

TOKYU
FUDOSAN
HOLDINGS

2 0 2 1

I N T E G R A T E D

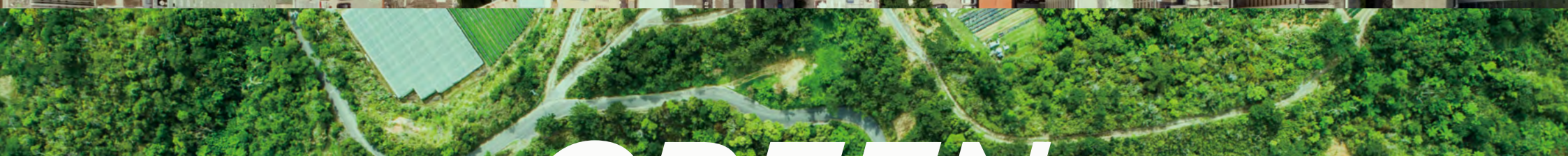
R E P O R T



WE



ARE



GREEN



The spread of the new normal and the diversity of work styles. The rise of the social and ecologically minded future generation. What do we want to be in an uncertain and unpredictable world where values are changing, which is being called the era of VUCA? Where are we headed? We will create new lifestyles that combine home, work and play styles, along with impressive new experiences enabled by DX, while contributing to a decarbonized society with the diverse green power we possess. To create a future where everyone can be themselves and shine brightly. We will aim to become a corporate group that creates value for the future.

WE ARE GREEN

Contents

05	The Group Philosophy
09	The Group's History of Tackling Social Issues
10	At a Glance
11	Message from the President

Section 1

The Value Creation Story

19	Process for Value Creation
20	Overview of Sustainable Management
21	Themes of Our Efforts to Create Value (Materialities)
22	Materiality Identification Process
23	Expectations from Stakeholders

Section 2

Value Creation Utilizing Our Strengths

27	Evolution of Lifestyle Creation
32	The Group Policy Environmental Management
37	The Group Policy DX

Section 3

Business Strategies for Value Creation

42	Special Feature The Greater Shibuya Area Concept
44	Special Feature Urban Development of the Takeshiba Area
46	Urban Developmen
49	Strategic Investment
52	Property Management & Operation
55	Real Estate Agents

Section 4

Foundations Supporting Our Sustainable Growth

59	Financial Capital Strategy
64	Human Capital and Organizational Climate
66	Governance

Section 5

Data Section

83	Status of Achievement of the Medium-Term Management Plan
84	Financial and Non-Financial Data
86	Business Areas
88	Socially and Environmentally Friendly Assets
90	Support of International Initiatives / External Evaluations
91	Holdings Structure
92	Corporate Overview / Stock Information
93	Communication with Stakeholders
94	On Publishing the 2021 Integrated Report

THE GROUP PHILOSOPHY

The Group Philosophy

In formulating its long-term vision, GROUP VISION 2030, the Group has redefined its Group Philosophy. In order to realize a sustainable society and growth, we aim to become a corporate group that continues to create value.

Our ideal vision

Create value for the future

We resolve social issues through our business activities and aim for sustainable society and growth together with our stakeholders.

We realize a future where everyone can be themselves and shine vigorously through the creation of a variety of appealing lifestyles.

Our pledge to society

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders.

Our founding spirit

Challenge-oriented DNA

A progressive spirit inherited since the development of Den-en Chofu, a pioneering effort to create the ideal town

[Group Philosophy] **Our Ideal Vision**

In our ideal vision, we define the types of value creation we aim to achieve. Using backcasting, with an eye to social changes predicted to take place during the 2030s, we have identified ideal visions for three key areas: Individuals, Society and the Environment. We realize a future where everyone can be themselves and shine vigorously.

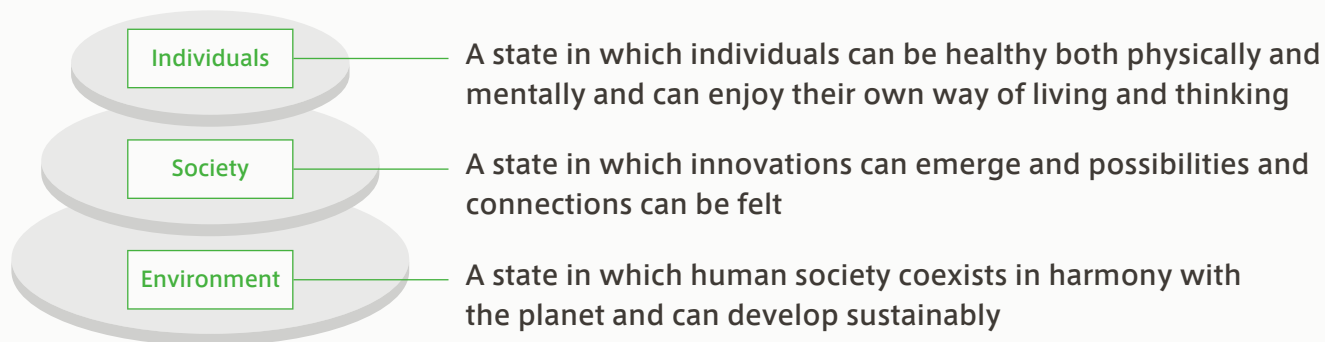
Create value for the future

We resolve social issues through our business activities and aim for sustainable society and growth together with our stakeholders.

We realize a future where everyone can be themselves and shine vigorously through the creation of a variety of appealing lifestyles.



The value creation we aim to achieve



[Group Philosophy] **Our Pledge to Society**

In our pledge to society, based on our ideal vision, we have identified future society—the generations of consumers that will become the Group's future customers and the global environment of the future—as our sixth stakeholder. Looking ahead, we aim to increase corporate value by expanding the circle of satisfaction for all stakeholders.

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders.



Customers

Always coming face-to-face with customers, we will provide value that will ensure that we continue to be chosen by them.

Business partners

We will create value in partnerships and aim to achieve growth together with our partners.

Shareholders and investors

We will maximize shareholder value through sustainable growth.

Group employees

We develop human capital who can tackle challenges and create workstyle environments where Group employees can work actively.

Local communities

We will contribute to a sustainable society by initiatives to coexist with communities and revitalize them.

Future society

We aspire to pass on to future generations a world full of hope with a rich environment.

[Group Philosophy] **Our Founding Spirit**

In our founding spirit, we have highlighted the role of our Challenge-oriented DNA in working to resolve social issues through our business activities. Around 100 years ago, Eiichi Shibusawa and his companies created the beautiful and comfortable residential district of Den-en Chofu, with its harmonious balance of housing and garden elements, in order to resolve the housing shortage which was a social issue at the time. We will continue to value this as the original starting point of our Group, and continue to maintain this sense of enterprising spirit.

Challenge-oriented DNA



I wanted to create something resembling a Garden City in Japan and to make up even a little for the shortcomings of city life.

Seien Kaikoroku
[Memoirs of Eiichi Shibusawa]

The origin of wealth is *jingi-dotoku* (humanity and morality); unjustified wealth cannot be eternal.

Rongo to Soroban
[The Analects of Confucius and the Abacus]

Eiichi Shibusawa

1840 - 1931 | Established the Den-en Toshi Company, the origin of the Group

Eiichi Shibusawa is often referred to as the father of Japanese capitalism for his role in building the foundation for the Japanese economy. He was active from the Meiji era (1868-1912) into the early Showa period (1926-1989).

He was involved in the establishment and development of around 500 companies and around 600 public works projects, and made great efforts in support of philanthropic activities.



Provided by: TOKYU CORPORATION

Recently, I often hear the expression, "return of profits from companies to society." I absolutely hate these words. In the first place, companies that are not needed by society will never develop. Companies should pursue their original goals. This is an act that we should call "returning profits to society."

Toshi to Ningen-no Atarashii Chowa wo Motomete
[In pursuit of new harmony between cities and people], a corporate bulletin published to commemorate the 20th anniversary of TOKYU LAND CORPORATION

Noboru Goto

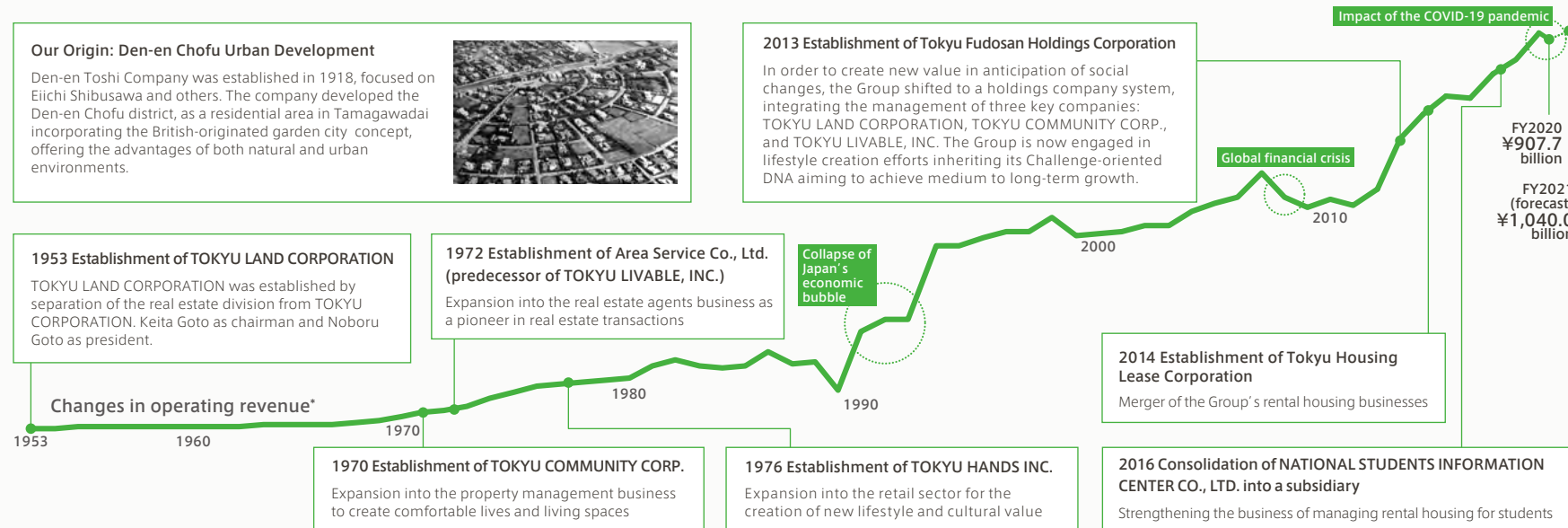
1916 - 1989 | First president of TOKYU LAND CORPORATION

Noboru Goto led the Tokyu Group after succeeding his father Keita Goto, the Group's founder. As the first president of TOKYU LAND CORPORATION, he engaged in large-scale urban development and resort development projects, as well as serving as chairman of the Japan Chamber of Commerce and Industry (JCCI).

The Group's History of Tackling Social Issues

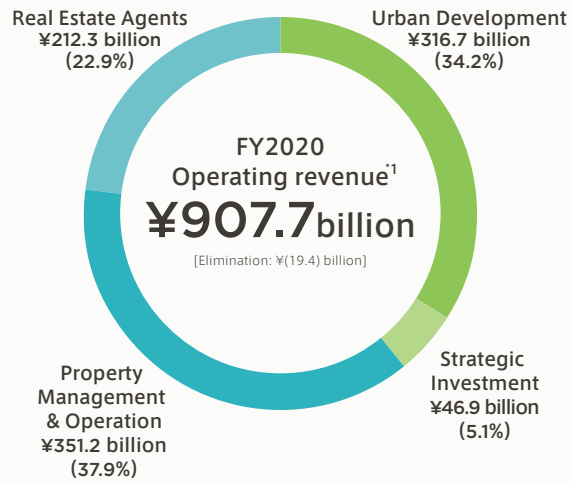
From its beginnings in the development of garden cities, during its founding period, the Group focused its energies into the development of areas such as Shibuya and Daikanyama. During the 1970s and 1980s, we sought to diversify our business operations. In the 2000s, we shifted toward property leasing as our main pillar of income. Now, we have developed an organizational structure which aims to achieve sustainable growth through co-creation within the Group. Throughout our history, we have faced up to social issues as they change with the times, and worked sincerely to resolve them.

1953–1960s	–1980s	–2000s	–Present
<p>Foundation period focused on urban development</p> <p>During the period of rapid economic growth that followed Japan's post-war recovery, the problem of housing shortages in urban areas became apparent. The Group supplied residential properties and commercial facilities primarily in its base area of Shibuya, and pursued the creation of value through real estate business.</p>	<p>Pursuing business diversification to become a total lifestyle producer</p> <p>As living standards continued to rise, people's values also began to diversify. The Group began working to diversify its operations—encompassing property management and real estate agency operations, retail and resort development—and grew into a corporate group providing total lifestyle services.</p>	<p>Shifting to a revenue base centered on rental business</p> <p>After the collapse of Japan's economic bubble, the Group shifted its focus from the long-term development of suburban housing to the leasing of offices, commercial facilities and other properties. We also improved our finances and strengthened our revenue base.</p>	<p>Aiming for sustainable growth through Group management</p> <p>After the global financial crisis, we began working to optimize our balance sheet. This included two REIT listings and transition to a holdings company system. In this way, we created a roadmap for the Group to achieve stable growth.</p>

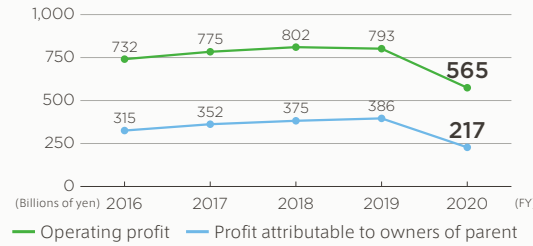


*From fiscal 1953 to fiscal 1992, non-consolidated operating revenue from TOKYU LAND CORPORATION, from fiscal 1993 to fiscal 2012, consolidated operating revenue from TOKYU LAND CORPORATION, and from fiscal 2013 onward, consolidated operating revenue from Tokyu Fudosan Holdings Corporation. (fiscal 1989 was only a 6-month fiscal term, as the fiscal term was changed from September to March that year)

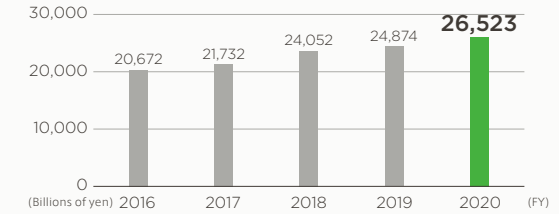
At a Glance



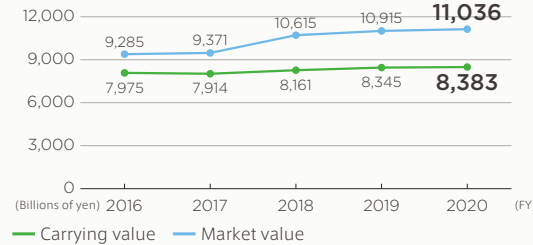
Operating profit / Net profit



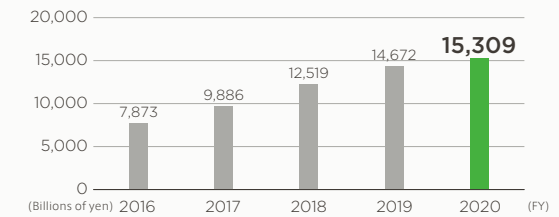
Total assets



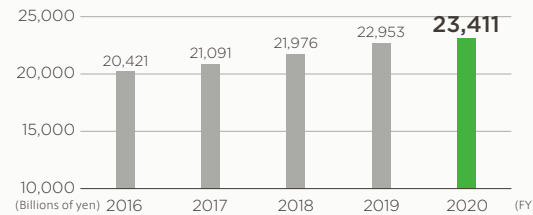
Market value appraisal for leased properties



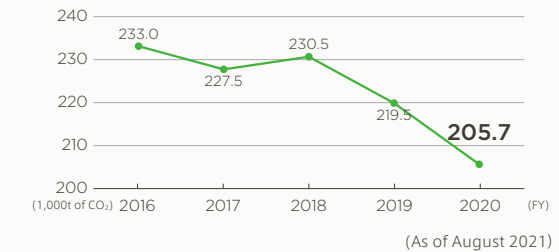
Assets under management



Group employees²



CO₂ emissions



¹. As of fiscal 2021, we have changed our segment system from our previous seven businesses segments to four business segments. Segments are therefore displayed in the new segment configuration.
². The number of group employees does not include temporary employees.

Message from the President

Working under the Group's slogan of WE ARE GREEN to create a future where everyone can be themselves and shine vigorously



Awarai Toshihiko

President & CEO, Tokyu Fudosan Holdings Corporation

WE ARE GREEN—. This is the slogan of GROUP VISION 2030, our long-term vision that we announced in May this year. After the announcement, we received the greatest response ever, from both inside and outside the Group. I feel that it served as a catalyst for letting them know what we wanted to tell them.

We have developed this long-term vision reflecting our strong belief that we need a guidepost for management showing the direction of the Group, more so because we are living in an era of volatility, uncertainty, complexity and ambiguity (VUCA). Consequently, we have developed our management policy by discussing what we want to be a decade from now, based on a backcasting approach rather than the conventional building-up type plan.

For the long-term vision, we have reorganized our philosophy in light of the origin and history of the Group and set themes of our efforts to create value (materialities), thus creating a roadmap for us to achieve our ideal vision and enhance the shareholder value and the corporate value.

The slogan represents our desire to merge the diverse green power offered by the Group and lead to the creation of new value. Using our corporate color green as the base color, we express the diversity of the Group's wide range of business activities and human capital using a color gradation. Green symbolizes the environment and sustainability, as well as our goal of creating a future where everyone can be themselves and shine vigorously; in the same way as young leaves sprout and grow bigger, taking advantage of their own individuality. Under the slogan of WE ARE GREEN, we all will aim to be a corporate group that continues to create value for the future.

It is one year since I was appointed president, but the transformation of the Group has just been begun. We plan to announce our medium-term management plan for fiscal 2025 in May next year. I have renewed my determination to shift up another gear here to achieve the Group's ideal vision with speedy management.

Creating stages for each one person to shine

The theme of our value creation that we aim to achieve by 2030 is to realize a future where everyone can be themselves and shine vigorously through the creation of a variety of attractive lifestyles. In anticipation of changes in individuals, society, and the environment, we have summarized what we expect the world to be like, from four perspectives.

Our vision of the world in 2030

1. Toward an era in which the meaning of going to real places will be questioned
2. Toward an era in which contribution to the environment becomes a corporate value
3. Toward an era of personalized customer service
4. Toward an era of co-creation through borderless society

On the level of individuals, the emergence of Generation Z, who are social natives and have high environmental awareness, will significantly change consumption patterns and lifestyles. We expect society to evolve into one where individuals will

pursue their happiness based on their respective values instead of common criteria.

From a social perspective, we expect fundamental changes in the concepts of time and place, such as the integration of the online with the offline and changes in the definition of urban and rural areas.

Looking at the environment, we see measures to tackle climate change and moves to achieve decarbonization spreading as common issues of global citizens. While borders are being eliminated around the world, I understand that we will be required to have strong awareness of the social significance of businesses and co-create value through partnerships.

I believe that providing stages for each person to shine in light of this business environment will lead to the Group's distinctive value provision to customers.

Making the breadth of our business wingspan into an advantages

Under our long-term management policy aimed at achieving our ideal vision, we will aim to enhance shareholder value and corporate value by building

a solid and distinctive business portfolio and by improving ROE and achieving EPS growth.

To accomplish this, we have established environmental management and digital transformation (DX) as a Group policy. I believe it is precisely these two pillars that will be the key driver to turn the wingspan of our business, which is a distinctive feature of the Group, into a real advantage. Both require a higher perspective, which enables us to take an overall view of the Group. I myself will take the lead in accelerating our initiatives.

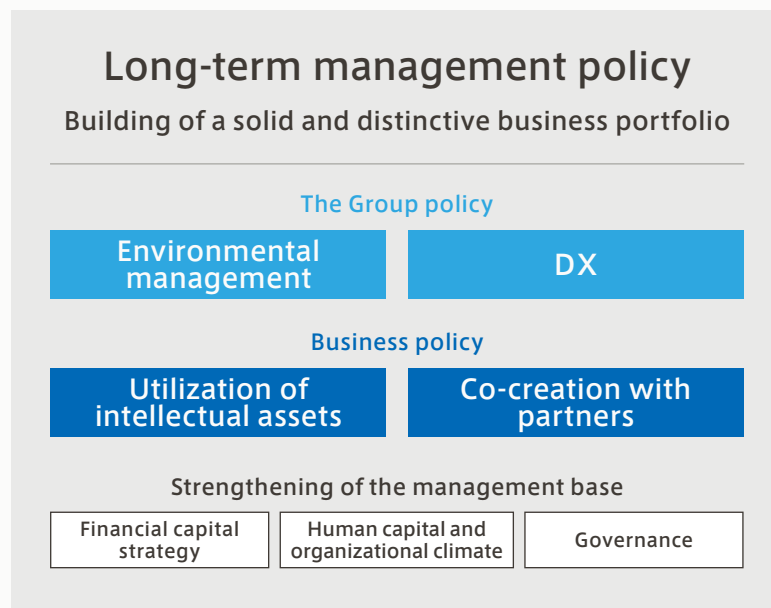
In addition, we have positioned utilization of intellectual assets and co-creation with partners under our business policy, so as to further evolve the associated assets expansion model. We will strive to generate earnings from know-how and data obtained from associated assets and maximize business value by actively utilizing external resources.

At the Group, we had a marked tendency to take a self-supporting approach. Today, when businesses are increasingly sophisticated and complex, it is important to join hands with external partners proactively in pursuit of optimal solutions.

Overview of the GROUP VISION 2030, Long-term Vision

WE ARE GREEN Create Value for the Future

Themes of our efforts to create value (Materialities)



Realization of our ideal vision

We will look outward, without being trapped by stereotypical views, in our efforts to acquire new business opportunities.

Enhancing our business competitiveness with environmental management

The United States has rejoined the Paris Agreement and referred to the carbon border tax. In Japan, the Suga Administration has declared that it will achieve carbon neutrality by 2050. These and other international initiatives have been accelerated to achieve a carbon-free society and recycling-oriented society. Arguably, we have entered an era when companies' environmental initiatives are linked directly to their competitiveness. At the Group, we developed our basic environmental policy in 1998 and began to take initiatives such as the *Midori wo Tsunagu Project*, urban greening, and biodiversity conservation. Through these and other activities, we have been practicing environmentally friendly management from an early stage.

Under our long-term management policy, we will aim to reduce the environmental impact of all of

our businesses by taking advantage of our competitive edge in the renewable energy business. Regarding climate change, we have set high goals of achieving the Science Based Targets (SBT) of limiting warming to 1.5 degrees Celsius by 2030, with our supply chain included in the targets of our activities to achieve this, and attaining net zero emission by 2050. We will continue to lead the industry and strive to improve our competitiveness as an environmentally advanced company by working in harmony with international actions. [See P.35](#)

At the same time, we will work to create comfortable communities and lifestyles that contribute to the environment as part of our activities to suggest lifestyles in our own way. Promoting environmental management also leads to the development of a mindset to solve social issues through business activities. Each one of the Group's employees will work on businesses by keeping in mind our responsibility for the present and future society.

Realizing asset as a service with DX

For DX as the other element of the Group policy, we will work on the operation process, customer

experience (CX), and innovation. The irreversible flow of digitalization is about to bring major changes to all the business domains where we operate. Previously, the source of our competitiveness lay in the upstream of the value chain. In the digital era, however, contacts with customers will be the source of our competitiveness. In particular, we will focus on the creation of impressive experience by improving CX, taking advantage of various contacts with the customers of the Group. [See P.39](#)

At the Group, we operate a large number of businesses that involve direct contact with customers. They include operation services for various assets, property management and real estate agents businesses, and our retail brand store, Tokyu Hands. The ability to create unique businesses through dialogues with customers. This is a great advantage over other general real estate companies in an era when points of contact with customers are the source of competitiveness.

Collaboration within the Group and with external parties are essential for promoting DX. We will advance Group-wide initiatives so as not to fall in the DX trap — that is, seeking the optimal solutions fragmentally — as we experienced in IT reform.

The progress of DX is accelerating the elimination of boundaries among different aspects of life, that is, living, working and spending time. I believe that increasing importance will be attached to the value of Asset as a Service (AaaS) in the coming digital era. We will enhance the value of assets by merging the physical with the digital, such as developing smart cities, and by creating advanced service models through the promotion of Online Merges with Offline (OMO) initiatives.

Evolving lifestyle creation

We have been proposing diverse lifestyles, which are created by merging living, working, and spending time, from the viewpoint of the time axis and space axis. [See P.29](#)

I feel that the merger of different aspects of life, which we have been advocating as Lifestyle Creation 3.0, is making faster progress than expected, partly reflecting the impact of the COVID-19 pandemic. Telework has spread, and diverse workstyles have become more common. The diversification of workstyles is essentially also the diversification of lifestyles. I think that lifestyles

that combines life scenes, such as workcations, which bring together work and vacations, and multi-habitation, will continue to emerge in the future.

We will proactively suggest new lifestyles that are appropriate for the coming era, by combining the breadth of our business wingspan, which has diverse solutions for work styles, home styles and play styles with environmental management and DX as the Group policy.



Shibuya Sakuragaoka Block Redevelopment Plan

Enhancing the value of the greater shibuya area

The Greater Shibuya area, which is our business base, is the place where we will create a new city by adopting Lifestyle Creation 3.0, the Group's strength, in the overall area.

The flow of people in urban areas has changed markedly with the spread of telework in the COVID-19 pandemic. However, unlike Marunouchi, business district and Nihonbashi, commercial district, Shibuya has always had multi-faceted appeal as a place for working, living, and playing. Startups attracted to the non-authoritarian atmosphere of Shibuya see the area's great potential as a place for innovating — more so now with the changes taking place. To further enhance the value of the greater Shibuya area, we will continue aggressive investments in both urban development and branding of the area. [See P.42](#)

Besides Shibuya area, in the Tokyo Bay area, Takeshiba, we have been working to create a smart city by utilizing cutting-edge technology, centered on the smart building TOKYO PORTCITY TAKESHIBA. We will seek to turn Shibuya into a smart city by applying the know-how of urban OS

construction cultivated in Takeshiba. [See P.44](#)

Review of the medium-term management plan and our challenges

Under the medium-term management plan for the period to fiscal 2020, we could not achieve our financial targets due to the impact of COVID-19. However, we achieved certain results, such as expanding the base of our leasing business and growing our infrastructure business.

In addition, we recognize that we have the following four challenges at present:

- Increasing efficiency through balance sheet management
- Building a solid business portfolio
- Shifting away from labor-intensive operation
- Breaking away from a self-supporting approach and developing human resources.

The most important task is restructuring the business portfolio. We have reorganized our business segments into asset-utilizing business and human capital-utilizing business in light of

differences between our businesses in social role and growth scenario.

In the asset-utilizing business, we have expanded our stable revenue base with the completion of major projects such as TOKYO PORTCITY TAKESHIBA and SHIBUYA FUKURAS. Accordingly, in the next phase, we will aim to improve profitability and efficiency by expanding cyclical reinvestment.

