteristics of being a tourism destination and of being a cultivator of industry, and I believe it exudes a unique personality that is unlike that of any other city in the world. Through our community development, we will contribute to what makes Shibuya, an entertainment district which never sleeps and which is visited by tourists from around the world, an appealing place. At the same time, through the proposal of measures to promote entrepreneurship, we will enhance Shibuya's unique capabilities for cultivating industry and make it an area which attracts outstanding startups from across Japan and the globe.

Further, by developing specific measures for each Group company based on the growth scenario which turns this community development into business capabilities, we will expand opportunities for business from the Greater Shibuya area outward.

(→ See p. 11)

Strategy 3

Tackling regional revitalization through the solving of regional issues

An equally important social issue that Japan must tackle alongside strengthening of inter-municipal competitiveness is regional revitalization. In facing the challenges borne by various regional areas, we place emphasis on tourism and green transformation (GX).

To make Japan, a nation with a declining population, into a top tourism destination, it will be essential to attract people from overseas, and I believe that building resort destinations with the ability to draw visitors

year-round across Japan will be one means of achieving this. Tourist cities such as Kyoto have made it clear that if a continuing flow of tourists can be established, the local economy will experience sustainable growth. As it is, however, many resort communities in Japan experience huge seasonal differences in the number of tourists they receive. Our Group will be creating a new model of regional revitalization—making Japan into a top international tourist destination through year-round resorts—in Niseko, Hokkaido, where we are coordinating with the government and private sector to create the number one international resort in Asia.

Shibuya Sakura Stage



(Rendering)

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The effects of GX on regional revitalization are symbolized by the words of the mayor of Matsumae Town, Hokkaido, where the Group operates a renewable energy business: "Matsumae's local specialties are Matsumae pickles and electricity." A renewable energy business is an asset which brings an increase in business and employment opportunities as well as increased tax revenue to a region, and there are examples from across Japan of projects which achieved both regional revitalization and environmentally oriented activities.

Against this backdrop, the Japanese government enacted the GX Promotion Act, which incorporates measures such as the transition to renewable energy as the primary source for electric power, in May of this year. Going forward, the country's energy policy will accelerate the trend toward decarbonization. Our Group led the industry in engaging in renewable energy businesses, and with our longer track record in the field of decarbonization, we will continue to contribute to Japan's energy policy while giving due consideration to the environment.

In implementing initiatives to solve regional issues, we can utilize the Group's distinctive characteristics of broad business wings together with numerous business sites. With regional community development, partnerships with local residents, the government, business partners, and a variety of other stakeholders is essential, and it also demands the development knowhow to engage in long-term projects while seeking the cooperation of landowners. New business

opportunities always emerge in places that have experienced economic revitalization. The Group will expand the roots of its nationwide business sites while engaging in the kind of community development regional areas require, and through this the buds of profit generation will emerge.

Increasing our earning power through the two pillars of environmental management and DX

In tackling key issues, environmental management and DX are two concepts which have been established as Group-wide policies. We view them as essential factors for raising the Group's competitiveness and, at the same time, as concepts which both come into their own when they are turned into "earning power."

The Group was quick to develop environmentally-conscious businesses, and in turn our environmental management initiatives have preceded those focusing on DX. Particularly with regard to our renewable energy business, which we launched in 2014, we post some of the best results in Japan. In December 2022, Tokyu Land Corporation became the first Japanese company* to switch entirely to renewable energy to power its own business locations as well as all its facilities, meeting its RE100 targets. Through this and other efforts such as the decarbonization of offices, condominiums, and hotels, the entire Group is promoting its branding as an environmentally advanced organization.

* Excludes financial institutions

Based on the power of this branding, we will aim to grow in three phases: Appealing to customers with our uniqueness, expanding business opportunities, and turning these opportunities into revenue. One point in our medium-term management plan is to increase business opportunities with the environment as a starting point. An example of an externally emergent activity in this area is our comprehensive business partnership with JR East. This partnership has been praised as the kind of initiative an environmentally advanced company engages in, and it is steadily beginning to bear fruit.

([➡ See p. 33](#))

Turning to the promotion of DX, we have been selected for the DX Stocks 2023 list. In being selected for this list, we were praised for our improvement of customer experience

(CX) through the use of a digital twin in condominium sales as an excellent example of enhancing an existing business model, and for our introduction of NFTs into the leisure business as a great example of the creation of a new business model.

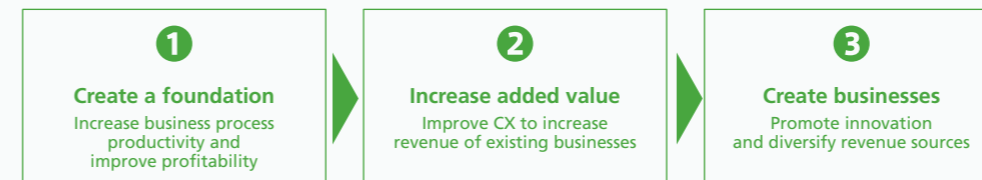
However, in comparison with the DX policy presented in our long-term management policy, our efforts in this area have just begun. As I touched on when discussing reformation of our value chain, the primary function of data and digital technology is to turn intangible assets into intellectual assets. In order to realize the Group's DX vision of



Environmental management growth scenario



DX growth scenario



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“digital fusion—removing all boundaries with the power of DX,” we will aim to establish a new revenue model by maximizing the value of asset-utilizing and human capital-utilizing businesses.

With regard to our human capital-utilizing businesses, I believe that leveraging the Group’s intangible assets in the B2B field as well and providing them externally as industry-tailored and function-tailored solutions will lead to new sources of revenue in the future. ( See p. 37)

Becoming a collection of human capital which creates an unending stream of value

I have spoken repeatedly of the importance of intangible assets, but the asset I place the greatest value on is human capital. The



growth of the Group has been supported by the strength of employees endowed with our founding spirit of “challenge-oriented DNA” and a “mission to engage in society.” Viewing their knowledge, skill, and ambition as our human capital, we are promoting a strategy of aggressive human investment to maximize the Group’s value.

( See p. 45)

Among our various policies, we also place importance on health and productivity management. Through measures such as a good working environment, together with our stakeholders we are contributing to the promotion of the health of our employees through our business activities.

Based on years of experience being involved with personnel, I am convinced that an environment which secures psychological safety is necessary for the cultivation of highly diverse human capital. In order to instill this thinking throughout the Group, changing the awareness of the management of each Group company is particularly important. This is also an essential component for realizing sustainability as a corporate group, and going forward we will continue to promote human capital management with our strategies for human capital and management as indivisible from each other.

In order to continue to go beyond being trusted to being loved— Promoting rapid business development with enthusiasm

When the three gears of social trends, management strategy, and enthusiasm engage, businesses experience dramatic and rapid growth. This is my personal view of business in management. And of the three, only enthusiasm can be controlled by individuals. Because businesses are comprised of people, I believe that the state of mind that people go about their work in is a major component concerning business success.

This line of thinking was probably significantly influenced by a boss I had when I was young who constantly told me, “Do what you like.” This belief that individual enthusiasm should be encouraged as long as it benefited the company and organization permeated the entire Group at that time.

That corporate culture remains unchanged today. If anything, the enthusiasm of diverse and individual employees is all the more necessary for the creation of new businesses in this age of increasingly complex social issues. I believe that my job is to keep my gaze fixed on the future one step ahead and further strengthen a corporate culture

The three components for rapid business development



that continues to move forward and evolve. The slogan “WE ARE GREEN” in the Group’s long-term vision really symbolizes the idea of all of our human capital exhibiting their diverse abilities under a sense of Group unity.

Our ideal is the realization of “a future where everyone can be themselves and shine with vigor.” With enthusiasm as a starting point, we formulate management strategies that accurately grasp social issues, changing customer needs, and other social trends. By fully exhibiting this “challenge-oriented DNA” and continuing to create value that meets society’s expectations, we will aim to be a corporate group which continues to go beyond being trusted to being loved.

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Medium- to Long-term Growth Strategy

Realizing our vision for advancing environmental management and DX

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Building a solid and distinctive business portfolio

Group policy

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Utilization of intellectual assets

Co-creation with partners

- Key Strategies**
1. Direct attractive city development
 2. Strengthen environment-related business
 3. Digitally transform B2C business
 4. Create business in new domains

Strengthen our management foundation

Financial capital strategy

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Human capital and organizational climate

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Human Capital and Organizational Climate

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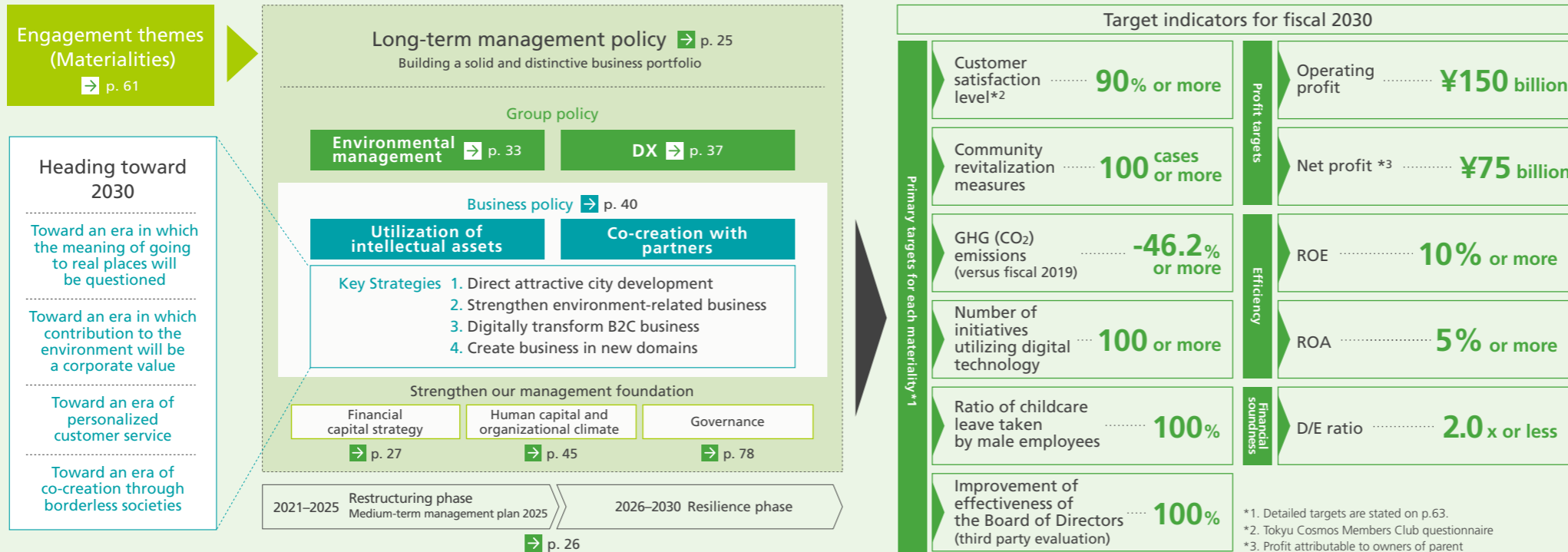
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We are building a solid and distinctive business portfolio focused toward fiscal 2030



GROUP VISION 2030

Our long-term management policy aims to realize the vision set forth in GROUP VISION 2030 by advancing environmental management and DX as overall Group policies based on the themes of our efforts to create value (materialities), as well as promoting the utilization of intellectual assets and co-creation with partners as business policies aimed at evolving the associated assets expansion model.

We have also identified the four major changes that we think will affect the business environment around the Group heading toward 2030, and have formulated key strategies in response to each change. These strategies are to direct attractive city development, strengthen environment-related business, digitally transform B2C business, and create business in new domains. We will formulate and

implement specific measures to advance these overall Group policies and business policies, capture new business opportunities, and further strengthen the Group's competitive position in order to build a solid and distinctive business portfolio that will raise both shareholder and corporate value.

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Engaging business opportunities and creating business models through environmental management and DX

Medium-term management plan 2025

Improve profitability
through higher productivity and
efficient investment

**Increase profits and
expand business opportunities**
by enhancing experience value for customers

Maximize corporate value
by transforming our business model

Outline of the medium-term management plan

Asset-utilizing business

Urban Development /
Strategic Investment

Target direction

Increased asset efficiency
through efficient investment
of funds and co-creation-
based development

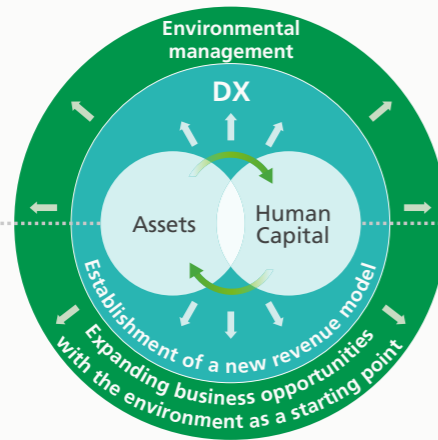
Strengths of our Group

Leveraging a broad
range of assets

- Experience in developing diverse asset types
- Industry-leading AUM

Capacity to produce business

- Development of unique facilities
- Community-based project promotion



Utilization of
intellectual assets

Co-creation
with partners

Human capital-utilizing business

Property Management &
Operation / Real Estate
Agents

Target direction

Improved productivity
through a departure from
labor-intensive methods
and the effective use of
intellectual assets

Strengths of our Group

A wealth of customer
touchpoints

- Business development in a variety of B2C areas
- Communication focusing on the physical

Human capital and operational expertise

- Industry-leading presence in management and brokerage

2021 ▶ 2022

Restructure our business portfolio

In the restructuring phase of our long-term management policy, we will focus on the businesses that have been positioned within our business portfolio management as requiring fundamental restructuring. This will involve structurally transforming these businesses to improve earning power and efficiency in a way that will regenerate growth in the post-COVID-19 period. We made a certain amount of progress on building a solid and distinctive business portfolio in fiscal 2022, which is one year earlier than initially planned.

2023 ▶

Aim to maximize the Group's comprehensive strength

We have started reforming the Group's value chains with the aim of turning the breadth of our business wings into a true strength and maximizing the Group's comprehensive strength. As we head toward the resilience phase of our long-term management policy, we will look to raise profitability through higher productivity and efficient investment, to steadily increase profits and expand business opportunities by enhancing experience value for customers, and to accelerate the creation of distinctive value through environmental management and DX.

2025

Efficiency

ROE **9%** ROA **4%**

EPS **¥90 or more**

Profit targets

Operating profit **¥120 billion**

Net profit* **¥65 billion**

Financial soundness

D/E ratio **2.2 x or less**

EBITDA multiple **10 x or less**

* Profit attributable to owners of parent

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Message from the Officer in Charge

Aiming for business restructuring and the growth of each business to improve our earning power and efficiency



Shinichiro Usugi

Director, Operating Officer
In charge of General Management
Supervisor for the Corporate Communication
Department, Group Planning Strategy Department,
and Group Finance Department
Tokyu Fudosan Holdings Corporation

Medium-term management plan progress

In fiscal 2022, we were able to exceed all of our target indicators thanks to a favorable real estate sales market as well as the recovery in demand for domestic and international tourism with the end of the COVID-19 pandemic. For the first time ever, operating revenue and operating profit exceeded the ¥1 trillion and ¥100 billion milestones, respectively. In fiscal 2023, we are

planning on increases in both revenue and profit. This includes an operating revenue of ¥1.12 trillion (+¥114.2 billion year on year), operating profit of ¥112.0 billion (+¥1.6 billion), and profit attributable to owners of parent of ¥62.0 billion (+¥13.8 billion). Buoyed by a favorable business environment and centered on condominium sales, the hotel business, the real-estate sales agent business, and sales of assets,

Progress of medium-term management plan (financial targets)

		FY2021 (Result)	FY2022 (Result)	FY2023 (Forecast)	FY2025 (Target)
Efficiency	ROE	5.7%	7.3% ▶	8.8%	9%
	ROA	3.2%	4.1% ▶	4.0%	4%
	EPS	¥48.84	¥67.21 ▶	¥87.37	¥90 or more
Profit targets	Operating profit	¥83.8 billion	¥110.4 billion ▶	¥112.0 billion	¥120.0 billion
	Net profit*1	¥35.1 billion	¥48.2 billion ▶	¥62.0 billion	¥65.0 billion
Financial soundness	D/E ratio	2.3x	2.2x ▶	2.3x	2.2x or less
	EBITDA multiple	10.7x	9.3x ▶	10.1x	10x or less
	Asset-utilizing business*2 ROA	3.2%	3.5% ▶	3.1%	3.6%
	Human capital-utilizing business*2 Operating profit margin	4.2%	7.7% ▶	8.0%	8.1%

*1. Profit attributable to owners of parent

*2. Asset-utilizing business: Urban Development / Strategic Investment
Human capital-utilizing business: Property Management & Operation / Real Estate Agents

we are ahead of our initial medium-term management plan projections. The drastic increase in our net profit is the result of an improvement in extraordinary items with the end of the intensive business restructuring we conducted throughout the two years of fiscal 2021 and 2022. For fiscal 2023, we are forecasting an ROE of 8.8% and earnings per share of ¥87.37, approaching our targets of 9%

and ¥90 or more, respectively, for fiscal 2025, the final year of our medium-term management plan. We will continue to aim for “improving our earning power and efficiency,” the theme of our medium-term management plan, and strive for growth in earnings per share as well as the continued achievement of ROE which exceeds the cost of shareholders’ equity.

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Capital allocation

In the current medium-term management plan extending through fiscal 2025, we are aiming to balance what is optimum for growth investment, financial soundness, and returns to shareholders. From fiscal 2021 to fiscal 2025, we plan to invest ¥2.2 trillion, of which ¥2.0 trillion will be invested in the asset-utilizing business segments of urban development and

strategic investment. We will be particularly strengthening our investments in highly profitable renewable energy facilities as well as revolving real estate investment businesses, which includes logistics facilities and rental housing. With regard to our expected returns for our investments in asset-utilizing businesses, we will be aiming for NOI yields at around 5.0% for our Group-owned property businesses and

IRR around 6.5% for our revolving real estate investment businesses, and will be investing in maintaining and improving asset efficiency.

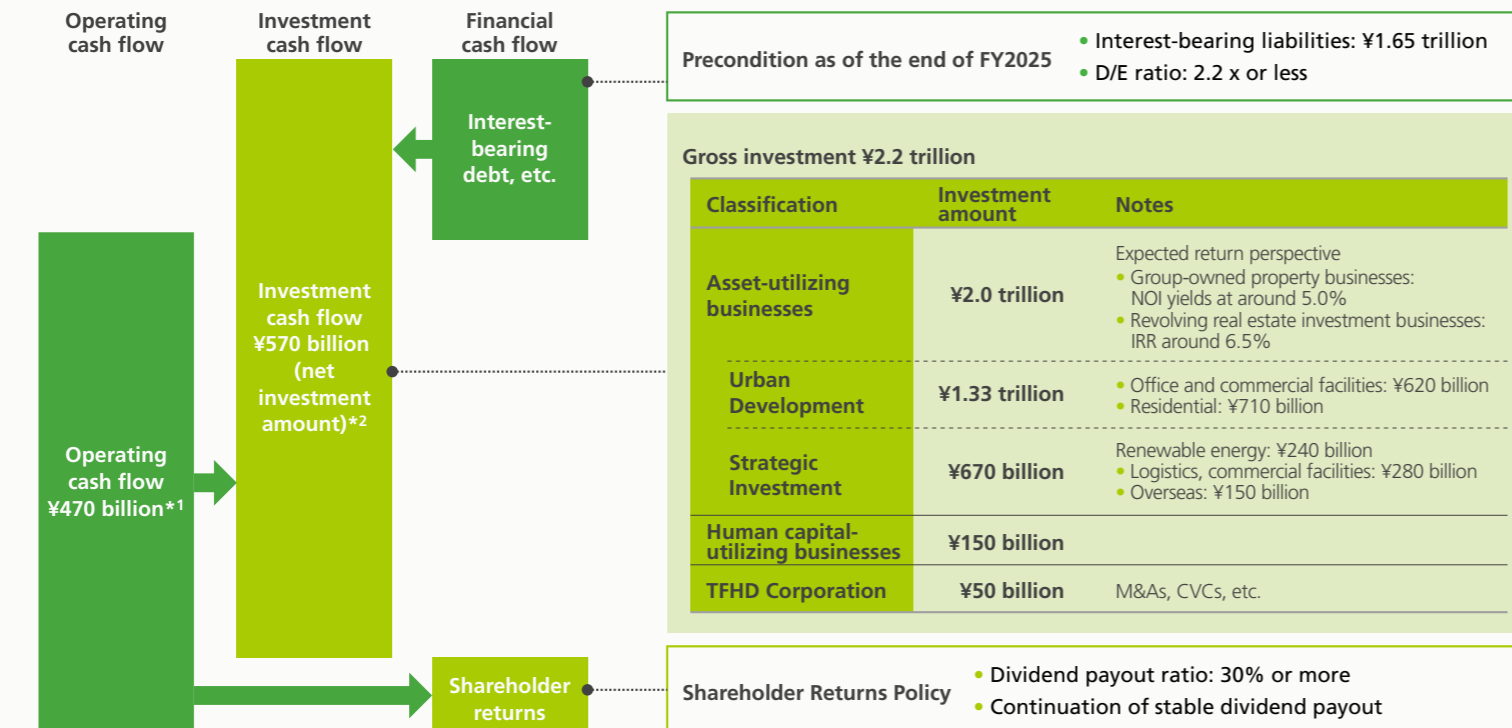
In the past, the Group's financial structure was weak, and as a result, we were forced to cut back on investments during the poor real estate markets following the collapse of Japan's bubble economy and the 2008 global financial crisis. Ordinarily, a poor market is exactly the time to be

investing. In addition, we have experienced an increase in the number of large-scale and long-term projects, such as our redevelopment projects centered on the Greater Shibuya area, and from the perspective of being able to promote our businesses regardless of the economic climate, we believe it is of the utmost importance to maintain and improve our financial soundness. Accordingly, we plan to gradually improve our D/E ratio in the medium and long term through such means as accumulating periodic profit, with a target of 2.2 times or lower by the end of fiscal 2025.

In addition, we will steadily promote investment recovery, including the realization of unrealized gains through our revolving real estate investment businesses and asset replacement. Between fiscal 2021 and 2025, we are planning on a net investment amount in this area of ¥570 billion. The funds will be raised from operating cash flow and interest-bearing debt. Regarding interest-bearing debt, we raise such debt with continued stability and cost reductions as priorities. We are continuing to diversify our sources and financing methods, and to lengthen repayment periods and fix interest rates (the ratio of long-term interest-bearing debt at the end of March 2023 was 95.9%, and the ratio of fixed interest-bearing debt was 95.3% [both excluding non-recourse debt]).

Capital allocation

■ Cash in ■ Cash out



*1: Net income + depreciation/amortization expenses

*2: Includes inventory investment

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Portfolio management progress

When we formulated our medium-term management plan, we evaluated all of our businesses along the two axes of qualitative evaluation and quantitative evaluation. Centering on businesses placed in the category of “fundamentally restructure,” over the past two years, we focused on revising our business and asset portfolios. In our restructuring efforts to improve our earning power and efficiency, nothing has been considered off-limits. For example, in fiscal 2021, we transferred all shares of Tokyu Hands, a business which was facing declining profitability as well as issues with future growth potential. In addition, in fiscal 2022, we

made the decision to sell Tokyu Plaza Ginza, whose asset efficiency had declined. By the previous fiscal year, our initiatives for businesses requiring fundamental restructuring were nearly complete. Going forward, we will be continuing to promote the restructuring and growth of each of our businesses with a focus on improving efficiency and centering on businesses placed in the category of “revise and advance.”

Initiatives to improve corporate value and market valuation

Through our intensive business restructuring over the past two years, we had planned on improving our ROE from 5.7% in fiscal 2021 to 8.8% in

fiscal 2023. However, the PBR (price-to-book ratio) of our stocks has continued to fall below 1.0 (as of the end of July 2023), and we recognize that improving our valuation by shareholders and investors is an issue.

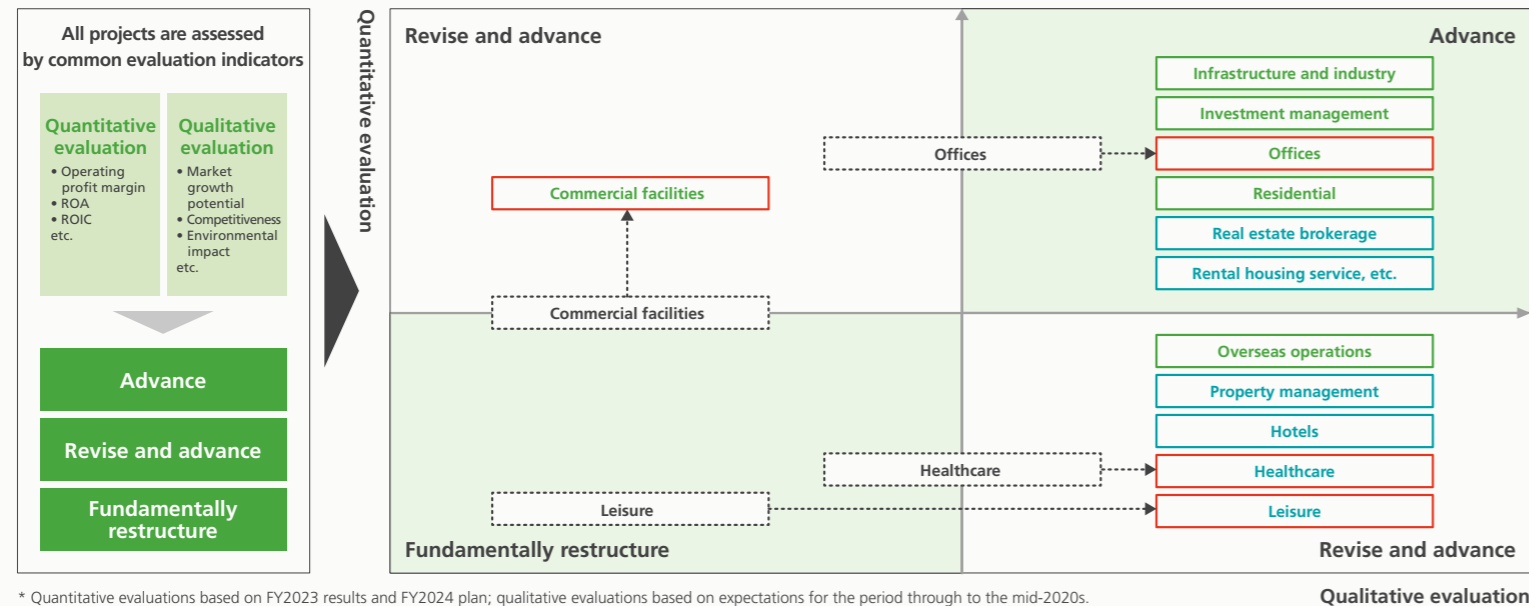
PBR can be broken down as ROE times PER, and in order to improve our PBR, we believe it is necessary to improve both ROE and PER. Looking at ROE first, in the short and medium term, we are aiming for a target ROE of 9% in our medium-term management plan. We will continuously achieve ROE which exceeds the cost of shareholder’s equity through the initiatives presented in our medium-term management plan. Specific examples of these initiatives include the

steady promotion of large-scale development property projects, the strengthening of our highly profitable renewable energy and logistics facility businesses, and improving operational efficiency via digital transformation (DX) and other means.

To improve PER, we recognize that it is important to convince shareholders and investors that we can grow sustainability over the medium and long term. And in order to achieve sustainable growth over the medium and long term, it is important that we grasp trends in the world, resolutely face high-priority social challenges and, through our businesses, work to resolve those challenges. The reason why is because when there are large social challenges, the businesses which resolve those challenges also grow large. The greatest challenge society faces at this time is the issue of the environment, and we believe that the trend toward companies with a greater degree of environmental contribution being customers’ first choice will grow stronger going forward. As established in our long-term management policy, we promote environmental management as the Group policy, and will be accelerating our expansion of environmentally-oriented business opportunities.

An additional challenge we see before us is proactively engaging in dialogue with shareholders and investors to a greater degree than ever before to gain their understanding of our initiatives, understand in turn shareholder and investor expectations with regard to the Group as well as where we fall short of those expectations, and utilize this information in our management strategies. In order to provide shareholders and investors with confidence that we are on the path toward future growth, in addition to promoting the initiatives presented in our long-term management policy and medium-term management

Progress in portfolio management



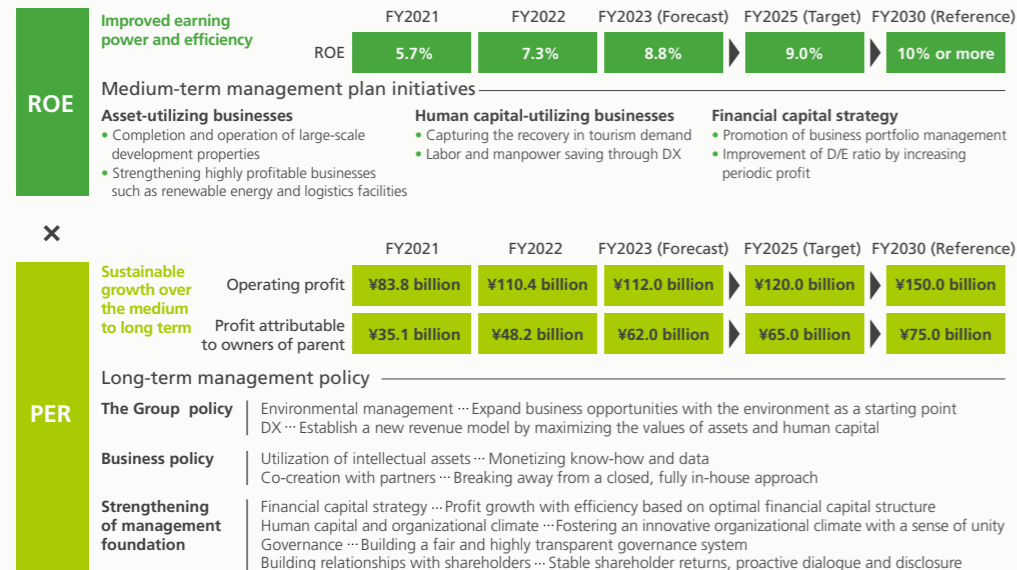
* Quantitative evaluations based on FY2023 results and FY2024 plan; qualitative evaluations based on expectations for the period through to the mid-2020s.

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Initiatives to enhance corporate value and market valuation

Improve corporate value and market valuation by promoting and achieving the long-term management policy and medium-term management plan 2025.

$$PBR \uparrow = ROE \uparrow \times PER \uparrow$$



plan, we will also be enhancing our disclosure and dialogue with regard to these initiatives.

Shareholder return policy

Our current policy for returning profit to shareholders is to provide a dividend payout ratio of 30% or more and to maintain stable dividend payments, with particular emphasis on stably maintaining and improving dividend amounts. We believe this policy was demonstrated in our maintenance of dividend amounts even when our performance was unfavorable due to the impact

of the COVID-19 pandemic in fiscal 2020. Going forward, we will continue to make quality investments such as the Greater Shibuya area and other redevelopment projects as well as renewable energy facilities, and aim to expand earnings per share through growth investment and increase dividend amounts accordingly.

Formulation of the “WE ARE GREEN” Bond Policy for the long-term issuance of ESG bonds

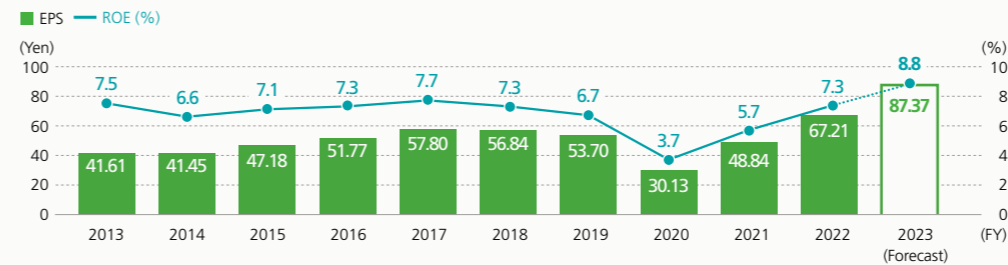
Based on GROUP VISION 2030, our long-term

vision, we have determined a policy for the long-term issuance of ESG bonds. Having set targets of increasing the ratio of ESG bonds to 50% by the end of fiscal 2025 and 70% by the end of fiscal 2030, as of the end of fiscal 2022,

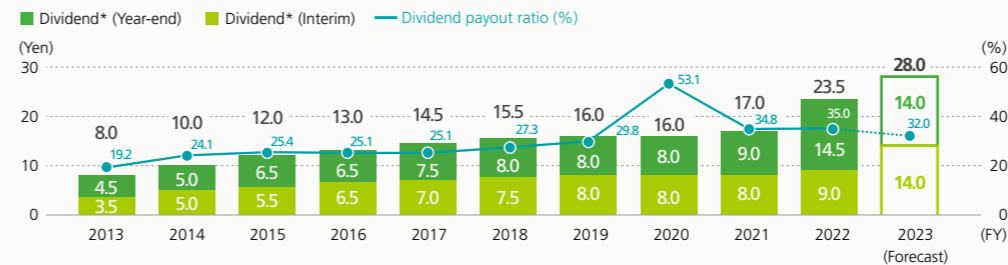
our ESG bond ratio was 25%. Going forward, we will continue to advance and raise awareness of the Group’s ESG initiatives while also aiming for growth and the realization of a sustainable society through the ongoing issuance of ESG bonds.

