

Message from the Officer in Charge

Solving increasingly sophisticated social issues through strengthened sustainability management interlinked with management strategies

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Evolving our sustainability strategy

As an operating officer of Tokyu Fudosan Holdings since April 2024, I have been in charge of the Group's sustainability promotion and human resources.

In recent years, social issues, such as climate change and an uncertain social landscape provoked by geopolitical risks, have become more serious, and the responsibilities and expectations placed on companies have also increased. Our Group is committed to contributing to a sustainable society and further corporate growth through its businesses. In particular, we are responding to increasingly sophisticated social issues by further evolving sustainability management that is based on environmental management and human capital management.

Promoting the Group policy of environmental management and developing our strengths as an environmentally advanced company

Against the backdrop of frequent extreme weather events around the world, we have organized environment-related issues that are urgent and of high importance under our "create a sustainable environment" materiality and are continuing to engage in progressive initiatives in this area. Specifically, per the Group policy of environmental management, we are aiming to solve social issues and expand business opportunities rooted in the environment with the focus areas of a decarbonized society, a recycling-based society, and biodiversity.

In the area of a decarbonized society, Tokyu Land Corporation became the first

operating company in Japan to achieve its RE100 target through aggressive business domain expansion and collaboration with each business unit, and by leveraging the advantages offered from operating its own large-scale renewable energy business. As an infrastructure provider possessing top-class power generation capacity in Japan, we are contributing to the realization of a decarbonized society in urban areas.

Biodiversity and a recycling-oriented society are also important issues for the real estate industry. We first developed our Environmental Vision in 1998, and since that time, we have recognized that real estate impacts the natural world. At the same time, we have understood that by living in harmony with nature, we can provide new services and value to our customers and future generations. Aiming to contribute positively to nature in our business activities, in fiscal 2023, we revised our Biodiversity Policy, first formulated in 2011. We also issued a TNFD report in which we conducted an evaluation of the Greater Shibuya area, our home ground. In the field of sustainable procurement, as well, we conduct supplier engagement as well as verification and monitoring to contribute to the formation of a sustainable society throughout our supply chain. These efforts, in turn, have established and strengthened our Group's brand as an environmentally advanced company.

Our strengths as an environmentally advanced company create new business opportunities

Our Group has been developing its renewable energy business, including solar and wind power, since 2014. We have become a leading renewable energy provider in Japan, and are now expanding our sphere of activity in such areas as our storage battery business, solar sharing, and overseas expansion.

In addition to improving the profitability of our environmental ventures themselves, particularly the renewable energy business, the aforementioned strengths and uniqueness of the Group as an environmentally advanced company are creating new business opportunities for us. In a society where many companies and governments are becoming more environmentally conscious, we have created a positive trend for our Group to be chosen as a business partner, and this has actually led to the acquisition of a number of new projects. We believe that this is the result of our Group's comprehensive strengths in developing residential, commercial, office, and hotel properties; our capabilities in co-creating with business partners; our expertise in sustainable management and operation; as well as our brand power and track record as an environmentally advanced company.

We will continue adding to these successes remain the company of choice for our stakeholders to build a strong business model that is difficult for others to imitate.

Medium- to Long-Term Growth Strategy Sustainability Strategy

Promoting human capital management under human capital strategies that interlock with our management strategies

With the unceasing decline in the working population resulting from a falling birthrate and aging society, human capital has become more important than ever. Through the promotion of human capital management based on human capital strategies that interlock with our management strategies, the Group aims to create value for the future as well as a future where everyone can be themselves, and shine vigorously. We view

the knowledge, skills, and ambitions of our approximately 30,000 employees at over 100 companies as our human capital. We will proactively invest in this human capital to strengthen our management base, maximizing the Group's comprehensive strength and transforming ourselves into a collection of human capital which creates an unending stream of value.

To achieve our ideal vision, 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. Under this philosophy,

we have formulated and are moving forward with 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. 78). By defining Group-wide KPIs (→ See p. 81) based on each strategy, we have established a system that enables us to continuously implement measures for developing human capital and improve the organizational climate.

Understanding each business's issues and promoting human capital strategies that are in line with their characteristics

Our group has two types of businesses—asset-utilizing businesses and human capital-utilizing businesses, and we are pursuing human capital strategies that are in line with the characteristics of each of our ventures. Concerning our asset-utilizing businesses, we see the development of human capital across the entire Group as a challenge we must tackle to reform the business model of our real estate development business. Tokyu Land Corporation, which plays a central role in this business, revised its personnel system in fiscal 2022 and established an organization of business producers to provide an ideal employee image. The company established five requirements for its human capital—planning ability, execution ability, influence, human capital and organizational

development abilities, and ethics—and has systematized its training accordingly.

Meanwhile, with regard to our human capital-utilizing businesses, productivity is enhanced by human capital that can provide added value to customers by leveraging the businesses and resources of the entire company, not just those tied to his or her own division. Tokyu Livable defines the type of human capital it seeks as Multi-Value Creators (MVCs), and is creating a system for training and assigning such MVCs. The real estate brokerage industry has traditionally tended to acknowledge only individual performance. However, collaboration, mutual understanding, and knowledge sharing among departments are essential for the effective use of real estate information. To this end, Tokyu Livable is working to develop MVCs by holding management study sessions and roundtable discussions, offering a career challenge system that allows employees to request transfers to positions of their choice, and operating an in-house internship system that enables employees to experience working in other divisions. (→ See p. 79)

Nature, society, and individuals are all important assets for us to create beautiful and prosperous communities and build the road to the future. We will deepen the understanding of each of our employees of this concept so that they will resonate with the challenge-oriented DNA rooted in our corporate culture, and, through our business activities, contribute to sustainable growth and increasing our corporate value.

