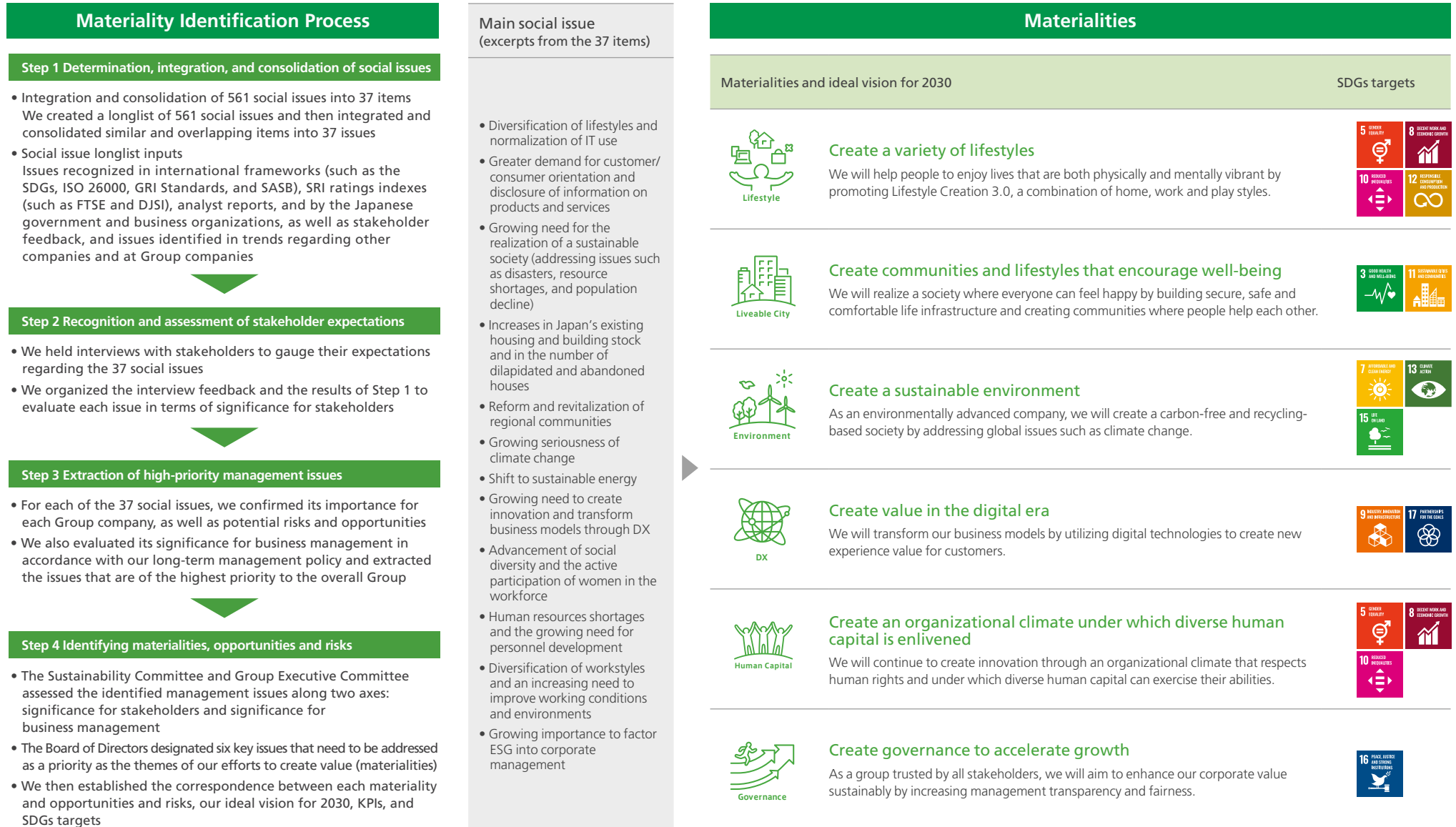


Our Ideal Vision Themes of Our Efforts to Create Value (Materialities)







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



Our Ideal Vision Value Provided Through the Six Materialities

Our approach to sustainable management involves solving issues based on our six materialities to increase outputs and impacts that are beneficial to society. To achieve our vision for 2030, we have identified business opportunities and risks for each of the materialities, formulated relevant strategies and measures, and set KPIs accordingly.

We will leverage the Group's strengths and assets to steadily achieve these KPIs with the aim of realizing the sustainable development of society and growth.