Shareholder return

EPS and ROE

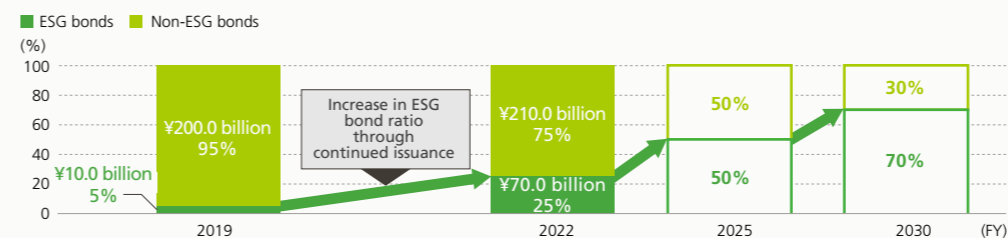


Dividends and dividend payout ratio



*Interim dividend for fiscal 2013 was paid by Tokyu Land Corporation

ESG bond ratio



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Message from the Officer in Charge

Promoting environmental management and DX to create a strong business model that is difficult to imitate



Eiji Yamane

Operating Officer
Supervisor for the Group Corporate Planning Department,
Group Sustainability Promotion Department,
and Group Digital Transformation Promotion Department
Tokyu Fudosan Holdings Corporation

Materiality promotion progress

As an operating officer of Tokyu Fudosan Holdings since April 2023, I have been in charge of the Group's corporate planning, sustainability promotion, and digital transformation (DX) promotion. I strive to link management strategies with management resources and incorporate diverse ideas and technologies so we can create new value and enhance and improve both our sustainability and competitive edge.

Our Group pursues an ideal vision to "create value for the future" and aims to resolve social issues through business activities, and, together with our stakeholders, achieve growth as well as a sustainable society. In our long-term vision, we establish non-financial KPIs in line with each of six materialities determined based on social challenges, and through concrete measures, we are working to improve our corporate value.

■ "Create a variety of lifestyles"

"Create communities and lifestyles that encourage well-being"

Our creation of new products and services as well as the number of projects which tie into community planning in line with the new trends of a post-COVID-19 world are increasing.

In addition to creating facilities such as wellness offices and hotel residences which demonstrate the significance of their spaces, we place emphasis on creating mechanisms, like area management and the local production and consumption of energy, which connect people and communities and produce safety and vitality. Through these, we aim for social value which will last on into the next generation.

■ "Create a sustainable environment"

"Create value in the digital era"

We are accelerating measures to realize a decarbonized society. At the same time, we are also aggressively working to upgrade the infrastructure of the systems needed to reform our business processes.

In promoting the Group policies of environmental management and DX, what is important is for each individual employee to be aware that the environment and DX are things that affect them personally and to incorporate these concepts into their work. Through the disclosure of Environmental Management Report and DX Report as well as awareness campaigns and training, understanding has gradually permeated throughout the Group, and the number of initiatives which have a major impact on society have increased.

■ "Create an organizational climate under which diverse human capital is enlivened"

As symbolized by our human capital management, our management and human capital strategies have become more interlocked.

An organization which is diverse yet united as one team and which is willing to engage in trial and error is an organization that is able to demonstrate its true strengths. The cultivation of human capital and the fostering of an organizational climate require a certain amount of time, and accordingly, we will be taking deliberate steps toward both.

■ "Create governance to accelerate growth"

We recognize the necessity of management that is cognizant of market valuation and the capital cost

needed to improve corporate value. Of the Group's many management resources, our human capital and information capabilities present particular strengths and potential which are difficult to portray through financial statements, and we are creating systems to further enhance their superiority and in turn increase corporate value.

The growth opportunities presented by the Group policy of environmental management

Since our establishment our Group has promoted environmentally-conscious business. From the start, the recycling of limited resources and businesses which coexist with natural capital have been specialty fields for us. Examples include urban development, resort operation, greening projects, real estate agency for pre-owned homes, and building renovation and life-extension. We will be able to meet the major demands of this age of realizing a decarbonized society, a recycling-based society, and biodiversity conservation as an environmentally advanced company because of our foundational desire to seek harmony between business and the environment which we have cultivated over the years. We believe that there are a great many opportunities for growth through environmental management at the fringes of our existing business domains.

We are ahead of schedule in our plans in this area and expect to achieve the targets of our measures to realize a decarbonized society early. We have continued to steadily expand investments in our renewable energy business, one of the Group's greatest strengths. In December 2022, Tokyu Land Corporation switched entirely to renewable energy to power

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all of its business locations and facilities, meeting its targets for the international RE100 initiative.

(➔ See p. 65)

The original target was 2025, and we see the achievement of this ahead of schedule to be a result of our capabilities in renewable energy, which are among the strongest of any company in Japan. Further, in fiscal 2022 we had reduced our CO₂ emissions (Scope 1 and 2) to 50.6% of fiscal 2019 levels. In addition, we have begun introducing internal carbon pricing (ICP).

Our initiatives for a recycling-based society as well as biodiversity and nature conservation include promoting reuse in residential areas, recycling food from our membership resort hotels, rebuilding existing properties, and creating wooden buildings using sustainable materials. Our efforts have attracted greater attention from the public, and going forward we will continue to focus efforts on this field with our own unique spin.

In order to further accelerate such initiatives, in the previous fiscal year, we started a Sustainable Action Awards program which



Forestgate Daikanyama's TENOHA Building. In collaboration with government authorities and businesses engaging in circular economy activities, Forestgate Daikanyama will connect consumers with sustainable initiatives as a focal point for activities which tie the community and city together.

recognizes employees who take on the challenge of sustainable initiatives. In the first year alone, there were 123 submissions. By praising Group members for their creative and forward-thinking challenges, we will encourage others within the Group to do the same and create new business opportunities in turn.

The growth opportunities presented by the Group policy of DX

The initial DX measures we are promoting are to further strengthen the competitiveness of our core businesses. These include the development of business processes to achieve efficient working styles utilizing digital technology, and the promotion of customer experience (CX) which creates impressive experiences and highly convenient services based on our real world and digital contacts with customers. The data thus accumulated will enable us to know expected values and issues felt by our customers and staff, and to find optimum measures with a greater degree of accuracy. In turn, this will be reflected in our product development and service models, increasing business competitiveness. Further, it will be transformed into businesses leveraging digital technologies in ways only we are capable of, directly leading to the creation of revenue opportunities (innovation).

In recognition of our innovative DX initiatives, the Group was selected for the DX Stocks 2023 list. We are continuing to take on new challenges with alacrity regarding key business strategy matters. In the field of business processes, one example includes our creation of a system to optimize facility operation and personnel distribution. In the field of CX, we have

introduced a new way to experience residential spaces using digital twinning and VR. And in the field of innovation, we have created a new, cutting-edge service utilizing the technology of NFTs (non-fungible tokens—digital data using block chain technology which is impossible to substitute or forge).

Promoting DX requires information system infrastructure that is highly safe and expandable, and the cultivation of human capital capable of connecting business with digital technology and taking the lead in project implementation. We have developed a Zero Trust network and a training system to develop DX talent and have put these into full operation from fiscal 2023.

Enhancing the resiliency of asset-utilizing and human capital-utilizing businesses

In order to achieve business stability and growth as well as the optimum utilization of management resources, we believe it is necessary to increase the resiliency of our core businesses against future uncertainties in line with their innate characteristics so that we may avoid excessive contractions.

We believe that our asset-utilizing businesses require a higher level of resiliency and resolve to survive the transition to interest rate increases and an inflationary economy. This means they require revolving investment that is much more aware of timelines, along with the creation of a highly resilient framework to survive increasing construction as well as water, lighting, and heating costs.

We believe our human capital-utilizing businesses require a more advanced business model predicated on the difficulty of securing sufficient labor in the future. The depth of our intangible assets, symbolized by our human

capital and information capabilities, is one of the Group's strengths, and there is a need for us to further enhance our knowhow and knowledge and transform these into intellectual assets.

Both types of businesses leveraging their breadth, detecting changes in market conditions early on, and signaling each other will make it possible to turn change into opportunity. Together with engaging in the close coordination of information within the Group, we will keep a watchful eye on financial markets and industry trends and increase the resiliency of our management foundation.

Refining a business model that is difficult to imitate

Both of the Group policies of environmental management and DX increase the difficulty of imitating our business model, and we believe they are keys which will lead us to further growth opportunities in our existing business domains, and additionally serve as keys to the creation of new business opportunities through co-creation with new companies and municipalities. We lag behind the world in sustainability transformation (SX) and DX. Going forward, it is extremely likely that the skill with which we handle these will influence our corporate value. We must accelerate our preparations for transformation, flexibly engage with many ideas and technologies, and, at the same time, continue to apply ourselves to improving in these areas. By refining our management resources as intellectual assets together with the creation of a strong business model that is both difficult to imitate and able to survive adversity no matter how market conditions may change in the future, we will aim to be a corporate group that continues to be customers' first choice.

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Expanding business opportunities with the environment as a starting point

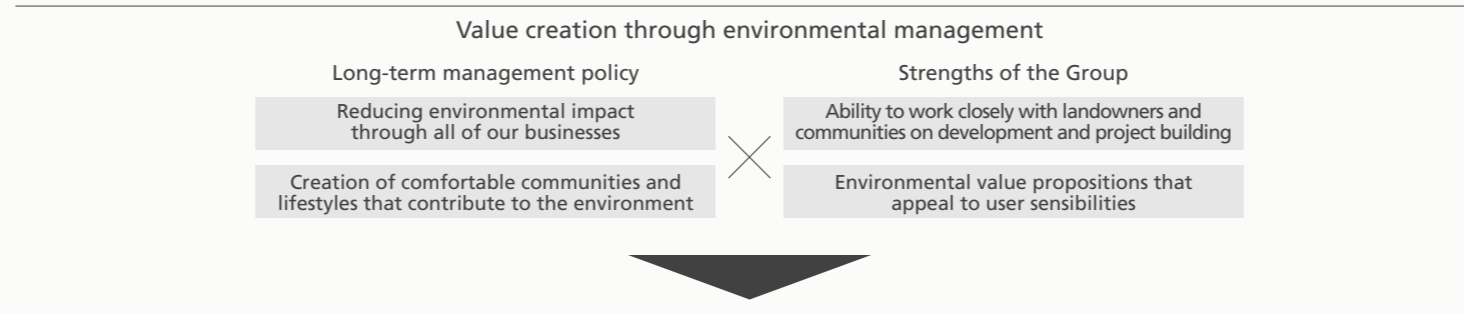
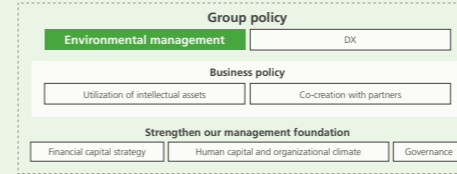
The Group's policy on environmental management is to focus efforts on the three priority issues related to the environment that are stated in our medium-term management plan, namely decarbonized society, recycling-based society, and biodiversity. We plan to leverage our entire value chain to create environmental value together with stakeholders.

The goal of our environmental management efforts is to expand business opportunities with the environment as a starting point in order to create earnings throughout the value chain. First, we will work to build a distinctive environmental brand. We will use our advanced initiatives, including our early achievement of the RE100 goal and adoption of internal carbon pricing, and environmental flagship projects to build environmental branding power that is unique to the Group. We aim to establish a presence as an environmentally advanced company that consumers will want to choose.

In this way, we will use the environment as a hook for increasing participation in joint ventures, strengthen relationships with other companies and governmental organizations, create collaborative projects, and advance other initiatives that can expand our opportunities. This will lead to businesses that have a considerable social impact by solving environmental issues and proposing new lifestyles.

Based on this, we will aim to secure returns from environmental investment and initiatives. In addition to providing customers with facilities and services that offer a unique added environmental value through our value chain, we will also develop businesses that provide solutions which leverage the Group's strengths, such as our renewable energy business and City OS, by collaborating with private and public sector partners on regional networks and regional vitalization.

Our environmental management growth scenarios, which are 1) appeal to customers with our uniqueness, 2) expand business opportunities, and 3) turn these opportunities into revenue, will lead to a strong Group business model which competitors will not be able to imitate.



Group policy for environmental management in the medium-term management plan Aim to expand business opportunities with the environment as a starting point by addressing three priority environmental issues

Phase 1

Appeal to customers with our uniqueness

- Distinctive environmental flagship projects
- Early achievement of RE100
- Group-wide introduction of internal carbon pricing
- Comprehensive information dissemination (strategic public relations activities)

ReENE Solar Farm Higashi-Matsuyama
Forestgate Daikanyama (Rendering)

Phase 3

Turn these opportunities into revenue

- Capture B2C revenue
- Convert environmental value into revenue
- Appeal to highly environmentally aware customers

RevivePlus
Large-scale renovations that contribute to extending the service life of buildings

Tokyu Harvest Club's VIALA Kinugawa Keisui, which is contributing to the realization of a recycling-based society

Phase 2

Expand business opportunities

- Use the environment as a hook for increasing participation in joint ventures
- Strengthen relationships with governmental organizations to build an advantageous business environment
- Create business opportunities in new regions

Collaboration with the NTT Group at Shibuya Sakura Stage (Rendering)

Comprehensive business partnership with JR East

Priority issues

- Decarbonized society
- Recycling-based society
- Biodiversity

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Current status and outlook of the renewable energy business

The renewable energy business is one of the main focuses of our efforts to advance our Group policy for environmental management. We are aiming to grow the business even further by enhancing profitability and expanding new business opportunities.

The earnings growth potential of electricity sales

FY2022 result
¥6.5 billion ▶ FY2025 forecast
¥10.0 billion

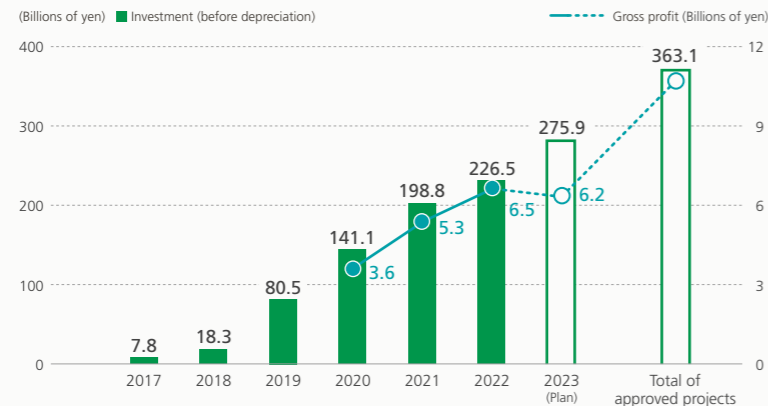
We launched our renewable energy business in 2014 and since then, we have developed projects, including solar and wind power generation, across Japan under the ReENE brand name. As of March 31, 2023, the total rated capacity of all our projects (before conversion to equities), including projects under development, was 1,577 MW (approximately 1.58 GW), surpassing the 1 GW benchmark required to be recognized internationally as a leading producer of renewable energy.

Currently, sales of the electricity we generate are focused on Japan's feed-in tariff (FIT) scheme, and in fiscal 2022, our profit (after deducting depreciation) was ¥ 6.5 billion. The

business is one of the core growth drivers under our Group policy for environmental management and our total investment on projects that have already been approved has grown to ¥363.1 billion, while at the same time, these projects are expected to eventually yield an annual profit of at least ¥10.0 billion.

The track record and expertise we have accumulated since entering the business has built a strong foundation for developing our own projects and going forward, we will leverage this advantage to expand the business into new areas, such as the growth areas of non-FIT power generation and offshore wind power.

Investment in power generation facilities (before depreciation) / gross profit from electricity sales



* Profit from electricity sales (before deducting depreciation) for fiscal 2022: 16.7 billion yen

Expanding new business opportunities

1) Expanding business areas and diversifying business models

Advancing wind power projects from the initial development stage

We are involved in onshore wind power generation projects from the initial stage of development through to commercial operation. We have also started exploring ways to fully engage in offshore wind power generation, such as establishing a joint venture with overseas partners.

Developing renewable energy business using the PPA model (onsite and offsite)

The power purchase agreement (PPA) model is when a business installs solar power generation equipment on the sites of clients that use a lot of electricity, in free spaces on buildings, or in offsite areas, manages and maintains this equipment, and sells the electricity generated to clients. We are widely adopting this model, including for companies, schools, and local governments.

Solar sharing

Solar sharing is when an agricultural business and renewable energy business are operated in tandem by installing solar power generation equipment on agricultural land. We are currently working to build a new business model that uses solar sharing to contribute to solving social issues related to both agriculture and energy, including carrying out demonstration experiments in collaboration with companies and regions. We are also contributing to community building by holding events during planting and harvesting periods.



As event at ReENE Solar Farm Higashi-Matsuyama

2) Realizing synergies

Switching data centers to 100% renewable energy

In Ishikari, Hokkaido, which has been designated by the Ministry of the Environment as a Decarbonization Leading Area, we are considering launching a data center that uses 100% locally-produced renewable energy. Going forward, we will develop this project in a way that will lead to solutions for social issues related to energy and DX promotion and contribute to regional revitalization.



The exterior of the data center

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Working toward decarbonization by strengthening strategic businesses

Entering new business areas with partners Launching a grid-scale battery business

In fiscal 2023, Tokyu Land Corporation launched a grid-scale battery*1 business. Its power plants built to date are already equipped with batteries, and as the adoption of renewable energy in the electricity markets continues to grow, the company is entering the grid-scale battery business in anticipation of an increase in demand for batteries that can play a role in adjusting power supplies to avoid blackouts caused by demand outstripping supply.

This business is being developed together with partner companies. A large grid-scale storage battery (rated output of 20 MW, rated capacity of 56 MW) has been installed at TENOHA Higashi-Matsuyama where it can be viewed by many visitors in an effort to promote the use of grid-scale storage batteries and contribute to the stability of Japan's electricity supply system.

TENOHA Higashi-Matsuyama

A community co-creation project being implemented together with local partners with the aim of creating a place for nurturing people, goods, and businesses. It is building a facility that can facilitate business collaboration and shared usage in a way that leads to regional revitalization.



Promoting and expanding the PPA model through co-creation

As more and more companies and local governments begin working toward decarbonization, demand for electricity under the PPA model is growing. We are switching to renewable energy at Group-owned facilities, supplying it to private and public sector facilities, and selling it to external parties, and we are using our ability to make proposals based on this solid track record as a strength to expand the use of clean energy throughout society.

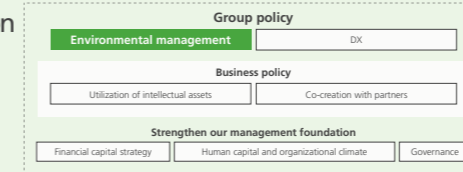
Logistics facilities attuned to people and the environment

We are installing solar panels on the rooftops of LOGI'Q logistics facilities. This enables us to supply tenants with renewable energy that we have generated ourselves, thereby stabilizing their electricity costs, as well as enhancing their sustainability and contributing to business continuity planning efforts.

Supplying to public and private sector facilities

In February 2023, Tokyu Land Corporation was selected to implement a project for introducing renewable energy to schools in Yokohama. It is proposing to install rooftop solar power generation equipment and supply renewable energy to 53 schools administered by the city. This will contribute to Yokohama's efforts to realize a model of local production for local consumption for urban areas.

Collaborating with a major onsite PPA operator
Tokyu Land Corporation has taken a stake in



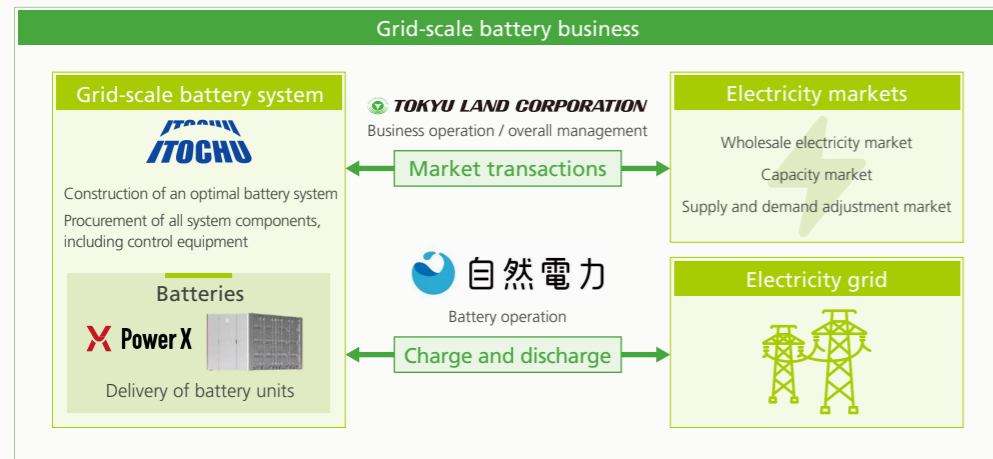
i Grid Solutions Inc., a major operator of onsite PPA projects, with the primary aim of collaborating on initiatives to strengthen renewable energy power plant development capabilities.

Launching a feasibility test for short-term corporate PPA

In April 2023, the four companies of Takashimaya Co., Ltd., Tokyu Land Corporation, ReENE Co., Ltd., and Digital Grid Corporation launched Japan's first initiative for large-scale offsite corporate PPA on a short-term contract basis to see if the idea is feasible. Over two years from April 2023 to April 2025, approximately 4 MW (rated capacity) of renewable electricity from non-FIT solar power plants either already owned or under development by Tokyu Land Corporation will be supplied to Takashimaya's Yokohama and Takasaki stores by ReENE using Digital Grid's Digital Grid Platform*2.

Investing in a fund for PPA that leverage non-FIT power plants

In July 2023, Tokyu Land Corporation and Sustech Inc. established a fund to carry out joint investments in non-FIT power generation facilities with the agreement that the operation of non-FIT renewable energy facilities invested in will be carried out using Sustech's ELIC distributed electricity administration platform. The fund plans to carry out equity investments with an upper limit of ¥150 billion over a period of 10 years. This collaboration between two companies that have knowledge of feed-in-premium electricity sales schemes will aim to promote the use of renewable energy and realize a cleaner society through the operation of non-FIT power plants.



*1. Batteries that are directly connected to the electricity grid and facilities like renewable energy power plants. They can store renewable energy, such as solar and wind power, and then use it to supplement the electricity being supplied to meet demand from households and buildings

*2. An electricity marketplace that realizes peer-to-peer connections between a wide range of electricity sources, including renewable sources, and users

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The Future of the Renewable Energy Business

Basic outline of the business

Our renewable energy business leverages a wide range of expertise, including land development proposal capabilities cultivated through community development and the ability to collaborate with local communities, to develop solar, wind, and biomass power plants. In terms of scale, as of June 30, 2023, it operates 87 projects generating 1,612 MW (rated capacity), which is equivalent to the annual electricity consumed by around 739,000 regular households. As demand for renewable energy is expected to rise, we are collaborating with partner companies and other stakeholders to advance the business with the aim of realizing further growth.

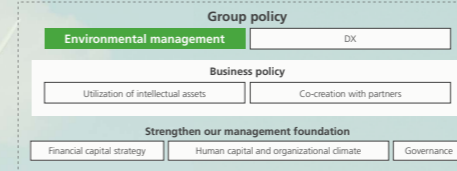
Investing in growth areas, such as offshore wind and rooftop solar, in order to meet growing renewable energy demand in Japan

According to the revised Outlook for Energy Supply and Demand in FY2030 released by the Ministry of Economy, Trade and Industry in October 2021, renewable energy accounted for 18% of Japan's overall energy mix in fiscal 2019 and the country has set an ambitious target of raising this ratio to 36–38% by fiscal 2030. This will involve increasing the total amount of renewable electricity generated to 336–353 billion kWh. This ratio greatly exceeds the energy mix forecast for fiscal 2030 released in 2015, which was 22–24%, showing that factors such as recent steep increases in energy prices have further raised expectations regarding renewable energy. This means that there is plenty of growth potential for the Group's renewable energy business.

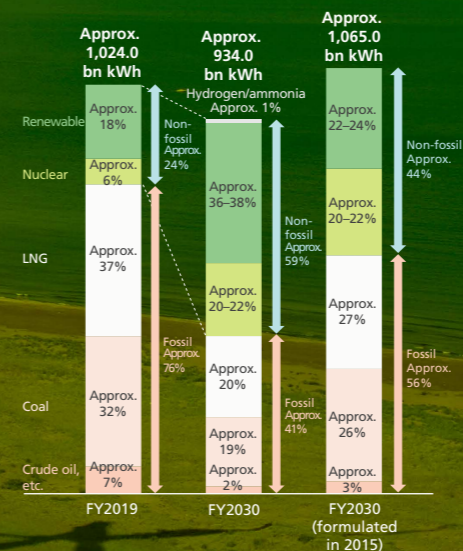
In particular, the Ministry's forecast of the amount of electricity generated by offshore wind power plants in fiscal 2030 has increased.

The target for 2030 announced in 2015 was 2.2 billion kWh, but the 2021 announcement sets a more ambitious target for 2030 of 17.0 billion kWh. This is approximately 7.7 times greater. Also, in regard to solar power, which accounts for the biggest portion of overall renewable power generation, there will be an increase in new projects, many of which are expected to be rooftop projects rather than ground-based.

Within this environment, the Group will continue to invest in new initiatives with a focus on growth areas, such as entering the offshore wind business and expanding its rooftop solar business. The renewable energy business is an important revenue base that is driving the Group's policy on environmental management, and going forward, we will focus on medium-term development and work to find applications for the business within community development as a developer with power generation capabilities that is willing to face major social issues, such as urban green transformation, head on.



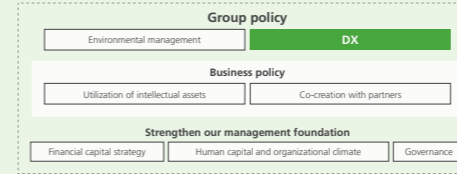
Energy mix targets for FY2030 (compared to FY2019)



*Source: The revised Outlook for Energy Supply and Demand in FY2030 by the Ministry of Economy, Trade and Industry's Agency for Natural Resources and Energy (October 2021)

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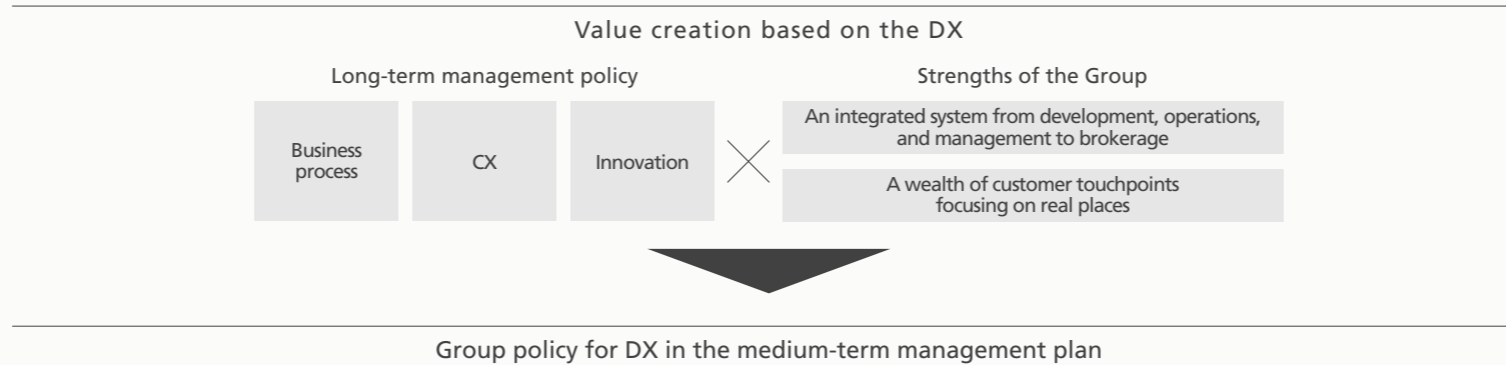
Establishing a new revenue model by maximizing the values of assets and human capital



The Group's policy on DX is to advance the strategy of our long-term vision based on the three action policies of Digital Fusion—removing all boundaries with the power of DX, which is our DX Vision.

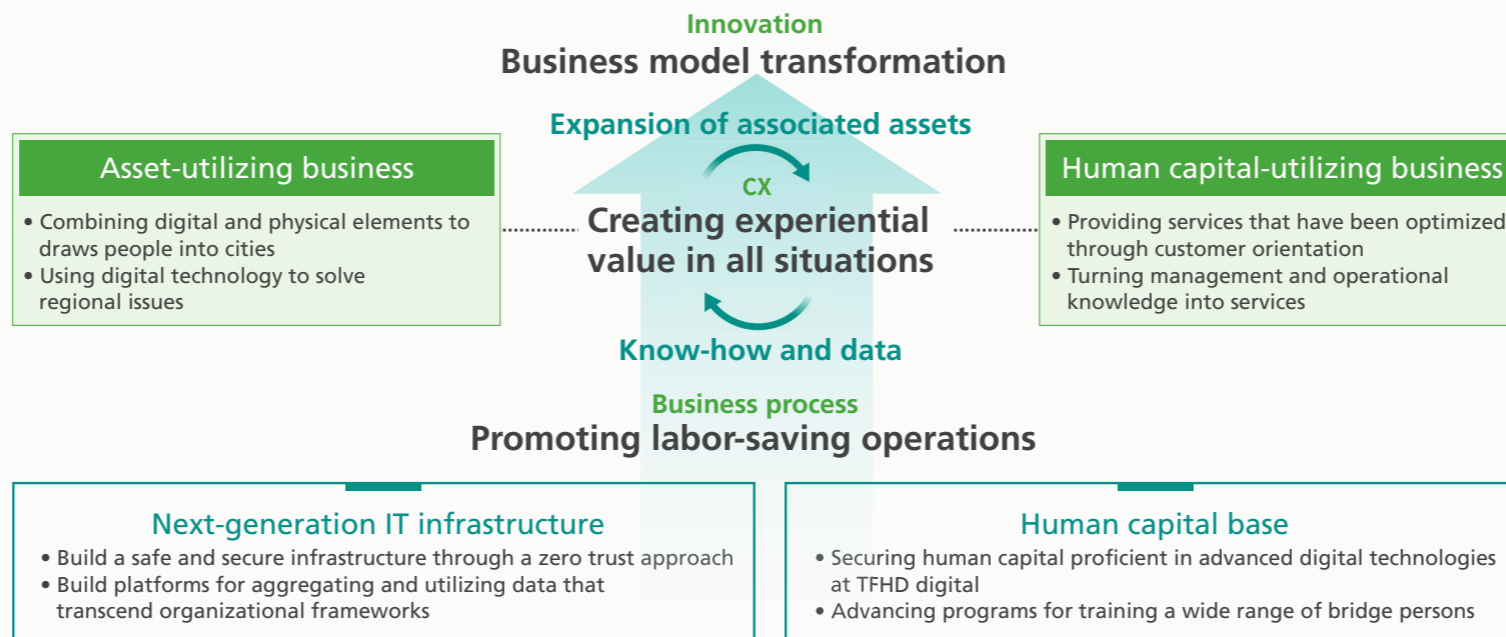
We have positioned digitalization as a means for maximizing the value of our human capital and assets. In our asset-utilizing businesses, we will work to solve regional issues by leveraging our strengths, including the ability to use a wide range of assets and our business direction capabilities, to combine digital and physical elements in a way that draws people into towns and cities. In our human capital-utilizing businesses, we will use our considerable intangible assets, including a wealth of customer contact points, our human capital, and our operational expertise, to proactively work toward the creation of new value, such as data utilization that transcends organizational boundaries and the realization of synergies. In recognition of the specific initiatives we have implemented to enhance customer interactions using digital technology, we were selected as a Digital Transformation Stock (DX stock) 2023.

Also, to promote DX, it is essential to establish next-generation IT infrastructure and a human capital base. We are focusing on strengthening our information security environment and building platforms for utilizing data. In regard to human capital, we are systematically cultivating a pool of employees who can play a central role in advancing DX within the Group, who we are calling "bridge persons." Going forward, we will enhance the competitiveness and profitability of our businesses and expand revenue opportunities so that we can achieve our medium-term management plan.



Establishing a new revenue model by maximizing the values of assets and human capital

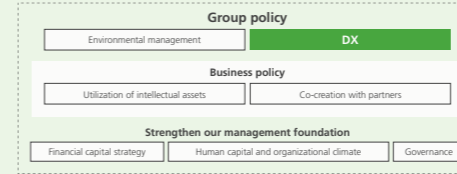
Digital Fusion—removing all boundaries with the power of DX



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Creating value that contributes to new growth and greater competitiveness

By promoting the Group’s policy on DX, we are aiming to establish new revenue models by leveraging various digital technologies to solve regional issues and enhance experience value for customers.