In the human capital-utilizing business, we will change labor-intensive business into the utilization of intellectual assets by making use of our intellectual property, such as knowledge of property management and operation, and advanced technologies. We will therefore improve productivity, aiming to achieve profit growth.

Leader's mission and tasks

My mission as the leader of the pure holdings company is to allocate management resources appropriately to achieve total optimization of the Group from a medium to long-term perspective, to match changes in business conditions. We will work on the following three tasks to enable us to operate across the boundaries between operating

companies, rather than the individual optimization of those companies.

1. Business portfolio management We will build a solid and distinctive business portfolio by evaluating each business based on criteria that are common to all businesses. To maximize the business value, we will review our businesses fundamentally, including the use of external capital, such as M&A and alliances, among our options. [See P.60](#)

2. Governance reform We will continue to build a fair, highly transparent corporate governance system. Ongoing efforts are being made to improve our governance system, so that it contributes to sustainable growth. We are advancing third-party evaluations from the viewpoint of improving effectiveness, in addition to increasing the number of outside directors and securing diversity. Moving forward, we will reinforce this system in anticipation of our move to the Prime Market. [See P.66](#)

3. Organizational climate reforms I believe that human capital constitutes the most important part of our management foundations. I expect our

employees to maintain a professional attitude, backed by a sense of mission to face society and by a strong sense of ethics. And I will spearhead efforts to develop an integrated, innovative organizational climate to fulfill the role of the company and employees, aiming to enhance our corporate value, starting with a contribution to social issues.

Regarding workstyle reforms and the creation of a vibrant workplace, diverse ways of working have emerged due to the COVID-19 pandemic. It has made it more important than ever to promote health and productivity management. While the integration of work and life is making progress, we will adopt initiatives that help employees deal with physical and mental stress. [See P.64](#)



The Group continues to be supported beyond trust

We believe that the corporate value of the Group is the sum total of the levels of satisfaction of all of our stakeholders. Among them, those of us in the working generation have a responsibility to pass on to future generations a world filled with hope and a rich environment. Therefore, we have added future society as our sixth stakeholder to the Group philosophy that we redefined. [▶ See P.07](#)

I am sometimes surprised at the high environmental awareness of the younger generation. What baton can we pass on to future generations as an environmentally advanced company? We will create value which we can boast to future generations, in a future-oriented manner, without being caught up in conventional ideas or custom.

In my last year's message, I stated that the most important thing in order for us to be a corporate group that create a value for the future is to continue to be trusted and loved by all of our stakeholders. The ideal vision has remained unchanged. If customers are attached to our

products and services beyond reason and trust, they should naturally continue choosing those products and services. I feel that we need to continue building up emotional, intangible assets that are something more than an actual benefit, or strong brand power as it were, as the value of the Group.

To become such a group, it is important that, first and foremost, our Group employees should come to like their companies and feel loyalty to them. I would like to make the Group a highly trustworthy organization, where we are aware of our responsibilities as working members of society, respect diverse values, and boldly take on new challenges.

When each person behaves faithfully every day and builds the trust of the individual, the aggregate becomes the trust of the organization. We need to continue our current evaluations that our predecessors have accumulated.

Our Group started from the development of Den-en Chofu, which was created in a pioneering initiative by Eiichi Shibusawa and his colleagues about a century ago. Since then, our Challenge-oriented DNA has been passed down, and the

Group has consistently worked to solve social issues through its business activities. We maintain this founding spirit today and will continue to move forward with society.

Finally, if I can describe the slogan of our long-term vision, a future where everyone can be themselves and shine vigorously, in my own words, it is a society where anyone can feel happy in their own way. I would like to create a bright future where anyone can make themselves happy in their own ways. And I believe strongly that, by continuing to create sustainable value to achieve this, the Group can play a role in creating a bright future.

Section 1 — The Value Creation Story

19 Process for Value Creation

20 Overview of Sustainable Management

21 Themes of Our Efforts to Create Value (Materialities)

22 Materiality Identification Process

23 Expectations from Stakeholders

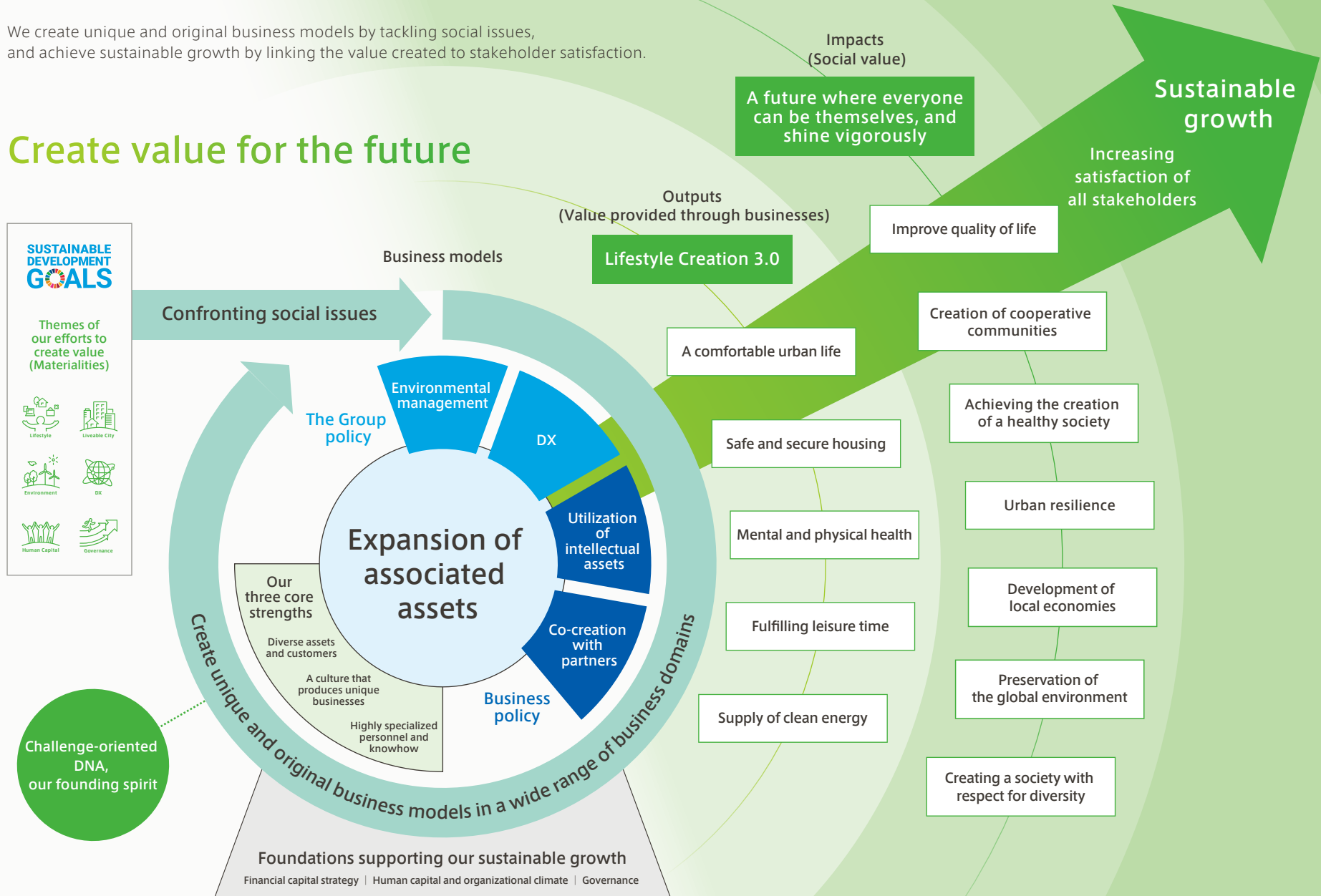
Local Community Interview: Matsumae, Hokkaido

Future Society Interview: Generation Z

Process for Value Creation


We create unique and original business models by tackling social issues, and achieve sustainable growth by linking the value created to stakeholder satisfaction.

Create value for the future



Overview of Sustainable Management

The Group has organized business opportunities and risks and established KPIs for each materiality toward the achievement of its ideal vision for 2030. In this way, we aim to increase outputs and impacts to society and contribute to the SDG goals.

Social issues	Materialities	Opportunities and risks ■ Opportunities ■ Risks	Ideal vision for 2030	Non-Financial KPI (FY2030)	SDGs Targets 	Financial KPI (FY2030)	Results and changes
	Social issues	Lifestyle	Diversification of lifestyles	A vibrant life both physically and mentally	Customer satisfaction level ^{*1} 90% or more	10.3	Lifestyle Creation 3.0
Mismatch to consumer needs			Products and services that contribute to the Lifestyles Creation 3.0 100 cases or more		5.1 8.8 12.7		
Liveable City		Mental and physical health / Disaster preparedness and disaster damage reduction	A society where everyone can feel happy	Measures to revitalize communities 100 cases or more	11.3	● A comfortable urban life ● Safe and secure housing ● Mental and physical health ● Fulfilling leisure time ● Supply of clean energy	
		Dilapidation and decline of urban areas		Strengthening of safety and security ^{*2} 100%	3.9 11.3 11.5		
Environment		Growing needs to respond to decarbonization and recycling	A carbon-free society and a recycle-oriented society	RE100 ^{*3} to be achieved by 2025 ^{*4}	7.2	● A comfortable urban life ● Safe and secure housing ● Mental and physical health ● Fulfilling leisure time ● Supply of clean energy	
		Intensification of disasters and increase in response costs		Percentage of renewable energy power usage 60% or more	7.2		
DX		Increasing importance of customer contact points	Create customer's new experience value	CO ₂ emissions (compared with FY2019) (46.2)% (SBT certification)	13.1	● A comfortable urban life ● Safe and secure housing ● Mental and physical health ● Fulfilling leisure time ● Supply of clean energy	
	Declining position of real experiences	Reduce water usage (compared with the previous fiscal year)		6.4 12.2			
Human Capital	Securing diverse human capital	An organizational climate for continuously creating innovation	Waste volume (compared with FY2019) (11)%	12.5	● A comfortable urban life ● Safe and secure housing ● Mental and physical health ● Fulfilling leisure time ● Supply of clean energy		
	Intensifying competition in the human capital market		Environment certification acquisition ^{*5} (e.g. CASBEE, DBJ) 100%	9.4 15.5			
Governance	Deepening relationships with stakeholders	Sustainable improvement of corporate value	Sustainable procurement (wood materials for molds) 100%	15.2	● A comfortable urban life ● Safe and secure housing ● Mental and physical health ● Fulfilling leisure time ● Supply of clean energy		
	Increasing cost of fundraising		Midori wo Tsunagu Project (area of forest protected) 3,000ha	15.2			

*1. Tokyu Cosmos Members Club Questionnaire survey *2. Support people who have difficulty returning home in the event of a disaster in a large and 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. TOKYU LAND CORPORATION employees

Themes of Our Efforts to Create Value (Materialities)

To realize its ideal vision, the Group is engaged in efforts focused around six themes (materialities) through its business activities. By implementing strategies in line with each theme, we will contribute to the creation of a sustainable society.



Lifestyle

Create a variety of lifestyles

We will realize a vibrant life both physically and mentally by promoting the Lifestyle Creation 3.0 that combines home, work and leisure styles.



Liveable City

Create well-being communities and lifestyles

We will realize a society where everyone can feel happy by building a secure, safe and comfortable life infrastructure and creating mutual aid communities.



Environment

Create a sustainable environment

As an environmentally advanced company, we will create a carbon-free society and a recycle-oriented society by addressing global issues such as climate change.



DX

Create value in the digital era

We will work on our business model transformation by utilizing digital technologies to create customer's new experience value.



Human Capital

Create an organizational climate under which diverse human capital is enlivened

We will continue to create innovation by addressing an organizational climate that respects human rights and under which diverse human capital can exercise their abilities.



Governance

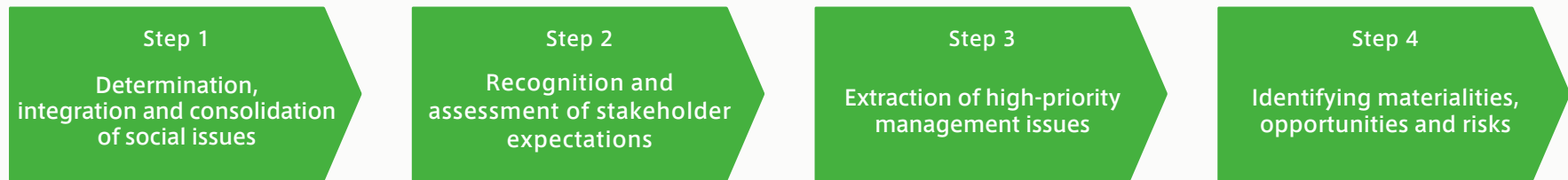
Create governance to accelerate growth

As a group trusted by all stakeholders, we will aim to enhance our corporate value sustainably by increasing management transparency and fairness.



Materiality Identification Process

In identifying its materialities, the Group identified key management issues that it should place a priority on tackling, based on sorting and analysis of numerous issues being faced by society, and dialogues with stakeholders.



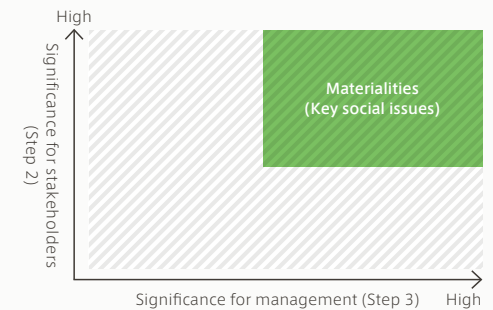
Social issues were determined and aggregated into a list of 561 items by references to stakeholders' comments, the Group companies' views, international frameworks such as SDGs, ISO26000, GRI and SASB, SRI ratings such as FTSE and DJSI, analyst reports, trends in competitors' activities and issues recognized by Japanese government and economic organizations. The list was integrated and consolidated into 37 social issues by sorting out similar ones, taking into account relevance to the Group.

We asked our vital stakeholders for their expectations to make sure they are sufficiently covered by the 37 issues whose importance were then evaluated. [See P.23](#)



For the 37 social issues, we evaluated their opportunities and risks to the Group as a whole and to each Group company to assess their importance. The issues were also considered for their relevance to the long-term management policies to select high-priority management issues.

Considered and identified management issues were assessed along two axes: significance for stakeholders verified in Step 2 and significance for management verified in Step 3. The Board of Directors then identified six particularly significant key themes (materialities) for efforts toward value creation and then organized opportunities, risks, ideal visions and KPIs for each theme.



Expectations from Stakeholders

The Group is constantly conscious of the existence of its six groups of stakeholders. In Step 2 of the materiality identification process, we conducted interviews to understand the expectations of each stakeholder. Here, we introduce some of the opinions that were emphasized in particular.

Customers

- Customers want Tokyu Plaza Shibuya to make effective use of its unique presence in Shibuya, which has a concentration of commercial facilities.
- Efforts are needed with a focus not only on individual facilities, but also on the city as a whole.
- As tenant lifestyles continue to diversify, customers would like the Group to propose new rental property management solutions for the future.
- Customers hope that the membership-based shared office Business Airport will be a place that creates value through interactions and exchanges between members.
- Customers want to see functional office buildings that capture contemporary needs, such as specifications that include greater usability for non-Japanese users.

Business partners

- Business partners would like to work together with the Group to reduce CO₂ emissions from buildings in order to achieve the realization of a carbon-free society.
- Business partners expect contributions to solving industry-wide issues such as securing skilled workers.
- Since Japan has many natural disasters, safe and secure urban development is an important theme, and business partners would like to work together with the Group to tackle it.



SHIMIZU CORPORATION
Mika Kaneko, Executive Officer and General Manager, Environmental Strategy Office (center)
Tomoyuki Moriguchi, Manager, SDGs & ESG Promotion Department (left)
Masahiro Yamazaki, Manager, ICT · Smart Business Division (right)

Shareholders and investors

The Group has been selected in the SRI index, which ESG investors value. (Main indexes in which the company has been selected)



Group employees

- Employees want to create cities and lifestyles where all people can feel happy, regardless of their generation.
- Employees would like to create sustainable recycling-based cities and propose ways of living, working, and playing, with a view to the era of 100-year life expectancy.
- Employees want to create communities that are friendly not only to the global environment but also to all people living in the city.
- Employees would like to propose urban development that creates a cycle of generations, contemporary needs and businesses, and creates a society full of hope.

Local communities

- Although it has decreased somewhat due to the COVID-19 pandemic, the flow of real people will remain important, so we should ask ourselves again what role the city should play in that.
- In the Greater Shibuya area, communities hope that the Group will share information connecting a diverse range of people, leading to the creation of new relationships with colleagues both at work and in private.
- As working styles continue to diversify due to the COVID-19 pandemic, there is a growing shortage of places for teleworking. A third location for work aside from home and office, such as that provided by Business Airport, is needed.



Toshihide Maeda
President, Brain Corporation

☞ Page 24 Local Community Interview: Matsumae, Hokkaido

Future society

We continue to engage in dialogue with future generations, including young employees of Generation Z.

☞ Page 25 Future Society Interview: Generation Z

Local Community Interview: Matsumae, Hokkaido

Utilizing the asset of wind power to unlock the future of the region together

Located in Matsumae, at the southernmost town of Hokkaido, ReENE Matsumae Wind Power Plant boasts some of Japan's tallest wind turbines, and is the first wind power plant in Hokkaido to have a storage battery. With Matsumae as the stage, Town Mayor Hideo Ishiyama—who is engaged in various regional revitalization efforts—and Shinji Yamanaka—who is in charge of local projects—discussed wind power generation and town development.

Working toward disaster-resilient town development

Yamanaka: The reason why we decided to build a wind power plant in Matsumae is because it has some of the strongest winds in Japan. When giving visiting classes at local elementary schools, too, we emphasize that the wind is one of Matsumae's assets.

Ishiyama: We were able to discover the region's potential in the form of wind, which is one of nature's blessings. Matsumae is attractive for its tourist resources, such as tuna, Matsumae beef, and



Shinji Yamanaka

Senior Manager, Infrastructure & Industry Business Division, Infrastructure Industry & Overseas Business Unit, TOKYU LAND CORPORATION

cherry blossom viewing spots that can be enjoyed over the course of a month. But our population is declining, and the fishing industry—which is our mainstay of industry—is also struggling. In order to break through the sense of stagnation in the town, I would like us to grasp the "wind" that had not blown until now.

Yamanaka: We are contributing to regional revitalization through the renewable energy business. ReENE Matsumae Wind Power Plant uses a regional micro-grid concept that utilizes existing transmission and distribution networks to drive disaster-resistant town development efforts.

Ishiyama: Based on our experiences of the Hokkaido Eastern Iburi earthquake in 2018, we have learned that it is essential to establish a self-sustainable supply of power. As far as the town of Matsumae is concerned, TOKYU LAND CORPORATION's know-how and driving power are very reassuring as a joint business operator.

Yamanaka: Thank you. We will continue to engage in environmentally friendly town development efforts, in which all the electricity in Matsumae in the future will be derived from renewable energy.

Creating further value for the town

Ishiyama: We are considering the development of offshore wind power generation off the coast of Matsumae.

Yamanaka: If realized, it is expected that the



Hideo Ishiyama

Town Mayor, Matsumae, Hokkaido

creation of an offshore wind farm will have a ripple effect, such as in revitalizing local industries and creating sustainable employment.

Ishiyama: Incorporating renewable energy and becoming a clean, safe, secure town is a great opportunity to improve the image of the town and create new strength. TOKYU LAND CORPORATION is a reliable partner that is serious about regional revitalization, and we hope for your continued support and cooperation in the future.

Future Society Interview: Generation Z

Creating value to suit the future with abundant ideas

TOKYU LAND CORPORATION Director Enokido spoke with young employees who will be responsible for realizing the creation of a sustainable society and sustainable growth for the company about the addition of future society as a new stakeholder, in line with the formulation of GROUP VISION 2030.

Younger generations increase sensitivity to the environment

Sato: I believe that environmental management of the Group policy reflects trends in society as a whole. Last year, when the impact of COVID-19 pandemic began to become apparent, I was in charge of recruiting investors for large contracts. Many companies refrained from investing because the outlook for the future was uncertain. But there was one company that did decide to invest, under the condition of us obtaining environmental certification. That made me strongly recognize the importance of environmental aspects in investment decisions.

Enokido: That was a good opportunity to realize the importance of the environment and what stakeholders are looking for.

Chihana: Our generation—which will be at the center of the future market—has learned the importance of the environment, so I think it is a rational choice that the company has set out on this path of environmental management. On the other hand, it is often difficult for consumers to feel the benefits of environmentally friendly initiatives.

We try to be aware of issues every day, such as considering how to introduce them to condominiums, and services that enable them to contribute to the environment by continuing to live in our properties.

Enokido: It is very reassuring to see that you are approaching your work with a heightened awareness of environmental issues. If the younger generation actively engages in these efforts, the company's sensitivity to the environment will increase even further.

Aiming to be a company that continues to be chosen by consumers

Enokido: In digital transformation (DX), we are engaged in efforts to save labor in internal business processes. The aim is to create more time for work that only humans can do.

Chihana: Confirmation of property sites and communication with stakeholders are significant roles that should be done by people.

Sato: On the other hand, I think that we should also promote DX so that people who have difficulty accessing digital technologies are not left behind.

Enokido: Yes, it is necessary to refine the human aspects of our business without forgetting that point of view. At the same time, it is important for us to spread knowledge and insights in DX created through smart city projects such as TOKYO PORTCITY TAKESHIBA, not only to buildings but also to the city as a whole.

Sato: With the evolution of technological innovation, work styles, home styles and play styles will surely continue to change in the future. I would like to be involved in urban development that creates and achieves the realization of new values.

Chihana: I agree that the range of options for work and living opportunities will grow. For that reason, I want to gain various experience and become able to create cities that are chosen by many people.

Enokido: Young employees like yourselves have a real abundance of ideas. Please keep your eyes and ears open and stay focused on society with your flexible hearts and minds. I believe that these efforts will lead to the realization of a sustainable company that continues to be chosen by stakeholders, and provide them with value that will still fit the world as it is five or ten years from now.



Akiko Enokido
Director & Operating Officer,
TOKYU LAND CORPORATION



Nanami Sato
Tokyu Land Capital Management Inc.



Taiki Chihana
Tokyo Area Residential Business Division,
Residential Business Unit,
TOKYU LAND CORPORATION

Section 2 — Value Creation Utilizing Our Strengths

27 Evolution of Lifestyle Creation

32 The Group Policy | Environmental Management

Message from the Management

37 The Group Policy | DX

Message from the Management

Evolution of Lifestyle Creation



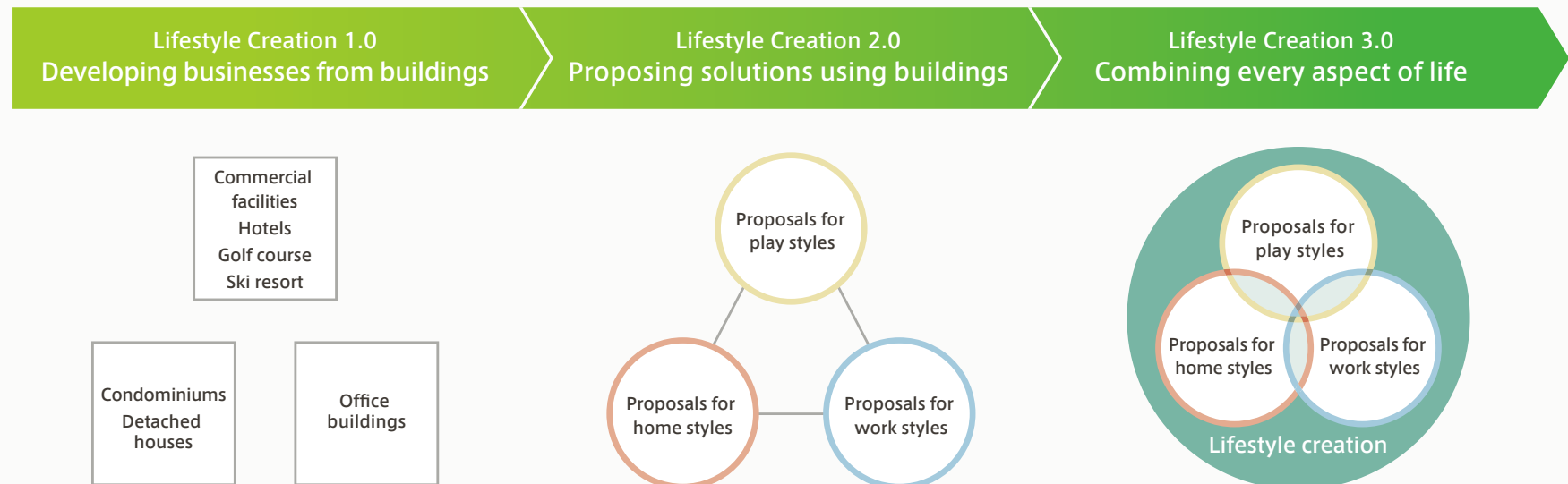
Lifestyle Creation 3.0 Concept

From buildings to solutions, and combination of lifestyle scenes

Today, lifestyles and values are diversifying, and the needs of people living in cities are becoming increasingly segmented. At Tokyu Fudosan Holdings Corporation, we have leveraged the strengths of the Group to create new value in cities, and in society. The keyword in this process is Lifestyle Creation.

