

2024 WE ARE GREEN REPORT

INTEGRATED REPORT

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WE ARE GREEN

We will incorporate the environment and digital transformation into our business to shape future lifestyles.

Be it renewable energy initiatives, digitally driven emotional experiences, or community development loved by locals, everything we do is inspired by a desire to encourage the wellbeing of every individual. We will continue to combine our Group's diverse green capabilities to create value for the future.

Toward a Vibrant Future for All

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The Group aims to realize a future where everyone can be themselves and shine vigorously under “WE ARE GREEN,” the slogan for achieving our long-term vision. Therefore, we release the “WE ARE GREEN” report with the aim of 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. The report covers our value creation story, long-term management policy, and medium-term management plan. It also explains both our financial and non-financial initiatives in areas such as human capital management, environmental management, and corporate governance, interspersed with case studies and messages from our employees. The International Integrated Reporting Framework advocated by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0 published by Japan’s Ministry of Economy, Trade and Industry, and other resources were consulted in the creation of this report.

Reporting target

Covered in this report

Tokyu Fudosan Holdings Corporation and Group companies

Dates covered

April 1, 2023 to March 31, 2024 (including some information from April 2024 and later)

Published

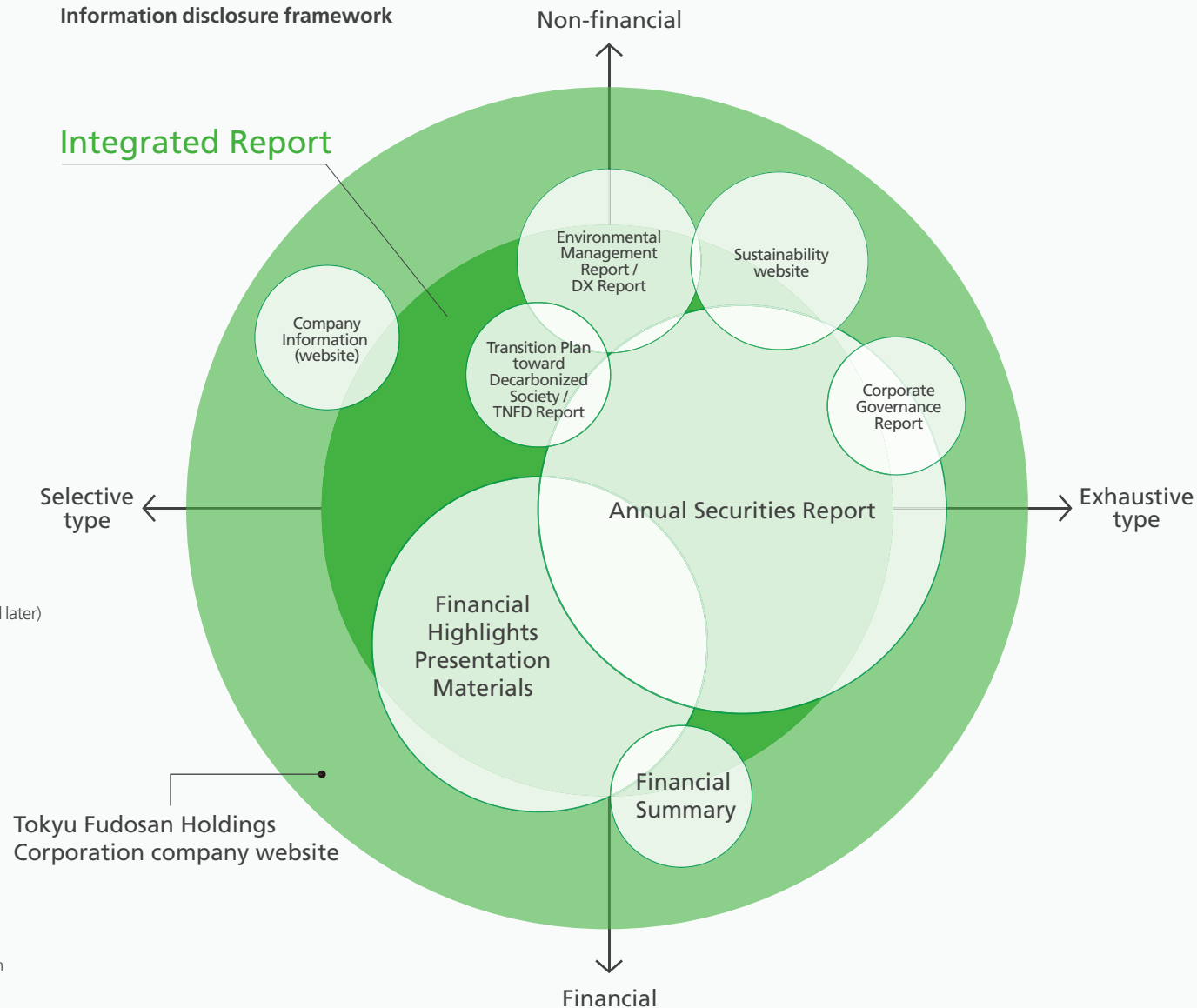
August 2024

Administrative office and cooperative departments

Group Sustainability Promotion Department / Group Corporate Planning Department / Corporate Communication Department / Group General Administration Department / Group Human Resources Department / Group CX & Innovation Department / other departments at each Group company

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.



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The Group Philosophy

We aspire to create value for the future to realize a sustainable society and growth, based on a Group Philosophy comprising our ideal vision, our pledge to society, and our founding spirit.

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.

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.

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



Eiichi Shibusawa

1840–1931

Established Den-en toshi Co., 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.



Noboru Goto

1916–1989

First president of Tokyu Land Corporation

Noboru Goto led the Tokyu Group 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).

Provided by: Tokyu Corporation

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Part 01

Group Overview

A history of value creation and taking on challenges

- History of Taking on Challenges
- Business Overview
- The Group's Strengths in Numbers
- Value Creation—Lifestyle Creation 3.0

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Group Overview History of Taking on Challenges



The origins of the Tokyu Fudosan Holdings Group can be traced back to the “challenge-oriented DNA” of Den-en toshi Co., established in 1918.

At a time when housing was in short supply, this company engaged in a project to develop the Den-en Chofu neighborhood as a place where nature and urban life could coexist.

We still carry the very same “challenge-oriented DNA” to this day, and are addressing social issues and needs as they change with the times by advancing Group co-creation in pursuit of new value through our real estate business.



Quick response to the housing shortages of Japan's rapid economic growth period

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.



Expansion of business model to include leasing

After the collapse of Japan's economic bubble, the Group expanded 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.



Diversifying business ahead of its industry peers

As people's values began to diversify, the Group started working to diversify its business operations—expanding into property management, real estate agency, retail, resorts, and sports clubs—and grew into a corporate group providing total lifestyle services.



Breaking new ground in the industry and becoming an environmentally advanced company

In order to respond to global climate change and the digitalization of society, we are pursuing even greater value creation through urban development that is both economically and environmentally sustainable.

FY2023 operating revenue

¥1,103.0 billion

2022

Establishment of TFHD digital Inc.; responsible for Group-wide DX promotion and DX human capital development

1993

Completion of construction of Setagaya Business Square, the Group's first high-rise office building

1958

Completion of construction of Tokyu Skyline, the industry's first condominium

1982

Launch of the Asumigaoka New Town Project, one of the largest urban development projects in Japan

Changes in operating revenue*1 and establishment of major companies



*1 Fiscal 1953 to fiscal 1992: non-consolidated operating revenue from Tokyu Land Corporation. Fiscal 1993 to fiscal 2012: consolidated operating revenue from Tokyu Land Corporation. 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.

*2 See “Portfolio management progress” in Message from the Officer in Charge of Finance, p. 34

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We possess the expertise and resources required for future-oriented urban development across a wide variety of businesses, from real estate development to building management and operation, real estate agent operations, infrastructure building, and real estate investment.

Asset-utilizing business

In our asset-utilizing businesses, we will increase asset efficiency by leveraging our track record of developing a wide range of asset types and our capacity for directing business in a way that is rooted in local communities to realize efficient investment and to advance co-creation-based development with partners.

Urban Development

In the Urban Development segment, we develop and operate office buildings, commercial facilities, and other facilities, while also developing condominiums and rental housing (rental condominiums and student residences). Our focus is on redevelopment projects and developing complexes, taking advantage of our extensive experience as a comprehensive developer. We provide value in terms of a comfortable urban life and safe and secure housing through our business with the aim of creating attractive communities and lifestyles. [➔ See p. 58](#)

Strategic Investment

In the Strategic Investment segment, we develop and improve infrastructures supporting lifestyles, 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 our overseas operations, centered around the United States and Indonesia, we are demonstrating our presence as a comprehensive developer. We provide value in terms of a comfortable urban life and the supply of clean energy through our business with the aim of building next-generation social infrastructure. [➔ See p. 60](#)

Human capital-utilizing business

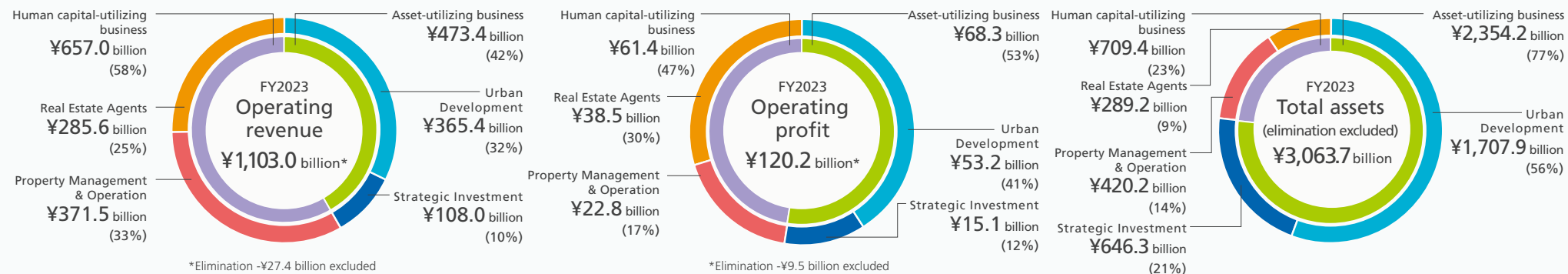
In our human capital-utilizing businesses, we will improve productivity by leveraging our wealth of customer touchpoints, Group personnel, and operational expertise, as well as by realizing the effective use of intellectual assets and a departure from labor-intensive methods through DX.

Property Management & Operation

In the Property Management & Operation segment, we operate a wide range of customer-oriented businesses, including a property management business that helps maintain and improve asset values, hotels, leisure facilities, and a wellness business that helps promote good health and create enriched lifestyles. We provide value in terms of a comfortable urban life, safe and secure housing, mental and physical health, and fulfilling leisure time through our business while working to maximize the value of customers' assets and facilities. [➔ See p. 62](#)

Real Estate Agents

In the Real Estate Agents segment, we provide solutions related to the use of real estate stock, such as real-estate sales agent services and consignment sales, and engage in operations related to rental housing management. Through these businesses, we provide value in terms of a comfortable urban life and safe and secure housing in order to contribute to the development of a healthy society that uses building stock effectively. [➔ See p. 64](#)



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Group Overview The Group's Strengths in Numbers

Since its establishment, the Group has been devoted to solving social issues through its business activities and has continued to provide new value to customers and society. Still carrying this "challenge-oriented DNA" with us today, we have continued to grow and have developed unique strengths that give our Group its competitiveness.

Diverse assets and customers

Group facilities under operation
182



Customers served
Approx. 18.1 million*



*Includes outsourced employee welfare services members, commercial facility cardholders and app members, BRANZ CLUB members, Tokyu Cosmos Members Club members, and Tokyu Harvest Club members

Tenant companies (office)
533
Tenant companies (commercial)
1,413

Condominium units under comprehensive management
Approx. 506,000
Condominium management company (non-consolidated)
Condominium units under comprehensive management (approx. 484,000)
No. 2 in Japan (Source: Mansion Kanri Shimbum, May 25, 2024 issue)

Real estate transactions through agents
Approx. 30,000

etc.

A culture that produces unique businesses

Renewable energy business

ReENE → See p. 106



As of the end of June 2024

Rated Capacity	Reduction in CO ₂ emissions	Total number of businesses
1,763 MW	Approx. 1,733,000 t-CO₂/year	113

The Group's co-creation-based internal venture scheme

STEP

Launched in FY2019

Cumulative proposals received	Commercialized proposals
302	4



Corporate Venture Capital



Launched in FY2017
Cumulative investments

37

Highly specialized personnel and knowhow

Group employees (including temporary employees)

Approx. 30,000



Employees with certifications
Approx. 12,300

Licensed architects (first and second class)	Licensed strata management consultants	Licensed care workers
520	515	434
Real estate notaries	Licensed condominium managers	IT Passport holders
7,317	2,341	1,097



Acquiring external knowledge and sharing expertise within the Group

We invite external experts to give self-development seminars. We also hold seminars led by internal instructors with the aim of encouraging mutual understanding between businesses and strengthening collaboration within the Group alongside other events.

Cumulative
119 events held

Total participants
15,111



Becoming an environmentally advanced company

First company in Japan to achieve its target for the international RE100 initiative

(Tokyu Land Corporation certified April 2024)

CLIMATE GROUP RE100

First Japanese company* to **completely switch** to renewable energy
(Tokyu Land Corporation December 2022)

CDP Climate Change A List Selected in 2023
Selected for **3 consecutive years**



DX promotion initiatives

DX銘柄2023
Digital Transformation

*According to the list at the end of the RE100 2022 Annual Disclosure Report. Excludes financial institutions

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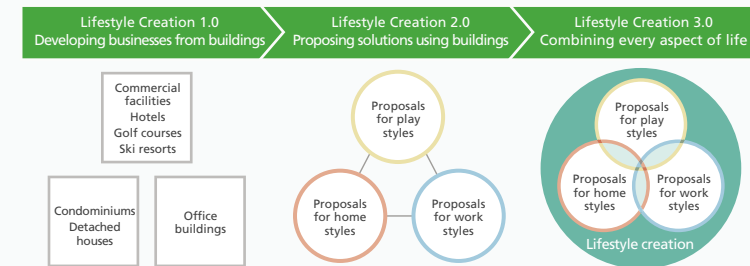
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We are fulfilling customers' needs through unique proposals that combine home styles, work styles, and play styles. We aim to realize Lifestyle Creation 3.0 by creating value on both time and spatial axes.

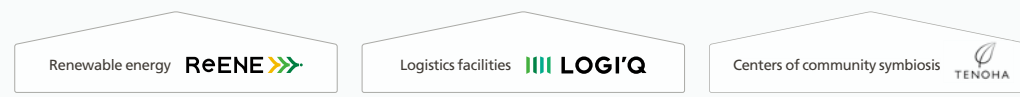
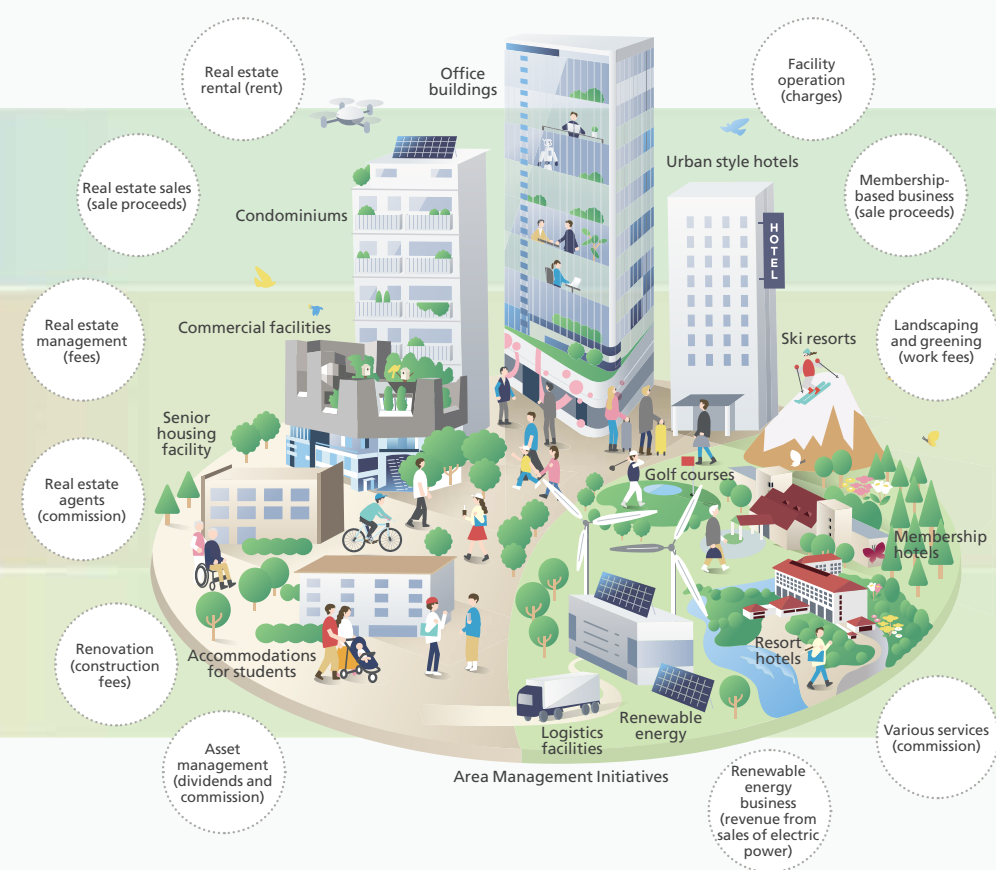
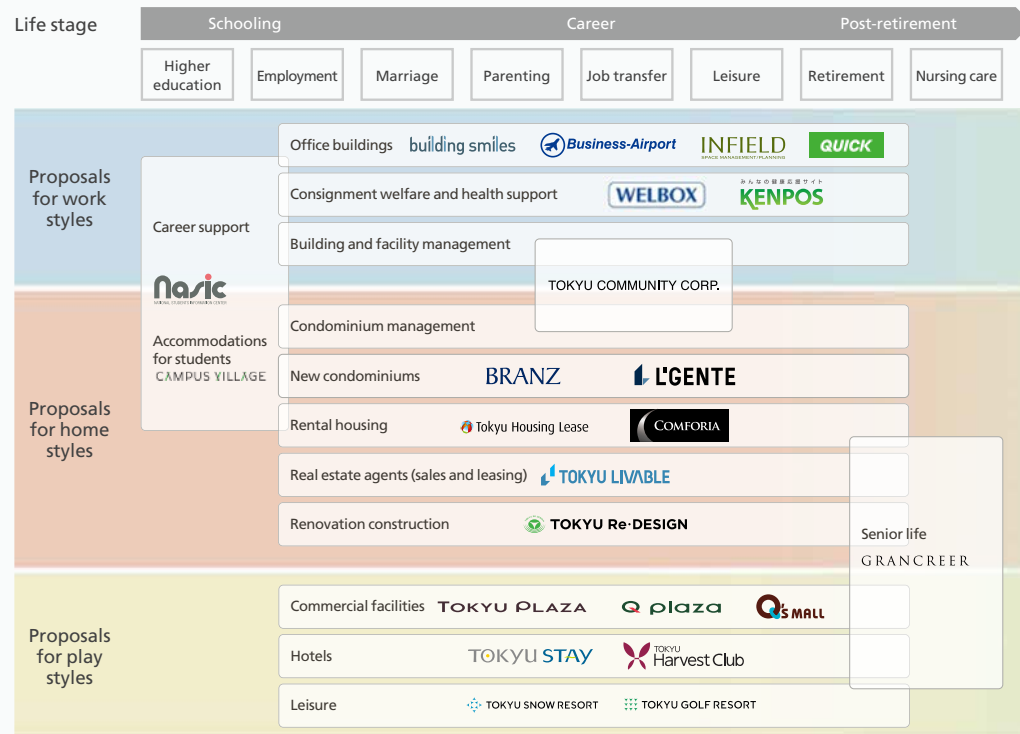
Lifestyle Creation 3.0 From buildings to solutions, and combination of lifestyle scenes. Our value creation continues to evolve to support the diversifying lifestyles of our customers and solve the changing social issues of the times.

Continuously evolving lifestyle creation in response to social issues



Lifestyle creation (value creation on a time axis)
Providing diverse services for each life stage of our customers and creating new lifestyles

Wide range of business fields (value creation on a spatial axis)
Creating value in all manner of urban settings on a spatial axis that utilizes the Group's value chains



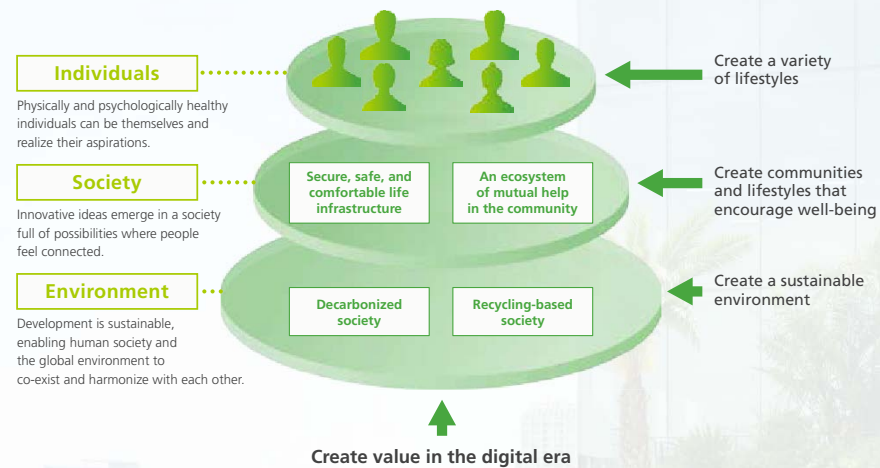
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Part 02

Our Ideal Vision

Create value for the future

The value creation we aim to achieve
A future where everyone can be themselves, and shine vigorously



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Aisari Tsuchikawa

President & CEO,
Tokyu Fudosan Holdings Corporation

At this turning point in our society, we will grow into a Group that creates premium value through proactive management

A century later, we still carry the “challenge-oriented DNA” of our founding spirit

After more than 25 years of redevelopment work, Shibuya Sakura Stage has finally opened its doors to the public, bringing a new buzz to Shibuya. Charged with meeting the expectations of the many leaseholders who have been eagerly waiting for this day, we are going to make this endeavor blossom like a great flower in the Sakuragaoka neighborhood of Shibuya, a center of diverse, thriving cultures.

Tokyu Land Corporation, the core company of Tokyu Fudosan Holdings, was established in 1953 in this very same area in Shibuya. In a speech made during the announcement of Tokyu Land Corporation’s establishment, Keita Goto, the company’s first chairman, stated, “We would like to construct four or five more high-rise buildings in the vicinity of Shibuya Station and contribute to the development and improvement of the area centering on Shibuya.” The company’s aim at the time, to “greatly expand business and break into projects of national importance,” is now being realized through the once-in-a-century undertaking that is the redevelopment of Shibuya.

The origin of our Group can be traced back to the Den-en Toshi Company, founded in 1918 by Eiichi Shibusawa and others. More than 100 years ago, we were the first in Japan to engage in community development incorporating the British-oriented garden city

concept in the Den-en Chofu neighborhood, greatly improving the living environment for urban dwellers.

From that time forward, with the “challenge-oriented DNA” of our founding spirit, we have been committed to developing new businesses and services that provide solutions to the social issues of the times.

Tokyu Plaza Harajuku “Harakado,” which opened in April 2024, is one example. After the COVID-19 pandemic, we took on the challenge of redefining the commercial facility and positioned it as a device for attracting creators. Many of the facility’s visitors have praised it for presenting a new ideal for how a gathering space should be. At this turning point in our society as we transition toward an inflationary economy, we will instill in the Group a culture that will enable us to continue to proactively take on such challenges and grow into a strong organization that remains customers’ choice.

Achieving our goals two years ahead of schedule and taking on the challenge of forward-looking change

Having assumed the office of president in 2020, three years have now passed since we announced the GROUP VISION 2030 long-term vision and adopted “WE ARE GREEN” as the Group slogan in the midst of the COVID-19 pandemic. The long-term management policy of our 10-year plan is progressing well. During the restructuring phase of the first five years, we embarked on fundamental business

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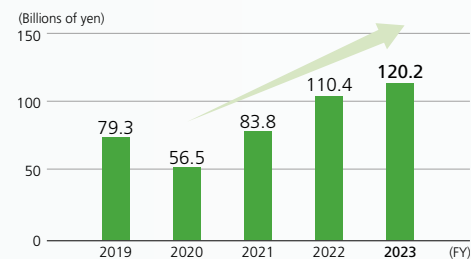
restructuring to improve our ROE and EPS, and decisively divested and sold assets and businesses with low profitability and efficiency. (➔ See p. 34)

These “surgical” reforms, in which nothing was considered off-limits, have been successful, and in the previous fiscal year, we posted ¥1,103 billion in operating revenue, ¥120.2 billion in operating profit, and ¥68.5 billion in net profit, reaching record highs.

At the same time, we achieved all financial indicators targeted in the medium-term management plan through fiscal 2025 two years ahead of schedule, with ROE improving to 9.6%. In light of these strong results, we will start a new medium-term management plan in the next fiscal year and bring the five-year resilience phase, the second half of our 10-year plan, forward by one year.

But the record profits mentioned above are only in terms of our own Group. The business environment provided a favorable tailwind in the previous fiscal year, and it is a fact that the rest of the industry also did well during this time frame. As such, I refuse to be

Operating profit



contented with what we have achieved so far and, maintaining a broader perspective on the environmental changes occurring around us, I will spearhead the Group’s management to take us to further heights.

I am placing particular emphasis on management that is cognizant of capital costs and stock prices. Our stock price exceeded the BPS in March 2024 and our PBR returned to the 1x level. However, due to the unusual stock market in August, our stock price level dropped significantly and is now below 1x again. We recognize that 1x is the minimum line for PBR, and we will work to further improve ROE and PER. We will increase our earning power and efficiency and continue to achieve an ROE above the cost of shareholders’ equity to meet our target of 10% or more in fiscal 2030. In formulating our next medium-term management plan, as well, we are setting our sights on meeting the expectations of shareholders and investors more than ever before and on raising our PER.

Japan’s transition to an inflationary economy is an opportunity for sales growth

The Japanese economy is now at a historic turning point. The Bank of Japan has ended its policy of negative interest and raised rates for the first time in 17 years. In the real estate business, rising interest rates can be a headwind. Having experienced severe management crises in the past, what I tell everyone in the Group is this: “The better business is going, the better the time

to prepare for risks.”

On the other hand, with our Group having completed its business restructuring, I see Japan’s transition to an inflationary economy as an opportunity to make a major shift from securing profits through cost cutting to an environment in which we can generate profits by boosting sales.

We will maximize the Group’s comprehensive strength by leveraging the fortes and broad business wings of each of our ventures. In turn we will deliver value with a competitive advantage and secure the gratitude of our customers. Now is the perfect time to create such a growth cycle and for each of our employees to fully demonstrate the “challenge-oriented DNA” they share. We will implement ideas that we find interesting, switch to proactive management, boldly take on new challenges, and leverage the entire Group to promote the creation of high added value.

Creating premium value in terms of industry, community, and the environment

In the resilience phase, we will aim to “build a solid and distinctive business foundation.” In addition to existing businesses with industry-leading track records like Tokyu Community, which engages in comprehensive property management, and real estate sales brokerage company Tokyu Livable, we will cultivate ventures that can win in specific markets and establish competitive advantages that are difficult for other companies to follow.

Further, through the cross-pollination of these businesses, we will create high added value that no other company can match in terms of such aspects as industry, community, and the environment, and translate their unique qualities into equivalent “premium value.” Viewing economic and industrial policies such as industrial development, urban tourism, regional development, and GX (green transformation) as opportunities, we will work to promote new core businesses by developing the seeds of ventures that will lead to solutions to regional and social issues while aligning with national strategies.

The Group’s wide-ranging business fields can be divided into asset-utilizing and human capital-utilizing ventures in accordance with how their revenue models differ. Similarly, by creating axes for various revenue models, such as urban and rural, and real estate and non-real estate businesses, we will build a strong portfolio that will be less susceptible to being affected by any specific area or market conditions.

In our next medium-term management plan, we will focus on “strengthening the competitiveness of international cities” and “creating added value utilizing regional resources” as key themes for creating premium value. The former is an initiative to enhance the brand power of Tokyo as an international city in the eyes of the world, while the latter will contribute to making Japan a top tourism destination as well as realizing a decarbonized society. I would like to take a more specific look at our strategies for making these themes a reality below.

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Letter to Our Stakeholders

Strengthening the competitiveness of international cities

Concentrating management resources to make the Greater Shibuya area a true home ground

What makes the Greater Shibuya area so attractive is that it is a place where people gather from all over the world. In addition to the central Shibuya area, the adjoining areas of Ebisu, Daikanyama, Omotesando, and Harajuku each have their own unique cultures, and their

diversity attracts many tourists and businesses from across Japan and around the world.

With the creation of wellbeing now a prerequisite for urban development, it is necessary in the real estate industry to work toward strengthening international inter-municipal competitiveness. The Greater Shibuya area already has the concentration of the people, things, money, and information essential for competitiveness, but our Group will be further accelerating the concentration of these elements.

Key themes in the next medium-term management plan

GROUP VISION 2030: Create value for the future

2021–2024
Long-term management policy:
Restructuring phase

Improving earning power and efficiency to regenerate growth in the post-COVID-19 period
Medium-term management plan 2025

2025–2030 *1 year ahead of schedule
Long-term management policy:
Resilience phase

Building a solid and distinctive business portfolio
Next medium-term management plan

Historical turning point in the business environment

- Declining domestic population, urban concentration of population
- Inflation, soaring construction costs
- Shift to renewables as main source of power (GX promotion)
- Increasing inbound tourism
- Polarization of income and services
- Normalization of domestic interest rates

Strengthening the competitiveness of international cities

Promotion of the Greater Shibuya area strategy

Leveraging the Group's competitiveness to make the Greater Shibuya area a "true home ground"

Creating added value utilizing regional resources

1. Renewable energy business
2. Hotel and resort business

Develop core businesses in areas less susceptible to real estate market conditions

And within this context, our goal is to make Shibuya, already the Group's home base, a true home ground for us. In collaboration with the Tokyu Group, our Group will concentrate its management resources and provide high added value by linking the value chain in the area, from development to management, operation, and real estate agency. This will increase the value of the area and our presence in Shibuya, making it a place where business opportunities will continue to grow. This is what I envision when I think about Shibuya as a "true home ground."

To realize this goal, I believe it is important to hone the inherent appeals of Shibuya in the fields of industry development and urban tourism.

Concerning industry development, Shibuya already attracts excellent startup companies. In order to further develop a startup ecosystem in Shibuya that will produce world-class companies going forward, industry-academia collaboration will be an essential ingredient. Academic cities like Boston, for example, have thriving economies because they attract the best and brightest from around the

world, especially through their universities. By incorporating partnerships with universities and research institutions in our development of the Greater Shibuya area, we will enhance its international presence.

The Japanese government has drawn up a plan in collaboration with a renowned overseas university to establish a Global Startup Campus as a hub for innovation in Meguro, Tokyo that will encourage the promotion of startups. In our own Group, Tokyu Land Corporation is already engaging in a collaborative program with the Massachusetts Institute of Technology to conduct pilot studies and co-create with startups, and we believe that this experience can also be applied to urban development in Shibuya.

On the other hand, with urban tourism our goal is to realize the concept of "Entertainment City Shibuya," an exciting city that never sleeps. One of the defining traits of Shibuya is its wide range of attractions, and these are not limited to just its robust nighttime economy. Based on the belief that this characteristic is a product of the interactions of diverse and different people, we are focusing



Tokyu Plaza Harajuku "Harakado," opened in April 2024



Tokyu Plaza Omotesando "Omokado," located opposite "Harakado"

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on creating an environment which promotes a cycle of creation, communication, and attraction. (➔ See p. 30)

In both industry development and urban tourism, it is important to create mechanisms that will produce spontaneous and incidental communication and connect the people who gather in Shibuya. I believe that such organic activities foster the culture of an area, including in terms of its history and mood. People, drawn to an area's culture, further build on and refine it, enhancing its character and attracting yet more people in turn. Creative fields such as design and art are one effective mechanism for promoting this cycle, and they are highly compatible with Shibuya's innate tendency to embrace new values and inspire creation.

In the current fiscal year, we established the Greater Shibuya Area Strategy Promotion Office. We also strengthened systems across the Group for enhancing the value of the area and expanding business opportunities. As Shibuya's urban development moves from a physical infrastructure-centered approach to town management aimed at making the area a true home ground for the Group, we will also work to build a creative culture that will serve as a wellspring for making and keeping Shibuya unique.

Creating added value utilizing regional resources I

Leveraging natural resources to make renewable energy a core business

Looking to our renewable energy business, with the shift to green energy and the goal of carbon neutrality being global trends as well as cornerstones of Japan's own energy policy, the market is certain to expand in the future. The Group began engaging in its renewable energy business in 2014. Having focused our efforts on this highly unique business, which is less susceptible to the effects of the domestic real estate market, it currently boasts 113 total projects in Japan and 1.7 GW of power generation capacity (as of the end of June 2024), making it one of the leading businesses of its type in Japan.

Renewable energy projects require steady negotiations and relationship building with the stakeholders of the project site, and this is an area in which we can leverage the knowhow we have cultivated in real estate. In addition, renewable energy projects generally need to be implemented in areas that have specific and highly local characteristics, such as extensive land and strong, consistent winds. Such areas, however, also tend to face common issues like depopulation and shrinking local industry. Our Group is working to help these localities solve such issues while developing projects in tandem with community development.

One particular example is the town of Matsumae, Hokkaido. Here, Tokyu Land

Corporation has been operating a wind power plant since 2019. Among its efforts to develop the project in harmony with the local area, the company has concluded a partnership agreement with the municipal government for community development and has begun operating a local microgrid that supplies electricity from its renewable energy generation facilities in the event of a large-scale power outage.

In addition, data centers, a market which is expected to expand, are also an area in which the Japanese government is promoting the securing of renewable energy sources. Government-led efforts are underway to attract the location of data centers in Hokkaido, as well, and within this context we will achieve further earnings growth.

The renewable energy business is a business that is locally based, but it also puts one on the same stage as global players. We see its large scale as potential for growth and will continue to develop renewable energy as a core business.

Creating added value utilizing regional resources II

Creating next-generation resorts that can solve regional issues

For some 60 years, the Group's resort business, which began with the development and management of vacation homes, has continued to grow through hotel operation and mixed-use developments. It is now one of our core businesses and has become even

more profitable due to increased domestic and external demand post COVID-19. The Japanese government is also promoting tourism, including international tourism, as one economic measure to combat a declining population, and there is no doubt that the opportunities for this business, from resort development to management and operation, will become even greater.

The strengths of the Group's resort business lie in the knowhow and track record we have cultivated in developing projects in harmony with local communities. By leveraging these strengths to create new value-added experiences and area value, I believe we can develop the resort business as a core business that is more profitable than ever.

Among project locations with large inbound demand like Kyoto and Okinawa, Hokkaido's Niseko, where we have been working to develop the top international resort in Asia through a public-private partnership, attracts particularly large numbers of people from around the world. In order for Niseko to compete globally in the future, it is important to expand its current, wintertime-focused customer base to include the entire year. By achieving this, we will create a leading example of a next-generation resort that will invite a continuous flow of people from across national borders.

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Continuing to take the initiative so people will choose us for our premium environmental value

In our long-term management policy through 2030, we have established environmental management and DX as Group-wide policies. They are essential factors for increasing the Group's competitiveness and, at the same time, are something which only come into their own when they can be translated into earning power.

In our environmental management, we are actively addressing the key issues of realizing a decarbonized society, creating a recycling-based society, and conserving biodiversity through our respective business activities. By enhancing our brand power and distinctiveness as an environmentally advanced company, and by leveraging our environmental value as one of the Group's unique strengths, we aim to build a virtuous cycle of business opportunity expansion and revenue acquisition.

(➔ See p. 40)

Tokyu Land Corporation has switched to using 100% renewable energy at its offices and owned facilities, and in April 2024 became the first company in Japan to be certified as having achieved its RE100 target.*1 By switching all 204 of our sites, including offices, commercial facilities, and hotels, to renewable energy, we have achieved a significant reduction in

CO₂ emissions, and I believe we are providing environmental value to our customers through the use of our facilities.