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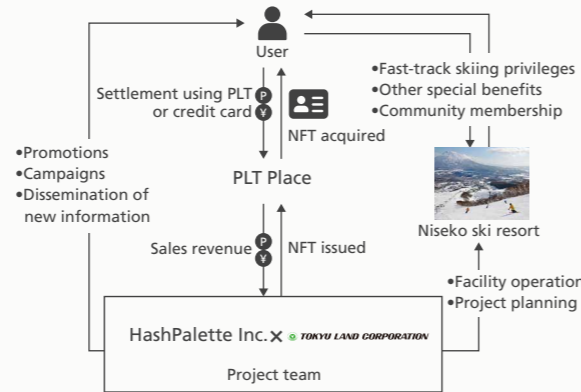
Using uniquely real-world experiences as a starting point for new value creation

Turning ski resort fast-track privileges into NFTs

At Niseko Tokyu Grand Hirafu, one of our ski resorts in Hokkaido, we are trialing the sale of fast-track privileges, which enable holders to be first on the powder snow in the morning, in an NFT*1 format. The scheme is cultivating new customers, generating PR effects, and creating connections with fans.



Project overview



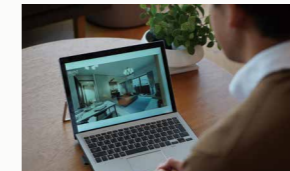
Point

Our sale of NFTs is providing customers with new value through an experience that can only be gained at a certain time and place. Through this initiative, we have broadened the range of customers who use the resort, visualized our fanbase, and created a new source of revenue. Added advantages, such as compatibility with social media and access to a secondary market, also enhance the value of NFTs as products.

Creating impressive experiences by enhancing customer interactions using digital technology

Using digital twins in housing sales

We are using digital twins*3 to realize sophisticated recreations of properties on our websites. This enables users to view properties, such as houses, as if they are really there. In fiscal 2022, this technology was incorporated into sales activities for BRANZ Mitaka, BRANZ Chiyoda-Fujimi, and BRANZ Jiyugaoka, and we plan to expand its usage to include other properties.



An interaction from the customer's perspective

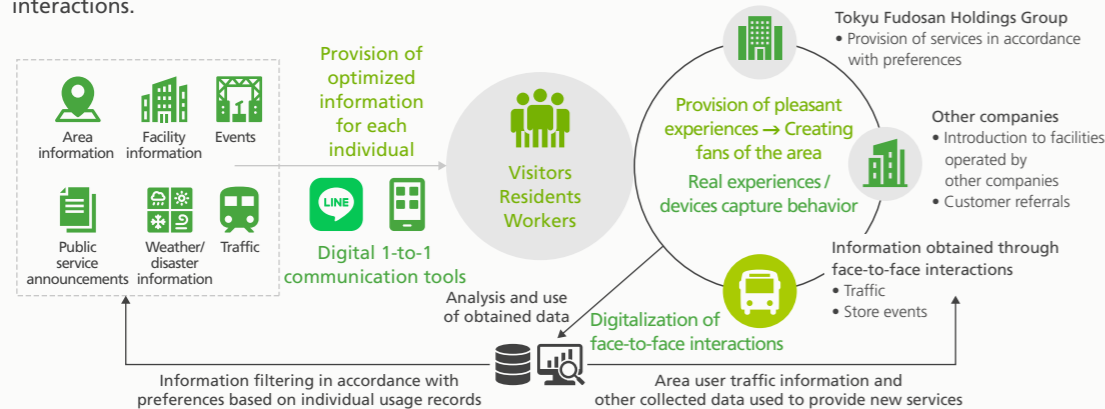
Point

This technology allows a wide range of simulations to be made in accordance with customer needs, enabling effective viewings while removing burdensome travel requirements. It also contributes to reducing the costs and environmental impact involved in operating show homes.

Using online connections to solve regional issues

Developing a digital area management tools service

We are using original NFC*2 tags in our regional area management activities to provide various digitalized services through face-to-face interactions.



Point

This enables events and other operations to be managed effectively while also obtaining information on the attributes and behavior of visitors. It also creates fans for the region by optimizing the provision of customized information to each visitor, creating lasting connections, and providing pleasant experiences.

Using AI to improve operational processes

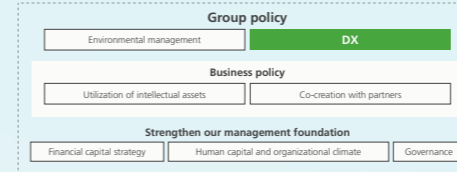
Crack Scanner—An exterior wall crack detection tool

We have made the process of detecting cracks in exterior walls, which was previously a manual task, more efficient using AI-based image analysis. This technology has been patented as Crack Scanner.

Change in the detection method



*1. Non-fungible token: A unique digital data asset that includes unforgeable certification of ownership and authenticity
 *2. Near field communication: Wireless communication between two electronic devices over a short distance
 *3. Digital twin: A virtual recreation of a real-world space that enables high-precision simulation



Creating “Bridge Persons” to Drive DX

The importance of DX talent

As the evolution of digital technology rapidly transforms both business and society, DX is gaining more and more attention in Japan. Within this environment, it is being said that a lot of Japanese companies are falling behind with their response.

According to the Ministry of Economy, Trade and Industry, one of the major reasons for this is a shortage of human resources who have the qualities and expertise needed to advance DX. In 2022, the Ministry formulated the Digital Skill Standards. Its intention is to show companies the role of human resources and the knowledge and skills they should acquire to advance DX inhouse, as well as to create practical learning opportunities for cultivating these personnel.

Developing DX talent within the Group

We have positioned “bridge persons,” who are employees with both an understanding of our existing businesses and knowledge of digital technology, as the key personnel for advancing DX within the Group. We are working to systematically develop these personnel by helping them learn the knowledge and skills they should have while also providing opportunities for gaining a variety of experiences. Also, as we engage in a broad and varied range of business areas, we are using development methods that take into account the characteristics of each business.

At Group companies that mainly engage in asset-utilizing businesses, we are holding workshops on envisioning what urban development will be like decades into the future, which includes using examples of advanced urban development from overseas and services developed from new concepts as references. We are exploring ways to develop

business in a way that avoids fixating too much on our current assets and uses digital technology to create added value.

On the other hand, at our Group companies that mainly engage in human capital-utilizing businesses, we are leveraging the Group’s distinctive characteristic of engaging in large numbers of customer interactions to create opportunities for employees to feel involved in customer-oriented business design. Also, as we anticipate that securing personnel will become increasingly difficult in the future, we are also implementing a program through which employees can learn skills for using AI to raise their productivity.

Other initiatives include an OJT program in which selected employees work with external instructors to explore projects that they could potentially advance within the Group, and seminars by specialists that provide broader learning through specific

examples of digital technology usage. In this way, we are enhancing efforts to both develop the bridge persons who will drive DX within the Group and to provide a foundation that supports their efforts with the aim of swiftly realizing advanced DX across the entire Group.

Going forward, we will continue to create new value by adapting to the evolution of digital technology and the changing needs of our customers through our DX talent.



A session of an intra-Group training program (course on data utilization)

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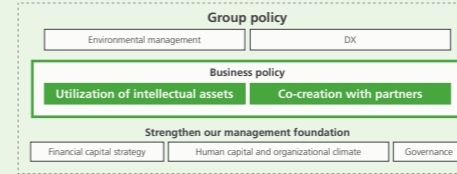
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Evolve the associated assets expansion model through the utilization of intellectual assets and co-creation with partners

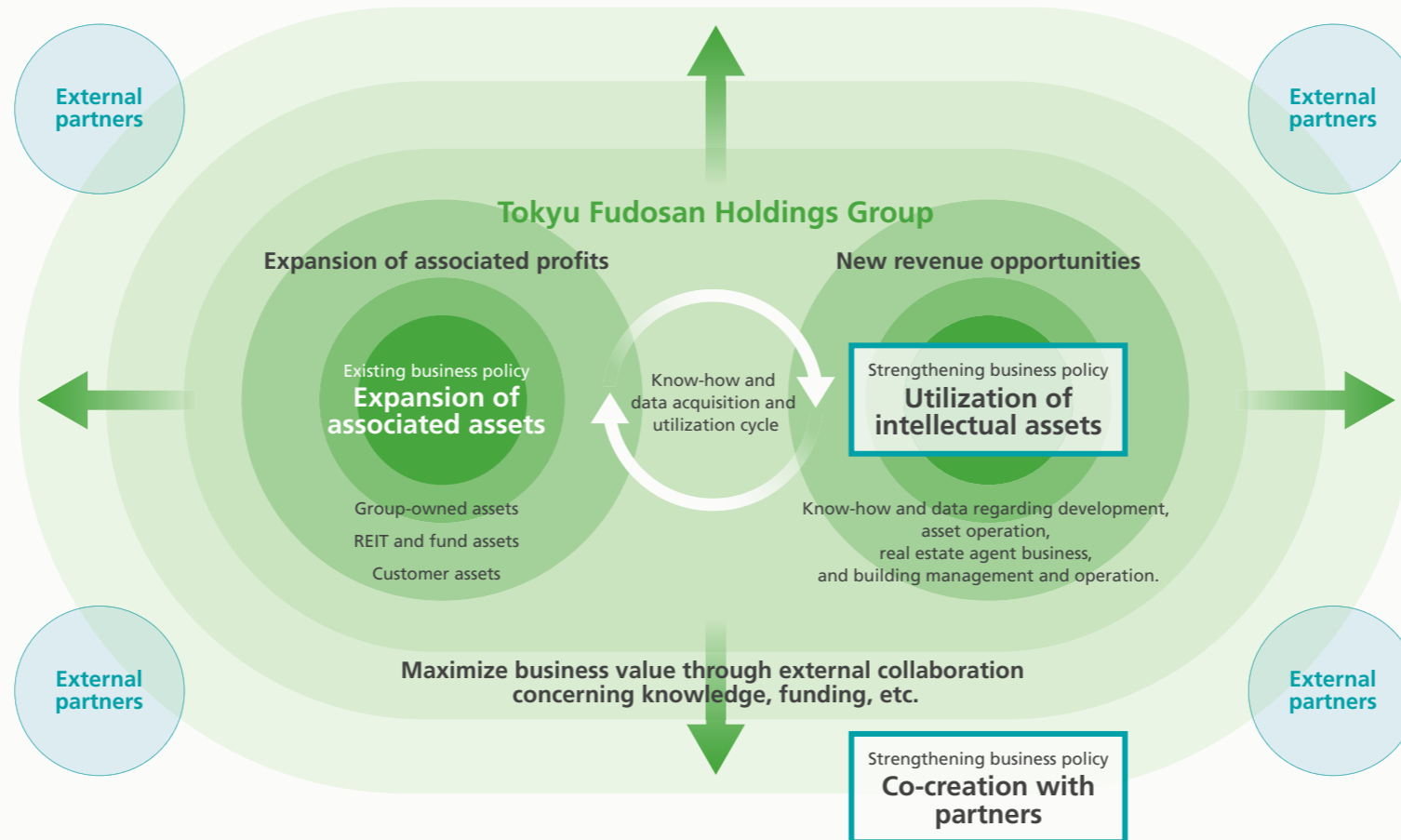


Utilization of intellectual assets and co-creation with partners

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.

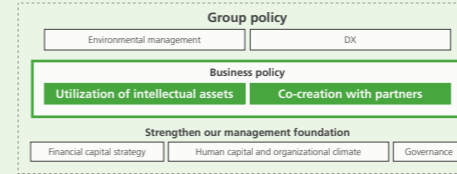


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Project 01 Smart City Takeshiba—Combining area management and technology in Japan’s leading smart city

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 m². 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

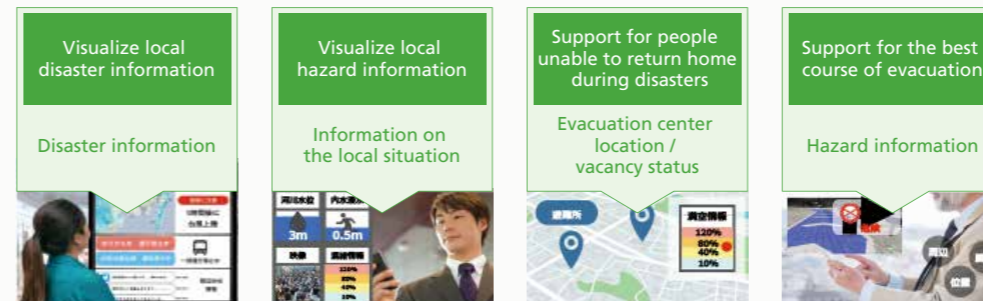
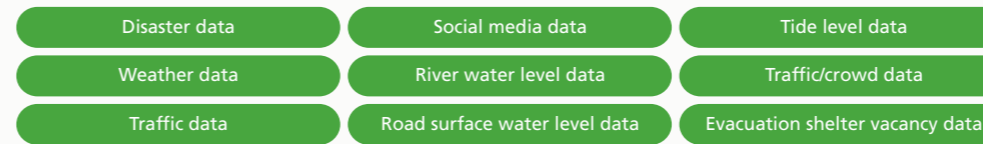
Tokyu Land Corporation is engaged in co-creation with SoftBank Corp. with a focus on building a smart city model that utilizes leading edge technology throughout the entire city. One of the major initiatives of this project is the operation of Smart City Platform, an urban operating system that will 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.

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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 m² 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

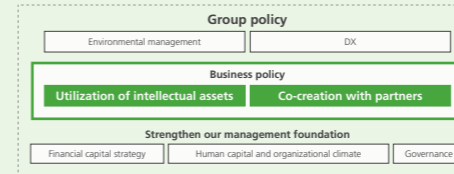
Using technology to deliver smart urban residences

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.



Tatsuro Sasagawa

Senior Staff Member
Tokyu Housing Lease Corporation

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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.

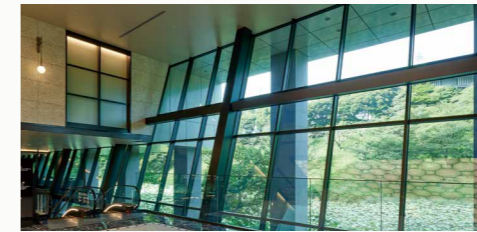


Blending master craftsmanship from 90 years ago with cutting-edge technology

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.



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

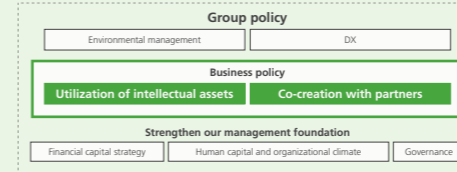


View Smart Glass

In the reconstruction, we incorporated an environmentally friendly perspective that links to the circular economy. We were able to reduce CO₂ 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.

*Comparison refers to preserving sections of the building. We estimated that fully dismantling and reconstructing the existing building would generate 82 tons of CO₂ emissions, while advancing construction in which certain sections of the existing building are preserved would generate 21 tons.



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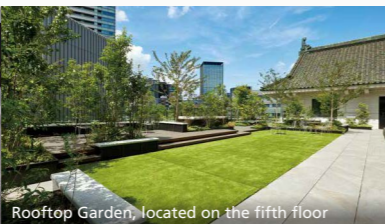
Connecting historic buildings with future generations The regeneration of Kudan-Kaikan Terrace through cutting-edge technology and environmental awareness

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.



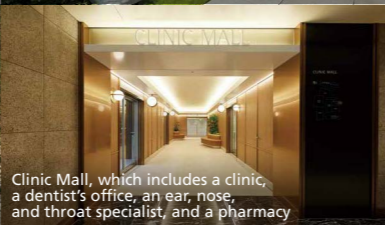
Kudan-Shokudo, which features a design that naturally encourages communication



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.)

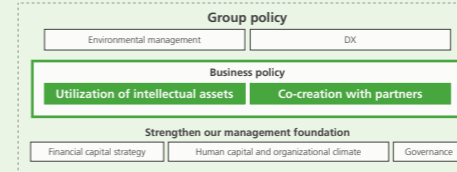


From left: Suguru Iguchi, Hiroshi Shimada, Masaki Okudaira

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)



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Message from the Officer in Charge

Becoming a collection of human capital which creates an unending stream of value

Jun Kodama
Operating Officer
Supervisor for the Group
General Administration Department,
Group Legal Affairs Department,
and Group Human Resources Department
Tokyu Fudosan Holdings Corporation



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

Dissemination of Group philosophy “WE ARE GREEN” measures

“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

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.

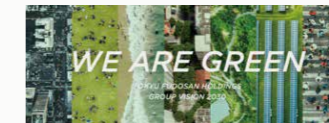
By engaging in these three human capital strategies, we will aim to realize environments where employees can work with motivation and ambition and in good physical and mental health. At the same time, we will also aim to produce human resources who are highly-productive and widely contribute to society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

FY2022 results

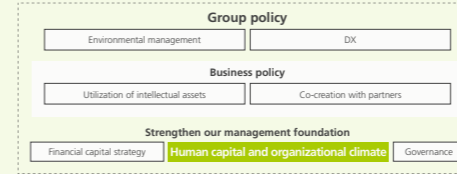
Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination)

84% (140 operating officers total)

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”



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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.

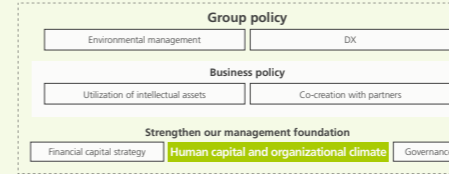
The Recruitment Strategy Council deliberates and reports on matters concerning employee

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



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Expecting improved earning power in the medium and long term through the Group's own unique style of environmental management and DX

Five outside directors with diverse professional backgrounds and areas of expertise candidly exchanged their views on the Group's medium-term management plan and growth strategies, discussing plan and strategy progress, their future expectations in these areas, and relevant issues which need to be addressed.



Satoshi Miura Outside Director

Mr. Miura's career has encompassed key positions in the NTT Group, including President of Nippon Telegraph and Telephone Corporation, as well as Vice Chair of Nippon Keidanren (Japan Business Federation). He was appointed an outside director in 2021.

Tsuguhiko Hoshino Outside Director

After joining the Ministry of Finance, Mr. Hoshino was involved in the establishment of the Financial Services Agency and later served as Director General of the Tax Bureau and Commissioner of the National Tax Agency. He was appointed an outside director in 2021.

Saeko Arai Outside Director

Ms. Arai began her career as a certified public accountant providing auditing and other services. She later managed a company in the United States, co-founded an IT company, and became the first female CFO in Japan. She was appointed an outside director in 2018.

Yumiko Jozuka Outside Director

Ms. Jozuka has specialized knowledge from her extensive career as a government official in the Japanese Ministry of Health, Labor and Welfare and the Cabinet Office, where she focused on promoting workstyle reform and women's participation in the labor force. She was appointed an outside director in 2021.

Makoto Kaiami Outside Director

Mr. Kaiami has abundant knowledge and experience in the field of compliance. His career has included positions as Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, Ministry of Justice; Chief Judge, Tokyo Family Court; and Chief Judge, Tokyo District Court. He was appointed an outside director in 2018.

Rebuilding the Group's business portfolio and its financial capital strategy

The Group's management plan is steadily being implemented, ROE is improving, and the decision-making of the executive team is well-regarded

—How do you evaluate our progress in the rebuilding of the Group's business portfolio under its long-term management policy?

Kaiami One of the points of the Group's long-term management policy is the rebuilding of its business portfolio. As part of this, what to do with Tokyu Hands became a frequent point of discussion by the Board of Directors. Tokyu Hands had a strong brand image and even we outside members had a strong attachment to it, never mind the Group's employees. The COVID-19 pandemic resulted in the deterioration of Tokyu Hands' performance, but even so, I think it took a lot of courage to make the decision to transfer its shares in March 2022. Cainz, the receiving company, is a partner who shares the same ideals as Tokyu Hands, and I am very glad they were able to make the best use of Hands. This decision also resulted in an increase in ROE for the term, and I praise the executive team for making it.

Arai I feel the same way. In terms of the Group's financial capital strategy, as well, the series of drastic revisions made to the business portfolio have provided a major boost to the improvement of ROE. At the same time, however, our D/E ratio is still high compared to other enterprises in the same industry, and I'd like to see efforts being made in the medium and long term to strengthen our earning power and improve this ratio.

Digital transformation (DX) will be important in this area, as well as many others. Promoting digitalization, which ties into DX, while also giving consideration to what's best for the entire Group

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centering on Tokyu Fudosan Holdings will further improve ROE. At the individual project level, as well, it is crucial to make decisions in accordance with a hurdle rate based on the cost of capital, so I definitely want to see continuing efforts in this area.

I'd also like to note I can sense a determination to achieve the KPIs of the medium-term management plan, not only from management but also from frontline employees. I believe this kind of determination derives from the "challenge-oriented DNA" that is this Group's founding spirit.

Hoshino Ms. Arai touched on KPIs, and I believe that working to improve asset efficiency and increase control of investment spending and recovery after setting appropriate indicators is a foundation for growth. Having a bird's-eye view of the Group's businesses as a holding company, we evaluate these businesses based on shared indicators, take a chronological view, provide external statements and explanations, and also provide satisfactory internal explanations. I feel that our financial capital strategy is providing a clear vector to align with, and this has enabled the effective revision of our business portfolio.

However, while we are currently riding the wave of a healthy real estate market and a recovery in inbound demand for tourism, going



forward we should keep a close watch on the macro economy and financial conditions overseas. I feel it is important that we continue to engage in thorough monitoring of these areas and take them into consideration.

Reforming our human capital and organizational climate

Praise for our human capital strategies and organizational structure; further promoting women's success in the workplace is the next step

—With regard to its human capital and organizational climate, the Group has established a strategy of fostering an innovative organizational climate with a sense of unity. What are your views on our progress in this area?

Miura I feel the executive team has done much to foster a sense of unity throughout the Group. Centering on the Group's holding company, they have made clear their vision and management policy while creating and implementing the medium-term management plan. Having the leaders of key Group companies serve as members of the holding company's Board of Directors makes it possible to share information and align along the same vector, and I believe the composition of the Board is functioning well.

The Group has also stated that it is working to strengthen external coordination, and in fact we have engaged in partnerships with JR East as well as a variety of others and additionally engaged in the exchange of personnel, and these efforts have produced synergies. I feel that this aspect has also furthered the fostering of our corporate culture. In fiscal 2023, we have continued to make good progress in our medium-term management plan and I believe this has also had a positive impact both on the

confidence of the Group as a whole and in the fostering of organizational climate.

Jozuka Currently, there is much attention being paid to human capital strategies that interlock with management strategies. It's an approach which identifies the kind of human capital and organizational structure needed based on a vision for one's future businesses drawn from management strategies. For our Group as well, this perspective will be important in acquiring and cultivating human capital.

One thing I would particularly like to praise is the Group's establishment of its three human capital strategies—"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" (→ See p. 72). Through the establishment of a dedicated diversity and inclusion section, the Group has also set up a strong implementation structure, and I have high expectations regarding our progress in this area going forward. Although the ratio of women among new graduate hires has risen to 46%,* it is the unfortunate truth that in Japanese society, the burdens of childbirth and childrearing still tend to fall mostly on women. Against this background, it is important to consider how we can foster women's ambition and capabilities, and how we can create a work environment which enables women to succeed as core elements of a company on the same level as men.

*As of April 2023

Increasing profitability

Thorough dialogue with investors is key to improving return on capital and corporate value

—Please share your ideas for how to improve our under 1.0 price to book ratio (PBR) and other measures to increase profitability.



Hoshino As I discussed shortly before, the Group is revising its business portfolio per its financial capital strategy, and we are currently making selections and engaging in the concentration of investments and businesses. I believe it's important not to get too caught up in the 1.0 benchmark and end up taking short-term measures such as share buybacks. Providing thorough explanations to investors with regard to our growth investments to increase profitability and corporate value while taking into account capital cost and the returns investors expect will improve shareholder assessment in the medium and long term and serve as a true means of increasing PBR beyond 1.0.

Arai With respect to that point, I think that providing slightly more frequent information disclosure to investors would also be effective. For example, when we announced positive performance in the fiscal 2022 financial results, stock prices jumped and PBR improved. We had predicted these results to a certain extent during the period and had communicated them through our information disclosure, but this fact was only reflected in stock prices after the financial results were released. It seems there may be some room for improvement in how we convey information to investors.

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I believe “experiential” dialogue could be one highly effective means of communication. When I received on-site briefings of the facilities at Kudan-Kaikan Terrace and TOKYO PORTCITY TAKESHIBA, I was able to directly experience and was impressed by their innovative ideas and the details put into every nook and cranny. If we were to create more of these kinds of opportunities for investors, I believe it would give them a clearer understanding of the Group’s value and would be effective in increasing PBR.

Jozuka I also feel that we should be thinking about effective public relations methods. For example, we could use digital twinning technology to recreate real-world locations in virtual space and display models of new facilities in these spaces so that investors can tour and realistically experience them as if they were actually there.

At the same time, while PBR can’t be ignored, what is crucial is that we strengthen our earning power in the medium rather than the short term. In that regard, I believe our strategy of revising our business portfolio and creating a leaner corporate body is the right way to go and I want to see this strategy continue to be properly implemented in the future.

Kaiami It is definitely true that it is necessary for corporate management to be cognizant of PBR. At the same time, however, I feel that concentrating on PBR to the exclusion of other aspects is not a good idea.

From the start, Tokyu Fudosan Holdings Corporation grew while touting the philosophy of resolving social issues through business. Looking at the Group’s senior housing, for example, this is a business that will not necessarily result in large profits, but it contributes to the resolution of a social issue. We must take care not to ignore this aspect in the excessive pursuit of revenue. In turn, I think just like everyone else has said that taking the time to

emphasize the social value we provide to investors will also lead to stock prices increasing.

Miura It is necessary to always bear PBR in mind, but ultimately it is only one indicator. A corporation belongs to its shareholders, but at the same time, it must also provide value to customers, the local community, and a wide variety of other stakeholders. It is essential not to focus exclusively on PBR but rather to consider where to position PBR as just one indicator in our management strategies aimed at achieving sustainable growth.

Two Group policies

Balancing environmental management and DX and turning Shibuya into a model city for the world

—Please share your expectations as well as what areas you think need improvement with regard to our creation of unique value through environmental management and DX.

Kaiami Regarding environmental management, in addition to solar and wind power generation, I’d also like to see offshore wind power generation incorporated into our strategies. Also, I feel it would be good to call a little more attention to our effective utilization of renewable energy in the buildings we have developed.

Miura Our Group has been relatively quick to take part in international frameworks, such as our endorsement of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and RE100 participation. This is also an area we should emphasize more. Offshore wind power generation was brought up, but that is a completely different competitive environment to solar power. It is a field that is also seeing the full participation of international companies, and it is crucial to have a strategy with regard to who to partner with and

in what form the business should take. Caution is also important, but it is an area that requires a company to make bold and quick decisions.

Jozuka I think the “WE ARE GREEN” slogan is also a great fit for our environmental management initiatives. At the same time, however, I feel that perhaps we should publicize our more concrete environmental management initiatives a little more.

Looking at solar power, I think solar power generation on agricultural land initiatives, in which solar power is generated on the same land used for agriculture, is interesting. Our Group would be able to use its unique strengths as a real estate developer to implement such projects. I also feel that there is still much room for growth in the field of solar power, so I’d like to see us engage in a close examination of this concept.

Hoshino Re-reading “WE ARE GREEN,” I feel like “WE” can mean not just the Group but all of our stakeholders. This slogan inspires in me an image of individual people and the way they live their lives as flowers, with each individual sprouting new leaves and making use of their unique characteristics to grow big and strong, embodying the “future where everyone can be themselves and shine vigorously” we are aiming for. I think that “WE ARE GREEN” could become a widespread catchphrase calling on everyone to take action and work together to make that kind of world a reality. Going forward, our implementation of not just environmental management but DX, as well, should evolve into business development which incorporates the participation of our stakeholders. Environmental management is an area in which it is easy to include people from outside the Group, so I’d like us to combine environmental concerns and DX as we work to achieve management predicated on stakeholder participation and become a widely loved corporate group. I anticipate that as the

slogan for this movement, “WE ARE GREEN” will permeate even further and be used even more extensively.

Arai Speaking of combining environmental management and DX, the Tokyu Group is developing a variety of facilities under the themes of work, play, and living in the Greater Shibuya area. Through these efforts, we have begun to create a world leveraging DX where the employees who work in Shibuya’s offices, the local residents who visit the area as a place for rest and relaxation, and the plants and animals which gather there all coexist in harmony. Our Group’s initiative in the Greater Shibuya area will realize “real estate as a service” which incorporates DX and digitalization leveraging renewable energy into area management, and I expect it could well make Shibuya into a model city not just for Japan but also the world.

Jozuka I too feel a sense of ambition in the Group’s business ventures and believe they have the power to make Japan more vital. With regard to DX, the Group’s structure for its promotion is quite spectacular.—Centering on Tokyu Fudosan Holdings and TFHD digital,* each company in the Group is being provided with powerful support in their initiatives.

*A DX technology company established in 2022



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They are shown what can be possible with the use of digital technology, and in turn, this leads to new ideas emerging, increasing the vitality to the entire Group. We members of the Board of Directors are also provided with briefings on DX. Additionally, through DX reports, the Group provides external disclosure of its DX initiatives.

I believe that in part it is because of efforts such as these that we were selected for the DX Stocks 2023 list certified by the Ministry of the Economy, Trade and Industry and the Tokyo Stock Exchange.

Hoshino Shibuya is regarded an internationally competitive city, and recently there has been an increase in demand for office space in the area by a great number of IT and other companies. In terms of creating synergies between technology companies and overseas startups, as well, Shibuya is an optimum location. It is for these reasons that I am expecting our Group to take on a leadership role in establishing styles of business that are unique to Shibuya, and in uncovering new business opportunities.

Miura I think that DX will only really get underway from this point forward. While conventionally it has been difficult to create new services in the real estate industry, DX is a concept that only truly comes into its own with the



transformation of business models, so this is something I would definitely like to see us set our sights on.

Kaiami I feel there is also great potential for DX in the building and condominium management Tokyu Community engages in. I think DX can enable the creation of new business models unlike any that have existed before, such as building management that isn't dependent on manpower.

Arai Earlier, I talked about my experience touring TOKYO PORTCITY TAKESHIBA, and one of the things I was shown was the facility's use of cleaning and security robots. Shifting work that was previously the domain of human beings to AI and machines has the potential to eliminate labor shortages and also enable creative community planning. I am struck again by how closely tied DX is to the resolution of social issues.

I shouldn't just offer only praise and no criticism, so if I had to give an issue we are currently facing, it would probably be speed. The strengths we have that separate us from other enterprises can be even further enhanced with speed. I'm going to be a little harsh here, but in comparison to places like the United States, software development in Japan is quite old-fashioned. If we could accelerate our software development, we should see improvements in efficiency across all of our businesses.

Growth in the medium and long term

The Group's unique style of increasing earning power is the key

—Lastly, please share a message and your aspirations concerning the growth of Tokyu Fudosan Holdings going forward.

Kaiami Tokyu Fudosan Holdings is an extremely diligent company, so I haven't really felt that I've been able to contribute through my knowledge



and experience in my specialty areas of the law and compliance. Accordingly, instead I've shared my honest thoughts as an ordinary citizen and would like to continue to contribute that way going forward.

I became an outside director five years ago, and in that span the atmosphere of the Board of Directors has changed significantly. There are more women than before; the backgrounds of the members are more diverse; and Board meetings have become more effective, enabling opinions to be expressed more freely.

Arai To repeat myself, we need to increase our earning power. Doing so will not only improve PBR but also increase employee motivation. Above all, I'd like us to focus on how we earn. I think it is extremely important for us to further establish our own uniqueness while increasing our earning power at the same time.

Hoshino In the difficult times we find ourselves in now, I believe that what a company needs is the ability to turn issues into strengths. Facing issues and turning them into earning power is not something that can be achieved through ordinary means, which is precisely why I think we need to tackle this challenge with ambition and the "challenge-oriented DNA" that is rooted so deeply in our Group.

In implementing our environmental management and DX initiatives, the concept of "area management"—increasing value across the entirety of an area—is essential, and the extent to which we can involve the national and municipal governments will be key. I would like to contribute in this area through advice on the unique thinking and requirements of government authorities.

Jozuka My specialty is diversity, and so it is through that field that I would like to contribute. Through diversity, including consideration not just for women but also for LGBTQ persons and men, I will help realize "a future where everyone can be themselves, and shine vigorously." In my position as an outside director, I would like to help support women in the Group.

Miura In my time being involved in corporate management, I have come to believe strongly in the idea that "a company is its people." I would like us to reexamine how we utilize the human capital we have and what kind of human capital we accept and cultivate, including in the area of our human resources system.

In taking on new challenges, having a diverse rather than uniform group of people increases the comprehensive strength of an organization. Accordingly, I'd like to see us hire not only people who got excellent grades in school but also people with other unique and distinctive qualities as well. In turn, I'd like to contribute to initiatives in this area aimed at increasing the Group's comprehensive strength.