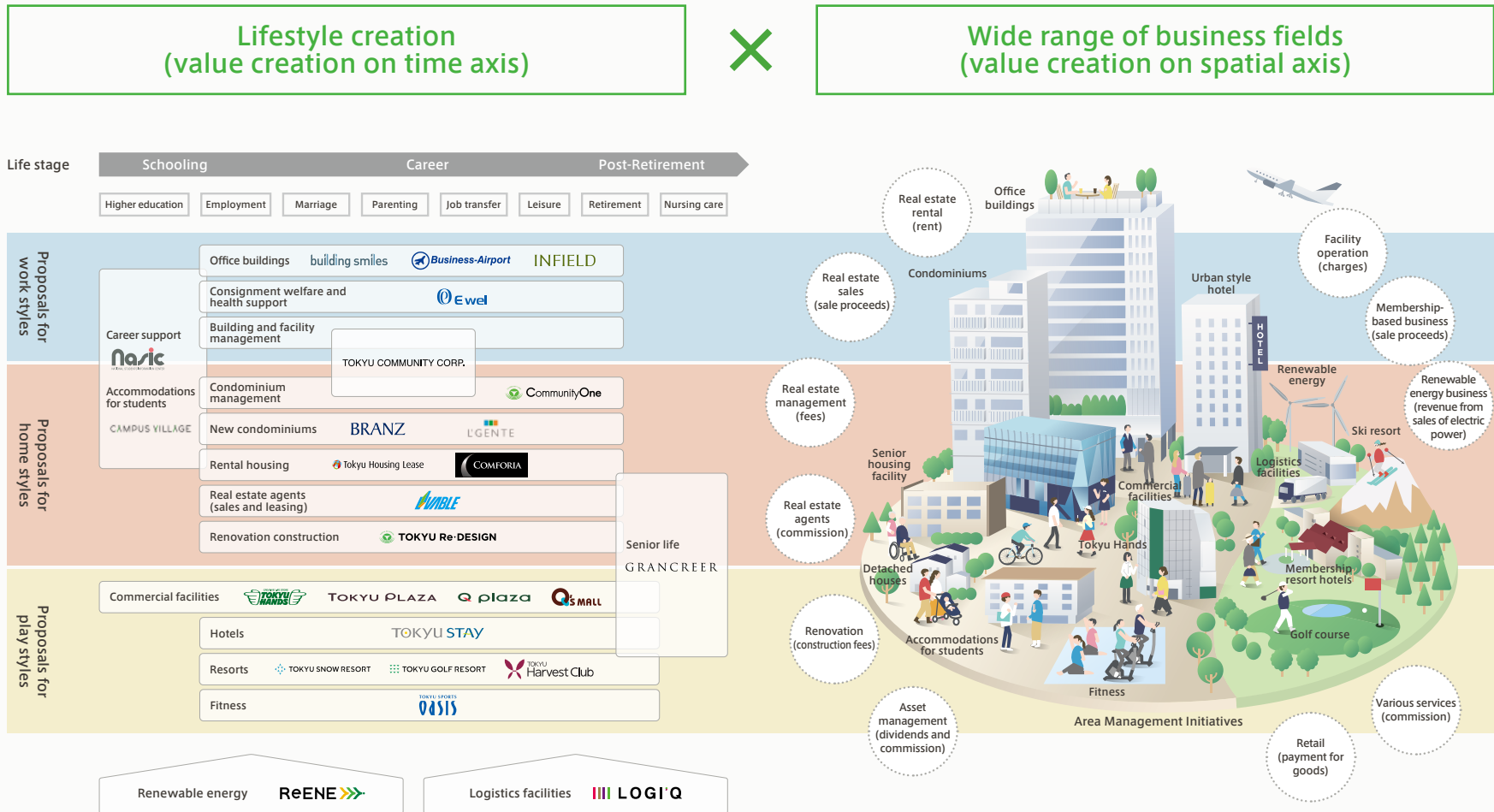
In Lifestyle Creation 1.0, we offered new lifestyles to society through the development and sale of condominiums and detached houses, development of commercial facilities, hotels and resorts, and the provision of spaces such as office buildings. In Lifestyle Creation 2.0, we proposed solutions in the form of new home, work and play styles, expanding the boundaries of our real estate business to include management, agency and operation of these various spaces and properties, as consumer behavior shifts from the consumption of goods to

the consumption of services. Social issues are changing with the times, with examples including workstyle reform, childcare and nursing care problems, lengthening healthy lifestyles, and the advancement of new workstyles such as telework and workations; and customer lifestyle scenes are diversifying. To support these needs, our value creation model is evolving into Lifestyle Creation 3.0, which combines the three domains (home, work and play styles) to achieve ideal lifestyle proposals. Looking ahead, we will continue to propose more unique new value through the combination of environmental management and digital transformation (DX), with the aim of realizing the ideal vision that is at the core of our long-term vision for the future.



Unique Value Creation

The Group's uniqueness is that it creates value along both the time and spatial axes. In terms of the time axis, we provide diverse services for each customer life stage, and create new lifestyles. On the spatial axis, on the other hand, we create new value in all manner of urban settings, utilizing the Group's wide range of business fields.



The History of Lifestyle Creation Seen Through Projects

We have proposed various ways of home, work and play styles while tackling contemporary social issues as they change with the times. The accumulation of these efforts has led to a range of projects that embody the essence of Lifestyle Creation 3.0, which combines every aspect of life.

Proposals for work styles



1974
Shin Nanpeidai Tokyu Building
 A full-scale office building development in Shibuya (later becoming SHIBUYA SOLASTA)



1993
Setagaya Business Square
 Tokyu Group's first super-high-rise office building



2007
Shiodome Building
 A large-scale office building that caters to contemporary business need

Proposals for home styles



1955
Daikanyama Tokyu Apartments
 Japan's first luxury rental residence developed for foreign nationals



1958
Tokyu Skyline
 The first condominiums in the Japanese real estate industry



1982
Asumigaoka New Town
 One of the largest urban developments in Japan, in harmony with natural surroundings



1994
Kimi no Mori
 Japan's first residential golf course country club



2004
Grancreeper Azamino
 One of the first in the industry to enter the senior housing business

Proposals for play styles



1965
Shibuya Tokyu Building
 A multipurpose commercial facility in front of Shibuya Station



1976
Tokyu Hands Fujisawa Store
 An authentic DIY store for creation of new lifestyle and cultural value



1984
Palau Pacific Resort
 An authentic resort hotel where development and environmental conservation co-exist



1988
TOKYU Harvest Club Tateшина
 A membership resort hotel offering new ways to enjoy leisure time



1986
TOKYU SPORTS OASIS Esaka
 A membership fitness club offering programs to promote healthy lifestyles



1993
Former Tokyu Stay Kamata
 Urban style hotels that can be used for medium- and long-term stays



2003
Current Minoh Q's Mall
 One of the Kansai region's largest shopping centers

Lifestyle Creation 3.0 Combining Every Aspect of Life



2015

Futako Tamagawa Rise

Construction of a complex with diverse functions, including offices, residences, commercial facilities, and a hotel



2019

SHIBUYA SOLASTA

Smart office supporting diverse workstyles



2021

BRANZ Tower Ofuna / GRAND SHIP

A combined redevelopment project in front of Ofuna Station, comprising a tower condominium and commercial facility on premises covering around 1.7ha



2016

Tokyu Plaza Ginza

As the eastern base of Tokyu Group, making its full-scale entry into the Ginza area



2019

SHIBUYA FUKURAS / Tokyu Plaza Shibuya

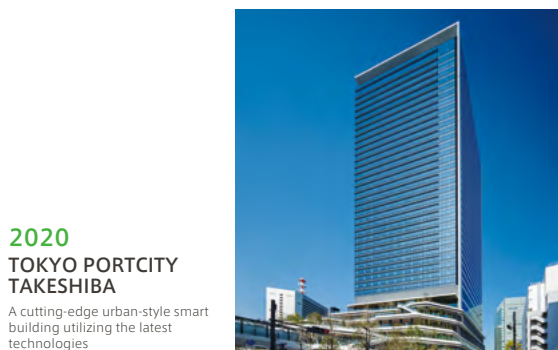
Multipurpose facilities born as part of our urban redevelopment project



2017

BRANZ CITY Setagaya Nakamachi / Grancreer Setagaya Nakamachi

Construction of a large complex that combines condominiums with senior housing facilities



2020

TOKYO PORTCITY TAKESHIBA

A cutting-edge urban-style smart building utilizing the latest technologies



FY2023 (Planned year of completion)

Shibuya Sakuragaoka Block Redevelopment Plan

A complex development to the southwest of Shibuya Station, offering value for living, working and playing



The Group Policy | Environmental Management

Message from the Management

Being a developer that continues to be chosen by stakeholders, and achieving decarbonization with our environmental business as our strength



Masashi Okada

Director, Operating Officer,
Tokyu Fudosan Holdings Corporation
President and Representative Director,
TOKYU LAND CORPORATION

As a company whose main business is the development of comfortable, bountiful cities, we have been environmentally friendly through our business activities. We entered the renewable energy business in 2014, and we have expanded this business all over Japan under the brand name ReENE. Taking advantage of the development capabilities we have cultivated as a developer, we have now achieved a rated power capacity (power generation capabilities) totaling 1,197 MW¹ at 67 sites all over Japan. This is equivalent to the amount of power generated by more than one nuclear power plant, or the amount for approx. 410,000 general households. Arguably, it is the industry-leading level of capacity. We have established and operate REASP², an industry organization that makes policy recommendations and engages in other activities, and FOURE³ which seeks symbiosis with local communities. I believe this is our mission as an industry leader in the environment. [See P.51](#)

One advantage of this business lies in the fact that it generates stable revenues while contributing to the environment. We will develop it into one of our mainstay businesses by continuing aggressive investment, eyeing the development of offshore wind power plants, which show great promise.

Moreover, TOKYU LAND CORPORATION joined RE100 in 2019 as its first member from the real estate industry in Japan. Last fiscal year, we announced that we would significantly move up our target year for RE100, from 2050 to 2025. It was a big decision, but ReENE already generates more power than we consume internally. We aim to achieve RE100 early by taking advantage of the strength of this business, which enables us to generate clean energy on our own.

In April 2021, we switched to renewable energy for all the power consumed at the 17 buildings⁴ that we operate. Buildings with high environmental performance create a competitive edge, which results in us being chosen by tenants and their employees who attach importance to decarbonization and SDGs. I believe that environmental performance, as well as functions and safety and security features, will add value to buildings going forward.

Climate change is a pressing issue in the business world as well, so we will continue to address it quickly in our long-term vision. We will expand the renewable energy business and promote urban development in symbiosis with nature. Thus, we will create value that will ensure that we continue to be chosen by customers as a developer working to realize a decarbonized society.

¹ Figure as of June 2021, including facilities under development and before conversion to equities ² REASP stands for Renewable Energy Association for Sustainable Power supply, a general incorporated association that was established in December 2019. ³ FOURE stands for the Association for Reciprocal Revitalization of Renewable energy and Region, a general incorporated association that was established in June 2021. ⁴ Figure as of July 2021

Policy and Initiatives

The Group policy aimed for a sustainable environment

Various issues related to the global environment, such as climate change, resource recycling, and biodiversity conservation, have been growing more serious with every year. With the growing importance of solving those issues, we understand that we are in an era in which companies are chosen based on the extent to which they contribute to the environment.

In the GROUP VISION 2030, our long-term vision, we have set create a sustainable environment as one of the themes of our efforts to create value (materialities) and positioned environmental management as a constituent of the Group policy.

We will tackle climate change based on TCFD recommendations and advance initiatives for reducing the environmental impact through the supply chain, aiming to achieve quantitative targets, while ensuring that the Group-wide environmental management system functions properly. At the same time, we will attempt to create advanced, industry-leading businesses by regarding global environmental issues as business opportunities.

Environmental management system

- We have established the Sustainability Committee, which is under the direct authority of the president and representative director. The committee conducts Group-wide management for each of the environmental issues.
- We have set target values related to reduction of the environmental impact, including CO₂ emissions, waste emissions, and water use. We check the progress based on KPI.

Division with authority and responsibility

Related departments in each company

KPI targets  See P.20

Two themes of focus in environmental management

We have set two themes to make environmental initiatives our true corporate value. Based on our environmental vision, we will work to realize a decarbonized and recycling-oriented society, and to create lifestyles that contribute to the environment.

Decarbonized society and Recycling-oriented society

Reduction of environmental impact through all our businesses
(dissemination of clean energy, etc.)

Lifestyles

Creation of comfortable communities and lifestyles that contribute to the environment

Environmental vision (Basic Policy developed in 1998, revised in 2015)

- Environmental philosophy** We will create value to connect cities and nature, and people with the future.
- Environmental policy** We will make efforts to harmonize the environment and the economy through business activities.
- Environmental action** We will tackle five environmental issues from three viewpoints.

Three viewpoints

- Publicize a goal and implement action
- Endeavor to implement progressive activities
- Conduct community-based activities in collaboration with local people

Five environmental issues

- Climate change
- Biodiversity conservation
- Pollution and resources
- Water use
- Supply chains



Targets related to climate change

We contribute to realizing a decarbonized society through business activities, including expansion of the renewable energy business.

- We have set a 2025 goal of achieving carbon minus, a state in which a reduction of CO₂ through the renewable energy business as the Group's strength exceeds CO₂ emissions by the overall Group (Scope 1 and 2). Further, TOKYU LAND CORPORATION aims to achieve RE100 at an early stage.
- Regarding CO₂ emissions by the Group and its supply chain (Scope 1, 2, and 3), we aim to achieve the Science Based Targets (SBT) of limiting warming to 1.5 degrees Celsius by 2030 and zero emissions by 2050.

	The Group
2025	Carbon Minus The Group's CO ₂ emissions < Volume of contribution to reduction by creating renewable energy, etc. Achieve RE100 (TOKYU LAND CORPORATION)
	The Group + Supply chain
2030	Achievement of SBT 1.5°C Target CO ₂ emissions reduction by 46.2%
	The Group + Supply chain
2050	Zero Emissions Net zero CO ₂ emissions

Other major initiatives [Go to the Sustainability website ▶](#)

- Expansion and promotion of ReENE, our renewable energy business
- Introducing internal carbon pricing (ICP) to visualize CO₂ reduction by each business department by converting it into a monetary amount
- Promoting the development of environmental real estate, including the acquisition of ZEH, ZEB¹, and DBJ Green Building² certifications
- Procuring funds by issuing green bonds and sustainability bonds
- Promoting the *Midori wo Tsunagu* Project, a joint initiative with customers for protecting forests and raising awareness of biodiversity conservation
[Go to the website of the Midori wo Tsunagu Project ▶](#) ※Japanese version only
- Using certified wood for formwork in the construction of buildings
- Reducing waste
- Appropriate use of water
- Promoting sustainable procurement to reduce the environmental impact of the overall supply chain



Tokyu Community Technology Training Center NOTIA (with a Nearly ZEB certification)



Rice planting at TOKYO PORTCITY TAKESHIBA (a biodiversity conservation initiative)

*1. net Zero Energy House / net Zero Energy Building. Buildings with net zero or negative annual primary energy consumption. *2. A certification program related to real estate managed in an environmentally and socially conscious manner

Initiatives on the Task Force on Climate-related Financial Disclosures (TCFD)



● Support for TCFD recommendations

We believe that climate change creates new business opportunities as well as risks. Also, in light of the importance of climate-related financial disclosures, we announced our support for the TCFD recommendations¹ in March 2019. We also participate in the TCFD Consortium, an organization in Japan that discusses TCFD initiatives. Utilizing the TCFD recommendations, we are implementing measures in the frameworks of governance, strategies, risk management, and indicators and targets.

[Go to the Sustainability website ▶](#)

● Scenario analysis

To further promote environmental management for tackling climate change, we increased scenarios and made re-verification in fiscal 2020. We analyze the risks and opportunities in our businesses under the 1.5°C, 3°C, and 4°C scenarios, with 2030 and 2050 set as target years and with an expanded scope of businesses, including the urban development business, resort business, residential business, and renewable energy business.

Analyzing the impact on businesses under three climate change scenarios

↑ Positive financial impact ↓ Negative financial impact

Climate-related scenarios	1.5°C (IPCC-RCP 2.6) (Paris Agreement goals achieved) More stringent policies / regulations		3°C (IPCC-RCP 6.0) (each country complies with its NDC ²) Intermediate between 1.5 and 4°C scenarios		4°C (IPCC-RCP 8.5) (reduction measures fail) Intensified natural disasters	
	2030	2050	2030	2050	2030	2050
Transition risks - excerpt	↓	Introduction / hike on carbon tax	↓	Introduction / hike on carbon tax		
	↑	Competitive advantage by Net-Zero Energy Buildings	↑	Competitive advantage by Net-Zero Energy Buildings		
	↓	Cost increase by Net-Zero Energy Buildings	↓	Cost increase by Net-Zero Energy Buildings		
	↑	Expanding renewable energy business	↑	Expanding renewable energy business		
Physical risks - excerpt	↑	Competitive advantage gained by establishing BCP	↑	Competitive advantage gained by establishing BCP	↑	Competitive advantage gained by establishing BCP
	↓	Property damage by natural disasters	↓	Property damage by natural disasters	↓	Property damage by storm and flood
	↑	New business arising from existing asset	↑	New business arising from existing asset	↑	Competitive advantage gained by location
	↓	Less revenue and more cost caused by rising temperature	↓	Less revenue and more cost caused by rising temperature	↓	Less revenue and more cost caused by rising temperature

*1. The Task Force on Climate-related Financial Disclosures (TCFD) was established by G20's Financial Stability Board, requiring that companies investigate and disclose the financial impact of climate change.

*2. NDC stands for Nationally Determined Contribution. Here, it refers to the reduction target of each nation set in response to the Paris Agreement.



The Group Policy | DX

Message from the Management

Creating new experience value using the Group's accumulated data and know-how as intellectual assets



Shouhei Kimura

Director, Operating Officer,
Tokyu Fudosan Holdings Corporation

The Group established its long-term management policy GROUP VISION 2030, and has added digital transformation (DX) as a new constituent of the Group policy. With digitalization proceeding rapidly, we have promptly identified changes in the social values and ways of living of individuals and launched a business transformation that leads to the creation of new corporate value.

We are promoting DX under three themes. One is the reform of business processes. We review our internal business process and convert empirical value into data to build a strategic IT infrastructure that permits the multi-faceted use of accumulated data. The second theme is customer experience (CX). We add technologies to our existing services and allow customers to feel the progress of digital technologies, aiming for advances in customer contact points. And the third theme is innovation. We acquire an agile organizational capability by overcoming path dependence* and create new digital business models.

The world has now seen the end of the first phase of tech transformation, in which digital services are replacing physical services. The creation of new experience value through online and offline

integration is emerging as a new theme. For example, in the field of human capital-utilizing business, the digitalization of platform for building close relationships between sellers/lessors and buyers/lessees will be needed in the Real Estate Agents business, and the digitalization of platforms for building such relationships between facilities and visitors/users/residents will be necessary for the Property Management & Operation business.

Moving forward, we will transform our services in accordance with customer needs by identifying the axis of various changes, referring to integrated data, real and digital, as a clue, while taking advantage of the breadth of the Group's business wingspan in the BtoC domain. Then, while providing customers with an impressive experience, we will advance our accumulated data and expertise into intellectual assets and deepen them into strong corporate value.

In a VUCA era, companies which cannot change will not be able to survive. DX is a means of evolving into a company that is capable of responding to changes. We will practice the three themes to work on with a strong sense of crisis and urgency.

* An economics term that refers to a phenomenon whereby you are constrained by mechanisms and ideas determined by past background or history

Policy and Initiatives

New value creation by utilizing digital technologies

The new normal lifestyles have become established, and a wave of diversification with digital technologies is being seen in various scenes, including daily life and business. In light of these changes, the Group is focusing on creating lifestyles that integrate work styles, home styles, and play styles while applying leading-edge technologies to each

business model. In our long-term vision, which shows our ideal vision for 2030, we have positioned DX as a pillar of the Group policy. We are planning to transform each business into an intellectual asset-utilizing business by leveraging our abundant customer contact points, know-how, and data.

Three themes of focus in DX

Business process

A shift to creative work by promoting labor saving

We will visualize existing workflows, which were difficult to systematize and would depend on manual input and other manual tasks. Then, we will use RPA (software which automates the operation of PC, etc. by humans) for routine work and take other initiatives to promote business process automation and labor-saving with technologies for shifting to creative work.

Customer experience (CX)

Impressive experience creation through the advancement of customer contact points

The Group features the point that it has long held a wealth of customer contact points in both real and digital spaces. Taking advantage of this strength, we will develop an elaborate understanding of customers using data accumulated in the Group, aiming to create an impressive experience, through the advancement of customer contact points, such as Online Merges with Offline (OMO).

Innovation

New value creation by utilizing intellectual assets

We will help solve social issues by converting our intangible assets, such as the operational know-how that we have established, into tools for value creation with digital technologies. We will also create new customer experience, aiming for structural reform of the overall industry. For this purpose, we will first make steady progress in providing proprietary development tools and service models to external parties and diversifying revenues by building co-creation models.

Mechanisms to accelerate DX

Building strategic IT infrastructure

We make Group-wide efforts to promote the creation of new services and advance data utilization by strategically developing IT infrastructure with variability and scalability.

Developing and securing human capital

We define DX human capital as human capital who promote transformation by using digital technologies with understanding of existing businesses.

We implement training programs, which help develop service design capability in addition to providing knowledge on digital technologies.

Co-creation through CVC (Corporate Venture Capital)

We flexibly form business alliances with venture firms and invest in them, through a program with a total investment of 5.0 billion yen.

Internal venture scheme

In fiscal 2019, we began to implement STEP, an internal venture scheme, aiming to create businesses that will support the Group in ten years.

Collaboration with tech companies

We are proactive in applying advanced technologies of tech companies to Group companies' businesses, thus leading advances in business process digitalization and CX.

Organizational climate and work-style reform

We realize efficient workstyles by digitalizing business process and reviewing workstyles. We are going to allocate extra time to high value-added operations to promote labor productivity improvement.

Major initiatives of companies and businesses

- Launched the online customer service, which permits customers to video call and compare products at home (Tokyu Hands)
- Promoting the spread of online fitness by using WEBGYM, an app as a portable gym (TOKYU SPORTS OASIS)
- Supporting communication between students during the COVID-19 pandemic by holding online workshops and other events (NATIONAL STUDENT INFORMATION CENTER)
- The Tokyu Fudosan Holdings Open Innovation Program was established in October 2017. In the roughly four years since its establishment, this CVC has invested in 21 companies in total (as of June 30, 2021).
- TQ Connect Co., Ltd. was established as the first project to be commercialized under the STEP internal venture scheme. Its corporate philosophy is "Building a society where all the people are connected to the internet."
- Invested in Agya Ventures Fund L.P., which specializes in real estate tech in countries across the world.



The industry's first 24-hour online fitness service

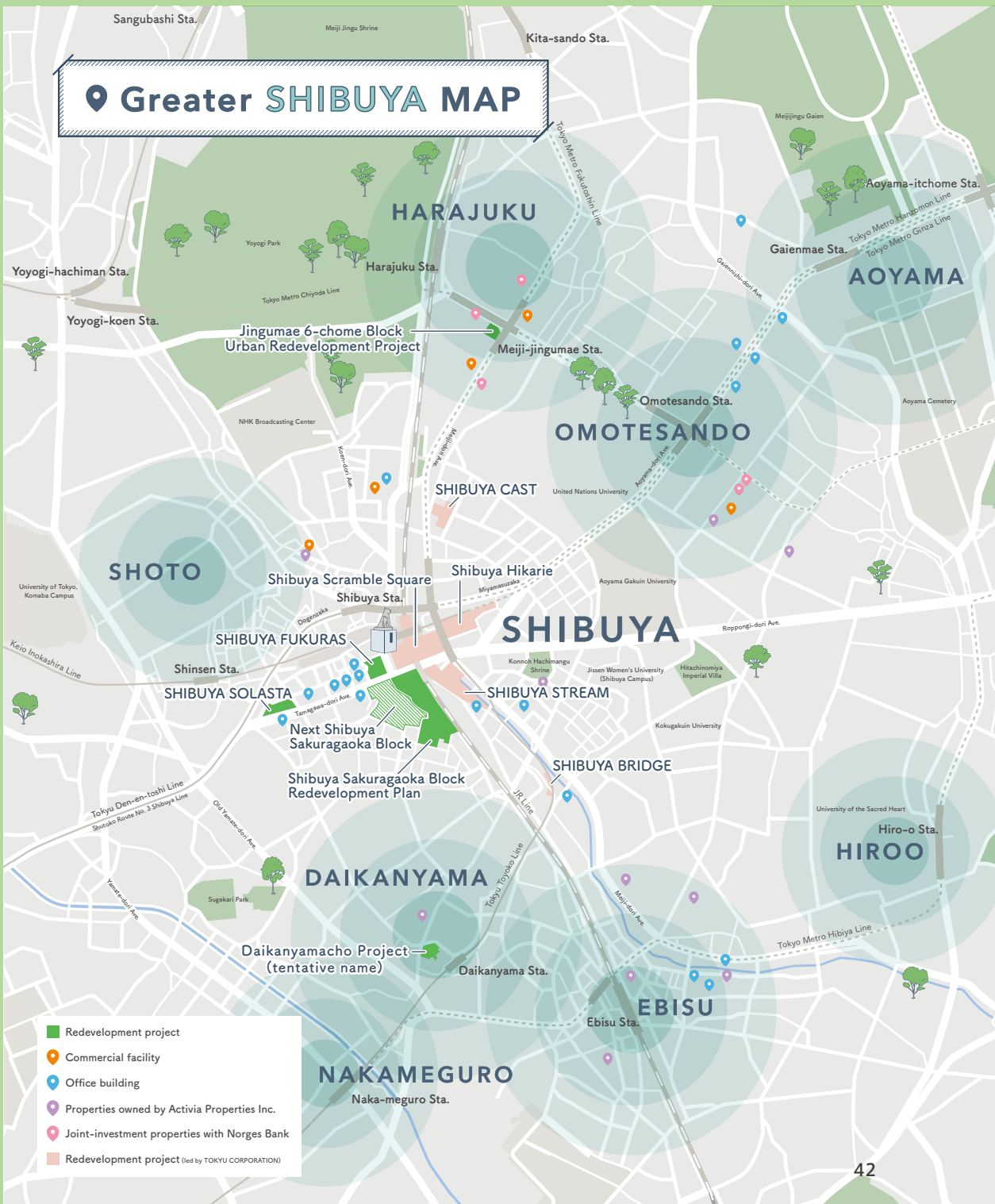


Services of addressing senior citizens' issues by making effective use of IT

Section 3 — Business Strategies for Value Creation

- 42 Special Feature | The Greater Shibuya Area Concept
- 44 Special Feature | Urban Development of the Takeshiba Area
- 46 Urban Development
- 49 Strategic Investment
- 52 Property Management & Operation
- 55 Real Estate Agents

Greater SHIBUYA MAP



Special Feature The Greater Shibuya Area Concept

Value creation taking advantage of the diversity of the Greater Shibuya area



Jingumae 6-chome Block Urban Redevelopment Project
Completion: FY2023 (planned)

Creating a future with symbiosis between nature and artifacts

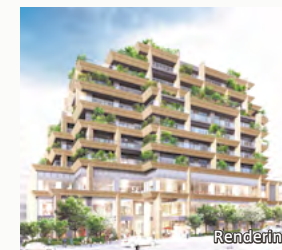
We will develop a commercial facility as a new landmark in the Omotesando and Harajuku area, where fashionable lifestyle cultures are created, thus making it a bustling area. Implemented in consideration of the residential environment of the surroundings, this redevelopment project will help increase the area's attractiveness further.



Shibuya Sakuragaoka Block Redevelopment Plan
Completion: FY2023 (planned)

Developing a complex representing Shibuya as a world-class city

We will create attractive office, commercial, and residential spaces in a vast area to the southwest of Shibuya Station. While improving the convenience, comfort, and safety of the city, we will also establish global livelihood support facilities, business support facilities, and more. Thus, we will contribute to improving the international competitiveness of the city.



Daikanyamacho Project (tentative name)
Completion: FY2023 (planned)

New home, work, and play connected via green

We will build a lush green complex consisting of residences, offices, and a commercial facility in Daikanyama, which has a unique presence and distinctive atmosphere. We will suggest new lifestyles, in which the overall facilities will be a place to live with seamless integration of home styles, work styles and play styles.

*This map shows the center of the Greater Shibuya area.

Special Feature The Greater Shibuya Area Concept

Taking the Greater Shibuya area concept to the next phase with Greater Shibuya 2.0

We have made the area around Shibuya Station a point of priority for the Group. The series of measures for expanding the urban development of Shibuya from individual points to the area to increase its overall potential constitute the Greater Shibuya area concept (Greater Shibuya 1.0). In July 2021, TOKYU CORPORATION and TOKYU LAND CORPORATION developed the Greater Shibuya 2.0, a new strategy created by evolving and deepening the vision of 1.0. Moving forward, we will establish international medical facilities and business incubation facilities to introduce urban functions for increasing international competitiveness. We aim to establish a Shibuya-style urban life by integrating the three elements of work styles, home styles and play styles and enhancing initiatives in digital technologies and sustainability.