In addition, we have received extensive recognition from both inside and outside Japan, such as being selected for inclusion in CDP's Climate Change A List of companies, the international NGO's highest ranking, for three consecutive years up to fiscal 2023; and being certified as an Eco-First Company*2 by the Japanese Ministry of the Environment in April 2024, the first domestic real estate company to be so recognized. In both word and deed, we have established a reputation for being an environmentally advanced company. For both the realization of a sustainable society and the long-term growth of the Group, going forward it will be necessary for us to, for example, encourage companies to become more aware of the value of eco-friendly office buildings and desire to actively invest in them. We have continued to take the lead in realizing a society in which environmental value is shifted onto prices. The demand for our environmental initiatives from companies and municipalities seeking to respond to social changes is increasing year by year. This in turn is creating new business opportunities, such as our comprehensive business alliance with the East Japan Railway Company, our establishment of renewable energy funds, and partnerships with local governments such as

the cities of Yokohama and Sagami-hara for realizing decarbonization. Also of note is the increasing popularity of ethical consumption, especially among young people. To further encourage the growing awareness of sustainability, we will actively develop environmental education activities aimed at the generations who will shoulder the responsibility for our future.

Systematically developing DX human capital to accelerate CX improvement

In our promotion of DX, we have made a degree of progress in the first step of reducing the labor involved in business processes, and are now shifting our focus toward improving the customer experience (CX).

Starting in fiscal 2024, we are accelerating our efforts to build new revenue models by maximizing the value of our assets and human capital. And we are achieving this through the establishment of DX priority issues and focus areas for each of our asset-utilizing and human capital-utilizing businesses.

In particular, we view DX in our human capital-utilizing business as key to the Group's growth because it allows us to leverage our abundant customer contacts, one of the Group's major strengths. As the so-called "2030 problem," a result of a declining workforce, becomes a social issue, we will

reduce the burden inherent in labor-intensive work through digital means and on the other hand enhance the kind of services that only real human resources can deliver.

In addition, within the Greater Shibuya area, we are working to improve CX by combining attractions from both the digital and real world. Our aim is to create value-added experiences that can only be obtained in Shibuya. We have built urban infrastructure using City OS as well as IOWN in what the world's first introduction of this high-speed, high-capacity communication technology in the field of community planning is. Additional mechanisms we are implementing include promoting ease of navigation with SHIBUYA MABLs, the real estate industry's first communication app; utilizing digital twinning; engaging in the centralized management of information dissemination media and attracting entertainment content.

And it is on the development of DX human capital that we are focusing in order to further vitalize these efforts. We have designated human capital who connect the business and digital domains as "bridge persons" and are engaging in their systematic development. Since the previous fiscal year, we have been systematizing and disclosing our DX human capital development mechanisms and milestones, as well as implementing training programs that give thought to the resolution

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*1 An international initiative committed to 100% renewable energy for the electricity used by businesses by 2050. Excludes facilities to be sold or demolished that are not included in the scope of RE100 and certain joint-venture projects for which Tokyu Land Corporation does not have energy management authority.

Additionally, electricity used excludes electricity from on-site cogeneration as green gas as it is recognized by RE100 does not exist in the domestic Japanese market.

*2 A program which provides certification by the Japanese Minister of the Environment to companies that engage in "advanced, unique, and industry-leading business activities" in the environmental field (i.e., those that are environmentally advanced companies in their industries).

Letter to Our Stakeholders

of business issues and future community development through the use of digital technology. (➔ See p. 47)

The management foundation and organizational climate essential for robust growth

We are building a solid management foundation by strengthening our human capital and financial capital strategies as well as enhancing our corporate governance in order to be a company that will continue to be chosen in the future for its proactive Group management and robust growth.

What we need to create value is the strength each individual employee can contribute. Our Group regards the abilities of its employees as human capital, and is promoting a variety of internal reforms to maximize their potential. We have established three human capital strategies that tie into our management strategies: “develop people who create value,” “develop organizations with diversity and a sense of unity,” and “enhance motivation to work and foster an employee-friendly work culture,” and we have further formulated KPIs for the measures of each. The operating officers at our Group companies are implementing measures that will help utilize the strengths of our diverse human resources to power the Group’s growth.

Examples include establishing KPIs unique to their company to monitor the degree to which Group collaboration has been achieved, and efforts to raise awareness at the management level.

Under our financial capital strategy, we will maintain financial discipline through sound control of assets, liabilities, and equity. At the same time, we will aim for profitable growth that is cognizant of our competitive advantages based on our business portfolio while also maintaining stable returns to shareholders and investors.

With regard to governance, in order to establish a system that is fair, transparent, and contributes to faster decision-making, and to ensure that it functions effectively, we have increased the number and diversity of outside directors, and introduced the use of third-party evaluations to assess effectiveness. Going forward, we will continue working to enhance our corporate value over the medium and long term while fulfilling our responsibility as a member of society to achieve sustainability.

We believe that corporate value is “the sum total of the levels of satisfaction of all of our stakeholders.” The best way to increase stakeholder satisfaction is to have human resources who have “a mission to engage in society,” and an organizational climate that makes the most of its human resources is essential for value creation.

In addition to human capital management, we will continue to work with our stakeholders on human rights considerations and health and productivity management to help build a sustainable society.

Instilling a creative culture in our community planning and in our organization

It is the city that undergoes constant renewal while embracing new people and values that achieves sustainable growth. I feel that our approach to community planning has much in common with the thinking in the field of biology. According to the concept of “dynamic equilibrium” proposed by biologist Shin-Ichi Fukuoka, all living organisms continuously renew themselves at the molecular level in their cells, giving them the resilience to withstand environmental changes and enabling them to evolve. Cities, too, are living organisms, and we could say that community planning is a part of their life cycle.

I believe that management should also follow such laws of nature as the concept of dynamic equilibrium. For both cities and organizations, it takes time to instill a culture. For the diversity-rich Greater Shibuya area, it is important to be ready to accept new people and things, and to further hone the creative culture that will build its future.

I am encouraging our members involved in community planning to devise ways to intentionally create incidental communication.

And in the Group, as well, like with our community planning in Shibuya, I want to instill a culture that embraces different values and new things. The word that best sums up our unique organizational climate is “tolerance,” and this word also ties in to our desire for “a future where everyone can be themselves, and shine vigorously,” which is what the gradations of green in the logo for our slogan, “WE ARE GREEN,” represent.

Our employees are best able to contribute to the creation of attractive communities when they can work with enthusiasm while respecting each other’s diverse and unique qualities. I believe that we will experience dramatic growth and development when all of our employees see the needs of society, the Company’s vision, and the realization of their own happiness as parts of a linked whole, and when all of them feel that job and life satisfaction are “premium value” that working for the Group provides.

We will continue to aim to “create value for the future” by endeavoring to reform our organizational climate so that our approximately 30,000 Group employees can share in the progress of the Group, and by ensuring that we follow through with our stated vision and management plans.

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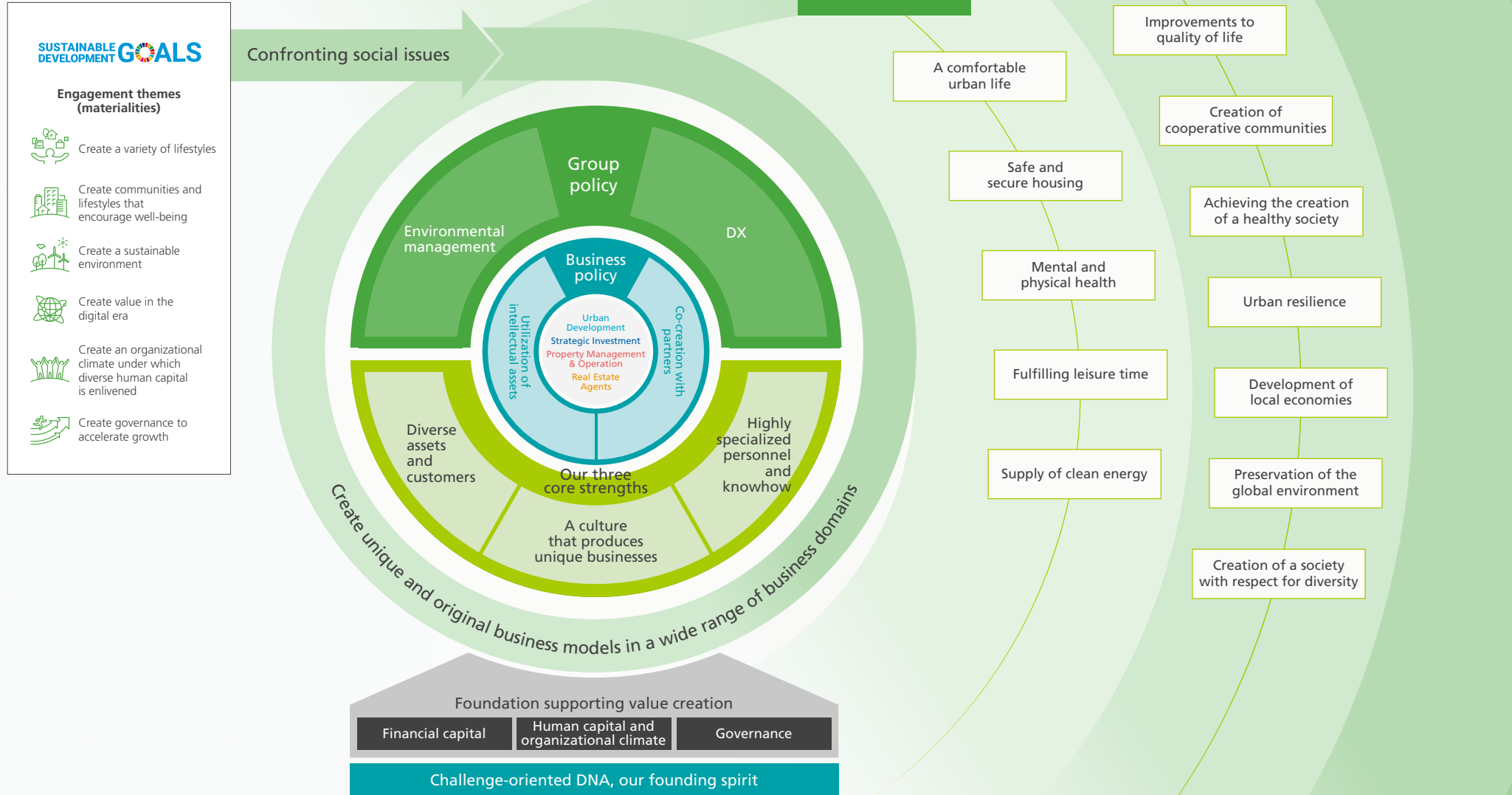
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Create Value for the Future

We create unique and original business models by confronting social issues and aim to realize a sustainable society alongside sustainable growth for the Group by providing diverse value to stakeholders.



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Value Provided to Stakeholders

We will enhance the satisfaction of all stakeholders and realize a better future by creating diverse value for customers and society through our business.



Our ideal vision
Create value for the future

Increasing satisfaction for all stakeholders



Corporate value = Sum total of the levels of satisfaction of all of our stakeholders

We will work to enhance corporate value by expanding the scope of the satisfaction we provide all stakeholders

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Increasing corporate value by encouraging thorough dialogue

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders, so we are working to raise stakeholder satisfaction.

We are looking to make improvements and create new value by engaging in thorough dialogue through our business activities, so that we can fulfill our responsibilities to each stakeholder and foster the sustainable society of the future.

Customers

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

We take a fully customer-oriented approach to carrying out business activities with sincerity and providing safe and reliable products and services. Tokyu Cosmos Members Club* has approximately 140,000 members. The club's various services provide opportunities to interact with members on a daily basis and we encourage members to renew their membership by offering additional perks with purchases. Other initiatives include conducting questionnaire surveys during sales activities, issuing a free newspaper to office building tenants, and carrying out environmental awareness raising activities such as encouraging electricity and water saving.



An event for Tokyu Cosmos Members Club members featuring a performance of the famous opera Madama Butterfly with insight from stage director Amon Miyamoto, held on July 4, 2024 (15 pairs of tickets were issued)

Local communities

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

We are working to contribute to the realization of a sustainable society by fulfilling our social responsibilities in a way that provides public benefit, including revitalizing regions and fostering abundant environments through our business activities. In addition to engaging in area management activities, such as conducting cleaning events and disaster preparation training, participating in festivals, and dispatching instructors for special lessons at elementary schools, we also attend local council meetings and work to solve local issues. In this way, we are contributing to raising the value of and creating economic benefits for each area.



Employees from Tokyu Land Corporation participate in the Shiba Daijingu Daradara Festival as members of Takeshiba Area Management (photo: Susumu Yoshioka)

Group employees

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

We are working to make our workplaces employee-friendly and satisfying under our Group human capital strategy by fostering an organizational culture that enables diverse human capital to thrive and each employee to fully demonstrate their individual capabilities. We carry out monitoring, including regular worker engagement surveys, to ensure workplaces are psychologically safe and we also work to foster innovative organizational cultures and work environments where everyone can work actively. This is achieved through initiatives that include providing e-learning programs and seminars covering compliance and diversity, equity, and inclusion (DE&I) and setting KPI targets for matters related to physical and mental health.



A networking event including a lecture from Keiko Hamada held in September 2023

Shareholders and investors

We will maximize shareholder value through sustainable growth

We are working to raise shareholder value and fulfill the expectations of shareholders and investors. Our president, officers, and employees responsible for IR activities conduct individual meetings with shareholders and investors and we also regularly hold financial results presentations for institutional investors and analysts and briefings for individual investors. We have also set engagement with shareholders and investors as a KPI to encourage dialogue. Our target for fiscal 2025 is at least 290 cases of engagement and in fiscal 2023 we achieved 325 cases, fulfilling the target ahead of schedule. Furthermore, we regularly present reports on the opinions and concerns we receive through this engagement at meetings attended by senior management members, so that they can be used to improve management in a way that leads to the medium- to long-term growth of corporate value.

Business partners

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

We collaborate with business partners in order to achieve mutual growth and enhanced corporate value. We engage with these partners through our business activities, including holding joint safety events with partner companies, informing suppliers of our sustainable procurement policies, and conducting exchanges of information concerning social issues such as human rights and the environment.



An engagement event with Toda Corporation

Future society

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

everyone can be themselves and shine vigorously for the benefit of the next generation and beyond. We strive to engage with the generations that will shoulder the sustainable growth of the Group and society in the future. This includes the implementation of measures by each Group company to support young employees, as well as the provision of career development support for students through the National Students Information Center, and support for environmental education in the regions where we do business.



Presenting the environmental initiatives being carried out at TENOHA Daikanyama to elementary school students from Shibuya-ku

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Our Ideal Vision Themes of Our Efforts to Create Value (Materialities)

To realize our ideal vision, we are engaged in efforts focused around six themes (materialities) through our business activities.

These themes were chosen based on the prioritization and analysis of important social issues, and by implementing strategies in line with each theme, we will contribute to the creation of a sustainable society.



Main social issue (excerpts from the 37 items)

- Diversification of lifestyles and normalization of IT use
- Greater demand for customer/consumer orientation and disclosure of information on products and services
- Growing need for the realization of a sustainable society (addressing issues such as disasters, resource shortages, and population decline)
- Increases in Japan's existing housing and building stock and in the number of dilapidated and abandoned houses
- Reform and revitalization of regional communities
- Growing seriousness of climate change
- Shift to sustainable energy
- Growing need to create innovation and transform business models through DX
- Advancement of social diversity and the active participation of women in the workforce
- Human resources shortages and the growing need for personnel development
- Diversification of workstyles and an increasing need to improve working conditions and environments
- Growing importance to factor ESG into corporate management



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Our Ideal Vision Value Provided Through the Six Materialities

Our approach to sustainable management involves solving issues based on our six materialities to increase outputs and impacts that are beneficial to society. To achieve our vision for 2030, we have identified business opportunities and risks for each of the materialities, formulated relevant strategies and measures, and set KPIs accordingly.

We will leverage the Group's strengths and assets to steadily achieve these KPIs with the aim of realizing the sustainable development of society and growth.

Materialities	Main opportunities	Main risks	Strategies and measures	Non-financial KPI		SDGs	Financial KPI	Value we provide
				FY2030 targets	targets	targets	FY2030 targets	
 Lifestyle	<ul style="list-style-type: none"> Diversification of work styles, home styles and play styles Fusion of all manner of lifestyle scenes 	<ul style="list-style-type: none"> Mismatch to consumer needs Declining efficiency accompanying response to segmentalized needs 	<ul style="list-style-type: none"> Verify feasibility of workations using hotels Establish a portal site for condominium residents and management associations 	<ul style="list-style-type: none"> Customer satisfaction level*1 Products and services that contribute to Lifestyles Creation 3.0 	90% or more	10.3		
 Liveable City	<ul style="list-style-type: none"> Increasing importance of community creation Growing need for disaster preparedness and disaster damage reduction Increasing awareness regarding mental and physical health issues 	<ul style="list-style-type: none"> Declining attractiveness of some cities due to intensifying competition between cities Declining attractiveness of cities due to community decline Decreasing asset values due to insufficient maintenance and management 	<ul style="list-style-type: none"> Build communities through area management Foster resilience to ensure the sustainability of urban functions Use underutilized spaces to hold communication events 	<ul style="list-style-type: none"> Measures to revitalize communities Strengthening building safety and security*2 	100 cases or more	11.3		
 Environment	<ul style="list-style-type: none"> Growing need to respond to a decarbonized and recycling-based society Increasing funding from ESG investors 	<ul style="list-style-type: none"> Escalation of climate change and natural disasters Increasing costs due to environmental restrictions, etc. 	<ul style="list-style-type: none"> Achieve RE100 target Enhance environmental performance of buildings (ZEB/ZEH) Introduce internal carbon pricing Cultivate a recycling-based society through management, operations, and renovations that extend the service life of buildings 	<ul style="list-style-type: none"> RE100*3 *4 Percentage of renewable energy power usage CO2 emissions (compared with FY2019) (SBT certification*5) Water usage Waste volume (compared with FY2019) Environmental certification acquisition*6 (e.g. CASBEE, DBJ) Sustainable procurement (wood materials for molds) Midori wo Tsunagu Project (area of forest protected) Environmental efforts through business 	To be achieved by 2025	7.2	Reference indicators	
 DX	<ul style="list-style-type: none"> Increasing importance of utilizing customer contact points Improving scalability of services provided 	<ul style="list-style-type: none"> Declining position of real experiences due to enhancement of virtual experiences Appearance of disruptors to existing businesses 	<ul style="list-style-type: none"> Incorporate DX at condominium sales locations Practice data-driven area management Develop an AI for appraising condominium value Introduce voice recognition systems at all Tokyu Stay locations 	<ul style="list-style-type: none"> Number of initiatives utilizing digital technology DX investment amount (compared with FY2021)*7 Acquisition of IT passports*4 	100 or more	8.2	ROE 10% or more	
 Human Capital	<ul style="list-style-type: none"> Increasing opportunities to secure diverse human capital Emergence of innovation due to Diversification 	<ul style="list-style-type: none"> Intensifying competition and increasing costs in the human capital market Declining reputation due to the occurrence of human rights issues 	<ul style="list-style-type: none"> Accelerate the promotion of female employees and strengthen mid-career recruitment Change rules concerning male employees taking childcare leave and encourage uptake Respect human rights and practice due diligence concerning suppliers Provide a DE&I e-learning course, raise awareness of this issue, and monitor the situation 	<ul style="list-style-type: none"> Ratio of employees who undergo physical examinations Ratio of women among new graduate hires Ratio of female managers (ensuring the diversity of core human capital) Ratio of childcare leave taken by male employees Deepening understanding of DE&I (percentage of employees who took an e-learning course) Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor) 	100%	8.5	ROA 5% or more	
 Governance	<ul style="list-style-type: none"> Strengthening relationships with stakeholders by improving transparency Increasing funding from ESG investors 	<ul style="list-style-type: none"> Increasing cost of fund procurement Decline in confidence due to legal violations 	<ul style="list-style-type: none"> Provide an e-learning course on compliance for Group employees Carry out an evaluation of the effectiveness of the Board of Directors that incorporates a third-party perspective 	<ul style="list-style-type: none"> Engagement with shareholders and investors Improvement of effectiveness of the Board of Directors (third-party evaluation) Adherence to the compliance code of conduct 	300 cases or more	12.6	D/E ratio 2.0 times or less	

Outputs (Value provided through businesses)

Lifestyle Creation 3.0

- A comfortable urban life
- Safe and secure housing
- Mental and physical health
- Fulfilling leisure time
- Supply of clean energy

Impacts (Social value)

A future where everyone can be themselves, and shine vigorously

- Improvements to quality of life
- Creation of cooperative communities
- Achieving the creation of a healthy society
- Urban resilience
- Development of local economies
- Preservation of the global environment
- Creation of a society with respect for diversity

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*1 Tokyu Cosmos Members Club questionnaire survey *2 Support for people who have difficulty returning home in the event of a disaster in a large, 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 An abbreviation of Science Based Targets. These are medium- to long-term targets for the reduction of greenhouse gases that have been formulated based on scientific research
 *6 Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures.
 *7 Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures *8 Profit attributable to owners of parent

Our Ideal Vision Financial and Non-financial KPI Targets and Results

Figures for fiscal 2023 include data that has yet to undergo third-party verification and is therefore subject to change.

Category	Materiality	KPI	FY2030 target	FY2025 target	FY2023 results		
Financial targets	Finance	ROE	10% or more	9%	9.6%		
		ROA	5% or more	4%	4.2%		
		D/E ratio	2.0 times or less	2.2 times or less	2.1 times		
		Operating profit	¥150 billion or more	¥120 billion	¥120.2 billion		
		Net profit*1	¥75 billion or more	¥65 billion	¥68.5 billion		
Non-financial targets	S Society	Create a variety of lifestyles	Customer satisfaction level*2	90% or more	90% or more	92.8%	
			Products and services that contribute to Lifestyles Creation 3.0 (cumulative)	100 cases or more	50 cases or more	60 cases	
	S Society	Create communities and lifestyles that encourage well-being	Measures to revitalize communities (cumulative)	100 cases or more	50 cases or more	64 cases	
			Strengthening building safety and security*3	100%	100%	100%	
	E Environment	Create a sustainable environment	RE100 to be achieved by 2025*4	Achieved	Achieved	Achieved*5	
			Percentage of renewable energy power usage	60% or more*6	65%*7	84.1%	
			CO ₂ emissions (compared with FY2019)	Scope 1 and 2	(46.2)% (SBT certification)*6	FY2023 (50%)*7	(69.7)%
				Scope 3 (Categories 1, 2, and 11)	(46.2)% (SBT certification)	Qualitative target: Collaborative initiatives with partners (construction companies, etc.)	(0.1)%
			Water use	Less than the previous fiscal year	Less than the previous fiscal year	+7.5%	
			Waste volume (compared with FY2019)	(11)%	(6)%	(16.6)%	
			Environmental certification acquisition*6 (e.g., CASBEE, DBJ)	100%	70%	65.0%	
			Sustainable procurement (wood materials for molds)	100%	30%	9.7%	
			Midori wo Tsunagu Project (area of forest protected)	3,000 ha	2,400 ha	2,145 ha	
			Environmental efforts through business (cumulative)	100 cases or more	50 cases or more	70 cases	
	S Society	Create value in the digital era	Number of initiatives utilizing digital technology (cumulative)	100 or more	50 or more	58	
			DX investment amount (compared with FY2021)*9	2 times	1.5 times	5.2 times	
			Acquisition of IT passports*4	100%	80%	84.3%	
	S Society	Create an organizational climate under which diverse human capital is enlivened	Ratio of employees who undergo physical examinations	100%	100%	99.9%	
			Ratio of women among new graduate hires	50%	42%	45.9%	
			Ratio of female managers (ensuring the diversity of core human capital)	20% or more	9%	8.0%	
Ratio of childcare leave taken by male employees			100%	100%	88.7%		
Deepening understanding of DE&I (percentage of employees who took an e-learning course)			100%	100%	96.2%		
Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)			100%	50%	58.9%		
G Governance	Create governance to accelerate growth	Engagement with shareholders and investors	300 cases or more	290 cases or more	325 cases		
		Improvement of effectiveness of the Board of Directors (third-party evaluation)	100%	100%	100%		
		Adherence to the compliance code of conduct	100%	100%	98.4%		

*1 Profit attributable to owners of parent *2 Tokyu Cosmos Members Club questionnaire survey *3 Support for people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc. *4 Tokyu Land Corporation

*5 Excludes electricity generated through cogeneration involving private power generation (0.2% of overall electricity consumption), as there are no gases on the Japanese market that are recognized as green gases under the RE100 technical criteria.

*6 Set at the same time as the long-term management policy (fiscal 2021) *7 Set at the same time as the medium-term management plan (fiscal 2022)

*8 Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures

*9 Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures. The result for fiscal 2021 is ¥1.4 billion

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Special Feature

Community Development in the Greater Shibuya Area



WORKING

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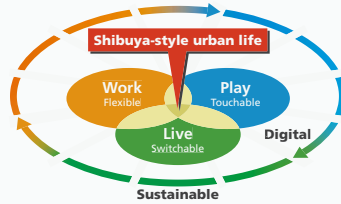
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Special Feature **Community Development in the Greater Shibuya Area**

Our extensive history, business know-how, unique strengths, and value we create for society are being leveraged in our large-scale, once-in-a-century development centering on Shibuya Station. The Tokyu Group is promoting community development in a 2.5-kilometer radius of Shibuya Station, an area we call “Greater Shibuya.” We are enhancing the appeals of Shibuya in the broader sense of the smooth flow of people and culture. The Shibuya Sakura Stage commercial area, the last piece in our development of the district centering on Shibuya Station, opened in July 2024, further strengthening the Group’s Greater SHIBUYA 2.0 initiative.

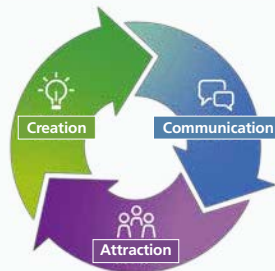
Greater SHIBUYA 2.0

In July 2021, we formulated Greater SHIBUYA 2.0, a community development strategy for Shibuya which extends and evolves two visions for the area—the “Greater Shibuya” vision of Tokyu Land Corporation and the “Entertainment City SHIBUYA” vision of Tokyu Corporation. Alongside reinforcing these two visions, Greater SHIBUYA 2.0 adds additional focus to the element of “live.” By bringing together the components of work, play, and live and engaging in the concepts of the “digital” and “sustainable” that serve as a foundation for these, Greater SHIBUYA 2.0 aims to produce synergies and realize a unique “Shibuya-style urban life” unlike anywhere else.



Our aim in making Shibuya a “true home ground”

By making it a true home ground, the Group aims to develop business with its competitive advantage in the Greater Shibuya area solidified. To this end, we will further enhance the appeals of the Greater Shibuya area through a virtuous cycle of “creation,” “communication,” and “attraction.” From fiscal 2024 onward, the operational phase of our community development in the Greater Shibuya area will expand in line with the completion and opening of large-scale properties. In order to continuously enhance the value of the area and facilities, we will also focus on intangible measures and work on both the tangible and intangible aspects of community development.



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Offices: Advanced office floors



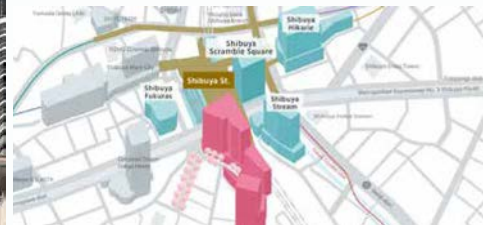
Commercial facilities: Creating cutting-edge culture



Residences: Branz Shibuya Sakuragaoka



Serviced apartments: Hyatt House Tokyo Shibuya



Completed in November 2023. An integrated redevelopment project covering approximately 2.6 hectares southwest of Shibuya Station, one of Japan's busiest terminal stations. This large-scale complex has a total floor area of approximately 250,000 m² and is comprised of four buildings: Shibuya Tower Central Building on the Shibuya Side, and Sakura Tower and Sakura Terrace on the Sakura Side. In July 2024, 37 tenants simultaneously opened for business.

Project 1

Shibuya Sakura Stage

The last piece in our redevelopment of the Shibuya Station area

A new Shibuya landmark that combines the elements of work, play, and live

Despite being divided by a JR train line and National Route 246, the Sakuragaoka neighborhood, located in the heart of Shibuya, is filled with restaurants, music and cultural facilities, and residences, attracting a diverse range of people and fostering a unique culture. Shibuya Sakura Stage is the only project in our redevelopment of the Shibuya Station area where offices and commercial facilities coexist with residences in a unique location adjacent to Shibuya Station. Its goal is to seamlessly connect the elements of work, play, and live to create a vibrant district for people of all ages to reside or visit.

Work

The project has created comfortable and spacious large-scale office spaces in the heart of Shibuya, where the latest trends are concentrated. With three buildings—Shibuya Tower, Central Building, and Sakura Tower—Shibuya Sakura Stage boasts one of the largest leasable areas among our redevelopment projects in the Shibuya Station area.

The facility houses the tentatively-named Shibuya Deep-tech Accelerator, a place for innovation and creation aimed at fostering and supporting startups in the deep tech field. Shibuya Deep-tech Accelerator will further advance our industry-academia collaboration program with the Massachusetts Institute of Technology (MIT) and promote the creation of an innovation ecosystem in Shibuya.

Play

Shibuya Sakura Stage's commercial area, located adjacent to the relocated JR Shibuya Station's New South Gate, features stores and other amenities that improve convenience for residents and office workers. The tenants include SAKU-YON, a space where culture and food intermix and new connections are born; and 404 Not Found, a place for co-creation and support for indie creators. Other tenants are working to preserve the Sakuragaoka area's hobby culture and pass it on to the next generation, or are creating and sharing trends and culture that are on the cutting-edge.

Live

Branz Shibuya Sakuragaoka, the only condominium in the project, is a 155-unit residence located in an excellent location adjacent to Shibuya Station.

As an environmentally advanced condominium with features such as solar panels on the roof, it offers a sustainable, comfortable lifestyle and contributes to preserving the environment.

In addition, Shibuya Sakura Stage is the first location of the Hyatt House brand, operated by the global hospitality company Hyatt, in the Tokyo metropolitan area. Whether for work or pleasure, it provides highly satisfying and comfortable stays that meet such diverse needs as inbound tourists engaging in extended stays and international businesspersons.



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Special Feature Community Development in the Greater Shibuya Area

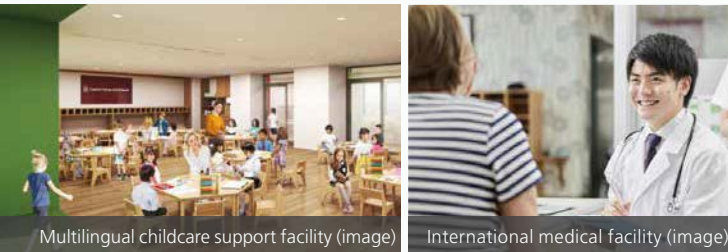
Project 1

Shibuya Sakura Stage

The value of Shibuya Sakura Stage from a community development perspective



Startup support facility



Multilingual childcare support facility (image)

International medical facility (image)

The addition of urban functions that contribute to stronger international competitiveness

Shibuya Sakura Stage delivers functions that work in conjunction with the existing urban functions of the Shibuya Station area, further enhancing the location's international competitiveness while resolving local living environment issues. Aiming to create a comfortable living environment for international businesspersons and their families visiting the area, the development brings serviced apartments, a childcare support facility, and an international medical facility to Shibuya. Further, with the aim of enhancing the area's creative content industry and strengthening its international competitiveness, Shibuya Sakura Stage also provides a startup support facility whose functions include promoting social interaction and exchange, information dissemination, and support for various procedures.

Improving urban disaster preparedness and reducing environmental impact

Shibuya Sakura Stage improves the area's disaster preparedness through such means as the reorganization of city blocks and joint ownership of aging small buildings. In the event of a disaster, the complex will also make the area safer and more secure through the dissemination of important information. By establishing a stockpile warehouse and securing temporary accommodation space, Shibuya Sakura Stage has also taken measures to support people having difficulty returning home after a disaster, helping to make the community more disaster-resistant.

We are also promoting three-dimensional greening on the ground, rooftops, and walls of Shibuya Sakura Stage to combat the heat island effect, including lush open spaces for relaxation. At the same time, we are working to reduce the complex's environmental burden through the use of solar power generation and other renewable energy sources.

Amount of electricity switched to renewable energy
Annual power consumption of a typical household
Approx. **5,500** households



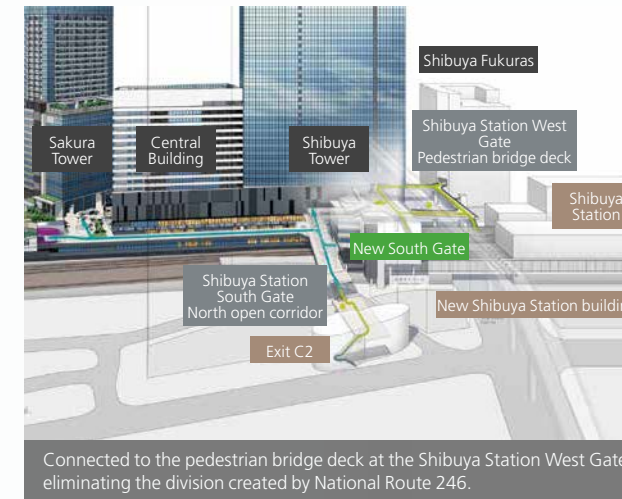
Green spaces
Approx. **6,000** m²
= Approx. **23** tennis courts



Approx. 4,900 m² in temporary accommodation facilities
Enough to accommodate
Approx. **2,900** people
post-disaster and 4,700 people in total together
with surrounding Group facilities*



*Shibuya Solasta, Shibuya Fukuras, and Shibuya Sakura Stage



Connected to the pedestrian bridge deck at the Shibuya Station West Gate, eliminating the division created by National Route 246.

Eliminating neighborhood divisions and creating new infrastructure for pedestrian traffic

The central Shibuya area is divided by roads and railroads both east-west and north-south. At the same time, the topography has large elevation differences. As a result, the pedestrian network connecting the Shibuya Station and the surrounding area was poor.

To solve this problem and create barrier-free connections with the surrounding area, we cooperated in building a new station building for JR Shibuya Station. In addition, the creation of east-west and north-south pedestrian traffic routes provides connections between the station and the surrounding area. These include the open corridor on the north side of Shibuya Station's South Gate that serves as the approach from the New South Gate, the pedestrian bridge deck at the West Gate that crosses National Route 246 north-south, and the West Gate underground walkway.

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H A
R A
TOKYU PLAZA

Project 2

Tokyu Plaza Harajuku “Harakado”

A center for creating a new culture and sharing it with the world

Tokyu Plaza Harajuku “Harakado” opened in April 2024, aims to be a no mere a commercial facility but rather a creative facility. A place where people can enjoy new added-value experiences, backed by the history of the Harajuku-Jingumae area, which has produced a variety of cultures, as well as the modern trend of people expressing and sharing themselves through social media. To realize this goal, we have created a platform for creators to grow, receive support, and engage in co-creation. We have also installed hands-on media that make maximum use of the value the real world provides. Further, we have prepared a full range of highly dynamic, unique stores on every floor, from the basement to the rooftop terrace.

A new cycle has emerged in recent years

in which visitors to Shibuya share the things they like with the world, mix with others who have the same interests, support each other, further refine their tastes and interests, and share these with the world again.

Based on this cycle we have created a mechanism to create and grow a new culture with visitors to the Harajuku-Jingumae area by linking multiple properties at the Jingumae crossing so that visitors can respond to and be inspired by the talent of top creators.

Collaborating with creators and diverse businesses in the area, Tokyu Plaza Harajuku “Harakado” will create a new culture in which people from all walks of life come together to co-create value and share it with the world.

Project 3

Forestgate Daikanyama

Forestgate Daikanyama opened in October 2023 in Daikanyama, within walking distance of Shibuya Station, Ebisu and Nakameguro. It consists of two buildings—the MAIN Building, which houses a commercial facility, membership-based shared office spaces, and rental housing; and the TENOHA Building, a two-story wooden structure with a café and event space. The facility is filled with greenery throughout, creating a forest-like atmosphere. Combining the elements of work, living, and playing with sustainability and food, Forestgate Daikanyama is a hub for demonstrating and sharing with the world new ways of living as well as sustainable lifestyle experiences.

