

Medium-Term Management Plan 2030 Commitments and Evaluation

Building on the achievements of the previous medium-term management plan to enter the resilience phase

The new medium-term management plan 2030 has been released. The outside directors had a free and open exchange of opinions about what kind of discussions were held while formulating the plan, what commitments they made during the formulation process, their evaluation of the plan, and what achievements and issues they expect to emerge in the medium to long term.



Discussion held on July 8, 2025

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). As someone experienced in the management of a holding company, he has a wealth of insight. He was appointed an outside director in 2021.

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 reforms 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.

Akiko Uno

Outside Director

Ms. Uno has abundant knowledge and experience in areas such as risk management, human capital strategy, and DX, gained through her career at Shiseido Company, Limited, where she also served as a full-time Audit & Supervisory Board member. She was appointed an outside director in 2024.

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.

Evaluation of Medium-Term Management Plan 2030

— How were you involved in the Medium-Term Management Plan 2030 formulation process? Also, what are your impressions regarding the content of the plan?

Kaiami During the formulation process, we had multiple opportunities to give our opinions in drafts, leading to edits to the plan. For example, there was a section of a draft explaining business portfolio management that was hard to follow. I suggested that it be made easier for external parties to understand and this opinion was taken on board. In the end, the explanation of our approach of verifying each business through fixed-point observation pivoting on two axes, market growth potential and competitive advantage, was extremely easy to understand. I was impressed that the plan brings together points made from both inside and outside perspectives. Additionally, the FY2030 target for operating profit has been revised upward to ¥220.0 billion, an increase of around 1.5 times compared to the target when the long-term management policy was announced in 2021. I understand that the reasons for this include the smooth growth achieved in the Real Estate Agents segment and the outlook for the renewable energy business and overseas operations in terms of growth potential. I have continuously stated my opinion that we should put a particular emphasis on the renewable energy business, as it contributes to solving social issues, so I am glad that “establish GX business model” has

been positioned as a key theme.

Miura All members of the Board of Directors were able to share their thoughts and the process brought together and incorporated many internal and external opinions. As a result, I feel we have assembled a future-oriented plan that puts solving social issues at the forefront.

Looking back over the previous plan, I think one of the main factors that enabled us to hit the numerical targets two years ahead of schedule was restructuring realized by revising our business portfolio. We recognize that shifting each business to a resilience-focused business model has built a foundation that will lead to further growth. The achievements of the restructuring phase covered by the previous plan have enabled us to set numerical targets that facilitate high levels of revenue in each business, as well as an FY2030 target of 1.8 times or less for D/E ratio, which has been a problem for many years. In this way, I feel the new plan has balance in terms of both business and financial concerns.

Hoshino I agree with both of you that the restructuring has enhanced the competitive advantage of each Group business to a certain degree. We had many discussions about how to use these advantages, in terms of what field we should focus on and which social issues we can contribute to solving, and I think this has made the plan logical and easy to understand.

I am focusing on DX as an element supporting the implementation of the new plan. The awareness of employees regarding DX has changed. This has led to some



successful outcomes, such as improvements to operational efficiency, and it is also contributing to the improvement of customer experience through the deployment of various solutions. I want to praise the new plan for also positioning DX as an important foundation for business model transformation.

Jozuka The discussions took a fair amount of time, but I feel that the new plan has a progressive focus that maximizes the Group's competitive advantages. In the Greater Shibuya Area, we will make use of the urban development expertise we have cultivated to date, while in regard to glocal businesses, one of our strengths is our ability to work closely with local people and industries on business creation, which is built on our experience in the hotel and resort business. As for establishing GX business models, I expect to see future growth that combines initiatives concerning a variety of energy sources, including solar, wind, and hydroelectric power.

Although the Board of Directors already discusses ESG themes, I think it is important

that we find ways to communicate our approach to ESG initiatives to the world.

Uno I was appointed as an outside director in 2024, so during the formulation of the new plan, I was able to give opinions from an external perspective. One point that impressed me and which was different from the plan formulation processes at other companies was that each of the plan's strategies was explained by the person who was actually in charge of its implementation. This provided a greater understanding and questions were given detailed and convincing answers.