Rendering of what the area around Shibuya Station will look like around 2027

Suggesting lifestyles unique to Shibuya featuring integration of work styles, home styles and play styles

The redevelopment of Shibuya, the scale of which is considered to be a once-in-a-100-year event, is at its peak. For the SHIBUYA FUKURAS, which was completed in 2019, a pedestrian deck connecting the station and other facilities has been created through integrated development together with its surroundings. It has also contributed to solving issues, such as the need to park vehicles on the road for cargo handling. In addition, the Shibuya Sakuragaoka Block Redevelopment Plan is scheduled to be completed in fiscal 2023. With these projects, we will suggest new styles of work, home, and play and accelerate the urban development unique to Shibuya, which attracts people and companies.

Regarding workstyles, the COVID-19 pandemic has instigated diverse workstyle options, such as telework and satellite offices. On the other hand, weaker connections between people are pointed out as a negative impact. We believe that places that encourage communication and the creation of innovation are essential for business. We understand that offices will continue to play a significant role in strengthening employees' sense of belonging and the strength of the organization as well.

As our environmental initiatives, in April 2021 we switched to renewable energy use for 14 facilities in total, including office buildings and commercial facilities in the Greater Shibuya area.

Maximizing the attraction of the Greater Shibuya area with area branding

We are taking area branding measures for maximizing the value of Shibuya, in parallel with urban development including redevelopment projects. In April 2021, we launched activities based on a strategic concept named Future Sharing, which adds to the attraction of the Greater Shibuya area by encouraging start-up and community collaboration in the area. As the first project under the concept, we have attracted start-ups to a site named Neutral Innovation Base, which we established at Sakuragaoka-cho in Shibuya-ku. We have established a consortium, which consists mainly of tenant companies, thus supporting the creation of innovative businesses through the exchange of human resources and technologies, mutual learning between multiple generations, and other activities.



Multi-industrial collaborations were started as the first project under Future Sharing

TOKYO PORTCITY TAKESHIBA

- Office Tower
- Residence Tower



Pedestrian Deck

Area Management*

Takeshiba District **28 ha**



City OS

- Pedestrian flow data
- Pedestrian attribute data
- Congestion data
- Traffic condition data
- Water level data

Smart City

Special Feature Urban Development of the Takeshiba Area

Building a Takeshiba version of a City OS by making full use of data and leading-edge technologies

In Takeshiba area (Minato-ku, Tokyo), the Group is working to create an international business hub and revitalize the surrounding area, aiming to build a smart city.

Located in a Tokyo Bay waterfront area, the Takeshiba district is surrounded by highly competitive areas, including the Otemachi-Marunouchi-Yurakucho district as a hub of international finance and other businesses as well as the Shinagawa-Tamachi district that is growing increasingly important as a transport hub. In addition, the district functions as an air gateway due to its accessibility to the Haneda Airport and as a sea gateway with the Takeshiba Pier facing the Tokyo Bay. Arguably, the district is conveniently located. However, the district also faces social issues that are unique to a city with diverse attractive elements and potentials.

In this area, we are developing private facilities and the Tokyo Metropolitan Industrial Trade Center in an integrated manner, having leased the land for the project from Tokyo Metropolitan Government for a fixed period of around 70 years. We are also working together with the Contents innovation Program (CiP) — an organization established with the aim of creating a content industry agglomeration in the Takeshiba district — to create new business styles and lifestyles based on the concept of Digital x Content and area management.

*Area management refers to increase area value, thereby supporting proper land use. Basically, proactive efforts by residents, business owners, landowners, etc.

Special Feature Urban Development of the Takeshiba Area

TOKYO PORTCITY TAKESHIBA, where offices and commercial spaces are integrated with IoT

TOKYO PORTCITY TAKESHIBA, where offices and commercial spaces are integrated with IoT, opened in September 2020. Approx. 1,400 sensors have been installed in the facilities, permitting the instantaneous analysis of pedestrian and environmental data. Information about uncrowded elevators and restaurants is displayed on digital signages and other devices on a real-time basis while robots are used proactively for facility management. Further, the Office Tower suggests a new workstyle, which permits workers to feel water and green environment. Quantitative information about the trend of use of each facility is accumulated and analyzed for building a comfortable environment, ensuring efficient building management, and supporting tenant companies' marketing activities, among other purposes.

We have positioned TOKYO PORTCITY TAKESHIBA as the first step in the smart city concept. Our immediate purpose is to spread the concept of Digital x Content in the entire Takeshiba district by carefully collecting opinions of residents and workers.

Aiming for a new form of public-private partnership that differs from conventional area management

In this project, the Takeshiba District Urban Development Council, which consists of people

from the local community and representatives from the government, and Takeshiba Area Management, a general incorporated association operating the project, are working in tandem to establish a new form of public-private partnership unlike conventional area management organizations. They place particular emphasis on updating the town of Takeshiba by discovering and utilizing local resources. One example is the lighting-up event at Kyu Shiba Rikyu Garden, which is held in summer and autumn every year since 2018. Beautiful light installations decorating trees and the pond of the park are popular as photo spots.

A smart city project utilizing pedestrian, environmental, and other data

The Takeshiba district is expected to see a rapid increase in population and visitors. This has made improvement of flow of foot and disaster resilience an important task. In response, we formed a project named Smart City Takeshiba in 2019 through co-creation with SoftBank Corp. We will consolidate diverse data, including those on pedestrians and their attributes, traffic conditions, and tidal level, on a platform (a City OS) that various business operators can utilize. We will implement multiple services, which will use this operating system as the platform, at the Takeshiba district, thus creating new value for workers and residents while solving local issues. In July 2020, this project was selected

by the Tokyo Metropolitan Government as an advance project for Smart Tokyo (Tokyo version of Society 5.0).

The process of implementing content and digital technologies that are incidental to building facilities is a new element of the Group's business. Moving forward, we will establish a world-leading urban model with a view to horizontal application to other areas.



An autonomous mobile security robot guarding the building (TOKYO PORTCITY TAKESHIBA)



An app for tenants displays the level of congestion and other information (TOKYO PORTCITY TAKESHIBA)

Urban Development | Creating attractive communities and lifestyles

Value provided through businesses A comfortable urban life Safe and secure housing

Business fields: Office buildings and commercial facilities / Condominiums development / Rental housing units development (rental condominiums and student residences)



In the Urban Development segment, we develop and operate office buildings, commercial facilities, and other facilities, while also developing condominiums and leased housing. In recent years, we have been focusing on redevelopment projects and developing complexes, taking advantage of our extensive experience as a comprehensive developer. We are working to solve issues in target areas and improve their value. We will create comfortable, wealthy, supportive lifestyles through urban development while taking note of changing trends, such as the decreasing birthrate and aging population, diversification of lifestyles and workstyles, digitalization of society, and rising environmental awareness.



SHIBUYA SOLASTA (Completion: March 2019) *Photos taken in August 2019

Business strategy

Realizing attractive lifestyles

- Establishing a City OS and developing bustling cities (area management, contents, and services)
- Strengthening of redevelopment and joint / complex development
- Promotion of co-creation developments through collaboration with partners

Current situation (SWOT analysis)

Strengths	<ul style="list-style-type: none"> ● Production of unique facilities and business driving force ● Accumulation of know-how on redevelopment and area management ● Mixed use development making use of our strength as a comprehensive developer
Weaknesses	<ul style="list-style-type: none"> ● Lack of large-scale flagship projects (Residential)
Opportunities	<ul style="list-style-type: none"> ● Elimination of borders between home styles, work styles, and play styles ● Change in (reaffirmation of importance of) value required of real places
Risks	<ul style="list-style-type: none"> ● Intensifying competition between the different areas in city center ● Changes in office building demand due to the wide-spread adoption of telework

The segment's current status and medium- to long-term policy

Office and commercial facility

The strengthening of our rent revenue base is making progress with the steady operation of TOKYO PORTCITY TAKESHIBA and large-scale development and redevelopment projects in the Greater Shibuya area, including SHIBUYA SOLASTA.

For office buildings, we are stepping up initiatives in light of changes in the required functions and roles. For example, at the TOKYO PORTCITY TAKESHIBA Office Tower, an urban-style smart building, we provide services using leading-edge technologies to improve convenience for office workers. We also aim to make it a model case that helps solve local issues and create added value of the area. Further, to fulfill the desire to work flexibly, we will suggest workstyles that allow people to work freely at multiple locations created by combining the Group's assets, in urban, suburban, rural, and other areas. At commercial facilities, we are advancing initiatives

for the post-COVID-19 era, including those related to SDGs and rising environmental awareness. To cater to service consumption needs, including needs for real things and experience, we opened the *Zukan* (encyclopedia) Museum Ginza powered by SHOGAKUKAN Inc. in July at Tokyu Plaza Ginza. As a medium- to long-term policy, we will continue to proceed with projects with a focus on the Greater Shibuya area and other urban areas, such as the Kudanminami 1-chome Project (tentative name) and Daikanyamacho Project (tentative name). Thus, we will develop a City OS and create bustle with a wide variety of contents, in our efforts to improve the value of those areas. We will also work on multi-functional combined urban development through cooperation within the Group and strive to solve issues of each area with local communities. At the same time, we will promote co-creation developments with institutional investors, aiming

to increase revenue efficiency.

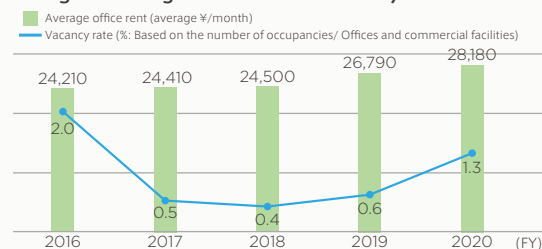
Residential

In the residential business, we have enhanced initiatives on multi-functional combined redevelopment projects. Fiscal 2020 saw the completion of projects such as BRANZ Tower Ofuna condominiums (Yokohama). This is the first joint/complex redevelopment project to be connected directly to a station on the Tokaido Main Line in the area served by JR East. For this property, we also carry out area management activities using the station square, in collaboration with the property management union and local communities. We are revitalizing the local area, encouraging interactions between new and existing residents, and taking other initiatives to create a new community.

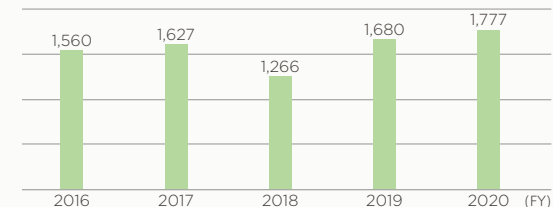


TOKYO PORTCITY TAKESHIBA (Completion: May 2020)

Changes in average office rent¹ and vacancy rate²



Number of condominium units sold (units)



¹ Only for office buildings ² For office buildings and commercial facilities

Special Feature Initiatives in Urban Development

Redevelopment and joint/complex development focused on residential business, which help solve local issues

In the Urban Development segment, including office and commercial facility and residential businesses, we have stepped up redevelopment and joint/complex development. In redevelopment and joint/complex development projects, we have realized multi-functional combined urban development, which fuses different lifestyle scenes, and helps address local issues, by taking advantage of the Group's comprehensive strength.

Examples include the formation of communities and the creation of bustle through area management, solution to areas crowded with wooden housing, and contributions to disaster control and disaster damage reduction through the development of disaster control bases.

Among these, in the condominium business, we will increase the ratio of redevelopment projects to the number of units sold, thus promoting residential developments as redevelopments and joint/complex developments with a high level of completeness of each town.

There are increasing opportunities for people to engage in diverse activities — including work, education, healthcare, and hobbies — mainly at home, partly because remote technologies have penetrated society in the COVID-19 pandemic. In response to the diverse needs for residences, which are changing at an accelerating rate, we will pursue the intrinsic value of lifestyles by evolving Lifestyle Creation 3.0, which is advocated by the Group.

Redevelopment and joint/complex development projects focused on residences (some examples)

Projects completed in FY2020

- Ofuna Station North Second Block Type 1 urban redevelopment project (BRANZ Tower Ofuna)
- Hasuda Station West Exit Type 1 urban redevelopment project (BRANZ City Hasuda)
- Kosugimachi 3-chome East Block Type 1 urban redevelopment project (Kosugi 3rd Avenue The Residence)

Projects in progress

- BRANZ Tower Toyosu
- JR Nishinomiya Station Southwestern Block Type 1 urban redevelopment project
- Jujo Station West Exit Block Type 1 urban redevelopment project
- Sengakuji Station Block Type 2 urban redevelopment project
- Shirokane 1-chome West Central Block Type 1 urban redevelopment project
- Higashigotanda 2-chome Block 3 Type 1 urban redevelopment project
- Kitanaka-dori North B-1 Block Project

Sengakuji Station Block Type 2 urban redevelopment project

(Scheduled for announcement of completion around March 2028)

Implementing body: Tokyo Metropolitan Government
 (Specified constructors: TOKYU LAND CORPORATION (representative), Keikyū Corporation)
 Main uses: Residence (approx. 350 units), offices, commercial facility, station building
 Floor space: 110,644 m²
 Building scale: 30 floors above ground and 3 basement levels

Sengakuji Station is located in the Shinagawa area, which is growing increasingly important as a transport hub. TOKYU LAND CORPORATION participates in a redevelopment project in this area as a specified constructor. The Company will contribute to urban development that integrates the station and town by constructing a complex including residential units and offices, which will be linked directly to the station.



Shirokane 1-chome West Central Block Type 1 urban redevelopment project

(In progress)

Implementing body: Shirokane 1-chome West Central Block Redevelopment Preparatory Association
 Main uses: Residence (approx. 900 units), commercial facility
 Area of the block: Approx. 1.6 ha

Densely packed with residences and small factories, the Shirokane 1-chome West Central Block had a problem in terms of safety and disaster preparedness. The Group will develop infrastructure in this area, including a new square that will also serve as a disaster control base and improve pedestrian traffic lines. Thus, we will give the town new appeal while also improving its safety and comfort.



Strategic Investment | Building next-generation infrastructures

Value provided through businesses A comfortable urban life Supply of clean energy

Business fields: Renewable energy power generation facilities / Logistics facilities / Overseas operations (North America and Asia) / Investment management



In the Strategic Investment segment, we develop and improve infrastructures supporting urban life, such as renewable energy power generation facilities and logistics facilities. We also create diverse investment opportunities by applying our real estate investment management know-how in Japan and overseas.

In the infrastructure and industry business, we will contribute to building next-generation social infrastructure by considering changes in energy policy and industrial structure. In our overseas operations, centered around Indonesia and the United States, we are advancing a business by demonstrating our presence as a comprehensive developer.



ReENE Zenibako Wind Farm
(Commencement of operation: February 2020)



LOGI'Q Miyoshi
(Completion: January 2020)

Business strategy

Creating diverse investment opportunities and contributing to the development of next-generation social infrastructure

- Expanding the infrastructure and industry business
- Monetizing overseas operations
- Increasing assets under management (AUM)

Current situation (SWOT analysis)

Strengths	<ul style="list-style-type: none"> ● Renewable energy business with power generation capabilities in excess of 1 GW ● Industry-leading level of REIT and amount of assets under management of private funds ● Track record and know-how in proprietary development (overseas)
Weaknesses	<ul style="list-style-type: none"> ● A business model that is easily influenced by climate (renewable energy) ● Overseas development only in specific regions and reputation
Opportunities	<ul style="list-style-type: none"> ● Accelerated trend toward decarbonization ● Inflow of investor money reflecting growing fund management needs ● Growing needs for logistics facilities due to the expansion of e-commerce (EC)
Risks	<ul style="list-style-type: none"> ● Increasingly fierce competition for site acquisition in the logistics business ● Political risks, and worsening of the state of affairs abroad due to war, conflict, terrorism, etc.

The segment's current status and medium- to long-term policy

Infrastructure and industry

In the infrastructure and industry business, we will strengthen cooperation with external partners in addition to enhancing our development and project management capabilities by taking advantage of the Group's strengths. We will thus promote higher value-added development, including the development of complex bases combining new assets centered on renewable energy power generation facilities and logistics facilities.

In the renewable energy business, which we operate under the ReENE brand, the rated power capacity has exceeded 1,197 MW (including facilities under development), having reached an industry-leading level.

By working to ensure the stable supply of renewable energy, we will contribute to reducing the environmental impact and building a decarbonized society.

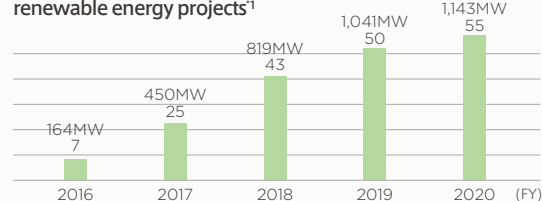
Our logistics facility business, which we operate under the LOGI'Q brand, has expanded to 12 facilities across Japan (including ones under development). In this business, which sees increasingly fierce



ReENE Namegata Solar Power Plant
(Commencement of operation: October 2020)

competition, we are accelerating joint research with other companies for developing next-generation logistics centers, such as logistics facilities dedicated to frozen and refrigerated goods and smart logistics facilities using local 5G.

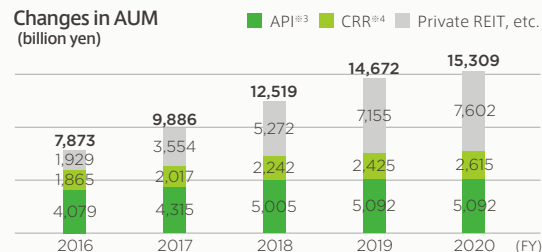
Number (rated power capacity) of renewable energy projects¹



REIT and Fund Management

The REIT and fund management business has been expanding steadily. For example, the AUM² of listed REIT, private REIT, etc. exceeded 1.5 trillion yen on March 31, 2021. We will continue to promote cyclical reinvestment by taking advantage of the Group's wide range of assets and comprehensive support system.

Changes in AUM (billion yen)



Overseas businesses

In overseas businesses, we participate in around 30 projects in the United States and Asia, in a total of nine countries.

In the United States, we engage in value-adding operations with a focus on rental residences and also undertake office development projects such as 425 Park Avenue (New York). The business has grown to reach a total lending area of approx. 350,000 m².

In Asia, we are expanding operations in China and Southeast Asia. In Indonesia, a market we entered about 50 years ago, we have developed a cumulative total of approx. 7,500 units on our own. In high

recognition of the local contributions and environmental considerations we have made to date, we were selected as one of Indonesia's Top 10 Developers by BCI Asia in May 2021 for the second time following 2017. We were the only foreign developer to be selected.



425 Park Avenue
(Completion: January 2021)

¹. Figures including facilities under development and before conversion to equities ². Assets under management ³. Activia Properties Inc. ⁴. Comforia Residential REIT, Inc.

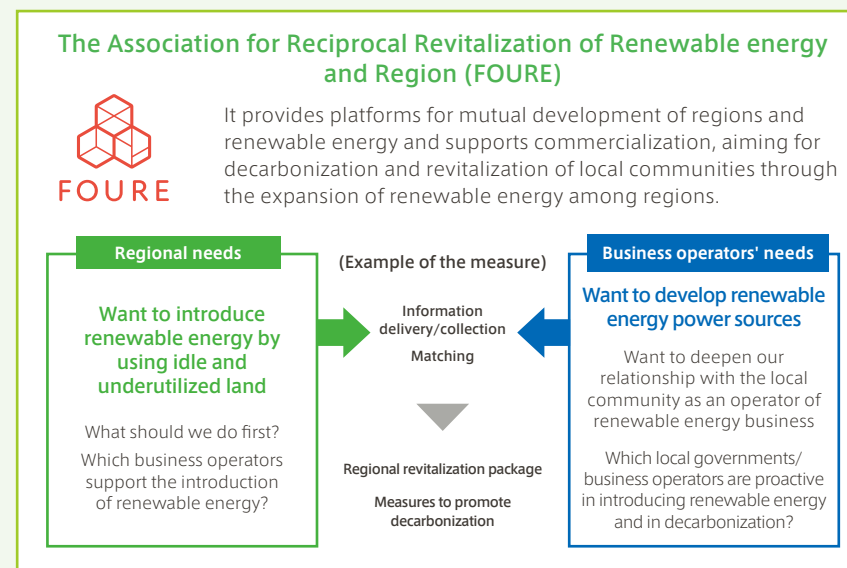
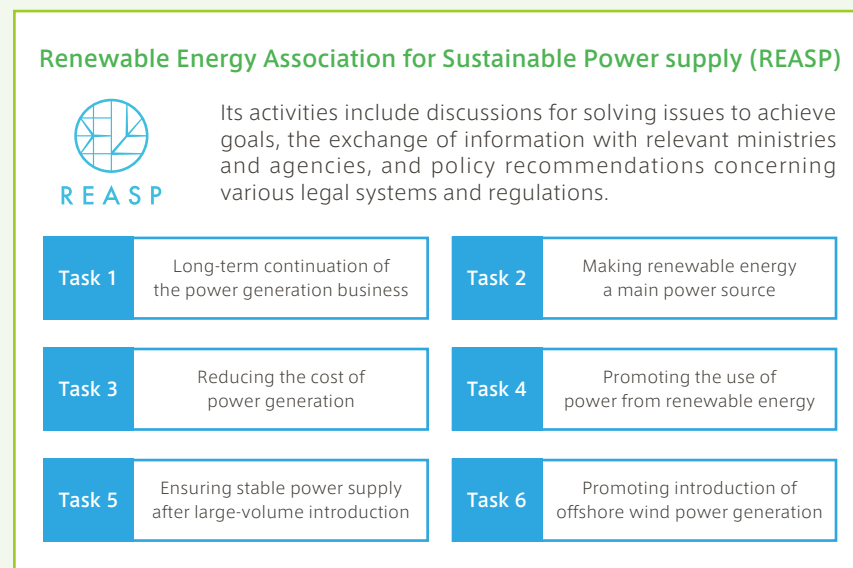
Special Feature Initiatives in Strategic Investment

Aiming to make renewable energy a source of long-term stable power supply

When it comes to renewable energy, it has been pointed out that many tasks must be completed before it can be a main power source as called for by government policy. Those tasks include ensuring long-term stability and low cost and promoting the use of renewable energy. We believe that addressing these tasks will lead not only to the Group's business expansion but also to the development of regions where power generation facilities are installed, as well as to a higher energy self-sufficiency rate in Japan. Based on this understanding, in the renewable energy business, we are expanding renewable energy power generation to make this form energy a source of long-term stable power supply, for instance by joining

new power generation projects including offshore wind power and expanding non-FIT businesses. We are also taking steps to expand the utilization of renewable energy, such as local generation and consumption of electric power, self-consignment for achieving RE100 and the use of Non-Fossil Certificates. Because energy-related issues have a broad impact on society, initiatives taken by the Group on its own have their limitations. Therefore, we are involved in establishing and operating various industry associations to promote collaboration with a wide range of partners in society. In 2019, we established the Renewable Energy Association for Sustainable

Power supply (REASP), which is aimed at ensuring the long-term stable supply of power from renewable energy. In 2021, we founded the Association for Reciprocal Revitalization of Renewable energy and Region (FOURE), which is aimed at achieving a carbon-free society through symbiosis with local communities. With these two organizations working in tandem, we will strengthen our relationship with relevant ministries and agencies and local governments, enhance our presence in the industry, and make renewable energy a source of long-term stable power supply.



Property Management & Operation | Providing impressive experience to customers

Value provided through businesses A comfortable urban life Safe and secure housing Mental and physical health Fulfilling leisure time

Business fields: Condominium management / Building and facility management / Renovation construction / Rental conference rooms / Hotels / Leisure / Healthcare / Tokyu Hands / Environmental and greening management



In the Property Management & Operation segment, we operate a wide range of businesses from the customer's perspective, including the property management business for helping to maintain and improve asset value, the wellness business that helps promote good health and create enriched lifestyles, and the Tokyu Hands retail business. We are shifting to intellectual asset-intensive businesses by taking advantage of our accumulated know-how and accumulated data in real estate development, management, and operation. We will pursue customer satisfaction by providing customers with a safe, secure living environment and high-quality hospitality while also trying to maximize the value of their assets and facilities.



Business strategy

Shifting from labor-intensive to intellectual asset-intensive businesses

- Evolving the property management business into a solution delivery model
- Building a new wellness business model by promoting OMO and leveraging our intellectual assets
- Offering new value leveraging the Tokyu Hands brand

Current situation (SWOT analysis)

Strengths	<ul style="list-style-type: none"> ● Strong brand power, rich connection points we have with our customers ● Number of units under management among the top in the industry and wide-reaching management domain ● Highly specialized human capital and know-how in operations
Weaknesses	<ul style="list-style-type: none"> ● A business model where rapid expansion is difficult ● Labor-intensive business model
Opportunities	<ul style="list-style-type: none"> ● Growing demand for renovations and remodeling reflecting the aging of social stock ● Demand for tourism and leisure in the post-COVID-19 period
Risks	<ul style="list-style-type: none"> ● Rising labor costs and labor shortages ● Fierce competition for orders for replacement and construction in the property management business ● Accelerated shrinkage of in-store retail share due to the expansion of EC

The segment's current status and medium- to long-term policy

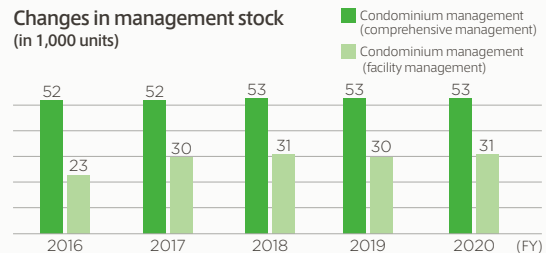
Property management

TOKYU COMMUNITY CORP., which operates the property management business, aims to be the only solution partner that helps create high-quality social stock by providing residential value, asset value, and spatial value.

In condominium management, we cater to needs for contactless services in the COVID-19 pandemic while improving the convenience and efficiency of the portal site for residents by enhancing its functions. We also operate the Revive+, a new brand of renovations, focusing on problems generated mainly due to aging. We suggest renovations with a view to the lifecycle of each building.

In building management, we have begun to manage properties including the Osaka Corona Jusho Center, a temporary facility for patients with severe COVID-19 symptoms, by leveraging our wealth of know-how in management and operation. At present, we are working to acquire new business opportunities by leveraging our industry-leading property stock under management.

Changes in management stock (in 1,000 units)



Wellness

Taking advantage of our rich connection points with customers, we will integrate online and offline services and create solutions optimized from customer perspective.

In the hotel and resort business, we are expanding the Tokyu Stay urban style hotels. In addition, in November 2020, we opened the nol kyoto sanjo, an accommodation facility featuring the atmosphere of a traditional townhouse. Moreover, Tokyu Stay has experimentally introduced a contactless app that permits customers to complete all steps from check-in to check-out.

Moving forward, we will build models for mutual



nol kyoto sanjo (Opening: November 2020)

growth with partner companies by leveraging the strengths of the wellness business, such as our extensive operational know-how, aiming to diversify sources of earnings.

Tokyu Hands

Our retail brand store, Tokyu Hands is taking steps to reform the earning structures of existing businesses, such as restructuring less profitable stores and enhancing private brand products.