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Strategy by Business Segment

Building a solid and distinctive business portfolio

Asset-utilizing
business



Human
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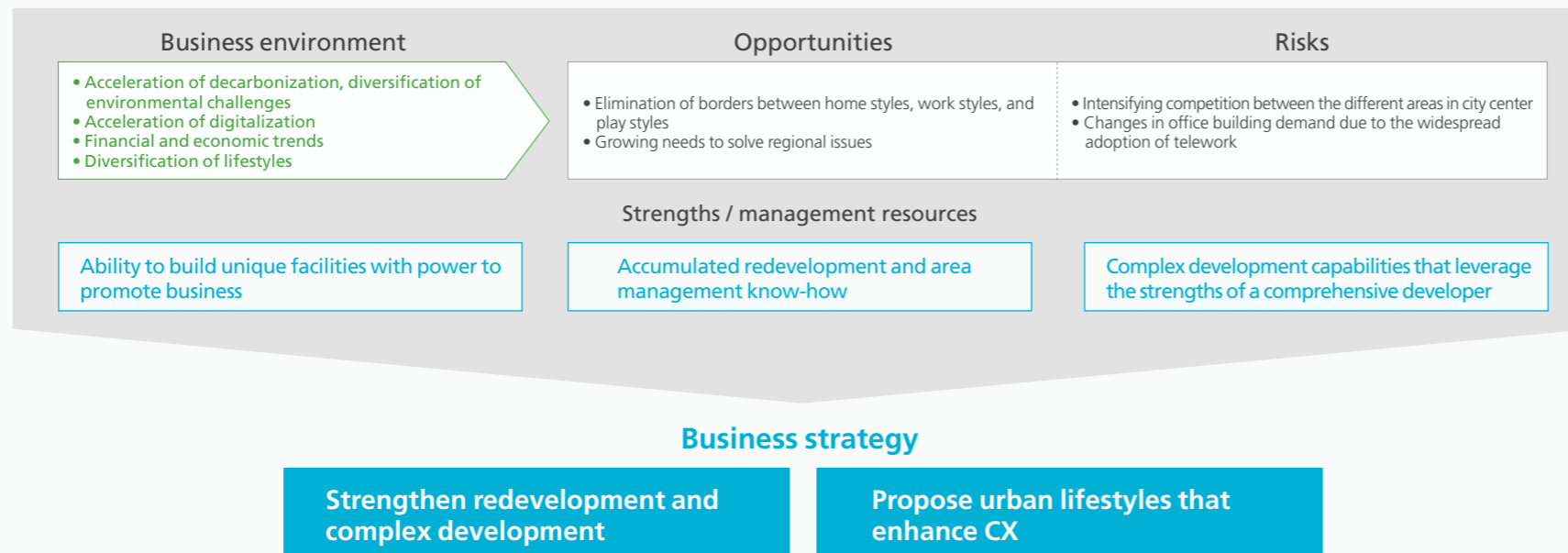


Urban Development

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

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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

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



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



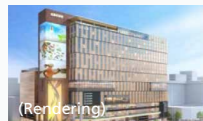
JR Nishinomiya Station Southwest Block Type 1 urban redevelopment project
Scheduled to open in fiscal 2027



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



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

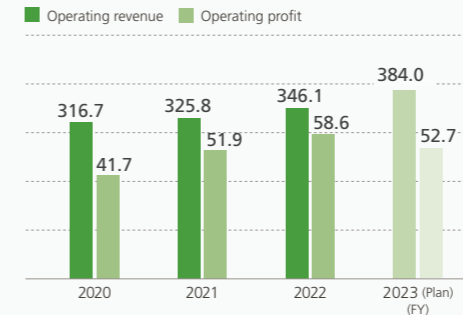


Shinjuku West Gate Redevelopment Plan
Shinjuku-ku
Office/commercial/ station facilities, etc.
Scheduled for completion in fiscal 2029

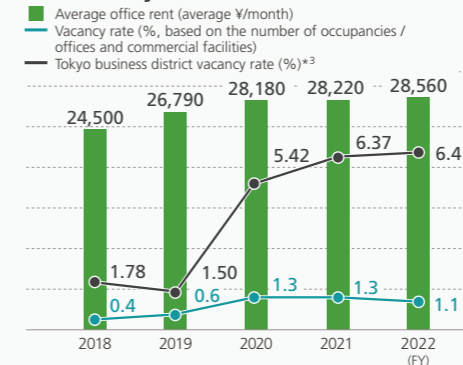


Project for Using Land at Tokyo Institute of Technology's Tamachi Campus (tentative name)
Minato-ku
Office/commercial/industry-academia-government collaboration, etc.
Complex operatorship scheduled to start in fiscal 2030

Operating revenue / operating profit (Billions of yen)

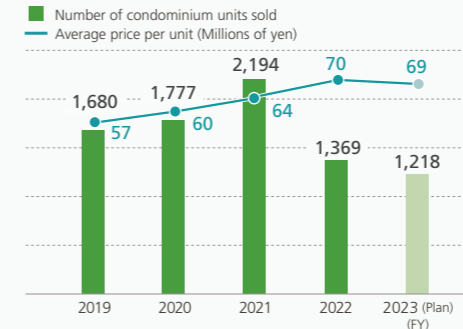


Changes in average office rent*1 and vacancy rate*2



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

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

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Strategic Investment

Expand the renewable energy business

ReENE

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

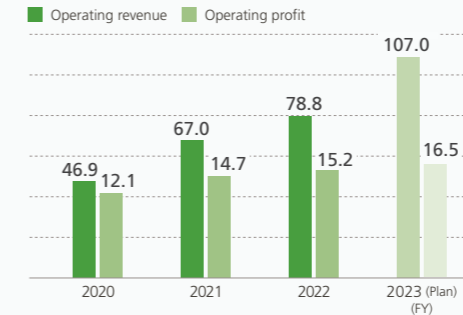
Since establishing TLUS* in 2012, we have participated in rental projects covering 4,707 rental housing units (in 21 properties) across the US and approximately 64,000 m² of office space (one property), with a focus on Los Angeles and New York. The cumulative total of rental housing units in which we 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

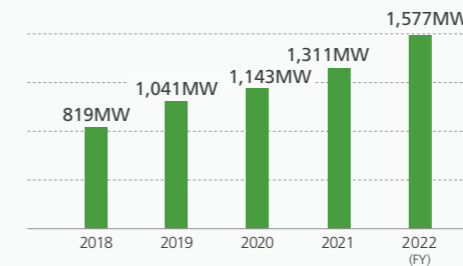


Rental housing for family households and smaller DINK (dual income, no kids) households, whose members commute to a nearby or city office area

Operating revenue / operating profit (Billions of yen)

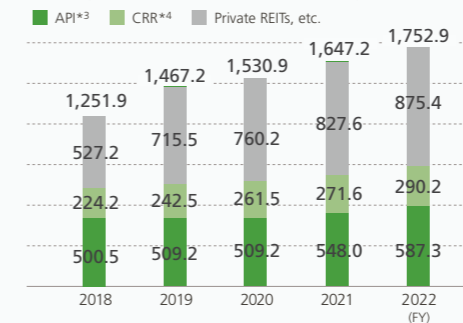


Number and rated power capacity of renewable energy projects*1



*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.

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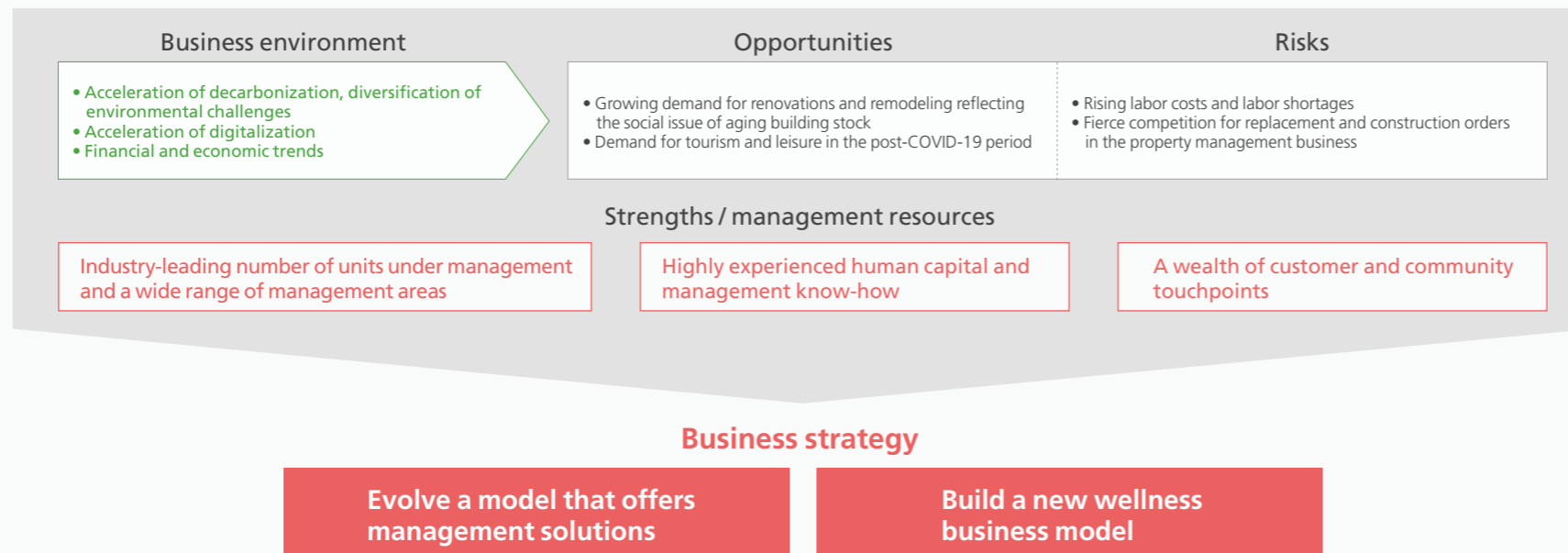


Property Management & Operation

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

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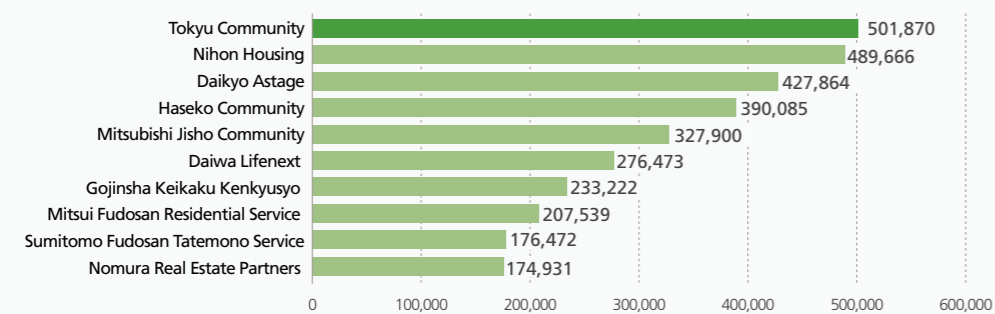
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Property Management & Operation

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 Shimbin (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



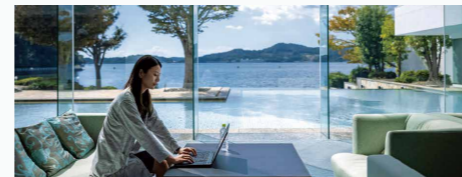
*1. The 2022 Innovative Robot Research and Development, Etc. Infrastructure Building Project, a subsidized project by the Ministry of Economy, Trade and Industry being advanced by Tokyu Land Corporation, Tokyu Community Corp., SoftBank Corp., and Nikken Sekkei Ltd.

*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.

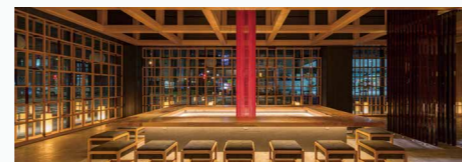
* Tokyu Stay results as of Mar 31, 2023 (ADR: ¥12,529; RevPAR: ¥10,399)



HARVEST Work Style, a Tokyu Harvest Club workation project

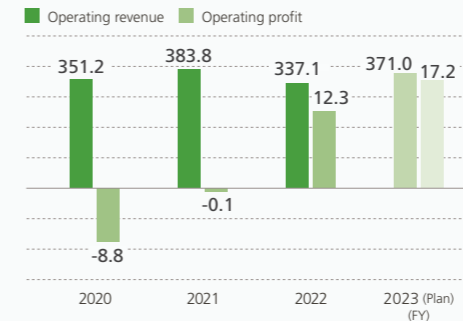
Opening our second "In-type" location

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

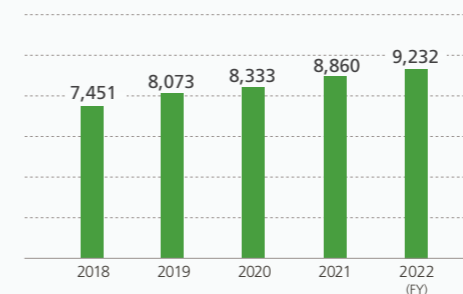
Operating revenue / operating profit (Billions of yen)



Changes in stock under management (1,000 units)



Number of hotel rooms



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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

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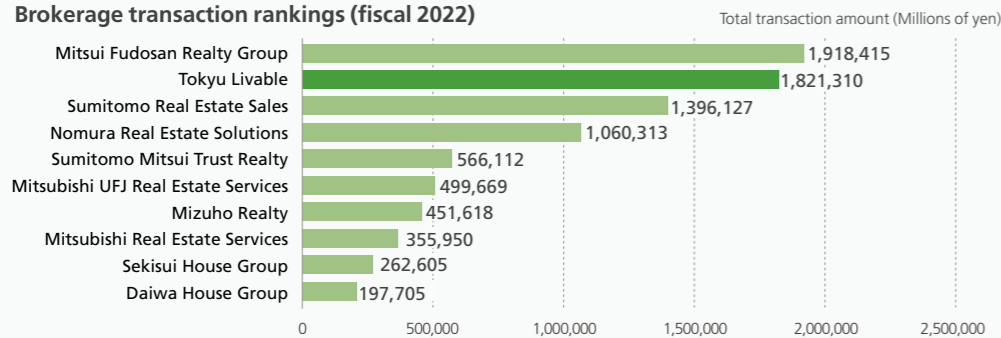
Real Estate Agents

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

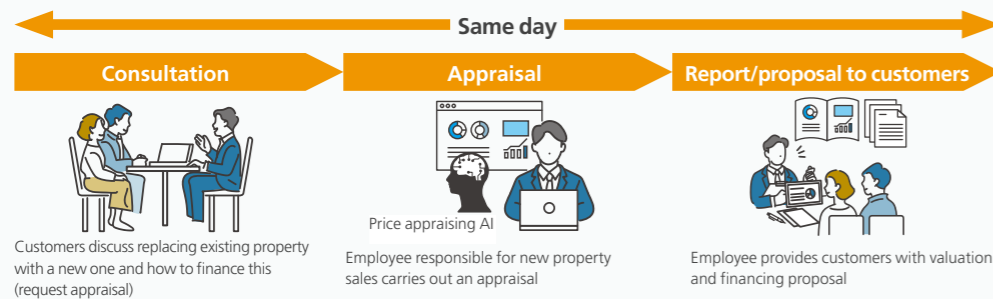
Brokerage transaction rankings (fiscal 2022)



*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.



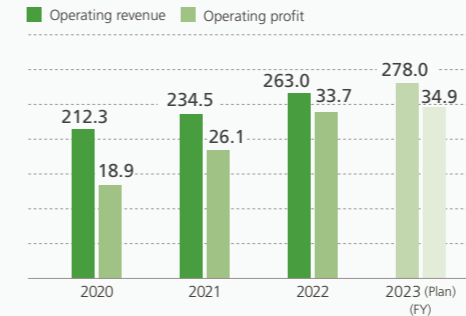
The Tokyo Dai-Ichi Branch's Tokyo Metropolitan Area Leasing Center

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

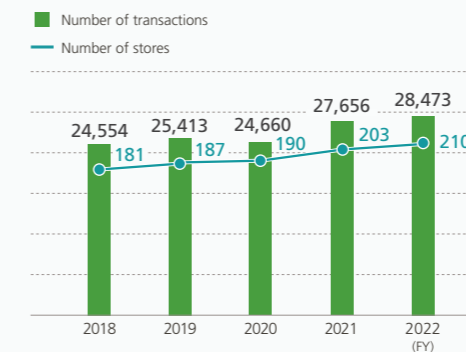
Tokyu Housing Lease has concluded a business collaboration agreement with Enplus Inc. to introduce a new housing rental contract scheme specifically tailored to non-Japanese residents. The scheme aims to capture more of the business opportunities created by the recovery in inbound demand.



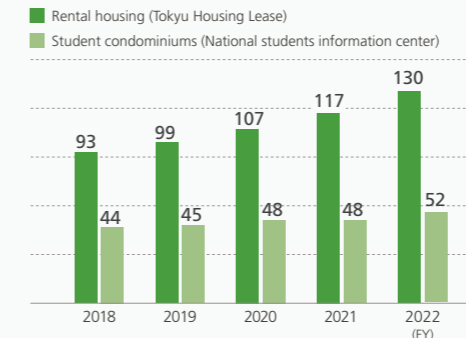
Operating revenue / operating profit (Billions of yen)



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

05

– 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.

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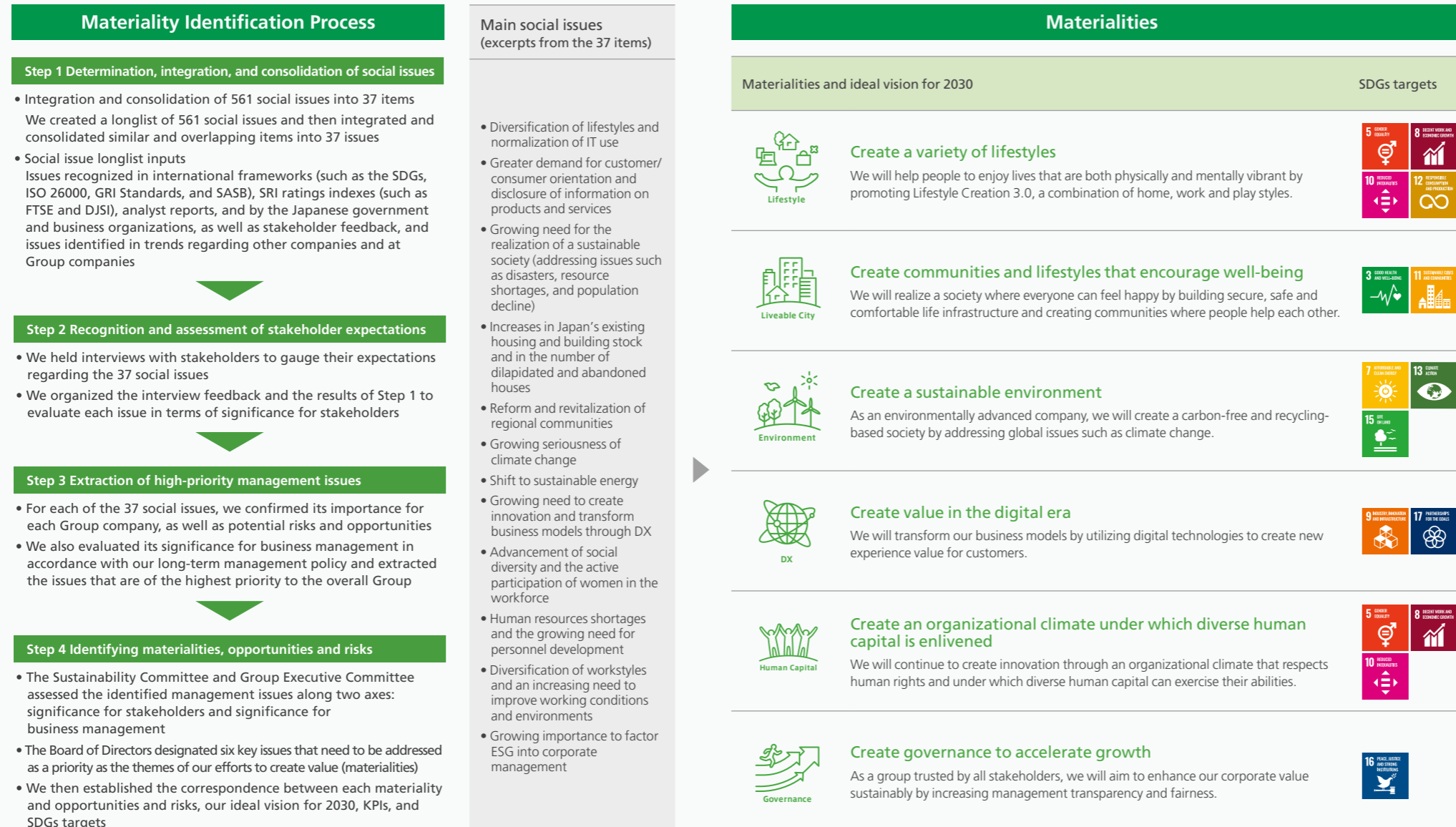
Corporate Governance

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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.



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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 targets	Financial KPI FY2030 targets	Value we provide
					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 	<p>A vibrant life, both physically and mentally</p>	<ul style="list-style-type: none"> Customer satisfaction level*1 	90% or more	10.3	<p>Reference indicators</p> <p>ROE 10% or more</p> <p>ROA 5% or more</p> <p>D/E ratio 2.0 times or less</p> <p>Operating profit ¥150 billion or more</p> <p>Net profit*8 ¥75 billion or more</p>	<p>Outputs (Value provided through businesses)</p> <p>Lifestyle Creation 3.0</p> <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 	
			<ul style="list-style-type: none"> 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 	<p>A society where everyone can feel happy</p>	<ul style="list-style-type: none"> Measures to revitalize communities 	100 cases or more	11.3	<p>ROE 10% or more</p> <p>ROA 5% or more</p> <p>D/E ratio 2.0 times or less</p> <p>Operating profit ¥150 billion or more</p> <p>Net profit*8 ¥75 billion or more</p>	<p>Impacts (Social value)</p> <p>A future where everyone can be themselves, and shine vigorously</p> <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 	
			<ul style="list-style-type: none"> 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. 	<p>A carbon-free society and a recycling-based society</p>	<ul style="list-style-type: none"> RE100*3 *4 	To be achieved by 2025	7.2	<p>Reference indicators</p> <p>ROE 10% or more</p> <p>ROA 5% or more</p> <p>D/E ratio 2.0 times or less</p> <p>Operating profit ¥150 billion or more</p> <p>Net profit*8 ¥75 billion or more</p>	<p>Impacts (Social value)</p> <p>A future where everyone can be themselves, and shine vigorously</p> <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 	
			<ul style="list-style-type: none"> Percentage of renewable energy power usage 	60% or more	7.2			
			<ul style="list-style-type: none"> CO₂ emissions (compared with FY2019) (SBT certification*5) 	(46.2)%	13.1			
			<ul style="list-style-type: none"> Water usage 	Less than the previous fiscal year	6.4 12.2			
			<ul style="list-style-type: none"> Waste volume (compared with FY2019) 	(11)%	12.5			
			<ul style="list-style-type: none"> Environmental certification acquisition*6 (e.g. CASBEE, DBJ) 	100%	9.4 15.5			
			<ul style="list-style-type: none"> Sustainable procurement (wood materials for molds) 	100%	15.2			
			<ul style="list-style-type: none"> Midori wo Tsunagu Project (area of forest protected) 	3,000 ha	15.2			
			<ul style="list-style-type: none"> 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 	<p>Create customer's new experience value</p>			<ul style="list-style-type: none"> Number of initiatives utilizing digital technology
<ul style="list-style-type: none"> DX investment amount (compared with FY2021)*7 	2 times	9.1						
<ul style="list-style-type: none"> 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 	<p>An organizational climate for continuously creating innovation</p>	<ul style="list-style-type: none"> Ratio of employees who undergo physical examinations 	100%	8.5	<p>Reference indicators</p> <p>ROE 10% or more</p> <p>ROA 5% or more</p> <p>D/E ratio 2.0 times or less</p> <p>Operating profit ¥150 billion or more</p> <p>Net profit*8 ¥75 billion or more</p>	<p>Impacts (Social value)</p> <p>A future where everyone can be themselves, and shine vigorously</p> <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 	
			<ul style="list-style-type: none"> Ratio of women among new graduate hires 	50%	5.5			
			<ul style="list-style-type: none"> Ratio of female managers (ensuring the diversity of core human capital) 	20% or more	5.5			
			<ul style="list-style-type: none"> Ratio of childcare leave taken by male employees 	100%	5.1 5.5			
			<ul style="list-style-type: none"> 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 	<p>Sustainable improvement of corporate value</p>	<ul style="list-style-type: none"> Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor) 	100%	10.3	<p>Reference indicators</p> <p>ROE 10% or more</p> <p>ROA 5% or more</p> <p>D/E ratio 2.0 times or less</p> <p>Operating profit ¥150 billion or more</p> <p>Net profit*8 ¥75 billion or more</p>	<p>Impacts (Social value)</p> <p>A future where everyone can be themselves, and shine vigorously</p> <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 	
			<ul style="list-style-type: none"> Engagement with shareholders and investors 	300 cases or more	12.6			
			<ul style="list-style-type: none"> Improvement of effectiveness of the Board of Directors (third party evaluation) 	100%	16.6			
			<ul style="list-style-type: none"> 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

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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%		
Governance	Create governance to accelerate growth	Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)	100%	50%	72.7%		
		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

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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)

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.

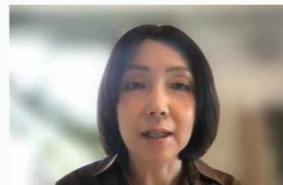


A cleaning activity in Shibuya

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

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.

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

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)

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Various initiatives addressing our three priority issues

We are promoting environmental management as a Group-wide policy under our Environmental Vision. These efforts are focused on the three priority issues related to the environment that are stated in our medium-term management plan, namely decarbonized society, recycling-based society, and biodiversity.

We are engaged in a wide range of business areas, including real estate development and building management and operation, and we have business sites in many different regions. This enables us to solve environmental issues through intra-Group collaboration and to nurture regional environments.

We are also proposing environmental value that appeals to customers' sensitivities through greening efforts and environmental events.

Environmental Vision

Environmental philosophy

We will create value that connects cities and nature, and people with the future.

Environmental policy

We will make efforts to realize harmony between the environment and the economy through our business activities.

Environmental action

We will tackle five environmental issues through three approaches.

• Three approaches

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

• Five environmental issues

- Climate change
- Biodiversity
- Pollution and resources
- Water use
- Supply chains



Creating Cities Co-existing with Nature.
Creating a Future for People.

1998: Basic environmental philosophy formulated

2011: Renamed as the Environmental Vision

Decarbonized society

- Achieve RE100, introduce internal carbon pricing (ICP)
- Introduce ZEB/ZEH, acquire environmental certification
- Engage renewable energy, energy saving, and energy creation

Achieving decarbonization with environmental business as a strength

We will aim to achieve CO₂ emissions reduction targets and advance environmentally friendly urban development by leveraging our strengths as the operator of a renewable energy business.

• Achieving Scope 1 and 2 targets ahead of schedule

In 2021, we became the first development company in Japan to have our CO₂ emission reduction targets approved as 1.5°C-aligned SBT. Through steady decarbonization efforts, we have achieved the following Scope 1 and 2 CO₂ emission reduction targets.

Target: 50% reduction (compared to fiscal 2019 levels) by fiscal 2023

➡ Fiscal 2022 result: 50.6% reduction

Target: Become carbon negative by fiscal 2025

➡ Achieved in fiscal 2021 and 2022

➡ See p. 67

• Internal carbon pricing (ICP)

In fiscal 2021, we introduced an ICP scheme in accordance with the TCFD Recommendations. In fiscal 2022, we started providing visualizations of the scheme as a presentation item for Executive Committee meetings.

• Efforts to achieve RE100

In 2019, Tokyu Land Corporation became the first company in the real estate industry to join the RE100*¹ initiative. In December 2022, it also became the first company in Japan to ensure 100% of the electricity used at the 244 facilities it owns, including office buildings and commercial facilities, comes from renewable sources*². This means that it has fulfilled the RE100 goal and contributed to reducing CO₂ emissions by 156,000 tons per year, equivalent to the emissions generated by approximately 80,000 regular households.

• Participation in the GX League

We participate in the GX League, an initiative led by Japan's Ministry of Economy, Trade and Industry. In fiscal 2021, Tokyo Land Corporation endorsed the league's basic concept and when full-scale operation began in April 2023, leadership of the Group's efforts was switched to Tokyu Fudosan Holdings. Together with other participating companies, we will aim to provide value by transforming social structures with a view to achieving carbon neutrality.



• Developing buildings with high environmental performance

We are enhancing the environmental performance of the buildings we develop to contribute to decarbonization and meet the expectations of stakeholders.

Environmental certification acquisition*³ targets and results

We are working to raise the percentage of buildings we operate that have acquired environmental certification such as CASBEE and DBJ Green Building Certification.

FY2030	FY2025	FY2022
100%	70%	48.7%

ZEB/ZEH level*⁴ targets and results

We are also advancing decarbonization by introducing initiatives concerning net zero energy buildings (ZEB) and net zero energy houses (ZEH). Going forward, these initiatives will be introduced into building development, including the new construction of residences and office buildings, in order to reduce the amount of energy used by these buildings.

FY2030	FY2025	FY2022
100%	Approx. 50%	25%

Topics Planting sweet potatoes on office building roofs to save energy consumption and create engagement events

At the Unosawa Tokyu Building (Shibuya, Tokyo), we have planted sweet potato plants to green the areas around external air conditioning units, establishing a potato-based external machinery greening system. This system reduces the amount of electricity consumed by the air conditioning system, as transpiration by the plant leaves and the shade they create lowers the air temperature around the units. This saves energy in a way that does not burden building tenants and trials showed a reduction in electricity consumption of around 10 to 15%. It also creates opportunities to engage with tenants through sweet potato harvesting events.



The Unosawa Tokyu Building's potato-based greening system

*1. Based on the industry classifications used for companies listed on the First Section of the Tokyo Stock Exchange at the time *2. Excludes financial institutions

*3. Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures.

*4. Percentage of Tokyu Land Corporation's facilities, including condominiums and offices, with building performance that meets or exceeds ZEB/ZEH Oriented levels (as of commencement of construction work)

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Various initiatives addressing our three priority issues

Recycling-based society

- Reduce waste generation and water usage
- Utilize stock
- Advance projects that coexist with local communities and the environment

Helping to create a recycling-based business cycle and sustainable local communities

We are aiming to reduce environmental footprints and realize local recycling-based communities by using resources effectively in all our businesses.

• Building a circular economy

We aim to create attractive facilities with a greater awareness of resource recycling by incorporating resource-saving and reuse into plans. These efforts include using eco-friendly construction materials during construction and regenerative architecture, as well as installing equipment and facilities that curb water use. We are also focusing on extending the service life of buildings through high-quality building management and renovations while encouraging the effective reuse of waste at facilities we operate.

• Realizing regional revitalization through cooperation with regional communities and local governments

We will contribute to the revitalization of regions through our business to build a sustainable, recycling and coexistence-oriented society.

Topics

Renovating company-owned housing as urban rental residences

In September 2022, work was completed on COMFORIA Takashimadaira, a rental condominium building that was Tokyu Land Corporation's first renovation of an existing building. The project reused the structural frame of the 27-year-old building owned by the company for housing employees, while thinned timber and waste wood from Group-owned forests were used for the interiors and communal spaces. Other initiatives involving the building include a composting scheme to reduce food waste, with the compost being used as fertilizer for a communal vegetable garden.

As a result of the improved insulation performance provided by the refitted insulation, the building has received BELS certification*1, which is rare for renovated buildings.



"Upcycling lifestyles," the concept behind COMFORIA Takashimadaira

CHOICE—Large-scale renovation products

Tokyu Community Corp. is working toward the creation of a society with a healthy housing stock through the development of CHOICE, buildings with long warranty periods that enable an extension of the period between large-scale renovations of a condominium from the previous 12 years to a maximum of 18 years. These buildings employ creative measures in areas such as work specifications and methods to extend the warranty period for building exterior work by 1.5 to 2 times, contributing to a long-term reduction in the number of times work is required, as well as overall construction costs.

Biodiversity

- Plant greenery in urban areas and perform long-term upkeep and maintenance
- Conserve and utilize forests
- Practice sustainable procurement

Contributing to the preservation of regional ecosystems by utilizing the characteristics of cities and regions

We are working to preserve ecosystems in regions where we conduct business by utilizing local characteristics.

• Contributing to becoming nature positive

We are advancing urban development that is considerate of both people and nature, such as building an ecological network in the Greater Shibuya area. Also, in our nationwide leisure business, we are developing leisure facilities that are in harmony with the local environment, including carrying out conservation activities and ecosystem surveys of forests and oceans in accordance with regional characteristics.

• Formulating related policies and advancing initiatives

We formulate policies and manuals, such as a Biodiversity Policy and a Sustainable Procurement Policy and collaborate with stakeholders to reduce the global environmental impact of our entire supply chain. We have also joined the 30by30 Alliance for Biodiversity*2 and the TNFD Forum*3. In August 2023, we disclosed a report under the TNFD framework.

→ To our TNFD Report



Topics

J-Credit certification

Tokyu Resort Town Tateshina is advancing the MORIGURASHI® concept of local sustainable recycling. As part of this, it is encouraging the growth of local forest through activities such as proper tree thinning. It has received J-Credit*4 certification for the 50 tons of CO₂ emissions per year that are absorbed by the forest.

Working with communities to support biodiversity

At Hyatt Regency Seragaki Island Okinawa, we are cooperating with a local university to nurture and conserve clownfish populations. We are also contributing to efforts to protect coral reefs as part of Onna Village's marine conservation efforts by sponsoring the Honey & Coral Project, an initiative that aims to solve the issue of red soil sediment from agricultural land being washed into the sea by rainfall, which is having a negative impact on the reefs and ruining ocean views.