The MAIN Building is occupied by tenants such as SOLSO HOME and NSK that are oriented around the themes of “green/sustainable” and “food.”

The TENOHA Building was built with

thinned wood from Nishiawakura Village in Okayama Prefecture, where we engage in forest conservation. Vegetables are grown on the roof and inside, and freshly harvested vegetables are served as part of vegan dishes in the cafe. Out-of-spec fruits and vegetables are also actively incorporated to provide experiences that are tasty and sustainable. It also plays a role as an information dissemination center for co-creation between urban and rural communities by furthering the connections and coordination between regional symbiosis initiatives promoted by the six TENOHA locations across Japan.



→ [Click here to read an interview with the person in charge of development management. \(Japanese only\)](#)



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The Present and Future of Shibuya

The Social Value and Growth Potential of the Greater Shibuya Area

Value chain topics

Taking on new challenges through
Group collaboration



Kazuki Shimabukuro

Assistant Technical Manager,
Office Building Development
Department
Tokyu Community Corp.

User-oriented building management

I work at Tokyu Plaza Harajuku “Harakado” as a building management supervisor. Tokyu Community is responsible for overseeing the maintenance and management of building facilities and aesthetics. Harakado is a real attention-getter and attracts many visitors on a daily basis. Further, facility features such as its distinctive design, rooftop garden, and wall greening require more attention than usual in its daily management. The exterior walls are covered with three-dimensional, sculpture-esque glass, which must be cleaned with the utmost care. Prior to the opening, we engaged in numerous discussions and investigations with Tokyu Land Corporation and other involved parties. All of the facility management staff will continue to always keep the user perspective in mind and contribute to the creation of a comfortable and enjoyable place for visitors to this facility that is a Harajuku landmark.

The growth potential of our home ground of the Greater Shibuya area

Characteristics of Shibuya

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



Key data for Shibuya

Inbound visitor rate*1

1st



Office floor space growth rate*2

20% increase

(Compared to FY2018)



Annual product sales*4

Approx.
¥1.6 trillion



Inbound satisfaction rates among major tourist areas*1

1st



Startup company emergence rate among Tokyo's 23 wards*3

1st



Change in flow of people around Shibuya Sakura Stage*5

143%



*1 2023 Survey on Behavioral Characteristics of Foreign Tourists by Country/Region, Tokyo Metropolitan Government

*2 MIKI OFFICE REPORT TOKYO 2024, Miki Shoji Co., Ltd.

*3 Zenkoku “shinko/startup kigyō” no doko chosa (2023-nen) (“Nationwide Survey of Trends in ‘Emerging and Start-up Companies’ (2023)”), June 11, 2024, TEIKOKU DATABANK, Ltd.

*4 2021 Economic Census

*5 As of March 2024 (compared to March 2019 before construction began), based on Mobile Spatial Statistics, DOCOMO InsightMarketing, INC.

The Group's growth strategies

- Improve the attractiveness and profitability of the Greater Shibuya area
- Make it a true home ground, strengthening branding and improving competitiveness
- Expand acquired know-how and achievements to other areas



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Special Feature Community Development in the Greater Shibuya Area

Our Aim in Making Shibuya a “True Home Ground” Creating a Virtuous Cycle of Creation, Communication, and Attraction to Make Shibuya More Appealing



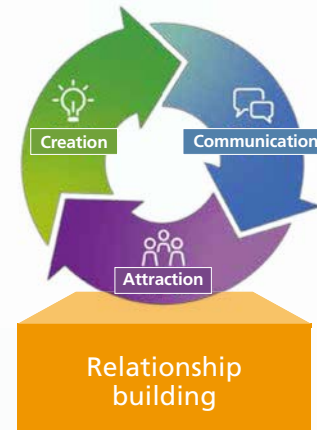
manoma, a place for social interaction and exchange between companies, people, and startups involved in the creative industry.

Enhancing value creation potential

The creation of new experiences and businesses

- Development of interactive content
Create experience value found only in the Greater Shibuya area
- Startup co-creation
Create new industries and cutting-edge technologies and businesses

Creating a virtuous circle that increases the appeals of the Greater Shibuya area



Enhancing communication potential

Communication that resounds around the world

- Mediatization of the city
Increase Shibuya's media presence and attract attention from around the world
- Digital twinning
Make it possible to experience Shibuya anywhere in the world



The entrance of Tokyu Plaza Omotesando “Omokado” “hijacked” by media advertisements.

Enhancing diversity

Attracting diverse people and companies

- Building partnerships and alliances
Create systems and spaces to gather the people who drive creation and communication



Kosugiyu Harajuku

Lemonlife's TOKYO DESIGN STUDIO



The Harakado Neighborhood Association, comprised of the creators of Tokyu Plaza Harajuku “Harakado,” plans and presents its own events and content



Shibuya Sakura Stage was outfitted with IOWN, a next-generation communications infrastructure combining high capacity, low latency, and low power consumption.

Relationship building

Building a foundation for community growth

- Area management
- Local and government cooperation
- Digital infrastructure building

The appeals of the Greater Shibuya are its value creation potential, communication potential, and diversity. Intangible measures to strengthen these appeals include the cycle of creation, communication, and attraction, as well as our area management and development of digital infrastructure.

To strengthen its potential for value creation, we are working to attract new industries that suit Shibuya and provide interactive content, thereby enhancing the attractiveness of the area and creating future business opportunities.

In order to strengthen its communication potential, we are promoting the mediatization of the urban environment through the coordination of outdoor advertisements and events, and communicating cutting-edge information with the aim of captivating people around the world.

To enhance Shibuya's diversity, we are working to create mechanisms and spaces to bring together diverse people and businesses to encourage partnership building. We are creating places for co-creation and exchange among likeminded people who will drive creation and

share it with the world, such as the tenant-led Harakado Neighborhood Association, which is exploring a new ideal for commercial facilities; and Shibuya SAUNAS a center for social exchange and interaction opened in Sakuragaoka-cho in December 2022.

This cycle of creation, communication, and attraction is supported by relationship building with the local community, the government, universities, and businesses. We collaborate with the government on disaster prevention, security, and other aspects of area management, helping to make the community

safer and more secure. Further, we are promoting the building of digital infrastructure through the introduction of IOWN* in a world-first in the field of community development. By building these relationships, our Group will create a foundation for Shibuya's growth and create a virtuous cycle of creation, communication, and attraction.

* Innovative Optical and Wireless Network. This network (device-inclusive) and information-processing infrastructure aims to optimize the individual with the whole based on a variety of information, leveraging innovative technology particularly in the area of optics to enable the provision of high-speed, high-capacity communication as well as tremendous computational resources.

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Part 03

Medium- to Long-Term Growth Strategy

Realizing our ideal vision for advancing
environmental management and DX

Long-term management policy → p. 32

Building a solid and distinctive business portfolio

Group policy

Environmental management → p. 40

DX → p. 44

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Utilization of intellectual assets

Co-creation with partners

- Key Strategies**
1. Direct attractive city development
 2. Strengthen environment-related business
 3. Digitally transform BtoC business
 4. Create business in new domains

Strengthen our management foundation

Financial capital strategy

Human capital and organizational climate

Governance

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2021–2024

Restructuring phase
Medium-term management plan 2025

2025–2030

Resilience phase

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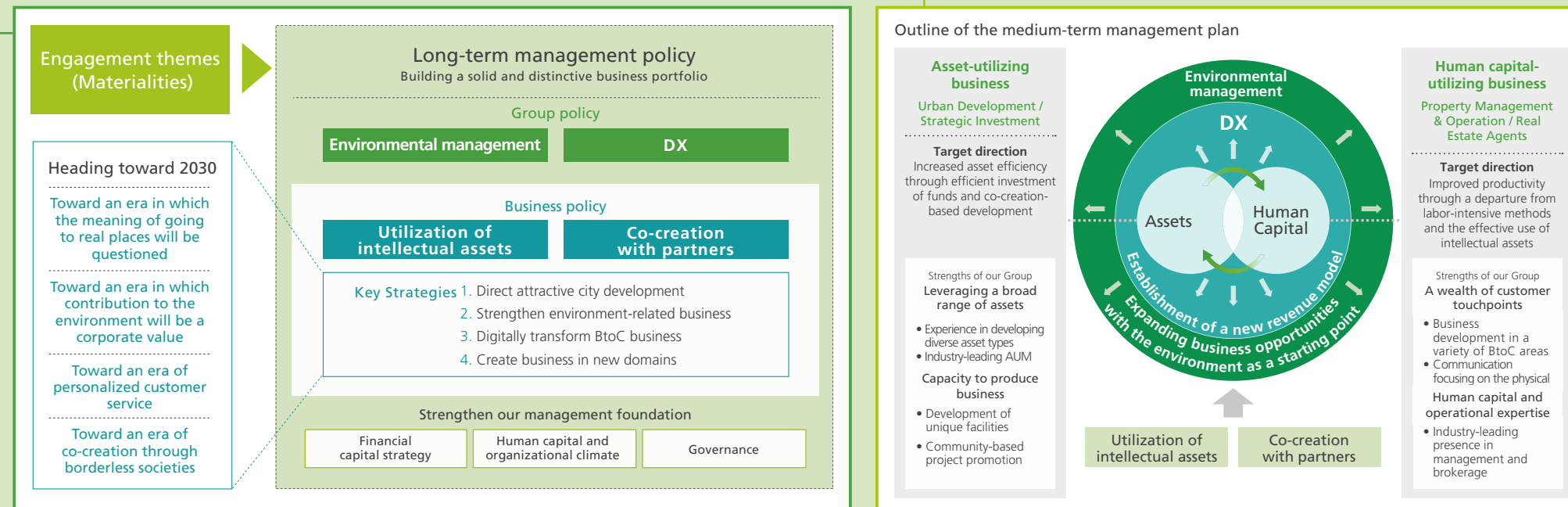
Aiming to build a solid and distinctive business portfolio

Having achieved in fiscal 2023 the financial indicators targeted in the medium-term management plan through fiscal 2025, we will bring forward the next medium-term management plan by one year to start it in fiscal 2025.

GROUP VISION 2030 Create value for the future

2021–2024: Restructuring phase Medium-term management plan 2025

2025–2030: Resilience phase Next medium-term management plan



Our long-term management policy aims to realize the vision set forth in GROUP VISION 2030. Based on the themes (materialities) we are focusing on concerning the creation of value, we are implementing environmental management and DX as overall Group policies. Further, we are promoting the utilization of intellectual assets and co-creation with partners as business policies aimed at evolving our associated assets expansion model.

We originally positioned medium-term management plan 2025 as a part of our restructuring phase for promoting business restructuring based on these Group and business policies. However, we achieved our financial targets for fiscal 2025 two years ahead of schedule. Based on this accomplishment, we are starting the next medium-term management plan in fiscal 2025, one year ahead of schedule, and will move into our planned resilience phase

with the aim of further growth to “build a solid and distinctive business foundation.”

In the next medium-term management plan, we will focus on strengthening international inter-city competitiveness in the Greater Shibuya area based on our belief that the ability to attract people will become a source of business competitiveness in the future. In addition, believing that there will soon be a time when companies will be expected to have

a sustainable business model, we intend to promote the creation of added value by utilizing local resources, such as in our renewable energy and resort businesses, as a key theme.

We will formulate and implement specific measures to advance these overall Group policies and business policies, capture new business opportunities, and further strengthen the Group’s competitive position in order to raise both shareholder and corporate value.

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Improving our earning power and efficiency to increase corporate value



Shinichiro Usugi

Director, Operating Officer
In charge of General Management
Tokyu Fudosan Holdings Corporation

Achieving all financial targets in the medium-term management plan two years ahead of schedule

In fiscal 2023, backed by a robust real estate trading market, both asset sales and real-estate sales brokerage performed well. Our hotel business also thrived thanks to vigorous domestic and international demand. As a result, we were able to achieve all financial targets for fiscal 2025, the final year of the medium-term management plan, two years ahead of schedule. Of particular note, profit attributable to owners of parent was ¥68.5 billion (up ¥20.3 billion from the previous fiscal year), a significant increase due, among other factors, to an improvement in extraordinary items after the completion of the intensive business restructuring we

conducted in fiscal 2021 and 2022. In turn, ROE also improved to 9.6% (+2.3 points year-on-year).

In fiscal 2024, despite the immediate concerns regarding inflation and rising domestic interest rates, we expect the real estate sales and condominium market to remain strong and inbound demand to stay high. Accordingly, we are planning on both revenues and profits reaching record highs, with operating revenue of ¥1,130 billion (+¥27 billion year-on-year), operating profit of ¥130 billion (+¥9.8 billion), and profit attributable to owners of parent of ¥70 billion (+¥1.5 billion). We are also planning on an ROE of 9.0% and earnings per share (EPS) of ¥98.27. We will continue to aim for “improving our earning power and efficiency,” the theme of the current medium-term management plan, and strive for growth in EPS

Progress of medium-term management plan (financial targets)

		FY2022 (Result)	FY2023 (Result)	FY2024 (Forecast)	FY2025 (Target)
Efficiency	ROE	7.3%	9.6%	9.0%	9%
	ROA	4.1%	4.2%	4.2%	4%
	EPS	¥67.21	¥96.40	¥98.27	¥90 or more
Profit targets	Operating profit	¥110.4 billion	¥120.2 billion	¥130.0 billion	¥120.0 billion
	Net profit*1	¥48.2 billion	¥68.5 billion	¥70.0 billion	¥65.0 billion
Financial soundness	D/E ratio	2.2x	2.1x	2.1x	2.2x or less
	EBITDA multiple	9.3x	9.4x	9.4x	10x or less
	Asset-utilizing business*2 ROA	3.5%	3.0%	3.1%	3.6%
	Human capital-utilizing business*2 Operating profit margin	7.7%	9.3%	9.8%	8.1%

*1 Profit attributable to owners of parent

*2 Asset-utilizing business: Urban Development / Strategic Investment
Human capital-utilizing business: Property Management & Operation / Real Estate Agents

as well as the continued achievement of ROE which exceeds the cost of shareholders' equity.

The first year of our next medium-term management plan will be the fiscal year ending March 2026, and we are working on its creation with the aim of releasing it publicly in May 2025. However, based on the better-than-expected progress of the current medium-term management plan, we intend to revise the reference indicators for fiscal 2030, which are operating profit of ¥150 billion or more and profit attributable to owners of parent of ¥75 billion or more, with the aim of achieving even greater growth.

Capital allocation

In the current medium-term management plan, capital is being allocated to achieve

an optimal balance between investment in growth, financial soundness, and shareholder returns. Of the ¥2.2 trillion in gross investment from fiscal 2021 to 2025, ¥2 trillion is planned to be invested in asset-utilizing businesses. In addition to offices and commercial facilities, we are increasing the funds we put into highly efficient real estate investment businesses such as renewable energy facilities, logistics facilities, and rental housing to promote profit growth and improve asset efficiency.

Although the environment for acquiring land for sites continues to be highly competitive and challenging, we are making progress on our investments as envisioned in the current medium-term management plan. At the same time, we are maintaining our approach of making investments placing particular emphasis on securing the returns our

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shareholders expect. Going forward, we will continue to make investments that contribute to the maintenance and improvement of asset efficiency which exceeds expected return targets while paying attention to factors such as construction cost trends.

In addition, per revolving real estate investment businesses and asset replacement, net investment from fiscal 2021 to 2025 is planned to be ¥570 billion. As of the present time, investment recovery is progressing well, supported by the firm real estate and condominium market conditions. There are concerns that the real estate trading market may undergo a change in tone due to future domestic interest rate trends, and in recent years we have been diversifying the types of

real estate assets in our portfolio intended for sale. By expanding out from our traditional focus on offices and commercial facilities into more rental housing, logistics facilities, and hotels, we are building an asset portfolio in which, in the event the markets for one or more asset types experiences a downward trend, other types can compensate for any declines.

We recognize the importance of maintaining and improving our financial soundness in order to continue to promote large-scale, long-term projects, such as our redevelopment centering on the Greater Shibuya area, in any business environment. Financial soundness is similarly important for securing investment capacity for when real estate market conditions deteriorate, which

is a good time to acquire properties and sites. Our D/E ratio was 2.1x at the end of fiscal 2023, achieving our target of 2.2x or less for fiscal 2025. We will continue working to steadily improve our D/E ratio over the medium and long term through such means as the accumulation of yearly profit.

Although there has been a recent swell in concerns over rising domestic interest rates, we have long placed stability and cost reduction as priorities in our procurement of interest-bearing debt. We are also increasing our resilience to rising interest rates and changes in the funding environment by diversifying our funding sources and methods. We are shifting to long-term and fixed interest rates (possessing a long-term ratio of 95.8% and a fixed ratio of 95.5% as of the end of March 2024, both excluding non-recourse loans) and are continuing our issuance of ESG bonds.

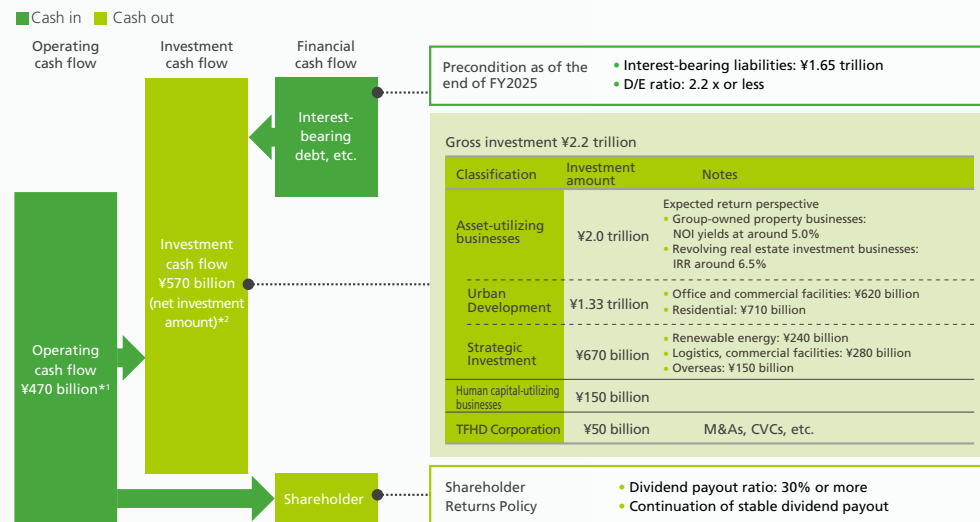
In January 2024, the outlook for our long-term issuer rating by Japan Credit Rating

Agency, Ltd. was changed from A (Stable) to A (Positive). We see this is a result of our efforts to improve our cash flow and financial structure by strengthening stable revenue sources such as office building leasing, real estate management, and the renewable energy business. We will continue working to reinforce stable revenue sources and improve our financial structure to see that our rating is further upgraded.

Portfolio management progress

When we formulated the current medium-term management plan, we evaluated all of our businesses along the two axes of qualitative evaluation and quantitative evaluation. Centering on businesses placed in the category of “fundamentally restructure,” over the two years of fiscal 2021 and 2022, we focused on revising our business portfolio. In fiscal 2023, as well, we endeavored to

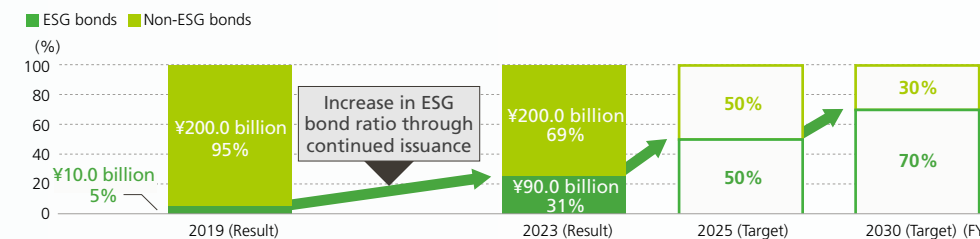
Capital allocation



*1 Net income + depreciation/amortization expenses
*2 Includes inventory investment

Continued issuance of ESG bonds

Aiming for both growth and the realization of a sustainable society through the continued issuance of ESG bonds, under the “WE ARE GREEN” Bond Policy concerning the long-term issuance of ESG bonds, we have set a target of increasing the ratio ESG bonds account for out of total issued bonds to at least 50% by the end of fiscal 2025 and 70% by the end of fiscal 2030.



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improve our business portfolio by divesting all shares of fitness business operator Tokyu Sports Oasis and selling off unprofitable golf courses and ski resorts. In fiscal 2024, we will continue to promote the transformation and growth of each of our businesses with a focus on those businesses placed in the category of “revise and advance” to improve our earning power and efficiency.

Initiatives to improve corporate value and market valuation

Through intensive business restructuring, our ROE went from 5.7% in fiscal 2021 to 9.6%

in fiscal 2023, meeting and exceeding our medium-term management plan’s fiscal 2025 target of 9.0%. In March 2024, our stock price exceeded the book value per share (BPS) and our price-to-book ratio (PBR) recovered to 1x. In August, however, the stock price level dropped significantly in part due to the unusual market and our PBR is presently below 1x again. We believe that 1x is the minimum line for our PBR, and we recognize the need to further improve our reputation among shareholders and investors.

Looking at PBR as ROE x PER, to further improve our PBR, we believe that first of all it is essential that we achieve a sustained level

of ROE that exceeds the cost of shareholders’ equity. We recognize that our cost of shareholders’ equity is 7–8%, and we will continue our efforts to improve efficiency in order to achieve an ROE above this level.

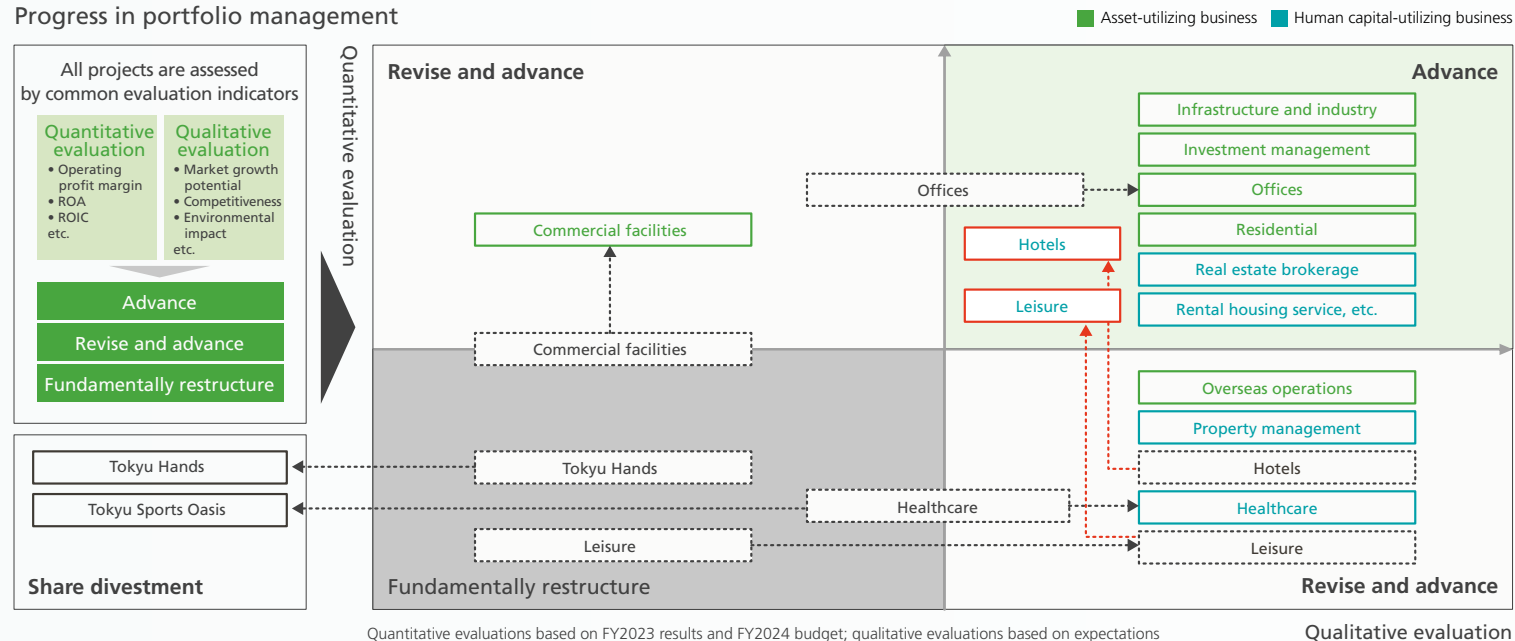
As part of these efforts, we made the decision to sell a portion of our interest in Shibuya Sakura Stage in February 2024. The buyer is a special purpose company in which Tokyu Land Corporation will make a silent partnership investment with a domestic institutional investment fund. Tokyu Land Corporation will continue to operate the property, including the sold portion, and the Group plans to receive continuous fee income

from the asset management services provided to the buyer. Going forward, we will work to apply this model of utilizing outside capital at other properties with the aim of both improving efficiency and expanding our base of other stable revenue sources such as rental income.

To improve our PER, we recognize that it is important to convince shareholders and investors that we can grow sustainably over the medium and long term. To achieve such sustainable growth across this time frame, it is important that we keep up with the times and, through our businesses, work to resolve high-priority social challenges. And the larger the social challenge, the greater the growth of the business that can resolve it. The greatest challenge society faces at this time is the issue of the environment, and we believe that the trend toward companies with a greater degree of environmental contribution being customers’ first choice will grow stronger going forward. We will promote environmental initiatives established in our long-term management policy, such as promoting environmental management, accelerating our expansion of business opportunities rooted in the environment.

Another area we would like to work on to improve our PER is lowering the cost of shareholders’ equity. To this end, we see importance in reducing the volatility of our business performance. We would like to grow businesses that are not linked to the domestic real estate market into new core businesses over the medium to long term, such as our renewable energy business as

Progress in portfolio management



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well as inbound tourism-related businesses like our hotel and resort business. And we are currently formulating our next medium-term management plan with just this in mind.

We will also be more proactive in disclosing information and engaging in dialogue with our shareholders and investors to provide a better understanding of our initiatives. Further, we want to leverage such

dialogue to understand the expectations of our shareholders and investors as well as the gaps between their expectations and reality. We will then incorporate this knowledge into our management strategies. We will strengthen the cycle of proactive disclosure, dialogue, and management strategy incorporation so that shareholders and investors can have confidence in our path to future growth.

Shareholder return policy

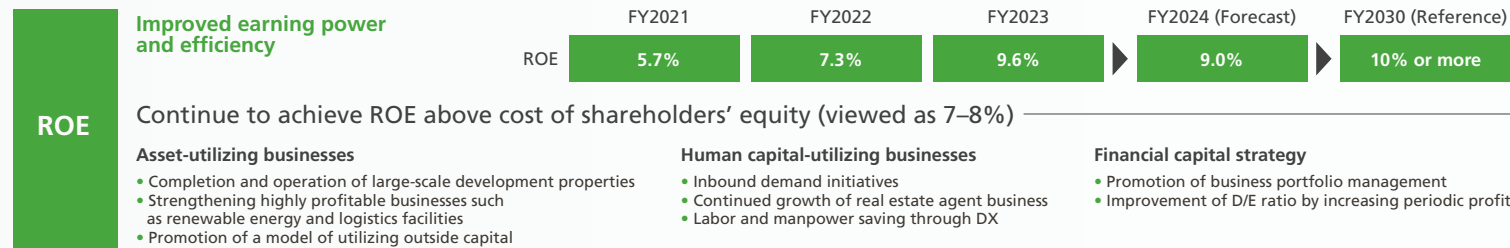
Our current policy for returning profit to shareholders is to provide a dividend payout ratio of 30% or more and to maintain stable dividend payments, with particular emphasis on stably maintaining and improving dividend amounts. We believe this policy was demonstrated in our maintenance of dividend amounts even when our performance

was unfavorable due to the impact of the COVID-19 pandemic in fiscal 2020. Going forward, we will continue to make quality investments such as the Greater Shibuya area and other redevelopment projects as well as renewable energy facilities, and aim to expand EPS through growth investment and increase dividend amounts accordingly.

Initiatives to improve corporate value and market valuation

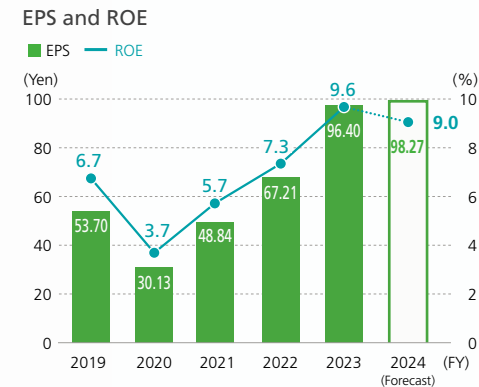
Increase corporate and market value by continuing to achieve ROE in excess of the cost of shareholders' equity and promoting initiatives based on long-term management policy.

$$PBR \uparrow = ROE \uparrow \times PER \uparrow$$

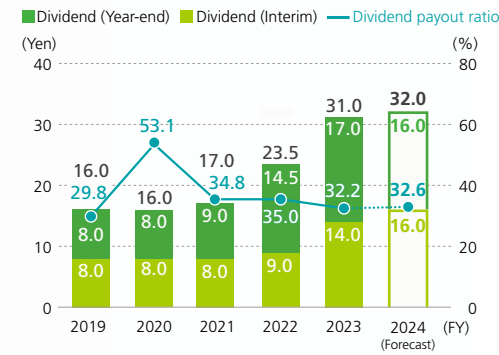


- | | |
|---|---|
| Group policy | Environmental management Expand business opportunities rooted in the environment
DX Establish a new revenue model by maximizing the values of assets and human capital |
| Business policy | Utilization of intellectual assets Monetizing know-how and data
Co-creation with partners Breaking away from a closed, fully in-house approach |
| Strengthening of management foundation | Financial capital strategy Profit growth with efficiency based on optimal financial capital structure
Human capital and organizational climate Fostering an innovative organizational climate with a sense of unity
Governance Building a fair and highly transparent governance system
Building relationships with shareholders Stable shareholder returns, proactive dialogue and disclosure |

Shareholder returns



Dividends and dividend payout ratio



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Message from the Officer in Charge

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

**Hideto Naitou**

Operating Officer
Supervisor for the Group Sustainability Promotion
Department and Group Human Resources Department
Tokyu Fudosan Holdings Corporation

Evolving our sustainability strategy

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

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

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

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

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

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

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

Our strengths as an environmentally advanced company create new business opportunities

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

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

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

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

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

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

To achieve our ideal vision, we have established a human capital philosophy of aiming for growth and the creation of a sustainable society with every employee having challenge-oriented DNA and a mission to engage in society. Under this philosophy,



we have formulated and are moving forward with three human capital strategies: develop people who create value, develop organizations with diversity and a sense of unity, and enhance motivation to work and foster an employee-friendly work culture (→ See p. 78). By defining Group-wide KPIs (→ See p. 81) based on each strategy, we have established a system that enables us to continuously implement measures for developing human capital and improve the organizational climate.

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

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

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

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

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

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Medium- to Long-Term Growth Strategy Promoting Resilience and Compliance

Message from the Officer in Charge

Steadily promoting resilience and compliance to further strengthen our management foundation



Morio Suzuki

Operating Officer
Supervisor for the Group General Administration
Department and Group Legal Affairs Department
Tokyu Fudosan Holdings Corporation

Addressing resilience and ensuring the continuation of corporate activities and urban functions

As an operating officer of Tokyu Fudosan Holdings since April 2024, I have been in charge of the Group's general administration and legal affairs.

The Noto Peninsula Earthquake that occurred on New Year's Day, 2024 caused extensive damage and impacted many people. My heart goes out to the victims and I offer my deepest condolences to those who lost their lives. Experienced an earthquake of this magnitude made me feel firsthand the increasing importance of the Group's duty to engage in risk management for urban functions.

Our Group has positioned and manages

risks considered to require Group-wide measures as Group priority risks. In fiscal 2023, as in fiscal 2022, we continued our efforts to strengthen our business continuity plan by designating crisis management response, centered on earthquake countermeasures, as a Group priority risk. Specifically, Tokyu Land Corporation conducted its first company-wide earthquake training. All employees participated in a series of drills, which ranged from assessing individual facility damage to reporting damage conditions to each business unit and consolidating information at a company-wide disaster response headquarters. A dedicated tool was developed to address the visualization of damage conditions, an issue identified during the drill, which will help to reduce miscommunications and reporting delays. In addition, from fiscal 2024, we are upgrading

the earthquake disaster drills conducted at each Group company in order to create a comprehensive, Group-wide training program and increase our disaster resilience. Further, Tokyu Land Corporation and Shibuya-ku signed a comprehensive cooperation agreement on disaster prevention in fiscal 2023 in a public-private joint effort to improve disaster preparedness in the Shibuya area. With a view to cooperating in the use of drones in times of disaster to quickly assess urban damage and effectively guide and disseminate information to people having difficulty returning home, we are working together to obtain pilot licenses and also demonstrate the use of drones at disaster prevention events hosted by Shibuya-ku for residents. We are committed to increasing the safety and security of the Shibuya area, an important base for our Group, and in turn making it an even more attractive location as well.



Disaster drill using a drone

Raising awareness of compliance and increasing employee autonomy

Meanwhile, in fiscal 2024, we established the proper management of confidential information as a Group priority risk and are strengthening our efforts in this area. Recent highly publicized incidents of confidential information being physically taken out of designated areas have made society at large aware of this issue, and the Group, with its increasingly diverse human capital, sees this as a matter that must be addressed as soon as possible. Accordingly, our Group is re-examining its internal rules and educating its employees.

In addition, we made a major revision to our Compliance Manual in April 2024. In this revision, we clarified the connection between the Group's management philosophy and compliance, and restructured the standards of conduct to be followed by each individual by clarifying the relationship between our long-term vision, our employees themselves, and compliance. Above all when being bold in business, it is important for employees to have an awareness of compliance, including not only legal compliance but also high ethical standards and social norms, which in turn enables them to act autonomously. Going forward, we will ensure that our Compliance Manual is put into practice as a guideline for employees' thinking and actions.

By properly managing and reducing risks together with improving compliance literacy throughout the Group, we will further strengthen our organization.

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Solving environmental issues to realize a sustainable society and growth for the Group

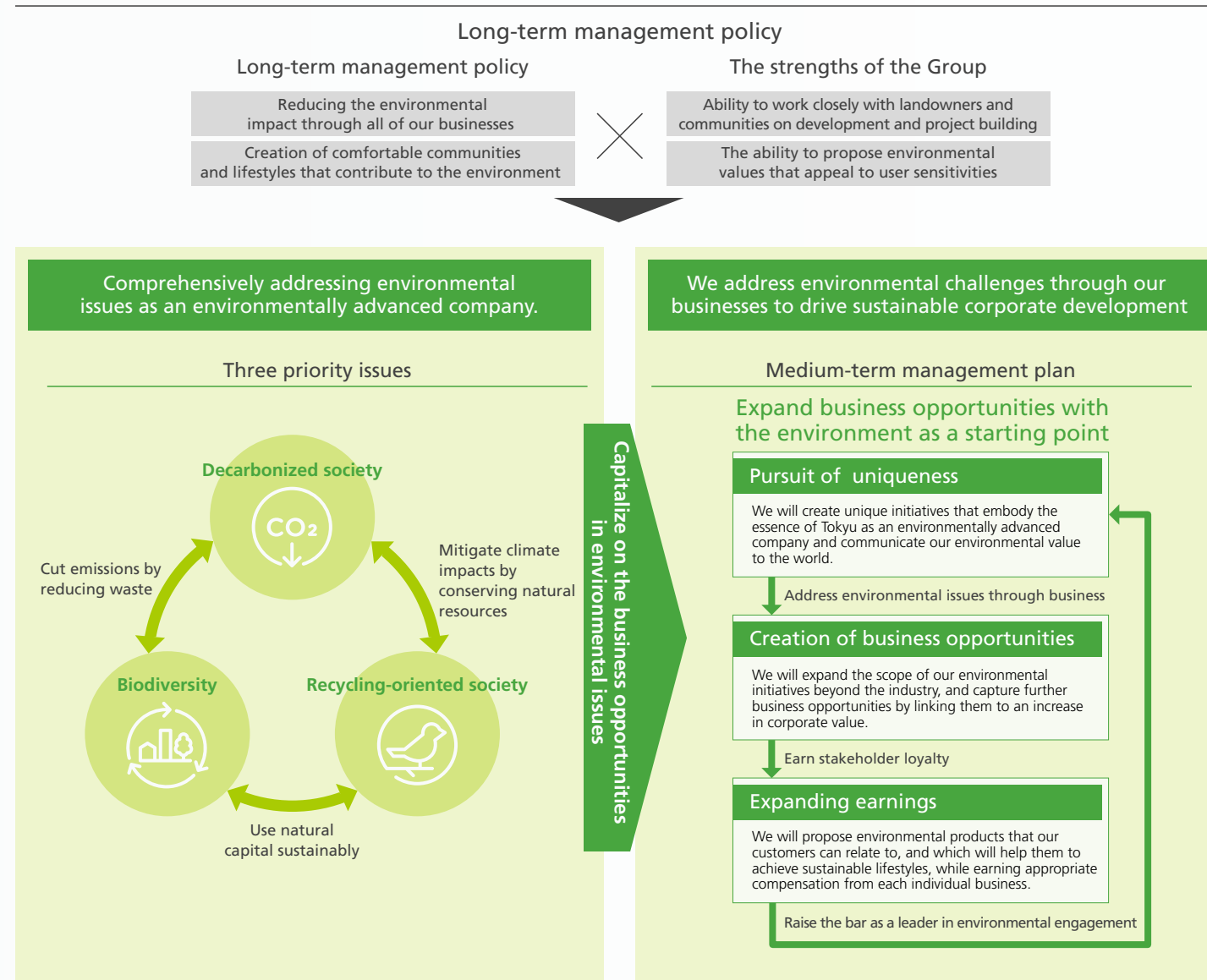
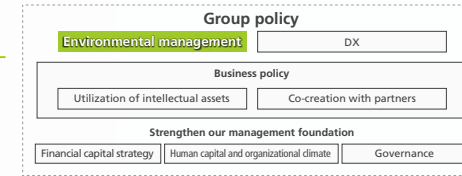
The Group’s policy on environmental management is to address three priority issues related to the environment, namely decarbonized society, recycling-based society, and biodiversity. We plan to leverage our entire value chain to create environmental value together with stakeholders.