We are also opening new stores at Plugs Market, a new business for regional redevelopment and co-creation. We are therefore expanding new businesses by leveraging the Tokyu Hands brand. As a new initiative, we are operating watote, a co-creation platform for product development where creators post and publicize product plans and productization is made based on customer evaluations. In July 2020, we opened NewStore by Tokyu hands, an experimental store, at Tokyu Plaza Ginza. In addition, we are also focusing our efforts on value creation beyond the framework of retailing, such as an online event organized with a local government.

Special Feature Initiatives on Property Management & Operation

TOKYU COMMUNITY CORP.'s contribution to the formation of high-quality social stock

Under the social mission of Contributing to quality socially relevant stock, TOKYU COMMUNITY CORP. has upheld an idea of lifetime management, with which the company improves and maintains the asset value of existing buildings by extending their life while keeping them sound and in optimal conditions.

For condominiums, we improve buildings' asset value and deliver comfort to residents while holding down the lifetime cost. For buildings and facilities, we improve their asset value with total management, including profitability management, so that they will be chosen by tenants. We suggest renovations for keeping the conditions of buildings, as well as their residents and users, optimal for each life stage.



The concept of our renovations is "A new landscape being prepared."

Revive+, a new brand of renovations



Since December 2020, we have been practicing renovations unique to a condominium management company under the Revive+ brand. We suggest new renovations unique to a management company that knows the building's past, determines its present status, and looks into its future. In addition to reviving the building with the latest technologies and equipment, we suggest something extra (+) in response to the various desires of its residents. As a part of Revive+, we offer CHOICE, a service with a long warranty period that enables to extend the period between large-scale renovations of a condominium from the previous 12 years to max. 18 years. Creative measures for work specifications and methods extend the warranty period of the work by 1.5 to 2 times. Thus, we have been able to reduce the frequency of renovation work and the total cost of the work before the building becomes 60 years old, when it is decided whether to extend its life through a large-scale renovation or replace

it. While the decline in asset value attributed to the aging of both buildings and residents has been a social issue, we will ensure an appropriate lifecycle cost to solve this issue and maintain and improve the value of customers' assets.



Value provided by TOKYU COMMUNITY CORP.

TOKYU COMMUNITY CORP. works together with customers to create higher future value through provision of peace of mind, safety and comfort, and high-quality services. Our aim is to create a harmony among people, society, and the environment and expand the trust and bond we enjoy with customers. By pursuing future value, we contribute to creating high-quality social stock. This is the social mission and purpose at TOKYU COMMUNITY CORP.

Real Estate Agents | Leading a sound stock-based society

Value provided through businesses A comfortable urban life Safe and secure housing

Business fields: Real estate agents (sales and leasing) / Consignment sales / Real estate sales / Real estate solutions / Management of rental housing



In the Real Estate Agents segment, we provide solutions related to the use of real estate stock, such as real-estate sales agent service and consignment sales, and engage in operations related to rental housing management. We create new revenue opportunities by leading the transformation of real estate agents through the effective use of digital technologies and intellectual assets. We will also play a role in realizing appealing lifestyles, a goal of the Group, and contribute to the sound development of a stock utilization-based society.



Campus Village Tama Center (Completion: March 2021)



Campus Village Motosumiyoshi

Business strategy

Business model transformation through use of intellectual assets

- Evolution of the real estate brokerage business model in anticipation of changes in the value of information
- Expanding scale and increasing efficiency of rental housing service business

Current situation (SWOT analysis)

- | | |
|----------------------|---|
| Strengths | <ul style="list-style-type: none"> ● Strong brand power, rich connection points we have with our customers ● Rich real estate transaction information and information processing ability ● Ability to make proposals to owners in response to diverse needs |
| Weaknesses | <ul style="list-style-type: none"> ● Real estate brokerage business that is easily influenced by the condition of the real estate market |
| Opportunities | <ul style="list-style-type: none"> ● The continuation of the good real estate purchasing environment due to low interest rates ● The expansion of the existing real estate transaction market ● The diversified needs for the use of real estate, such as living in two places |
| Risks | <ul style="list-style-type: none"> ● The reduction of information asymmetry attributable to the progress of digitalization ● The decline in buying motivation attributable to rising house prices |

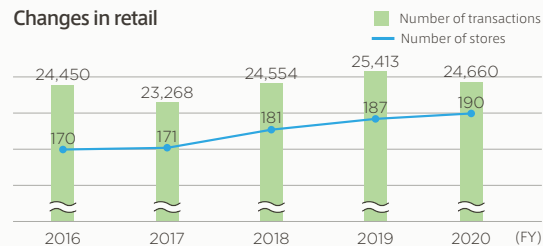
The segment's current status and medium- to long-term policy

Real estate brokerage

In the real estate brokerage business, we have made it our medium- to long-term policy to evolve the real estate brokerage business model itself through automation and labor-saving initiatives taken using AI and other digital technologies and the use of our salespeople's problem-solving skills and intellectual assets.

We actively opened new stores while continuing to make efforts to become a real estate information multi-value creator, one that supports customers with proposals that increase real estate value. In April 2021, the number of Livable networks in the country increased so far as to exceed 200 locations. Further, the GRANTACT branches specializing in high-priced condominiums in central Tokyo promote a strategy for central Tokyo, such as collaborating with the company's own overseas bases to aggressively capture the needs of affluent populations and investors overseas. In addition to this extensive network of branches, we have

Changes in retail



introduced new services including price appraisals using AI. This has led to a steady increase in the number of transactions we have brokered. We aim to increase our competitiveness further by taking advantage of the power of our human capital and technologies and by combining them.

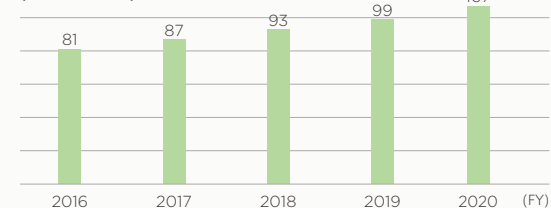
Rental housing service

In the rental housing service business, we strive to improve our ability to make suggestions to owners and expand the business scale by improving productivity through the digitalization of operations. At Tokyu Housing Lease Corporation, the number of units we manage has exceeded 100,000. In addition, the Campus Village student residences, which were developed by TOKYU LAND CORPORATION and are operated and managed by NATIONAL STUDENT INFORMATION CENTER CO., LTD., have been expanded to approx. 1,600 units due in part to the opening of Campus Village Tama Center and

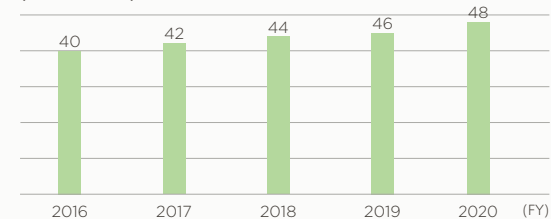
Campus Village Kyoto Shimogamohigashi.

To solve the problem of loneliness felt by students, which came to the surface while in-person events could not be held due to the COVID-19 pandemic, we also focused on holding online exchange events for tenants and introducing the CV CAREER, a program that helps them prepare for job hunting. We will continue to accumulate and improve our operational know-how to achieve steady growth in the business.

Number of rental housing units under management (thousand units)



Number of student condominium units under management (thousand units)



Special Feature Initiatives in Real Estate Agents

Evolving customer experience by using digital technologies

In the Real Estate Agents segment, where we have know-how and accumulated data on brokerage and sales, rich connection points with customers, and strong brand power, we focus on new needs and issues which have emerged due to changes in society and the COVID-19 pandemic. We are committed to improving and evolving the customer experience (CX) and creating further experience value from the customer's perspective while solving issues by providing advanced services using digital technologies.

Speed AI Appraisal that shows the latest appraisal value



TOKYU LIVABLE, INC. has introduced the Speed AI Appraisal¹ function to its official website by applying AI it developed itself. This function is aimed at catering to needs of customers desiring to know the sales price of their properties to prepare for a future relocation or sudden job transfer. This service permits the easy online completion of the process from registration of a condominium, detached housing, or land to its appraisal, based on data on

offering prices in the market for the past 10 years. Data used for the appraisal are updated every week, ensuring the latest appraisal values at all times. It also displays the assumed amount of rent of the property, permitting users to consider both sale and leasing. Thus, it supports customers' real estate use.

AR Property Viewing: Adding to the convenience and fun of viewing properties using the most cutting-edge methods

In April 2021, Tokyu Housing Lease Corporation launched a demonstration experiment of AR Property Viewing², the first property viewing service in Japan that uses a glass-type device for viewing condominiums under management. This service instantaneously generates a virtual display condominium to show customers traffic lines to follow within the rental property and how the space will look with furniture. In addition to making it easy to imagine what it is like to live there, the service also has a game-like element, permitting customers to decorate the virtual rooms. Thus,



AR Property Viewing using AR glasses (For illustration purposes only)

the service upgrades property viewing to a more convenient, enjoyable experience.

Online exchange between students in the COVID-19 pandemic

At universities, classes are given mostly online due to the COVID-19 pandemic. This has reduced opportunities for students to communicate face to face with each other. In response to this problem, Campus Village Kyoto Ichijoji, a student residence operated by NATIONAL STUDENT INFORMATION CENTER CO., LTD., held an online and offline hybrid workshop in June 2020 in collaboration with Kyoto University of the Arts.

Jointly with NATIONAL STUDENT INFORMATION CENTER, students drew a picture on a wall of the residence cafeteria, and a photo contest was held both on this wall and in an online space. Students' works were displayed with comments, and students played the leading role in exhibiting and judging the works. Thus, opportunities including the chance to make friends were created for the students.



The picture drawn on a wall in Campus Village Kyoto Ichijoji

¹. A service only available in areas served by TOKYU LIVABLE, INC. ². A technology which virtually augments a real space by displaying virtual visual information overlaid on a real landscape

Section 4 — Foundations Supporting Our Sustainable Growth

- 59 Financial Capital Strategy
- 64 Human Capital and Organizational Climate
- 66 Governance
 - Discussion with an Outside Director

Financial Capital Strategy

Pursuing profit growth with an awareness of capital efficiency while maintaining financial discipline

Sustainable corporate growth requires both a growth strategy and a financial capital strategy that supports it. Developing the optimal financial capital structure is essential for a financial capital strategy. Stakeholders evaluate debts and equity from different perspectives, and we are always aware of the balance between them. We attach importance to creditworthiness (rating) on the debt side and to capital efficiency (ROE) on the equity side.

At present, the Group is making steady progress in large-scale projects at Shibuya and Takeshiba and in investments in the renewable energy business, thus enabling it to build stable revenue foundations. Meanwhile, some businesses saw a decline in revenue levels due to the COVID-19. Thus, balance sheet management has become our significant task. We therefore need to control assets, liabilities, and equity appropriately.

In asset control, we work to improve the efficiency of existing businesses and manage our business portfolio. In asset-utilizing business, we ensure we start operations in large-scale projects, expand high-efficiency business operations and cyclical reinvestments, and take measures to help improve ROA such as the use of external capital and

replacement of our asset portfolio. In human capital-utilizing business, we will attempt to achieve scale growth and improve profit margins by bolstering productivity and creating added value through DX. At the same time, we will optimize our portfolio by evaluating each business based on common evaluation criteria for all businesses. We will pursue ambidextrous leadership by establishing a management cycle of evaluation, monitoring, review, and decision on allocation of management resources.

Regarding liabilities and equity, we will pursue capital efficiency improvement while emphasizing the maintenance of financial discipline. Hybrid financing, which we executed in fiscal 2020, contributes to both of these tasks. The D/E ratio after consideration for hybrid financing has improved to 2.3. We will continue to aim to improve D/E ratio by building up periodic profits. If we are conscious of shareholder capital costs, an ROE at 8% is our immediate target, which we plan to achieve by the mid 2020s. After that, we will further improve the efficiency, aiming to achieve 10% or more by fiscal 2030. In terms of return to shareholders, our immediate policy is to raise the dividend payout

ratio to 30% or more and continue and maintain stable dividend payment. Our basic policy is to achieve EPS growth through growth reinvestment.

By building a solid, unique business portfolio, we will maintain financial soundness while continuing to invest in growth and improve capital efficiency. This is the key point of the long-term management policy that we have formulated. We will achieve sustainable growth by implementing this policy and strategy appropriately.

[Go to the website of Investor Relations ▶](#)

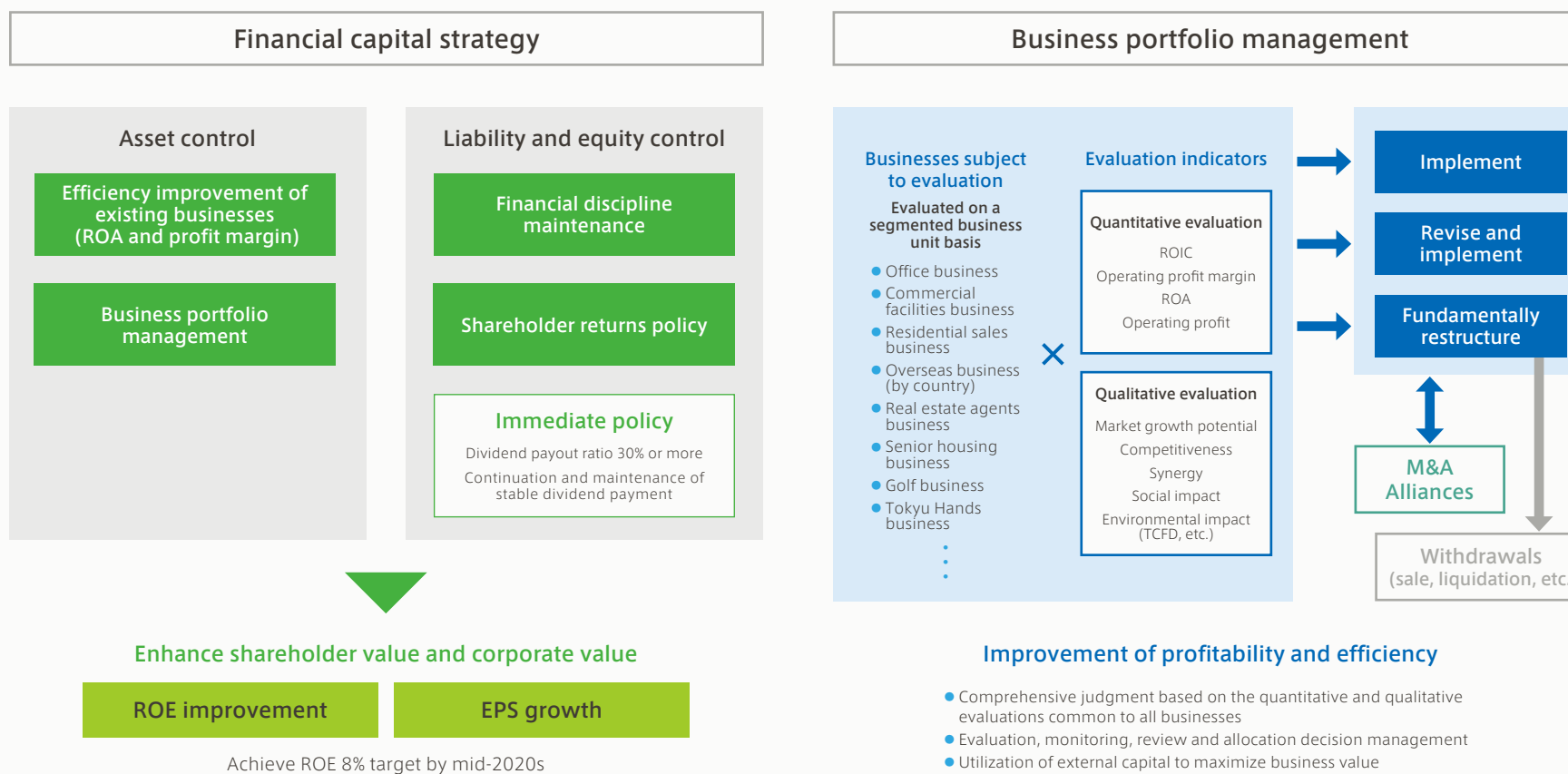


Kazuhiro Nishimura

Operating Officer,
Tokyu Fudosan Holdings Corporation

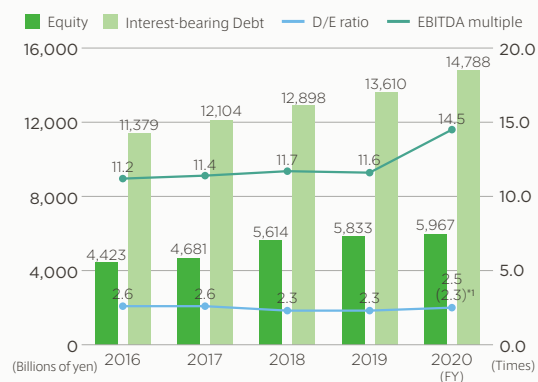
Basic policy and portfolio management

Amid the prolonged impact of COVID-19, we will achieve profit growth with an awareness of capital efficiency while maintaining financial discipline, in our efforts to improve shareholder value and corporate value.
At the same time, we will improve profitability and efficiency by managing our business portfolio based on common evaluation criteria for all businesses.

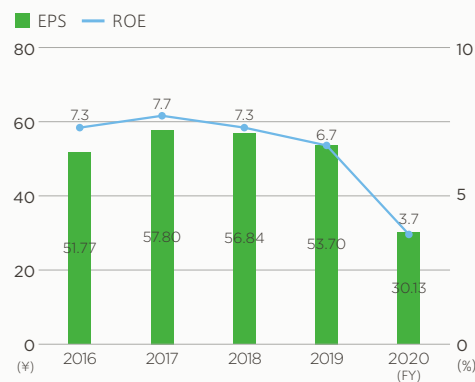


Key financial indicators

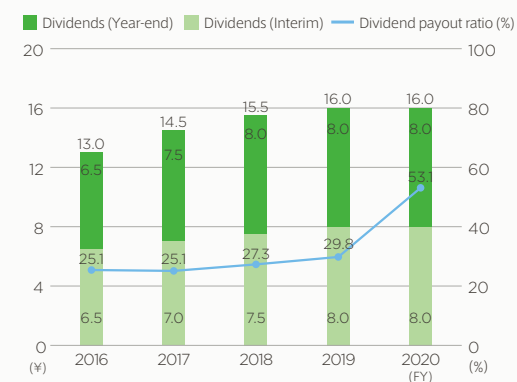
Changes in equity and interest-bearing debt



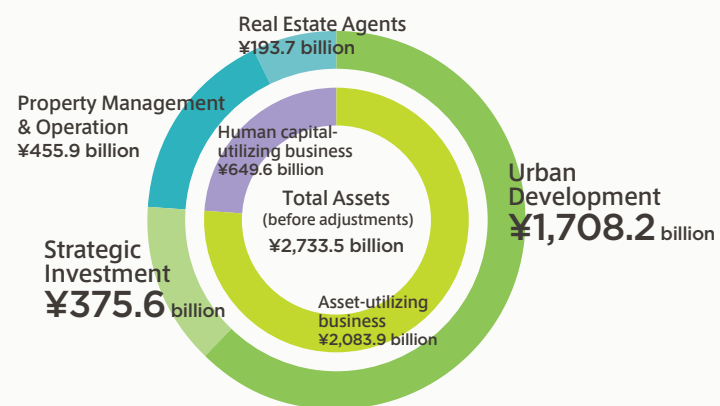
Changes in EPS and ROE



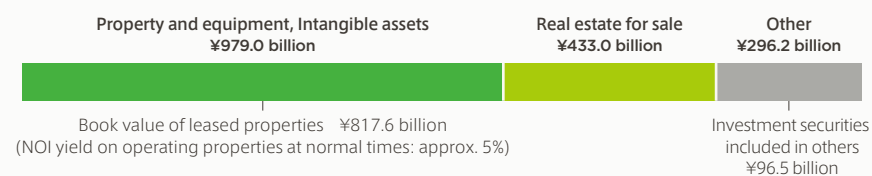
Changes in dividends and dividend payout ratio



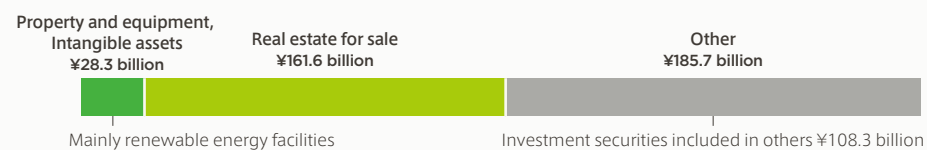
Asset breakdown by segment²



Breakdown of the Urban Development segment (¥1,708.2 billion)



Breakdown of the Strategic Investment segment (¥375.6 billion)



¹⁾ D/E ratio after consideration for hybrid financing

²⁾ As of fiscal 2021, we have changed our segment system from our previous seven businesses segments to four business segments. Segments are therefore displayed in the new segment configuration

Financial analysis

Summary of results

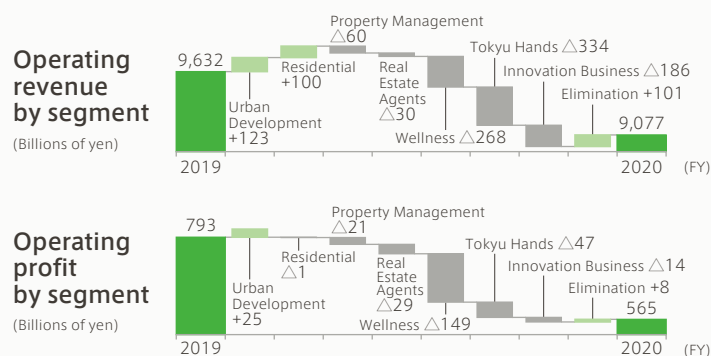
- Results for fiscal 2020 include operating revenue of ¥907.7 billion (5.8% decrease from previous year), operating profit of ¥56.5 billion (28.7% decrease), ordinary profit of ¥46.6 billion (31.0% decrease), and profit attributable to owners of parent of ¥21.7 billion (43.9% decrease), by posting extraordinary losses including a loss on COVID-19 impact.
- The COVID-19 pandemic primarily caused the temporary closure and shorter operating hours of our commercial facilities, facilities we operate, and stores mainly in the first quarter, greatly constraining our business activities in all segments. After the state of emergency was lifted, we resumed operations one by one, and our business performance began to recover in the second quarter due in part to various government measures. However, both revenue and profit decreased, partly reflecting an ongoing trend to refrain from going out in response to another wave of infections.

(Billions of yen)

	FY2018	FY2019	FY2020	Comparison
Operating revenue	9,019	9,632	9,077	△ 555
Operating profit	802	793	565	△ 228
Ordinary profit	707	675	466	△ 209
Profit attributable to owners of parent	375	386	217	△ 169
D/E ratio	2.3 times	2.3 times	2.5 times ¹	0.1
ROA	3.5%	3.3%	2.2%	(1.0) P
ROE	7.3%	6.7%	3.7%	(3.1) P

Operating revenue/operating profit by segment²

- While there were increases in both revenue and profit for the Urban Development segment for fiscal 2020, there was an increase in revenue but a decrease in profit for the Residential segment and decreases in both revenue and profit for the five other segments.



- Urban Development** While commercial facilities including Tokyu Plaza were affected by the COVID-19 pandemic, both revenue and profit increased, partly reflecting the commencement of operations of TOKYO PORTCITY TAKESHIBA Office Tower, increases on gains on the sale of buildings to investors, and an increase in the number of projects in operation in the renewable energy business.
- Residential** While an increase in the total number of condominium properties sold resulted in an increase in revenue, profit decreased due in part to an increase in sales expenses.
- Property Management** While management of large-scale properties began in the building management division, both revenue and profit decreased due in part to a decrease in orders for construction attributed to the COVID-19 pandemic and a reactive decrease reflecting the construction of large-scale buildings in the previous year.
- Real Estate Agents** There was a decrease in revenue attributed to closure and shorter operating hours of stores reflecting the COVID-19 pandemic, which resulted in a decrease in the number of transactions. Profit decreased due in part to a reactive decrease reflecting the sale of properties with high profit rates in the real estate sales agent division in the previous fiscal year.
- Wellness** Both revenue and profit decreased, partly reflecting closures, shorter operating hours, and a slowdown in demand for facilities we operate — such as Tokyu Stay, Tokyu Sports Oasis, and TOKYU Harvest Club — mainly in the first quarter, reflecting the strong impact of the COVID-19 pandemic.
- Tokyu Hands** Revenue and profit declined, partly reflecting the closure and shorter operating hours of stores mainly in the first quarter due to the COVID-19 pandemic.
- Innovation Business** As in Japan, business activities were affected by the COVID-19 pandemic. Factors including a decrease in the number of condominium sales posted in Indonesia resulted in decreases in both revenue and profit.

¹. D/E ratio before consideration for hybrid financing ². Actual values before the segment system change

Assets, liabilities, and total net assets

- Total assets at the end of fiscal 2020 were ¥2,652.3 billion, an increase of ¥164.9 billion compared to the end of the previous fiscal year. Real estate for sale increased due mainly to investments made in the Urban Development segment, and factors including the completion of TOKYO PORTCITY TAKESHIBA resulted in an increase in property and equipment, intangible assets.
- Total liabilities were ¥2,043.6 billion, an increase of ¥150.4 billion compared to the end of the previous fiscal year, mainly due to an increase in interest-bearing debt.
- Total net assets were ¥608.7 billion, an increase of ¥14.5 billion from the end of the previous fiscal year, chiefly due to an increase in retained earnings.

Market value appraisal for leased properties

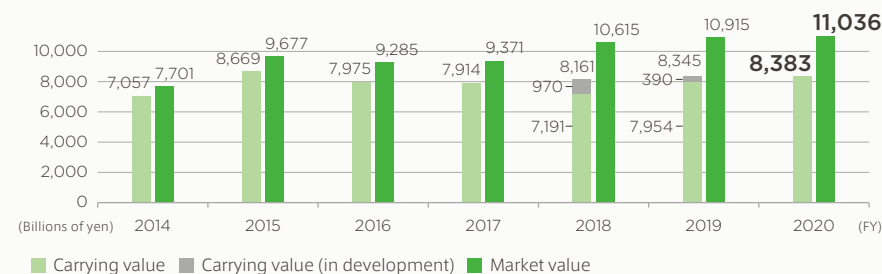
- The carrying value at the end of fiscal 2020 for leased properties, including office buildings and commercial facilities, was ¥838.3 billion, with a market value of ¥1,103.6 billion – a difference of ¥265.3 billion. Properties that are planned but not yet opened (¥79.7 billion at the end of fiscal 2020) are not included in year-end market value or carrying value, as it is difficult to determine their value.

Cash Flows

- Cash flows from investing activities in fiscal 2020 decreased by ¥116.0 billion, partly due to the purchase of non-current assets. In order to compensate for this decrease in investment funds, cash flows from operating activities increased by ¥100.4 billion, partly reflecting an increase in profit before income taxes, and cash flows from financing activities increased by ¥108.3 billion due in part to the procurement of interest-bearing debt.