Conserving rhododendron quinquefolium

Nasu Mt. Jeans, which is operated by Tokyu Resorts & Stays, is located in Japan's largest habitat for rhododendron quinquefolium, a native azalea species. It is helping these flowers thrive by collaborating with a local volunteer group on activities such as removing shrubbery that is blocking sunlight.

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*1. A system operated by the Association for Evaluating and Labeling Housing Performance that evaluates and certifies the energy saving performance (energy consumption) of buildings

*2. An alliance that aims to conserve or protect 30% of Japan's land and sea areas by 2030 in order to achieve the Ministry of the Environment's goal of stemming the destruction of biodiversity and moving toward its recovery by 2030

*3. An international organization that acts as a stakeholder providing specialist knowledge to support discussion related to the Taskforce on Nature-related Financial Disclosures (TNFD) in order to build a framework for corporate risk management and disclosure concerning nature

*4. Credits certifying the amount of greenhouse gas emissions (such as CO₂) reduced or absorbed by an initiative, issued under the J-Credit Scheme operated by Japan's Ministry of Economy, Trade and Industry, Ministry of the Environment, and Ministry of Agriculture, Forestry and Fisheries

Initiatives concerning the Task Force on Climate-related Financial Disclosures (TCFD)

Climate change presents a grave global risk, and we recognize it as an important management issue that could have a significant impact on the Group's business. We are tackling this issue sincerely and looking to contribute to its solution by advancing various climate change-related measures and actively disclosing information based on the TCFD recommendations.



Under the Group's Environmental Philosophy (now referred to as our Environmental Vision)*¹ formulated in 1998, we have been working to harmonize the environment and the economy through business activities. Additionally, climate change has become an urgent global issue, so we have set achieving the 1.5°C-aligned SBT by fiscal 2030 and net zero emissions by 2050 as climate change-related targets, while we are implementing various initiatives based on the TCFD recommendations.

While climate change does pose a risk to the Group's business activities, we recognize that it also presents new business opportunities. Understanding the importance of climate-related financial information disclosure, in March 2019 we endorsed the TCFD recommendations and joined the TCFD Consortium, an international organization that discusses matters related to TCFD engagement.

In accordance with the TCFD recommendations, we are advancing measures for each of its thematic areas, namely governance, strategy, risk management, and metrics and targets.

*1. Name changed to Environmental Vision in 2011

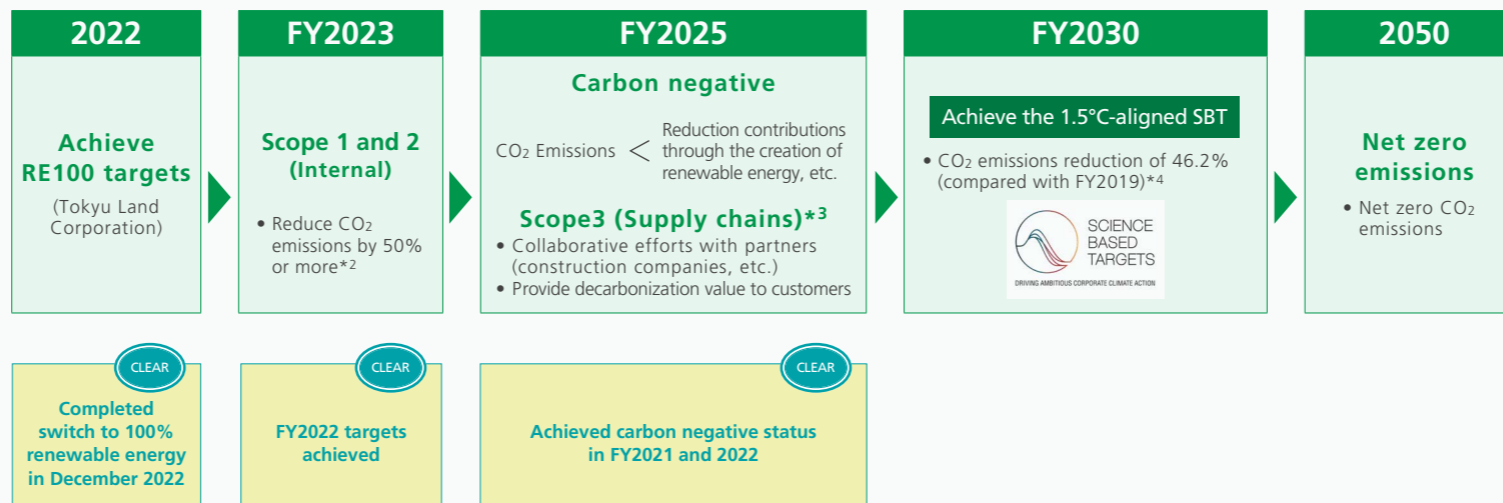
*2. Set at the same time as the medium-term management plan (2022)

*3. Our SBT-approved reduction targets cover categories 1, 2, and 11

*4. Set at the same time as the long-term vision (2021)

Category	Group initiatives → For details, see our website
Governance	<ul style="list-style-type: none"> The Sustainability Committee, which is chaired by the President and Representative Director, deliberates on important matters related to climate change and reports the results to the Board of Directors.
Strategy	<ul style="list-style-type: none"> In each business of Urban Development, Leisure, Residential, and Renewable Energy, risks and opportunities in the medium-term (2030) and long-term (2050) are assessed based on three scenarios, 1.5°C, 3°C and 4°C. We are promoting ZEB/ZEH, expanding the renewable energy business, and implementing green financing among other initiatives
Risk management	<ul style="list-style-type: none"> 2030 KPIs for climate change have been set as material issues in the long-term management policy, and their progress is managed by the Sustainability Committee. We recognize climate change as a risk of high importance and have integrated it into our Group-wide risk management activities.
Metrics and targets	<ul style="list-style-type: none"> For greenhouse gas (GHG) emissions, we have acquired SBT approval for the 1.5°C level as a fiscal 2030 target and declared that we will achieve net zero emissions internally and across our supply chain by 2050. Tokyu Land Corporation has made an RE100 declaration and aims to achieve 100% renewable energy in 2022 ahead of schedule. Reduction in water usage and waste, and the acquisition of environmental certifications for buildings and the area of forests that we preserve have been set as KPI targets.

Climate change-related targets



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Initiatives concerning the Task Force on Climate-related Financial Disclosures (TCFD)

Priority climate-related issues

We recognize the following climate-related issues as being particularly material to the Group

Category	Type	Material issues	Major impact
Transition risks	Current regulation	Energy conservation reporting requirement, energy efficient building standards	
	Emerging regulation	More stringent GHG emission reduction regulations, carbon taxation	○
	Technology	Increase in cost for ZEB / ZEH construction / renovation	○
	Legal cost	Credit purchase under the Tokyo Cap-and-Trade Program	
	Market	Delayed response to price trends reflecting environmental value, increasing energy costs	○
	Reputation	Changing customer / investor behavior	
Physical risks	Acute	Intensified extreme weather events	
	Chronic	Rising temperatures / sea levels	
Opportunities	Resource efficiency	Transition to high-efficiency buildings, recycling	
	Energy source	Wider use of renewable energy sources, government subsidies	○
	Products / services	Expansion of low carbon products / services	
	Market	Utilization of ESG finance	○
	Resilience	Energy efficient renovations of operating assets, BCP compliance	

Scenario analysis overview

In each of our four business units (Urban Development, Leisure, Residential, and Renewable Energy), we carry out scenario analysis that assesses both medium-term (2030) and long-term (2050) climate change-related risks and opportunities, and the results are reflected in business strategy. This analysis references the scenarios proposed

by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) for three possibilities: a temperature rise of 1.5°C (successful transition to a decarbonized society), 3°C (each country meets its individual targets) and 4°C (expansion of governments, technologies, and markets, etc. as an extension of current trends).

Businesses covered by scenario analysis

2018:
Urban Development (medium-term), Leisure (long-term)

2020:
Urban Development, Leisure, Residential and Renewable Energy (medium- and long-term for all four businesses)

2023:
Urban Development, Leisure, Residential and Renewable Energy (medium- and long-term for all four businesses)

Excerpt → See website for details	1.5°C	3°C	4°C
<ul style="list-style-type: none"> • Transition risks Policy and legal, technology, markets, reputation • Opportunities Energy sources, products and services, market 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • Financial impact is considerable in the medium term due to carbon pricing and ZEB/ZEH compliance costs, but in the long term, ZEB conversion will be completed, securing a competitive advantage and increasing rental income. • Demand for renewable electricity grows. <p>Strategy</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. Leisure business to utilize local natural energy. • Promote conversion of new buildings to ZEB/ ZEH and upgrades of equipment at existing operating facilities. Differentiate through the early introduction of renewable electricity. 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • In the medium term, ZEB/ZEH conversion is less pronounced and has less financial impact than in the 1.5°C scenario, but the impact of ZEB/ ZEH conversion continues to increase in the long-term. • Demand for tenant offices shrinks due to the spread of remote work. • Demand for renewable electricity grows. <p>Strategy</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. Leisure business to utilize local natural energy. • Each business differentiates in the same way as in the 1.5°C scenario. • Expand satellite offices in anticipation of the spread of remote working. 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • The effects of climate change are limited in the medium term, but in the long term, the intensification of natural disasters and rising temperatures have a considerable financial impact • Higher temperatures increase construction costs and air conditioning costs during operating hours. Demand for high-efficiency housing grows. • Demand for tenant offices shrinks due to the spread of remote work. • Policy support for renewable electricity is feeble, and market trends are uncertain. <p>Strategy</p> <ul style="list-style-type: none"> • Expand business in response to increasing demand for renewable electricity. • Each business differentiates in the same way as in the 3°C scenario, including measures for mitigating the effects of rising temperatures. • Leisure business to offer new resort lifestyles, such as workations.
<ul style="list-style-type: none"> • Physical risks Acute, Chronic • Opportunities Resilience 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • In the long term, natural disasters due to extreme weather events will increase moderately, but the financial impact will be low. <p>Strategy</p> <ul style="list-style-type: none"> • Differentiate by carefully selecting building locations and strengthen BCP/LCP through collaboration with tenants and residents. 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • Climate change progresses faster and has a greater financial impact than in the 1.5°C scenario. <p>Strategy</p> <ul style="list-style-type: none"> • Each business differentiates in the same way as in the 1.5°C scenario. • Leisure business to concentrate investment in high-latitude ski resorts and use heat-tolerant turf at managed golf courses to differentiate from competing facilities. 	<p>Risks and opportunities / financial impact</p> <ul style="list-style-type: none"> • In the long term, the impact of the rise in sea levels is greater than in the 3°C scenario. Drastic increase in damage to facilities due to natural disasters. <p>Strategy</p> <ul style="list-style-type: none"> • Each business differentiates in the same way as in the 3°C scenario. • Renewable energy business to maintain power generation efficiency by installing storage batteries and focus on facilities adapted for climate change.

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Initiatives concerning the Task Force on Climate-related Financial Disclosures (TCFD)

Response in terms of business strategy

Our business strategies in response to climate change risks and opportunities are as follows.

Category	Impact and response
Products and services	Mitigation measures: We are enhancing the energy efficient performance of buildings, promoting ZEB/ZEH, and expanding and developing the ReENE renewable energy business. Adaptation measure: We are strengthening BCP at facilities under management.
Supply and value chains	Upstream: We are incorporating climate change into the Sustainable Procurement Policy and have started discussions with major construction companies concerning low-carbon construction processes. We are also participating in the Real Estate Companies Association of Japan's efforts to formulate a manual for calculating GHG emissions generated during construction. Downstream: We are ensuring condominiums and rental housing meet ZEH standards and promoting the introduction of renewable energy.
R&D investment	We are responding to technological innovation by advancing progressive initiatives, including acquiring Nearly ZEB certification for NOTIA, Tokyu Community Corp.'s technical training center
Facility operation	In response to growing demand for renewable electricity, Tokyu Land Corporation committed to the RE100 initiative and in December 2022, it completed the switch to 100% renewable energy at its offices and facilities.

• Promoting ZEB/ZEH

We are working to enhance the environmental performance of condominiums, offices, and other properties owned by Tokyu Land Corporation.

ZEB/ZEH levels	FY2030 target	FY2025 target	FY2022 result
	100%	Approx. 50%	25%

We are also strengthening engagement by setting the following new targets for each of our businesses.

	Targets at formulation of medium-term management plan	Current targets
ZEH levels (as of commencement of construction work)	<ul style="list-style-type: none"> BRANZ condominiums: FY2025 50% FY2030 100% 	<ul style="list-style-type: none"> BRANZ condominiums: FY2023 100% (moved ahead of schedule) L'GENTE condominiums: FY2024 100% (scope expanded) COMFORIA urban rental residences, Campus Village student residences: FY2025 100% (scope expanded)
Environmental certification (as of commencement of construction work)	<ul style="list-style-type: none"> Excludes residential properties Only covers large-scale non-residential owned properties 	<ul style="list-style-type: none"> BRANZ condominiums: FY2023 100% (new) (all properties to acquire certification as low-carbon buildings)

Reflection in financial plans

When formulating our climate change-related strategies, we assigned each risk and opportunity a level based on the size of its potential financial impact, as shown on the right. This information is disclosed on our website (in the financial impact section of each scenario analysis). [→ For details, see our website](#)

High	10% or more of consolidated operating revenue
Medium-high	10% or more of operating revenue of a specific business
Medium	5 to 10% of operating revenue of a specific business
Medium-low	2 to 5% of operating revenue of a specific business
Low	Less than 2% of operating revenue of a specific business

Category	Impact and response
Indirect costs	After estimating increases in indirect costs associated with switching to renewable energy, such as electricity purchase costs, in fiscal 2022, we switched to purchasing electricity for the facilities we operate from our own renewable energy business with the aim of achieving the RE100 goal ahead of schedule.
Capital allocation	We have positioned the growth of our renewable energy business as a climate change-related opportunity and we are actively investing in its expansion.
Liabilities	In addition to advancing initiatives to address environmental issues, we have established a bond policy to inform bond investors of these initiatives, and after setting a target to increase the proportion of ESG bonds within total bond issuance, we have made ESG bonds an ongoing part of our financing activities. We are also accessing Positive Impact Finance, which is funding that is dependent on the results of assessments of the impact of our initiatives (positive and negative) on the environment and society.
Assets	When carrying out portfolio management based on our long-term vision, we use environmental impact as an indicator for evaluating assets.

• Formulating a bond policy

We have formulated a policy covering the long-term issuance of ESG bonds, based on our long-term vision.

"WE ARE GREEN" Bond Policy

Purpose	We will obtain the comprehensive and continual understanding and approval of the Group's ESG initiatives from bond investors and other stakeholders. We will consistently provide bond investors with opportunities to invest in ESG bonds and will expand our financing base through these bonds.
Target	Ratio of ESG bonds to outstanding Group-issued bonds End of FY2025: 50% or more End of FY2030: 70% or more
Deepening engagement	We will hold regular meetings with bond investors to inform them of the status of the Group's ESG initiatives and report on the progress of ESG bonds, among other matters. Feedback from these meetings will be shared with senior management and reflected in ESG initiatives.
Types of ESG bonds	Green bonds, social bonds, sustainability bonds, and sustainability-linked bonds.

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Creating sustainable urban areas— Redevelopment projects that solve community issues

We are leveraging the development capabilities and knowledge we have cultivated through engagement in a wide range of business fields and our track record in the real estate industry to contribute to solving the social issues facing communities through redevelopment projects. The mission of our redevelopment business is to not only establish infrastructure, but also advance sustainable regional development through area management, including activities to build local communities and enliven areas. 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.

Case 01

Bringing the city and its people together at Shibuya Fukuras Developing a safe, secure station area and increasing the area's international competitiveness

Challenges faced in the area around Shibuya Station's West Exit

The area around Shibuya Station's West Exit posed various transportation-related challenges, including complicated transfers between eight train lines at six stations, insufficient barrier free access to station facilities, a shortage of spaces outside of the flow of traffic where pedestrians can stop for a short time, and a hazardous lack of infrastructure for separating pedestrian walkways from the roads servicing the bus terminal.

It also presented social issues, including insufficient office space that is suitably equipped for the modern business environment and a lack of tourism-support functions, such as information provision and sightseeing guidance, despite the large number of visitors the area receives from around the world.

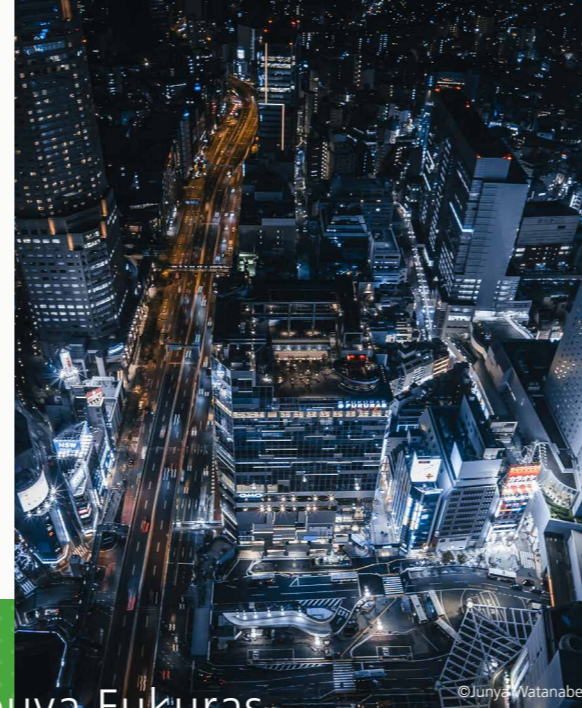
Aiming to strengthen the area's functions as a transportation hub while enhancing comfort and resilience to disasters

We collaborated with businesses in the area to advance a combined rail improvement and land readjustment project that redeveloped the buildings and surrounding area, such as station access routes, the bus terminal, and underground car parks, in a unified manner. This included constructing Urban Core, a vertical structure that guides foot traffic between various public transportation facilities spread over multiple levels, as well as a pedestrian deck, to establish a three-dimensional pedestrian network that is aligned with the topography of the area and that improves access between the stations and the surrounding area. We also moved the taxi stands, access roads, and collection and delivery car parks underground to ease road traffic congestion. Additionally, we secured a multi-level plaza space on the Shibuya Fukuras side to create a space outside of the flow of traffic where pedestrians

can stop for a short time. In regards to disaster preparation, it can also function as a temporary shelter for people who are unable to return home during disasters. Through these various initiatives, we have developed a highly convenient station area that is safe and secure, particularly for pedestrians, as befits a major rail terminal.

Enhancing the area's international competitiveness as a global hub

Shibuya Fukuras addresses the shortage of office space in the area by providing over 2,000 m² of office space per floor from floor 6 to floor 18. It is also enhancing the international competitiveness of the Shibuya Station area through a bus terminal that caters for shuttle bus services to Haneda and Narita airports and a tourist support center that will bring tourists into Shibuya after arriving in Japan and before departing. The building also contains a Business-Airport, a membership-based shared office facility that offers networking and support functions for clients, particularly content creators, and it is



Urban Core, a multi-level pedestrian space providing direct access to Shibuya Station



ESSA, a collection and delivery car park that contributes to easing road congestion in the area. A committee for maintaining road environments in the area was also established.



shibuya-san, a tourist support center containing an art center to attract tourists to Shibuya. It provides sightseeing guidance and also holds events.

situated next to the world-famous CÉ LA VI Tokyo restaurant. By incorporating cultural and information sharing functions that can attract tourists from all over the world, we are forming an internationally competitive hub for creating and showcasing culture and lifestyles.

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**Creating sustainable urban areas—
Redevelopment projects that solve community issues**

Case 02

**Deepening our links to the Ofuna area
Improving built-up areas and engaging
new area management ideas**

**Challenges faced in the area around
Ofuna Station's Kasama Exit**

Ofuna Station is a terminal station located on the border of Kamakura and Yokohama that services around 190,000 passengers a day. Despite being a transportation hub that also includes a bus terminal, the area around the station was lacking urban infrastructure. Issues facing the area included that the bus terminal was not big enough to allow buses to turn around, there was no space for taxis and cars to make pick-ups and drop-offs, buildings and facilities had become dilapidated, including the public bicycle parking area, local park, and nearby wooden buildings, and there was a lack of open public space that is essential for implementing a disaster response.

Also, under the Yokohama City Urban Planning Master Plan, we were required to incorporate area management that facilitates disaster response and that enlivens communities by creating opportunities for multi-generational exchange between diverse people, including long-term residents, residents who moved in after the redevelopment, and visitors to commercial facilities.

**Large-scale mixed-use redevelopment
covering a 1.7-hectare area**

Tokyu Land Corporation has been a partner in redeveloping the area since 2014 and 2021 saw

the full opening of GRAND SHIP, a large-scale commercial facility, and BRANZ Tower Ofuna, a residential building. These buildings comprise an appealing mixed-use urban development that is considerate of the surrounding residential districts and that breathes new life into the station area.

We built the condominium building as a 21-story vibration-dampened tower structure that has become a new landmark for the town. We also connected the commercial facility to the station through a pedestrian deck to improve pedestrian mobility around the station area and strengthened the area's functions as a transport hub by developing a terminal that offers better convenience regarding buses, taxis, and cars, and rearranging bicycle parking facilities.

We also established a park and other open public spaces within the development site to provide space for various events and activities that



Tokyu Community Corp.'s condominium management and area management leaders at BRANZ Tower Ofuna

will facilitate area management.

Even before the project started, the redevelopment site contained many public facilities, landowners, and other stakeholders, which gave rise to various challenges. We established an organizational structure that leveraged the Group's unique value chain to find solutions to these challenges as quickly as possible. (Commercial consulting and project management: Tokyu Land SC Management; facility management: Tokyu Community; rental asset management: Tokyu Housing Lease; residence sales: Tokyu Livable)

**Tokyu Community's first area management
trial as a comprehensive real estate
management company**

Area management is an essential factor for realizing dynamic communities, and Tokyu Community Corp., the Group's real estate management company, practices management that, in addition to condominium and facility management and operation, also includes the management of entire buildings and sites. As part of this approach, it has undertaken area management for this project with the goal of creating opportunities for developing a relationship with the local community and fostering a community that is inclusive of all stakeholders, including landowners and residents.

Tokyu Community Corp. is fully involved in



Holding disaster preparation drills to contribute to greater disaster awareness throughout the community



Holding events to create a lively atmosphere that brings together the entire commercial facility

local area management, maintaining a continuous presence at the facilities and creating opportunities to engage management associations and visitors. These efforts are creating diversity and facilitating community building activities that bring residential and commercial tenants together in a sustainable way.

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Formulating and implementing three human capital strategies in coordination with management strategies

We intend to take full advantage of the Group's comprehensive strength to advance human capital strategies based on our human capital philosophy and management strategies.

Human capital strategies

<p>Develop people who create value</p> 	<ul style="list-style-type: none"> Dissemination of Group philosophy Development of DX talent Human capital development based on environmental management 	<p>Developing people who create value is a personnel development approach that incorporates the Group Philosophy and our management strategies. Our long-term vision GROUP VISION 2030 sets forth the advancement of environmental management and DX as overall Group policies aimed at building a solid and distinctive business portfolio. We will work to develop human resources who are highly-productive and widely contribute to society by pursuing the core measures of disseminating Group philosophy, developing DX talent, and advancing human capital development based on environmental management, with the goal of maximizing the value created by each individual employee.</p>
<p>Develop organizations with diversity and a sense of unity</p> 	<ul style="list-style-type: none"> Empowerment of women Empowerment of diverse human capital Fostering of an innovative organizational climate 	<p>Developing organizations with diversity and a sense of unity is an approach to fostering workplace environments that support the Group's value creation. To realize this value creation, we think it will be essential to empower women, empower diverse human capital, and foster an innovative organizational climate by advancing diversity, equity, and inclusion (DE&I) initiatives. We are putting particular effort into empowering women, setting the targets of ensuring women account for 50% of new graduate hires, 20% of female managers, and 20% of female candidates for management positions by fiscal 2030. We aim to achieve these targets through initiatives such as career advancement systems that take childbirth and childcare leave into account (Tokyu Land Corporation) and childcare support and partner systems that reduce the individual burden involved in meeting targets, as well as a shift system for working on holidays and the assignment of multiple personnel to each responsibility (Tokyu Livable, Inc.).</p>
<p>Enhance motivation to work and foster an employee-friendly work culture</p> 	<ul style="list-style-type: none"> Promotion of health and productivity management Support for diverse work styles Improvement of employee engagement 	<p>Enhancing motivation to work and fostering an employee-friendly work culture is an approach to building workplace environments that support the efforts of individual employees. We recognize that ensuring the safety and health of employees is an important part of sustainable corporate development so we are working to improve our workplace environments. We are putting a particular focus on support for diverse work styles, and in order to enhance efficiency and productivity and to ensure work life balances can be maintained, Tokyu Land Corporation, Tokyu Livable, Tokyu Community, Tokyu Housing Lease, and National Students Information Center have all introduced remote working and flextime systems (or in some cases, staggered working hours). In this way, they are leveraging IT to realize work styles that are not constrained by time and location, and to raise employee satisfaction.</p>

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Implementing our three human capital strategies on a Group-wide basis

We are advancing distinctive initiatives to create synergies within the Group and to encourage the growth and engagement of diverse individuals.



Develop people who create value Development of DX talent

FY2022 results Acquisition of IT passports **71%**^{*1}
Number of initiatives utilizing digital technology **43**

We are working to build a foundation of DX talent by implementing intra-Group projects to create DX model cases and by carrying out a mix of practical and theoretical training. In February 2022, we established TFHD digital Inc. in order to recruit DX specialists and build a platform to support DX initiatives, both Group-wide and at each Group company. Our efforts, including the establishment of organizations and frameworks for promoting DX and specific DX model cases that realize synergies between existing and new businesses, have received positive recognition and in May 2023, we were selected as a DX Stock 2023 by The Ministry of Economy, Trade and Industry, the Tokyo

Stock Exchange, and the Information-technology Promotion Agency, Japan.

Our DX efforts are underpinned by initiatives that utilize digital technology, and in fiscal 2022 we implemented 13 of these initiatives, bringing the cumulative total up to 43. By fiscal 2030, we aim to be benefitting from the effects created by over 100 initiatives and Tokyu Land Corporation is targeting an IT Passport acquisition rate of 100%, covering all its employees.



Develop people who create value Human capital development based on environmental management

FY2022 results Sustainable Action Awards entries **123**
Environmental efforts through business **36** cases

In order to advance human capital development based on environmental management, we are working to raise environmental awareness through e-learning programs and the Sustainable Action Awards. The Sustainable Action Awards is an awards program that commends specific initiatives that solve an environmental or social issue through business activities. It was established in order to encourage the adoption of these actions on a Group-wide basis, eventually leading to earnings contributions. In fiscal 2022, we received 123 entries covering 19 Group companies, and 12 of these were recognized as winning initiatives. We aim to continue receiving at least 50 entries a year to achieve a cumulative total of 300 by fiscal 2025. Our engagement

in this area is underpinned by environmental efforts through business, and in fiscal 2022, we implemented 14 cases, bringing the cumulative total up to 36. We aim to be benefitting from the effects created by over 100 efforts by fiscal 2030.



The Sustainable Action Awards presentation ceremony



Develop organizations with diversity and a sense of unity Empowerment of diverse human capital

FY2022 results Percentage of employees who took an e-learning course **86%**^{*2}

We are promoting diversity, equity, and inclusion (DE&I) in order to foster an organizational climate in which diverse human resources can play an active role. We have formulated the DE&I Vision as an executive-level commitment, under which we provide an e-learning course for employees. We have also set the percentage of employees who take this course as a KPI with the target of achieving 100% by fiscal 2030.

Tokyu Livable Staff Corporation is getting recognition for its efforts to empower employees with disabilities, and in February 2022, it received certification under the Monisu Certification System, an initiative by the Ministry of Health, Labor and Welfare to encourage stable employment for people with disabilities.



Receiving Monisu certification at Hello Work Shibuya



Develop organizations with diversity and a sense of unity Fostering of an innovative organizational climate

FY2022 results Cumulative STEP proposals received **253**
Commercialized proposals **3**^{*3}

We established STEP as a Group co-creation-based internal venture scheme that aims to create innovation that transcends barriers between Group companies and pass on the Group's challenge-oriented DNA to new generations. The name STEP was chosen as S represents Start, Sustainable, and Shibuya, and T represents TFHD (Tokyu Fudosan Holdings), with the other letters standing for Entrepreneur Program. The scheme was launched in fiscal 2019 and in fiscal 2021, we established TQConnect Corporation a company developed from an idea submitted in the first round of proposals. We have set the target of commercializing at least one proposal per year up to fiscal 2025 in order to foster an innovative organizational climate throughout the Group.



TQConnect's president and CEO (left) and vice president (right)

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*1. Tokyu Land Corporation

*2. Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable Inc., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.)

*3. As of March 2023

Implementing our three human capital strategies on a Group-wide basis


Enhance motivation to work and foster an employee-friendly work culture
Promotion of health and productivity management
FY2022 results Ratio of childcare leave taken by male employees **65%**

We have positioned maintaining and improving the health and happiness of employees as an important management issue, and we are advancing various initiatives that will have a positive effect on physical and mental health. We have set the targets of having 100% of employees undergo physical examinations and stress checks, and 100% of eligible male employees take childcare leave, and to achieve these, we are holding seminars among other awareness raising activities.

In fiscal 2021, the ratio of childcare leave taken by male employees at Tokyu Community Corp. was 100%. We are working to encourage leave taking and to foster a culture of mutual support by establishing systems, including making the first five days of childcare leave into paid leave and providing spousal childbirth

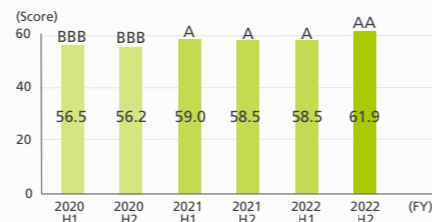
leave that can be taken in half-day units, and through repeated notification using manuals.



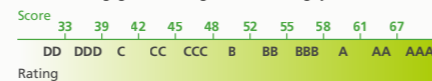
Providing information on taking childcare leave for men through T-Mag, the Group's intranet site.


Enhance motivation to work and foster an employee-friendly work culture
Improvement of employee engagement
FY2022 results Carrying out employee engagement surveys and implementing improvements
AA engagement rating

At each Group company, we carry out work engagement surveys alongside stress checks. Furthermore, each Group company also regularly implements its own employee engagement survey. Tokyu Land Corporation conducts a survey twice a year, and the overall results are disclosed both within and outside the company. Feedback gained from the surveys is presented to the head of each organization and incorporated into efforts to maintain and improve engagement. In fiscal 2022, the company achieved its fiscal 2030 target of an AA rating ahead of schedule and going forward, it will continue working to maintain and improve this score.

Tokyu Land Corporation's employee engagement score


Reference: Engagement rating criteria (ranking systems with 11 ratings)



Expert evaluation

I expect these human capital strategies to enhance corporate value

Developing people, developing organizations, developing society. The word 'develop' is central to the Group's efforts to disseminate its philosophy and advance strategies, and in this philosophy and these strategies, we can see the Group's strong will to ensure that social issues are addressed by not just organizational managers, but every single individual. The Group clearly demonstrates sincerity and respect for its founding spirit and I feel that it takes great pride in the strong, authentic approach it takes to realizing a sustainable society.

In order to create diverse value for society, it is important that all employees embrace diverse values and understand that they are the source that drives the creation of these diverse values. It is clear that Tokyu Fudosan Holdings Group's three human capital strategies are highly compatible with each other and will strengthen the Group in a way that will help it to achieve this idea. However, these strategies are mutually dependent on each other, so the effort and perseverance of every employee will be required to ensure that all three are advanced without fail.

The key concepts for advancing these human capital strategies are "motivation to work" and "an employee-friendly work culture." Organizations will not be able to realize the strategies until they combine the innovation derived from this motivation to work with disciplined organizational management. In particular, an innovative organizational climate can only be fostered through diversity and unity, and the management capabilities required to incorporate both of these opposing aspects cannot be acquired overnight. It involves formulating specific management policies that can balance ideas such as, for example, ensuring psychological safety while also remaining receptive to opposing ideas and criticism, or allowing for failures while also maintaining high standards for achievement.

Also, I found it impressive that the human capital strategies directly reflect measures and KPIs for achieving human resource development based on environmental management and DX, and give clear, specific targets for each of the KPIs. The setting of the degree of personal investment in achieving the long-term vision of executive officers as a unique indicator communicates the Group's desire to draw out the motivation of each employee, even senior management members.

I think it is important that management members have clear vision of the causal relationship between human capital investment and associated management strategies and the effects these have on financial indicators and the enhancement of capital efficiency. They also need to be able to demonstrate a firm course of action in this regard. Human capital strategy is the driving force behind business strategy, and I expect to see the Group further evolve its human capital management in a way that will also enhance corporate value.