Materialities	Main opportunities	Main risks	Strategies and measures	Non-financial KPI		SDGs targets	Financial KPI FY2030 targets	Value we provide
					FY2030 targets			
 Lifestyle	<ul style="list-style-type: none"> <li>Diversification of work styles, home styles and play styles</li> <li>Fusion of all manner of lifestyle scenes</li> </ul>	<ul style="list-style-type: none"> <li>Mismatch to consumer needs</li> <li>Declining efficiency accompanying response to segmentalized needs</li> </ul>	<ul style="list-style-type: none"> <li>Verify feasibility of workations using hotels</li> <li>Establish a portal site for condominium residents and management associations</li> </ul>	Customer satisfaction level*1	90% or more	10.3	<b>Reference indicators</b> 5.1 8.8 12.7	<b>Outputs</b> (Value provided through businesses) <b>Lifestyle Creation 3.0</b>
				Products and services that contribute to Lifestyles Creation 3.0	100 cases or more			
 Liveable City	<ul style="list-style-type: none"> <li>Increasing importance of community creation</li> <li>Growing need for disaster preparedness and disaster damage reduction</li> <li>Increasing awareness regarding mental and physical health issues</li> </ul>	<ul style="list-style-type: none"> <li>Declining attractiveness of some cities due to intensifying competition between cities</li> <li>Declining attractiveness of cities due to community decline</li> <li>Decreasing asset values due to insufficient maintenance and management</li> </ul>	<ul style="list-style-type: none"> <li>Build communities through area management</li> <li>Foster resilience to ensure the sustainability of urban functions</li> <li>Use underutilized spaces to hold communication events</li> </ul>	Measures to revitalize communities	100 cases or more	11.3	<b>ROE</b> 10% or more  <b>ROA</b> 5% or more  <b>D/E ratio</b> 2.0 times or less  <b>Operating profit</b> ¥150 billion or more  <b>Net profit*8</b> ¥75 billion or more	<b>Impacts</b> (Social value) <b>A future where everyone can be themselves, and shine vigorously</b>
				Strengthening building safety and security*2	100%			
 Environment	<ul style="list-style-type: none"> <li>Growing need to respond to a decarbonized and recycling-based society</li> <li>Increasing funding from ESG investors</li> </ul>	<ul style="list-style-type: none"> <li>Escalation of climate change and natural disasters</li> <li>Increasing costs due to environmental restrictions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve RE100 target</li> <li>Enhance environmental performance of buildings (ZEB/ZEH)</li> <li>Introduce internal carbon pricing</li> <li>Cultivate a recycling-based society through management, operations, and renovations that extend the service life of buildings</li> </ul>	RE100*3 *4	To be achieved by 2025	7.2	<b>Reference indicators</b> 6.4 12.2	
				Water usage	Less than the previous fiscal year			
 DX	<ul style="list-style-type: none"> <li>Increasing importance of utilizing customer contact points</li> <li>Improving scalability of services provided</li> </ul>	<ul style="list-style-type: none"> <li>Declining position of real experiences due to enhancement of virtual experiences</li> <li>Appearance of disruptors to existing businesses</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate DX at condominium sales locations</li> <li>Practice data-driven area management</li> <li>Develop an AI for appraising condominium value</li> <li>Introduce voice recognition systems at all Tokyu Stay locations</li> </ul>	Waste volume (compared with FY2019)	(11)%	12.5	<b>ROE</b> 10% or more  <b>ROA</b> 5% or more  <b>D/E ratio</b> 2.0 times or less  <b>Operating profit</b> ¥150 billion or more  <b>Net profit*8</b> ¥75 billion or more	
				Environmental certification acquisition*6 (e.g. CASBEE, DBJ)	100%			
 Human Capital	<ul style="list-style-type: none"> <li>Increasing opportunities to secure diverse human capital</li> <li>Emergence of innovation due to Diversification</li> </ul>	<ul style="list-style-type: none"> <li>Intensifying competition and increasing costs in the human capital market</li> <li>Declining reputation due to the occurrence of human rights issues</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate the promotion of female employees and strengthen mid-career recruitment</li> <li>Change rules concerning male employees taking childcare leave and encourage uptake</li> <li>Respect human rights and practice due diligence concerning suppliers</li> <li>Provide a DE&amp;I e-learning course, raise awareness of this issue, and monitor the situation</li> </ul>	Number of initiatives utilizing digital technology	100 or more	8.2 17.16	<b>ROE</b> 10% or more  <b>ROA</b> 5% or more  <b>D/E ratio</b> 2.0 times or less  <b>Operating profit</b> ¥150 billion or more  <b>Net profit*8</b> ¥75 billion or more	
				DX investment amount (compared with FY2021)*7	2 times			
 Governance	<ul style="list-style-type: none"> <li>Strengthening relationships with stakeholders by improving transparency</li> <li>Increasing funding from ESG investors</li> </ul>	<ul style="list-style-type: none"> <li>Increasing cost of fund procurement</li> <li>Decline in confidence due to legal violations</li> </ul>	<ul style="list-style-type: none"> <li>Provide an e-learning course on compliance for Group employees</li> <li>Carry out an evaluation of the effectiveness of the Board of Directors that incorporates a third-party perspective</li> </ul>	Acquisition of IT passports*4	100%	4.4	<b>ROE</b> 10% or more  <b>ROA</b> 5% or more  <b>D/E ratio</b> 2.0 times or less  <b>Operating profit</b> ¥150 billion or more  <b>Net profit*8</b> ¥75 billion or more	
				Engagement with shareholders and investors	300 cases or more			
				Ratio of employees who undergo physical examinations	100%	8.5		
				Ratio of women among new graduate hires	50%	5.5		
				Ratio of female managers (ensuring the diversity of core human capital)	20% or more	5.5		
				Ratio of childcare leave taken by male employees	100%	5.1 5.5		
				Deepening understanding of DE&I (percentage of employees who took an e-learning course)	100%	10.3		
				Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)	100%	10.3		
				Improvement of effectiveness of the Board of Directors (third-party evaluation)	100%	16.6		
				Adherence to the compliance code of conduct	100%	16.5		

