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Formulation of “Medium-Term Management Plan 2025”

Tokyu Fudosan Holdings Corporation (the " Group ") hereby announces that it has formulated its medium-term management plan with fiscal 2025 as the target year.

1. Background of Formulation of Medium-Term Management Plan

Having formulated its “GROUP VISION 2030” long-term vision and its “Long-term management policy” in May 2021, the Group aims to “realize a future where everyone can be themselves and shine vigorously” under its slogan of “WE ARE GREEN.”

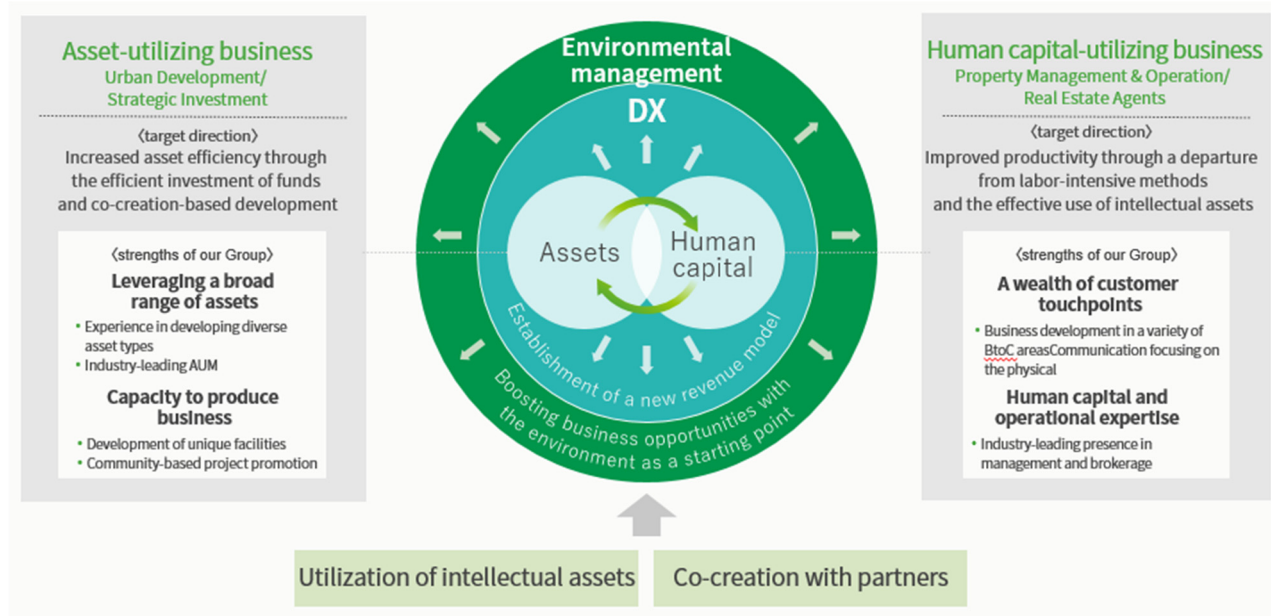
The Group has positioned this plan as the “restructuring phase” under its Long-term management policy.

In line with the group policies and business policy laid out in that Long-term management policy, it will promote the power to earn and improved efficiency with a view to resumed growth in the wake of COVID-19 and aim to realize its ideal vision as well as to build a solid and distinctive business portfolio.



2. Overview of Medium-Term Management Plan 2025

The Group will endeavor to create distinctive value through “Environmental Management” and “Digital Transformation (DX),” two group policies laid out in the Long-Term Management Policy. The Asset-utilizing business (Urban Development/Strategic Investment) is promoting “increased asset efficiency through the efficient investment of funds and co-creation-based development.” Likewise, the Human capital-utilizing business (Property Management & Operation/Real Estate Agents) is promoting “improved productivity through a departure from labor-intensive methods and the effective use of intellectual assets.” As they do so, those businesses will proceed to establish new revenue models by connecting group services through DX, expand business opportunities with the environment as their starting point, and transform the group’s characteristics into its strengths.



[Environmental Management]

The Group will aim to expand business opportunities with the environment as our starting point through initiatives geared towards a decarbonized society, a recycling-oriented society, and biodiversity conservation.

- Decarbonized society Achievement of RE100, introduction of internal carbon pricing (ICP), etc.
- Recycling-oriented society Businesses based on coexistence between the community and the environment, etc.
- Biodiversity conservation Urban tree-plantation and long-term preservation and management, etc.

〈Target indicators for environmental management〉

- CO2 emission reduction targets

Achievement of SBT target of 1.5°C and CO2 emission reductions of 46.2% (versus fiscal 2019) by 2030	
Scope 1 & 2 (The group)	Achievement of CO2 emission reductions of 50% or more (versus fiscal 2019) by 2030
Scope 3 *1 (Supply chain)	<ul style="list-style-type: none"> • Cooperative endeavors with partners (construction companies, etc.) • Provision of decarbonized value to customers

*1. The subjects of reduction targets under the Company’s SBT certification are categories 1, 2 & 11

• Initiatives aimed at realization

RE100	Achieve in 2022 (Tokyu Land Corporation)
ZEB/ZEH level *2	FY 2025: Approx. 50% FY 2030: 100%
Acquisition of environmental certifications *3	FY 2025: Approx. 70% FY 2030: 100%
Introduction of ICP	FY 2023: Application to management decisions

*2. Percentage of condominiums, offices and other facilities of Tokyu Land Corporation with a building performance equivalent to or greater than ZEB/ZEH Oriented (construction start basis)

*3. Large non-residential properties held (with a floor space of 10,000m² or more) are subject to certification. Certain exceptions (joint businesses, etc.) are present.