Satoshi Sasaki

Senior Researcher, Persol Research and Consulting Co., Ltd.
 Affiliate Professor, Rikkyo University Graduate School

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Strategy measures and human capital KPIs

Human capital strategies	Measures	Human capital KPI	Progress (results for April 2023 are preliminary figures)	Target	Outcomes
 <p>Develop people who create value</p>	• Dissemination of Group philosophy	• Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination)	84% (FY2022 result, covering a total of 140 officers)	90% (FY2025)	 <p>2030 Create value for the future</p>
	• Development of DX talent	• Acquisition of IT passports*1	71% (FY2022 result)	100% (FY2030)	
		• Number of initiatives utilizing digital technology	Cumulative total of 43 (FY2022 result)	Cumulative total of at least 100 (FY2030)	
• Human capital development based on environmental management	• Sustainable Action Awards	123 entries (FY2022 result)	50 entries/year, cumulative total of 300 (FY2025)		
	• Environmental efforts through business	Cumulative total of 36 (FY2022 result)	Cumulative total of at least 100 (FY2030)		
 <p>Develop organizations with diversity and a sense of unity</p>	• Empowerment of women	• Ratio of women among new graduate hires*2	46% (April 2023 result)	50% (April 2030)	
		• Ratio of female managers (ensuring the diversity of core human capital)*2*3	8% (April 2023 result)	At least 20% (April 2030)	
		• Ratio of female candidates for management positions*2*3	18% (April 2023 result)	At least 20% (April 2030)	
	• Empowerment of diverse human capital	• Ratio of mid-career hires among managers*2*3	46% (April 2023 result)	50% (April 2030)	
		• Deepening understanding of DE&I (percentage of employees who took an e-learning course)*2	86% (FY2022 result)	100% (FY2030)	
	• Fostering of an innovative organizational climate	• Number of proposals commercialized through STEP, the Group's co-creation-based internal venture scheme	Cumulative totals of 253 proposals received, 3 commercialized (FY2022 results)	Commercialization of 1 proposal/year (FY2025)	
• Acquiring external knowledge and sharing expertise within the Group		Cumulative total of 111 seminars (FY2022 result)	Hold 4 seminars/year (FY2025)		
 <p>Enhance motivation to work and foster an employee-friendly work culture</p>	• Promotion of health and productivity management	• Ratio of employees who undergo physical examinations*2	100% (FY2022 result)	100% (FY2030)	
		• Ratio of employees who undergo stress checks*2	93% (FY2022 result)	100% (FY2030)	
		• Ratio of childcare leave taken by male employees*2	65% (FY2022 result)	100% (FY2030)	
	• Support for diverse work styles	• Ratio of Group companies implementing a remote working system*2	100% (FY2022 result)	100% (FY2030)	
		• Ratio of Group companies implementing a flextime (or staggered working hours) system*2	100% (FY2022 result)	100% (FY2030)	
	• Improvement of employee engagement	• Carrying out employee engagement surveys and implementing improvements*1	AA engagement rating (FY2022 result)	AA engagement rating (FY2030)	
	 <p>Production of personnel who are highly-productive and widely contribute to society</p>				
 <p>Realization of environments where employees can work with motivation and ambition and in good physical and mental health.</p>					

Results include figures that have yet to undergo third party verification and are therefore subject to change.

*1. Tokyu Land Corporation

*2. Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable Inc., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.)

*3. "Managers" indicates employees at the manager level or above while "candidates for management positions" indicates employees one level below manager (assistant manager or equivalent)

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Promoting due diligence internally and externally

We are practicing due diligence and working toward solutions to human rights issues in order to ensure respect for the human rights of not only Group employees, but also people throughout our entire supply chain.

Human Rights Policy and Sustainable Procurement Policy

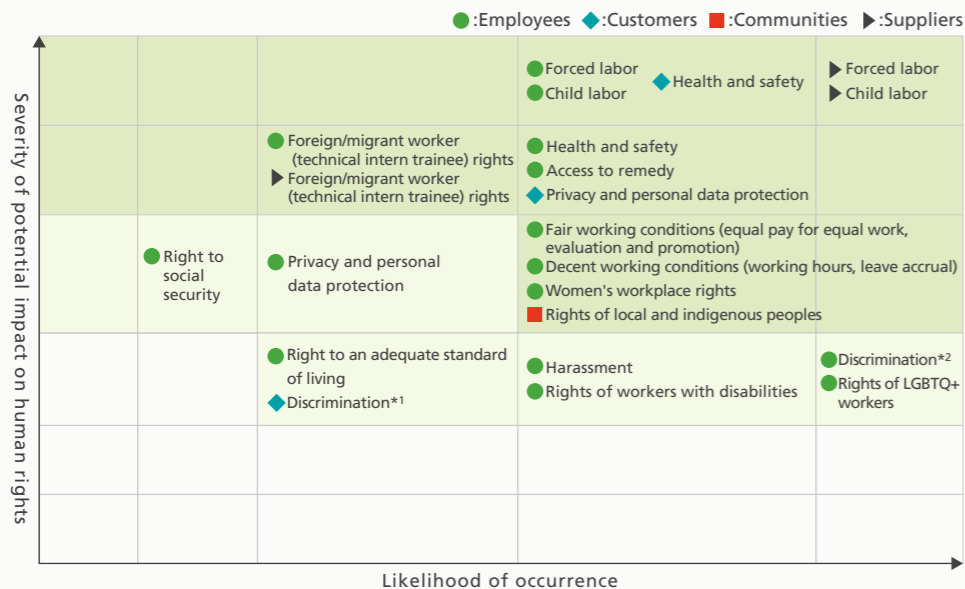
In December 2019, we formulated the Tokyu Fudosan Holdings Group Human Rights Policy, under which we carry out business activities that fully respect human rights, together with our suppliers, in support of international human rights doctrines including the Universal Declaration of Human Rights.

Additionally, in January 2020 we formulated the Tokyu Fudosan Holdings Group Sustainable Procurement Policy. As a responsible corporate group, we are implementing this policy throughout our entire supply chain with the aim of preventing and lessening the negative impact of our business activities on human rights and the environment.

Identifying and mapping human rights risks

When formulating our human rights policy, we analyzed and evaluated risk based on the likelihood of occurrence and severity of potential impact, both on a Group-wide basis and for each business. In fiscal 2022, we revised

our evaluations in accordance with business restructuring and risks related to our materialities, and formulated the human rights risk map shown below.



*1. Risk to customers: Discrimination during the provision of customer service or use of services, discriminatory depiction in advertising, etc.
*2. Risk to employees: Discrimination based on nationality, race, religion, personal beliefs, sex, age, sexual orientation, gender identity, disability, etc.

Priority issues and main initiatives

Our risk evaluations identified six items as important human rights issues. These are 1) forced labor and child labor, 2) employment conditions and work environments of employees and suppliers (including migrant workers), 3) infringement on employees' privacy and personal information protection rights, 4) impact of land development on local communities (including indigenous people), 5) safety of employees and suppliers during

development, and 6) infringement on the right to access remedy.

Also, after considering the effects of our business activities on human rights, we have positioned the sustainable procurement of construction materials and the prevention of forced and child labor within the supply chain as important issues that must be addressed as a priority. Accordingly, we have set relevant KPI with targets for fiscal 2030 in our long-term management policy.

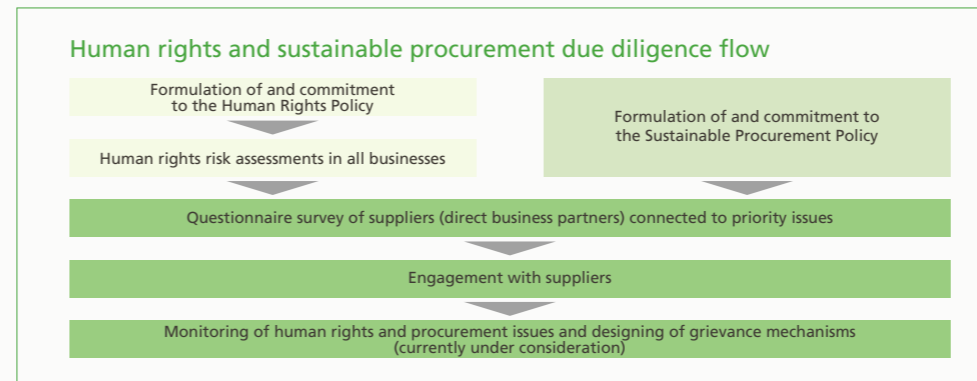
Practicing due diligence

Tokyu Land Corporation practices due diligence toward the construction companies that are its main business partners and important suppliers. As part of this, our guidelines for estimates stipulate compliance with our Human Rights Policy and Sustainable Procurement Policy, consideration for the human rights of foreign technical intern trainees, and also require that estimates include certified wood for the wood used in concrete formwork.

We also evaluate the risk posed by each

partner company through sustainable procurement surveys and provide them with documented feedback, including proposals for improvements. In fiscal 2022 we surveyed 184 companies and identified eight as high risk.

We are working to educate employees within the Group through awareness raising content in internal newsletters, e-learning, and new employee training, among other measures. We are also establishing contact points for consultation regarding harassment and LGBTQ+ matters.



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Interview

Respecting the human rights of technical intern trainees from overseas

We talked to a representative of Tokyu Bldg. Maintenance, a company that accepts trainees from overseas through Japan's Technical Intern Training Program, on the measures the company is advancing to ensure that it is a popular choice for trainees.

Yukiyo Abiko

Operations Management Section, Business Development Department, Corporate Management Division Tokyu Bldg. Maintenance Co. Ltd.

Joined the company in 2015. Assigned to her current position as a living guidance counselor to Technical Intern Training Program trainees in fiscal 2017. Responsible for providing trainees with operational training and guidance concerning every aspect of their lives in Japan.



Looking after Technical Intern Training Program trainees

Tokyu Bldg. Maintenance is engaged in providing comprehensive building management services for properties, particularly buildings under the management of Tokyu Community Corp. These services include cleaning, facility management and maintenance, and building security. In fiscal 2017, our building cleaning business started employing Technical Intern Training Program trainees, ahead of the majority of the industry. As a result, we have received many enquiries from other companies in the building cleaning business and our employees have appeared as panelists at industry seminars.

Amid chronic shortages of cleaning staff, we decided to take on trainees because Tokyu Land Corporation engaged in a new large-scale redevelopment project and we anticipated that we would receive new orders for our services. We have set the three goals of ensuring the consistency of operations, providing high-quality service, and realizing dynamic workplaces and we are implementing a steady practical-based training plan for acquiring skills accordingly. We have also

Utilizing the Technical Intern Training Program

The Technical Intern Training Program aims to form employment relationships between Japanese companies and intern trainees from other countries to help them acquire and become proficient in skills that would be difficult to learn in their home country. Building cleaning is a profession covered by the program and trainees are taught skills based on a practical training plan.

developed our own original methods for helping trainees, who come to Japan alone, to feel secure and comfortable in their work.

Our first cohort of trainees included four people, and as there were many things that we were dealing with for the first time, such as coordinating with the supervising organization, ensuring trainees have access to necessary support, and coping with the COVID-19 pandemic, we had to solve issue after issue as we adapted. Now we have 68 trainees (as of June 2023), and I feel we have established a strong track record in areas such as systems for incorporating new trainees, training and development, and building a community with the trainees.

Original practical training methods

As trainees come from countries with different

cultures and customs, there are times when they feel confused and stressed while in Japan. In order to raise their motivation, we try to communicate that the experience they have now will definitely prove useful at some point in their lives, providing them with a vision of their future and the contribution they can make to the development of their home country. The trainees all have their own individual circumstances and it takes considerable resolve to come to Japan. We always keep this in mind when considering how we can support them. One of the many original initiatives we have come up with is to pay a direct visit to a trainee's family in their home country to show the family videos of the trainee's life in Japan and the work they are doing. This shows consideration for both the trainee and their family. It also gives us a chance to experience

the culture and customs of the trainee's home country, deepening our mutual relationship.

Main initiatives

- 1) Between one and three months before a prospective trainee comes to Japan, we visit them in their home country and conduct an interview
- 2) We encourage trainees to enter a Japanese essay writing contest
- 3) After a trainee has been in Japan a year, we visit their family in their home country
- 4) We implement training programs for acquiring skills (once per month)

Going forward, we will do our best to continue being an appealing company that is a popular choice for trainees.

Human rights due diligence concerning Technical Intern Training Program trainees

In fiscal 2021, we conducted an employment survey covering the way the Technical Intern Training Program is being implemented within the Group. In June 2023, we conducted human rights due diligence concerning Tokyu Bldg. Maintenance, which is approved to accept trainees under the program.

This was implemented through a series of interviews with an external third party in attendance. We interviewed the employee responsible for technical intern matters (who also serves as a technical intern training coordinator), and one living guidance counselor, which are both

positions required by the Technical Intern Act, as well as two trainees. These interviews covered a wide range of topics, including relationship with the supervising organization, the recruitment process and employment customs, and treatment and lifestyle in Japan.

The interviews confirmed that trainees were being looked after as stipulated by the program, including being lent one Wi-Fi compatible device per trainee, and only paying accommodation and utility expenses up to a certain amount. It also confirmed that the management framework was properly fulfilling its function, including employing and training an inhouse interpreter, and ensuring regular communication between trainees and

supervisors, and that a consultation channel for trainees had been established and trainees were aware of it. As a result, it was recognized that there were no human rights violations within the scope of the investigation that required immediate improvement.



An interview with a trainee

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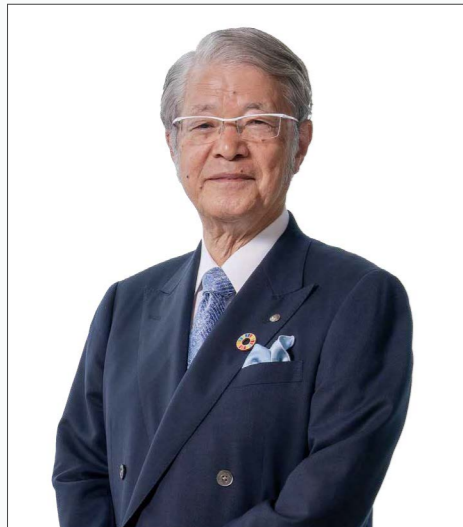
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The Group improves the soundness and transparency of its management by emphasizing the practice and thoroughness of risk management and compliance. We are strengthening corporate governance to enable more prompt and decisive decision-making while following the standards required of a company listed in the Prime Market.

Message from the Chairman of the Board of Directors



Kiyoshi Kanazashi

Chairman, Chairman of the Board of Directors
Tokyu Fudosan Holdings Corporation

In its long-term management policy and medium-term management plan, the Tokyu Fudosan Holdings Group aims to realize its ideal vision to “create value for the future” and build a solid and distinctive business portfolio. Having set environmental management and digital transformation (DX) as the Group policy, the Group strives to create unique value. And the Group positions and implements governance as an essential management foundation to achieve this.

We believe that, while also paying heed to diversity, it is necessary for the composition of the Board of Directors to be such that the Board possesses the skills required to achieve long-term management policies and advance medium-term management plans. We have determined seven skillsets that we would like the overall Board to possess. These are corporate management, environment/

sustainability, accounting/finance, legal affairs/compliance/risk management, global, personnel/labor, and DX. These skillsets are used as criteria for considering director candidates.

For our independent outside directors, in addition to their role and duty to appropriately supervise the performance of duties from a standpoint independent of management, we also ask them to give advice on business execution from a comprehensive and objective perspective, and to give their opinions from the perspective of the Group’s broad range of stakeholders. We believe that an appropriate ratio for independent outside directors in the Board is one-third or more, and the current ratio is 38%.

In evaluating the effectiveness of the Board of Directors, we obtain objective evaluations with the use of a third-party attorney-at-law






who has no advisory connections to the Company as well as an external consultant. Our effectiveness evaluation in fiscal 2021 brought up the issue of a need to enhance the insight of all Board members with regard to new social issues. Accordingly, in fiscal 2022, we conducted officer training on diversity, equity, and inclusion (DE&I) to promote understanding concerning human capital. In addition, we also aimed to deepen Board discussions through reports on the details and implementation progress of our DX strategy.

Going forward, we will continue to strengthen governance as a “foundation supporting our sustainable growth” and in turn realize our vision to “create value for the future.”

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Timeline of the strengthening of corporate governance

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Management plan	Medium- and long-term management plan Value Frontier 2020 Stage 1: Medium-term Management Plan 2014–2016 Stage 2: Medium-term Management Plan 2017–2020							Long-term vision GROUP VISION 2030 Medium-Term Management Plan 2025		
Composition of the Board of Directors	Elected first outside director Outside directors 11.1%  1/9		Elected two more outside directors Outside directors 23.1%  3/13			Elected first female outside director Outside directors 30.8%  4/13			Increased the number of female outside directors to two Outside directors 40.0%  6/15	Outside directors 38.5%  5/13
Outside directors/ total directors										
Evaluation of the effectiveness of the Board of Directors			<ul style="list-style-type: none"> Began evaluating effectiveness of the Board of Directors 			<ul style="list-style-type: none"> Introduced third-party evaluation of the effectiveness of the Board of Directors 	<ul style="list-style-type: none"> Began using an external consultant for evaluations 			
Nomination and Compensation Committee			<ul style="list-style-type: none"> Established the Nomination and Compensation Committee 					<ul style="list-style-type: none"> Changed so that outside directors account for a majority 		
Compensation systems				<ul style="list-style-type: none"> Introduced a stock-based compensation system for directors and delegated operating officers 			<ul style="list-style-type: none"> Evaluated remuneration for officers that takes into account their ESG efforts 		<ul style="list-style-type: none"> Increased correlation with important management plan indicators 	
Other		<ul style="list-style-type: none"> Established independence standards for outside directors Clarified policy regarding cross-shareholdings 	<ul style="list-style-type: none"> Began the appointment of a lead independent outside director 	<ul style="list-style-type: none"> Set KPIs for corporate governance 	<ul style="list-style-type: none"> Established the Corporate Governance Guidelines 		<ul style="list-style-type: none"> Disclosed a directors' skills matrix 		<ul style="list-style-type: none"> Moved to Prime Market 	

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Corporate governance system

Basic approach

In order to fulfill our responsibility to our stakeholders, including customers, employees, business partners, local communities, shareholders, and investors, as well as our responsibility to future society, we strive to ensure our sustainable growth and increase corporate value over the medium and long term by addressing social issues through our business.

To that end, we will work to ensure the soundness and transparency of management

and build a corporate governance system that contributes to expediting decision making.

Corporate Governance Guidelines

We have stipulated our basic approach to and our system for corporate governance in the Tokyu Fudosan Holdings Group Corporate Governance Guidelines. We refer to these guidelines for implementing initiatives concerning governance and engaging smoothly in constructive dialogue with shareholders and

investors. Since we developed these guidelines in 2018, we have continued to review them in response to revisions of laws and social demand related to governance.

[→ To the Corporate Governance website](#)

Roles of key organizations

Board of Directors

The Board of Directors passes resolutions on the Company's management policy and important matters concerning business execution and supervises the performance of duties by directors in accordance with stipulations of laws, the Articles of Incorporation, and other criteria.

Audit & Supervisory Board

Each member of the Audit & Supervisory Board audits daily corporate activities, including the legality of directors' performance of their duties and the appropriateness of accounting processes, in accordance with stipulations of laws, the Articles of Incorporation, and other criteria.

Nomination and Compensation Committee

This is a non-mandatory committee that mainly deliberates on matters related to the nomination of candidates for director and operating officer and compensation for directors and operating officers.

In order to promote the appropriate execution of business in terms of both financial and non-financial aspects, we have established the following organizations headed by the president and CEO.

Group Executive Committee

This committee deliberates on important matters related to management and operations of the Group and oversees deliberations, reports, and the implementation of major investment projects for each Group company, as well as business and other strategies, from a Group-wide perspective.

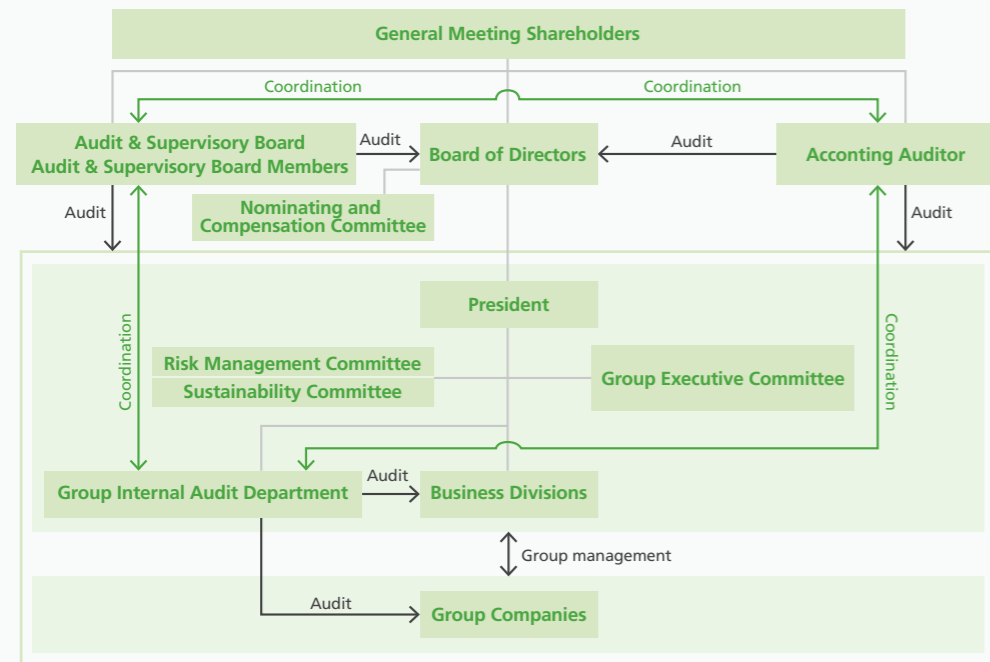
Risk Management Committee

This committee comprehensively manages and supports risk management by Group companies. This includes managing important Group-wide risk countermeasures; working to understand, evaluate, and monitor the status of risk management efforts at each Group company; and reporting the results of these activities to the Board of Directors. This committee meets twice a year.

Sustainability Committee

This committee evaluates the opportunities and risks of environmental issues such as climate change; social contributions; diversity, equity, and inclusion (DE&I); and other important issues. It also drafts plans, tracks achievements, and reports the results of deliberations to the Board of Directors. This committee meets twice a year.

Corporate governance structure



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Board of Directors

Position of the Board of Directors

The Board of Directors functions as a supreme decision-making body, second to the General Meeting of Shareholders. It meets once a month, in principle, and extraordinary meetings are held as necessary. Based on regulations including the Board of Directors Regulations and the Duty Authority Regulations, the Board of Directors makes decisions on important matters related to the Group's management, such as management policies, business plans, and large-scale investment plans, in addition to matters stipulated in laws, regulations, and the Articles of Incorporation.

Main topics discussed by the Board of Directors

Fiscal 2022

- Formulation of medium-term management plan
- Introduction of the Trust-type Employee Shareholding Incentive Plan
- Evaluations of the effectiveness of the Board of Directors
- Corporate Governance Reports
- Verification of the rationality of cross-shareholdings
- Audit reports from the Internal Audit Department
- IR activities reports
- Key risk indicator (KRI) monitoring report
- The 2023 economy and business environment outlook
- Financial market trends and the financing environment around the Group
- Activities reports from the Risk Management Committee, Sustainability Committee, and Information Security Committee
- Monitoring of the progress made on previous resolutions of the Board of Directors
- Reports on the status of COVID-19 infections

Authority for the execution of business relating to matters other than those to be discussed by the Board of Directors is delegated to the Group Executive Committee and other subordinate meeting bodies, as well as relevant officers and other responsible persons. The Board of Directors also supervises the performance of these duties.

Composition of the Board of Directors

We are striving for a composition of the Board of Directors that is diverse and possesses the skills required to achieve long-term management policies and advance medium-term management plans. For this purpose, we have developed a skills matrix to ensure a good balance between the Board of Directors' overall knowledge, experience, and capabilities, while ensuring its diversity.

→ See p. 90

We select people with knowledge and judgment as candidates for internal directors. As our outside directors, we select people who have extensive experience in fields such as management, legal affairs, finance, and accounting, while having a sensible, objective perspective. We choose candidates who can raise and discuss problems about growth strategies and the enhancement of governance from an independent standpoint. Candidates for outside director are selected based on the premise that they will not hold concurrent positions as a director, corporate auditor, or executive officer at more than five listed companies other than the Company. We believe that an appropriate ratio for independent outside directors

in the Board of Directors is one-third or more, and the current ratio is 38%.

Evaluating effectiveness of the Board of Directors

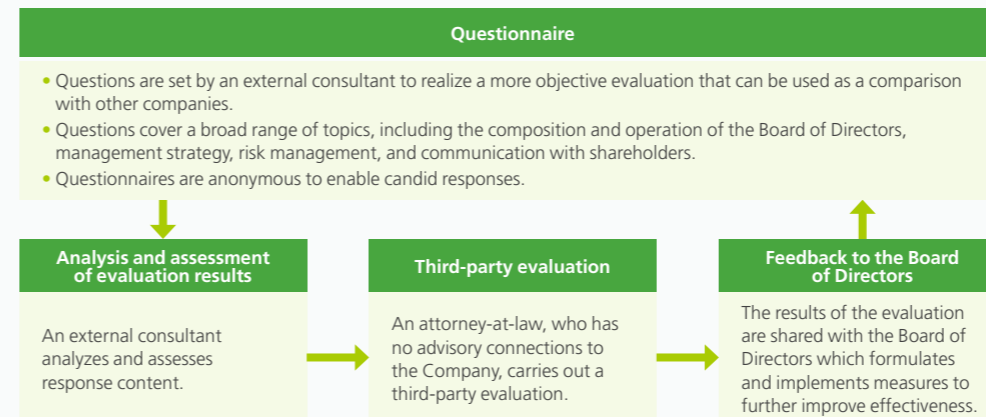
Each year, we carry out an evaluation of the effectiveness of the Board of Directors based on opinions from each director and Audit & Supervisory Board member and other information, with the aim of ensuring the soundness and transparency of management. Issues identified through these evaluations are shared with directors and reflected in ongoing improvement efforts with the aim of further raising effectiveness.

Evaluations are carried out using a questionnaire for directors and Audit & Supervisory Board members. We use an external consultant to ensure that the design and aggregation of questionnaires are

objective, and the responses are evaluated by a third-party attorney-at-law who has no advisory connections to the Company.

One example of how effectiveness has been raised is from the fiscal 2021 evaluation, in which it was viewed that amid the changes rapidly taking place in a variety of domains, there was need to enhance the insight of all Board members with regard to new social issues. Accordingly, in fiscal 2022, we made this an issue to work on. Specifically, we conducted officer training on DE&I to promote understanding concerning human capital. In addition, we also aimed to form a common understanding and deepen Board discussions through reports on the details and implementation progress of the Group's DX strategy. As a result of initiatives like these, the fiscal 2022 evaluation of the effectiveness of the Board of Directors again confirmed that the Board is sufficiently effective.

Effectiveness evaluation cycle



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Nomination and Compensation Committee composition

The Nomination and Compensation Committee was established as an advisory body to the Board of Directors to increase the fairness and transparency of procedures for matters related to the nomination of director candidates and operating officers and matters relating to their compensation, among others. Internal rules stipulate that over half of the committee should be independent outside directors and that an independent outside director serves as chair. The Board of Directors consults this committee concerning the matters above before passing resolutions on them.

The committee met three times in fiscal 2022 and attendance was 100%. The composition in fiscal 2023 is as follows.

- Chair
Makoto Kaiami (Independent Outside Director)
- Member
Satoshi Miura (Independent Outside Director)
- Member
Tsuguhiko Hoshino (Independent Outside Director)
- Member
Kiyoshi Kanazashi (Chairman)
- Member
Hironori Nishikawa (President & CEO)

Specific matters considered by the Nomination and Compensation Committee

Fiscal 2022

- Individual evaluation concerning performance-based remuneration (bonuses) for executive directors and operating officers in fiscal 2021
- Selection of a representative director, directors with special titles, and a lead independent outside director
- Selection of a chair and members for the Nomination and Compensation Committee
- Transfer of the representative director of a subsidiary (replacement of president)
- The director and operating officer system from April 2023 onward

Lead independent outside director

In accordance with Supplementary Principle 4.8.2 of Japan's Corporate Governance Code, we have appointed a lead independent outside director with a view to establishing a framework for communicating and coordinating with management and for cooperating with the Audit & Supervisory Board and its members.

Policies and procedures for the appointment or dismissal of members of senior management and the nomination of Director candidates

Appointment policies

- The candidate has the requisite character and knowledge to be a director.
- There are no health factors that might impede the execution of duties.

Directors appointed from within the Company

- The candidate has the requisite knowledge and judgement to practice management that will lead to the achievement of medium- to long-term management plans.

Succession plan

Each candidate's achievement of management indexes made through their work experience as a person responsible for two or more businesses is evaluated to determine whether they have the requisite knowledge, judgment, and management capabilities. At the same time, their aptitude is evaluated objectively by a third party.

Outside directors

- The candidate has a sensible, objective perspective and extensive experience in fields such as management, legal affairs, finance, and accounting.
- The candidate can raise and discuss problems about growth strategies and the enhancement of governance from an independent standpoint.
- The candidate cannot hold concurrent positions as a director, corporate auditor, or executive officer at more than five listed companies other than the Company.

Skills matrix

We have developed a skills matrix to ensure a good balance between the overall Board of Directors' knowledge, experience, and capabilities, while ensuring its diversity.

The seven skill areas required by the Company's Board of Directors (seven skill requirements)

- Corporate management
 - Environment/sustainability
 - Accounting/finance
 - Legal affairs/compliance/risk management
 - Global
 - Personnel/labor
 - DX
- ➔ See p. 90

Appointment procedure

Selection of candidates based on the appointment policies

Appropriate personnel are selected as candidates for senior management or director positions in accordance with the appointment policies.



Deliberation by the Nomination and Compensation Committee

The committee discusses the selection results and reports their advice to the Board of Directors.



Decision by the Board of Directors

The Board of Directors discusses the candidates, taking the advice of the Nomination and Compensation Committee into account, and makes a decision.

Dismissal policy

In the event a member of senior management is found to have committed an illegal or improper act, such as a violation of internal regulations, or is recognized as lacking the appropriate aptitude for their position, then the Board of Directors will discuss and decide on the necessary response based on advice from the Nomination and Compensation Committee.

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Director compensation

The upper limit for annual compensation paid to directors is set at no more than ¥600 million (not including employee salaries paid to directors serving concurrently as employees). We have also introduced a stock-based compensation system, which, in principle, grants directors shares of the Company at the time of retirement. These shares are separate from monetary compensation. The Company has established a trust for granting stocks, and based on this, executive directors and operating officers with whom the Company has concluded mandate contracts (operating officers designated by the Board of Directors) may receive a maximum of 130,000 points per year (with one point equating to one share). The Company may revoke all or part of the points granted to those who are deemed to have caused disadvantage or inconvenience to the Company.

Policies related to the determination of compensation for individual directors and other such matters are decided by the Board of Directors after consulting the Nomination and Compensation Committee.

Overview of policies related to the determination of compensation for individual directors and other such matters

Basic policy

- The level of compensation should enable the Company to acquire and maintain talented human resources and motivate them to perform their duties
- The system and structure should encourage them to contribute to increasing corporate value and shareholder value over the medium and long term

Compensation composition

Based on the basic policy, overall compensation comprises the following three compensation types.

• Monthly compensation

Basic compensation for the performance of daily work

• Bonuses

A short-term incentive determined based on consolidated business results for a single fiscal year and individual performance (Evaluation based on consolidated business results mainly focuses on consolidated operating profit but also includes comprehensive consideration of factors such as operating profit margin, ROE, the ratio of EBITDA to net interest-bearing debt, and ESG initiatives, while individual performance is evaluated on factors such as the business results of the organization the individual is responsible for and their contribution to achieving management plans.)

• Stock-based compensation

A medium- to long-term incentive designed to motivate directors to contribute to improving medium- to long-term business performance and corporate value (A grant of the Company's shares is paid on retirement through a trust for granting stocks, with the amount based on a number of points awarded to each director.)

Compensation levels

• Executive directors

Determined based on a level of compensation set for the president and CEO with a differential for each position factored in, with reference to objective data from external research organizations. The level of compensation for the president and CEO, used as the base level, is set at around 0.1% of the consolidated operating profit for the previous fiscal year, in principle, and adjusted by factoring in extraordinary income and losses and the

compensation levels of industry peers, among other considerations.

• Non-executive directors

Set at a level that will attract the human resources the Company requires and motivate the performance of duties.

Composition ratios

• Executive directors

Generally, a 5:4:1 ratio of monthly compensation, bonus, and stock-based compensation (when the bonus is the base amount)

• Non-executive directors

Limited to monthly compensation only in light of their role of supervising the management of the Company from an independent, objective standpoint.

Compensation framework for executive directors

Item	Fixed compensation	Variable compensation	
	Monthly compensation	Bonus	Stock-based compensation
When it is paid	Every month	Once a year	On retirement
Positioning	Basic compensation	Short-term incentive	Medium- to long-term incentive
Target percentage to total compensation	50%	40%	10%
Approach to fluctuation	-	Varies according to performance evaluation	
Fluctuation from base amount		40 -160%	
			Linked to stock price

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Compensation for Audit & Supervisory Board members

The upper limit for annual compensation paid to Audit & Supervisory Board members is set at no more than ¥120 million and compensation for individual members is determined through discussion by the Audit & Supervisory Board, within the scope of this upper limit.

Audits and internal control

Audit & Supervisory Board

The Company has adopted a statutory auditor system. Under this system, Audit & Supervisory Board members audit the duties of the directors from an independent standpoint entrusted by the shareholders, collect sufficient information to perform their duties, and ask for explanations on proposals and proactively express their opinions at the meetings of the

Board of Directors.