The goal of our environmental management efforts is to expand business opportunities with the environment as a starting point in order to create earnings throughout the value chain. First, we will work to build a distinctive environmental brand. We will use our advanced initiatives, including our achievement of the RE100 target and adoption of internal carbon pricing, and environmental flagship projects to build the Group’s environmental branding power. We aim to establish a presence as an environmentally advanced company that consumers will want to choose.

In this way, we will use the environment as a hook for increasing participation in joint ventures, strengthen relationships with other companies and governmental organizations, create collaborative projects, and advance other initiatives that can expand our opportunities. This will lead to businesses that have a considerable social impact by solving environmental issues and proposing new lifestyles.

Based on this, we will aim to secure returns from environmental investment and initiatives. In addition to providing customers with facilities and services that offer unique added environmental value through our value chain, we will also develop businesses that provide solutions which leverage the Group’s strengths, such as our renewable energy business and City OS, by collaborating with private and public sector partners on regional networks and regional vitalization.

Our environmental management growth scenarios, which are 1) pursuit of uniqueness, 2) creation of business opportunities, and 3) expanding earnings, will lead to a strong Group business model which competitors will not be able to imitate.



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Evolving initiatives in response to continuously changing environmental issues

We monitor the rapidly changing social environment while growing business opportunities that use the environment as a starting point. We aim to leverage our strength of realizing businesses that solve environmental issues to become an environmentally advanced company that creates sustainable lifestyles and community development.

Fiscal 2023 results

Pursuit of uniqueness

- Contribution to the creation of a decarbonized society through the Renewable Energy Business → p. 42
- Promoting the use of renewable energy for urban development / community planning, including achievement of the RE100 target → p. 67
- Creating **flagship development properties** that embody the essence of being “environmentally advanced” → p. 50

Action Policy

Social environment

There are more specific demands for efforts such as strengthening the foundation of environmental initiatives, stories for increasing corporate value, and methods for differentiation from other companies.

- ↳ Create environmental value by identifying the strengths and weaknesses of each business in priority issues and leveraging strengths
- Promote environmental responsiveness in urban areas and improve their competitiveness as environmentally advanced cities and regions
→ Greater Shibuya area, Tokyu Resort Town Tateshina, etc.
- Lead the way in urban development / community planning based on a next-generation energy mix by leveraging the strengths of the renewable energy business

Aiming to be an environmental advanced company

Achieve the top regional position* in providing environmental value
Work to solve environmental and regional issues on a city-by-city basis, and implement measures to strengthen inter-city competitiveness

*Top position in a specific region or business

Creation of business opportunities

- Expansion of **business-to-business partnerships** based on the provision of environmental value
- Expanding partnerships with companies and local government by utilizing know-how from the Renewable Energy Business → p. 43

Social environment

Increasing needs for cross-industry collaboration to solve environmental issues.
Contribution by companies to solving local issues is a prerequisite for new business advancement.

- ↳ Achieve solutions to environmental issues by expanding the scope of advanced environmental initiatives, covering areas of environmental consideration that cannot be covered by Tokyu alone with the help of partners
- Strengthen collaboration with local governments, starting with contributions to the resolution of local and environmental issues
Promote symbiosis with local communities and create a superior business environment

As the importance of environmental contributions increases in business competition and urban planning, we will work to solve environmental issues from our own perspective

By basing all aspects of community planning on environmental considerations, we can attract people who want to do something together in their town

Expanding earnings

- Proposing environmentally friendly real estate to society through development of ZEB/ZEH, etc. → p. 67
- New initiatives in environmental business, including the creation of forest conservation credits
- Making environmental friendliness of buildings a **factor in selection of partners** in BtoB business

Social environment

With the exception of a few early adopters, the value of environmentally conscious products is not easily promoted to the majority, who are oriented toward cheapness and convenience.

- ↳ Lead the appeal of environmentally friendly products to customers. We propose sustainable lifestyles coexisting with the global environment, that people can naturally empathize with and wish to engage in themselves.

Continue to offer products with intrinsic environmental contribution value that are not inferior to those of other companies, even in the face of product competition among environmentally friendly products

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Further enhancing the profitability of the renewable energy business

We view the Group's renewable energy business as an important pillar of our business that will drive future growth.

By further growing this business and realizing various environmental contributions in our existing businesses, we will enhance profitability and broaden business opportunities.

The earnings growth potential of electricity sales

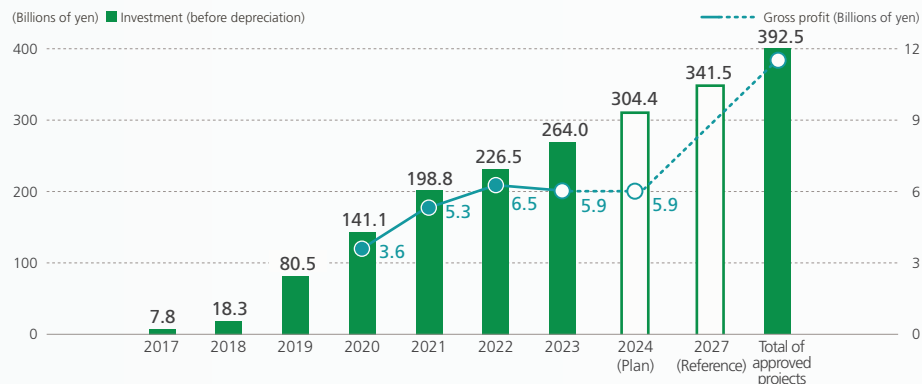
FY2023 result **¥5.9 billion** ▶ FY2025 forecast **¥10.0 billion**

Our ReENE renewable energy business operates solar, wind, and biomass power generation projects across Japan. As of March 31, 2024, the total rated capacity of all projects (after conversion to equities), including projects under development in Japan, was 1,168 MW (1.17 GW), an increase of 155 MW compared to the end of the previous fiscal year. This makes it one of the top companies in the Japanese industry in terms of generating capacity and also exceeds the 1 GW benchmark required to be recognized internationally as a leading producer of renewable energy.

In fiscal 2023, we invested a total of ¥264.0 billion on facilities under operation (before depreciation), out of a total investment of ¥392.5 billion on facilities that have already been approved (before depreciation), and we recorded ¥5.9 billion in gross profit from electricity sales. In fiscal 2024, we forecast that gross profit from electricity sales will remain level at around ¥5.9 billion, mainly due to the impact of the suspension of operations at Yonago Biomass Power Plant since September 2023, but we plan to increase investment on facilities under operation to ¥304.4 billion.

We anticipate that demand for renewable energy in Japan will grow and we have positioned the renewable energy business as one of the core growth drivers under our Group policy of environmental management. Therefore, going forward, we will aim for further growth by expanding the business into new areas, such as the growth areas of non-FIT power generation and offshore wind power.

Investment in power generation facilities (before depreciation) / gross profit from electricity sales



* Profit from electricity sales (before depreciation) for fiscal 2022: 16.7 billion yen
Profit from electricity sales (before depreciation) for fiscal 2023: 16.1 billion yen

Main strategies for growing the renewable energy business

ReENE operates a renewable energy business that capitalizes on the track record it has built since its establishment in 2014, real estate development capabilities cultivated through community development, and expertise covering a wide range of areas including collaboration with local communities. In response to challenges such as an increase in competitors entering the Japanese market, an overheating acquisitions environment, and a decrease in FIT rates, it is developing solar, wind, and biomass power generation projects across Japan.

(1) Develop our own projects

We are leveraging the development capabilities cultivated by our real estate business to develop projects ourselves, starting with the acquisition of land interests. In addition to solar, we are also focusing on wind power generation and we will work with regional stakeholders to promote renewable energy.

(2) Develop renewable energy driven by demand (expand the PPA model)

We are using PPA* to propose new value to electricity consumers who are working to realize a decarbonized society. By advancing decarbonization through the promotion of renewable energy and strengthening disaster preparedness functions, we will realize local power generation for local consumption.

(3) Expand business areas

We are working with partner companies to expand into new business areas.

- Solar sharing (power generation equipment on agricultural land) (▶ p. 43)
- Overseas business development (▶ p. 61)
- Offshore wind business

We have established a joint venture company with Copenhagen Infrastructure Partners, the world's largest manager of dedicated green energy investment funds, and we have started the full-scale consideration of potential projects.

Electricity sales business

ReENE Co., Ltd. provides services such as ReENE Denki, which enables the term of a contract to be set freely at a length that meets the customer's needs, and an intermediary service for non-fossil certificates.

Storage battery business

In addition to storage batteries for power generation and storage batteries for power consumption, we have also entered into the grid-scale battery business area. This involves a direct connection to the power grid, enabling electricity procurement to be adjusted through the market.



Storage batteries at Suzuran Kushiro cho Solar power plant

*An initialism for power purchase agreement. A method of supplying electricity directly using private lines rather than those used for general transmission, based on an agreement between the power generation facility and the facility consuming the electricity.

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Creating business opportunities through the renewable energy business

At the Group's various businesses, we are advancing initiatives based on the characteristics and connection of each business. We are working with partners who share our values regarding a sustainable future to create business opportunities, with the aim of becoming a Group that will continue to be the first choice of all stakeholders.

Pursuit of uniqueness

Strengthen our presence as an environmentally advanced company through unique initiatives that utilize our renewable energy business.

Tokyu Land Corporation becomes the first business company in Japan to achieve its RE100 target

In December 2022, Tokyu Land Corporation completed the switch to fully renewable electricity at all 204 of its facilities, including office buildings, commercial facilities, and hotels. It has undergone an evaluation by CDP, the organization that administers RE100, and in April 2024, it was officially recognized as the first business company in Japan to have achieved its target.

CLIMATE GROUP
RE100



An event at ReENE Solar Farm Higashi-Matsuyama

ReENE Solar Farm Higashi-Matsuyama

We are installing solar power generation equipment on agricultural land to realize renewable energy projects that co-exist with agriculture. We also hold seasonal events such as rice planting and harvesting. Initiatives currently underway include testing to verify the optimal volume of electricity generation and agricultural trials based on the gathering and analysis of crop data.

ReENE ÉCOLE Environmental Education Program

We are providing an environmental education program in which children all over Japan, particularly in regions where we have power generation facilities, can enjoy learning about environmental issues, including renewable energy.



An observation tour of ReENE's Namegata Solar Power Plant

TENOHA—A community co-creation project

We operate TENOHA facilities at business sites all over Japan as projects to facilitate community co-creation that can solve regional issues and rejuvenate the local area by either using existing buildings as local assets and resources or through environmentally conscious construction. (➔ see p. 52)

Expanding earnings

Collaborate with companies and governmental organizations to solve regional environmental issues through renewable energy business.

Promoting renewable energy through onsite and offsite PPA with local governments across Japan

We are using the Group's comprehensive strength to offer new value by proposing ways to use renewable energy to local governments and other organizations aiming to advance decarbonization.

- Tokyu Land Corporation has concluded an agreement pertaining to collaboration over sustainable community development using renewable energy with Ishikari City, Hokkaido, which is a pioneering region in terms of decarbonization. The agreement is focused on continuous community development toward the realization of a zero-carbon city. As the first project under the agreement, a joint onsite PPA project was launched in April 2024, using Japanese governmental subsidies for regional transition to decarbonization and renewable energy promotion.

- We have been selected as the implementing operator for projects to install solar power generation equipment through PPAs covering 53 elementary, junior high, high, and special needs schools in the City of Yokohama and 74 elementary and junior high schools in Sagami-hara City. Solar power generation equipment is installed on the rooftops of the school buildings and in the Yokohama project, the electricity generated on days when the schools are closed will be used by Northport Mall, a commercial facility managed and operated by Tokyu Land SC Management Corporation.



Signing the agreement with Sagami-hara City

- Tokyu Community, the Group's comprehensive real estate management company, and ReENE, its electricity sales business, are leveraging their respective strengths to actively propose ways of using renewable energy to the designated operators of public facilities. Agreements have been concluded with three facilities in Bunkyo-ku to supply electricity under net-zero renewable energy plans, contributing to both decarbonization and the reduction of electricity costs.

Start of the operation of a local microgrid in Matsumae Town, Hokkaido

We are building a system in Matsumae Town that, in times of emergency, can supply the town hall, evacuation centers, and some regular households with renewable energy generated at the ReENE Matsumae Wind Power Plant. This ensures a stable supply of electricity and contributes to strengthening regional resilience.

A data center business that uses 100% renewable energy

In Ishikari City, Hokkaido, where the accumulation of data centers is accelerating, we are exploring the feasibility of a business focused on data centers that use 100% locally-produced renewable energy. Going forward, we will grow this business in a way that addresses social issues related to both energy and DX promotion and contributes to regional revitalization.

Creation of business opportunities

Becoming a Group that will continue to be the first choice of all stakeholders

We will become a Group that is the first choice of stakeholders by leveraging strengths in areas such as renewable energy and urban operating systems to develop businesses that provide solutions in a wide range of business areas.

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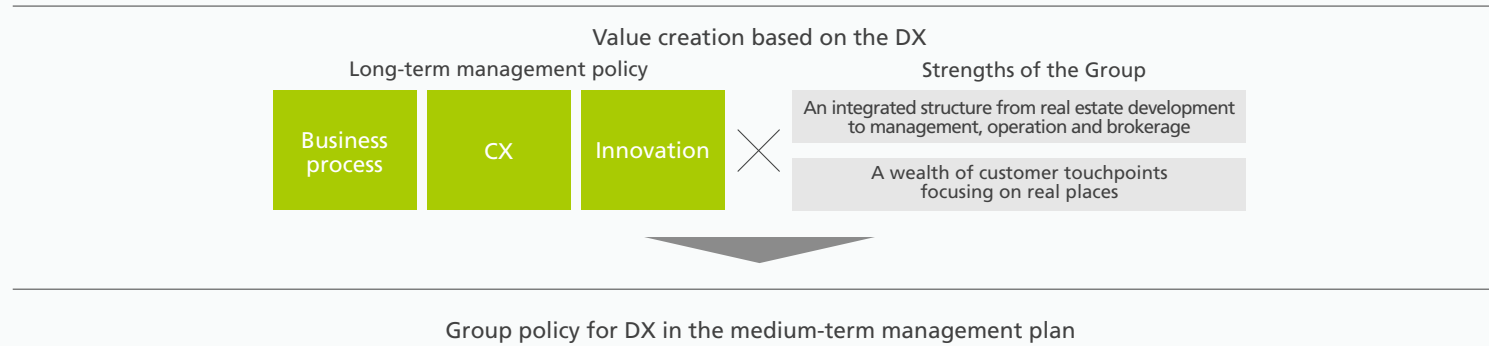
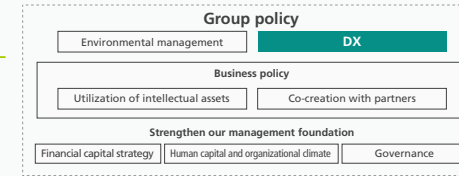
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Establishing a new revenue model by maximizing the values of assets and human capital

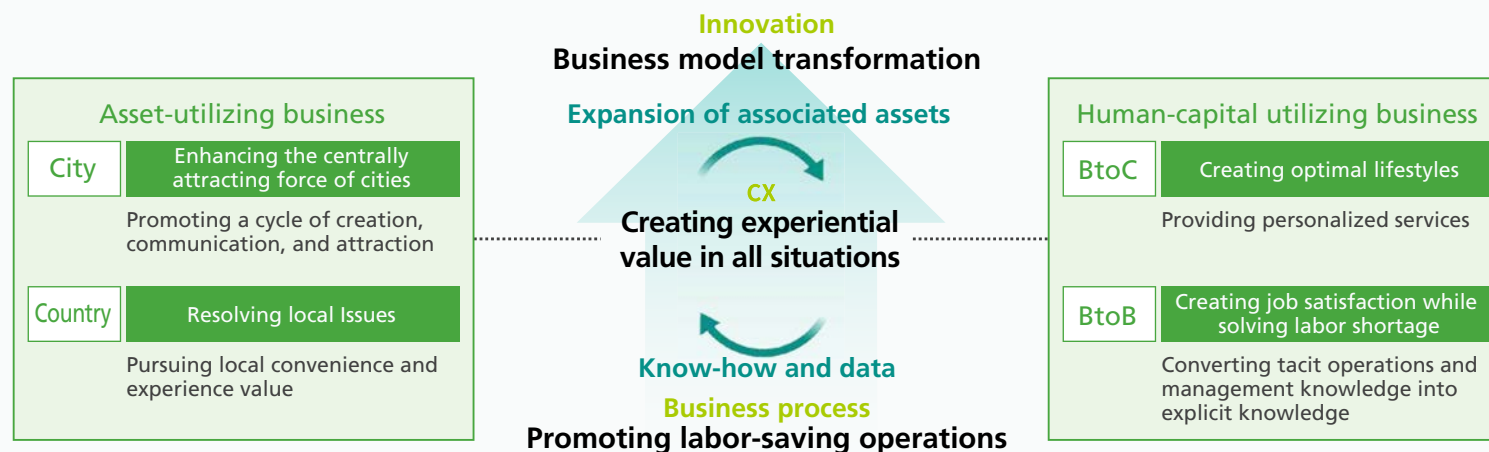
Under the Group’s policy on DX, we are leveraging digital technology across organizational boundaries to transform a wide range of business fields into true strengths, enhance business competitiveness, improve profitability, and expand opportunities for profit. We are also engaging in a set of policies to strengthen the competitiveness of our existing businesses. These include the development of business processes to achieve efficient working styles utilizing digital technology, and the promotion of customer experience (CX) which creates impressive experiences and highly convenient services based on our real world and digital contacts with customers. Further, we are developing measures to meet the expectations and solve the challenges of our customers and employees while utilizing our accumulated data in order to produce innovation that will lead to the creation of the kind of values and opportunities that are only possible for our Group. While implementing these three policies as a common framework for the Group, we formulated four priority issues and areas of focus for fiscal 2023 in order to strategically promote the medium-term management plan goal of “Establishing a new revenue model by maximizing the values of assets and human capital.” (→ see p. 45)

To realize our various DX measures at a high level, we are focusing on strengthening our information security environment and building a foundation for data utilization. Regarding the establishment of zero trust network infrastructure, we had established a target of 100% implementation for fiscal 2025, but actually achieved this goal two years ahead of schedule in fiscal 2023. We are also engaged in the systematic development of so-called “bridge persons,” human capital who play a central role in our DX promotion.



Establishing a new revenue model by maximizing the values of assets and human capital

Digital Fusion—removing all boundaries with the power of DX



Next-generation IT infrastructure

- Build a safe and secure infrastructure through a zero trust approach
- Building platforms for aggregating and utilizing data that transcend industries

Human capital base

- Securing human capital proficient in advanced digital technologies at TFHD digital
- Advancing programs for training a wide range of bridge persons

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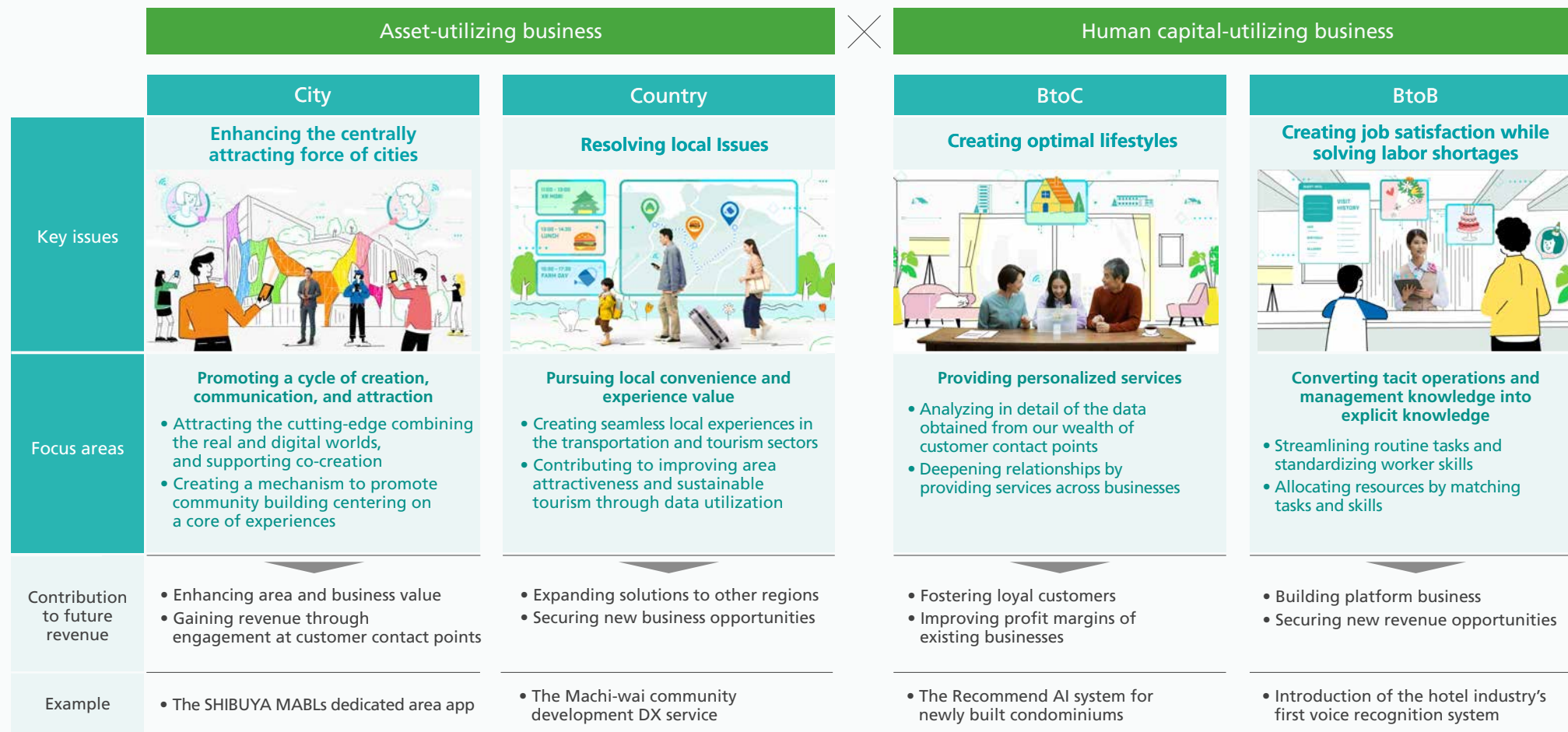
Aiming to create new experience value and contribute to revenue through Group-wide efforts

To establish a new revenue model by maximizing the values of assets and human capital, we have formulated four DX Key issues and areas of focus.

Through our asset-utilizing businesses, we are aiming to enhance area value using digital technology. In urban areas, we will improve their ability to draw people. And in rural areas, we will create new services and experience value that help solve local issues.

In our human capital-utilizing businesses, we are aiming to realize optimal lifestyles through personalized services, and to achieve both job satisfaction and the alleviation of labor shortage issues by converting tacit operations and management knowledge into explicit knowledge.

Through cooperation between Group companies, we will promote concrete initiatives in our areas of focus and tie them into contributing to future revenue.



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Creating value that contributes to new growth and greater competitiveness

By promoting the Group's policy on DX, we are aiming to establish new revenue models by leveraging various digital technologies to solve regional issues and enhance experience value for customers.

Asset-utilizing business



CX

Connecting the workers of Shibuya with SHIBUYA MABLs

We are aiming to acquire customer contact points through the deployment of a dedicated communication app for Shibuya targeting people who work in the area.

With MABLs, we are creating a new style of communication which enables people to meet, connect, and make new discoveries outside the workplace and existing communities in Shibuya, an urban area associated with such images as innovative, cutting-edge, and new stimuli. In April 2024, we added a business matching function to facilitate connections between people working in the area. Based on the usage data of this application, we will provide information on establishments and events in accordance with individual preferences, deepen the understanding of visitors, create new experience value for people visiting the Greater Shibuya area, and create customer contact points. Through these means, we will promote the digital transformation of community development in Shibuya.



Innovation

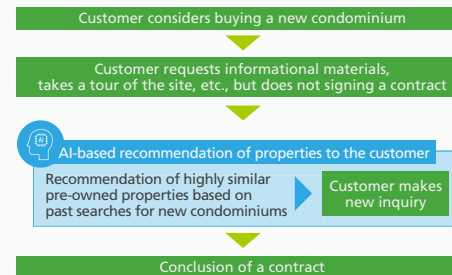
Machi-wai community development DX service

Machi-wai is a DX tool for community development that realizes data-driven area management by visualizing the traits and behavioral data of people in an area using near-field communication (NFC) technology. We are developing this service as a business targeting local governments, destination management/marketing organizations (DMOs)*, and others.

Machi-wai can create digital points of contact with visitors through various activities that also stimulate the local economy, such as digital stamp rallies, digital coupons, and electronic gift certificates. By encouraging visitors to explore and creating points of contact, things that many rural areas find challenging to achieve, this service creates a virtuous cycle of improved local experiences and the creation of new fans among visitors.

By creating new value that combines our Group's accumulated expertise in community development with digital technology, Machi-wai will help solve the issues of rural communities.

Human capital-utilizing business



CX

The Recommend AI system for new condominiums

Tokyu Livable has developed a service that makes up to three recommendations from among new and pre-owned condominiums for sale that meet the needs of non-buyers (customers who have previously considered and made inquiries regarding buying a new condominium but who ultimately did not make a purchase).

This solves the issue of customer needs that were not sufficiently served through conventional means such as mass emails which all contained the same property information. The AI-based service replaces these traditional information methods for non-buyers (for which the company has seen a cumulative total of approximately 50,000 groups in the last three years), maintaining contact with these customers and creating new revenue opportunities.

The service's AI learns from Tokyu Livable's past new condominium sales data. It provides personalized property information that is tailored to each customer's unique preferences and traits, taking into account their demographics and other factors.



CX

Introduction of a voice recognition system at all Tokyu Stay locations

In a first for the hotel industry, Tokyu Stay has introduced the YYSsystem, a voice recognition system which transcribes spoken words in real time and displays them on a screen. Users can also receive real-time translations and can choose from among 22 different languages. Employed at all 31 Tokyu Stay locations (as of March 2024), the system enables smooth communication throughout a customer's stay, from checking in and out to tourist information, and even in the event of issues such as a sudden illness.

The service can also be customized to meet specific needs, such as registering frequently used phrases and images of room types, and the displayed text data is stored on a server. This makes it possible to review the content of exchanges at a later time, making it easy to share among hotel staff and ensure that customer requests are met.

*DMOs work in collaboration with a variety of local stakeholders and take the lead in the development of an area into a tourism destination incorporating a scientific approach.

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Message from the Officer in Charge

By further cultivating DX human capital, we will propel the improvement of CX and the creation of innovation

**Takahiro Aoki**

Operating Officer

Supervisor for the Group Finance Department,
Group Digital Transformation Promotion Department,
and Group CX & Innovation Department
Tokyu Fudosan Holdings Corporation**Developing bridge persons is the key strategy in our DX promotion**

In our long-term vision formulated in May 2021, we made digital transformation (DX) a Group policy, and since this time we have promoted strategic initiatives in this area. Of particular importance here are people, the principal actors in the implementation of DX, who both make up and are in charge of the front lines of business. The Group considers the development of so-called “bridge persons” who combine a deep understanding of existing businesses with digital expertise to be an important strategy for promoting DX. We have set a goal of cultivating 6,000 human resources for the promotion of DX by fiscal 2025, and are planning and creating a variety of opportunities to promote their systematic development.

Given the wide range and diversity of our business domains, in the development

of bridge persons, we are adopting training methods that match the characteristics of our enterprises. At the companies that make up the core of our asset-utilizing businesses, we are conducting workshops to examine future community development decades from now using digital technology based on examples of advanced city planning overseas as well as services incorporating fresh, new ideas. At the operating companies which make up the mainstay of our human capital-utilizing businesses, we are creating opportunities to experience customer-driven business design in order to take advantage of our many points of contact with our customers.

A year in which the results of our DX promotion have been reflected in our figures

The results of our efforts to promote DX since

fiscal 2021 have been reflected in our figures for the past year. We established specific numerical targets as KPIs in the areas of DX investment, DX initiatives, IT infrastructure, and human capital infrastructure, and overall results have been favorable. Of particular note, in the domain of our business processes, where we are seeking a shift to creative work by promoting labor savings in other areas, we have achieved a reduction of approximately 282,000 hours per year, or the equivalent of ¥1.27 billion in labor costs through operational efficiency improvements, and we will continue to manage the progress of these efforts going forward.

Going forward, our DX strategy is shifting to CX and innovation

As we make the shift from the restructuring phase to the resilience phase under our medium-term management plan, in our DX strategy, as well, we are transitioning from business process improvements, where we have already achieved a certain degree of results, to customer experience (CX) and innovation.

Value creation roadmap to fiscal 2030

The Group CX & Innovation Department, which was established when I became an operating officer, is responsible for accelerating the promotion of DX throughout the Group by strengthening the human capital and organizations that utilize digital technology as a means of value creation. It also functions as the core of new value creation through Group-wide organic collaboration and co-creation with external parties.

We aim to achieve customer-oriented value creation by leveraging the strengths of the Group and our numerous points of contact with customers in a wide range of business fields. The ways we are seeking to realize this goal include the provision of personalized proposals leveraging data, further strengthening strategies targeting wealthy individuals and customers, and the creation of new businesses that exceed market expectations. We will promote the improvement of CX and the creation of innovation throughout our entire value chain to bring about a transformation to a new business model.

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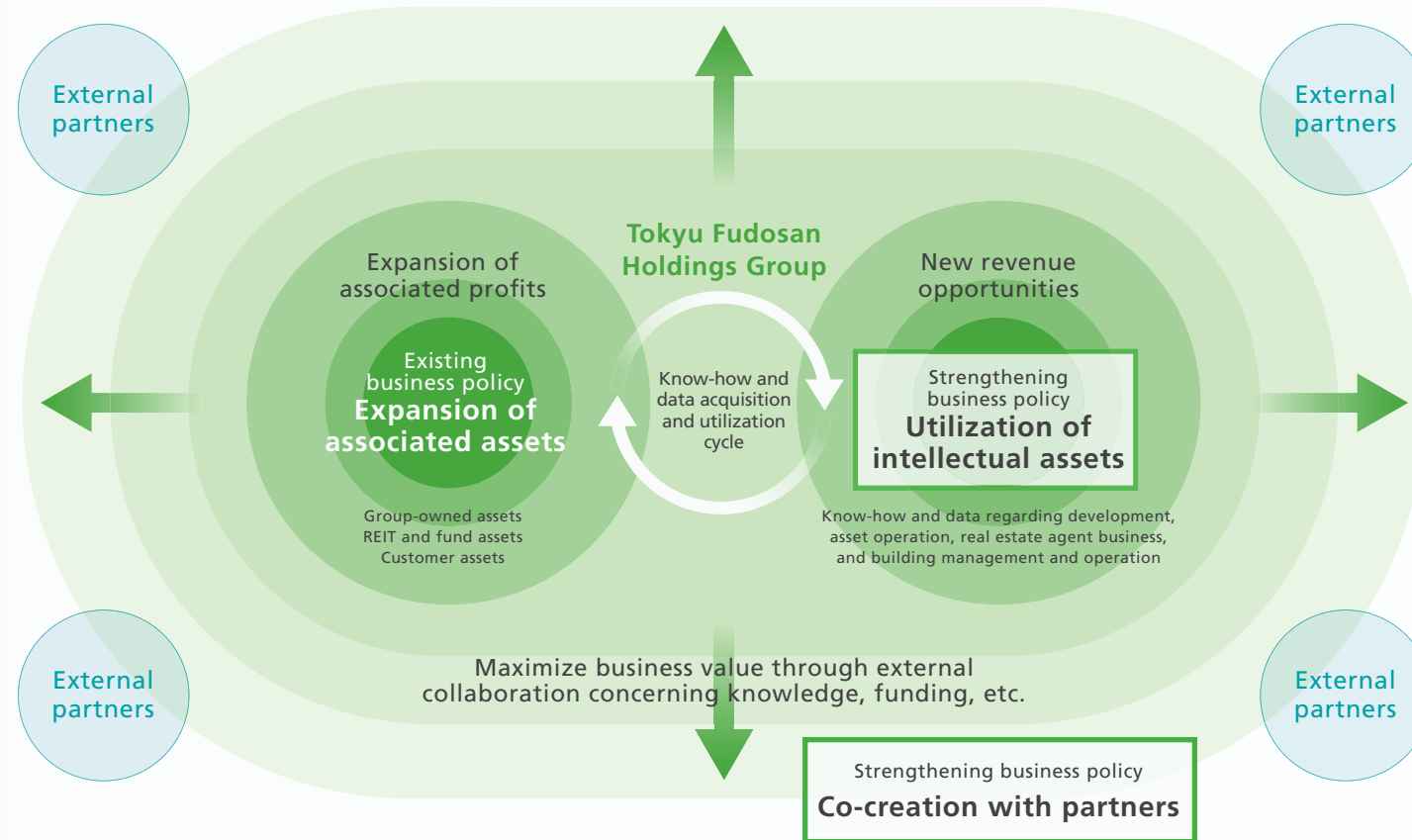
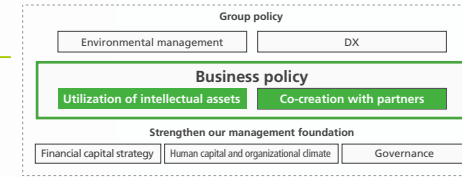
Evolve the associated assets expansion model through the utilization of intellectual assets and co-creation with partners

Utilization of intellectual assets and co-creation with partners

The goal of the business policies formulated under GROUP VISION 2030, our long-term management policy, is to evolve the associated assets expansion model by increasing our focus on the utilization of intellectual assets and co-creation with partners.

Our definition of associated assets is not limited to assets under management, such as Group-owned assets, REITs, and other funds. It also includes assets entrusted to us by customers in our property management, real estate agent, and other businesses. In our previous medium-term management plan, we pursued the expansion of associated assets as a business policy, and accordingly, we were able to grow profits by providing services that offer high added value through management and other means, and by strengthening relationships with our customers. Going forward, we will build on the platform we have created under this policy and further evolve the associated assets expansion model by strengthening the utilization of intellectual assets and co-creation with partners. In this way, we will develop robust business wings.

Regarding the utilization of intellectual assets, we will accumulate expertise and data from associated assets and then put these to use with the aim of expanding incidental earnings and capturing new earnings opportunities. Regarding co-creation with partners, we will break away from a closed, fully in-house approach and actively use external resources, including knowledge and funding, to maximize business value. We will also work to absorb and accumulate expertise through collaboration with outside partners.