\*1 Tokyu Cosmos Members Club questionnaire survey \*2 Support for people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc.  
 \*3 An international collaborative initiative with the goal of companies procuring 100% of the electric power consumed by their business activities from renewable energy sources. \*4 Tokyu Land Corporation  
 \*5 An abbreviation of Science Based Targets. These are medium- to long-term targets for the reduction of greenhouse gases that have been formulated based on scientific research  
 \*6 Covers large-scale non-residential owned properties (total floor area of at least 10,000 m<sup>2</sup>). 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

Social Issues

## Our Ideal Vision Financial and Non-financial KPI Targets and Results

Figures for fiscal 2023 include data that has yet to undergo third-party verification and is therefore subject to change.

Category	Materiality	KPI	FY2030 target	FY2025 target	FY2023 results		
Financial targets	Finance	ROE	10% or more	9%	9.6%		
		ROA	5% or more	4%	4.2%		
		D/E ratio	2.0 times or less	2.2 times or less	2.1 times		
		Operating profit	¥150 billion or more	¥120 billion	¥120.2 billion		
		Net profit*1	¥75 billion or more	¥65 billion	¥68.5 billion		
Non-financial targets	S Society	Create a variety of lifestyles	Customer satisfaction level*2	90% or more	90% or more	92.8%	
			Products and services that contribute to Lifestyles Creation 3.0 (cumulative)	100 cases or more	50 cases or more	60 cases	
	S Society	Create communities and lifestyles that encourage well-being	Measures to revitalize communities (cumulative)	100 cases or more	50 cases or more	64 cases	
			Strengthening building safety and security*3	100%	100%	100%	
	E Environment	Create a sustainable environment	RE100 to be achieved by 2025*4	Achieved	Achieved	Achieved*5	
			Percentage of renewable energy power usage	60% or more*6	65%*7	84.1%	
			CO <sub>2</sub> emissions (compared with FY2019)	Scope 1 and 2	(46.2)% (SBT certification)*6	FY2023 (50%)*7	(69.7)%
				Scope 3 (Categories 1, 2, and 11)	(46.2)% (SBT certification)	Qualitative target: Collaborative initiatives with partners (construction companies, etc.)	(0.1)%
			Water use	Less than the previous fiscal year	Less than the previous fiscal year	+7.5%	
			Waste volume (compared with FY2019)	(11)%	(6)%	(16.6)%	
			Environmental certification acquisition*6 (e.g., CASBEE, DBJ)	100%	70%	65.0%	
			Sustainable procurement (wood materials for molds)	100%	30%	9.7%	
			Midori wo Tsunagu Project (area of forest protected)	3,000 ha	2,400 ha	2,145 ha	
			Environmental efforts through business (cumulative)	100 cases or more	50 cases or more	70 cases	
	S Society	Create value in the digital era	Number of initiatives utilizing digital technology (cumulative)	100 or more	50 or more	58	
			DX investment amount (compared with FY2021)*9	2 times	1.5 times	5.2 times	
			Acquisition of IT passports*4	100%	80%	84.3%	
	S Society	Create an organizational climate under which diverse human capital is enlivened	Ratio of employees who undergo physical examinations	100%	100%	99.9%	
			Ratio of women among new graduate hires	50%	42%	45.9%	
			Ratio of female managers (ensuring the diversity of core human capital)	20% or more	9%	8.0%	
			Ratio of childcare leave taken by male employees	100%	100%	88.7%	
			Deepening understanding of DE&I (percentage of employees who took an e-learning course)	100%	100%	96.2%	
			Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)	100%	50%	58.9%	
G Governance	Create governance to accelerate growth	Engagement with shareholders and investors	300 cases or more	290 cases or more	325 cases		
		Improvement of effectiveness of the Board of Directors (third-party evaluation)	100%	100%	100%		
		Adherence to the compliance code of conduct	100%	100%	98.4%		

\*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 Excludes electricity generated through cogeneration involving private power generation (0.2% of overall electricity consumption), as there are no gases on the Japanese market that are recognized as green gases under the RE100 technical criteria.

\*6 Set at the same time as the long-term management policy (fiscal 2021) \*7 Set at the same time as the medium-term management plan (fiscal 2022)

\*8 Covers large-scale non-residential owned properties (total floor area of at least 10,000 m<sup>2</sup>). Excludes some properties, such as joint ventures

\*9 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