The Audit & Supervisory Board is comprised of two full-time Audit & Supervisory Board members and two part-time Audit & Supervisory Board members (independent outside Audit & Supervisory Board members). The Audit & Supervisory Board formulates policies and plans for audits by its members, makes decisions on the duties of each member, and shares the results of the audits performed by its members in accordance with their roles.

Audit system—Three-pillar audit structure coordination

The Company employs a three-pillar audit structure consisting of the Internal Audit Department, the Audit & Supervisory Board and its members, and the accounting auditor. Based on the Internal Audit Regulations, Basic Internal Control Regulations on Financial Reporting,

and Statutory Auditor Audit Standard, the three parties share information as well as each other's reports. Further, they coordinate with each other as needed in the auditing activities they engage in from their respective independent standpoints.

In addition, the three parties share awareness of issues with the Internal Control Department through the internal control system audits they perform and through the exchange of ideas with relevant officers.

To ensure the Internal Audit Department's independence and effectiveness, the Group Internal Audit Department has been established under the control of the president and CEO. In addition, the Company has established the Office of Statutory Auditors, an organization independent from Company executives, with dedicated staff supporting the work of the members of the Audit & Supervisor Board.

Internal control

The Tokyu Fudosan Holdings Group is thoroughly implementing compliance-based management to achieve its sustainable development and improve its corporate value. All members of the Group shall take steps to put in place and implement internal control systems to raise levels of efficiency and effectiveness while ensuring proper business operations, achieve management priorities, and disclose information appropriately. In addition, Audit & Supervisory Board members monitor and validate the progress of development and the operational status of internal control systems.

Total amount of compensation for directors and Audit & Supervisory Board members in fiscal 2022

Position	Total amount of compensation (Millions of yen)	Total amount of each type of compensation (Millions of yen)			Number of eligible persons
		Monthly compensation (fixed compensation)	Bonus	Stock-based compensation	
Directors	408	211	144	52	16
(of which, outside directors)	56	56	–	–	6
Audit & Supervisory Board members	68	68	–	–	4
(of which, outside Audit & Supervisory Board members)	10	10	–	–	2

Notes:

- (1) Stock-based compensation is categorized as non-monetary compensation.
- (2) The number of people and the compensation amounts in the table to the left include three directors who resigned at the closing of the 9th Ordinary General Meeting of Shareholders held on June 28, 2022.
- (3) The amount of bonuses includes the provision for bonuses for directors (and other officers) for fiscal 2022.
- (4) The amount of stock-based compensation is the provision for share awards for directors for fiscal 2022. Provision for share awards for directors (and other officers) is basically the book value of the Company's shares acquired through a trust using funds provided by the Company.

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Risk management policy

The Company has defined seven risk categories (investment risks, financial and capital risks, personnel and labor risks, legal and compliance risks, IT strategy risks/ digital strategy risks, information security risks, and crisis management risks) that, if manifested, could interfere with the achievement of management targets of Group companies. We recognize climate change risk as a risk with high significance.

To manage these risks appropriately, we have established the Basic Risk Management

Policy. We have developed and operate a risk management system based on this policy. In addition, with respect to the six themes to work on (materialities) set out under the long-term vision, we have identified and manage opportunities, risks, and relevant material risks.

Risk management structure

The Risk Management Committee and the Group Executive Committee manage each highly significant risk category in accordance with the type of risk. Overall risk management is overseen by the Risk

Management Committee, which reports to the Board of Directors.

The Risk Management Committee also manages Group priority risks, which are risks that need to be addressed on a Group-wide basis, and monitors and evaluates the status of risk management at each Group company.

Each Group priority risk is assigned to a supervising division, which is responsible for running a thorough PDCA cycle. Also, the monitoring and evaluation of the status of risk management at each Group company by the Risk Management Committee is strengthening

the overall Group risk management structure.

In addition, the Company takes steps to confirm the efficacy of its risk management systems as well as its risk management operations through internal audits. Audits of major risks are systematically undertaken in accordance with their priority. Where there is an urgent risk of a major loss, the Company provides information and makes decisions based on its Emergency Response Provisions, so as to minimize damage.

Basic risk management policy

The Company makes every effort to clearly identify all major risks as they apply to the Group as a whole and takes systematic and continuous steps to implement all necessary measures on a priority basis in order to comprehensively manage all risks that have the potential to hinder the Group from achieving its objectives or to create a loss.

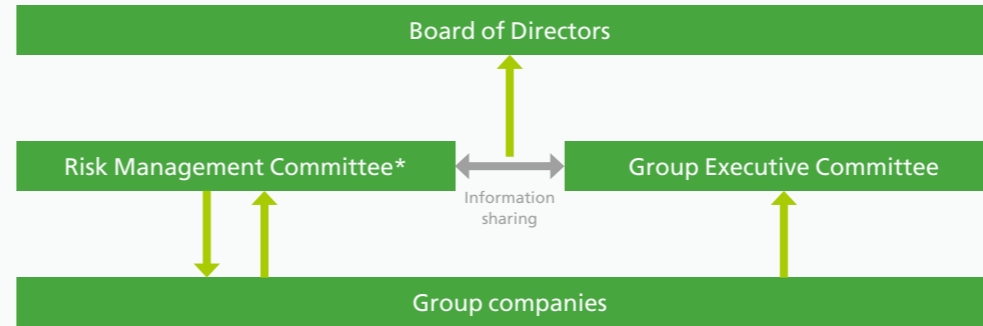
Highly significant risks

- Investment risks
- Financial and capital risks
- Personnel and labor risks
- Climate change risks

Other risks

- Legal and compliance risks
- IT strategy risks/ digital strategy risks
- Information security risks
- Crisis management response

Risk management structure



* Has overall control of managing Group priority risks and monitoring and evaluating the status of risk management at each Group company

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Main scenarios and management initiatives for major risks

Risk category	Main scenario	Risk management initiatives
Investment risks	<ul style="list-style-type: none"> Asset-utilizing businesses may see a downturn in profits or profitability, or a decrease in the value of owned assets due to factors including changes in business conditions, real estate markets, or government policy in Japan and overseas. 	<ul style="list-style-type: none"> We have set risk management factors and calculate value at risk for each investment asset, and the amount of risk is managed through continuous monitoring.
Financial and capital risks	<ul style="list-style-type: none"> Our financial position and business performance may be adversely affected by a rise in interest rates or a steep drop in share price. 	<ul style="list-style-type: none"> When procuring financing from financial institutions, we minimize the impact of interest rate rises through steps such as ensuring the majority of interest-bearing debt is long-term. In regard to equity, we work to keep our share price at an appropriate level by analyzing capital market trends and other measures.
Climate change risks	<ul style="list-style-type: none"> Transition risk: Tighter laws and regulations, such as carbon taxes, may have an adverse impact on business, while companies that cannot adapt to movement toward a decarbonized society may suffer a fall in demand and loss of reputation. Physical risk: The ski resort business may be impacted by reduced snowfall and adverse climate events may raise costs by damaging buildings and lengthening construction periods. 	<ul style="list-style-type: none"> We have accepted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and joined the TCFD Consortium. We have set climate change-related targets and are advancing Group-wide initiatives to achieve them. Details of initiatives are discussed and coordinated by the Sustainability Committee and reported to the Board of Directors when necessary.
IT strategy risks/ digital strategy risks	<ul style="list-style-type: none"> If we are unable to respond swiftly and appropriately to technological progress and changes in customer demand, our financial position and business performance may be adversely affected. 	<ul style="list-style-type: none"> The Group Digital Transformation Promotion Department is leading the consideration of possible applications for new technologies in each business. We have positioned digital transformation (DX) as the Group policy and are advancing various measures.
Personnel and labor risks	<ul style="list-style-type: none"> If we are unable to continuously recruit and cultivate human resources due to changes in social structure, such as declining birthrates and aging populations, it may hinder Group growth. 	<ul style="list-style-type: none"> We are eliminating over-long working hours and encouraging employees to use paid leave. We are adapting to the diverse work styles of employees through measures such as remote work and work-at-home systems.
Information security risks	<ul style="list-style-type: none"> If we were to suffer an information leak caused by a cyberattack or Group employee, it may adversely impact our social credibility and brand image. 	<ul style="list-style-type: none"> We are reinforcing our information systems through security measures and other means. We are raising the digital literacy of employees through training, such as targeted email attack drills.
Crisis management response	<ul style="list-style-type: none"> A crisis such as a natural disaster, terror attack, accident, fire, or epidemic, an event such as the discovery of an environmental issue or real estate defect, or an extreme change in population demographics may result in conflict related to damages connected to assets owned by the Group or the fulfillment of compensation obligations. 	<ul style="list-style-type: none"> We are preparing safety measures and business continuity plans for times of disaster. We are carrying out training that anticipates a variety of potential disasters.
Legal and compliance risks	<ul style="list-style-type: none"> If an event such as a violation of laws and regulations or a payment of compensation for damages were to occur, it may adversely impact our social credibility and brand image. 	<ul style="list-style-type: none"> We have formulated and promote a compliance program. We are establishing compliance frameworks at each Group company. We have created a code of conduct and compliance manual for all Group officers and employees.

Reinforcing information security

The Group has established a fundamental policy on information management and the Fundamental Rules on Information Management, which clarify responsibility for information management and specify basic requirements and principles of information management, among other roles. In addition, the Information Security Committee has established and operates PDCA cycles, which includes receiving activity reports from each Group company.

Compliance

Based on the understanding that the practice of risk management through compliance-based management is the foundation of its operations, the Group raises the awareness of all officers and employees so that they will not only comply with laws and regulations but also make decisions and take actions in accordance with the Tokyu Fudosan Holdings Group Code of Conduct.

In addition, the Tokyu Fudosan Holdings Group Compliance Manual has been created as a practical manual, and all officers and employees are thoroughly informed about compliance through periodic training.

Compliance helplines were established at the Company and individual Group companies for consultations and whistleblowing relating to violation of laws, regulations, and other rules. These helplines can be used by all Group employees (including contract employees, temporary employees, and part-time workers). Specifically, we have established an internal whistleblowing office that allows anonymous reports to be made and an external whistleblowing office, where cases are handled by a lawyer who is not our corporate lawyer. The aim of these offices is to discover and rectify violations at the earliest possible time. In fiscal 2022, 160 consultations and enquiries, mostly concerning minor issues, were made through these channels.

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Directors

Kiyoshi Kanazashi
Chairman

Director, Tokyu Corporation
Representative Director
(Chairman), The Tokyu
Foundation
Representative Director
(Chairman), Lifelong Health and
Wellness Association



Number of the Company's
shares owned

112,146
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

12/12 (100%)

Period in office

9 years 9 months
(As of June 2023)

Reason for election

Kiyoshi Kanazashi joined Tokyu Land Corporation in 1968 and has worked in areas such as the housing business. He has participated in corporate management as President and Director of the Company from 2013 to 2015 and as Chairman of the Company since 2015. He has extensive operational experience within the Group and knowledge of every aspect of corporate management. He also offers insight relating to the environment and sustainability gained through his commitment to the activities of an external organization that aims to realize a sustainable society with lifelong health.

Hironori Nishikawa
President & CEO

Chairman, Tokyu Land
Corporation



Number of the Company's
shares owned

52,675
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

12/12 (100%)

Period in office

7 years
(As of June 2023)

Reason for election

Hironori Nishikawa joined Tokyu Land Corporation in 1982 and has worked in areas such as the resort business, human resources division, and general administration division. He has participated in corporate management as a Director of the Company since 2016 and as President & CEO of the Company since 2020, with a focus on promoting environmental management and digital transformation (DX). He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment and sustainability.

Hitoshi Uemura
Representative Director &
Vice President

Number of the Company's
shares owned

51,175
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

12/12 (100%)

Period in office

8 years
(As of June 2023)

Reason for election

Hitoshi Uemura joined Tokyu Land Corporation in 1982 and has worked in areas such as real estate securitization operations and the overseas business. He has participated in corporate management as a Director of the Company since 2013. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment and sustainability.

Shohei Kimura
Director, Operating Officer

President & CEO, Tokyu
Community Corp



Number of the Company's
shares owned

30,500
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

12/12 (100%)

Period in office

4 years
(As of June 2023)

Reason for election

Shohei Kimura joined Tokyu Land Corporation in 1984 and has worked in areas such as the overseas business, senior-related business, and finance division. He has participated in corporate management as a Director of the Company since 2019. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment, sustainability, and DX.

Yoichi Ota
Director, Operating Officer

President & CEO,
Tokyu Livable, Inc.



Number of the Company's
shares owned

31,315
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

12/12 (100%)

Period in office

3 years
(As of June 2023)

Reason for election

Yoichi Ota joined Tokyu Land Corporation in 1983 and has worked in areas such as the real estate brokerage business and human resources division. He has participated in corporate management as a Director of the Company since 2020. He offers extensive operational experience within the Group and knowledge of every aspect of corporate management.

Hiroaki Hoshino
Director, Operating Officer

President & CEO, Tokyu Land
Corporation



Number of the Company's
shares owned

13,300
(As of March 31, 2023)

Attendance at meetings of the
Board of Directors in fiscal 2022

10/10 (100%)

Period in office

1 year
(As of June 2023)

Reason for election

Hiroaki Hoshino joined Tokyu Land Corporation in 1989 and has worked in areas such as the office and commercial facility business. He has participated in corporate management as a Director of the Company since 2022. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment, sustainability, and DX.

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Directors

Shinichiro Usugi
Director, Operating Officer



Number of the Company's shares owned
7,000
(As of March 31, 2023)

Reason for election

Shinichiro Usugi joined Tokyu Land Corporation in 1991 and has worked in areas such as the finance division and residential business. He has been in charge of general administrative divisions, including the finance division and DX division, as an Operating Officer of the Company since 2022. He offers extensive operational experience within the Group and insight relating to accounting, finance, and DX.

Hirofumi Nomoto
Director



Number of the Company's shares owned
37,624
(As of March 31, 2023)

Reason for election

Hirofumi Nomoto is the Chairman of the Board and Representative Director of Tokyu Corporation, the Company's major shareholder. He offers extensive experience and broad knowledge of every aspect of corporate management.

Attendance at meetings of the Board of Directors in fiscal 2022
12/12 (100%)

Period in office
9 years 9 months
(As of June 2023)

Makoto Kaiami
Outside Director (Independent Officer)



Number of the Company's shares owned
4,600
(As of March 31, 2023)


Reason for election and expected role

The Company expects Makoto Kaiami to leverage the knowledge in corporate legal affairs, compliance, and risk management he has gained as a judge and attorney at law to supervise the management of the Company and offer advice on the execution of duties based on his insight and opinions from the viewpoints of stakeholders. Additionally, there is no legal advisory contract between Mr. Kaiami and the Company. The Company judges that he is able to appropriately perform duties as an Outside Director based on his expert knowledge and many years of legal experience.

Attendance at meetings of the Board of Directors in fiscal 2022
12/12 (100%)

Period in office
5 years
(As of June 2023)

Saeko Arai
Outside Director (Independent Officer)



Number of the Company's shares owned
3,800
(As of March 31, 2023)


Reason for election and expected role

Saeko Arai has broad knowledge of accounting and finance as a certified public accountant, as well as experience in corporate management gained as the CFO of a company and as the representative of its overseas subsidiary. The Company expects her to leverage this knowledge to supervise the management of the Company and offer advice on the execution of duties based on her insight and opinions from the viewpoints of stakeholders.

Attendance at meetings of the Board of Directors in fiscal 2022
12/12 (100%)

Period in office
5 years
(As of June 2023)

Satoshi Miura
Outside Director (Independent Officer)



Number of the Company's shares owned
5,200
(As of March 31, 2023)

Reason for election and expected role

Satoshi Miura has served in key positions at NTT group, a telecommunications operator that serves the public interest, and possesses extensive experience and broad knowledge of managing holding companies from a long-term and sustainable perspective, as well as of overseas businesses, human resources, labor affairs and DX. The Company expects him to leverage this knowledge to supervise the management of the Company and offer advice on the execution of duties based on his insight and opinions from the viewpoints of stakeholders.

Attendance at meetings of the Board of Directors in fiscal 2022
11/12 (92%)

Period in office
2 years
(As of June 2023)

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Outside Directors

Tsuguhiko Hoshino

Outside Director
(Independent Officer)

Vice Chairman, The General Insurance Association of Japan
Outside Director, Aisin Corporation



Number of the Company's shares owned

1,300
(As of March 31, 2023)

Attendance at meetings of the Board of Directors in fiscal 2022

12/12 (100%)

Period in office

2 years
(As of June 2023)

Reason for election and expected role

The Company expects Tsuguhiko Hoshino to leverage the knowledge of accounting, finance, legal affairs, compliance, and risk management, as well as the global perspectives he gained while serving at the Ministry of Finance and National Tax Agency, during which he participated in the establishment of the Financial Services Agency, to supervise the management of the Company and offer advice on the execution of duties and opinions from the viewpoints of stakeholders. The Company judges that he is able to appropriately perform duties as an Outside Director based on his expert knowledge and many years of experience as an administrative official.

Yumiko Jozuka

Outside Director
(Independent Officer)

Outside Director, Shimizu Corporation
Representative Director (Chairman), Japan Institute for Women's Empowerment & Diversity Management



Number of the Company's shares owned

0
(As of March 31, 2023)

Attendance at meetings of the Board of Directors in fiscal 2022

12/12 (100%)

Period in office

2 years
(As of June 2023)

Reason for election and expected role

The Company expects Yumiko Jozuka to leverage the knowledge of legal affairs, compliance, risk management, human resources, labor affairs, environment, and sustainability she gained while serving at the Ministry of Health, Labour and Welfare Ministry, during which she engaged in efforts to promote work style reform and women's participation and advancement in the workplace, to supervise the management of the Company and offer advice on the execution of duties and opinions from the viewpoints of stakeholders. The Company judges that she is able to appropriately perform duties as an Outside Director based on her expert knowledge and many years of experience as an administrative official.

Criteria for determining the independence of outside directors

The Company deems independent outside directors to be independent when, in addition to meeting the independence standards for independent officers stipulated by the Tokyo Stock Exchange, they have not been any of the following for any of the previous three fiscal years.

- (1) An executive of a business partner to which the Company's net sales account for 2% or more of the Company's consolidated net sales
- (2) An executive of a business partner whose net sales to the Company account for 2% or more of the business partner's net sales
- (3) An executive of a lender from which the Company borrows funds that account for 2% or more of the Company's consolidated total assets
- (4) An executive of a major shareholder or investor of the Company with an investment ratio of 10% or more
- (5) A consultant, accounting professional, or legal professional who receives compensation of more than ¥10 million a year from the Company, besides officer compensation
- (6) A spouse or relative within two degrees of kinship of a director, etc. of the Company or a consolidated subsidiary

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Skills matrix of directors

As the Company is a company with an Audit & Supervisory Board, the Board of Directors is required to be effective as a supervisory body as well as to make decisions on the execution of important duties. Therefore, it is preferable that the composition of the Board is diverse and that it possesses the skills required to achieve long-term management policies and advance medium-term management plans. We have determined seven skillsets that we would like the overall Board to possess. These are corporate management, environment/sustainability, accounting/finance, legal affairs/compliance/risk management, global, personnel/labor, and digital transformation (DX). These skillsets are used as criteria for considering director candidates.

Director			Expertise and experience							Committee membership		
Name	Inside / Outside	Gender	Corporate management	Environment/ sustainability	Accounting/ finance	Legal affairs / compliance / risk management	Global	Personnel/ labor	DX	Nomination and Compensation Committee	Risk Management Committee	Sustainability Committee
Kiyoshi Kanazashi	Inside	Male	●	●						●		
Hironori Nishikawa	Inside	Male	●	●		●		●	●	●	◎ Chair	◎ Chair
Hitoshi Uemura	Inside	Male	●	●			●				●	●
Shohei Kimura	Inside	Male	●	●	●		●		●		●	●
Yoichi Ota	Inside	Male	●					●			●	●
Hiroaki Hoshino	Inside	Male	●	●	●		●		●		●	●
Shinichiro Usugi	Inside	Male			●				●		●	●
Hirofumi Nomoto	Inside	Male	●						●			
Makoto Kaiami	Outside (independent)	Male				●				◎ Chair		
Saeko Arai	Outside (independent)	Female	●		●		●					
Satoshi Miura	Outside (independent)	Male	●	●			●	●	●	●		
Tsuguhiko Hoshino	Outside (independent)	Male			●	●	●			●		
Yumiko Jozuka	Outside (independent)	Female		●		●		●				

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Audit & Supervisory Board Members



Kazuo Mochida
Full-time Audit & Supervisory Board Member



Masaoki Kanematsu
Full-time Audit & Supervisory Board Member



Katsunori Takechi
Outside Audit & Supervisory Board Member (Independent Officer)
Representative, Takechi & Partners



Takahiro Nakazawa
Outside Audit & Supervisory Board Member (Independent Officer)
Certified public accountant
Outside Audit & Supervisory Board Member, Kao Corporation

Operating Officers

Position in the Company	Name	Areas of responsibility
President & CEO*	Hironori Nishikawa	Group Internal Audit Department Supervisor
Vice President*	Hitoshi Uemura	Aide to the president, and Supervisor for the Group Solutions Promotion Department, Overseas Business, and Group Overseas Planning Department
Operating Officer*	Shohei Kimura	Tokyu Community Corp. Supervisor (President & CEO of Tokyu Community Corp.)
Operating Officer*	Yoichi Ota	Tokyu Livable, Inc. Supervisor (President & CEO of Tokyu Livable, Inc.)
Operating Officer*	Hiroaki Hoshino	Tokyu Land Corporation Supervisor (President & CEO of Tokyu Land Corporation)
Operating Officer*	Shinichiro Usugi	In charge of General Management and Supervisor for the Corporate Communication Department, Group Planning Strategy Department, and Group Finance Department
Operating Officer	Katsushi Miki	Tokyu Housing Lease Corporation Supervisor (President & CEO of Tokyu Housing Lease Corporation)
Operating Officer	Katsuhiro Yoshiura	National Students Information Center Co., Ltd. Supervisor (President & CEO of National Students Information Center Co., Ltd.)
Operating Officer	Takashi Ikeuchi	Supervisor for the Infrastructure Industry & Overseas Business Unit, Tokyu Land Corporation
Operating Officer	Tatsuaki Tanaka	Supervisor for the Wellness Promotion Unit, Tokyu Land Corporation
Operating Officer	Akiko Enokido	Supervisor for the Urban Business Unit, Tokyu Land Corporation
Operating Officer	Shigeyuki Kameshima	Supervisor for the Residential Business Unit, Tokyu Land Corporation
Operating Officer	Jun Kodama	Supervisor for the Group General Administration Department, Group Legal Affairs Department, and Group Human Resources Department
Operating Officer	Eiji Yamane	Supervisor for the Group Corporate Planning Department, Group Sustainability Promotion Department, and Group Digital Transformation Promotion Department

Officers denoted with an asterisk (*) are serving concurrently as directors.

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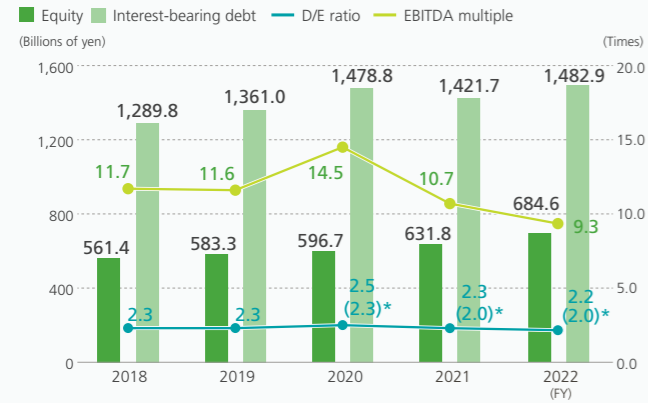
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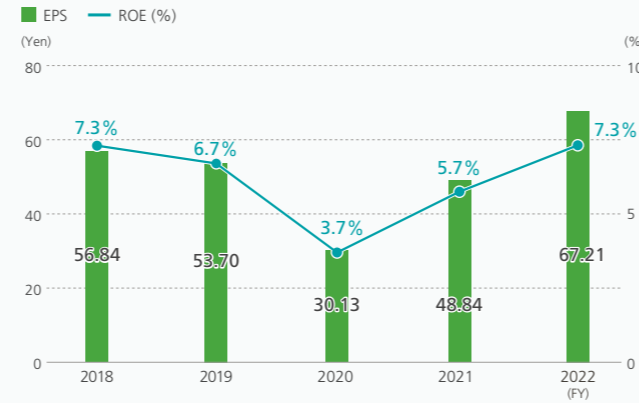
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Key financial indicators

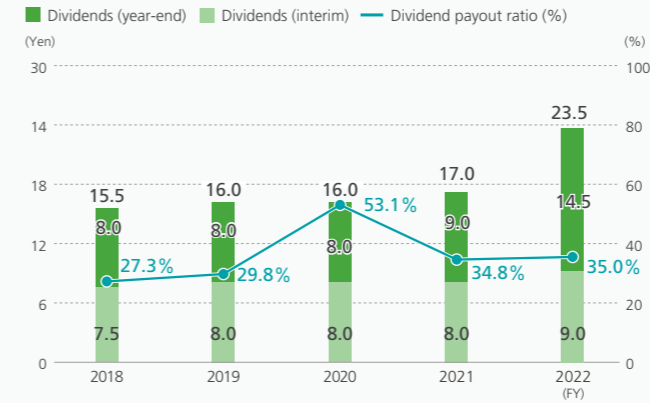
Changes in equity and interest-bearing debt



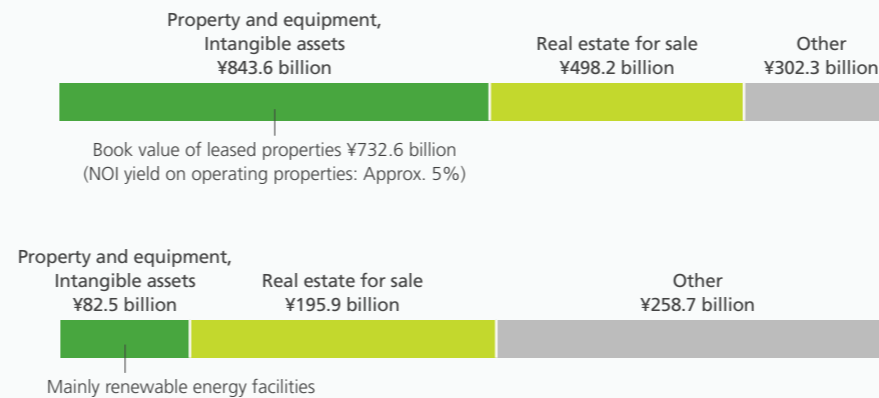
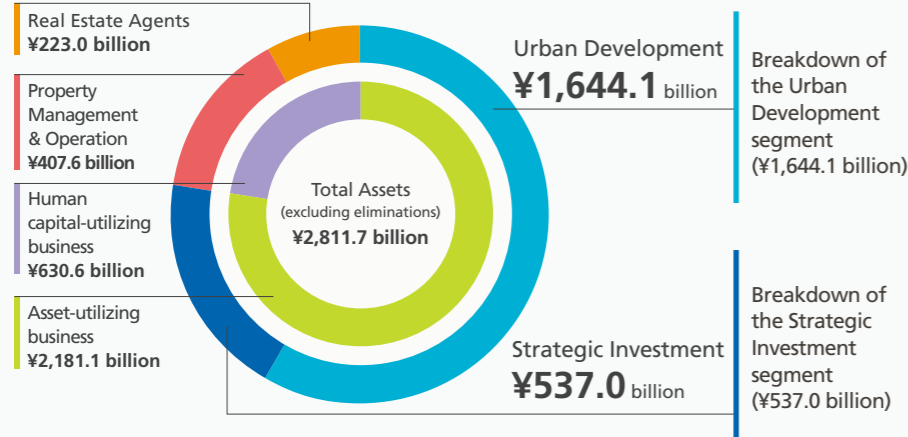
Changes in EPS and ROE



Changes in dividends and dividend payout ratio



Asset breakdown by segment



* D/E ratio after taking hybrid financing into account

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Financial and Non-Financial Highlights

Financial and Non-Financial Data

Business Areas

Socially and Environmentally Friendly Assets

Support for International Initiatives / External Evaluations

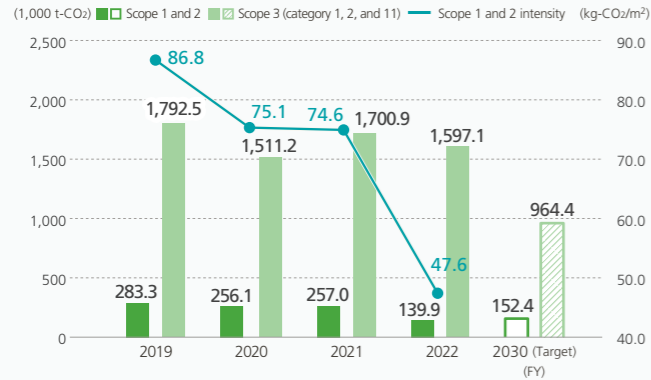
Holdings Structure

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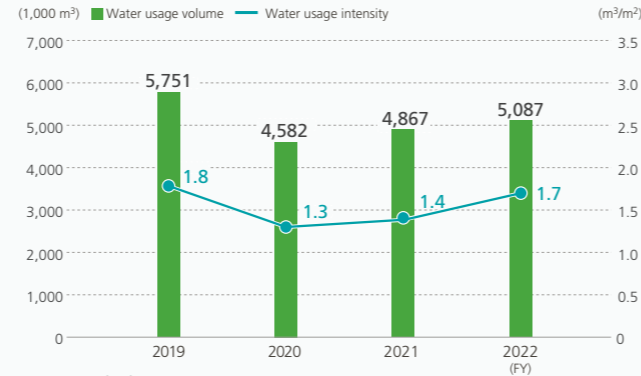
Key non-financial indicators

*Some of the figures for fiscal 2022, including for CO₂ emissions, have yet to undergo third party verification.