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Combining digital and real to enhance customer experience and integrate condominium sales locations

In September 2023, Tokyu Land Corporation BRANZ Gallery Omotesando opened in a location just a six-minute walk from Omotesando Station in Minato-ku, Tokyo. It is the first comprehensive condominium gallery*1 under the BRANZ brand. The property uses digital twins to enhance customer experience (CX). It also incorporates various other initiatives, including actively trying to be as environmentally friendly as possible, using spatial design that appeals to all five senses, and introducing visitors to the Group's diverse services.

Combining digital and real to enhance CX

Tokyu Land Corporation BRANZ Gallery Omotesando is a comprehensive condominium gallery that combines the utilization of digital content, with a focus on digital twins*2, and a venue for real experiences to realize a new form of condominium sales.

Tokyu Land Corporation has concluded a strategic partnership with Accenture Japan Ltd., a global leader in CGI technologies. They have collaborated to create high-definition, realistic digital twins for the exteriors and other exclusive areas of the property in a shift from former sales methods focused on physical objects, such as model rooms or mockups,

to new methods that uses digital content via digital twins. This not only enhances CX but also enables the integration of sales locations. Customers can experience these digital twins in the sales consultation rooms and a curved LED vision system, which provide view simulations that are like being inside the units which they are considering purchasing.

This experience is enhanced further through the BRANZ grade concept room and exhibition spaces where customers can check elements like colors and exterior wall materials using actual physical exhibits.

Experiencing BRANZ environmentally advanced condominiums

Various environmental initiatives have been incorporated into the gallery to provide visitors with a unique experience based on the environmental management we practice on a Group-wide basis.

We have used rooftop solar panels and ReENE, the Group's renewable energy business, to ensure that 100% of the electricity used in the facility's operations is renewable energy. The facility also takes biodiversity into consideration. The interior includes materials made from

thinned wood procured through Tokyu Resort Town Tateshina's forest conservation activities, environmentally friendly materials for the floors, walls, ceilings, and other areas, and other natural materials. The exterior includes a greenery design in which only native species of trees are selected for planting.

Additionally, the integration of sales locations has reduced the CO2 emissions generated by sales activities, including in the supply chain, by 1,000 tons*3.

Going forward, we will continue realizing galleries that transform the real estate business through the use of digital twins while providing the experience value offered by BRANZ as an environmentally advanced condominium brand.



DigitalGallery (a digital twin experience space)



The entrance hall filled with abundant natural light

*1 Comprehensive condominium gallery: A gallery where sales of multiple different condominium properties are carried out in a single location.

*2 Digital twin: A virtual recreation of a real-world space that enables high-precision simulation. A copy of a real-world environment is realized within a digital space.

*3 Period from opening to December 31, 2023. Covers emissions generated in condominium sales supply chains (construction and demolition of condominium gallery, use of materials such as sales content required to promote the property, electricity consumption, etc.). Calculated using the difference between this gallery and a scenario based on the supply chain of a gallery for the sale of individual condominiums.

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Combining digital and real to enhance customer experience and integrate condominium sales locations

Realizing net zero CO₂ emissions at BRANZ Jiyugaoka
First round of sales through Tokyu Land Corporation BRANZ Gallery Omotesando

Under the slogan of “Environmental progress, starting with homes,” the BRANZ brand provides environmentally advanced condominiums which proactively incorporate new ideas and designs aimed at realizing sustainable and comfortable lifestyles and contributing to the environment.

Located within a five-minute walk from Jiyugaoka Station, BRANZ Jiyugaoka offers rare value by being the first condominium property to contain units with an average exclusive ownership area of over 100 m². It incorporates a large number of environmental initiatives with the aim of being a flagship property for environmentally advanced condominiums.

This property is the first new-build condominium building in the Tokyo Metropolitan Area to have the exclusive

BRANZ Jiyugaoka



ownership areas supplied with carbon neutral natural gas and Sasutena Denki (sustainable electricity) by Tokyo Gas. This energy supply is net zero in terms of CO₂ emissions*1. It is the first property in Setagaya-ku*2 to be classified as ZEH Oriented while also receiving certification as a low-carbon building. Energy consumption is visualized using IoT and some of the car parking spaces are equipped with charging equipment for EV and PHV.

The interior of the property takes biodiversity into consideration with greenery covering over 20% of the total area, which is a high level even for a BRANZ property. In addition to this, existing trees have been retained, among other initiatives. Business continuity planning has also been factored in through the installation of storage batteries and flood prevention barriers. The first round of sales for BRANZ Jiyugaoka started after the opening of BRANZ Gallery Omotesando. This has boosted sales by giving customers a clearer image of the appeal and value of a BRANZ property by enabling them to experience it themselves.

GREEN AGENDA for BRANZ

Tokyu Land Corporation, Tokyu Community Corp., and Ishikatsu Exterior Inc. are collaborating on GREEN AGENDA for BRANZ, a long-term landscape management plan covering greenery in BRANZ sites. BRANZ Jiyugaoka is the first property to incorporate the plan. Tokyu Land Corporation has formulated the GREEN POSITIVE ALLIANCE*3 as a biodiversity policy for its residential business and under this policy, it is working with residents to protect biodiversity in urban areas by building well-loved condominiums filled with greenery from a long-term perspective of 10 years.



*1 The main source of Sasutena Denki is LNG-fired thermal power, which has achieved net zero status for CO₂ emissions through the use of renewable energy-designated non-fossil certificates.
*2 The first new-build condominium building to have both ZEH and low-carbon building certification in a category 1 low-rise exclusive residential district in Setagaya-ku with units that went on sale in the period from 1995 to November 15, 2022 (research by Marketing Research Center Co., Ltd.).
*3 A biodiversity policy that aims to maintain the sustainability of biodiversity in urban areas. It focuses on not only ensuring biodiversity is considered during development, but also cultivating the support of residents and engaging them to lead conservation and awareness raising efforts.

Value chain topics

Taking on new challenges through Group collaboration



Kentaro Machino
Assistant Manager
Ishikatsu Exterior Inc.

The start of a new challenge toward the environmental advancement of the Group

What does environmentally advanced mean in terms of condominiums? We started this initiative with the following answer. “Our mission remains unchanged as creating exterior spaces that keep providing value, even as the times change.” Thinking about what answers will be needed in the coming times, as a company that engages in greenery design and implementation, we have collaborated with Tokyu Land Corporation and Tokyu Community Corp. on GREEN AGENDA for BRANZ, a resident-focused problem-solving service with a focus on 10-years into the future. In addition to skills such as soil management that takes biodiversity into account and pruning that keeps the trees looking attractive, the service checks the growth of trees in a way that aligns with changes due to age, visualizes what the scenery will look like over time, and plans greenery-related events. As a project that aims to deepen the understanding and appreciation of residents for well-being-focused living, GREEN AGENDA for BRANZ is the start of a new challenge that will leverage Group collaboration toward environmental advancement.

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Creating a sustainable resort that coexists with the community and protects biodiversity



Opened in 1978, Tokyu Resort Town Tateshina is a resort complex covering a vast 660-hectare site. It contains approximately 2,400 villas, three hotel buildings, a golf course, and a ski resort, among other facilities. Tokyu Land Corporation handles development of the resort, Tokyu Resorts & Stays manages operations, and sales are conducted through Tokyu Resort Corporation. In 2012, a landslide occurred in a planted larch forest within the grounds following concentrated heavy rains. Since then, we have developed the site as a sustainable resort, including by building sustainable local cycles that aim to keep the forests healthy, fostering coexistence with the community, and supporting biodiversity.

An enjoyable and sustainable resort experience

Tokyu Resort Town Tateshina is an experience-focused sustainable resort that provides guests with the experience of a slow life where they can enjoy the bounty of the forests amid an abundant natural environment, while also maintaining coexistence with nature and the community.

It is operated under MORIGURASHI®, a forest lifestyle concept created by Tokyu Resorts & Stays Co.,Ltd. which involves fostering sustainable local cycles centered on the protection, usage, and connection of forest resources. Consideration for the environment and resource cycles has been factored into various aspects of resort life, including activities based on coexistence with nature, tree cultivation, the use of trimmed wood from within the grounds in the construction of facilities and development of original goods, and the use of biomass-fueled boilers. It also operates a digital stamp rally that encourages visitors to experience environmental initiatives.

MORIGURASHI® has won the support of Chino City, where the resort is located, for its basis

in regional co-creation to generate economic and environmental cycles, and we have been working to enhance value for the regional environment by expanding initiatives to include tourism, forestry, and community organizations.

In March 2022, Tokyu Land Corporation, Tokyu Resorts & Stays Co.,Ltd., Chino City, and the Greater Suwa Area Decarbonization Innovation Association concluded a comprehensive partnership agreement on a circular and ecological economy. The partners will work together on carbon neutral regional development while protecting the environment of the Yatsugatake Seiroku area.

Proactive biodiversity initiatives

Resort Town Tateshina is located within the Yatsugatake-Chushin Kogen quasi-national park and parts of the site contain a forest that is managed appropriately based on a forest management plan. At the same time as the launch of MORIGURASHI® in 2017, we started activities to encourage forest growth, such as

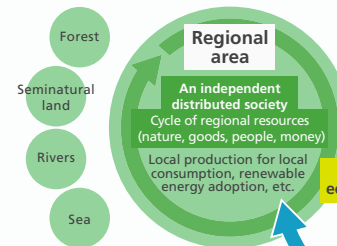
periodic thinning. This has gradually increased CO₂ absorption and the forest now absorbs 892 tons of CO₂ annually. This is equivalent to the emissions generated by 240 regular households. The cumulative volume of CO₂ absorbed since development started is around 74,000 tons.

Additionally, in February 2024, it became the first resort in Japan, including golf courses and ski resorts, to acquire certification as Nationally Certified Sustainably Managed Natural Sites*. We are also implementing

activities that enable visitors to experience the resort's abundant nature, including working with Biome Inc. to hold biological survey events that visitors can participate in. We disclose information in our TNFD Report with the aim of being nature positive and ensuring a beautiful, healthy forest can be enjoyed into the future.

*A program operated by the Ministry of the Environment to recognize regions where the biodiversity of corporate forests, seminatural land around settlements, and urban greenery is being conserved through initiatives by private sector companies and other organizations.

What is a circular and ecological economy?



Provision of money, people, etc.

- Participation in nature conservation activities
- Support through social and economic mechanisms, etc.

Creating relationships of mutual support to empower regional areas

Natural resources / ecosystem services

- Food / water / wood
- Natural energy
- Water purification / natural disaster prevention

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Creating a sustainable resort that coexists with the community and protects biodiversity

Coexisting with the community through TENOHA Tateshina

In July 2024, we opened TENOHA Tateshina as a venue for community creation that connects visitors with the local area.

It provides visitors with information, such as the value being created through coexistence with the environment at MORIGURASHI® and collaborative initiatives with the local community, in an effort to enhance the appeal of the Tateshina area. It also includes an open space that can be used as a venue for activities that deepen exchange while providing a connection to nature, such as seasonal events,

and workshops using trimmed wood.

The facilities have been renewed through collaboration with Ishikatsu Exterior Inc. and local businesses. The existing buildings have been renovated and wood gathered through periodic trimming in the Resort Town site has been incorporated into the interior design, furniture, and equipment. The exterior also uses timber sourced locally within Nagano Prefecture to realize local production for local consumption.

TENOHA Tateshina will work to both protect and enable people to enjoy the forest while contributing to solutions for local issues and the revitalization of the region.



Value chain topics

Taking on new challenges through Group collaboration



Tomoko Suketa

Manager, Business Development Group
Tokyu Resort Town Tateshina
Tokyu Resorts & Stays Co., Ltd.

A place where you can experience a regional cyclical economy

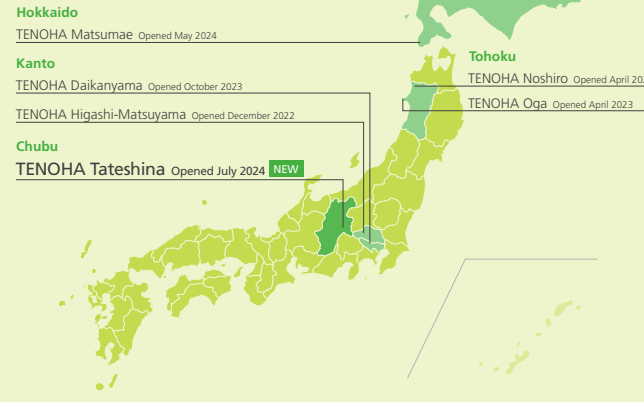
The facility enjoys a location within a vast forest so it is important that we solve issues in a way that keeps the forest healthy. One way we are doing this is by collaborating as a Group to create a regional cyclical economy where local resources

are consumed locally. In 2023, we established Edible Garden and a composting area as part of a food cycle experience with an edible garden theme. This includes cultivating vegetables and herbs that the customers can harvest themselves and enjoy at the barbecue facility. We have also developed the TATESHINA by MORIGURASHI brand of original goods, which includes fragrance sachets containing larch trimmings gathered during periodic thinning within the site, bug spray, and candles. These were created together with our staff, who share our purpose of finding ways to make the forest a more accessible and familiar presence to customers.

We aim to be a facility that solves environmental issues while helping visitors to feel the appeal of Tateshina through a wide range of proposals that make use of nature.

What is TENOHA?

TENOHA are centers for regional coexistence initiatives that aim to solve local issues and vitalize communities. They are located at business sites across Japan. For each facility, we aim to create a place for nurturing people, goods, and businesses by either using existing buildings as local assets and resources or through environmentally conscious construction.



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Transitioning to the resilience phase in order to achieve our vision for 2030

Each of our outside directors has his or her own fields of expertise and in-depth knowledge in differing fields. We asked them to engage in a frank and open exchange of opinions and discuss such topics as their appraisal of the medium-term management plans and our long-term vision, as well as their expectations and perceived challenges regarding the same. A transcription of their discussion is shared below.



Satoshi Miura
Outside Director

Mr. Miura's career has encompassed key positions in the NTT Group, including President of Nippon Telegraph and Telephone Corporation, as well as Vice Chair of Nippon Keidanren (Japan Business Federation). As someone experienced in the management of a holding company, he has a wealth of insight. He was appointed an outside director in 2021.

Tsuguhiko Hoshino
Outside Director

After joining the Ministry of Finance, Mr. Hoshino was involved in the establishment of the Financial Services Agency and later served as Director General of the Tax Bureau and Commissioner of the National Tax Agency. He was appointed an outside director in 2021.

Yumiko Jozuka
Outside Director

Ms. Jozuka has specialized knowledge from her extensive career as a government official in the Japanese Ministry of Health, Labor and Welfare and the Cabinet Office, where she focused on promoting workstyle reform and women's participation in the labor force. She was appointed an outside director in 2021.

Makoto Kaiami
Outside Director

Mr. Kaiami has abundant knowledge and experience in the field of compliance. His career has included positions as Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, Ministry of Justice; Chief Judge, Tokyo Family Court; and Chief Judge, Tokyo District Court. He was appointed an outside director in 2018.

Appraisal of the medium-term management plan

The achievement of financial targets two years ahead of schedule and the transition to the resilience phase with an eye on 2030

—We have set forth GROUP VISION 2030 as our ideal vision for the future and have positioned medium-term management plan 2025 as part of our restructuring phase to transform our businesses. What is your appraisal of our progress?

Kaiami It all started with the divestment of the Company's shares of Tokyu Hands in March 2022. Even I, as an outsider, was deeply attached to Tokyu Hands, and the decision to transfer ownership outside the Group must have felt like deciding to cut off a part of oneself to the executive team. The fact that the Company was able to carry out this decision and make significant progress in the restructuring process has played a major role in its subsequent business development. And the Company's achievement of its financial targets for the medium-term management plan two years ahead of schedule was, in addition to the favorable business environment, due largely to the decisive action taken in restructuring its business portfolio.

Hoshino I agree with Mr. Kaiami. I believe the Company's approach of evaluating all its businesses along qualitative and quantitative axes using objective common indicators provided a solid basis for decision making and helped it in drastically reorganizing. I'd also like to note that we outside directors shared the executive team's

desire to find buyers for the Group companies that were sold based on each one's function and role as well as the hopes and expectations of the people working for it, and we were right there beside them in the process of agonizing over and making the final decisions.

The Company will next make the transition to its planned resilience phase, and it is a real advantage having more time to implement various measures by the deadline of 2030 thanks to the early achievement of the medium-term management plan's targets.

Miura The sale of Tokyu Hands, Tokyu Sports Oasis, and Tokyu Plaza Ginza, and the progress made in transforming the Company's portfolio have undoubtedly contributed to its current results. These moves were not conducted simply from the standpoint of cost and efficiency but also with heavy consideration given to the working conditions of the employees. Personally, I was somewhat concerned that the Company might move too fast in its selling off of the Group companies and I worried about the treatment of the employees, but I credit President Nishikawa's leadership in ensuring that these issues were resolved during the negotiations with the buyers.

Jozuka Agreed. The Board of Directors was fully briefed on considerations for the employees such as working conditions and their continued employment, and I am glad that everything went smoothly. The Board is routinely briefed on the status, risks, and advantages of each business, and even as an outside member the materials are easy to understand. I feel this helps the Board of Directors to push for change.

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Kaiami Good business partners were found for both Tokyu Hands and Tokyu Sports Oasis, partners who understand the potential and sentiments of these businesses. I am impressed that after the decision was made to sell them off, the negotiations were carried out with such care despite the short time frame.

The next medium-term management plan

Accurately identifying risks and opportunities to make the most of the Group's strengths

—When considering and formulating the next medium-term management plan, what are some environmental changes and risks that the Company should pay particular attention to?

Miura Looking back at how cost structure was viewed in corporate management when I was younger, a lot of weight was placed on financial costs such as interest on borrowings. This was especially true for investment businesses. Japan's prolonged zero-interest-rate policy resulted in a reduction in the fear of interest rates and thus by extension financial

costs. Now, however, I believe we are once again at a point in the real estate industry where attention needs to be paid to interest rates. The interconnection between foreign exchange rates and interest rate differentials also has the potential to affect the business environment and the competitive landscape. Although real estate prices are soaring now due to the strength of overseas investment and the growth of high-net-worth individuals in Japan, what will happen with things like interest rates, plus how the situation of income inequality will translate into future changes in demand, should be viewed as major risks.

Kaiami I believe that, to achieve business development that is sustainable in the long term, the Company should aim not only to expand business revenues targeting the increasing number of wealthy people, but also place importance on business oriented toward the middle class. This is the point I would like to raise as an outside director, and I believe that it is something the public desires to see the Group do as well.

Jozuka From the perspective of human capitals, which is my area of expertise, I am concerned about labor shortages, a risk that has already manifested itself. This is of course a challenge for the Group as well, and it could face rising costs due to a shortage of construction workers. The Group must utilize DX to reduce the need for labor as much as possible, and at the same time take measures to secure the human resources it requires. And a shortage of labor isn't just a problem of rising costs but can also lead to accidents and

insufficient quality control. In real estate and construction, ensuring that things are built safely and properly is the most basic thing of all. This is a very big risk, and it is important that the Company eliminate it by making sure it has the necessary human resources.

Hoshino Where there is a change in monetary policy, the risks associated with investment naturally increase, but regardless of how difficult, they must be controlled. I believe that the Company's current risk management system provides a secure foundation, so now I think the most important thing for management is to continue to evaluate and improve this system.

In terms of risk response, there are two other things to consider besides the economic aspects. The first is that the Company must increase its resilience. It is vital that the Company respond and adapt to climate change and natural disasters. The second is compliance risk. The Company needs to create an open work environment with systems in place to ensure that employees are able to speak up when they need help, and to ensure the safety of those who do. And this includes messaging by the Company's leaders.

Kaiami That is a very important point. In my experience, when problems arise in a company and they are not voiced to upper management, there is an underlying issue of power harassment. While I believe that things as they are now make the possibility of power harassment in the Group low, we must consider that it can occur in any workplace. When employees are hesitant to speak up,

problems become more serious. It is important to create an environment which ensures the psychological safety of employees and in which they feel comfortable discussing issues with their colleagues and superiors. And we outside directors will also be focusing on the creation of such an environment.

—“Strengthening the competitiveness of international cities” is being considered as a key theme for the next medium-term management plan. What are your thoughts on this?

Hoshino The next medium-term management plan is part of the Company's planned resilience phase, and how the Group leverages its strengths and management resources will be key. In aiming to develop the Greater Shibuya Area, I think “strengthening the competitiveness of international cities” is a very good theme indeed. In order to strengthen Shibuya's international competitiveness, the Company will present new value so that people will choose Shibuya as a place to work, play, and live. To achieve this, it is important to enhance the customer experience (CX) by leveraging Company strengths such as expertise in mixed-use developments, creating



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Medium- to Long-Term Growth Strategy Outside Director Discussion

unique facilities, and area management. The Greater Shibuya area is one of the first places IOWN is being introduced in, and this technology can be used to identify needs at the individual level in real time as well as for participatory town planning and area management. I want to see the Company be even more creative and inventive in the future, adding even greater value to Shibuya.

Jozuka One of the Greater Shibuya Area's advantages is that it is brimming with youthful energy. It is home to start-ups and IT and digital companies that are leading the way to a new age. With the Group's focus on the use of digital technology, I believe that Shibuya's communication potential can be further enhanced through collaboration with a wide variety of such companies. Shibuya also has a lot of greenery for a central Tokyo area, such as Yoyogi Park. I would like to see the Company strengthen its environmental communication and appeal, such as promoting the fact that it was the first real estate company in Japan to release a TNFD report.*

*A report created in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).



—What are your thoughts on the other key theme under consideration, “creating added value utilizing regional resources?”

Kaiami The first thing that comes to mind is the Town Planning in NISEKO Area project. Under this project, the area is being developed as a resort together with the government, local companies, and community residents. It's a good example of regional revitalization and social contribution. I would like to see the Company engage in more efforts like this in other areas.

Jozuka I visited Niseko myself, and I think it is a wonderful success story. The resort facilities and the town are integrated, creating something really attractive and producing an atmosphere that makes it feel like you are somewhere outside Japan. I personally love to travel and often go abroad. Resorts in other Asian countries such as Bali, for example, offer a wide variety of cultural experiences that allow visitors to immerse themselves in the local cuisine and way of life. I would like to see this project focus on drawing out local resources and providing value-added experiences to avoid the case often seen in Japanese resorts where only facilities are provided and the number of experiences is limited. Doing this will make sure visitors enjoy themselves even more.

Hoshino Japan has long faced an overconcentration of its population in Tokyo, and a decentralized society is an answer to this issue. This requires each region to be self-reliant by having a core industry, such as tourism in the case of Niseko. It is also necessary to create regional systems of energy distribution, logistics, a local economy, and so on.

In other words, area management is vital. The Group has the knowhow for this, and I think participating in the revitalization of different regions is a good direction for the Company. In terms of business portfolio diversification, as well, focusing on other regions is an extremely good idea.

Miura Regional revitalization requires close relationships with the government and the local community, as well as stronger cooperation with other companies. And focusing on the unique appeals of various regions also ties into tourism and regional conservation. I believe that taking this awareness and compounding it with what the Group is trying to do will lead to growth. Mr. Hoshino mentioned area management as part of urban development earlier, and I think it would be good if the Company were to look at tourism from the perspective of larger areas extending beyond the unit of individual prefectures, expanding its urban development along that line of thinking. It is important for the Group to consider what it can do and what role it can play in the revitalization of areas as a whole. Think, for example, of tours in Tohoku



that take participants to the four largest festivals in the region.

Achieving Our Vision for 2030

Taking concrete measures to link long-term management policies with human capital strategies

—GROUP VISION 2030, the Group's long-term vision, also emphasizes human capital strategies. What kind of initiatives to you believe are necessary in this area?

Jozuka The Group has established three human capital strategies: develop people who create value, develop organizations with diversity and a sense of unity, and enhance motivation to work and foster an employee-friendly work culture. In doing so, it has made clear within the Group its stance with regard to its human capital strategies and has brought a sense of unity to the promotion of specific measures. Going forward, it will be important to monitor the progress of each Group company, and I would like to see more information gathered and shared toward this end.

The Group's long-term management policy aims to expand earnings by creating unique value through environmental management and DX. In value creation, diversity is essential to generate new ideas and innovation. As the Company transitions to next medium-term management plan and the resilience phase, I hope that the promotion of diversity will be firmly addressed.

Miura I believe the Company should diversify its hiring practices. The Group encompasses

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Medium- to Long-Term Growth Strategy Outside Director Discussion

a wide variety of companies, and naturally, the nature of the work that goes on in these companies differs, as does the treatment of their employees, making it difficult to lump them all together. Even so, however, it is my view that there should be an inter-company recruitment system spanning the entire Group. Further, even with regard to the hiring of new graduates, the types of majors the Company targets should be expanded and diversified, as should the types of jobs made available. Another possibility is recruitment which gives thought to women's success in the workplace. In the future, I think it will be necessary to have human resources who possess specialized skills and who can work as professionals in specific fields, but who are also generalists to some extent. As such, I feel it is also important for the Group to review its recruitment system in order to cultivate such human resources.

Hoshino The Company is currently trying to bring out the creativity and ingenuity of its employees across the organization through specific initiatives. For example, the Company has established an internal venture system called STEP in an effort to foster a climate of innovation. There is also the Sustainable Action Awards, an awards program which recognizes business activities which provide solutions to social issues. Initiatives such as these enable employees to recognize anew the significance of the work they do by linking it to the value that the Group provides to its customers. From the perspective of human resources development, I see this as a very good idea.

—Lastly, what are your future aspirations as an outside director?

Jozuka From a human capital perspective, I believe that the Group's commitment to LGBTQ+ is progressive and I would like to see it become more prevalent among employees. In 2024, the first woman whose entire career has been with the Company was appointed to the position of auditor, but that's still only one. Going forward, I would like to provide any support I can to help women play a more active role in the Company, and I would also like to monitor the progress of initiatives at each Group company and offer my advice.

Hoshino Despite being a private enterprise, the Company's slogan embodies a very public-oriented ideal: "A future where everyone can be themselves and shine brightly." I see this as expressing the Company's pride in the responsibility it bears for social infrastructure, but realizing this ideal, including with area management, requires co-creation and alliances with the government and with companies in various fields. As an outside director, I would like to closely monitor the executive side of the company while utilizing my experience as a government official and my expertise in building relationships in diverse sectors.

Miura As an issue to be addressed in the future, since the Group has adopted a holding company system, I would like to see the Company promote the dual-track personnel promotion system even more than it does now. I believe that Tokyu Fudosan Holdings will be able to create synergy effects by serving as an

example for other Group companies in areas such as human resource policies, leading to the creation of a truly diverse organization. In this regard, I think it is a very good thing that the Group's main companies are on the board of directors of the holding company. I would like to see interaction and exchange between personnel within the Group expand not only at the management level but also at lower levels. As for my aspirations for myself, I have been a corporate employee for nearly 60 years and have made many mistakes in my work. I hope to be of service by sharing the experiences I have gained through my failures and reflections.

Kaiami I feel the same, and I believe that human interaction and the ability to freely and openly express opinions in a workplace consisting of people with diverse backgrounds leads to the creation of new ideas.

From the perspective of my areas of expertise in legal affairs and compliance, I want to focus on ensuring psychological safety to create such a workplace. I have participated in several third-party committees that investigate corporate scandals, and the trend I have seen in such companies is that the managers did not fully grasp the situation on the ground. Learning from the cases of other companies, I would like to encourage the Company's management team to take the initiative in protecting psychological safety, and to advise them to promote the creation of a workplace that allows the free exchange of opinions and the sharing of ideas.

Message from the Newly Appointed Outside Director



Akiko Uno
Outside Director
Through her work and her duties as a full-time Audit & Supervisory Board Member at Shiseido Co., Ltd., Ms. Uno has abundant knowledge and experience in the fields of risk management, human resources development, labor affairs, and digital transformation. She was appointed an outside director in 2024.

My impression of Tokyu Fudosan Holdings is that it is a company that takes on the challenge of creating new communities for the future, such as its redevelopment of Shibuya. When I assumed the position of outside director, I was again impressed by the Company's proactive efforts to solve social issues such as environmental friendliness and respect for diversity, as well as its stance of aiming for sustainable growth in real estate, a sector in which value over the long term is demanded. Looking ahead to the next 50 to 100 years, I expect Tokyu Fudosan Holdings to create unique strategies for increasing its corporate value and to realize them one by one.

My career includes working for a cosmetics company, a business that needs to deliver safety while also catering to customer preferences. I was in charge of governance as well as listening to global stakeholders and creating systems to reflect what they had to say in corporate activities. Through this experience, I cultivated knowledge of a diverse range of stakeholder perspectives, and I hope to contribute to further strengthening the Company's decision-making process by incorporating these perspectives. I will play my part in upholding the social responsibility of Tokyu Fudosan Holdings and contribute to the creation of a sustainable society.

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Part 04

Strategy by Business Segment

Building a solid and distinctive business portfolio

Asset-utilizing
business



Human
capital-utilizing
business

→ Urban Development

→ Strategic Investment

→ Property Management
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→ Real Estate Agents



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Urban Development

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



Creating attractive communities and lifestyles

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, prosperous, 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.

Strengths / management resources

Ability to build unique facilities with power to promote business

Accumulated redevelopment and area management know-how

Complex development capabilities that leverage the strengths of a comprehensive developer

Opportunities	Risks
<ul style="list-style-type: none"> Elimination of borders between home styles, work styles, and play styles Growing needs to solve regional issues 	<ul style="list-style-type: none"> Intensifying competition between the different areas in city center Changes in office building demand due to the widespread adoption of telework

Business strategy

Strengthen redevelopment and complex development

Propose urban lifestyles that enhance CX

Office building and commercial facilities business targets

	FY2023	FY2025
Total relevant floor area*1	1.65 million m ²	1.75 million m ²
Environmental certifications obtained*2	75.6%	100%

Residential business targets

	FY2023	FY2025
Sales from related projects*3 *4	Approx. ¥320 billion	Approx. ¥250 billion
Profitable real estate asset scale	Approx. ¥58 billion	Approx. ¥160 billion

*1 Total amount of floor space from offices and industrial facilities with which the Group is involved (before conversion to equities)

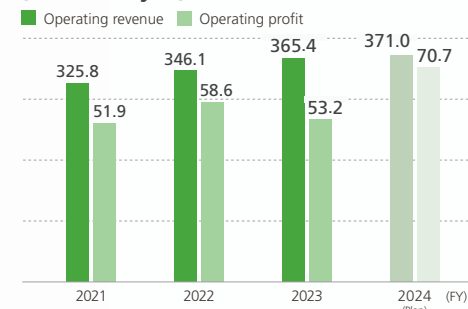
*2 Office space and industrial facilities owned by Tokyu Land Corp. (floor space excluding some joint businesses)

*3 Positions established as a member of area redevelopment unions or business participant in redevelopment projects

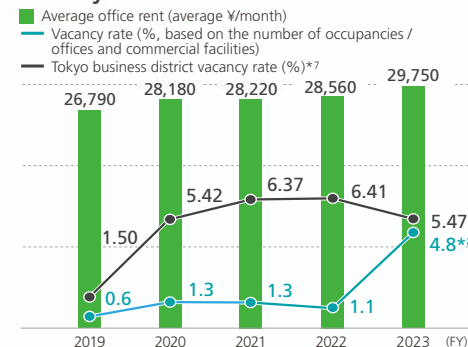
*4 Cumulative total since fiscal 2021

*5 Only for office buildings

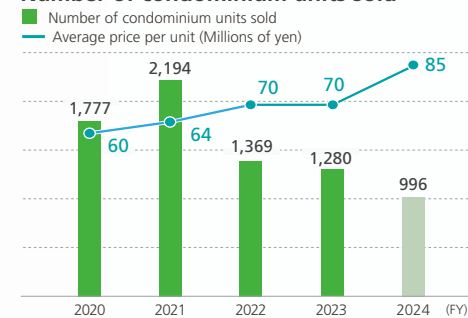
Operating revenue / operating profit (Billions of yen)



Changes in average office rent*5 and vacancy rate*6



Number of condominium units sold



*6 For office buildings and commercial facilities

*7 Source: Miki Shoji Co., Ltd.

*8 Vacancy rate excluding Shibuya Sakura Stage: 1.1%

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Strengthen redevelopment and complex development

Developing neighborhoods that are resilient to disasters and retain local appeal for future generations

The area around the west exit of Jujo Station on the JR Saikyo Line is lacking basic infrastructure, despite being near a station, and there are clusters of older wooden buildings that pose an issue in terms of disaster prevention and the quality of living environments. Therefore, Tokyu Land Corporation is taking part in the Jujo Station West Exit Block Type 1 urban redevelopment project as a member of a redevelopment cooperative.

The project aims to further energize and enhance the appeal of Jujo by creating lively new areas and green spaces in front of the

station. This will involve creating a station-front plaza to vitalize the community and encourage exchange, establishing shops and commercial and public facilities that will generate local energy, and building an underground public bicycle parking area.

Going forward, it will work with local stakeholders to create a sustainable hub that will retain the area's current appeal, which has been carefully fostered by the neighborhood, so it can be enjoyed by future generations.



The Tower Jujo

Propose urban lifestyles that enhance CX

Using culture to connect urban areas and parks

We are coordinating with local residents and leveraging our uniquely broad urban development know-how to provide new value in regard to work, play, and living, and to practice highly sustainable park management in the neighborhoods around Shibuya Station and in the Greater Shibuya area.

We have established Urban Sports Park, which allows skateboarding within the park, Nigiwai Plaza, an open space at the center of the park that can be used for events, a running station and food court that help park users maintain physical and mental health, and various other facilities as places for the

expression of Shibuya and Harajuku's unique urban culture.

Furthermore, in addition to using a planting plan and plaza design that enable visitors to enjoy greenery, we are maintaining and operating the park in an environmentally friendly manner, including by providing rooftop gardens and using renewable energy.



Yoyogi Park Park-PFI Project (tentative name)

Major projects (offices, commercial facilities, condominiums, etc.)



COCONO Susukino
Sapporo, Hokkaido
Hotel/commercial/cinema, etc.
Floor space: 53,000m²
Opened November 2023



Kitanakadori North District B-1
Shinagawa-ku
Scheduled for completion in fiscal 2027



Higashi Gotanda 2-chome Redevelopment Plan
Shinagawa-ku
Office/commercial/housing, etc.
Floor space: 112,000m²
Scheduled to open in fiscal 2027



JR Nishinomiya Station Southwest Block Type 1 urban redevelopment project
Scheduled to open in fiscal 2027



Nihonbashi 1-chome East Block Redevelopment Project
Chuo-ku
Commercial/office/conference, etc.
Floor space: 274,000m² (Block A)
Scheduled for completion in fiscal 2031

FY2023 FY2024 FY2025 and beyond



The Tower Jujo
Scheduled for completion in September 2024



Shirokane 1-chome West Central Block Type 1 urban redevelopment project
Scheduled to open in fiscal 2028



Noborito Ekimae Block Redevelopment Project
Scheduled for completion in fiscal 2028



Shinjuku West Gate Redevelopment Plan
Shinjuku-ku
Office/commercial/station facilities, etc.
Floor space: 251,000m² (Zone A)
Scheduled for completion in fiscal 2029



Nishi-Nippori Ekimae Block Redevelopment Project
Arakawa-ku
Commercial/housing/cultural exchange facilities, etc.
Floor space: 50,000m² (commercial building)
Scheduled for completion in fiscal 2030

Project for Using Land at Tokyo Institute of Technology's Tamachi Campus (tentative name)
Minato-ku
Office/commercial/industry-academia-government collaboration, etc.
Complex operatorship scheduled to start in fiscal 2030

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Strategic Investment

Business fields: Renewable energy power generation facilities / logistics facilities / overseas operations (North America and Asia) / investment management



Building next-generation infrastructure

In the Strategic Investment segment, we develop and improve infrastructures supporting lifestyles, 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 Asia and the United States, we are advancing business by demonstrating our presence as a comprehensive developer.

Strengths / management resources

Renewable energy business with capacity to generate more than 1 GW of power	
Industry-leading REIT and assets managed by private funds	
Achievements and expertise from in-house development (overseas)	
Opportunities	Risks
<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) 	<ul style="list-style-type: none"> Intensifying competition over projects in the renewable energy and logistics businesses Political risks, and worsening of the state of affairs abroad due to war, conflict, terrorism, etc.