(Billions of yen)

	FY2018*	FY2019	FY2020	Comparison
Real estate for sale	5,680	6,580	6,806	227
Property and equipment, Intangible assets	11,424	11,927	12,239	312
Goodwil	771	717	664	△ 53
Other investment	2,944	3,122	3,391	268
Other	3,233	2,527	3,423	896
Total assets	24,052	24,874	26,523	1,649
Interest-bearing debt	12,898	13,610	14,788	1,177
Other	5,467	5,320	5,648	327
Total liabilities	18,366	18,931	20,436	1,504
Total net assets	5,687	5,942	6,087	145



(Billions of yen)

	FY2018	FY2019	FY2020	Comparison
Net cash provided by (used in) operating activities	445	△67	1,004	1,071
Net cash provided by (used in) investment activities	△604	△1,472	△ 1,160	312
Net cash provided by (used in) financing activities	1,391	651	1,083	433

* The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) took effect at the beginning of the first quarter of fiscal 2018, and this Accounting Standard was applied retroactively to the main management indexes from fiscal 2017

Human Capital and Organizational Climate

We pursue a human capital strategy that helps improve our competitiveness while inheriting the founding spirit of Challenge-oriented DNA. We also aim to build a comfortable work environment for employees and develop an innovative organizational climate with diversity, which allows each employee to fully demonstrate their capabilities.

Our approach to human capital management

We believe that, for the Group to keep delivering diverse value to stakeholders, our employees should remain highly aware of social issues in their daily activities and act with a sense of social mission. Based on this idea, we are promoting a human capital strategy that helps improve our competitiveness, by working to build an environment where anyone can vigorously enjoy working. Each Group company is striving to improve the job satisfaction of each employee with human capital management utilizing our systems for employment, development, assignment/transfer, and evaluation/remuneration.

Human capital management structure

- We manage each issue regarding our human capital strategies in a Group-wide manner, through the activities of the Group Human Capital Council and other initiatives.
- We have set target values for realization of diversity and inclusion, maintenance of good health of employees, and respect for human rights and examine progress based on KPIs.
- We regularly conduct engagement and employee satisfaction surveys, which are designed with the characteristics of each company firmly in mind. We visualize engagement between the organization and its employees to increase organizational strength.
- We share personnel and labor management information related to occupational health, safety, and work-style reform through the Group Labor Liaison Committee.
- We provide Group joint training to raise health awareness and improve health literacy.

Division with authority and responsibility Group Human Resources Department
 KPI targets [See P.20](#)

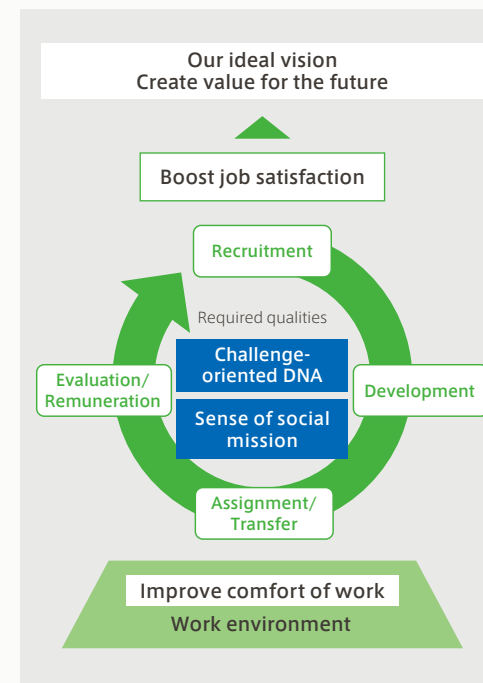
Basic policy on human capital strategy

To achieve GROUP VISION 2030, the long-term vision showing our ideal vision for 2030, we will continue constant value creation by fostering an innovative organizational climate with a sense of unity together with approximately 30,000 Group employees from more than 100 companies while inheriting the founding spirit of Challenge-oriented DNA.

Each Group company is working to develop a training system and environment in which the organization supports individuals taking on challenges, while sharing the basic direction of the organization, designs programs to give employees diverse workstyle options, and enhances its IT infrastructure.

And we request employees to share the organization's direction, take actions to have their own growth give back to society, and acquire the ability to identify issues for customers and society, and potential solutions.

The companies and employees are united through these activities and will work to develop an uninhibited organizational climate that facilitates the creation of innovations and to enhance corporate value starting from solving social issues.



Creation of an environment for greater comfort at work

Health and productivity management

The Group regards the happiness of employees and maintenance and promotion of good health among them as important management issues. Group companies take various measures that lead to better physical and mental health and longer healthy lifespans. With these measures highly evaluated by society, Tokyu Fudosan Holdings Corporation was selected under the Health & Productivity Stock Selection¹ for the second consecutive year in fiscal 2021. In addition, in December 2020, our headquarters located in SHIBUYA SOLASTA obtained the WELL certification² for the first time among developers in Japan.

Work-style reform

Group companies are reinforcing their IT infrastructures and building a teleworking environment, thus improving employee productivity and creating workplaces that give employees diverse workstyle options. At the same time, they introduced flexible leave programs, helping employees to balance work and private life.



New employee training was also given online

Diversity & Inclusion

We have set KPIs for the ratio of female managers and childcare leave taken by male employees. We have thus built an environment which enables diverse human capital to fully demonstrate their capabilities. To prevent harassment, we provide relevant training to employees and have established related rules, in an effort to create an organizational climate that encourages employees to respect each other's values. In fiscal 2020, TOKYU LAND CORPORATION was awarded a Silver rating in the PRIDE Index³.

Human rights policy and specific activities

[Go to the Sustainability website ▶](#)

Formulation of a human right policy

We respect the human rights of our employees and all other stakeholders and aim to build a sustainable society and achieve sustainable growth. We support international human rights standards. In December 2019, we formulated the Tokyu Fudosan Holdings Group Human Rights Policy.

Process of identifying human rights risks and initiatives for addressing them

In fiscal 2019, we evaluated human rights risks and analyzed them using the possibility of the occurrence of human rights problems in each business and the level of their potential impact, as well as issues common to all businesses, as indicators. Based on the results of the analysis, we have identified six important human rights issues related to our business activities.

Further, in light of the impact on human rights caused by our business activities in particular, we set the use of construction materials (concrete formwork) and consideration of human rights of foreign technical intern trainees as priority issues.

In fiscal 2020, we began due diligence⁴ of human rights and sustainable procurement to take initiatives in the overall supply chain. We have set goals of preventing forced labor and child labor in the supply chain and using 100% wooden materials from sustainable sources for plywood used for concrete formwork⁵. We aim to achieve these goals by fiscal 2030. We also conducted a questionnaire of 24 construction companies about human rights and procurement and engaged with them.

¹ A joint initiative taken by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to select and announce listed companies committed to the creation and implementation of health and productivity management measures and have achieved results ² WELL Building Standard. It is a system for evaluating buildings and their interior environment with health and comfort considerations ³ An evaluation index for initiatives for sexual minorities, including members of the LGBT community ⁴ A series of processes of identifying and evaluating human rights and environmental risks on the supply chain, trying to prevent and reduce those risks, and delivering information about how to handle problems ⁵ Plywood used for concrete formwork, which is used mainly for reinforced concrete (RC) structures

Governance

The Group improves the soundness and transparency of its management by placing emphasis on practicing and ensuring risk management and compliance. We are making continuous efforts to strengthen corporate governance to enable more prompt, decisive decision-making.

Message from the Chairman of the Board of Directors

In the GROUP VISION 2030, the long-term vision announced in May 2021, the Group has set the creation of governance to accelerate growth as one of themes of our efforts to create value (materialities). In the long-term management policy formulated at the same time, we attach importance to governance as foundations supporting our sustainable growth and express our determination to work on governance. Based on our vision and policy, we are steadily building a governance system while also taking into account the revised Corporate Governance Code, market restructuring by the Tokyo Stock Exchange, and other factors.

In fiscal 2021, we increased the ratio of independent outside directors in the Board of Directors to 40% and increased the number of female directors. In addition, we have changed the composition of the Nomination and Compensation Advisory Committee, which is an advisory body to the Board of Directors. As a result, independent outside directors now constitute the majority of the committee. We have taken this and other measures to secure diversity and strengthen supervisory capabilities.

As an initiative to improve the effectiveness of the Board of Directors, we have revised the skills matrix

of directors. We have developed the skills matrix from the perspective of ensuring a good balance between the overall Board of Directors' knowledge, experience, and capabilities and ensuring its diversity. In line with our long-term management policy, we have updated skill items needed for our Board of Directors and utilize them to reinforce the structure.

📄 See P.80

Further, to evaluate the effectiveness of the Board of Directors, we began to use an external consultant in fiscal 2020 in addition to the existing third-party evaluation by a lawyer who is not a corporate lawyer. We use evaluation results to improve the effectiveness.

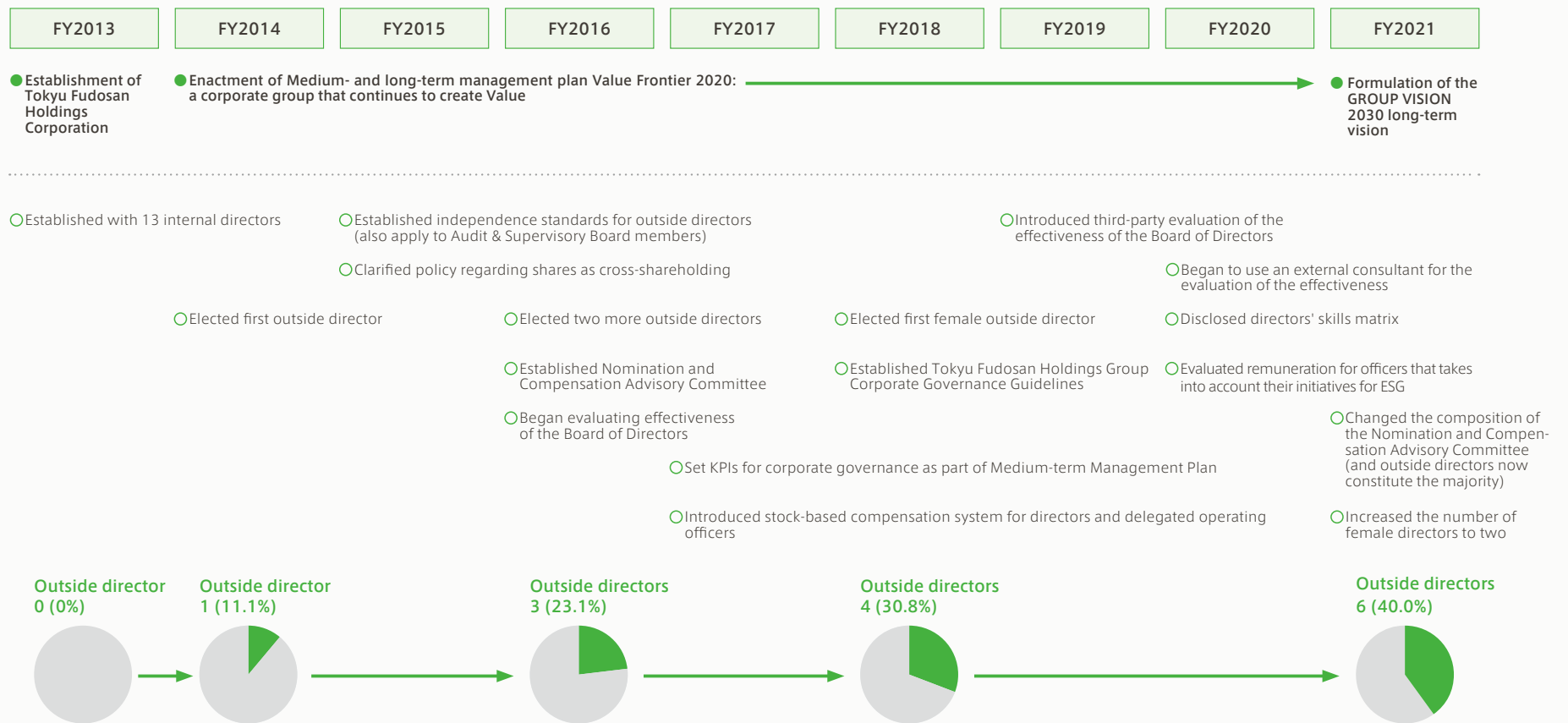
We will continue to improve the system, have our president and the relevant directors and departments engage in constructive dialogue with shareholders and investors, and refer to the opinions and matters they raised while we make sincere efforts to further improve the soundness and transparency of management. I believe that accumulation of these efforts will lead to the establishment of governance as foundations supporting our sustainable growth and eventually to a corporate group that creates value for the future, which is our ideal vision of the Group.



Kiyoshi Kanazashi

Chairman, Chairman of the Board of Directors,
Tokyu Fudosan Holdings Corporation

Progress in strengthening corporate governance



Basic approach

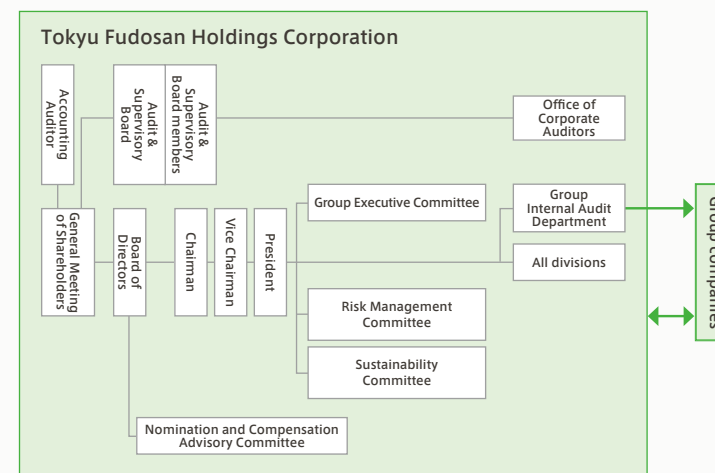
In order to fulfill our responsibility to our stakeholders surrounding the Group, including customers, employees, business partners, local communities, and shareholders and investors, we strive to ensure our sustainable growth and increase corporate value over the medium and long term by addressing social issues through our business. To that end, we will work to ensure soundness and transparency of management and build a corporate governance system that contributes to expediting decision making.

Corporate Governance Guidelines

We have stipulated our basic approach to and our system for corporate governance in the Tokyu Fudosan Holdings Group Corporate Governance Guidelines. We refer to these guidelines for taking initiatives on governance and engaging smoothly in constructive dialogue with shareholders and investors. Since we developed these guidelines in February 2018, we have continued to review them in response to revisions of laws and social demand related to governance.

[Go to the Corporate Governance website](#) ▶

Corporate governance structure



Roles of key organizations

Board of Directors The Board of Directors passes resolutions on the Company's management policy and important matters on business execution and supervises the performance of duties by directors in accordance with stipulations of laws, the Articles of Incorporation, and other criteria.

Audit & Supervisory Board Each member of Audit & Supervisory Board audits daily corporate activities, including the legality of directors' performance of their duties and the appropriateness of accounting process, in accordance with stipulations of laws, the Articles of Incorporation, and other criteria.

Nomination and Compensation Advisory Committee This is a non-mandatory committee that deliberates on matters on which it is consulted by the Board of Directors and other organizations, including matters relating to the nomination of director candidates and operating officers and matters relating to the compensation of directors and operating officers.

Group Executive Committee This committee deliberates on important matters related to management and operations of the Group and conducts overall control over deliberations, reports, and the implementation of major investment projects for each Group company as well as business and other strategies, from a Group-wide perspective.

Risk Management Committee This committee comprehensively manages and supports risk management by Group companies. It measures and monitors risks, carries out awareness-raising activities, and takes other initiatives.

Sustainability Committee Activities of this committee include developing the Group's basic policies related to sustainability, developing systems for promoting the policies, and monitoring and reporting on progress.

Board of Directors

Position of the Board of Directors

The Board of Directors functions as a supreme decision-making body second to the General Meeting of Shareholders. It meets once a month, in principle, and extraordinary meetings are held as necessary. Based on regulations including the Board of Directors Regulations and the Duty Authority Regulations, the Board of Directors makes decisions on important matters related to the Group's management, such as management policies, business plans, and large-scale investment plans, in addition to matters stipulated in laws and regulations and the Articles of Incorporation.

Authority for the execution of business relating to matters other than those to be discussed by the Board of Directors is delegated to the Group Executive Committee and other subordinate meeting bodies as well as relevant officers and other responsible persons. The Board of Directors supervises the performance of duties by them.

Composition of the Board of Directors

We are striving to equip the Board of Directors with the skills needed to promote the long-term management policy, while considering its diversity in gender, nationality, and other attributes. For this purpose, we have developed a skills matrix to ensure a good balance between the overall Board of Directors' knowledge, experience, and capabilities, while ensuring its diversity. [See P.80](#)

We select people with knowledge and judgment as candidates for internal directors. As our outside directors, we select people who have extensive experience in fields such as management, legal affairs, finance, and accounting, while having a sensible, objective perspective. We choose candidates who can raise and discuss problems about growth strategies and enhancement of governance from an independent standpoint. Candidates for outside director are selected based on the premise that they will not hold concurrent positions as a director, corporate auditor, or executive officer at more than five listed companies other

than the Company.

We believe that an appropriate ratio for independent outside directors in the Board of Directors is one-third or more, and the current ratio is 40%.

Evaluating Effectiveness of the Board of Directors

To ensure the soundness and transparency of management, our Board of Directors' effectiveness is evaluated each year based on opinions from each director and Audit & Supervisory Board member and other information. In addition, issues found in this process are shared by the Board of Directors and reflected in ongoing improvements. In fiscal 2020, we conducted a questionnaire of our directors and Audit & Supervisory Board members. To ensure objectivity in the design of the questionnaire and aggregation of its results, we hired an external consultant and received a third-party evaluation by a lawyer who is not our corporate lawyer. The result of the evaluation was that "Effectiveness is secured, and they are highly motivated to improve governance." We will continue striving to improve the effectiveness further.

Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee was established as an advisory body to the Board of Directors to increase the fairness and transparency of procedures for matters related to the nomination of director candidates and operating officers and matters relating to their compensation, among others. In fiscal 2020, the Nomination and Compensation Advisory Committee met twice, with 100% of its members attending.

The Board of Directors consults this committee concerning these matters before passing resolutions on them. The committee is chaired by an independent outside director, and independent outside directors constitute the majority of its members. The composition of the committee in fiscal 2021 is as shown in the following page.

- Chair Makoto Kaiami (Independent Outside Director)
- Member Satoshi Miura (Independent Outside Director)
- Member Tsuguhiko Hoshino (Independent Outside Director)
- Member Kiyoshi Kanazashi (Chairman)
- Member Hironori Nishikawa (President and CEO)

Criteria for determining independence of outside directors

The Company deems independent outside directors to be independent when, in addition to meeting the independence standards for independent officers stipulated by the Tokyo Stock Exchange, they have not been any of the following for any of the previous three fiscal years.

- (1) An executive of a business partner to which the Company's net sales account for 2% or more of the Company's consolidated net sales
- (2) An executive of a business partner whose net sales to the Company account for 2% or more of the business partner's net sales
- (3) An executive of a lender from which the Company borrows funds that account for 2% or more of the Company's consolidated total assets
- (4) An executive of a major shareholder or investor of the Company with an investment ratio of 10% or more
- (5) A consultant, accounting professional, or legal professional who receives compensation of more than ¥10 million a year from the Company besides officer compensation
- (6) A spouse or relative within two degrees of kinship of a director, etc. of the Company or a consolidated subsidiary

Succession plan

Director candidates are elected based on the belief that directors should have integrity, moral character and good health.

Each candidate's achievement of management indexes made through their work experience as a person responsible for two or more segments is evaluated to determine whether they have the requisite knowledge, judgment, and management capabilities. At the same time, their aptitude is evaluated objectively by a third party. Then, the president and representative director creates a proposal regarding the members of senior management for the following fiscal year and consults the Nomination and Compensation Advisory Committee before a decision is made by the Board of Directors.

Compensation for directors

Policies on decisions related to the details of compensation for individual directors and others are determined by the Board of Directors after consulting the Nomination and Compensation Advisory Committee.

At present, the annual amount of compensation for directors is stipulated not to exceed ¥600 million (not including employee salaries paid to directors serving concurrently as employees). We have also introduced a stock-based compensation system, under which the Company's shares are granted to directors at the time of retirement, in principle, separately from monetary compensation. Based on the stock granting trust set up by the Company, a maximum of 130,000 points in total (1 point equates to 1 share) are granted each year to directors (excluding outside directors and non-executive directors) and operating officers with whom the Company has concluded mandate contracts (operating officers designated by the Board of Directors).

Policies on decisions related to details of compensation for individual directors, etc.

Decisions on compensation are made based on the following two points as the basic policies:

1. That the level of compensation should enable the Company to acquire and maintain talented human resources and motivate them to perform their duties
2. That the system and structure should encourage them to contribute to increasing corporate value and shareholder value over medium and long term

The system of compensation for executive directors consists of the following three elements.

1. Monthly compensation as a consideration for the daily business execution (basic compensation paid monthly)
2. Bonuses (including performance-based remuneration) paid by comprehensively considering the business results for a single fiscal year, the level of achievement of management plans, and ESG initiatives, among other aspects
3. Stock-based compensation (non-monetary compensation, etc.) that is designed so that directors share the benefits and risks of stock price fluctuations with

shareholders and motivates them to help improve the medium- to long-term business performance and corporate value. Target percentages for fixed remuneration and variable remuneration are as shown in the following table.

System of remuneration for executive directors

Item	Fixed remuneration		Variable remuneration	
	Monthly remuneration	Bonus	Stock-based compensation	
When it is paid	Every month	Once a year	On retirement	
Positioning	Basic remuneration	Short-term incentive remuneration	Medium-to-long-term incentive remuneration	
Target percentage to total remuneration	60%	30%	10%	
Approach to fluctuation	—	Varies according to performance evaluation		Linked to stock price
Fluctuation from base amount	—	60-140%		—

Levels of compensation are determined based on fixed differences in position and on the basis of the level of compensation for the representative director, with reference to objective data from external research organizations and others. The level of compensation for the president and representative director as the basis is set at around 0.1% of the consolidated operating profit for the previous fiscal year, in principle, and adjusted by factoring in extraordinary income and losses and levels of remunerations at industry peers, among other factors. Remuneration for non-executive directors is limited to monthly basic remuneration (fixed remuneration) in light of their role of supervising the management of the Company from an independent, objective standpoint. The level of compensation is set at a level needed to invite human resources sought by the Company, with reference to objective data from external research organizations and other data.

Compensation of Audit & Supervisory Board members

The remuneration of Audit & Supervisory Board members is determined through consultation between them but will not exceed the total amount of remuneration (¥120 million/year).

Total amount of remuneration for directors and Audit & Supervisory Board members for fiscal 2020*

Position	Total amount of remuneration (millions of yen)	Total amount of each type of remuneration (Millions of yen)			Number of eligible persons
		Monthly remuneration (fixed remuneration)	Bonus	Stock-based compensation	
Directors	296	212	67	16	14
(of which, outside directors)	43	43	—	—	4
Audit & Supervisory Board members	66	66	—	—	4
(of which, outside Audit & Supervisory Board members)	9	9	—	—	2

Audits and internal control

Audit & Supervisory Board

The Company has adopted a statutory auditor system. Under this system, Audit & Supervisory Board members attend important meetings including those of the Board of Directors to receive business reports from directors and other officers. Audit & Supervisory Board members peruse documentation on important decisions, listen to reports from subsidiaries, and cooperate with the Internal Audit Department, the accounting auditor, and other parties as a part of their audit of the status of business execution at the Company, its subsidiaries, and related companies. Audit & Supervisory Board forms fair audit opinions by accurately grasping information based on on-site visits and other activities, which are mainly conducted by full-time Audit & Supervisory Board members, and effectively audit directors in the performance of their duties as an independent body under the

*The number of people and the amounts of remuneration above include the one director, who resigned at the closing of the 7th Ordinary General Meeting of Shareholders held on June 25, 2020. Stock-based compensation for fiscal 2020 is in accordance with a system based on a resolution at the 4th Ordinary General Meeting of Shareholders held on June 28, 2017

mandate of shareholders by utilizing the fast responsiveness and flexibility of the Audit & Supervisory system.

Audit system

Audit & Supervisory Board (members), accounting auditor, and the Internal Audit Department share their respective audit plans and status of audit implementation with one another, and cooperate closely, for instance by exchanging appropriate information for use in their own audit activities.

The Audit & Supervisory Board receives reports from the accounting auditor on business risks, priority audit points, quarterly reviews, and the results of audits of the financial results for the full year, and also discusses KAM* with the accounting auditor. Full-time Audit & Supervisory Board members exchange opinions with the accounting auditor as appropriate regarding individual business events and matters to be noted in the financial results for each period.

The Internal Audit Department reports the audit results to full-time Audit & Supervisory Board members each quarter, conducts internal control evaluations related to financial reporting in cooperation with the accounting auditor, and reports the evaluation results at the end of the fiscal year to the Audit & Supervisory Board. The general manager of the Internal Audit Department attends meetings of the Audit & Supervisory Board to understand the status of audits by Audit & Supervisory Board members, and communicates with the full-time Audit & Supervisory Board members as appropriate to exchange opinions.

Internal control

The Tokyu Fudosan Holdings Group is thoroughly implementing compliance-based management to achieve its sustainable development and improve its corporate value. All members of the Group shall take steps to put in place and implement internal control systems to raise the levels of efficiency and effectiveness while ensuring proper business operations, achieve management priorities, and disclose information appropriately. In addition, Audit & Supervisory Board members monitor and validate the progress in development and status of operation of the internal control systems.

*Key Audit Matters

Risk management

Risk management policy

The Company has defined seven individual risks (investment risks, financial and capital risks, personnel and labor risks, legal and compliance risks, IT strategy risks/ digital strategy risks, information security risks, and crisis management risks) as events that could interfere with the achievement of management targets of the Group companies. We recognize climate change risk as a new risk with high significance.

To manage these risks appropriately, we have established the Basic Risk Management Policy. We have developed and operate a risk management system based on this policy. In addition, with respect to the six themes to work on (materialities) set out under the long-term vision, we have identified and manage opportunities, risks, and relevant material risks.

Basic risk management policy

The Company makes every effort to clearly identify all major risks as they apply to the Group as a whole and takes systematic and continuous steps to implement all necessary measures on a priority basis in order to comprehensively manage all risks that have the potential to hinder the Group from achieving its objectives or to create a loss.