The message at the start of the new medium-term management plan really resonates with me, and I recognize that the true purpose of the plan is to win the understanding of the stakeholders who actually receive the Group's services so they realize that the Group is an essential presence in society. I hope the Group continues to adjust the trajectory of its roadmap for achieving the plan in accordance with the social situation, while remaining true to the worldview expressed in the plan's message.

Initiatives to enhance corporate value

— What achievements and issues do you expect to emerge in regards to business investment focused on capital efficiency and growth potential, and efforts to improve the financial position?

Kaiami The shareholder returns policy includes raising the target payout ratio to 35% or more from FY2025 and introducing

progressive dividends. Our current levels may be favorable compared to competitors in the same industry, but over the last few years we have been losing ground on both the dividend payout ratio and dividend yield. The shareholder returns policy in the new plan represents a considerable step forward and I think investors will appreciate it.

We have also improved PBR to a level close to 1 time and I believe we are in a reasonable position to achieve the FY2030 target for ROE of 10% or more.

Miura As Mr. Kaiami said, improvements have been made on all indicators measuring corporate value and we have achieved a balance that includes financial discipline. I have heard the opinion that our dividend payout ratio is low compared to other companies in the same industry, but personally, I think that rather than focusing on just the payout ratio, it is important to look at the overall picture, which also includes stakeholders such as customers, employees, and local communities. This means emphasizing investment that





facilitates corporate growth.

Hoshino In the new plan, it feels like the financial and capital strategies have been broken down on a structural basis and then carefully assembled to work out how they can lead to the enhancement of corporate value. My impression of the figures for PBR and ROE is that there is still room for further improvement, considering the tailwind behind the real estate industry. The extent to which we can raise the sense of expectation in regard to future growth potential will be crucial to enhancing both PBR and share price. I think the key will be whether we can convincingly communicate the potential for future profits in each business.

As risks such as labor shortages intensify, I want the Group to explain its story clearly. Namely, how it is leveraging its overall capabilities to respond flexibly to changes in the external environment and facilitating stable growth by raising the resilience of its business models.

The current human capital situation and issues

— How do you evaluate the positioning of human capital and organizational climate and measures to strengthen in these areas in Medium-Term Management Plan 2030?

Jozuka I evaluate the new plan highly in regard to how it has positioned human capital and organizational climate as a core component of its key themes. Its human capital strategy is to build a “human capital portfolio in which 30,000 people continue to grow” but within the Group, the type of business and specific operations of each company differ greatly. I think it will be important for the business companies and holding company to work together in order to formulate growth strategies for each individual company that are based on the holding company’s medium-term management plan, while also envisioning and realizing the human capital portfolio required to implement these strategies.

Within these efforts, my personal focus will be on diversity and empowering women. I am extremely pleased that the number of female officers has increased as of June 2025 and the ratio of women among directors and auditors has risen to 29.4%. However, the ratio of female managers at each Group company remains an issue, so I would like to see progress made on further deepening diversity through training, education and efforts to enhance communication.

Uno In order to realize the new medium-term management plan, there are plans to create

a talent pool by cultivating employees who have broad experience across the Group’s businesses.

I participated in an exchange of opinions between women in management positions at Group companies and heard from them about the differences in the type of work done at each company and what they perceive as issues. This made me realize that many people have yet to develop a sufficiently broad perspective of the Group as a whole, compared to the considerable potential possessed by individual employees. I think we need to establish opportunities and frameworks that enable employees to absorb the knowledge and expertise of each business while developing their own skills through methods such as Group-wide cross-sectoral training.

Kaiami As Ms. Uno pointed out, the key to developing human capital for business transformation stated in the new plan will be whether employees have cross-boundary experience that transcends individual companies and businesses. This will be achieved through transfers and secondments between Group companies, and I think these measures will not only be significant in terms of strengthening intra-Group connections, but will also contribute to nurturing the growth of individual employees. Going forward, I would like to see a focus on accelerating human capital exchange and growing the number of employees participating in cross-boundary experiences.

Jozuka Reforming organizational climate is another important pillar of human capital

management in the new plan. Even if we recruit and develop exceptional talent, they will not be able to demonstrate their abilities if the underlying organizational climate is poor and ultimately, we will not be able to retain them. Improving psychological safety is a key measure for reforming organizational climate and if we can assure this psychological safety, it will make it easier for individuals to take on new challenges. I think this will eventually develop a culture of innovation. The first step is to create companies where people want to join and stay, so we need to have thorough discussions on this point that also incorporate the major management issue of labor shortages.