Business strategy

- Expand the renewable energy business
- Make logistics and industrial facilities more sophisticated
- Expand areas and scale of investment

Infrastructure and industry business targets

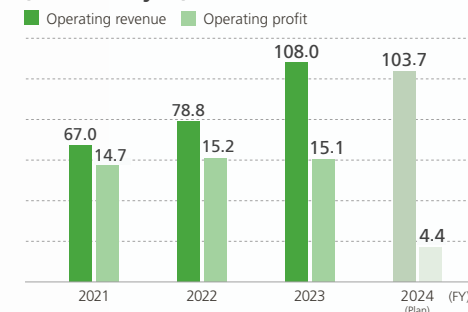
	FY2023	FY2025
Rated capacity*1	Approx. 1.83 GW	2.1 GW
Amount of investment in logistics and industrial facilities*2	Approx. ¥150 billion	Approx. ¥280 billion

Investment management/ overseas business targets

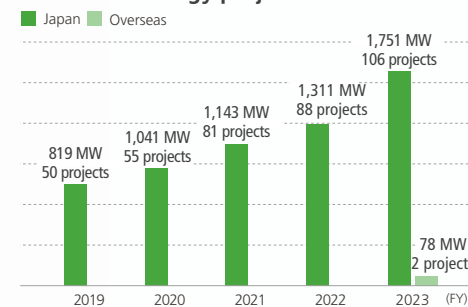
	FY2023	FY2025
AUM*3	Approx. ¥2.1 trillion	¥2.2 trillion
Investments in the U.S. and Asia*2 *4	Approx. ¥83 billion	Approx. ¥150 billion

*1 Before equity conversions
 *2 Cumulative total since fiscal 2021
 *3 Total value from REIT and privately placed funds (unconsolidated)
 *4 Investment amounts calculated based on exchange rates for March 31 of each fiscal year
 *5 Figures including facilities under development and before conversion to equities

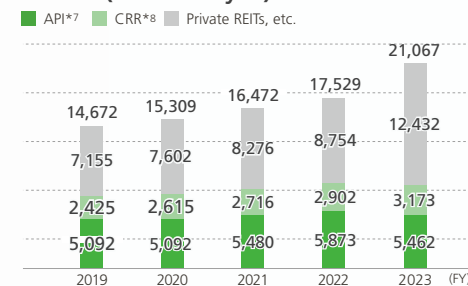
Operating revenue / operating profit (Billions of yen)



Number and rated power capacity of renewable energy projects*5



AUM*6 (Billions of yen)



*6 Assets under management
 *7 Activia Properties Inc.
 *8 Comforia Residential REIT, Inc.

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Expand the renewable energy business

Expanding into Europe, a pioneering region for renewable energy

We have jointly acquired two solar power stations in Spain with our capital and business alliance partner Renewable Japan Co., Ltd. Southern Europe, where this joint investment is focused, is blessed with abundant solar radiation and gently rolling hills that are highly suitable for solar power generation. This has created a highly attractive market for the development of solar power stations.

This is also a pioneering project in a non-FIT market so the know-how gained will be applied in the Japanese market, and we will also further accelerate engagement in new areas.



Valdecarretas Solar Power Plant (Spain)

Collaborating with local governments to encourage the introduction of solar power

Tokyu Land Corporation is strengthening collaboration with local governments to encourage regional decarbonization and enhance disaster preparedness functions. Efforts include being selected to execute

the installation of solar power generation equipment through PPAs concluded with the City of Yokohama, Kanagawa Prefecture, in February 2024, Sagami City, Kanagawa Prefecture, in the following March, and Kasukabe City, Saitama Prefecture, in July.

Going forward, we will advance similar initiatives with local governments across Japan to contribute to the realization of sustainable regional societies and to achieve the further growth of the Group's renewable energy business.

ReENE

Renewable energy project list As of June 30, 2024

- Total Number of Projects: **113**
- Rated Capacity: **1,763 MW***
 - ▶ Equivalent to the energy used by approximately **839,000** regular households
- CO₂ emissions reduction: **1,733,000 t-CO₂/year**

Solar Power	Complete	70 (1,039.3 MW)
	In development	23 (72.5 MW)
	Rooftop	1 (101.8 MW)
Wind Power	Complete	7 (247.0 MW)
	In development	7 (192.2 MW)
Biomass	Complete	2 (56.5 MW)
	In development	3 (54.0 MW)
Storage batteries	Power generation	3 (approx. 269.8 MWh, 82.0 MW)
	Grid-scale	2 (approx. 60.9 MWh, 21.8 MW)
Overseas	Europe	2 (77.8 MW)

*Businesses in Japan only

Make logistics and industrial facilities more sophisticated

Construction completed on LOGI'Q Minami Ibaraki, the series' largest facility

In January 2024, construction was completed on LOGI'Q Minami Ibaraki, which has become the flagship facility of the LOGI'Q series. It is situated on a site with excellent access to highway interchanges in the Hokusetsu area, a location that facilitates efficient deliveries throughout the Kansai Area. It also boasts good rail access and is expected to be able to maintain employee numbers. It is the largest facility in the series, with over 160,000 m² of floor space. As a large-scale multi-tenant facility, it also offers the smallest partitioned usage spaces in the Kansai Area, as well as single-floor operating spaces of up to around 20,000 m². Furthermore, it is equipped to meet a wide variety of needs with functions including low-floor storage, refrigeration and freezer storage, storage for low volumes of hazardous materials, and local 5G compatible storage.



LOGI'Q Minami Ibaraki

Expand areas and scale of investment

Expanding the area of investment in Asia

In addition to Indonesia and China, where we already have businesses, in 2018 we established a subsidiary in Singapore as a center for business development in ASEAN countries, and we have been expanding our business into Southeast Asian countries. As well as our existing condominium business, our engagement in Southeast Asia will cover a wide range of business areas, including hotels, office buildings, and logistics facilities.

We have already established a subsidiary in Thailand which is investing in 10 properties.



BRANZ Mega Kuningan

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Property Management & Operation

Business fields: Condominium management / building and facility management / renovation construction / rental conference rooms / hotels / leisure / healthcare / greening



Providing impressive experiences to customers

In the Property Management & Operation segment, we operate a wide range of businesses that utilize customer touchpoints, including a property management business that helps maintain and improve asset values, and a wellness business that helps promote good health and create enriched lifestyles. We are shifting to intellectual asset-intensive businesses by taking advantage of our cultivated know-how and accumulated data related to 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 working to maximize the value of their assets and facilities.



Strengths / management resources

Industry-leading number of units under management and a wide range of management areas
Highly experienced human capital and management know-how
A wealth of customer and community touchpoints

Opportunities	Risks
<ul style="list-style-type: none"> Growing demand for renovations and remodeling reflecting the social issue of aging building stock Demand for tourism and leisure in the post-COVID-19 period 	<ul style="list-style-type: none"> Rising labor costs and labor shortages Fierce competition for replacement and construction orders in the property management business

Business strategy

Evolve a model that offers management solutions

Build a new wellness business model

Property management targets

	FY2023	FY2025
Life Time Portal*1 association function usage rate*2	14.8%	80%
Average annual growth rate for revenue from building construction*3	24.8%	8.4%

Wellness targets

	FY2023	FY2025
Number of hotel rooms	9,107 rooms	10,000 rooms
Number of individuals receiving healthcare services*4	Approx. 5.54 million	2.24 million

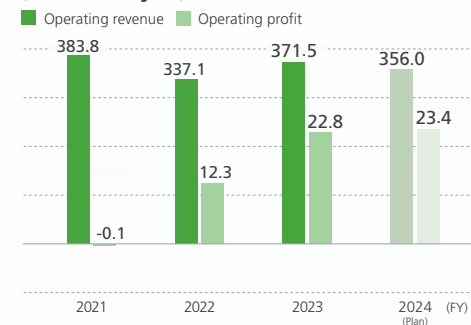
*1 A portal site for residents of condominiums managed by Tokyu Community Corp.

*2 Ratio for properties with secondary registration rates of management association leaders at 100%

*3 Cumulative total since fiscal 2021

*4 Total cumulative number of members registered at fitness facilities, specific health guidance instructors, WELBOX members, and cases of agent arrangements for medical examinations

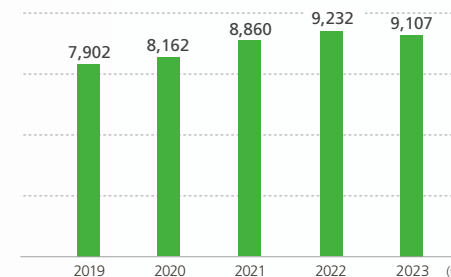
Operating revenue / operating profit (Billions of yen)



Stock under management (1,000 units)



Number of hotel rooms



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Evolve a model that offers management solutions**Leveraging our comprehensive strength in the management and operation of various assets**

Tokyu Community Corp. is leveraging the Group's comprehensive strength in the management and operation of various facilities, including overseeing the overall management of HOKKAIDO BALLPARK F VILLAGE, an area centered around the new ballpark of the Hokkaido Nippon-Ham Fighters professional baseball team, and undertaking overall supervision of the management operations of a project for reorganizing, developing, and operating Todoroki Green Space and other park facilities on behalf of KAWASAKI TODOROKI PARK. Going forward, we will leverage our track record and expertise concerning entertainment-related facilities to engage in the management and operation of a wide range of assets.



ES CON FIELD HOKKAIDO



Todoroki Athletics Stadium

Solving facility management issues by using digital twinning technology to visualize facilities

We have started the full-scale provision of a comprehensive facility management service that utilizes cutting-edge technologies such as digital twinning. We use digital twinning technologies, such as building information modeling, point clouds, and 3D modelling and mapping, to arrange pertinent facility information in a way that creates visualizations of issues and points for improvement within real estate operation and maintenance processes. This encourages more efficient operations and optimized management.

Examples of the use of digital twinning technology**Visualization**

The checking of facility information and management of information concerning problems is conducted in a digital space

Arrangement, maintenance, and management of building surveys and facility information

Surveys and facility logs monitoring situations such as the state of building dilapidation and potential hazards are arranged using both onsite inspections and digital twins. Using digital twins to ascertain the assets and issues of a facility enables the building of platforms for a swifter and more flexible response to events and the formulation and implementation of relevant measures. This increases the resilience of the facility and enhances safety and the appropriateness of management.

Build a new wellness business model**Further growing the hotel and resorts business (developing hotel condominiums and public hotels)**

We are advancing the development of hotel condominiums*1 with the aim of further capturing demand from both domestic and overseas tourists. In April 2024, STORYLINE Senagajima opened as a hotel condominium jointly developed by Tokyu Corporation and Tokyu Land Corporation.

In May 2024, the public hotel business opened nol hakone myojindai, the second hotel in the nol series. This hotel is the renovated and rebranded Tokyu Harvest Club Hakone Myojindai, which was originally opened by Tokyu Land Corporation in 1993 as a members-only hotel.

*1 A hotel in which the guest rooms are sold as units with the purchaser gaining priority for its use. When the owner is not using the room, it is sold as a hotel room by the hotel operator and part of the proceeds are returned to the owner, reducing maintenance and management costs. This real estate product not only offers the same convenience as a holiday home, it is also managed and operated appropriately as a hotel room. In recent years, they have been developed in Okinawa and other areas of Japan, such as Niseko, Hokkaido.



nol hakone myojindai

Working with the community to revitalize Niseko during the green season

In October 2022, Tokyu Land Corporation and Kutchan Town, Hokkaido, concluded a comprehensive cooperation agreement for the formation of an all-season international resort. As part of this initiative, it has started operating NISEKO HIRAFU GREEN PARK*2, a scenic summer gondola lift that uses the ski lift, a mountain bike park with a variety of courses, and other attractions during the summer season. By implementing various initiatives that enable visitors to enjoy nature while rediscovering the appeal of the region, it aims to attract a similar number of tourists as the snow season, from both Japan and overseas.

*2 Managed by an organizing committee comprising Tokyu Land Corporation, Niseko Tokyu Resorts Co., Ltd., Tokyu Resorts & Stays Co., Ltd., Kutchan Town, Kutchan Tourism Association, Niseko Promotion Board, Niseko Hirafu Area Management, and COMMONS LLC. (an organization established by local volunteers).



Niseko Tokyu Grand HIRAFU

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Real Estate Agents

Business fields: Real estate agents (sales and leasing) / consignment sales / real estate sales / rental housing services



Leading to a society with a healthy building stock situation

In the Real Estate Agents segment, we provide solutions related to the use of real estate stock, such as real-estate sales agent services, 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 development of a healthy society that uses building stock effectively.



Strengths / management resources

- Strong brands and a wealth of customer touchpoints
- Extensive real estate market information and the capacity to process that information
- Capacity to provide owners with proposals that meet diverse needs

Opportunities	Risks
<ul style="list-style-type: none"> Expansion of the existing real estate transaction market Diversification of needs for the use of real estate, such as living in two places 	<ul style="list-style-type: none"> Reduction of information asymmetry attributable to the progress of digitalization Decline in buying motivation attributable to rising house prices

Business strategy

- Evolve the real estate brokerage business model in anticipation of changes in the value of information
- Increase the scale and improve the efficiency of our rental housing services

Real estate brokerage targets

	FY2023	FY2025
Number of retail transactions	29,000	38,000
Wholesale revenue	¥19.5 billion	¥17.0 billion

Rental housing services, etc. targets

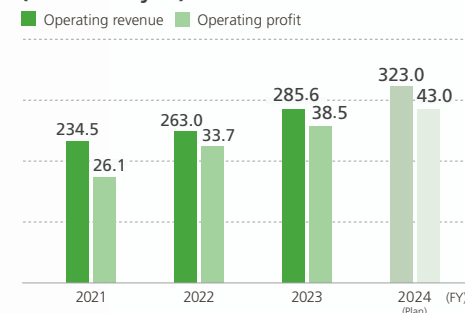
	FY2023	FY2025
Units under management*1	194,000 units	208,000 units
Productivity*2 *3	1.03 x	1.5 x

*1 Cumulative total from Tokyu Housing Lease and National Students Information Center

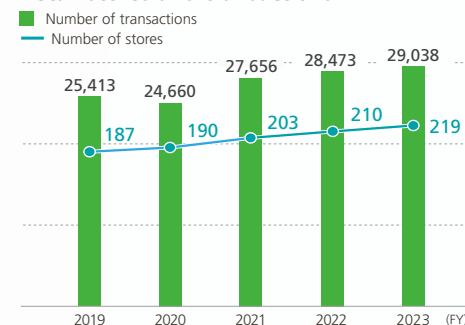
*2 Operating profit per individual divided by labor costs per person (Cumulative total from Tokyu Housing Lease and National Students Information Center before goodwill amortization)

*3 Compared to fiscal 2021

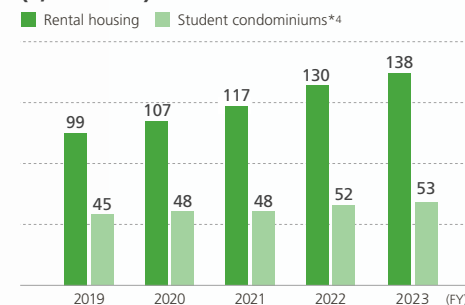
Operating revenue / operating profit (Billions of yen)



Retail stores and transactions



Rental housing units under management (1,000 units)



*4 Figures for student condominiums as of April 1 of each fiscal year

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Evolve the real estate brokerage business model in anticipation of changes in the value of information

Using AI technology to enhance services

Tokyu Livable, Inc. is actively working with partner companies to provide services that utilize digital technologies. In the real estate appraisal sector, its appraisers are using AI Real Estate Price Appraisal System*, which uses AI to appraise the price of a property based on the price levels of equivalent properties, to provide higher quality and faster property sales services. For customers looking to purchase a property, it is using the Recommend AI system for new condominiums, which uses AI to make property recommendations. This creates new sales opportunities by providing customers with recommendations that are closer to their individual wants and requirements. Going forward, it will focus on building a foundation for making operations more efficient and delivering greater value to customers.

* AI Real Estate Price Appraisal System was jointly developed with Rist Inc. It was patented on February 14, 2024 (patent no. 7437560).



The AI appraisal screen

Collaborating with partners to expand business areas

Amid rising demand for asset building and management, Tokyu Livable, Inc. is using Money Canvas, a comprehensive asset building support service provided via a smartphone app by MUFG Bank, Ltd., as a platform for supporting customers who have bought a new-build condominium to carry out activities such as asset management, asset building, and replacement purchases.

It is also aiming to build a framework for meeting needs that would be difficult for the company to fulfill using only its own resources through active collaboration with partner companies. This includes collaborating with Royal Road GINZA, a specialist luxury travel agency operated by JTB Corp., and other Group companies to use their resources targeting higher net worth customers to create new demand.



The Money Canvas interface

Increase the scale and improve the efficiency of our rental housing services

Enhancing functions from online room searches to multi-lingual customer service

National Students Information Center has undertaken the full renewal of 749.jp, an accommodation search site that helps users find student apartments and rooms in halls of residences. Students who will be beginning their lives as new students in early spring desire a little leeway in their accommodation search and there are also many students who have taken multiple entrance exams and will not know their destination until the exam results are announced. Therefore, it has added a service that enables users to reserve accommodation in accordance with a timeline that matches their application route.

It has also enhanced functions that cater to the individual circumstances of users and the way they prefer to search for accommodation, including a function that provides users who want to carry out the accommodation search process, from initial consultation to decision, completely online with 360° panoramic views of the rooms they are considering.

It also provides services in English, Chinese (traditional and simplified), and Korean, meeting the language needs of 87% of overseas students who come to Japan to study (according to research by the company).

10th anniversary of Tokyu Housing Lease Corporation Developing services that offer even more value

In April 2024, the Tokyu Housing Lease Group celebrated its 10th anniversary. When it started operations in 2015, just a year after its establishment, it had approximately 75,000 units under management. Now, 10 years later, it manages around 140,000.

Going forward, it will continue to closely meet the needs of owners while engaging in businesses such as proposing renovation and renewal work that adds to the value of existing buildings, and increasing convenience for prospective residents and real estate agents by enabling processes such as resident applications, lease agreements, and contract renewals and terminations to be handled online.

Additionally, in November 2023, three of the group's companies moved their head office.

→ See p. 80



Comforia Higashi-shinjuku (came under management in fiscal 2023)

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Part 05

Value Creation Foundation

Create value for the future

Sustainability Vision

We solve issues in society through our business activities and work with stakeholders to realize a sustainable society and growth.

Sustainability Policy

We strive for environmental and economic harmony through our business activities.

We endeavor to collaborate closely with stakeholders and maintain and strengthen relationships with them.

We pursue sound and highly transparent management and actively disclose sustainability information.

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Accelerating the response to three priority issues as an environmentally advanced company

Under our Environmental Vision, which was formulated in 1998 as a basic philosophy for environmental activities, we are promoting environmental management as a Group-wide policy. This is part of efforts to be an environmentally advanced company.

We have set decarbonized society, recycling-based society, and biodiversity as three priority issues and we are accelerating specific initiatives to address these issues, including pursuing the early achievement of our RE100 target.

In the wide range of business areas we engage in, which includes real estate development, building management and operation, and logistics, and at our business sites in each region, we are working to solve environmental issues through Group collaboration in a way that nurtures and strengthens regional environments.

Environmental Vision

Environmental philosophy

We will create value that connects cities and nature, and people with the future.

Environmental policy

We will make efforts to realize harmony

between the environment and the economy through our business activities.

Environmental action

We will tackle five environmental issues through three approaches.

• Three approaches

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

• Five environmental issues

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



Creating **Cities** Co-existing with **Nature**.
Creating a **Future** for **People**.

1998: Basic environmental philosophy formulated
2011: Renamed as the Environmental Vision

Decarbonized society

- Achieve the RE100 target, introduce internal carbon pricing (ICP)
- Introduce ZEB/ZEH, acquire environmental certification
- Engage renewable energy, energy saving, and energy creation

Achieving decarbonization with environmental business as a strength

We will aim to achieve CO₂ emissions reduction targets and advance environmentally friendly urban development by leveraging our strengths as the operator of a renewable energy business.

• Achieving the RE100 target

In 2019, Tokyu Land Corporation became the first company in the real estate industry to join the RE100 initiative. In December 2022, it completed efforts to switch electricity consumption*¹ by its business offices and facilities*² to energy from renewable sources, becoming the first business company in Japan*³ to achieve its RE100 target. This was officially recognized by CDP, the organization that administers RE100, in April 2024. Through this initiative, Tokyu Land Corporation has reduced its annual CO₂ emissions by approximately 130,000 tons, equivalent to the emissions generated by around 70,000 regular households.

CLIMATE GROUP
RE100

• Achieving Scope 1 and 2 targets ahead of schedule

In 2021, we became the first development company in Japan to have our CO₂ emission reduction targets approved as 1.5°C-aligned SBT. In July 2024, our 2050 net zero emissions targets were officially approved. Through steady decarbonization efforts, we have achieved the following Scope 1 and 2 CO₂ emission reduction targets. → See p. 69

Target: 50% reduction (compared to fiscal 2019 levels) by fiscal 2023

→ Fiscal 2023 result: 50.6% reduction

Target: Become carbon negative by fiscal 2025

→ Achieved in fiscal 2022 and following years

• Participation in the GX League

We participate in the GX League, an initiative led by Japan's Ministry of Economy, Trade and Industry, with the aim of providing value by transforming social structures with a view to achieving carbon neutrality.

• Internal carbon pricing (ICP)

We introduced an ICP in fiscal 2021 and in fiscal 2022, we started providing visualizations of the scheme as a presentation item for Executive Committee meetings. The scheme enables us to assess economic impact in the event that a carbon tax is levied, creating a point of comparison when considering projects.

• Developing buildings with high environmental performance

We are enhancing the environmental performance of the buildings we develop to contribute to decarbonization and meet the expectations of stakeholders.

Environmental certification acquisition*⁴ targets and results

We are working to raise the percentage of buildings we operate that have acquired environmental certification such as CASBEE and DBJ Green Building Certification.

FY2030	FY2025	FY2023
100%	70%	65.0%

ZEB/ZEH level*⁵ targets and results

We are also advancing decarbonization by introducing initiatives concerning net zero energy buildings (ZEB) and net zero energy houses (ZEH). Going forward, these initiatives will be introduced into building development, including the new construction of residences and office buildings, in order to reduce the amount of energy used by these buildings.

FY2030	FY2025	FY2023
100%	Approx. 50%	87%

Topics

The industry's first tool supporting the acquisition of BELS certification

Tokyu Community Corp. has commercialized EM Dock, a tool that diagnoses the energy savings performance of existing office buildings to facilitate the advancement of proposals for the acquisition of ZEB and BELS certification. The tool can be used to identify issues within multifaceted building management and operations, and to propose measures that can greatly enhance the building's safety and asset value.

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*1 Excludes electricity from on-site cogeneration because RE100-approved green gas does not exist on the Japanese market.

*2 Excludes properties scheduled to be sold or torn down that are outside the scope of RE100 and certain joint projects for which Tokyu Land Corporation does not have energy management authority.

*3 Excludes financial institutions.

*4 Covers large-scale non-residential owned properties (total floor area of at least 10,000 m²). Excludes some properties, such as joint ventures.

*5 Percentage of Tokyu Land Corporation's facilities, including condominiums and offices, with building performance that meets or exceeds ZEB/ZEH Oriented levels (as of commencement of construction work)

Accelerating the response to three priority issues as an environmentally advanced company

Recycling-based society

- Reduce waste generation and water usage
- Utilize stock
- Advance projects that coexist with local communities and the environment

Helping to create a recycling-based business cycle and sustainable local communities

We are aiming to reduce environmental footprints and realize local recycling-based communities by using resources effectively in all our businesses.

- **Building a circular economy**

We are engaged in resource saving activities with a focus on areas that use a large amount of resources, based on the characteristics of the Group's wide array of businesses. In addition to reducing building-related waste through measures such as applying innovative ideas during building refurbishments, extending the service life of buildings, and reducing the amount of building stock left unused by encouraging the circulation of used properties, we are also encouraging the effective use of other resources, such as food waste from restaurants.

- **Realizing regional revitalization through cooperation with regional communities and local governments**

To achieve business continuity within community development, it is important that the local community in each region is able to survive sustainably and for the long term. We work with various stakeholders to address the issues facing each region through our business, and we are contributing to the realization of sustainable local recycling-based societies by finding solutions.

➔ TENOHA p. 52

*1 A medium for transferring heat within a machine, such as an air conditioner.

*2 An alliance that aims to conserve or protect 30% of Japan's land and sea areas by 2030 in order to achieve the Ministry of the Environment's goal of stemming the destruction of biodiversity and moving toward its recovery by 2030

*3 An international organization that acts as a stakeholder providing specialist knowledge to support discussion related to the Taskforce on Nature-related Financial Disclosures (TNFD) in order to build a framework for corporate risk management and disclosure concerning nature

Topics**Developing products from produce grown on rooftops**

As part of its Vegetable Smiles activities, which involve creating rooftop vegetable gardens, Tokyu Land Corporation is developing products including craft beer and sweet potato chips. These products are mostly made from produce cultivated in the Greater Shibuya area. The main target is tenants of buildings that have vegetable gardens, and they are being supplied for inhouse events held by tenant companies or distributed as gifts at the end of the year or other occasions. In addition to increasing the amount of greenery and contributing to biodiversity through the vegetable gardens, this initiative raises awareness of efforts by building tenants to produce and consume resources within the same building.

**Using recycled coolant in air conditioning work (Daikin)**

Tokyu Community Corp. is collaborating with Daikin Air Techno Co., Ltd. on the recycling of coolant (R410A)*¹ collected during air conditioning work. In the Tokyo area, it has started using 100% recycled coolant for the coolant added during this work. By recycling coolant that was previously disposed of as waste, it is reducing waste volumes, and by then using the recycled coolant, it is reducing greenhouse gas emissions by about 85%.

Biodiversity

- Plant greenery in urban areas and perform long-term upkeep and maintenance
- Conserve and utilize forests
- Practice sustainable procurement

Contributing to the preservation of regional ecosystems by utilizing the characteristics of cities and regions

We are working to preserve ecosystems in regions where we conduct business by utilizing local characteristics. We aim to leverage the power of green infrastructure to connect people and nature in order to realize societies that coexist in harmony with natural capital.

- **Formulating related policies and advancing initiatives**

In fiscal 2023, we revised our Biodiversity Policy in order to actively advance initiatives that expand our positive impact. We are working together with stakeholders to reduce the global environmental impact of our entire supply chain, including activities based on our Sustainable Procurement Policy. We are also participating in the 30by30 Alliance for Biodiversity*² and the TNFD Forum*³.

- **Contributing to becoming nature positive**

In fiscal 2023, we formulated a TNFD Report for the first time, covering our real estate business in Japan. In accordance with the TNFD framework, the report assesses nature-related risks, opportunities, dependencies, and impacts. Taking into account factors such as the scale of our business and the importance of biodiversity, we identified our priority locations as the Greater Shibuya area in terms of urban areas, and resort facilities in terms of regional areas. (➔ TNFD Initiatives p. 74)

Ishikatsu Exterior Inc., the Group's landscaping and greening company, will leverage its technological capabilities related to green infrastructure to support the advancement of this initiative.

Topics**The Japanese landscaping industry's first green infrastructure business**

Since its founding in 1972, Ishikatsu Exterior Inc. has established technologies and expertise related to green infrastructure by advancing greening projects, and this has been leveraged to build Greentect, a system for sharing information with stakeholders. The company evaluates the effects and utility of green infrastructure on a project by project basis and it has created an original environmental project certification system.

G Certification acquired at a golf course

In March 2024, Tsukuba Tokyu Golf Club acquired G Certification (certification for environmental conservation in secondary habitats) for its contributions to conserving biodiversity in its golf course and ski resort areas.

Launch of Ikimono Tokyu Fudosan

Ikimono Tokyu Fudosan* is a PR project showcasing the provision of birdhouses on the rooftop of Tokyu Plaza Omotesando "Omokado." It aims to get as many people as possible thinking about how people can coexist with nature and other living creatures to form ecological networks.

*An initiative aiming to protect biodiversity by greening the rooftops of the Tokyu Land Corporation buildings in urban areas.



▶ Ikimono Tokyu Fudosan project movie (Japanese only)

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Climate change presents a grave global risk, and we recognize it as an important management issue that could have a significant impact on the Group's business. We are tackling this issue sincerely and looking to contribute to its solution by advancing various climate change-related measures based on the TCFD recommendations. At the same time, we have formulated a transition plan and are actively disclosing information.

Disclosure based on the TCFD Recommendations

Under the Group's Environmental Philosophy (now referred to as our Environmental Vision)*1 formulated in 1998, we have been working to harmonize the environment and the economy through business activities.

We have set achieving the 1.5°C-aligned SBT by fiscal 2030 and net zero emissions by 2050*2 as climate change-related targets, and we are implementing various initiatives based on the TCFD recommendations.

While climate change does pose a risk to the Group's business activities, we recognize that it also presents new business opportunities. Understanding the importance of climate-related financial information disclosure, in March 2019 we endorsed the TCFD recommendations and joined the TCFD Consortium, an international organization that discusses matters related to TCFD engagement.

In accordance with the TCFD recommendations, we are advancing measures for each of its thematic areas, namely governance, strategy, risk management, and metrics and targets, and we are reaffirming that our business and financial strategies correspond with the roadmap for reducing emissions. In July 2023, we formulated the Transition Plan toward a Decarbonized Society, which outlines specific strategies.



*1 Name changed to Environmental Vision in 2011

*2 The fiscal 2030 target was set in fiscal 2021 and the fiscal 2050 target was set in fiscal 2024

Category	Group initiatives → For details, see our website
Governance	<ul style="list-style-type: none"> The Sustainability Committee, which is chaired by the President and Representative Director, deliberates on important matters related to climate change and reports the results to the Board of Directors.
Strategy	<ul style="list-style-type: none"> In each business of Urban Development, Leisure, Residential, and Renewable Energy, risks and opportunities in the medium-term (2030) and long-term (2050) are assessed based on three scenarios, 1.5°C, 3°C and 4°C. We are promoting ZEB/ZEH, expanding the renewable energy business, and implementing green financing among other initiatives
Risk management	<ul style="list-style-type: none"> 2030 KPIs for climate change have been set as material issues in the long-term management policy, and their progress is managed by the Sustainability Committee. We recognize climate change as a risk of high importance and have integrated it into our Group-wide risk management activities.
Metrics and targets	<ul style="list-style-type: none"> For greenhouse gas (GHG) emissions, we have acquired SBT approval for the 1.5°C level as a fiscal 2030 target and declared that we will achieve net zero emissions internally and across our supply chain by 2050. Tokyu Land Corporation has made an RE100 declaration and aims to achieve 100% renewable energy in 2022 ahead of schedule. Reduction in water usage and waste, and the acquisition of environmental certifications for buildings and the area of forests that we preserve have been set as KPI targets.

Roadmap Toward the Realization of a Decarbonized Society

We are aiming to realize net zero emissions by 2050 by reducing CO₂ emissions through initiatives including switching power used at offices of and facilities owned by Tokyu Land Corporation, our core company, to 100% renewable energy, setting ZEB standards as general standards for new buildings, and applying ZEH as the standard specification for condominiums for both rental and sale. Going forward, we will continue to pursue reductions of CO₂ emissions through our businesses and target decarbonization as a business opportunity as we aim to further reduce environmental impact through the growth of the Group.

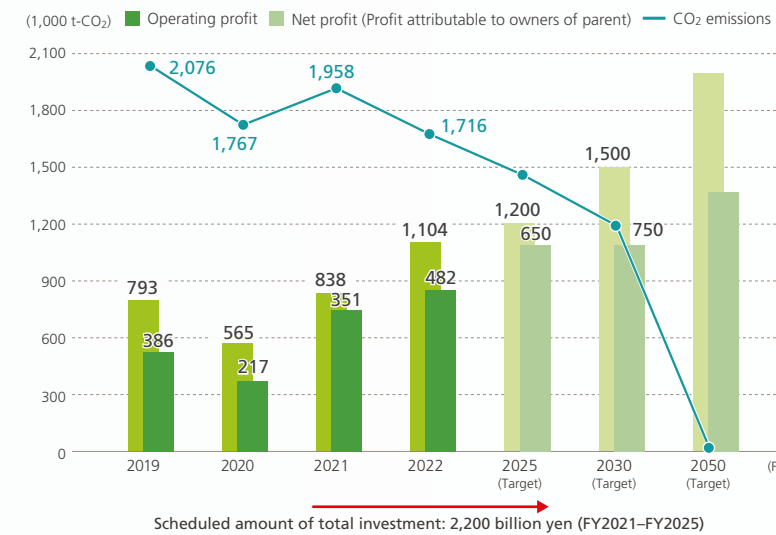
Specific reduction measures for reducing CO₂ emissions

• FY2025

- Achieve RE100 targets
- Promote ZEB/ZEH at buildings
- Acquire environmental certifications
- Apply internal carbon pricing (ICP)

• FY2030

- Reinforce environment-related business
- Expand renewable energy business
- Engage in people- and environment-friendly urban development



Excerpt from the Transition Plan toward a Decarbonized Society (released in July 2023)

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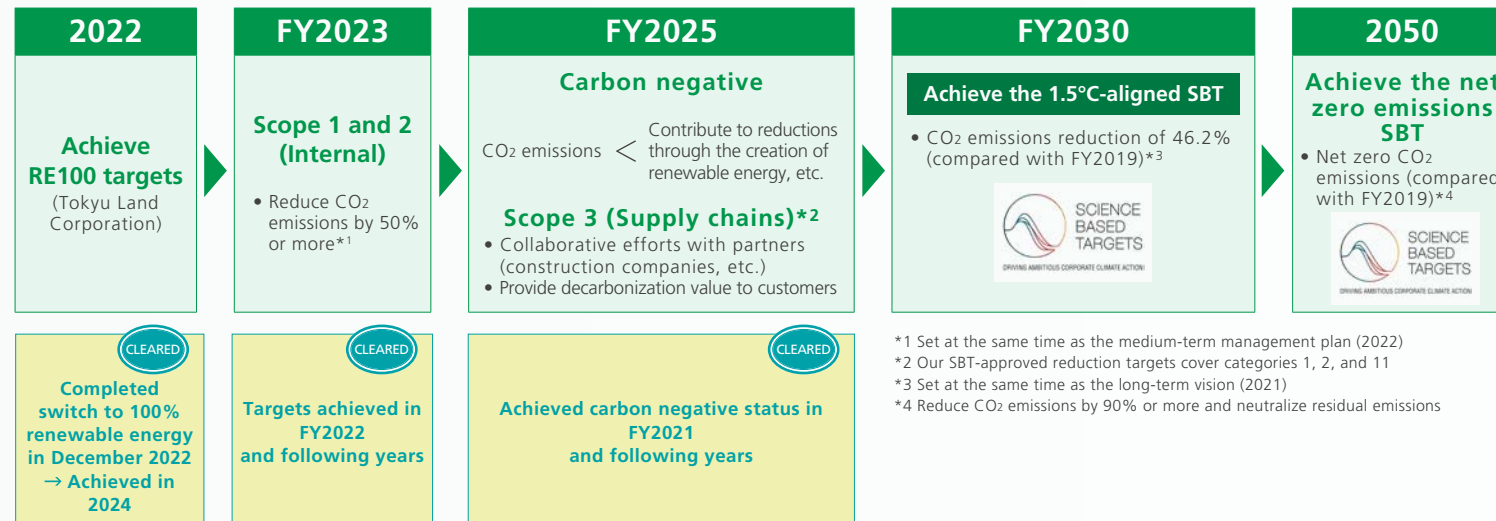
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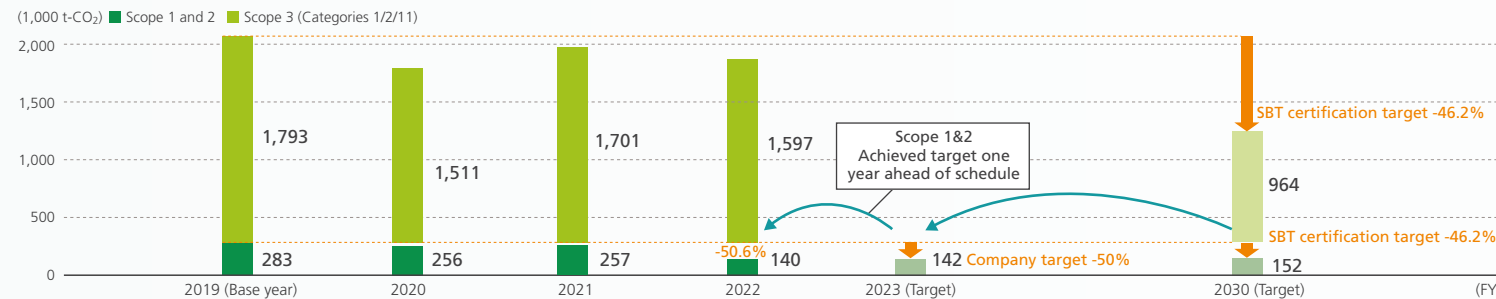
Climate change-related results and targets

We manage progress on results of indicators linked to our response to the climate change-related risks identified through scenario analysis. In our medium-term management plan, we targeted a 50% reduction in Scope 1 and 2 CO₂ emissions by fiscal 2023. However, by leveraging the strengths of our renewable energy business, we recorded a 50.6% reduction in fiscal 2022, thereby achieving our target one year ahead of schedule. Our emissions-related results for fiscal 2022 have received third-party verification from an environmental certification body.