[DX]

The Group will apply DX towards maximizing the value of the “assets” and “human capital” that it holds and aim to establish a new revenue model.

- Improvement of the city’s centripetal force through smart urbanization
 - Realizing smart cities based on advance CX models through comfortable urban living
- Creating advanced service models through optimal integration of humans and digital technologies
 - Rolling out services with high levels of value-added and endeavoring to create new business models and maximize revenue sources

〈Mechanisms to accelerate DX〉

Developing and securing human capital	Establishing a DX function company/Conducting DX and IT human capital development training
Strategic IT Infrastructure Development	Establishing digital workplaces for creating value
Internal venture scheme	“STEP” new business proposal system (since 2019)
Collaboration with tech companies	Enhancing work efficiency and improving CX with the use of advanced technology
Organizational culture and work-style reforms	Implementation of climate-fostering events (Venture management speeches, pitches, etc.)
Co-creation through CVC	Generating synergy with CVC, universities/overseas venture companies, etc.

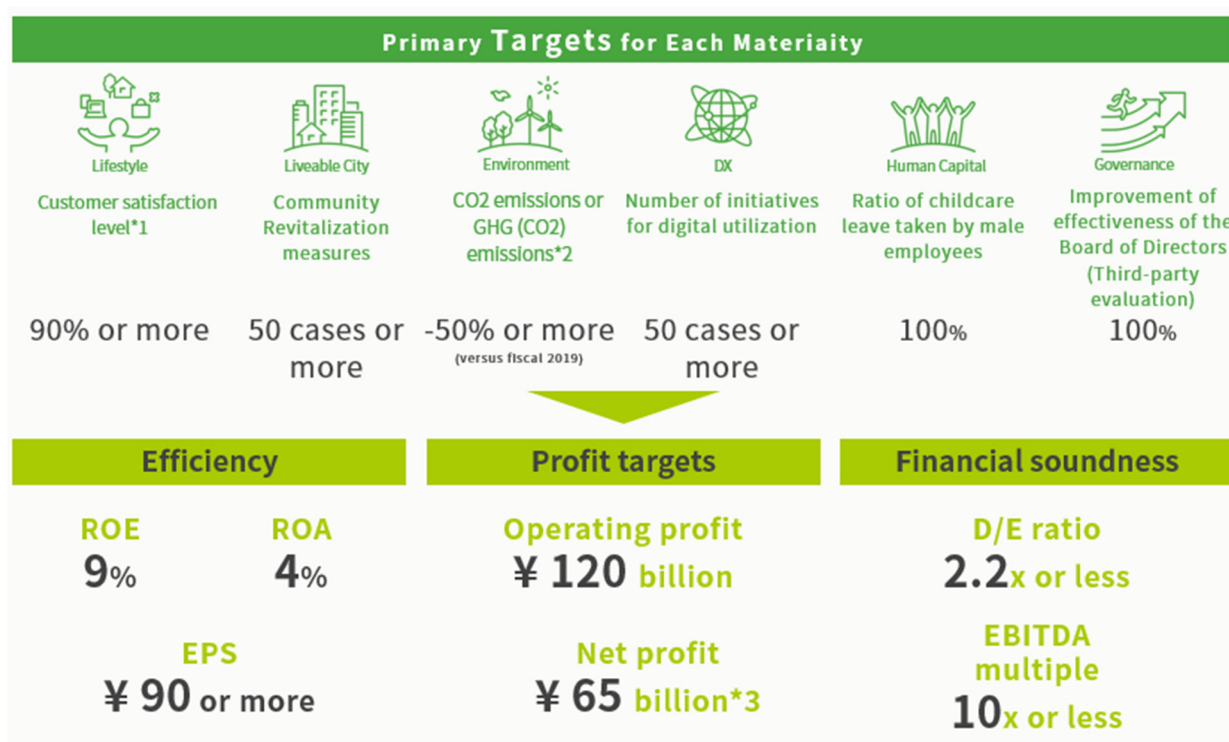
[Strengthening of Management Base]

The Group will steadily strengthen our management base to achieve GROUP VISION 2030.

- Financial capital strategy Efficiency-minded profit growth based on an optimal financial capital composition
- Human capital and organizational climate Fostering an innovative organizational climate with a sense of unity
- Governance Establishing a fair, highly transparent governance framework

3. Target Indicators for FY2025

The Group will aim to achieve target indicators that integrate financial and non-financial data based on the materialities.



*1. Tokyu Cosmos Members Club questionnaire

*2. Scope 1 & 2 under SBT certification

*3. Profit attributable to owners of parent

4. Capital Allocation

The Group will adequately control its balance sheet while maintaining/lowering its D/E ratio largely through the promotion of capital efficiency-minded investment. Moreover, regarding the return of profit to shareholders, the Group's policy is to expand EPS through growth reinvestment and continue maintaining a dividend payout ratio of 30% or more as it moves forward.

[Unit: ¥ billion]

Cash flow

CF from operating activities	470
CF from investing activities	570
CF from financing activities	100

<Shareholder Returns Policy>

Dividend payout ratio 30% or more;
continuation and maintenance of stable
dividend payment

Investment plan*

Gross investment	2,200
Asset utilization	2,000
Urban Development	1,330
Strategic Investment	670
Human capital-utilization	150
Tokyu Fudosan Holdings Corporation	50
Amount recovered	1,630
Net investment	570

*Applies to five-year period between FY 2021 and FY 2025

Tokyu Fudosan Holdings Group's "GROUP VISION 2030" long-term vision

<https://www.tokyu-fudosan-hd.co.jp/english/group-vision-2030/>