CO₂ emissions volume and intensity

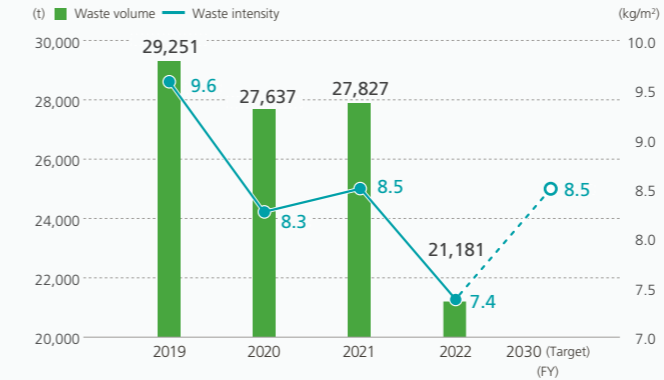


Water usage volume and intensity

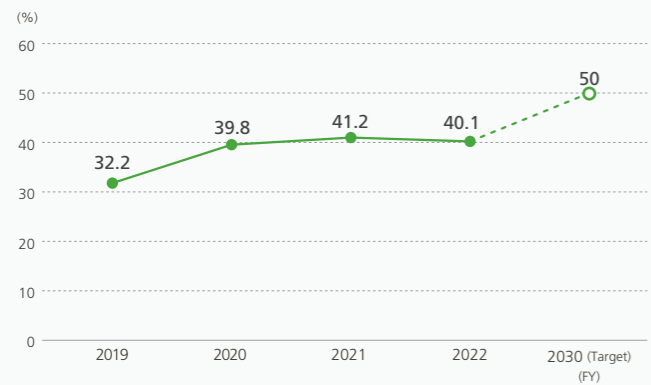


* The target for fiscal 2030 is a year-on-year reduction

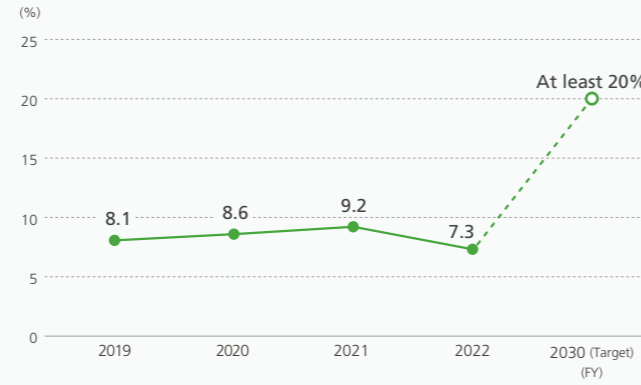
Waste volume and intensity



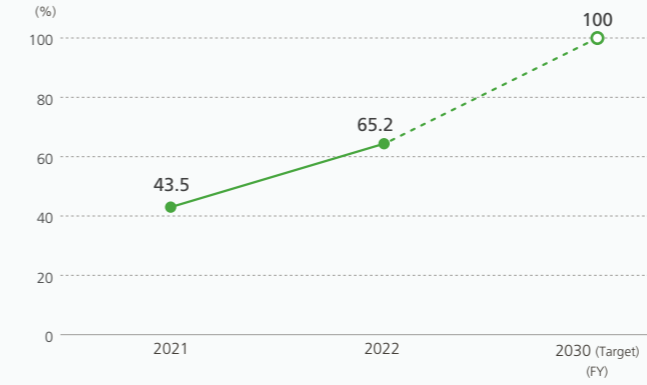
Ratio of women among new graduate hires



Ratio of female managers



Ratio of childcare leave taken by male employees



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Financial Indicators

	(Unit)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating revenue	Billions of yen	595.9	714.1	773.1	815.5	808.5	866.1	901.9	963.2	907.7	989.0	1,005.8
Operating gross profit	Billions of yen	126.8	145.3	148.8	163.8	173.0	182.5	193.4	201.7	164.8	193.9	197.2
Operating profit	Billions of yen	52.0	61.4	63.3	68.8	73.2	77.5	80.2	79.3	56.5	83.8	110.4
Ordinary profit	Billions of yen	39.9	50.6	51.7	56.4	63.6	68.7	70.7	67.5	46.6	72.8	99.6
Net profit*1	Billions of yen	22.1	23.7	25.2	28.7	31.5	35.2	37.5	38.6	21.7	35.1	48.2
Total assets*2	Billions of yen	1,718.4	1,789.8	1,973.8	1,984.4	2,067.2	2,173.2	2,405.2	2,487.4	2,652.3	2,634.3	2,738.5
Current assets	Billions of yen	324.0	416.0	572.6	491.9	588.0	649.8	872.7	889.0	1,005.0	1,037.0	1,115.6
Real estate for sale*3	Billions of yen	175.3	245.9	394.7	364.4	418.6	473.7	568.0	658.0	680.6	757.4	795.2
Non-current assets	Billions of yen	1,394.4	1,373.8	1,401.2	1,492.4	1,479.1	1,523.4	1,532.2	1,598.1	1,647.2	1,597.4	1,622.9
Total net assets	Billions of yen	307.0	369.2	398.3	422.4	446.3	475.3	568.7	594.2	608.7	643.3	700.7
Equity	Billions of yen	268.7	364.5	395.3	418.8	442.3	468.1	561.4	583.3	596.7	631.8	684.6
Interest-bearing debt	Billions of yen	974.1	991.0	1,125.4	1,106.1	1,137.9	1,210.4	1,289.8	1,361.0	1,478.8	1,421.7	1,482.9
Cash flows from operating activities	Billions of yen	70.2	(13.5)	(38.5)	87.9	68.9	12.3	44.5	(6.7)	100.4	76.5	94.7
Cash flows from investing activities	Billions of yen	42.5	19.7	(100.3)	(112.4)	(71.0)	(96.4)	(60.4)	(147.2)	(116.0)	(31.8)	(120.1)
Cash flows from financing activities	Billions of yen	(90.5)	3.0	139.2	(30.5)	23.0	82.4	139.1	65.1	108.3	(81.3)	42.8
Capital investment	Billions of yen	43.8	77.5	126.7	78.8	60.3	44.6	89.8	136.1	108.7	41.7	79.8
Depreciation	Billions of yen	20.2	20.0	20.2	21.0	23.5	23.1	24.6	32.3	39.8	43.3	44.5
EPS (net profit per share of common stock)	Yen	41.71	41.61	41.45	47.18	51.77	57.80	56.84	53.70	30.13	48.84	67.21
BPS (net assets per share of common stock)	Yen	505.99	598.73	649.40	687.92	726.59	768.85	780.78	811.04	829.50	878.32	964.77
Dividends per share	Yen	7.00	8.00	10.00	12.00	13.00	14.50	15.50	16.00	16.00	17.00	23.50
ROA	%	3.0	3.5	3.4	3.5	3.6	3.7	3.5	3.3	2.2	3.2	4.1
ROE	%	8.7	7.5	6.6	7.1	7.3	7.7	7.3	6.7	3.7	5.7	7.3
Equity ratio	%	15.6	20.4	20.0	21.1	21.4	21.5	23.3	23.5	22.5	24.0	25.0
D/E ratio	Times	3.6	2.7	2.8	2.6	2.6	2.6	2.3	2.3	2.5 ⁴	2.3 ⁴	2.2 ⁴
Dividend payout ratio	%	16.8	19.2	24.1	25.4	25.1	25.1	27.3	29.8	53.1	34.8	35.0
EBITDA*5	Billions of yen	72.4	84.6	88.0	94.3	101.7	106.1	110.2	117.1	101.7	132.5	160.2
EBITDA multiple*6	Times	13.5	11.7	12.8	11.7	11.2	11.4	11.7	11.6	14.5	10.7	9.3

*1. Net profit has been reclassified as profit attributable to owners of parent from fiscal 2015

*2. The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) took effect at the beginning of the first quarter of fiscal 2018, and this Accounting Standard was applied retroactively to the main management indexes from fiscal 2017

*3. Real estate for sale: Includes real estate for sale in process and costs of uncompleted construction contracts

*4. D/E ratio before taking hybrid financing into account

*5. EBITDA: Operating profit before depreciation = Operating profit + Depreciation + Amortization of goodwill

*6. EBITDA multiple: Interest-bearing debt/EBITDA (Operating profit before depreciation)

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Social indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	Persons	17,594	18,243	19,230	20,421	21,091	21,976	22,953	23,411	21,276	21,614
Ratio of female managers	%	4.8	5.7	5.9	5.7	8.6	8.3	8.1	8.6	9.2	7.3
Female directors (non-consolidated)	Persons	0	0	0	0	0	1	1	1	2	2
Female Audit & Supervisory Board members (non-consolidated)	Persons	0	0	0	0	0	0	0	0	0	0
Female operating officers*	Persons	1	2	2	2	2	2	4	4	6	2
Average years of service (male)	Year	13.2	13.2	13.0	12.9	12.7	13.1	13.2	12.7	12.7	10.4
Average years of service (female)	Year	8.8	9.0	8.7	8.8	8.7	9.2	8.9	8.5	8.7	7.6
Ratio of female full-time employees	%	23.7	24.2	25.3	26.5	27.2	28.5	29.8	30.9	31.8	31.9
Ratio of new female employee hires to total hires	%	31.5	33.0	35.4	41.6	40.1	39.5	32.2	39.8	41.2	40.1
Ratio of childcare leave taken by male employees	%	–	–	–	–	–	–	–	–	43.5	65.2
Deepening understanding of DE&I (percentage of employees who took an e-learning course)	%	–	–	–	–	–	–	–	–	30.0	86.5
Respect for human rights in the supply chain	%	–	–	–	–	–	–	–	–	41.9	72.7

* Includes female directors who serve as operating officers. However, the number of directors who serve as operating officers is not included in the scope of third-party verification. (As of March 31, 2023)

• Discrepancies between the wages of male and female employees will be disclosed through our corporate website in November. [→ For details, see our website](#)

• Fiscal 2022 figures also include data that has yet to undergo third party verification. If adjustments are made, the new data will be disclosed through our website as needed.

Environmental indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
CO ₂ emissions (Scope 1 and 2)	1,000 t of CO ₂	228.3	234.8	210.7	233.0	227.5	230.5	283.3	256.1	257.0	139.9
Intensity	kg-CO ₂ /m ²	98.6	101.9	98.4	106.7	101.0	96.1	86.8	75.1	74.6	47.6
CO ₂ emissions (Scope 3)	1,000 t of CO ₂	–	–	821.9	682.1	585.9	1,295.5	1,913.0	1,618.8	1,801.7	1,705.7
Category 1, 2, and 11	1,000 t of CO ₂	–	–	–	–	–	–	1,792.5	1,511.2	1,700.9	1,597.1
Water use	1,000 m ³	3,042	3,141	2,811	2,650	2,548	2,612	5,751	4,582	4,867	5,087
Intensity	m ³ /m ²	1.33	1.39	1.32	1.23	1.14	1.10	1.8	1.3	1.4	1.7
Waste volume	t	14,189	18,796	18,908	25,127	25,569	22,932	29,251	27,637	27,827	21,181
Intensity	kg/m ²	10.3	10.2	10.1	12.5	12.6	10.2	9.6	8.3	8.5	7.4

• For figures from fiscal 2019 onward, the coverage of this scope has been changed in accordance with the setting of SBT-approved targets. (As of March 31, 2023)

• Fiscal 2022 figures for CO₂ emissions have yet to undergo third party verification. If adjustments are made, the new data will be disclosed through our website as needed.

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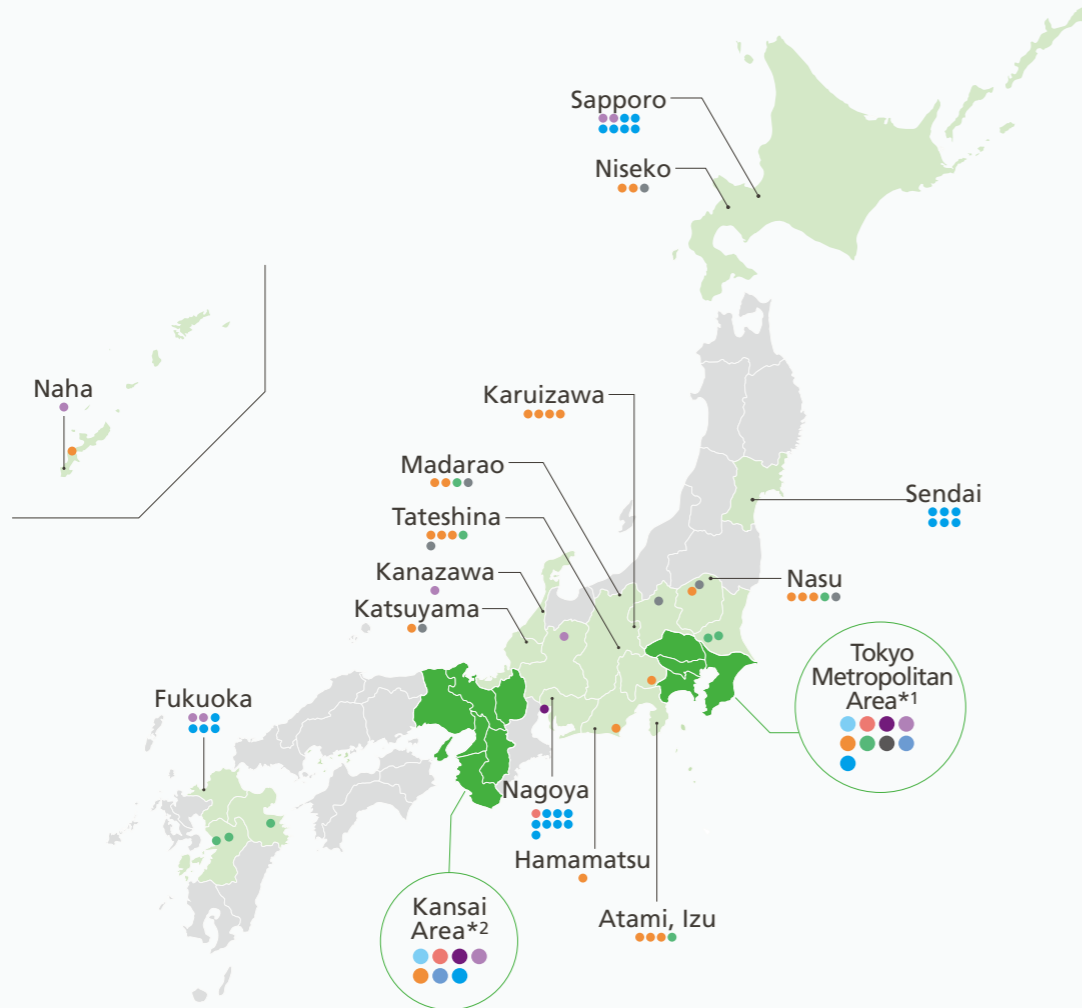
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Main domestically operated facilities and stores



Type of Property	Unit	Tokyo Metropolitan Area*1	Kansai Area*2	Other Areas	Total
Office buildings	Building	48	1	0	49
Commercial facilities	Facility	23	7	0	30
Logistics facilities	Facility	2	2	0	4
Urban style hotels	Facility	19	4	8	31
Resort facilities	Facility	4	6	26	36
Golf courses	Facility	7	0	8	15
Ski resorts	Facility	0	0	7	7
Senior housing facilities	Facility	15	0	0	15
Fitness	Store	22	10	0	32
Tokyu Livable	Store	139	41	30	210

(As of March 31, 2023)

*1. Including Tokyo, Kanagawa, Chiba, and Saitama Prefectures

*2. Including Osaka, Kyoto, Hyogo, Shiga, Nara, and Wakayama Prefectures

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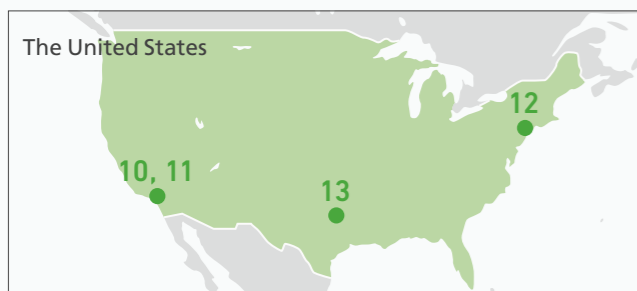
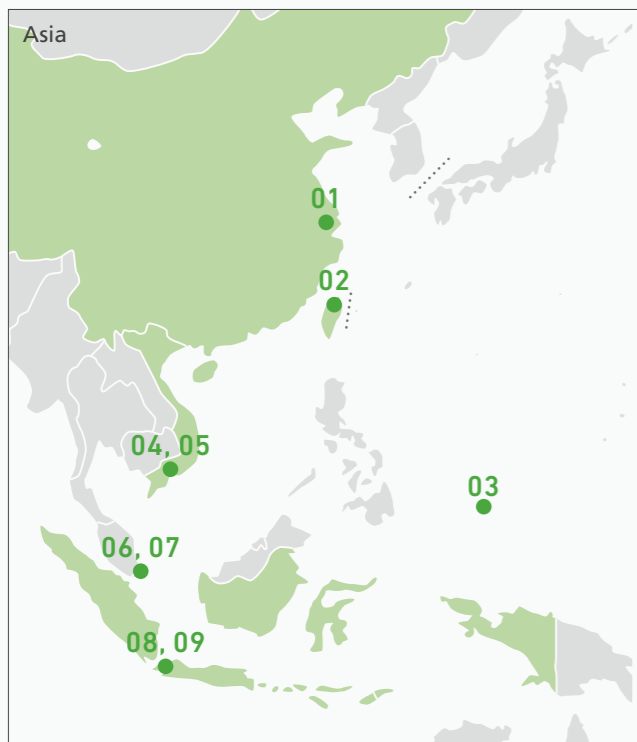
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Main overseas bases



China	Shanghai	01	Tokyu Land Corporation (Shanghai) Ltd. (Tokyu Land Corporation)
Taiwan		02	Tokyu Livable (Taiwan), Inc. (Tokyu Livable, Inc.)
Palau		03	Pacific Islands Development Corporation (Tokyu Land Corporation)
Vietnam		04	Tokyu PM Vietnam Co., Ltd. (Tokyu Community Corp.)
		05	Nozomi Residential Management JSC (Tokyu Community Corp.)
Singapore		06	Tokyu Land Asia Pte. Ltd. (Tokyu Land Corporation)
		07	Investment in OT Group Pte. Ltd. (Tokyu Livable, Inc.)
Indonesia	Jakarta	08	PT. Tokyu Land Indonesia (Tokyu Land Corporation)
		09	PT. Tokyu Property Management Indonesia (Tokyu Community Corp.)
The United States	Los Angeles	10	Tokyu Land US Corporation (Tokyu Land Corporation)
		11	Tokyu Livable Us, Inc. (Tokyu Livable, Inc.)
	New York	12	New York Office of Tokyu Land US Corporation (Tokyu Land Corporation)
	Dallas	13	Tokyu Livable Texas Investment Advisors, LLC (Tokyu Livable, Inc.)

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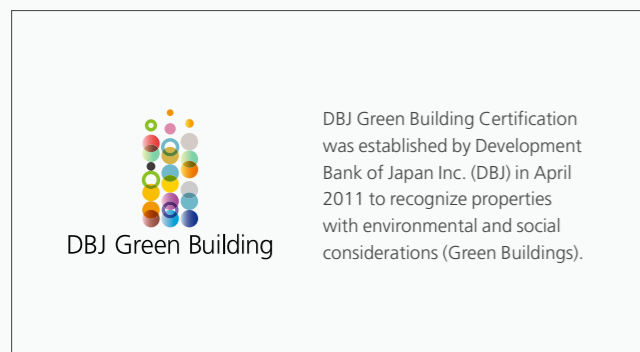
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List of environmental real estate (DBJ Green Building Certification)



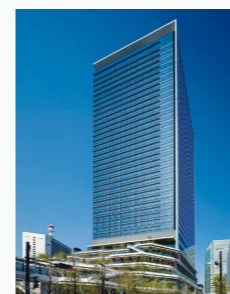
5 stars Properties with the highest environmental & social awareness



Shibuya Solasta
Shibuya-ku, Tokyo



Shibuya Fukuras
Shibuya-ku, Tokyo



TOKYO PORTCITY
TAKESHIBA Office tower
Minato-ku, Tokyo



Kudan-Kaikan Terrace
Chiyoda-ku, Tokyo

4 stars Properties with exceptionally high environmental & social awareness

Shin-Meguro Tokyu Building	Shinagawa-ku, Tokyo
Jimbocho Kita Tokyu Building	Chiyoda-ku, Tokyo
Shin-Aoyama Tokyu Building	Minato-ku, Tokyo
Tokyu Plaza Omotesando Harajuku	Shibuya-ku, Tokyo
Amagasaki Q's Mall	Amagasaki-shi, Hyogo

3 stars Properties with excellent environmental & social awareness

Ebisu Business Tower	Shibuya-ku, Tokyo	Uchisaiwaicho Tokyu Building	Chiyoda-ku, Tokyo
Shibuya Minami Tokyu Building	Shibuya-ku, Tokyo	Shimbashi Tokyu Building	Minato-ku, Tokyo
Nihombashi Front	Chuo-ku, Tokyo	Spline Aoyama Tokyu Building	Minato-ku, Tokyo
Nihombashi Honcho Tokyu Building	Chuo-ku, Tokyo	Hamamatsucho Square	Minato-ku, Tokyo
Nihombashi Maruzen Tokyu Building	Chuo-ku, Tokyo	Minamiaoyama Tokyu Building	Minato-ku, Tokyo

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Renewable energy business list



(As of June 30, 2023)

Total Number of Businesses

87

Rated Capacity

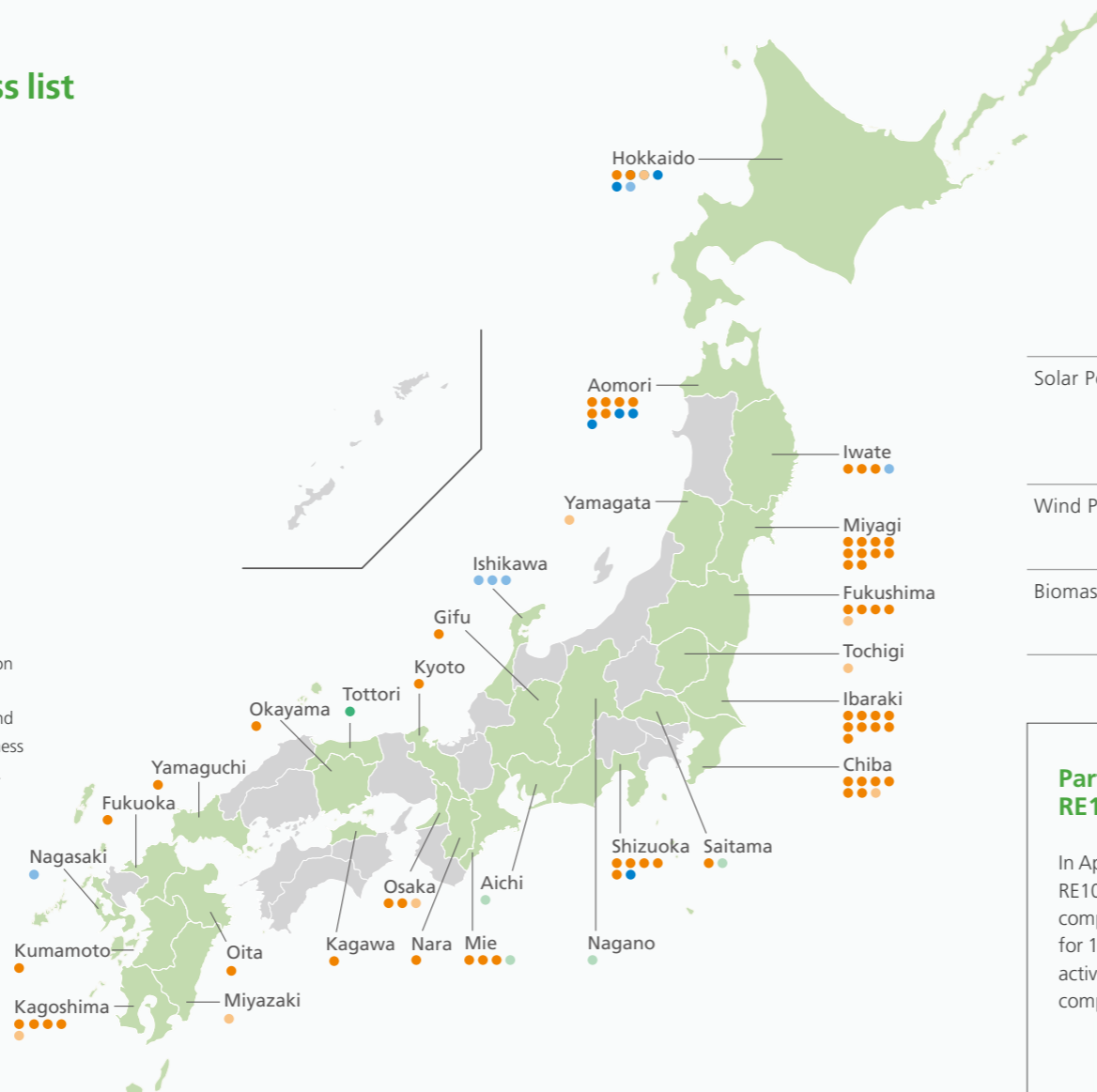
1,612 MW

▶ Equivalent to the energy used by approximately 739,000 regular households*1

CO2 emissions reduction

1,526,000 t-CO2/year*2

- Includes joint ventures.
- The values for rated capacity and CO2 emissions reduction are before conversion to equities.
- Figures for total number of businesses, rated capacity, and CO2 emissions reductions also include one rooftop business (completed locations and locations under development).
- MW values refer to the capacity of solar panels, etc.



Solar Power	Complete	●	62 (911.8MW)
	In development	●	7 (136.1MW)
	Rooftop		1 (92.1MW)
Wind Power	Complete	●	6 (207.4MW)
	In development	●	6 (154.4MW)
Biomass	Complete	●	1 (54.5MW)
	In development	●	4 (56.0MW)

Participating in the global RE100 initiative

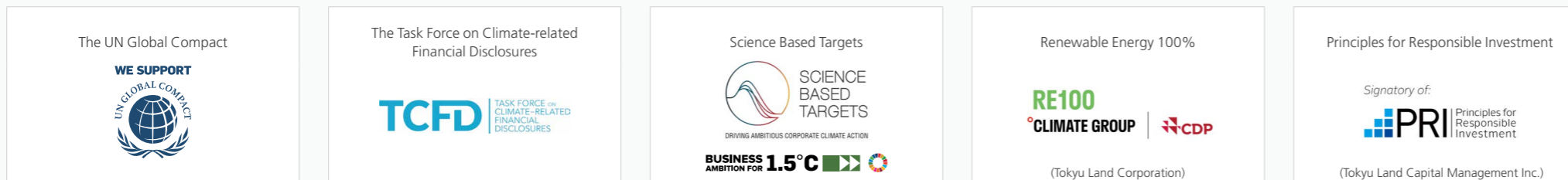
In April 2019, Tokyu Land Corporation joined RE100, a global initiative under which companies aim to procure renewable energy for 100% of the electricity used for business activities. In December 2022, we achieved a complete switch to renewable energy.



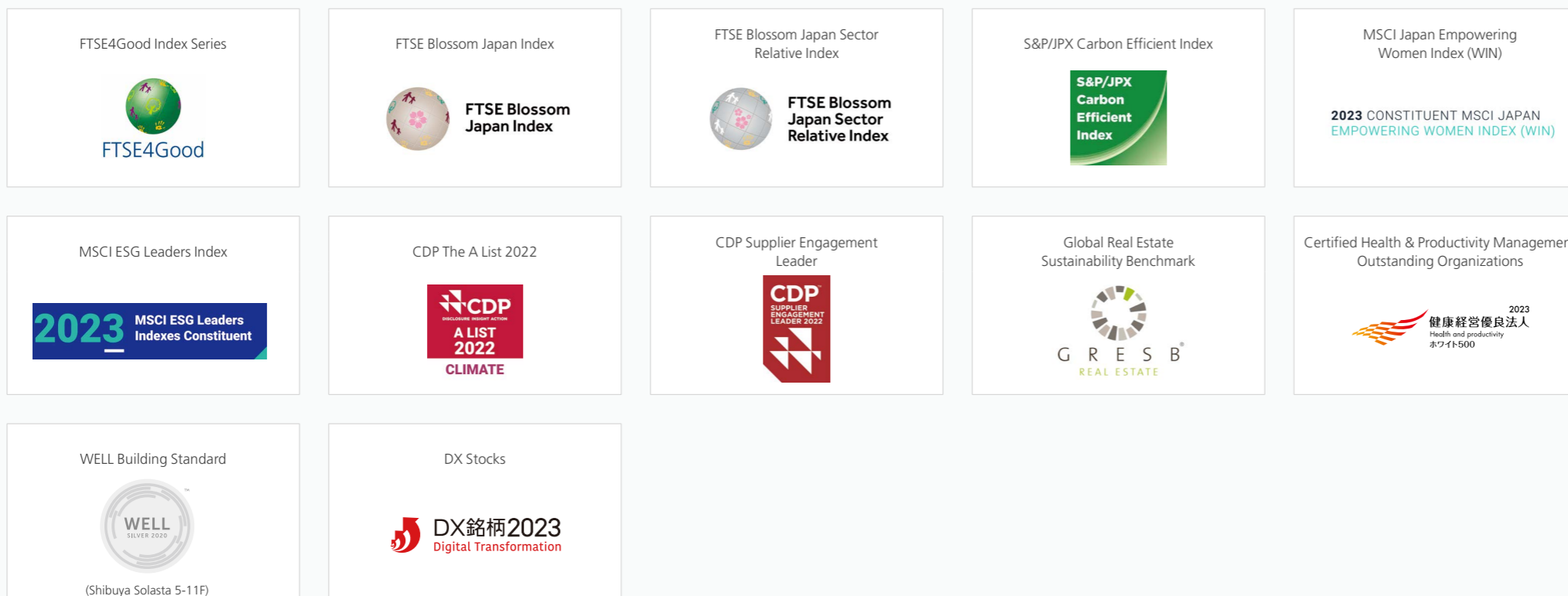
*1. Calculated based on the average household using 4,743 kWh of energy per year (from the Japan Photovoltaic Energy Association's Fiscal 2022 Disclosure Guidelines)
 *2. Calculated using 435 g-CO2/kWh, the CO2 emissions factor of general power companies for transmission and distribution (excluding Okinawa Electric Power Company) released by the Japanese government (based on fiscal 2021 results)

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Support for international initiatives



Major external evaluations



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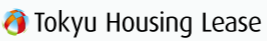

 Holdings Structure

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The Tokyu Fudosan Holdings Group comprises Tokyu Fudosan Holdings Corporation, a holding company established in October 2013, the five main business companies of Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable, Inc., Tokyu Housing Lease Corporation, and National Students Information Center Co., Ltd., and various affiliate companies led by each of the five business companies.



TOKYU FUDOSAN HOLDINGS

 TOKYU LAND CORPORATION	TOKYU COMMUNITY CORP.	 TOKYU LIVABLE	 Tokyu Housing Lease	 nasic NATIONAL STUDENTS INFORMATION CENTER
TOKYU LAND CORPORATION	TOKYU COMMUNITY CORP.	TOKYU LIVABLE, INC.	Tokyu Housing Lease Corporation	NATIONAL STUDENTS INFORMATION CENTER CO., LTD.
TOKYU LAND SC MANAGEMENT CORPORATION Life & Work Design Co., Ltd. Tokyu Land Capital Management Inc. TLC REIT Management Inc. Tokyu Land Asia Pte. Ltd. TOKYU LAND CORPORATION (SHANGHAI) LTD. PT. Tokyu Land Indonesia Tokyu Land US Corporation ReENE Co., Ltd. ISHIKATSU EXTERIOR INC. EWEL, Inc. TOKYU E-LIFE DESIGN Inc. TOKYU SPORTS OASIS Inc. Tokyu Resorts & Stays Co., Ltd. Tokyu Resort Corporation Pacific Islands Development Corporation and others	MARIMO COMMUNITY CO., LTD. TOKYU BLDG. MAINTENANCE SHONAN COMMUNITY DAI-ICHI Building Service Inc. YOGA DISTRICT HEATING AND COOLING CO., LTD. Tokyu Re-design Corporation TC FORUM CORP. INFIELD INC. HOC PARTNERS PFI Co., Ltd. PT. Tokyu Property Management Indonesia Tokyu PM Vietnam CO., Ltd. NOZOMI RESIDENTIAL MANAGEMENT JSC	Tokyu Livable Staff Corporation Livable Asset Management Inc. TOKYU LIVABLE (TAIWAN), INC. Tokyu Livable US, Inc. Tokyu Livable Texas Investment Advisors, LLC	Tokyu Corporate Housing Management Inc. Residential Partners K.K.	SIGMA Japan CO., LTD.
Segment	Segment	Segment	Segment	Segment
<ul style="list-style-type: none"> ■ Urban Development ■ Strategic Investment ■ Property Management & Operation 	<ul style="list-style-type: none"> ■ Property Management & Operation 	<ul style="list-style-type: none"> ■ Real Estate Agents 	<ul style="list-style-type: none"> ■ Real Estate Agents 	<ul style="list-style-type: none"> ■ Real Estate Agents

TFHD digital Inc.

Tokyu Fudosan R&D Center Inc.

K.627 Inc.

TQConnect Corporation

(As of April 1, 2023)

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Corporate overview

Corporate name

Tokyu Fudosan Holdings Corporation

Address

1-21-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan

Phone

+81-3-6455-1122

Representative

Hironori Nishikawa, President & CEO

Business activities

Management and administration of the Tokyu Fudosan Holdings Group

Established

October 1, 2013

Capital

¥77,562 million (As of March 31, 2023)

Number of employees

89 (consolidated: 21,614) (As of March 31, 2023)

Stock information and shareholder composition (As of March 31, 2023)

Basic Stock Information

Listed stock market

Tokyo Stock Exchange (Prime Market)

Securities code

3289

Share trading unit

100 shares

Shares authorized to be issued by the Company

2,400,000,000 shares

Shares issued

719,830,974 shares

Fiscal year

April 1 to March 31 of the following year

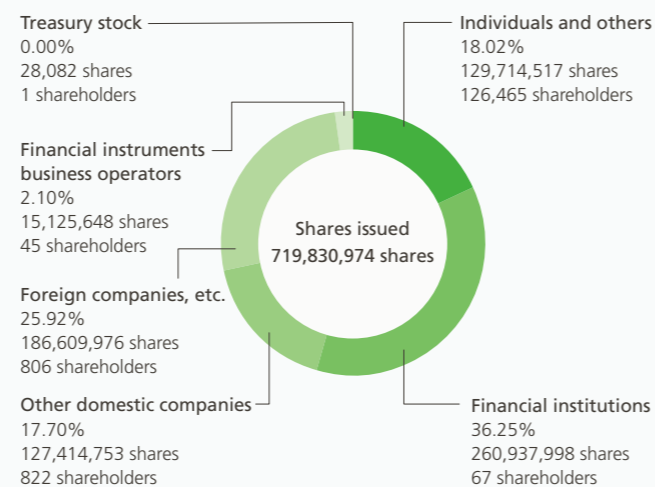
Ordinary General Meeting of Shareholder

June each year

Shareholders' record date

- Ordinary General Meeting of Shareholders: March 31
- Year-end dividend: March 31
- Interim dividend: September 30
- Other: Certain days for which prior notice is provided

Breakdown of Shares by Shareholder



Major shareholders

Name	Number of shares held (thousands)	Percentage of shares held*
TOKYU CORPORATION	114,479	15.90%
The Master Trust Bank of Japan, Ltd. (Trust Account)	111,804	15.53%
Custody Bank of Japan, Ltd. (Trust Account)	56,776	7.89%
SSBTC CLIENT OMNIBUS ACCOUNT	13,312	1.85%
Tokyu Fudosan Holdings Employee Shareholding Association	12,424	1.73%
Sumitomo Mitsui Trust Bank, Limited	12,140	1.69%
The Dai-ichi Life Insurance Company, Limited	11,934	1.66%
BNYM AS AGT/CLTS NON TREATY JASDEC	10,101	1.40%
The Nomura Trust and Banking Co., Ltd. (Tokyu Fudosan Holdings Employee Shareholding Association Trust account)	9,710	1.35%
HSBC BANK PLC A/C HSBC BANK PLC AS TRUSTEE FOR PUTM ACS JAPAN EQUITY FUND	8,749	1.22%

* The percentage of shares held is calculated after deducting 28,082 shares of treasury stock

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