Highly significant risks

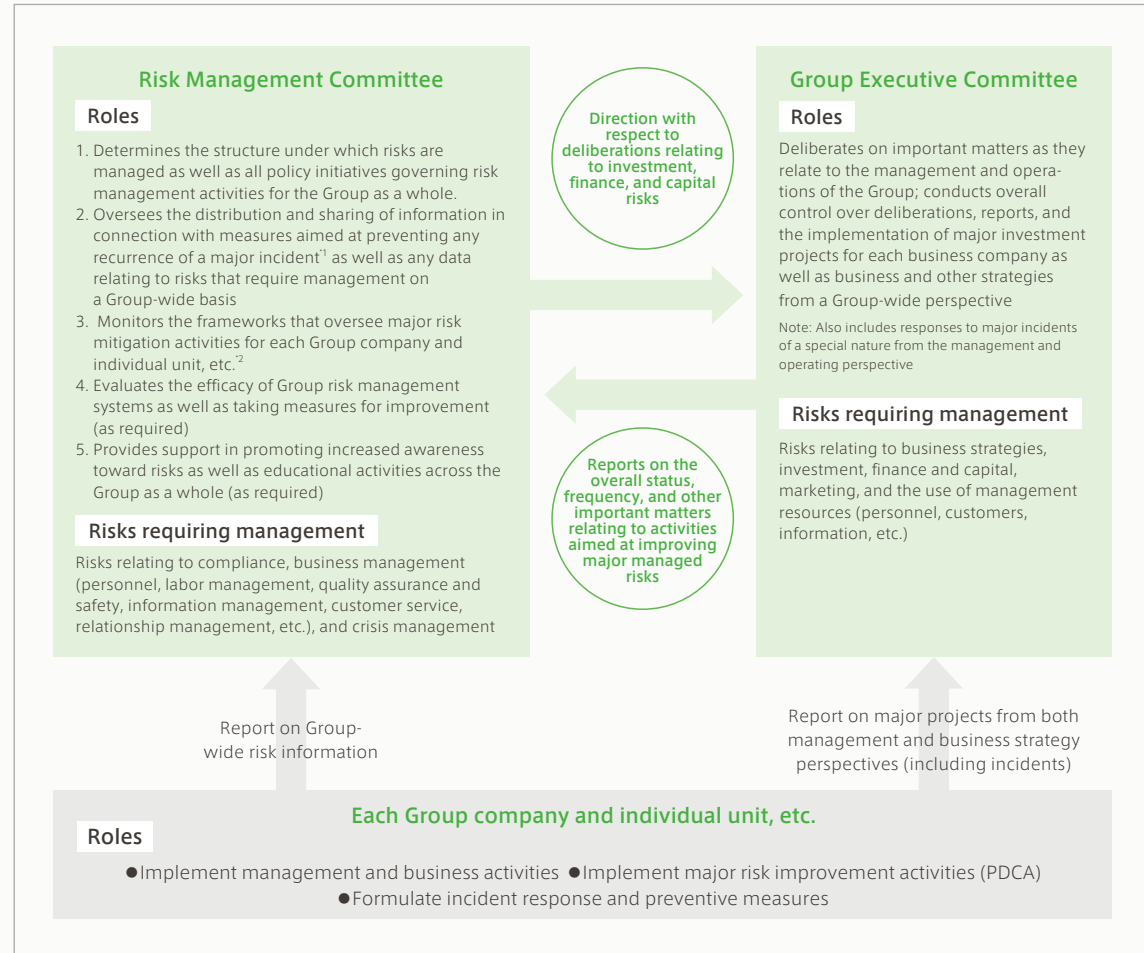
- Investment risks
- Financial and capital risks
- Personnel and labor risks
- Climate change risks

Other risks

- Legal and compliance risks
- IT strategy risks/ digital strategy risks
- Information security risks
- Crisis management response

Risk management structure

Risk management is conducted via the Group Executive Committee and the Board of Directors. Risk management by Group companies is managed comprehensively by the Risk Management Committee. A department overseeing individual risks internally is responsible for ascertaining, evaluating, and analyzing the Group's risk management structure and systems as well as the status of operations. In addition, the Company takes steps to confirm the efficacy of its risk management systems as well as its risk management operations through internal audits. Audits of major risks are systematically undertaken in accordance with their priority. Where there is an urgent risk of a major loss, the Company provides information and makes decisions based on its Emergency Response Provisions, so as to minimize damage.



*1. Incident: Incidents, accidents or injuries that have occurred or are likely to occur *2. Includes Tokyu Fudosan Holdings Corporation, each unit (Urban Development Business Unit, Residential Business Unit, Infrastructure Industry & Overseas Business Unit, and Wellness Promotion Unit) of TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., Tokyu Housing Lease Corporation, NATIONAL STUDENTS INFORMATION CENTER CO., LTD., and ISHIKATSU EXTERIOR INC.

Reinforcing information security

The Group has established a fundamental policy on information management and the Fundamental Rules on Information Management, which clarify responsibility for information management and specify basic requirements and principles of information management, among other roles. In addition, the Group Information Security Committee has established and operates PDCA cycles including receipt of activity reports from each Group company.

Compliance

Based on the understanding that the practice of risk management through compliance-based management is the foundation of its operations, the Group raises awareness of all officers and employees so that they will not only comply with laws and regulations but also make decisions and take actions in accordance with the Tokyu Fudosan Holdings Group Code of Conduct.

In addition, the Tokyu Fudosan Holdings Group Compliance Manual has been created as a practical manual, and all officers and employees are thoroughly informed about compliance through periodic training.

Compliance helplines were established at the Company and individual Group companies for consultations and whistleblowing relating to violation of laws, regulations, and other rules. These helplines can be used by all Group employees (including contract employees, temporary employees, and part-time workers). In addition, we have established an internal whistleblowing office that allows anonymous reports to be made and an external whistleblowing office, where cases are handled by a lawyer who is not our corporate lawyer. The aim of these offices is to discover and rectify violations at the earliest possible time.



Hironori Nishikawa

President & CEO,
Tokyu Fudosan Holdings Corporation



Makoto Kaiami

Outside Director (Independent Officer)



On July 12, not long after the 8th Ordinary General Meeting of Shareholders, we held a dialogue between Makoto Kaiami, an outside director, and Hironori Nishikawa, the President & CEO. They exchanged opinions about the significance and practice of the long-term vision, the diversity of our outside directors in terms of expertise, and the importance of practicing aggressive governance to resolve social issues.

Aiming to resolve social issues with aggressive governance, together with diverse outside directors

Our determination to practice environmental management, which is reflected in the slogan

Nishikawa: Thank you for your cooperation with the recent General Meeting of Shareholders.

Kaiami: My pleasure. For this year's meeting, you took new initiatives such as online distribution and acceptance of prior questions from shareholders. How was their response to the prior questions?

Nishikawa: We received roughly 400 questions

and opinions. In particular, we received many opinions regarding the structure of the Board of Directors, shareholder returns, and our future management in the post-COVID-19 era.

Kaiami: It served as a good opportunity to listen to their opinions directly, didn't it?

Nishikawa: I believe that it did so. Above all, we could understand what individual shareholders think. I feel that they gave us suggestions for determining the direction of our businesses.

Kaiami: Let us continue with this initiative in the future General Meetings of Shareholders.

Nishikawa: I agree with you. Incidentally, the Group announced its long-term vision in this May. In the process of considering its contents, we received many opinions from outside directors. We enhanced the draft's content through repeated internal discussion. With this approach, however, we cannot avoid a narrow perspective. This is why it was valuable to refine the proposed content by reflecting outside directors' opinions given from an unbiased perspective.

Kaiami: I was especially impressed with the discussion that led to the slogan. Although our discussion over our ideal vision for ten years from now was well advanced, outside directors offered opinions one after another, such as "It is difficult to understand intuitively" and "We need a straightforward message so that all stakeholders understand how we want to change."

Nishikawa: This led us to WE ARE GREEN, our new



Hironori Nishikawa

President & CEO,
Tokyu Fudosan Holdings Corporation

slogan.

Kaiami: It is a novel slogan. It first made me feel your intention to take environmental initiatives in a Group-wide manner. And, I heard that it also contains various other meanings.

Nishikawa: Yes, green is our corporate color, so GREEN, also means ourselves. It also expresses our determination to become an environmentally advanced company by practicing environmental management, which we set as the Group policy with DX in the long-term vision. Further, we express our intention to make it to the end with WE ARE and the diversity of our human capital and businesses with the color gradation.

Kaiami: It is important to instill WE ARE GREEN in all Group employees. How will you realize the long-term vision in management?

Nishikawa: At present, we are discussing the medium-term management plan for the period until 2025, aiming to announce it in May 2022. We will make a specific plan including numerical targets and organically link the long-term vision with the strategy for achieving it, on a division-by-division basis.

Kaiami: It is desirable to involve more employees, as well as officers, in developing the plan. Please do incorporate the opinions of young people as future leaders.

Nishikawa: Yes, we will continue to create our vision for five years from now by accepting a wide variety of opinions from employees from all divisions.

Kaiami: I'm glad to hear that you will practice WE ARE GREEN.

Essential questions awaken us to the importance

Nishikawa: Three new outside directors were elected in the General Meeting of Shareholders held in this June. We looked for candidates with strong consciousness of the Board of Directors' skills matrix and consulted the Nomination and Compensation Advisory Committee.

Kaiami: For the promotion of DX, I feel that Mr. Satoshi Miura, who has a wealth of experience in management at NTT and other private corporations, has great presence. In addition, we have a wider range of expertise, having been joined by Mr. Tsuguhiko Hoshino, who was involved in the establishment of the Financial Services Agency and served as the Commissioner of the National Tax Agency, and Ms. Yumiko Jozuka, who promoted workstyle reform and the active participation of women at the Ministry of Health, Labour and Welfare.

Nishikawa: I agree, and also remain hopeful that Mr. Michiaki Ogasawara, who was involved in public administration of telecommunications and who served as Vice Minister at the Ministry of Internal Affairs and Communications, and Ms. Saeko Arai, who has extensive experience in practical operations as CFO, will demonstrate their high levels of expertise in their respective domains.

Kaiami: We have a well-balanced composition of members with really diverse, broad perspectives. I look forward to discussions at meetings of the

Board of Directors.

Nishikawa: I agree. Discussion with outside directors is meaningful for us. While I believe I make decisions from diverse perspectives as a CEO, discussion with outside directors often awakens me to something. It serves as a good opportunity to have second thoughts.

Kaiami: I make remarks quite boldly while feeling that this opinion may be too much like one from an ordinary person.

Nishikawa: I am really startled when you say, "Let me move straight to asking, what is the significance of doing this?" We sometimes cannot help but go with an agenda by following customs of the past. In such cases, you ask us about the essence of a thing by saying "Why?" It is stimulating for us to receive outside directors' opinions from stakeholders' perspective.

Practicing aggressive management with the spirit of *jingi-dotoku* (humanity and morality)

Kaiami: By the way, I read your message in last year's integrated report and knew that you value *jingi-dotoku* (humanity and morality). I heard it is from Eiichi Shibusawa.

Nishikawa: Yes. He created our starting line, so we have many opportunities to refer to his philosophy. He said, "The origin of wealth is *jingi-dotoku*; unjustified wealth cannot be eternal."

Kaiami: What led you to find the value of *jingi-dotoku*?

Nishikawa: When I was a new employee, I was involved in land acquisition. Just saying "Please sell us the land" didn't work. Landowners began to cooperate with us when I could say "We will do this thing that is good for the overall community. Please do cooperate with us" wholeheartedly as my real opinion. Because we realize *Sampo Yoshi* (three way satisfaction for the seller, the buyer, and society), we believe that a business without a social nature will never be a success.

Kaiami: A good point of the Group is that you and Group employees seek solutions to social issues through business activities. A company must generate profits. However, a company that only pursues profits will go into decline at some point. It is ideal to generate profits while also contributing to society with the spirit of *jingi-dotoku*.

Nishikawa: The long-term vision includes environmental management. We thought that we can contribute to the environment as an urgent social issue through businesses for which we take advantage of our know-how. We also expect an additional effect — that is, if we can raise environmental awareness of the overall Group, social morality around the awareness will automatically spread among employees.

Kaiami: I ask you to operate your business with aggressive governance while valuing your mission to address social issues and contribute to society. The outside directors will always provide the super-



Makoto Kaiami

Outside Director (Independent Officer)

vision to ensure that you aren't too aggressive.

Nishikawa: Yes. We would like to be aggressive. Please let us know when we are not aggressive enough as well as when we are too aggressive. If you, the outside directors point out a problem, we can correct our course without hesitation. I would appreciate your continued support.

Kaiami: Let's keep creating value for the future together.

Management Structure

Directors



Kiyoshi Kanazashi

Chairman
Director, TOKYU CORPORATION
Director, TOKYU RECREATION CO., LTD.
President, The Tokyu Foundation
Representative Director,
Lifelong Health and Wellness Association



Yuji Ohkuma

Vice Chairman



Hironori Nishikawa

President & CEO
Chairman, TOKYU LAND CORPORATION



Hitoshi Uemura

Representative Director



Katsuhide Saiga

Director
President and Representative Director,
TOKYU COMMUNITY CORP.



Masashi Okada

Director
President & CEO,
TOKYU LAND CORPORATION



Shohei Kimura

Director



Yoichi Ota

Director
President & CEO, TOKYU LIVABLE, INC.



Hirofumi Nomoto

Director
Chairman of the Board and Representative Director,
TOKYU CORPORATION
Director, TOKYU RECREATION CO., LTD.
Outside Director, TOEI COMPANY, LTD.
Outside Director, Mitsubishi UFJ Financial Group, Inc.

Directors



Makoto Kaiami

Outside Director
(Independent Officer)
Outside Audit & Supervisory Board
Member, SEIREN CO., LTD.
Outside Director,
JAPAN POST HOLDINGS Co., Ltd.

Reasons for nomination

We proposed Mr. Makoto Kaiami be elected as an outside director in the hope that he will supervise the management of the Company utilizing his knowledge in corporate legal affairs, compliance, and risk management gained as a judge and attorney at law and offer advice on the execution of duties based on his insight and opinions from a viewpoint of stakeholders.



Saeko Arai

Outside Director
(Independent Officer)
Representative, Acuray, Inc.
Outside Director,
Outside Member, Board of Directors,
Sumitomo Dainippon Pharma Co., Ltd.

Reasons for nomination

We proposed that Ms. Saeko Arai be elected as an outside director in the hope that she will supervise the management of the Company utilizing her broad knowledge in finance and accounting as a certified public accountant, as well as her experience in corporate management as a CFO of a company and a representative of its overseas subsidiary, and offer advice on the execution of duties based on her insight and opinions from a viewpoint of stakeholders.



Michiaki Ogasawara

Outside Director
(Independent Officer)
Chairperson of the Board, Foundation for
Multimedia Communications
Outside Director,
Daiwa Securities Group Inc.
Outside Director,
KOEI TECMO HOLDINGS CO., LTD.

Reasons for nomination

We proposed that Mr. Michiaki Ogasawara be elected as an outside director in the hope that he will supervise the management of the Company utilizing his knowledge in legal affairs, compliance, risk management, IT, and DX gained through his work at the Ministry of Internal Affairs and Communications and public administration on telecommunications, in which he was involved at the ministry, and offer advice on the execution of duties based on his insight and opinions from a viewpoint of stakeholders.



Satoshi Miura

Outside Director
(Independent Officer)
Outside Director,
Nippon Life Insurance Company
Outside Director
(Audit & Supervisory Committee
member), Hirogin Holdings, Inc.

Reasons for nomination

Mr. Satoshi Miura has assumed key positions at NTT group, a telecommunications operator that serves public interest, and possesses extensive experience and broad insight in management of holding companies from a long-term and sustainable perspective, overseas businesses, human resources development, labor affairs, IT and DX. We expect that Mr. Satoshi Miura will supervise the management of the Company utilizing his knowledge and offer advice on the execution of duties based on his insight and opinions from a viewpoint of stakeholders. Thus, we proposed that Mr. Satoshi Miura be elected as an outside director.



Tsuguhiko Hoshino

Outside Director
(Independent Officer)

Reasons for nomination

We expect that Mr. Tsuguhiko Hoshino will supervise the management of the Company utilizing his knowledge in accounting, finance, legal affairs, and risk management gained in the course of his duties at the Ministry of Finance and National Tax Agency as well as through establishment of the Financial Services Agency and so forth that he addressed while in office, in addition to offering advice on the execution of duties based on his insight and opinions from a viewpoint of stakeholders. Thus, we proposed that Mr. Tsuguhiko Hoshino be elected as an outside director.



Yumiko Jozuka

Outside Director
(Independent Officer)
Outside Director,
SHIMIZU CORPORATION

Reasons for nomination

We expect that Ms. Yumiko Jozuka will supervise the management of the Company utilizing her knowledge in legal affairs, compliance, risk management, human resources development, labor affairs, ESG, and sustainability gained in the course of her duties at the Ministry of Health, Labour and Welfare as well as through her efforts to promote the workstyle reform and women's participation and advancement in the workplace that she addressed while in office, in addition to offering advice on the execution of duties based on her insight and opinions from a viewpoint of stakeholders. Thus, we proposed that Ms. Yumiko Jozuka be elected as an outside director.

Skills matrix of directors

Director			Expertise and experience							Committee membership		
Name	Inside / Outside	Gender	Corporate management	ESG / sustainability	Accounting / finance	Legal affairs / compliance / risk management	Overseas business	Personnel / labor	IT / DX	Nomination and Compensation Advisory Committee	Risk Management Committee	Sustainability Committee
Kiyoshi Kanazashi	Inside	Male	●	●						●		
Yuji Ohkuma	Inside	Male	●	●				●				
Hironori Nishikawa	Inside	Male	●	●		●		●	●	●	◎Chair	◎Chair
Hitoshi Uemura	Inside	Male	●	●			●				●	●
Katsuhide Saiga	Inside	Male	●	●	●				●		●	●
Masashi Okada	Inside	Male	●	●							●	●
Shohei Kimura	Inside	Male	●	●	●		●		●		●	●
Yoichi Ota	Inside	Male	●					●			●	●
Hirofumi Nomoto	Inside	Male	●						●			
Makoto Kaiami	Outside (independent)	Female				●				◎Chair		
Saeko Arai	Outside (independent)	Female	●		●		●					
Michiaki Ogasawara	Outside (independent)	Male				●			●			
Satoshi Miura	Outside (independent)	Male	●	●			●	●	●	●		
Tsuguhiko Hoshino	Outside (independent)	Male			●	●				●		
Yumiko Jozuka	Outside (independent)	Female		●		●		●				

Audit & Supervisory Board Members



Kazuo Mochida

Full-time Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member, TOKYU LAND CORPORATION Audit & Supervisory Board Member, TOKYU LIVABLE, INC.

Audit & Supervisory Board Member, Tokyu Housing Lease Corporation Audit & Supervisory Board Member, NATIONAL STUDENTS INFORMATION CENTER CO., LTD.



Masahiko Hashizume

Full-time Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member, TOKYU LAND CORPORATION Audit & Supervisory Board Member, TOKYU COMMUNITY CORP.

Audit & Supervisory Board Member, TOKYU HANDS INC.



Katsunori Takechi

Outside Audit & Supervisory Board Member

(Independent Officer)

Representative, Takechi & Partners



Takahiro Nakazawa

Outside Audit & Supervisory Board Member

(Independent Officer)

Head of Nakazawa Certified Public Accountant Office
Outside Audit & Supervisory Board Member, Kao Corporation

Operating Officers

Position in the Company	Name	Supervision and Responsibility
President & CEO	Hironori Nishikawa	Group Internal Audit Department Supervisor
Vice President	Hitoshi Uemura	In charge of Group Corporate Planning Department, Group Planning Strategy Department, Group General Administration Department, Group Legal Affairs Department, Group Human Resources Department, and Group Solutions Promotion Department, and supervisor for Overseas Business and Group Overseas Planning Department
Operating Officer	Katsuhide Saiga	TOKYU COMMUNITY CORP. Supervisor (President and Representative Director of TOKYU COMMUNITY CORP.)
Operating Officer	Masashi Okada	TOKYU LAND CORPORATION Supervisor (President and Representative Director of TOKYU LAND CORPORATION)
Operating Officer	Shohei Kimura	In charge of Corporate Communication Department, Group Finance Department, Group IT Strategy Department, and DX Promotion Department
Operating Officer	Yoichi Ota	TOKYU LIVABLE, INC. Supervisor (President and Representative Director of TOKYU LIVABLE, INC.)
Operating Officer	Katsushi Miki	Tokyu Housing Lease Corporation Supervisor (President and Representative Director of Tokyu Housing Lease Corporation)
Operating Officer	Katsuhiro Yoshiura	NATIONAL STUDENTS INFORMATION CENTER CO., LTD. Supervisor (President and Representative Director of NATIONAL STUDENTS INFORMATION CENTER CO., LTD.)
Operating Officer	Seichi Kimura	TOKYU HANDS INC. Supervisor (President and Representative Director of TOKYU HANDS INC.)
Operating Officer	Hiroaki Hoshino	Supervisor for General Management, Group Corporate Planning Department, Group IT Strategy Department, DX Promotion Department, and Group Solutions Promotion Department
Operating Officer	Kazuhiro Nishimura	Supervisor for Corporate Communication Department, Group Planning Strategy Department, and Group Finance Department, and Executive Manager of Corporate Communication Department
Operating Officer	Jun Kodama	Supervisor for Group General Administration Department, Group Legal Affairs Department, and Group Human Resources Department

Section 5 — Data Section

- 83 Status of Achievement of the Medium-Term Management Plan
- 84 Financial and Non-Financial Data
- 86 Business Areas
- 88 Socially and Environmentally Friendly Assets
- 90 Support of International Initiatives / External Evaluations
- 91 Holdings Structure
- 92 Corporate Overview / Stock Information

Status of Achievement of the Medium-Term Management Plan

The following are fiscal 2020 KPI goals set under the Medium-Term Management Plan 2017-2020 and results.

For corporate governance, we elected six independent outside directors at the General Meeting of Shareholders held in June 2021, for a weighting of 40%.

Category	KPI	FY2020 targets	FY2020 results
Financial	Operating profit	¥95.0 billion	¥56.5 billion
	Net profit	¥50.0 billion	¥21.7 billion
	D/E ratio	2.3 times or below	2.5 times ¹
	EBITDA multiple	10 times level	14.5 times
	EPS	¥69.53	¥30.13
	ROE	Over 8.0%	3.7%
Environment	CO ₂ emissions	25% reduction compared to FY2005	43.2% reduction
	Water use	25% reduction compared to FY2005	28.6% reduction
	Waste emissions	25% reduction compared to FY2005	51.4% reduction
	Acquisition of environmental certifications such as CASBEE and DBJ ²	100%	100%
	Green buildings (roofs, walls, etc.) ²	100%	100%
	<i>Midori wo Tsunagu</i> Project (area of forest protected)	2,000 ha	1,849 ha
Human capital strategy	Working hours (average overtime hours per month)	(Internal target)	9.1 hours
	Ratio of employees who undergo the stress check	100%	91.0%
	Ratio of employees who undergo physical examinations	100%	98.8%
	Ratio of female hires	At least 30%	39.8%
	Ratio of female managers	(Internal target)	8.6%
	Ratio of disabled employees	2.20%	2.49%
Social needs	Securing space for use during disasters ²	100%	100%
	Buildings certified under the Barrier Free Act ²	100%	100%
	Condominiums with stockpiles of disaster relief goods ³	100%	100%
	Persons who have nursing care or other professional qualifications ⁴	80%	82%
Corporate governance	Number of outside directors	At least 1/3 (approx. 33%)	4/13 (approx. 31%)
	Board of Directors meeting attendance rate	100%	99%
	Number of female directors	At least one	1

¹. D/E ratio before consideration for hybrid financing ². For TOKYU LAND CORPORATION's newly constructed, large-scale properties, including office buildings and commercial facilities

³. For TOKYU LAND CORPORATION's newly constructed condominiums ⁴. For caregiving employees

Financial and Non-Financial Data

Financial Indicators

	(Unit)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Operating revenue	Billions of yen	5,714	5,568	5,959	7,141	7,731	8,155	8,085	8,661	9,019	9,632	9,077
Operating gross profit	Billions of yen	1,317	1,233	1,268	1,453	1,488	1,638	1,730	1,825	1,934	2,017	1,648
Operating profit	Billions of yen	625	501	520	614	633	688	732	775	802	793	565
Ordinary profit	Billions of yen	549	349	399	506	517	564	636	687	707	675	466
Net profit ¹	Billions of yen	116	342	221	237	252	287	315	352	375	386	217
Total assets ²	Billions of yen	11,614	17,448	17,184	17,898	19,738	19,844	20,672	21,732	24,052	24,874	26,523
Current assets	Billions of yen	2,749	3,007	3,240	4,160	5,726	4,919	5,880	6,498	8,727	8,890	10,050
Real estate for sale ³	Billions of yen	1,557	1,727	1,753	2,459	3,947	3,644	4,186	4,737	5,680	6,580	6,806
Non-current assets	Billions of yen	8,865	14,441	13,944	13,738	14,012	14,924	14,791	15,234	15,322	15,981	16,472
Total net assets	Billions of yen	2,398	2,753	3,070	3,692	3,983	4,224	4,463	4,753	5,687	5,942	6,087
Equity	Billions of yen	2,086	2,408	2,687	3,645	3,953	4,188	4,423	4,681	5,614	5,833	5,967
Interest-bearing debt	Billions of yen	5,598	10,640	9,741	9,910	11,254	11,061	11,379	12,104	12,898	13,610	14,788
Cash flows from operating activities	Billions of yen	662	449	702	△135	△385	879	689	123	445	△67	1,004
Cash flows from investing activities	Billions of yen	△1,462	△288	425	197	△1,003	△1,124	△710	△964	△604	△1,472	△1,160
Cash flows from financing activities	Billions of yen	790	△164	△905	30	1,392	△305	230	824	1,391	651	1,083
Capital investment	Billions of yen	1,995	416	438	775	1,267	788	603	446	898	1,361	1,087
Depreciation	Billions of yen	149	208	202	200	202	210	235	231	246	323	398
EPS (Net profit per share of common stock)	Yen	21.84	64.40	41.71	41.61	41.45	47.18	51.77	57.80	56.84	53.70	30.13
BPS (Net assets per share of common stock)	Yen	392.87	453.46	505.99	598.73	649.40	687.92	726.59	768.85	780.78	811.04	829.50
Dividends per share	Yen	7.00	7.00	7.00	8.00	10.00	12.00	13.00	14.50	15.50	16.00	16.00
ROA	%	5.7	3.5	3.0	3.5	3.4	3.5	3.6	3.7	3.5	3.3	2.2
ROE	%	5.6	15.2	8.7	7.5	6.6	7.1	7.3	7.7	7.3	6.7	3.7
Equity ratio	%	18.0	13.8	15.6	20.4	20.0	21.1	21.4	21.5	23.3	23.5	22.5
D/E ratio	Times	2.7	4.4	3.6	2.7	2.8	2.6	2.6	2.6	2.3	2.3	2.5 ⁴
Dividend payout ratio	%	32.1	10.9	16.8	19.2	24.1	25.4	25.1	25.1	27.3	29.8	53.1
EBITDA ⁵	Billions of yen	778	710	724	846	880	943	1,017	1,061	1,102	1,171	1,017
EBITDA multiple ⁶	Times	7.2	15.0	13.5	11.7	12.8	11.7	11.2	11.4	11.7	11.6	14.5

¹1. Net profit has been reclassified as profit attributable to owners of parent from fiscal 2015 ²2. The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) took effect at the beginning of the first quarter of fiscal 2018, and this Accounting Standard was applied retroactively to the main management indexes from fiscal 2017 ³3. Real estate for sale: Includes real estate for sale in process and costs of uncompleted construction contracts ⁴4. D/E ratio before consideration for hybrid financing ⁵5. EBITDA: Operating profit before depreciation = Operating profit + Depreciation + Amortization of goodwill ⁶6. EBITDA multiple: Interest-bearing debt/EBITDA (Operating profit before depreciation)

