Promoting the Greater Shibuya Area strategy pivoting on three domains

The first Key Theme in our Medium-Term Management Plan 2030 is the promotion of the Greater Shibuya Area strategy. For several years, the Tokyu Group has been promoting urban development with Shibuya as its starting point in line with the Greater SHIBUYA 2.0 urban development strategy, which aims to create a sustainable district fusing the components of "work," "live," and "play." Within this context, in order to make Shibuya a force that will drive Tokyo to be No. 1 in international competitiveness, we have formulated the Greater Shibuya Area strategy, outlining initiatives for our Group to improve the entire area's attractiveness as the "Greater Shibuya Area."

To date, we have completed multiple development projects in the Greater Shibuya Area, but these have only just put us at the starting line of "urban development" in the area in the broader sense—urban development that will bring the community, tenants, and visitors together as one. For example, in terms of fostering industries that take advantage of the characteristics of the Greater Shibuya Area, we have begun to accelerate the creation of a foundation for the establishment of an ecosystem involving universities and large corporations, with startups serving as the starting point, centered on Shibuya Sakura Stage. In addition, the area's concentration of diverse cultures and immense communication potential have increased its attractiveness as a tourist destination. The number of visitors to the area continues to grow, and many also visit facilities in the area developed by our Group. At the same time, we have also promoted disaster prevention measures and the introduction of renewable energy sources to support the area's attractiveness. Looking at the Greater Shibuya Area as a whole, the Group believes that in addition to expanding efforts to add to its appeals, we must create synergies between the things that make it attractive by increasing collaboration throughout the area.

Therefore, in order to further enhance the attractiveness of the entire Greater Shibuya Area, the medium-term management plan 2030 outlines a unique growth strategy that leverages the Group's strengths in the three pillars of fostering of industry, urban tourism, and building city infrastructure. To foster industry, we will drive the promotion of a startup ecosystem to create industries distinctive to Shibuya. We will also provide services for foreign residents and housing based on the demand generated by workers desiring to live close to their jobs. From the perspective of urban tourism, we will develop content that gives visitors a reason to come to the area, improve accessibility, and provide diverse lodging facilities to increase visitor dwell time and activity scope. And we will build city infrastructure by working with the government and the local community to create a comfortable environment for visitors and residents, as defined by the six elements—represented by the acronym GROWTH*—that form the foundation for promoting the area's growth. During the current medium-term management plan period, we aim to maximize the value of the entire Greater Shibuya Area while communicating unique initiatives through these pillars.

* "GROWTH," our acronym defining our concept of "building city infrastructure," stands for Green (environment), Resilience (safety and security, Openness (diversity), Well-being (livability), Technology (deploy technologies), and Harmony (collaborative alliances)

Future key measures in the Greater Shibuya Area

Construction completed on flagship properties 2024 or before | Management plan period 2025–2030 | To the next stage 2031 or after

Greater Shibuya Area profits*1
FY2024 ¥19.0 billion

Greater Shibuya Area profits
Toward approx. 1.5 times*2
FY2030 ¥30.0 billion

+

Investment to create future value
Period cumulative totals
¥300 billion

Main projects:
Next Shibuya Sakuragaoka Block /
Jinnan 1-chome Block /
Koen-dori West District

Fostering of industry

Build ecosystem with a cluster of startups
Develop Sakura Deeptech Shibuya, a community base to support startups in the deep tech field supervised by professors from the **Massachusetts Institute of Technology (MIT)**
Plan to establish TECH-Tokyo, a global innovation platform in collaboration with domestic and international universities, local governments, and companies, and based on research recommendations from **Harvard University** and its fellows

Develop and manage residences for workers
Provide residences that generate worker interactions drawing on the local characteristic of close proximity between work and home

Increasing earning capacity in core businesses

Establish dominant position in Tokyo office market

Transform business models of commercial facilities (convert to retail media business)

Expand hotels and residences

Increase presence in real estate services, including property management and brokerage services

Uniqueness | Uniqueness

Create appeal

Public nature of the district

Urban tourism

Create appealing content
Develop appealing content through partner alliances and expand out to the world

NETFLIX (pop-up event) / Q Plaza Harajuku

Enhance nighttime economy
Increase the nighttime population and consumption amounts by enhancing functions like restaurants, night clubs, and hotels


Hyatt House Tokyo Shibuya

Create continuity that promotes visitors to look around the unique districts
Add appeals such as vibrancy utilizing junction points connecting districts and promote visitors to look around the districts

GROWTH Build city infrastructure

Mechanisms for workers to thrive
Strengthen hiring and retention of workers, support comfortable work

Platformer for safety, security, and comfort
Demonstrate role in beautifying the district and enhancing disaster preparedness functions

Promote area decarbonization
Contribute to the decarbonization of the area as a whole by utilizing renewable energy, etc.