Uno Enhancing psychological safety is easier said than done, so I believe it is essential to maintain a corporate climate where management receives information in a positive manner, even when that information is negative. Additionally, some issues concerning human capital development at Group companies remain. Rather than just focusing on what is best for each individual company,



we need to establish mechanisms and systems that consider how personnel should be developed on a Group-wide basis and that take the life stages of individuals into account. The Group engages in a variety of industries and types of business, so I think it is important to create an environment where individuals have the option of not only transferring externally, but also transferring within the Group, like the cross-boundary experiences that Mr. Kaiami mentioned earlier.

Looking toward 2030

— In order to steadily implement the medium-term management plan 2030 and realize the Group's ideal vision, what advice would you give and what issues do you anticipate?

Uno An important issue for future growth that concerns the key theme of “establish GX business model” is that this concept is still not sufficiently understood by investors. We need to communicate what kind of world we are trying to realize by establishing GX business models in a direct and easy-to-understand way. The same could be said for the key theme of “expand glocal businesses.” I think that a more comprehensive narrative that communicates not only individual measures, but also the worldview that we are ultimately aiming for, would be useful for helping investors to understand our purpose.

Jozuka I agree and I think this applies to employees as well as investors. Explaining to employees how the new plan's strategies are



connected to their everyday work is essential for realizing concrete action. For example, we need to find ways to show employees how specific aspects of their work contribute to each of the key themes, and also to encourage them to think for themselves about how they would like to contribute through their roles.

Miura Efforts to promote understanding of the new plan both internally and externally are still lacking in places. For example, I think more detailed communication is needed to convey points such as the Group's renewable energy business being top level in Japan in terms of generating capacity and its huge potential for contributing to future profit growth, and how the overseas operations, which is currently in the red, will be turned profitable. If we can encourage understanding of the Group's characteristics and close the gap in market recognition, then I am confident the outcome will be reflected in share prices. Going forward, I would like to see IR activities advanced as an extremely important focus.

Kaiami Although the overseas operations

is not contributing to profits at present, the situation is expected to improve as represented by the FY2030 target of ¥10.0 billion for operating profit. We need to respond to concerns as to whether this is possible by explaining the roadmap for achieving this target.

Hoshino That's right. It will depend on the extent to which we can raise a sense of expectation concerning our future growth potential.

I think this is where our discussions converge. In explanations concerning profit enhancement in the overseas operations and renewable energy business, there needs to be a clearer picture of the analysis.

The explanation of the renewable energy business needs to be more specific. This includes details such as that profits will only grow if we build a resilient value chain that includes not only asset business, but also non-asset business like O&M, and how we will create synergies with the real estate business. As for the overseas operations, we are investing in areas such as logistics to shift the focus of the business away from just residential value-added operations. I would like the Group to demonstrate a more concrete trajectory in order to raise the sense of expectation from both inside and outside, leading to steady progress on the new plan and improvement in corporate value.

Message from the Newly Appointed Outside Director



Kazumi Maeda

Outside Director

Ms. Maeda possesses knowledge and corporate management experience gained at Hyatt (Japan) Co., Ltd. in positions including Regional Vice President in charge of human resources and general affairs for Japan and the Micronesia region. She was appointed an outside director in 2025.

My impression of Tokyu Fudosan Holdings is that it is an urban development company that creates new value for local communities through real estate development and management, and that its strengths are agility and communication ability driven by its corporate spirit. I expect that its pioneering focus on social issues, such as energy and environment, and its history of pursuing corporate growth while also keeping global prosperity and sustainability in mind, will enable it to steadily achieve its vision of realizing a future where everyone can be themselves and shine vigorously.

In my career to date, I have been involved in operations such as new business development at a hotel management company, so I am always conscious of enhancing customer experience value through the provision of extraordinary spaces and services. As values become more diverse and market competition intensifies, I think the Group's business will require a customer-oriented mindset more than ever before. I will strive to contribute to the Group by leveraging my experience to create new value that resonates with diverse stakeholders and to ensure the Group remains a corporate Group that has the trust and support of society.