Human capital indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of employees	Person	17,594	18,243	19,230	20,421	21,091	21,976	22,953	23,411
Ratio of female managers	%	4.8	5.7	5.9	5.7	8.6	8.3	8.1	8.6
Female directors (non-consolidated)	Person	0	0	0	0	0	1	1	1
Female Audit & Supervisory Board Members (non-consolidated)	Person	0	0	0	0	0	0	0	0
Female operating officers	Person	1	2	2	2	2	2	3	3
Male average years of service	Year	13.2	13.2	13.0	12.9	12.7	13.1	13.2	12.7
Female average years of service	Year	8.8	9.0	8.7	8.8	8.7	9.2	8.9	8.5
Ratio of female full-time employees	%	23.7	24.2	25.3	26.5	27.2	28.5	29.8	30.9
Ratio of new female employee hires to total hires	%	31.5	33.0	35.4	41.6	40.1	39.5	32.2	39.8

Environmental indicators

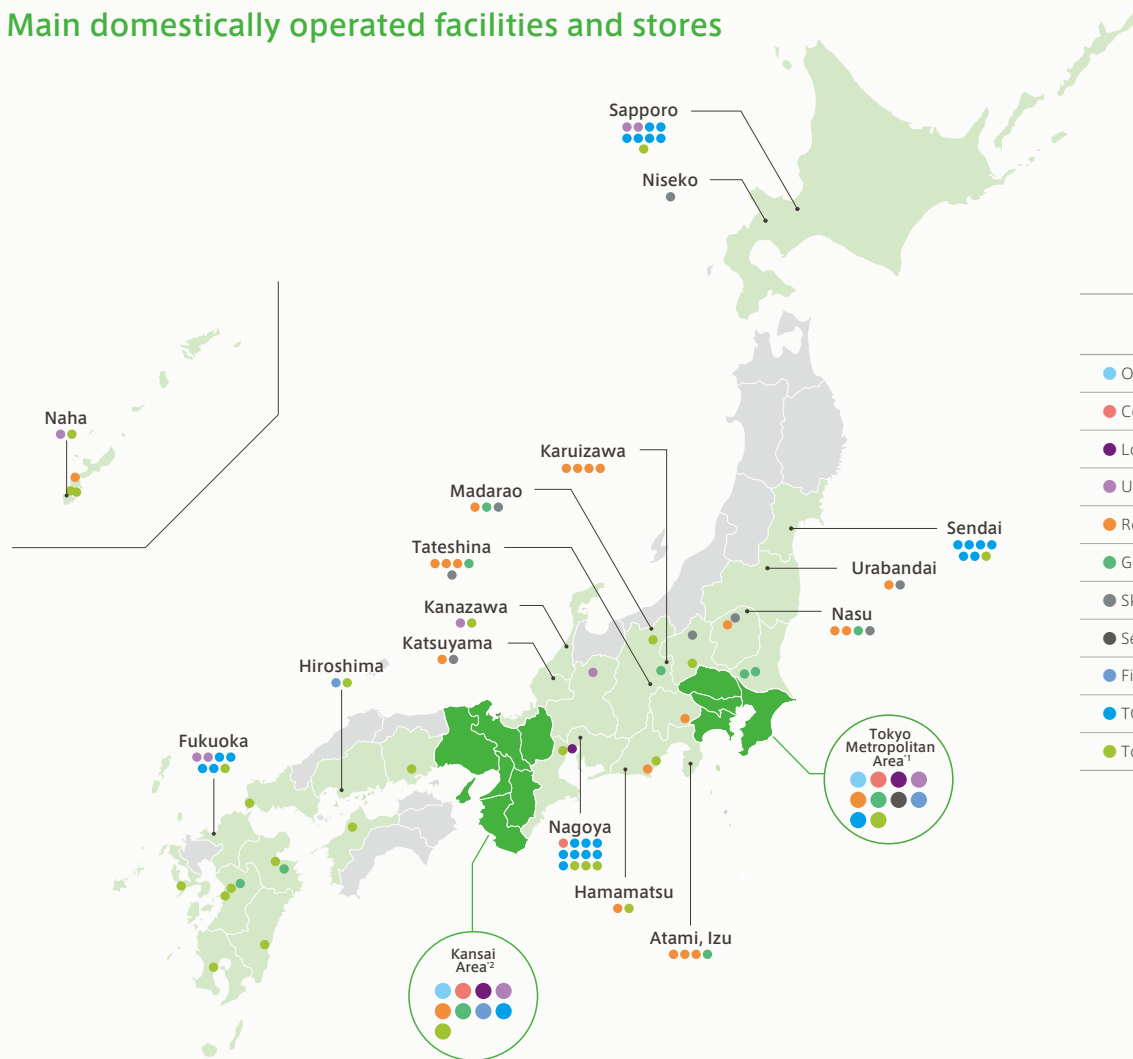
	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
CO ₂ emissions	1,000 t of CO ₂	228.3	234.8	210.7	233.0	227.5	230.5	219.5	205.7
Basic unit	kg-CO ₂ /m ²	98.6	101.9	98.4	106.7	101.0	96.1	84.7	75.6
Energy consumption	1,000 GJ	4,596.8	4,660.2	4,374.3	4,542.6	4,463.5	4,555.4	4,583.4	4,459.4
Water use	1,000 m ³	3,042	3,141	2,811	2,650	2,548	2,612	2,815	2,133
Basic unit	m ³ /m ²	1.33	1.39	1.32	1.23	1.14	1.10	1.10	0.80
Number of target facilities*	Facility	213	226	210	192	204	213	216	217
Waste emissions	t	14,189	18,796	18,908	25,127	25,569	22,932	22,422	16,861
Basic unit	kg/m ²	10.3	10.2	10.1	12.5	12.6	10.2	9.1	6.4
Number of target facilities*	Facility	124	152	161	151	159	170	175	173

(As of August 2021)

*Includes office buildings, commercial facilities, resort facilities, other facilities, and overseas facilities (Palau)

Business Areas

Main domestically operated facilities and stores

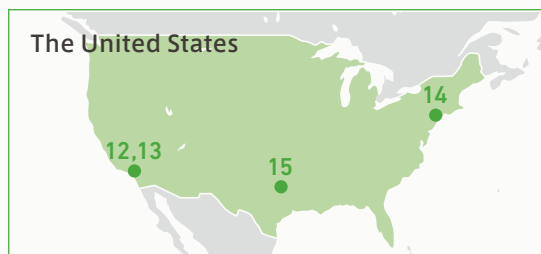
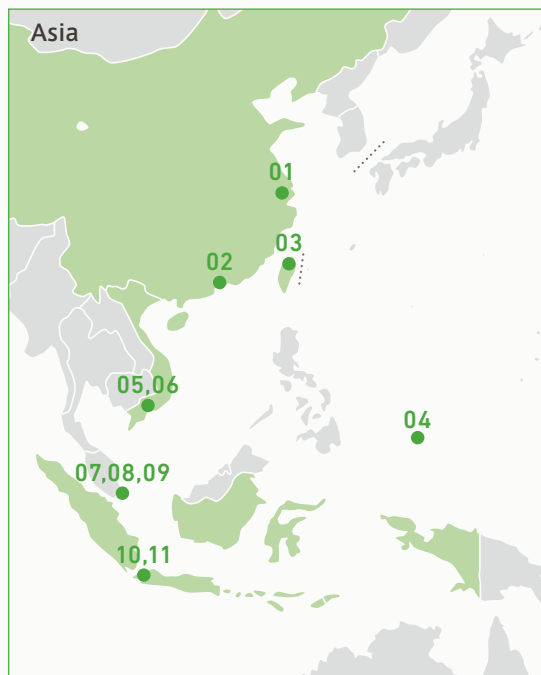


Facility	Unit	Tokyo Metropolitan Area	Kansai Area	Other Areas	Total
Office buildings	Building	54	1	0	55
Commercial facilities	Facility	24	6	1	31
Logistics facilities	Facility	3	1	0	4
Urban style hotels	Facility	18	3	7	28
Resort facilities	Facility	4	4	21	29
Golf courses	Facility	7	3	9	19
Ski resorts	Facility	0	0	8	8
Senior housing facilities	Facility	15	0	0	15
Fitness	Store	23	13	1	37
TOKYU LIVABLE	Store	127	39	24	190
Tokyu Hands ³	Store	20	8	37	65

(As of March 31, 2021)

*1. Including Tokyo, Kanagawa, Chiba, and Saitama Prefectures *2. Including Osaka, Kyoto, Hyogo, Shiga, Nara, and Wakayama Prefectures *3. Includes franchised TOKYU HANDS stores

Main overseas bases




China	Shanghai	01	TOKYU LAND CORPORATION (SHANGHAI) LTD. (TOKYU LAND CORPORATION)
	Hong Kong	02	Tokyu Livable Hong Kong Branch (TOKYU LIVABLE, INC.)
Taiwan		03	TOKYU LIVABLE (TAIWAN), INC. (TOKYU LIVABLE, INC.)
Palau		04	Pacific Islands Development Corporation (TOKYU LAND CORPORATION)
Vietnam		05	TOKYU PM VIETNAM (TOKYU COMMUNITY CORP.)
		06	NOZOMI RESIDENTIAL MANAGEMENT (TOKYU COMMUNITY CORP.)
Singapore		07	Tokyu Land Asia Pte. Ltd. (TOKYU LAND CORPORATION)
		08	Investment in OT GROUP PTE. LTD. (TOKYU LIVABLE, INC.)
		09	TOKYU HANDS SINGAPORE PTE. LTD. (TOKYU HANDS INC.)
			TOKYU HANDS Orchard Store
			TOKYU HANDS Suntec City Store
			TOKYU HANDS Jewel Store
Indonesia	Jakarta	10	PT. Tokyu Land Indonesia (TOKYU LAND CORPORATION)
		11	PT. Tokyu Property Management Indonesia (TOKYU COMMUNITY CORP.)
The United States	Los Angeles	12	Tokyu Land US Corporation (TOKYU LAND CORPORATION)
		13	Tokyu Livable US, Inc. (TOKYU LIVABLE, INC.)
	New York	14	New York Office of Tokyu Land US Corporation (TOKYU LAND CORPORATION)
	Dallas	15	Tokyu Livable Texas Investment Advisors, LLC (TOKYU LIVABLE, INC.)

(As of March 31, 2021)

Socially and Environmentally Friendly Assets

List of environmental real estate (DBJ Green Building Certification)



DBJ Green Building

DBJ Green Building Certification was established by Development Bank of Japan Inc. (DBJ) in April 2011 to recognize properties with environmental and social considerations (Green Building).

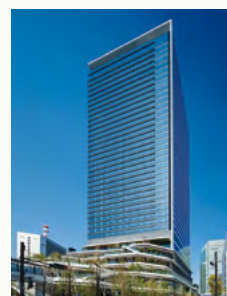
5 stars Properties with the best class environmental & social awareness



SHIBUYA SOLASTA
Shibuya-ku, Tokyo



SHIBUYA FUKURAS
Shibuya-ku, Tokyo



TOKYO PORTCITY
TAKESHIBA (Office tower)
Minato-ku, Tokyo



Kudanminami 1-chome
Project (tentative name)
Chiyoda-ku, Tokyo
Plan certification

4 stars

Properties with exceptionally high environmental & social awareness

Spline Aoyama Tokyu Building	Minato-ku, Tokyo
Shin-Aoyama Tokyu Building	Minato-ku, Tokyo
Nihombashi Front	Chuo-ku, Tokyo
Shin-Meguro Tokyu Building	Shinagawa-ku, Tokyo
Jimbocho Kita Tokyu Building	Chiyoda-ku, Tokyo
Tokyu Plaza Omotesando Harajuku	Shibuya-ku, Tokyo
Amagasaki Q's Mall	Amagasaki-shi, Hyogo

3 stars

Properties with excellent environmental & social awareness

Kasumigaseki Tokyu Building	Chiyoda-ku, Tokyo
Minamiaoyama Tokyu Building	Minato-ku, Tokyo
Nihombashi Maruzen Tokyu Building	Chuo-ku, Tokyo
Uchisaiwaicho Tokyu Building	Chiyoda-ku, Tokyo
Shibuya Minami Tokyu Building	Shibuya-ku, Tokyo
Nihombashi Honcho Tokyu Building	Chuo-ku, Tokyo
Hamamatsucho Square	Minato-ku, Tokyo
Ebisu Business Tower	Shibuya-ku, Tokyo

2 stars

Properties with high environmental & social awareness

Shimbashi Tokyu Building	Minato-ku, Tokyo
--------------------------	------------------

(As of March 31, 2021)

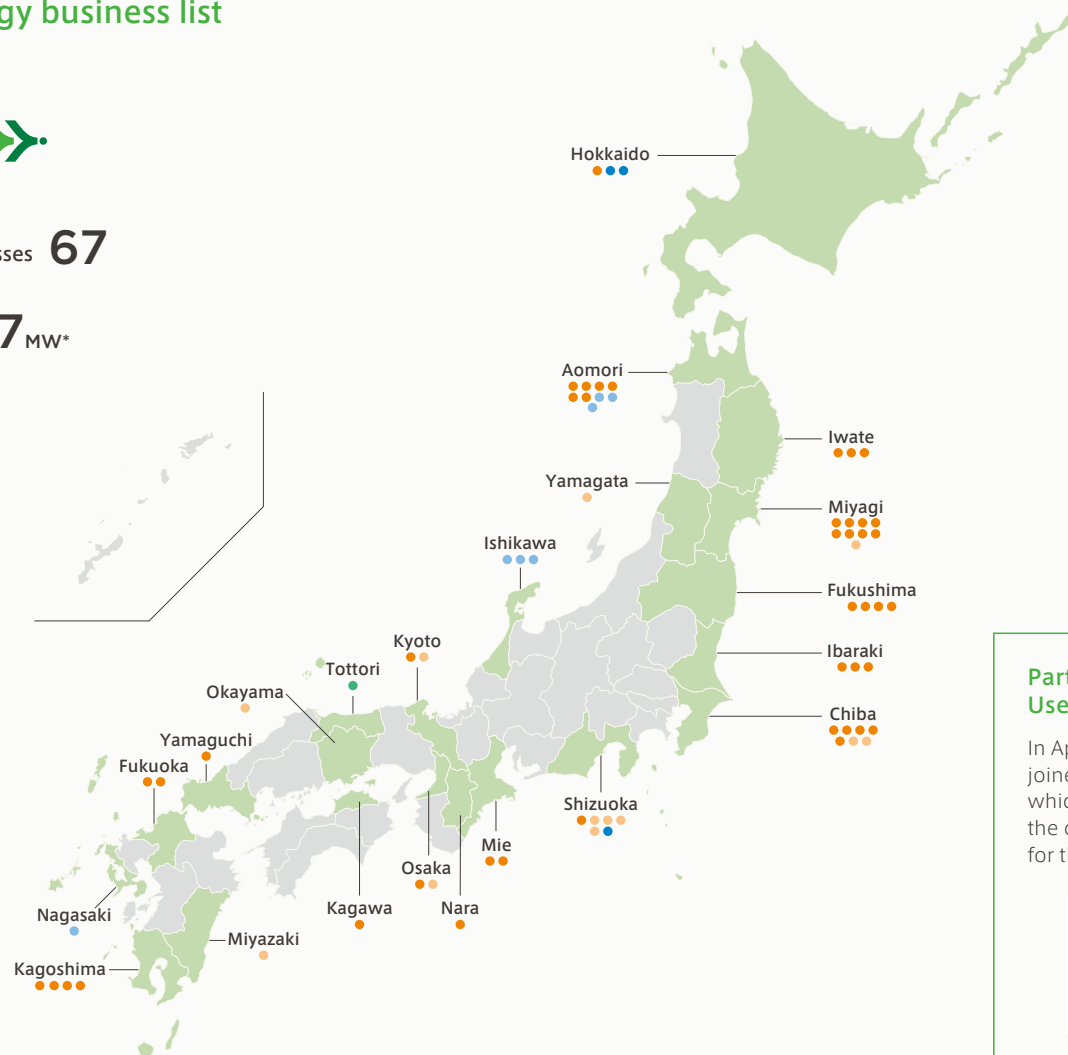
Renewable energy business list



Total Number of Businesses **67**

Rated Capacity **1,197** MW*

(As of June 30, 2021)



Solar Power	Complete	●	44
	In Development	●	12
Wind Power	Complete	●	3
	In Development	●	7
Biomass	In Development	●	1

Participating in RE100, Aiming for Use of Renewable Energy Exclusively

In April 2019, TOKYU LAND CORPORATION joined RE100, a global initiative, under which companies are working together for the commitment to 100% renewable energy for the electricity used for business activities.



* Calculated with 100% of the total participation business including the joint enterprise

Support of International Initiatives / External Evaluations

Support of international initiatives

<p>The UN Global Compact*</p> 	<p>Task Force on Climate-related Financial Disclosures</p> 	<p>SCIENCE BASED TARGETS</p> 	<p>Renewable Energy 100%</p>  <p>(TOKYU LAND CORPORATION)</p>	<p>Principles for Responsible Investment</p> <p>Signatory of:</p>  <p>Principles for Responsible Investment</p> <p>(Tokyu Land Capital Management Inc.)</p>
---	--	--	--	--

Major external evaluations






<p>Dow Jones Sustainability Indices (World / Asia Pacific)</p> 	<p>FTSE4Good Index Series</p> 	<p>FTSE Blossom Japan Index</p> 	<p>MSCI Japan ESG Select Leaders Index</p> 
<p>Global Real Estate Sustainability Benchmark</p> 	<p>The Health & Productivity Stock Selection</p> 	<p>WELL Building Standard</p>  <p>(SHIBUYA SOLASTA 5-11F)</p>	<p>Digital Transformation Certification</p> 

* In 2016, we stated our support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to a sustainable society.

Holdings Structure

At the Tokyu Fudosan Holdings Group, we operate four businesses — Urban Development, Strategic Investment, Property Management & Operation, and Real Estate Agents —, with leading roles played by six core operating companies: TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., Tokyu Housing Lease Corporation, and NATIONAL STUDENTS INFORMATION CENTER CO., LTD., under Tokyu Fudosan Holdings Corporation as the holding company.

TOKYU FUDOSAN HOLDINGS

 TOKYU LAND CORPORATION	TOKYU COMMUNITY CORP.	 TOKYU LIVABLE, INC.	 TOKYU HANDS INC.	 Tokyu Housing Lease	 NATIONAL STUDENTS INFORMATION CENTER CO., LTD.
TOKYU LAND CORPORATION	TOKYU COMMUNITY CORP.	TOKYU LIVABLE, INC.	TOKYU HANDS INC.	Tokyu Housing Lease Corporation	NATIONAL STUDENTS INFORMATION CENTER CO., LTD.
TOKYU SPORTS OASIS Inc. ISHIKATSU EXTERIOR INC. EWEL, Inc. TLC REIT Management Inc. Tokyu Land Capital Management Inc. TOKYU LAND SC MANAGEMENT CORPORATION Tokyu Resorts & Stays Co., Ltd. Tokyu Resort Corporation TOKYU E-LIFE DESIGN Inc. Pacific Islands Development Corporation PT. Tokyu Land Indonesia Tokyu Land US Corporation TOKYU LAND CORPORATION (SHANGHAI) LTD. Tokyu Land Asia Pte. Ltd. Tokyu Small-amount Short-term Insurance Inc. and others	COMMUNITY ONE CO., LTD. MARIMO COMMUNITY CO., LTD. TOKYU BLDG. MAINTENANCE CO., LTD. SHONAN COMMUNITY DAI-ICHI Building Service Inc. YOGA DISTRICT HEATING AND COOLING CO., LTD. TC FORUM CORP. INFIELD INC. Tokyu Re · design Corporation HOC PARTNERS PFI Co., Ltd. PT. Tokyu Property Management Indonesia TOKYU PM VIETNAM NOZOMI RESIDENTIAL MANAGEMENT	Tokyu Livable Staff Corporation Livable Asset Management Inc. TOKYU LIVABLE (TAIWAN), INC. Tokyu Livable US, Inc. Tokyu Livable Texas Investment Advisors, LLC	HANDS LAB INC. TOKYU HANDS SINGAPORE PTE. LTD.	Tokyu Corporate Housing Management Inc. Residential Partners K.K.	SIGMA JAPAN CO., LTD. HOKUWA CONSTRUCTION, INC.

Segment					
Urban Development	Property Management & Operation	Real Estate Agents	Property Management & Operation	Real Estate Agents	Real Estate Agents
Strategic Investment					
Property Management & Operation					

Corporate Overview / Stock Information

Corporate overview

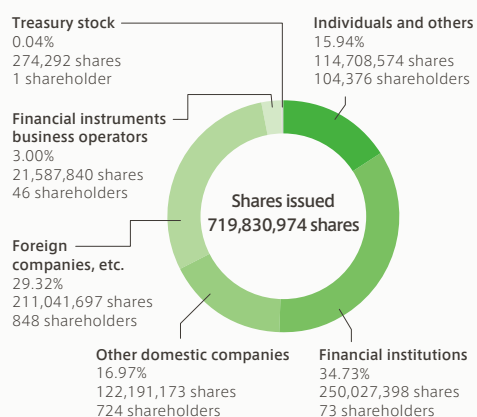
Corporate name	Tokyu Fudosan Holdings Corporation	Business activities	Management and administration of the Tokyu Fudosan Holdings Group
Address	1-21-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan	Established	October 1, 2013
Phone	+81-3-6455-1122	Capital	¥77,562 million (As of March 31, 2021)
Representative	Hironori Nishikawa, President & CEO	Number of employees	74 (consolidated: 23,411)(As of March 31, 2021)

Stock information and shareholder composition (As of March 31, 2021)

Basic Stock Information

Listed stock market	Tokyo Stock Exchange
Securities code	3289
Share trading unit	100 shares
Shares authorized to be issued by the Company	2,400,000,000 shares
Shares issued	719,830,974 shares
Fiscal year	April 1 to March 31 of the following year
Ordinary General Meeting of Shareholder	June each year
Shareholders' record date	<ul style="list-style-type: none"> · Ordinary General Meeting of Shareholders: March 31 · Year-end dividend: March 31 · Interim dividend: September 30 · Other: Certain days for which prior notice is provided

Breakdown of Shares by Shareholder



Major shareholders

Name	Number of shares held (thousands)	Percentage of shares held *
TOKYU CORPORATION	114,479	15.91%
The Master Trust Bank of Japan Ltd. (Trust Account)	67,167	9.33%
Custody Bank of Japan, Ltd. (Trust Account)	44,651	6.21%
Sumitomo Mitsui Trust Bank, Limited	16,008	2.22%
STANDARD LIFE ASSURANCE LIMITED-PENSION FUNDS	15,856	2.20%
The Dai-ichi Life Insurance Company, Limited	14,918	2.07%
SSBTC CLIENT OMNIBUS ACCOUNT	12,615	1.75%
Custody Bank of Japan, Ltd. (Trust Account 7)	11,839	1.65%
The Bank of New York 133972	10,750	1.49%
JPMorgan Chase Bank, N.A.	9,502	1.32%

* The percentage of shares held is calculated after deducting 274,292 shares of treasury stock

[Go to the Investor Relations website](#)

Communication with Stakeholders

At the Group, we have direct dialogue with stakeholders continually, in addition to providing information via reports, website, and other media. We understand that it is growing more important than ever to receive their frank evaluation and opinions and reflect them in our business activities, particularly because we are in an era of uncertainty when it is difficult to foresee the future.

Direct communication

- General Meeting of Shareholders
- Dialogue with analysts and institutional investors
- Release of financial results
- Corporate briefings for individual investors
- Financial results briefings
- Facility tours



This year, we live-streamed the General Meeting of Shareholders for the first time.

Reports

- Integrated Report
- Annual Securities Report
- Corporate Governance Report
- Annual Report (English)



2021 Integrated Report

Website

- Investor Relations Website
<https://www.tokyu-fudosan-hd.co.jp/english/ir/>



- Sustainability Website
<https://tokyu-fudosan-hd-csr.disclosure.site/en>



- Group Initiatives
<https://www.tokyu-fudosan-hd.co.jp/english/efforts/>



Media Gallery

The Media Gallery page of Tokyu Fudosan Holdings' official website provides video clips that allow you to understand the Group from various angles. They include the Value Creation Movie, which introduces the evolution of our lifestyle creation, and a brand movie entitled LIFESTYLE!

[Go to the Media Gallery Website ▶](#)



Video explaining the story of our value creation



LIFESTYLE!, the brand movie

On Publishing the 2021 Integrated Report

In developing the long-term vision, GROUP VISION 2030, we redefined the Group Philosophy based on the path we followed at the Group. We have created this year's integrated report with the primary purpose of having the new philosophy understood more deeply.

Our ideal vision, Create value for the future, is our promise that we will continue striving to create unique value for the future by solving social issues through business activities, just as we have been doing since our founding. As a strategic initiative to achieve our ideal vision, we have placed six themes to work on (materialities), which are closely linked to SDGs, at the base and set KPIs, both financial and

non-financial, for each theme. Innovations caused by individual employees in business activities are essential for achieving the KPIs and serve as the key to effective use of our business models. We are sure that our activities aimed at achieving our ideal vision will help build a more resilient society and lead to sustainable corporate growth.

This year again, we disclose the integrated report online based on our environmental consideration and as a measure to promote digitalization. We will continue striving to improve our corporate value through constructive dialogue with stakeholders.



Hitoshi Uemura

Representative Director & Vice President
Tokyu Fudosan Holdings Corporation

Editorial policy

This report is aimed at providing all of our stakeholders, including shareholders and investors, with easy-to-understand information about how the Group addresses social issues through its businesses to achieve sustainable growth and improve its corporate value. In addition to the value creation story and strategy, the report provides an integrated explanation of our non-financial initiatives, including those regarding corporate governance and human capital strategy, and financial information. The International Integrated Reporting Framework advocated by the International Integrated Reporting Council (IIRC), and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation published by Japan's Ministry of Economy, Trade and Industry, and other resources were consulted in the creation of this report.



Regarding reporting target

Covered in this report: Tokyu Fudosan Holdings Corporation and Group companies

Dates covered: April 1, 2020 to March 31, 2021

(including some information from April 2021 and later)

Released: August 2021

Note on forward-looking statements

The forecasts and other forward-looking statements in this report are based on currently available information and certain assumptions determined as rational. Consequently, the statements herein do not constitute assurance regarding actual results by the Company. Actual performance may significantly differ from these forecasts due to various factors in the future.

Administrative office and cooperative departments

Group Corporate Planning Department (Sustainability Office / Consolidation Management Group) / Corporate Communication Department (Investor Relations / Public Relations / Group General Administration Department / Group Human Resources Department / Digital Transformation Promotion Department) / other departments of each Group company

GROUP SLOGAN

Toward a Beautiful Age —— Tokyu Group

GROUP PHILOSOPHY

We hold the following shared vision as we work together to create and support Tokyu Group.

Mission Statement	We will create a beautiful living environment, where each person can pursue individual happiness in a harmonious society.
Management Policy	<p>Work independently and in collaboration to raise Tokyu Group synergy and establish a trusted and beloved brand.</p> <ul style="list-style-type: none">· Meet current market expectations and develop new ones.· Manage in harmony with the natural environment.· Pursue innovative management from a global perspective.· Value individuality and encourage the best from each employee. <p>Through these means, we will fulfill our corporate social responsibilities.</p>
Guidelines for Action	<p>Fulfill your responsibilities. Collaborate to enhance each other's abilities. Reinvent yourself with a global awareness.</p>



Group Corporate Planning Department,
Tokyu Fudosan Holdings Corporation

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