*1 Overall Group revenue related to Greater Shibuya Area net of costs and area-specific expenses (excluding condominium profits and gains on sales to investors, etc.) *2 Vs. FY2024

Per the three pillars of the fostering of industry, urban tourism, and building city infrastructure, the specific measures to be implemented during the Medium-Term Management Plan 2030 are wide-ranging. Through these measures, we will capture the unique appeal of the Greater Shibuya Area and expand profits. To start, to foster industry in the area, we are working to promote entrepreneurs and support business creation and development. Specifically, we are engaging in community development together with world-class university professors and institutions to promote the development of creative industries and build an ecosystem that will make the Greater Shibuya Area a global startup hub. To encourage urban tourism, we will promote content and media businesses; expand functionality that emphasizes experience value, such as enhancing the nighttime economy; and implement measures to improve the inter-neighborhood accessibility. For example, in February 2024, we opened Hyatt House Tokyo Shibuya in Shibuya Sakura Stage, and we will continue to develop the area to ensure people will have fun in Shibuya. And in building the city infrastructure that provides the foundation for these, we will reinforce the area's fundamental strength and competitiveness through such means as enhancing the disaster prevention capabilities of each asset and improving the environment to increase worker satisfaction.

In addition to these efforts, we will also work to improve the profitability of our core businesses. We will strive to achieve stable growth by establishing a dominant position in the office market, reforming our business model for commercial facilities, expanding our hotel and residential properties, and enhancing our presence in real estate service domains such as property management and brokerage. By combining these measures, we plan to increase the profit of the Greater Shibuya Area from ¥19 billion in fiscal 2024 to ¥30 billion in fiscal 2030, a 1.5-fold increase over the plan period. We also plan to invest a cumulative ¥300 billion to create future value through the above businesses.

Reference

Characteristics of the Greater Shibuya Area

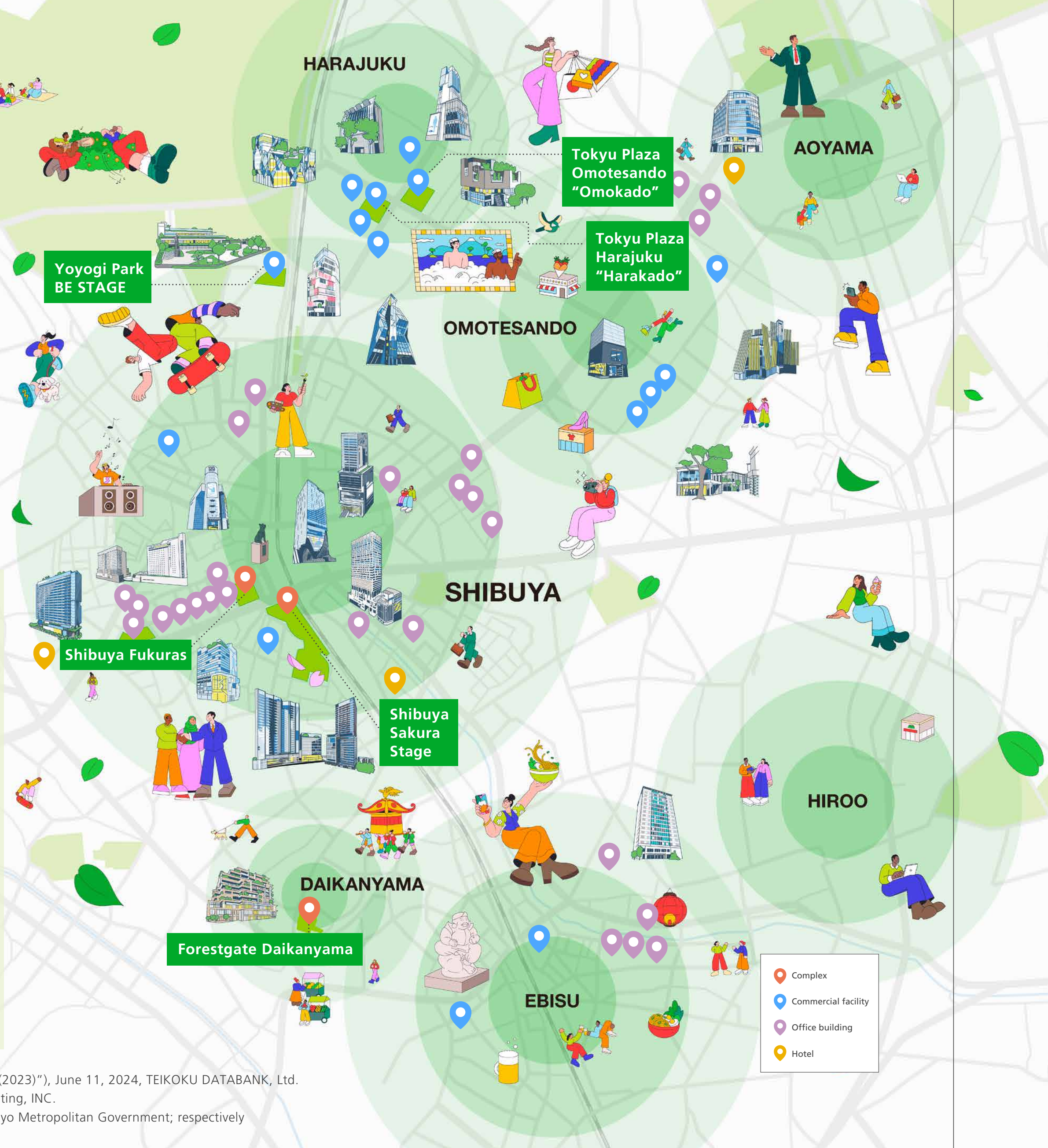
Shibuya Station is one of the most prominent terminal stations in Japan, served by four companies and nine rail lines. The Greater Shibuya Area is also served by many other stations within its boundaries, making it a highly convenient location. The area is further home to many startup companies and venture capital funds, making it a generator of new businesses, as well.