Climate change-related targets



CO₂ emissions-related results and targets



Priority climate-related issues

We recognize the following climate-related issues as being particularly material to the Group.

Category	Type	Material issues	Major impact	
Transition risks	Current regulation	Energy conservation reporting requirement, energy efficient building standards		
	Emerging regulation	More stringent GHG emission reduction regulations, carbon taxation	○	
	Technology	Increase in cost for ZEB / ZEH construction / renovation	○	
	Legal cost	Credit purchase under the Tokyo Cap-and-Trade Program		
	Market	Delayed response to price trends reflecting environmental value, increasing energy costs	○	
	Reputation	Changing customer / investor behavior		
Physical risks	Acute	Intensified extreme weather events		
	Chronic	Rising temperatures / sea levels		
Opportunities	Resource efficiency	Transition to high-efficiency buildings, recycling		
	Energy source	Wider use of renewable energy sources, government subsidies	○	
	Products / services	Expansion of low carbon products / services		
	Market	Utilization of ESG finance	○	
	Resilience	Energy efficient renovations of operating assets, BCP compliance		

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Scenario analysis overview

In each of our four business units (Urban Development, Residential, Leisure, and Renewable Energy), we carry out scenario analysis that assesses both medium-term (2030) and long-term (2050) climate change-related risks and opportunities, and the results are reflected in business strategy. This analysis references the scenarios proposed by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) for three possibilities: a temperature rise of 1.5°C (successful transition to a decarbonized society), 3°C (each country meets its individual targets) and 4°C (expansion of governments, technologies, and markets, etc. as an extension of current trends).

Excerpt ➔ See website for details	1.5°C				3°C				4°C			
	Financial impact				Financial impact				Financial impact			
	Business	Medium term	Long term		Business	Medium term	Long term		Business	Medium term	Long term	
<ul style="list-style-type: none"> Transition risks Policy and legal, technology, markets, reputation Opportunities Energy sources, products and services, market 	Urban Development	High	Medium-low	Risks and opportunities / financial impact • In the medium term, ZEB/ZEH conversion is less pronounced and has less financial impact than in the 1.5°C scenario, but the impact of ZEB/ZEH conversion continues to increase in the long-term. • Demand for tenant offices shrinks due to the spread of remote work. • Demand for renewable electricity grows. Strategy • Expand business in response to increasing demand for renewable electricity. Leisure business to utilize local natural energy. • Promote conversion of new buildings to ZEB/ZEH and upgrades of equipment at existing operating facilities. Differentiate through the early introduction of renewable electricity.	Urban Development	Medium-low	Medium-high	Risks and opportunities / financial impact • The effects of climate change are limited in the medium term, but in the long term, the intensification of natural disasters and rising temperatures have a considerable financial impact • Higher temperatures increase construction costs and air conditioning costs during operating hours. Demand for high-efficiency housing grows. • Demand for tenant offices shrinks due to the spread of remote work. • Policy support for renewable electricity is feeble, and market trends are uncertain. Strategy • Expand business in response to increasing demand for renewable electricity. • Each business differentiates in the same way as in the 3°C scenario, including measures for mitigating the effects of rising temperatures. • Leisure business to offer new resort lifestyles, such as workations.	Urban Development	Low	Low	Risks and opportunities / financial impact • In the long term, the impact of the rise in sea levels is greater than in the 3°C scenario. Drastic increase in damage to facilities due to natural disasters. Strategy • Each business differentiates in the same way as in the 3°C scenario. • Renewable energy business to maintain power generation efficiency by installing storage batteries and focus on facilities adapted for climate change.
	Residential	Medium-low	Low		Residential	Medium-low	Medium-low		Residential	Low	Medium-low	
	Leisure	Medium-low	Low		Leisure	Medium-low	Medium-low		Leisure	Low	Medium	
	Renewable Energy	High	Low		Renewable Energy	Medium-high	Medium-high		Renewable Energy	Low	Low	
<ul style="list-style-type: none"> Physical risks Acute, Chronic Opportunities Resilience 	Urban Development	Low	Medium-low	Risks and opportunities / financial impact • Climate change progresses faster and has a greater financial impact than in the 1.5°C scenario. Strategy • Each business differentiates in the same way as in the 1.5°C scenario. • Leisure business to concentrate investment in high-latitude ski resorts and use heat-tolerant turf at managed golf courses to differentiate from competing facilities.	Urban Development	Low	Medium-low	Risks and opportunities / financial impact • In the long term, the impact of the rise in sea levels is greater than in the 3°C scenario. Drastic increase in damage to facilities due to natural disasters. Strategy • Each business differentiates in the same way as in the 3°C scenario. • Renewable energy business to maintain power generation efficiency by installing storage batteries and focus on facilities adapted for climate change.	Urban Development	Low	Medium	
	Residential	Low	Medium-low		Residential	Low	Medium-low		Residential	Low	Medium	
	Leisure	Low	Medium-low		Leisure	Low	Medium		Leisure	Low	Medium-high	
	Renewable Energy	Low	Medium-low		Renewable Energy	Low	Medium-low		Renewable Energy	Low	Medium	

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Response in terms of business strategy

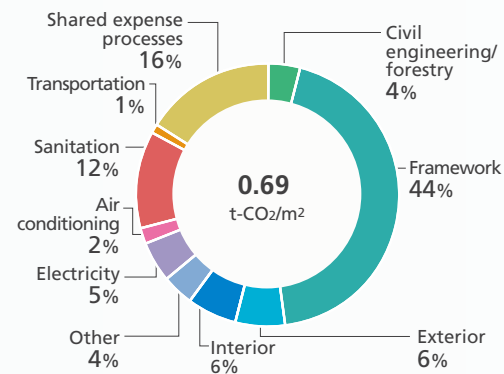
Our business strategies in response to climate change risks and opportunities are as follows.

Category	Impact and response
Products and services	Mitigation measures: We are enhancing the energy efficient performance of buildings, promoting ZEB/ZEH, and expanding and developing the ReENE renewable energy business. Adaptation measure: We are strengthening BCP at facilities under management.
Supply and value chains	Upstream: We have incorporated climate change into the Sustainable Procurement Policy and started discussions with major construction companies concerning low-carbon construction processes. We are also participating in the Real Estate Companies Association of Japan's efforts to formulate a manual for calculating GHG emissions generated during construction. Downstream: We are ensuring condominiums and rental housing meet ZEH standards and promoting the introduction of renewable energy.
R&D investment	We are responding to technological innovation by advancing progressive initiatives, including acquiring Nearly ZEB certification for NOTIA, Tokyu Community Corp.'s technical training center. Existing buildings are being converted to ZEB standards.
Facility operation	In response to growing demand for renewable electricity, Tokyu Land Corporation committed to the RE100 initiative and in December 2022, it completed the switch to 100% renewable energy at its offices and facilities. In April 2024, it was officially recognized by the organization that administers RE100 as having achieved its targets.

• **Adoption of a manual for calculating greenhouse gas emissions during construction**

We took part in an initiative by the Real Estate Companies Association of Japan to formulate a manual for calculating emissions in upstream processes. The goal is to accurately calculate upstream emissions on an industry-wide basis, thereby facilitating the achievement of upstream emission reduction targets (Scope 3, Categories 1 and 2). The calculation method is being trialed using properties owned by Tokyu Land Corporation. This manual enables past calculations to be aggregated to create visualizations of greenhouse gas emissions for each emissions source, and we will use this to consider specific reduction measures on a source by source basis.

Breakdown of CO₂ emissions sources for BRANZ Tower Osaka Honmachi based on trial calculations

**Reflection in financial plans**

When formulating our climate change-related strategies, we assigned each risk and opportunity a level based on the size of its potential financial impact, as shown on the right. This information is disclosed on our website (in the financial impact section of each scenario analysis).

→ For details, see our website

High	10% or more of consolidated operating revenue
Medium-high	10% or more of operating revenue of a specific business
Medium	5 to 10% of operating revenue of a specific business
Medium-low	2 to 5% of operating revenue of a specific business
Low	Less than 2% of operating revenue of a specific business

Category	Impact and response
Indirect costs	After estimating increases in indirect costs associated with switching to renewable energy, such as electricity purchase costs, in fiscal 2022, we switched to purchasing electricity for the facilities we operate from our own renewable energy business with the aim of achieving the RE100 goal ahead of schedule.
Capital allocation	We have positioned the growth of our renewable energy business as a climate change-related opportunity and we are actively investing in its expansion.
Liabilities	In addition to advancing initiatives to address environmental issues, we have established a bond policy to inform bond investors of these initiatives, and after setting a target to increase the proportion of ESG bonds within total bond issuance, we have made ESG bonds an ongoing part of our financing activities. We are also accessing Positive Impact Finance, which is funding that is dependent on the results of assessments of the impact of our initiatives (positive and negative) on the environment and society.
Assets	When carrying out portfolio management based on our long-term vision, we use environmental impact as an indicator for evaluating assets.

• **Formulating a bond policy**

We have formulated a policy covering the long-term issuance of ESG bonds, based on our long-term vision.

"WE ARE GREEN" Bond Policy

Purpose	We will obtain the comprehensive and continual understanding and approval of the Group's ESG initiatives from stakeholders, including bond investors. We will consistently provide bond investors with opportunities to invest in ESG bonds and will expand our financing base through these bonds.
Target	Ratio of ESG bonds to outstanding Group-issued bonds End of FY2025: 50% or more End of FY2030: 70% or more
Deepening engagement	We will hold regular meetings with bond investors to inform them of the status of the Group's ESG initiatives and the progress of ESG bonds, among other matters. Feedback from these meetings will be shared with senior management and reflected in ESG initiatives.
Types of ESG bonds	Green bonds, social bonds, sustainability bonds, and sustainability-linked bonds.

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Initiatives concerning the Taskforce on Nature-related Financial Disclosures (TNFD)

As a Group engaged in business that involves the use of land, including for facility development and operation, and that benefits from the natural capital provided by forests and seas, biodiversity is an issue that we must address. Since our founding, we have continuously advanced biodiversity initiatives based on the characteristics of the regions we do business in. The concept of nature positivity is becoming increasingly important, so in August 2023, we revised our Biodiversity Policy to take our engagement of this issue to the next level. Under the new policy, we are disclosing information through TNFD Reports, including the results of nature-related risk and opportunity assessments.

TNFD Disclosure

We are engaging decarbonized society, recycling-based society, and biodiversity as priority issues in both our long-term vision and medium-term management plan 2025, with the aim of growing business opportunities that use the environment as a starting point.

Within this, we will address biodiversity by contributing to becoming nature positive in a way that takes the characteristics of each region into account. In urban areas, we are carrying out greening that connects scattered urban greenery and that is considerate of both people and nature. In regional areas, we are engaged in real estate development and management that aims to coexist with ecosystem services. In August 2023, we revised our Biodiversity Policy (formulated in 2011) to encourage a greater positive impact.

Furthermore, we are disclosing natural capital-related dependencies, impacts, risks, and opportunities connected to the Group's business, with reference to the final version of the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), which were released by the TNFD in September 2023 to aid the management and disclosure of nature-related risks and opportunities. This is being carried out in collaboration with MS&AD InterRisk Research & Consulting, Inc. and Think Nature Inc.

TNFD Recommended Disclosure	TNFD Recommended Items for Disclosure	Group TNFD Disclosures (2nd Edition)
Governance	<ul style="list-style-type: none"> Governance structure for nature-related dependencies, impacts, risks and opportunities that includes oversight structure for the Board of Directors, and roles of management Stakeholder engagement 	<ul style="list-style-type: none"> Governance structure for the Company's nature-related issues Human rights policy and stakeholder engagement
Strategy	<ul style="list-style-type: none"> Identified nature-related dependencies/impacts and risks/opportunities Effects of risks and opportunities on businesses, strategy and financial plans Resilience of strategy with scenarios taken into consideration Priority areas in the organization 	<ul style="list-style-type: none"> Overview of nature-related dependencies and impacts in the Group overall Priority area at sites directly operated by the Company Nature-related dependencies, impacts, risks, and opportunities in the Greater Shibuya area, which is a priority area Nature-related risks and opportunities envisioned at the current point in time, including those in other businesses
Risk & impact management	<ul style="list-style-type: none"> Process for identifying, evaluating, and managing nature-related dependencies, impacts, risks and opportunities Integration of the above process with Group risk management processes 	<ul style="list-style-type: none"> Relationship between the Group process for identifying, evaluating and managing nature-related dependencies, impacts, risks and opportunities, and Group-wide risk management
Metrics & targets	<ul style="list-style-type: none"> Measurement metrics and targets for evaluating and managing nature-related dependencies, impacts, risks and opportunities, and performance relative to targets 	<ul style="list-style-type: none"> Metrics and targets for Group nature-related issues

LEAP Approach

The table on the right summarizes which of the 14 disclosure recommendations shown on the previous page corresponds to each of the LEAP phases of the TNFD. The results of our assessment, carried out with reference to the LEAP approach, are disclosed in accordance with the General Requirements and the TNFD Disclosure Recommendations.

Disclosure [➔ For details, see our website](#)

- August 2023
Revised Biodiversity Policy
TNFD Report (1st edition)
Urban development in the Greater Shibuya area
- January 2024
TNFD Report (2nd edition)
Tokyu Resort Town Tatehina in the leisure business
- July 2024
TNFD Report (3rd edition)

Locate The interface with nature		Evaluate Dependencies & impacts		Assess Risks & opportunities		Prepare To respond & report	
L1	Span of the business model and value chain	E1	Identification of environmental assets, ecosystem services and impact drivers	A1	Risk and opportunity identification	P1	Strategy and resource allocation plans
L2	Dependency and impact screening	E2	Identification of dependencies and impacts	A2	Adjustment of existing risk mitigation and risk and opportunity management	P2	Target setting and performance management
L3	Interface with nature	E3	Dependency and impact measurement	A3	Risk and opportunity measurement and prioritization	P3	Reporting
L4	Interface with sensitive locations	E4	Impact materiality assessment	A4	Risk and opportunity materiality assessment	P4	Presentation

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Initiatives concerning the Taskforce on Nature-related Financial Disclosures (TNFD)

Locate
The interface with nature

Evaluate
Dependencies & impacts

Overview of Dependencies and Impact on Nature and Setting of Priority Areas

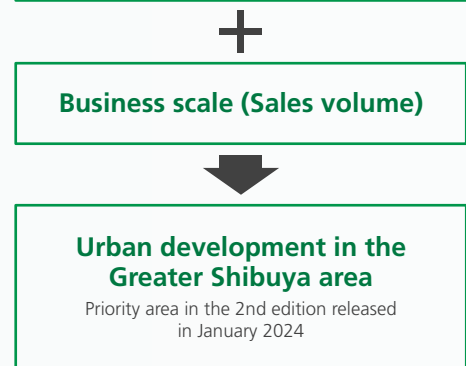
Using TNFD classifications as a reference, we examined an overview of the nature of dependencies and impacts according to business and value chain steps, and their qualitative importance. Additionally, using the sector-specific ratings in ENCORE, a tool developed by the UN Environment Programme (UNEP), and the SBTs for Nature as a reference*, we sorted out the dependencies and impacts in order of importance according to four steps between Very High and Low. The results of that analysis are in the table to the right.

Impacts

Terrestrial ecosystem use, including land modification and occupation during real estate development and operation,

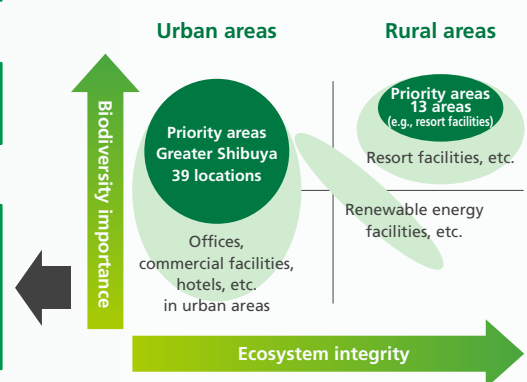
Dependencies

Supply services for resources, etc. and cultural services for nature-based healing, landscapes, etc.



Assess dependencies/impacts on nature for Group overall

Segment	Business activities	Sales volume	Value chain	Impacts on nature								Dependencies on nature				
				Terrestrial ecosystem use	Freshwater/marine ecosystem use	Resource use		GHG emissions	Contamination	Waste	Other	Provisioning services		Regulating and maintenance services		Cultural services
						Water	Other resources					Water resources	Other resources	Alleviation of impacts	Climate regulation	
Urban Development	Offices and commercial facilities/condominiums and rental housing, etc.	■	Building and development	VH			M	H	M	H	H		M	L		
			Operation	VH		H		H		H		H	L	L		H
Strategic investment	Renewable energy facilities (Solar power/wind power/biomass)	■	Building and development	VH			M	H	M	H	H		M	L		
			Fuel production	H				H	H			VH				
			Operation	VH		H	H	H	H	H	M	M	VH	L	VH	
	Logistics facilities	■	Building and development	VH			M	H	M	H	H		M	L		
			Operation	VH				H		H	H			L	L	
			Operation and use	VH												M
Property management and operation	Condominium management/environment and greening management	■	Management, renovation and construction	VH												
			Building and development	VH	VH		M	H	M	H	H		M	L		
	Hotels, golf courses, ski resorts, etc.	■	Production of ingredients, etc.	VH	VH	VH		H	H			VH	VH	VH	VH	
			Operation	VH	VH	H	M	H		H	H	H	M	L	M	H
	Healthcare, etc.	■	Building and development	VH			M	H	M	H	H		M	L		
Operation and use			VH		H		H		H		H		L	L		H



Assessing priority areas in terms of risks and opportunities

We believe that relationships with nature are of especially high importance within our value chains, from development through to operation. Therefore, we analyzed 267 major properties owned or operated by the Group (including offices, commercial facilities, hotels, leisure facilities, and renewable energy facilities) in accordance with various indicators related to ecosystem integrity, biodiversity importance, and water stress. Based on the results, we have set the Greater Shibuya area and 13 regional areas, including resort facilities, as priority areas.

* For ratings at the stage of building and development under all businesses and at the stage of operation for properties other than the Renewable Energy and Hotel and Leisure Businesses, we examined importance while making supplements and adjustments as necessary based on "real estate" in each tool. For ratings at the stage of operation under the Renewable Energy Business, we used "renewable energy" in each tool as the basis for examining importance and making supplements and adjustments. For ratings at the stage of operation of leisure facilities, we used "hotels, resorts and cruises" in each tool as the basis. For ratings at the stage of production of biomass fuel, ingredients, etc., we used subindustries under "forest products" and "agriculture" in each tool as the basis.

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Initiatives concerning the Taskforce on Nature-related Financial Disclosures (TNFD)

Evaluate Dependencies & impacts	Assess Risks & opportunities	Prepare To respond & report
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Nature-related dependencies and impacts in the Greater Shibuya area

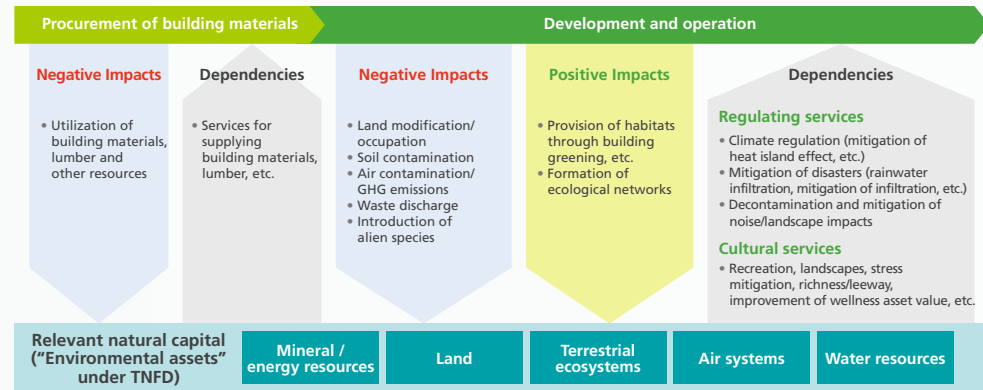
In regard to urban development in the Greater Shibuya area, we have identified various nature-related dependencies and impacts throughout the value chain.

Of these, the impacts of land use and

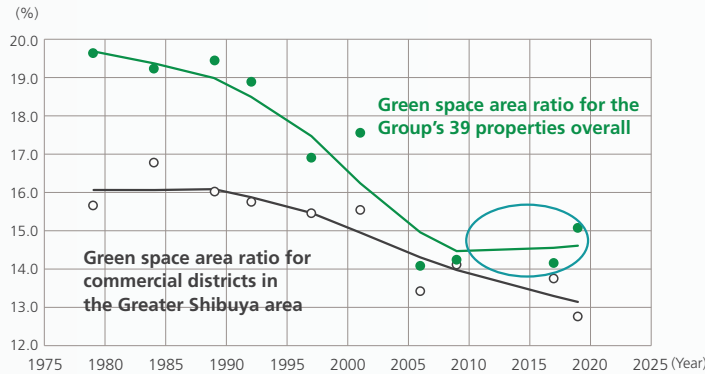
building greening on nature were quantitatively analyzed using the analysis tools of Think Nature Inc. As a result, we found that biodiversity regenerative effects before and after the building of Group properties in the Greater Shibuya area turned positive starting with properties from fiscal 2012 and beyond.

Dependencies and impacts on nature in the value chain

Bolded items are dependencies and impacts that are believed to carry especially high importance

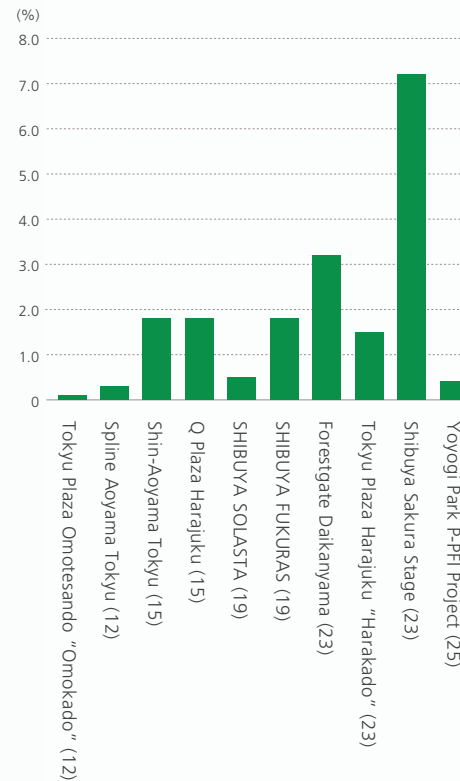


Green space area ratio



Biodiversity regenerative effects (Before building → After building)

Properties completed from fiscal 2012 onward were shown to have a significant effect on the regeneration of biodiversity. Shibuya Sakura Stage had a particularly high regenerative effect (7.2%) due to the planting of a large number and variety of trees, including species native to Japan, the Kanto region, and the Tokyo Metropolitan area.



* Year in parentheses is the year of completion

Nature-related risks and opportunities in the Greater Shibuya area

Based on the analysis of nature-related dependencies and impacts in the value chains of urban development projects, particularly in the Greater Shibuya area, and other projects, we have arranged the physical risks, transition risks, and opportunities we consider to be particularly material to the Group's business at the current time. We found that while various nature-related risks are expected, we also expect to capture many business opportunities. The business of real estate that the Group is involved in covers long periods of time from development to operation and involves numerous parties, so we believe that it is necessary to work together with our stakeholders to tackle nature-related issues in our entire supply chain.

We also carried out detailed analysis of dependencies, impacts, risks, and opportunities related to our hotel and leisure business, which is another priority area.

(→ TNFD Report (3rd edition))

In addition to this, we plan to carry out an assessment of the impact of nature-related risks and opportunities on the Group's business and finances based on scenario analysis, and we will review our nature-related indicators and targets in accordance with international trends.

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Helping to build local communities through community development that brings together the Group's expertise

Case 01

BRANZ City Hongodai is a large-scale condominium development built in Sakae Ward, City of Yokohama. It contains 458 units organized into three blocks on a vast site with a total area of 2.3 hectares. The land was formerly the site of a company housing development and Tokyu Fudosan created a proposal for solving issues and adopted a lump-sum acquisition service in collaboration with Tokyu Livable to acquire and develop the land.

In 2021, construction was completed on the first block, BRANZ City Hongodai Gate Terrace. Sales for this block's units kicked off during the COVID-19 pandemic, so we put a focus on fostering a resident community while respecting the values of the post-pandemic period, namely connections with family and being able to live in one's own way. Our aim was to realize an environment where people from different generations can live comfortably.

This development makes full use of the Group's community development expertise and resources, including Tokyu Land Corporation's corporate sales, development, and regional co-existence support capabilities, Tokyu Livable's real estate brokerage capabilities, and Tokyu Community's management services.

Encouraging exchange between residents and with other locals to realize lifestyles that can sustain the community

In a large-scale condominium complex, it is important to foster a sense of community between residents and between residents and other local people. As regional communities become more diverse and complex, there is a growing need to address various social issues. Within this, community building is expected to play a considerable role, contributing to areas such as realizing safe and comfortable lives for both child-raising generations and the elderly, and enhancing disaster response capabilities.

At BRANZ City Hongodai, we have planted over 2,700 trees throughout the grounds and we have leveraged the advantages of the large scale to disperse various shared facilities between the three buildings, enabling residents from each block to come and go freely. The central courtyard area can also be opened up to the community,

enabling regional activities to be carried out more flexibly. We are using the shared facilities as spaces to encourage exchange between residents and we have introduced a community support program to expand this sense of community into the wider area.

In addition to providing support for the unrestricted activities of residents, we also cooperated with the local neighborhood association and other organizations that are active in the area to create mechanisms for generating exchange.



An event at BRANZ City Hongodai. People from the wider area also participated, contributing to the building of a neighborhood community.



After the units in the first building were handed over to residents, we held a welcome event in March 2022, followed by various other events such as a disaster preparation tour, a cleanup and Christmas event, and handicraft workshops. As of May 2024, we had held a total of 23 events attended by over 2,000 people, contributing to the establishment of community activities.

Going forward, we will work to ensure the continuance of activities focused on residents by supporting the operation of the COMMUNITY CLUB residents' organization, becoming more familiar with resident's needs, and providing support that helps residents to organize and implement activities themselves.

Extending the period before large-scale renovation work is needed

At BRANZ City Hongodai, we have extended the warranty period covering large-scale renovation work on the buildings from the

usual 12 years to 16 years through various measures such as using highly durable materials. This was achieved through Group collaboration between Tokyu Land Corporation, which handled the development, and Tokyu Community Corp., which engages in comprehensive real estate management. Large-scale renovation work has an impact on a property's ability to retain value as an asset. The effects of this extension include a reduction in the number of times work is required. This lowers the overall cost of work, reduces the future cost burden, and also facilitates the smoother operation of management associations and design improvements.

We are utilizing the Group's comprehensive strength to enhance value and create residences where people can live safely and comfortably in the long-term, including over multiple generations.

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A cycle of co-existence with local communities in every region of Japan

Local communities are important stakeholders in the Group's activities. We are advancing various initiatives that support co-existence with the community with the aim of realizing sustainable community development across a business area spanning all of Japan.

Case 02



Japan's first agreement concerning collaboration to accelerate lifestyle rebuilding



In February 2024, Tokyu Community Corp. and Kitahiroshima City, Hokkaido, concluded an agreement concerning the provision and use of damage assessment survey results as part of the emergency response in times of disaster. This is the first agreement in Japan to involve surveys for assessing the damage to housing caused by earthquakes.

One of many issues faced after the occurrence of a widespread disaster is that the large number of damaged properties causes delays to the implementation of damage assessment surveys, which are needed to issue certification proving the status of damage victims. Tokyu Community Corp. has launched Field's EYES, a construction management system that includes a function for carrying out damage assessment surveys of homes. This function allows surveys to be carried out swiftly while still ensuring the accuracy required for issuing damage certification, and also enables information to be managed centrally. Under the system, the company can carry out home

damage assessment surveys in areas which have received a certain amount of damage and for which it has received approval from the management association in advance through the submission of materials. Documents containing the results of the survey are provided to Kitahiroshima City and then a report is given to the relevant management association. Kitahiroshima City then ascertain and assess damage based on the documentation from Tokyu Community Corp. and swiftly issue damage certification in a collaborative effort aimed at accelerating rebuilding.

In 2019, Tokyu Community Corp. and Kitahiroshima City both participated in an industry–government–academia collaboration on measures to minimize damage during disasters and accelerate the recovery of buildings. The collaboration also involved an exchange of opinions and joint training with the University of Tokyo. Four cities surrounding Kitahiroshima City also participated in joint training exercises which were the first in Japan to be held through a collaboration between five local governments and a private sector company.

Community building support for large-scale rental condominium buildings

Since November 2019, Tokyu Housing Lease Corporation has been managing and operating Shinonome Canal Court CODAN, a rental housing property owned by the Urban Renaissance Agency.

The property is a large-scale rental

condominium complex comprising 1,712 units in 11 buildings, spread over a large site covering about four hectares. Tokyu Housing Lease Corporation has established Shinonome Center, a facility located within the site, with the aim of improving resident satisfaction by enhancing the quality of services provided. The center is operated by specialist staff who improve and manage the maintenance of both shared and exclusively owned areas of buildings and respond to resident requests. The company is also actively supporting community building by planning and implementing various events for residents and the wider community, including flea markets and a summer festival.

Working with students to create the future of neighborhoods

Kyoto City is advancing an initiative that aims to provide students studying in the city with fulfilling student lifestyles and to cultivate their affection for the region. It hopes that these students will stay and find employment in Kyoto to look after the future of the city. In June 2020, National Students Information Center Co., Ltd. concluded an agreement with Kyoto



A flea market held within the site

City, where it is headquartered. The agreement concerns collaboration to provide fulfilling student lifestyles in Kyoto's universities and student neighborhoods. In 2021, Tokyu Fudosan Holdings also joined to make it a three-party agreement and we launched the Student Mirai Community Project, in which we work with students on ways in which the Group's activities can be used to solve issues facing the city.

In fiscal 2023, 15 students from eight universities in Kyoto collaborated with companies in the city on a project in which they interviewed former exchange students who now work at these companies with a view to creating a digital book and a behind-the-scenes video for an international audience. By reporting information from a student perspective, the project communicated the appeal and value of working in Kyoto with a focus on what students want to know. The project's achievements were announced at a special presentation meeting held in April 2024 with Koji Matsui, Mayor of Kyoto, in attendance.

[Work in Kyoto—Communicating the Appeal of Kyoto Together with Students \(behind-the-scenes video\) \(Japanese only\)](#)



A student interviews an employee from collaborating company TOWA CORPORATION

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Implementing three human capital strategies in coordination with management strategies

We aim to maximize the Group's comprehensive strength by advancing human capital strategies based on our human capital philosophy and management strategies.

Human capital philosophy Aiming for growth and the creation of a sustainable society with every employee having "challenge-oriented DNA" and a "mission to engage in society"

Human capital strategies We have formulated three human capital strategies and established human capital KPIs for each measure. (→ See p. 81)



Human capital management implementation structure

We have established a structure for implementing human capital management to ensure the interlinking of human capital and management strategies. After receiving reports on human capital strategy issues and KPI progress, the Sustainability Committee and Risk Management Committee discuss what course to take together with senior management members and report the results to the Board of Directors.

In addition, to implement our human capital strategies across the Group, we hold Group Human Capital Council meetings twice a year, sharing our vision with the Group's companies and at the same time engaging in the comprehensive monitoring of human capital issues and KPIs. Further, meetings of the following cross-sectional sub-working groups are also held: The Diversity Implementation

Council, Recruitment Strategy Council, Labor Management Council, Disabled Persons Employment Liaison Council, and Health and Productivity Management Information Exchange Council. The Recruitment Strategy Council deliberates and reports on matters concerning employee recruitment and assignment, namely issues concerning the recruitment of new graduates and mid-career hires. The council is involved in recruitment activities at the Group's companies in order to develop human resources who are highly-productive and who widely contribute to society, which will be needed to realize GROUP VISION 2030.

The Group Human Capital Council deliberates and reports on issues concerning human capital cultivation, transfers, evaluations, and compensation. To support individual growth, each Group company operates systems such as job rotation systems, internal free agent (FA) systems, and open application systems in

order to enhance organizational capabilities by placing the right individuals in the most appropriate positions. We also maintain and operate evaluation and compensation systems adapted to the unique characteristics of each Group company and business. Our evaluations

are not restricted to just business results. They consider an employee's participation from various angles, including conduct, demonstration of capabilities, and 360° evaluation, nurturing growth from a medium- and long-term perspective.

Implementation structure

- Platforms for connecting with the Board of Directors
- Maintenance of a structure and mechanisms for strategy implementation such as monitoring activities and the establishment of various councils

Structure and mechanisms



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Implementing our three human capital strategies on a Group-wide basis

We are advancing distinctive initiatives to create synergies within the Group and to encourage the growth and engagement of diverse individuals.

Human capital strategies adapted to business models

In addition to advancing Group-wide human capital strategies based on the Group's shared human capital philosophy, each Group company is also implementing initiatives that have been optimized in accordance with its business model. The Group's businesses can be broadly divided into asset-utilizing businesses and human capital-utilizing businesses, and the employees advancing each

Asset-utilizing business (Tokyu Land Corporation)

Human capital requirements	Main measures
The ideal employee for realizing the long-term vision is somebody who can thrive in an organization of business producers, so we are strengthening the development of business producers who can proactively take on challenges with an ambitious vision and a broad perspective. We have set three principles for behavior (spirit of challenge, ownership, and partnership) and five specific requirements for human capital (planning capabilities, executive ability, influence, human resource and organizational development ability, and a sense of ethics), and we clarify our expectations for each type of work and level of seniority.	<ul style="list-style-type: none"> In addition to new graduates and mid-career hires, the scope of recruitment has been expanded to include referrals and the rehiring of former employees Established an alumni network of retired employees to create opportunities for business co-creation and rejoining the Group Set organizational contribution targets that evaluate contributions made to the organization Switched to a promotion system based on merit rather than length of service

Human capital-utilizing business (Tokyu Livable, Inc.)

Human capital requirements	Main measures
Responding to needs for the purchase, sale, or rental of real estate is a large business area and the skills and knowledge of each individual employee are key to creating revenue opportunities in this area or through coordination between businesses. Finding ways to utilize employees quickly after joining the company has a direct impact on business success. The ideal employee we are working to develop is a multi-value creator who can use the business operations and resources of not only their own department but also the entire Group to provide customers with added value.	<ul style="list-style-type: none"> Holding briefing sessions for managers in which they receive an explanation of management policy and business strategies from the president and can ask questions directly Implementing the Toranomaki Program, which gathers together and organizes the expert knowledge of outstanding managers so that other employees can learn from it Established career challenge and inhouse intern systems that enable employees to experience working in other departments

type of business require different skills and knowledge. Therefore, each business envisions its ideal employee and then establishes human capital development systems and implements measures based on this. The Group Human Resources Department coordinates with corporate departments, particularly the Group Corporate Planning Department, to support individual companies in advancing human resources measures with the aim of ensuring consistency between management strategy, business strategy, and human capital strategy.

Spreading our philosophy

"WE ARE GREEN" is a Group slogan that represents our intent to realize our ideal vision for 2030 through diverse green capabilities. Once a month, we hold regular WE ARE GREEN meetings that bring together the public relations departments of each company with the aim of communicating and spreading our message. We use a Group-wide internal survey to measure the degree of personal investment of operating officers of the Group's companies, representing the degree to which they personally had implemented Group coordination.