Shibuya has also established itself as a tourist destination even among the many popular locations of Tokyo, ranking first among international tourists as a sightseeing location consecutively from 2022 to 2024. At the same time, the number of hotel rooms is the smallest among the five central wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, Shibuya), and there is significant room for growth in this area.

For us, Shibuya is home ground. We will drive the growth of the Greater Shibuya Area with a business strategy that enhances our competitive advantages through Group cooperation. At the same time, we will contribute to further improving the attractiveness of the area and strengthening Tokyo's international competitiveness.

Characteristics of Shibuya

1. Entertainment and trend center 2. Concentration of IT companies and startups
3. Adjoining, highly distinctive neighborhoods 4. High tourism competitiveness



Key data for Shibuya

Office floor space growth rate*1
(Compared to FY2018)

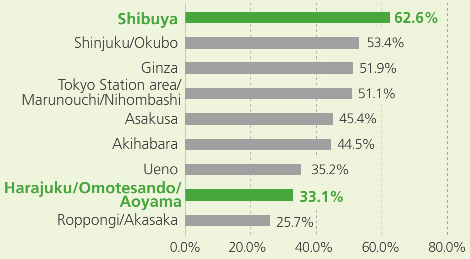
22% increase

Startup company emergence rate among Tokyo's 23 wards*2

1st

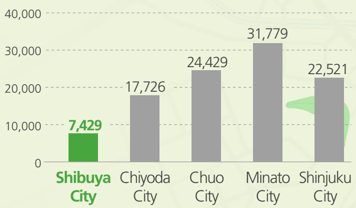
Change in flow of people around Shibuya Sakura Stage*3
(March 2019 before construction vs. May 2025)
- Flow of people in vicinity of the facility: **175% increase**
- Flow of people in Daikanyama area: **140% increase**

Inbound visitor rates*4
Destinations visited by international tourists



Inbound satisfaction rates among major tourist areas*4 **1st**

Number of hotel rooms*5



*1 MIKI OFFICE REPORT TOKYO 2025, Miki Shoji Co., Ltd.
*2 Zenkoku "shinko/startup kigyo" no doko chosa (2023-nen) ("Nationwide Survey of Trends in 'Emerging and Start-up Companies' (2023)"), June 11, 2024, TEIKOKU DATABANK, Ltd.
*3 As of May 2025 (compared to March 2019 before construction began), based on Mobile Spatial Statistics, DOCOMO InsightMarketing, INC.
*4 Satisfaction rates and visitor rates: 2023 and 2024 Survey on Behavioral Characteristics of Foreign Tourists by Country/Region, Tokyo Metropolitan Government; respectively
*5 Source: FY2022 Tokyo Sanitation Statistical Yearbook (Japanese only)