In fiscal 2023, 92% of operating officers (138 respondents) said they implemented Group coordination, achieving our fiscal 2025 target of 90% ahead of schedule.

Development of DX talent

TWe are building a Group-wide DX support framework by recruiting digital specialist personnel, with efforts centered on TFHD digital Inc. We have set the target of developing 6,000 DX promotion personnel by fiscal 2025, and we are working to achieve this by establishing programs for acquiring a wide

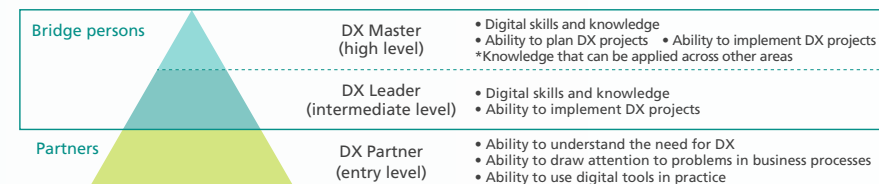
Additionally, each year the president of Tokyu Livable, Inc. gives briefing sessions on management policy and business strategies for the managers that are leading its operations. Videos of these sessions are also streamed so they can be viewed by all employees.



A briefing session by a top management member of a Group company (Yoichi Ota, President & CEO, Tokyu Livable, Inc.)

range of digital skills, as well as measures such as carrying out practical training that involves creating ideas for digital businesses. As a result of these efforts, in fiscal 2023 a cumulative total of 58 business utilized digital technology. Tokyu Land Corporation is also encouraging all of its employees to acquire IT passports with the goal of having 100% of employees possessing them by fiscal 2030.

DX promotion personnel system chart



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Implementing our three human capital strategies on a Group-wide basis

Human capital development based on environmental management

Under our Group-wide policy of environmental management, we encourage each employee to gain an understanding of environmental issues and develop human resources who can create opportunities to deliver environmental value. We hold the Sustainable Action Awards to recognize specific initiatives that address social and environmental issues through business activities. In fiscal 2023, we received 181 entries (an increase of 58 on the previous fiscal year), a large number that also enabled us to achieve our

fiscal 2025 target of a cumulative total of 300 entries ahead of schedule. The fiscal 2023 result for environmental efforts through business was 34, bringing our cumulative total up to 70. We are aiming to achieve a total of over 100 efforts by fiscal 2030.



The awards ceremony for the 2023 Sustainable Action Awards

Empowerment of women

We have positioned the empowerment of women as a management issue and have set the ratio of women among new graduate hires, ratio of female managers, and ratio of female candidates for management positions as the KPIs for this issue. We are actively advancing initiatives to empower women, including introducing a promotion program that has been adapted to include people taking childbirth and childcare leave, and providing networking opportunities that go beyond the boundaries of each company. In fiscal 2023, we held an event featuring Keiko Hamada, the former editor of AERA magazine, and a roundtable discussion between female leaders from our five main Group companies. These were shared through the Group's portal site with the aim of developing our corporate

culture. Going forward, we will work to empower women to an even greater extent, including supporting career building and work-style reforms, while also closing the wage gap between men and women.



A Group-wide networking event (total of 118 participants)



A roundtable discussion between female leaders from our five main Group companies

The STEP internal venture scheme

As of fiscal 2023, STEP*, the Group's co-creation-based internal venture scheme, has received a total of 302 proposals, four of which are to be commercialized. In January 2024, we established LeaPro Co., Ltd., which is engaged in planning a business to support the career building and development of engineers. Also, movement has started to change the

Group's approach to human resource initiatives based on a proposal received in fiscal 2021 concerning support for the return to work of people suffering from mental ill health. This shows the STEP scheme is not limited to just starting new companies. We will engage every aspect of the Group, without exception, to foster an innovative organizational culture.

*An acronym with S standing for Start, Sustainable, and Shibuya, T standing for TFHD (Tokyu Fudosan Holdings), and the other letters standing for Entrepreneur Program

Realizing work-style reforms by moving Tokyu Housing Lease Corporation's head office

In November 2023, Tokyu Housing Lease Corporation moved its head office to Minato-ku, Tokyo, thereby bringing its scattered offices together into a single building to make communication more active and foster a sense of unity. This has not only improved the motivation of employees, but also made the time spent

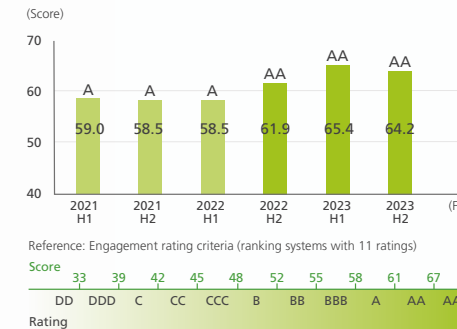
working in the office more meaningful, realizing a work environment that helps to enhance the services it provides customers.



The office provides areas where employees can gather naturally




Improvement of employee engagement

Since the second half of fiscal 2022, Tokyu Land Corporation has maintained an employee engagement score equivalent to an AA rating. Although it is realizing workplaces where each individual can freely demonstrate their individuality and abilities, it also recognizes that the generalization and standardization of knowledge is an issue. It is working to improve the issues identified by each score with the aim of enhancing work satisfaction and the inclusivity of its workplaces.

Tokyu Land Corporation's employee engagement score

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Strategy measures and human capital KPI [Results from past years](#) → [See p. 102](#)

Human capital strategies	Measures	Human capital KPI	FY2023 result (YoY)	Target	Outcomes
 <p>Develop people who create value</p>	<ul style="list-style-type: none"> Dissemination of Group philosophy 	<ul style="list-style-type: none"> Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination) 	92% (+8%)—covering a total of 138 officers	90% (FY2025)	<p>2030 Create value for the future</p> <p>Production of personnel who are highly-productive and widely contribute to society</p> <p>Realization of environments where employees can work with motivation and ambition and in good physical and mental health.</p>
	<ul style="list-style-type: none"> Development of DX talent 	<ul style="list-style-type: none"> Acquisition of IT passports*1 Number of initiatives utilizing digital technology 	84% (+13%) Cumulative total of 58 (+15)	100% (FY2030) Cumulative total of at least 100 (FY2030)	
	<ul style="list-style-type: none"> Human capital development based on environmental management 	<ul style="list-style-type: none"> Sustainable Action Awards Environmental efforts through business 	181 entries (+58), cumulative total of 304 Cumulative total of 70 (+34)	50 entries/year, cumulative total of 300 (FY2025) Cumulative total of at least 100 (FY2030)	
 <p>Develop organizations with diversity and a sense of unity</p>	<ul style="list-style-type: none"> Empowerment of women 	<ul style="list-style-type: none"> Ratio of women among new graduate hires*2 Ratio of female managers (ensuring the diversity of core human capital)*2*3 Ratio of female candidates for management positions*2*3 	39% (-7%)—April 2024 result 9% (+1%)—April 2024 result 18% (+0%)—April 2024 result	50% (April 2030) At least 20% (April 2030) At least 20% (April 2030)	
	<ul style="list-style-type: none"> Empowerment of diverse human capital 	<ul style="list-style-type: none"> Ratio of mid-career hires among managers*2*3 Deepening understanding of DE&I (percentage of employees who took an e-learning course)*2 	54% (+8%)—April 2024 result 96% (+10%)	50% (April 2030) 100% (FY2030)	
	<ul style="list-style-type: none"> Fostering of an innovative organizational climate 	<ul style="list-style-type: none"> Number of proposals commercialized through STEP, the Group's co-creation-based internal venture scheme Acquiring external knowledge and sharing expertise within the Group 	Cumulative total of 302 proposals (+49 proposals) 1 commercialized, cumulative total of 4 Held 11 seminars, cumulative total of 119 seminars	Commercialization of 1 proposal/year (FY2025) Hold 4 seminars/year (FY2025)	
 <p>Enhance motivation to work and foster an employee-friendly work culture</p>	<ul style="list-style-type: none"> Promotion of health and productivity management 	<ul style="list-style-type: none"> Ratio of employees who undergo physical examinations*2 Ratio of employees who undergo stress checks*2 Ratio of childcare leave taken by male employees*2 	100% (+0%) 93% (+0%) 89% (+24%)	100% (FY2030) 100% (FY2030) 100% (FY2030)	
	<ul style="list-style-type: none"> Support for diverse work styles 	<ul style="list-style-type: none"> Ratio of Group companies implementing a remote working system*2 Ratio of Group companies implementing a flextime (or staggered working hours) system*2 	100% (+0%) 100% (+0%)	100% (FY2030) 100% (FY2030)	
	<ul style="list-style-type: none"> Improvement of employee engagement 	<ul style="list-style-type: none"> Carrying out employee engagement surveys and implementing improvements*1 	AA engagement rating (same as previous FY)	AA engagement rating (FY2030)	

* Results for fiscal 2023 and April 2024 are provisional estimates and include figures that have yet to undergo third-party verification.

*1. Tokyu Land Corporation

*2. Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable Inc., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.)

*3. "Managers" indicates employees at the manager level or above while "candidates for management positions" indicates employees one level below manager (assistant manager or equivalent)

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Promoting due diligence internally and externally

We are practicing due diligence and working toward solutions to human rights issues in order to ensure respect for the human rights of not only Group employees, but also people throughout our entire supply chain.

Human Rights Policy and Sustainable Procurement Policy

In December 2019, we formulated the Tokyu Fudosan Holdings Group Human Rights Policy. We support and respect the human rights described in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and we cooperate with suppliers to carry out business activities that respect human rights, using the framework outlined in the United Nations Guiding Principles on Business and Human Rights and based on the principles outlined

in United Nations Global Compact and other international norms.

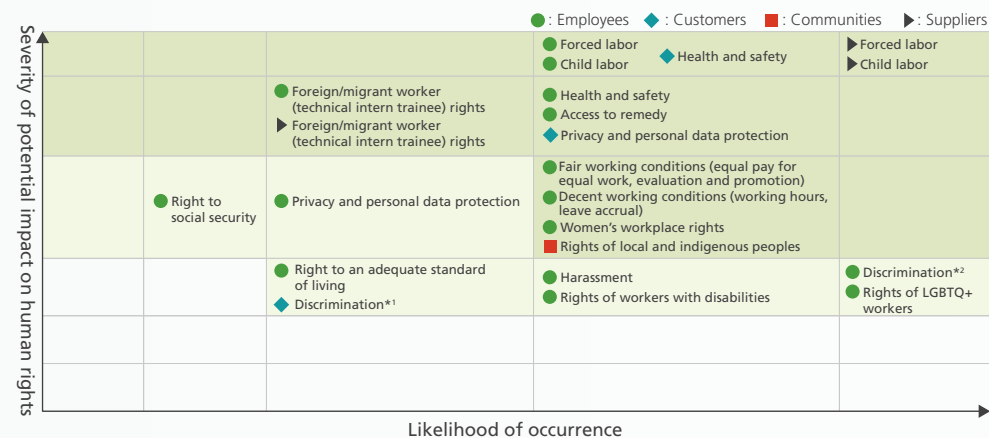
Additionally, in January 2020 we formulated the Tokyu Fudosan Holdings Group Sustainable Procurement Policy. As a responsible corporate group, we are practicing sustainable procurement throughout our entire supply chain with the aim of preventing and lessening the negative impact of our business activities on human rights and the environment.

Furthermore, we ensure that Group companies and suppliers know about our policies and that they understand and comply with them.

Identifying and mapping human rights risks

When formulating our human rights policy, we analyzed and evaluated risk based on the likelihood of occurrence and severity of

potential impact, both on a Group-wide basis and for each business. In fiscal 2022, we revised our evaluations in accordance with business restructuring and risks related to our materialities, and formulated the human rights risk map shown below.



*1 Risk to customers: Discrimination during the provision of customer service or use of services, discriminatory depiction in advertising, etc.
 *2 Risk to employees: Discrimination based on nationality, race, religion, personal beliefs, sex, age, sexual orientation, gender identity, disability, etc.

Priority issues and main initiatives

Our risk evaluations identified six items as important human rights issues.

1. Forced labor and child labor
2. Employment conditions and work environments of employees and suppliers (including migrant workers)
3. Infringement on employees' privacy and personal information protection rights
4. Impact of land development on local communities (including indigenous people)
5. Safety of employees and suppliers during development
6. Infringement on the right to access remedy

After considering the effects of our business activities on human rights, we have positioned the prevention of forced and child labor within the supply chain and the sustainable procurement of construction

Practicing due diligence toward suppliers

Tokyu Land Corporation practices due diligence toward the construction companies that are its main business partners and important suppliers. As part of this, our guidelines for estimates stipulate compliance with our Human Rights Policy and Sustainable Procurement Policy, consideration for the human rights of foreign technical intern trainees, and also require that estimates include certified wood for the wood used in concrete formwork. Since fiscal 2021, we have conducted sustainable procurement surveys on an

annual basis. These assess risk in regard to each construction company and are implemented under the supervision of an external consultant. We provide each company with feedback from these risk assessments in document form, which includes proposals for improvements. We also carry out supplier engagement, focusing on companies that require significant improvements or companies which are engaged in advanced environmental initiatives. This engagement includes checking the progress made on proposed improvements and sharing examples of excellent practices by environmentally advanced companies.

materials as priority issues. Accordingly, we have set relevant KPI with targets for fiscal 2030 in our long-term management policy and we disclose achievement rates pertaining to these targets.

Also, since September 2018, we have participated in the Construction and Real Estate Human Rights Due Diligence Promotion Council, an organization comprising construction companies and other companies related to the construction industry. The council works to identify the impact of business activities on human rights and to carry out research in areas such as measures for addressing these impacts, with the aim of building mechanisms for human rights due diligence that includes supply chains.

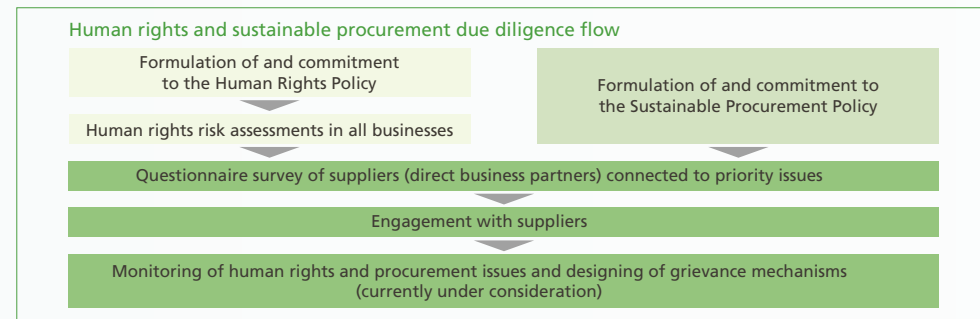
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Promoting due diligence internally and externally

Supplier evaluation (construction companies)

Item	Unit	FY2021	FY2022	FY2023	
Number of suppliers	Subject	171	184	190	
Number of evaluations obtained	Subject	45	79	97	
Evaluation ratio	%	26.7	42.9	51.5	
Evaluation results (Social/ environmental issues)	High risk	Subject	4	8	9
	Medium risk	Subject	29	45	52
	Low risk	Subject	12	26	36

Evaluation based on the number of results judged to be high risk in the responses to a self-evaluation survey conducted by construction companies.
 High risk: A company that has a particular need for improvement and requests improvement
 Medium risk: A company that generally has no problems, but there is room for improvement in some procurement activities
 Low risk: Companies that practice procurement activities in accordance with sustainable procurement policies



Practicing due diligence within the Group

We are working to educate Group employees about human rights through awareness raising content in internal newsletters, e-learning, and new employee training, among other measures. We have also established contact points* for consultation regarding harassment and LGBTQ+ matters.

*Tokyu Land Corporation and Tokyu Community Corp.

Consideration for the human rights of migrant workers

We ensure that the human rights of migrant workers are considered by businesses operated and managed by the Group. We are strengthening engagement, including facilitating the sharing of information and collaboration over educational activities between Group companies that employ a lot of migrant workers, with the aim of making them the first-choice companies for applicants. Going forward, we will respond to changes in laws and regulations and practice due diligence within employment activities.

Tokyu Bldg. Maintenance

Since fiscal 2017, Tokyu Bldg. Maintenance has taken part in the Technical Intern Training Program and as of March 2024, 68 trainees worked in its building cleaning business. It has been carrying out original and creative initiatives to show consideration for trainees and to help them understand operational processes. Also, in fiscal 2023, we engaged an external consultant to carry out due diligence concerning the company and trainees. This confirmed that an appropriate management structure was in place, including the

Tokyu Resorts & Stays Co.,Ltd

Tokyu Resorts & Stays Co.,Ltd operates the Group's hotel and resort facilities throughout Japan and it employs migrant workers from various countries. To respond to customer needs accompanying the growing number of overseas visitors to Japan, it is encouraging the employment of people who fall under the Engineer/Specialist in Humanities/ International Services or Specified Skilled Worker (i) visa categories.

As of March 2024, the company had 11 non-Japanese workers with specified skills, and they are working in the restaurant and kitchen departments of various facilities. When employing these workers, the company strives to engage and develop them, including by providing education on Japanese language and culture, explanations of the company's rules

employment of inhouse interpreters by the company and regular communication with supervisors. It also confirmed that there were no human rights infringements requiring immediate improvement.

Main initiatives

- 1) Between one and three months before a prospective trainee comes to Japan, we visit them in their home country and conduct an interview
- 2) We encourage trainees to enter a Japanese essay writing contest
- 3) After a trainee has been in Japan a year, we visit their family in their home country
- 4) We implement training programs for acquiring skills (once per month)

and regulations, and practical skills training. It also employs the same career development and evaluations systems it uses for all employees. Going forward, it will encourage workers to acquire Designated Activities (ii) visas and actively promote them to management positions. There are plans for human rights due diligence to be carried out within fiscal 2024.



Training before workers are allocated to a facility

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The Group improves the soundness and transparency of its management by emphasizing the practice and thoroughness of risk management and compliance. We are strengthening corporate governance while being cognizant of the creation of systems that enable more prompt and decisive decision-making.

Message from the Chairman of the Board of Directors



Kiyoshi Kanazashi

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

The Tokyu Fudosan Holdings Group aims to realize its ideal vision to “create value for the future” and build a solid and distinctive business portfolio. Having set environmental management and digital transformation (DX) as Group-wide policies, the Group strives to create unique value. And the Group positions and implements governance as an essential management foundation to achieve this.

In the composition of the Board of Directors, while also paying heed to overall balance to ensure diversity, we focus on the skills the Board requires to achieve our long-term management policies and advance our medium-term management plans. We have determined seven skillsets that we would like the overall Board to possess. These are corporate management, environment/sustainability, accounting/finance, legal affairs/compliance/risk management, global, personnel/labor, and DX. Board candidates

are selected based on these criteria after consultation with the Nomination and Compensation Committee.

For our independent outside directors, in addition to their role and duty to appropriately supervise the performance of duties from a standpoint independent of management, we also ask them to give advice on business execution from a comprehensive and objective perspective, and to give their opinions from the perspective of the Group’s broad range of stakeholders. We believe that an appropriate ratio for independent outside directors in the Board is one-third or more, and the current ratio is 38%.


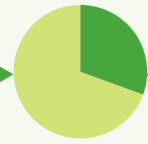
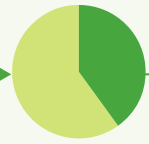
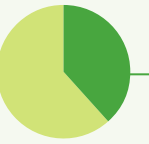
In order to further enhance the effectiveness of the Board of Directors, we conduct an effectiveness evaluation each year and address issues identified in the evaluation. In fiscal 2023, we sought to enhance the depth of Board discussions through such

initiatives as moving forward the timing of the distribution of advance materials for meeting agenda items, and conducting a seminar by an external lecturer on the theme of generative AI as training for Board members. In addition, in the evaluation of the Board’s effectiveness in fiscal 2023, we adopted the use of interviews for the first time, seeking to explore issues in greater depth through interviews conducted by an external organization. Going forward, we will continue working to identify issues and make improvements based on the use of questionnaires while combining this with periodic interview-based evaluations in order to enrich discussions and further improve the effectiveness of Board of Directors meetings.

We will maintain our ongoing efforts to create value for the future by strengthening governance, the foundation supporting our sustainable growth.

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Timeline of the strengthening of corporate governance

FY	-2016	2017	2018	2019	2020	2021	2022	2023
Management plan	Medium- and long-term management plan Value Frontier 2020 Stage 1: Medium-term management plan 2014–2016 Stage 2: Medium-term management plan 2017–2020					Long-term vision GROUP VISION 2030 Medium-term management plan 2025		
Composition of the Board of Directors	FY2014: Elected first outside director FY2016: Increased the number of outside directors to three Outside directors 23.1%  3/13		Elected first female outside director Outside directors 30.8%  4/13			Increased the number of female outside directors to two Outside directors 40.0%  6/15	Outside directors 38.5%  5/13	
Outside directors/total directors								
Evaluation of the effectiveness of the Board of Directors	FY2016: Began evaluating effectiveness of the Board of Directors			Introduced third-party evaluation	Began using an external consultant			First use of interviews in evaluation
Nomination and Compensation Committee	FY2016: Established the Nomination and Compensation Committee					Changed so that outside directors account for a majority		
Compensation systems		Introduced a stock-based compensation system for directors and delegated operating officers			Evaluated remuneration for officers that takes into account their ESG efforts		Increased correlation with important management plan indicators	
Other	FY2015: Established independence standards for outside directors FY2015: Clarified policy regarding cross-shareholdings FY2016: Began the appointment of a lead independent outside director	Set KPIs for corporate governance	Established the Corporate Governance Guidelines		Disclosed a directors' skills matrix		Moved to Prime Market	

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Corporate governance system

Basic approach

In order to fulfill our responsibility to our stakeholders, including customers, employees, business partners, local communities, shareholders, and investors, as well as our responsibility to future society, 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 the

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 implementing initiatives concerning governance and engaging smoothly in constructive dialogue

with shareholders and investors. Since we developed these guidelines in 2018, we have continued to review them in response to revisions of laws and social demand related to governance.

[➔ To the Corporate Governance website](#)

Roles of key organizations

Board of Directors

The Board of Directors passes resolutions on the Company's management policy and important matters concerning 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 the Audit & Supervisory Board audits daily corporate activities, including the legality of directors' performance of their duties and the appropriateness of accounting processes, in accordance with stipulations of laws, the Articles of Incorporation, and other criteria.

Nomination and Compensation Committee

This is a non-mandatory committee that mainly deliberates on matters related to the nomination of candidates for director and operating officer and compensation for directors and operating officers.

In order to promote the appropriate execution of business in terms of both financial and non-financial aspects, we have established the following organizations headed by the president and CEO.

Group Executive Committee

This committee deliberates on important matters related to management and operations of the Group and oversees 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.

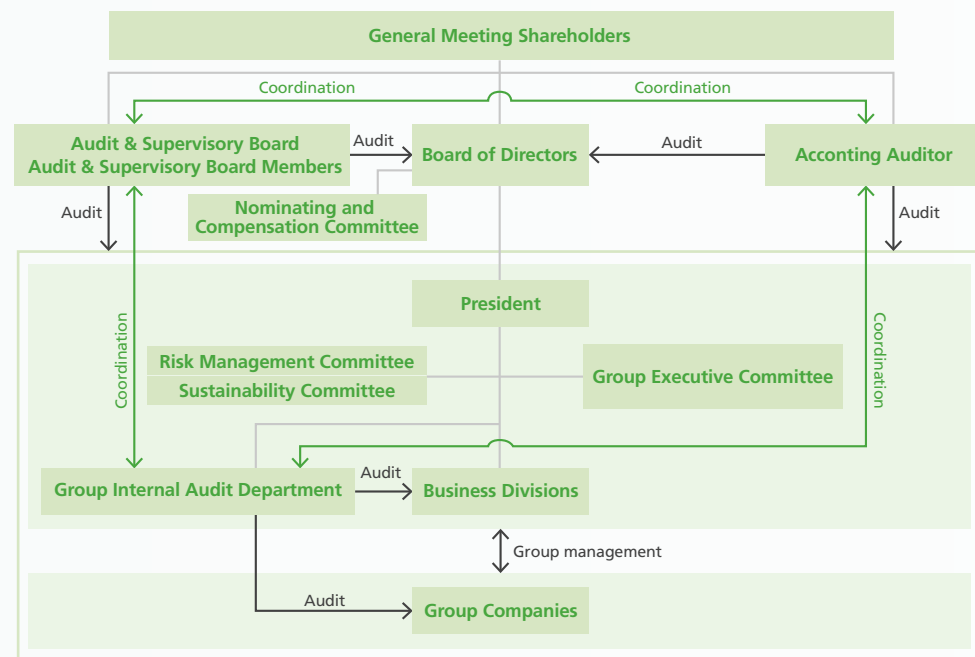
Risk Management Committee

This committee comprehensively manages and supports risk management by Group companies. This includes managing important Group-wide risk countermeasures; working to understand, evaluate, and monitor the status of risk management efforts at each Group company; and reporting the results of these activities to the Board of Directors. This committee meets twice a year.

Sustainability Committee

This committee evaluates the opportunities and risks of environmental issues such as climate change; human rights; diversity, equity, and inclusion (DE&I); social contributions; and other important issues. It also drafts plans, tracks achievements, and reports the results of deliberations to the Board of Directors. This committee meets twice a year.

Corporate governance structure



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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, regulations, and the Articles of Incorporation.

Authority for the execution of business

Main topics discussed by the Board of Directors

Fiscal 2023

- Progress of medium-term management plan and portfolio management
- Evaluations of the effectiveness of the Board of Directors
- Updates on reports concerning corporate governance
- Verification of the rationality of cross-shareholdings
- Audit reports from the Internal Audit Department
- IR activities reports
- Key risk indicator (KRI) monitoring report
- The economy and business environment outlook
- Financial market trends and the financing environment around the Group
- Activities reports from the Risk Management Committee, Sustainability Committee, and Information Security Committee
- Monitoring of the progress made on previous resolutions of the Board of Directors

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 also supervises the performance of these duties.

Composition of the Board of Directors

We are striving for a composition of the Board of Directors that is diverse and possesses the skills required to achieve long-term management policies and advance medium-term management plans. For this purpose, we have developed a skills matrix to ensure a good balance between the Board of Directors' overall knowledge, experience, and capabilities, while ensuring its diversity.

➔ See p. 96

We select people with knowledge and judgment as candidates for internal directors. As for 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 the 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 is one-third or more, and the current ratio is 38%.

Evaluating effectiveness of the Board of Directors

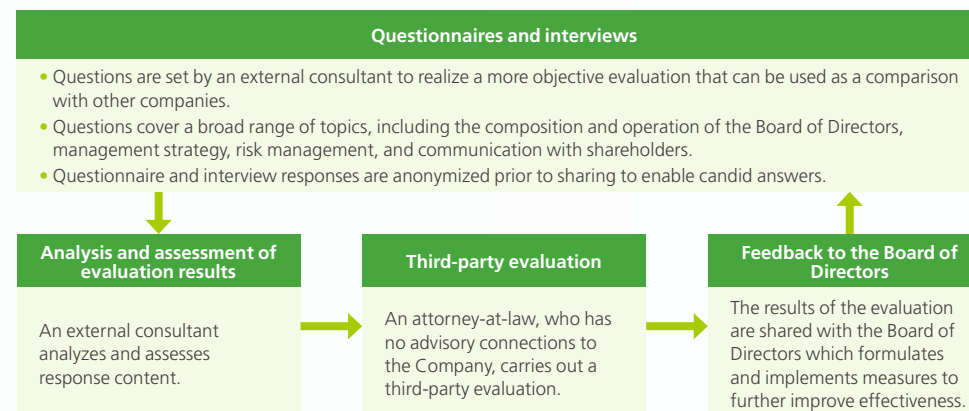
Each year, we carry out an evaluation of the effectiveness of the Board of Directors based on opinions from each director and Audit & Supervisory Board member and other information, with the aim of ensuring the soundness and transparency of management. In fiscal 2023, in addition to questionnaires, we also made use of interviews, a method that facilitates a deeper exploration of opinions. To ensure that the design and aggregation of the questionnaires was objective, we used an external consultant, and the responses were evaluated by a third-party attorney-at-law who has no advisory connections to the Company.

As an example of our efforts to improve Board effectiveness, in the fiscal 2022

evaluation, we received comments expressing a desire for earlier distribution of materials for Board of Directors and other meetings as well as for regular reporting on management strategies. In response, we devised operational measures to distribute materials for Board and other meetings earlier and thereby stimulate discussion. We also implemented reporting on DX-related fields and human resource strategies. Further, based on comments stating that we needed to more proactively communicate the Group's initiatives in non-financial information to enhance stakeholders' understanding, we improved information dissemination through the Integrated Report, Environmental Management Report, DX Report, sustainability website, and other means.

As a result of initiatives like these, the fiscal 2023 evaluation of the effectiveness of the Board of Directors again confirmed that the Board is sufficiently effective.

Effectiveness evaluation cycle



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Nomination and Compensation Committee composition

The Nomination and Compensation 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. Internal rules stipulate that over half of the committee should be independent outside directors and that an independent outside director serves as chair. The Board of Directors consults this committee concerning the matters above before passing resolutions on them.

The committee met four times in fiscal 2023 and attendance was 100%. The composition in fiscal 2024 is as follows.

- 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 & CEO)

Specific matters considered by the Nomination and Compensation Committee

Fiscal 2023

- Individual evaluation concerning performance-based remuneration (bonuses) for executive directors and operating officers in fiscal 2022
- Compensation for outside officers
- Selection of a representative director, directors with special titles, and a lead independent outside director
- Selection of a chair and members for the Nomination and Compensation Committee
- Transfer of the representative director of a subsidiary (replacement of president)
- The fiscal 2024 director, operating officer, and Audit & Supervisory Board member system

Lead independent outside director

In accordance with Supplementary Principle 4.8.2 of Japan's Corporate Governance Code, we have appointed a lead independent outside director with a view to establishing a framework for communicating and coordinating with management and for cooperating with the Audit & Supervisory Board and its members.

Policies and procedures for the appointment or dismissal of members of senior management and the nomination of Director candidates

Appointment policies

- The candidate has the requisite character and knowledge to be a director.
- There are no health factors that might impede the execution of duties.

Directors appointed from within the Company

- The candidate has the requisite knowledge and judgement to practice management that will lead to the achievement of medium- to long-term management plans.

Succession plan

Each candidate's achievement of management indexes made through their work experience as a person responsible for two or more businesses 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.

Outside directors

- The candidate has a sensible, objective perspective and extensive experience in fields such as management, legal affairs, finance, and accounting.
- The candidate can raise and discuss problems about growth strategies and the enhancement of governance from an independent standpoint.
- The candidate cannot hold concurrent positions as a director, corporate auditor, or executive officer at more than five listed companies other than the Company.

Skills matrix

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.

The seven skill areas required by the Company's Board of Directors (seven skill requirements)

- Corporate management
- Environment/sustainability
- Accounting/finance
- Legal affairs/compliance/risk management
- Global
- Personnel/labor
- DX

➔ See p. 96

Appointment procedure

Selection of candidates based on the appointment policies

Appropriate personnel are selected as candidates for senior management or director positions in accordance with the appointment policies.



Deliberation by the Nomination and Compensation Committee

The committee discusses the selection results and reports their advice to the Board of Directors.



Decision by the Board of Directors

The Board of Directors discusses the candidates, taking the advice of the Nomination and Compensation Committee into account, and makes a decision.

Dismissal policy

In the event a member of senior management is found to have committed an illegal or improper act, such as a violation of internal regulations, or is recognized as lacking the appropriate aptitude for their position, then the Board of Directors will discuss and decide on the necessary response based on advice from the Nomination and Compensation Committee.

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Director compensation

The upper limit for annual compensation paid to directors is set at ¥600 million (not including employee salaries paid to directors serving concurrently as employees). We have also introduced a stock-based compensation system, which, in principle, grants directors shares of the Company at the time of retirement. These shares are separate from monetary compensation. The Company has established a trust for granting stocks, and based on this, executive directors and operating officers with whom the Company has concluded mandate contracts (operating officers designated by the Board of Directors) may receive a maximum of 130,000 points per year (with one point equating to one share). The Company may revoke all or part of the points granted to those who are deemed to have caused disadvantage or inconvenience to the Company.

Policies related to the determination of compensation for individual directors and other such matters are decided by the Board of Directors after consulting the Nomination and Compensation Committee.

Overview of policies related to the determination of compensation for individual directors and other such matters

Basic policy

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

Compensation composition

Based on the basic policy, overall compensation comprises the following three compensation types.

• Monthly compensation

Basic compensation for the performance of daily work

• Bonuses

A short-term incentive determined based on consolidated business results for a single fiscal year and individual performance (Evaluation based on consolidated business results mainly focuses on consolidated operating profit but also includes comprehensive consideration of factors such as operating profit margin, ROE, the ratio of EBITDA to net interest-bearing debt, and ESG initiatives, while individual performance is evaluated on factors such as the business results of the organization the individual is responsible for and their contribution to achieving management plans.)

• Stock-based compensation

A medium- to long-term incentive designed to motivate directors to contribute to improving medium- to long-term business performance and corporate value (A grant of the Company's shares is paid on retirement through a trust for granting stocks, with the amount based on a number of points awarded to each director.)

Compensation levels

• Executive directors

Determined based on a level of compensation set for the president and CEO with a differential for each position factored in, with reference to objective data from external research organizations. The level of compensation for the president and CEO, used as the base level, 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 the compensation levels of industry peers, among other considerations.

• Non-executive directors

Set at a level that will attract the human resources the Company requires and motivate the performance of duties.

Composition ratios

• Executive directors

Generally, a 5:4:1 ratio of monthly compensation, bonus, and stock-based compensation (when the bonus is the base amount)

• Non-executive directors

Limited to monthly compensation only in light of their role of supervising the management of the Company from an independent, objective standpoint.

Compensation framework for executive directors

Item	Fixed compensation	Variable compensation	
	Monthly compensation	Bonus	Stock-based compensation
When it is paid	Every month	Once a year	On retirement
Positioning	Basic compensation	Short-term incentive	Medium- to long-term incentive
Target percentage to total compensation	50%	40%	10%
Approach to fluctuation	-	Varies according to performance evaluation	
Fluctuation from base amount		40–160%	
			Linked to stock price

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Compensation for Audit & Supervisory Board members

The upper limit for annual compensation paid to Audit & Supervisory Board members is set at no more than ¥120 million and compensation for individual members is determined through discussion by the Audit & Supervisory Board, within the scope of this upper limit.

Audits and internal control

Audit & Supervisory Board

The Company has adopted a statutory auditor system. Under this system, Audit & Supervisory Board members audit the duties of the directors from an independent standpoint entrusted by the shareholders, collect sufficient information to perform their duties, and ask for explanations on proposals and proactively express their opinions at the meetings of the Board of Directors.

The Audit & Supervisory Board is comprised of two full-time Audit & Supervisory Board members and two part-time Audit & Supervisory Board members (independent outside Audit & Supervisory Board members). The Audit & Supervisory Board formulates policies and plans for audits by its members, makes decisions on the duties of each member, and shares the results of the audits performed by its members in accordance with their roles.

Audit system—Three-pillar audit structure coordination

The Company employs a three-pillar audit structure consisting of the Internal Audit Department, the Audit & Supervisory Board and its members, and the accounting auditor. Based on the Internal Audit Regulations, Basic Internal Control Regulations on Financial Reporting, and Statutory Auditor Audit Standard, the three parties share information as well as

each other’s reports. Further, they coordinate with each other as needed in the auditing activities they engage in from their respective independent standpoints.

In addition, the Internal Audit Department and Audit & Supervisory Board share awareness of issues with the Internal Control Department through the internal control system audits they perform and through the exchange of ideas with relevant officers.

To ensure the Internal Audit Department’s independence and effectiveness, the Group Internal Audit Department has been established under the control of the president and CEO. In addition, the Company has established the Office of Statutory Auditors, an organization independent from Company executives, with dedicated staff supporting the work of the members of the Audit & Supervisor Board.

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 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 of development and the operational status of internal control systems.

Total amount of compensation for directors and Audit & Supervisory Board members in fiscal 2023

Position	Total amount of Compensation (Millions of yen)	Total amount of each type of compensation (Millions of yen)			Number of eligible persons
		Monthly compensation (fixed compensation)	Bonus	Stock-based compensation	
Directors	414	201	160	52	14
(of which, outside directors)	58	58	-	-	5
Audit & Supervisory Board members	75	75	-	-	5
(of which, outside Audit & Supervisory Board members)	16	16	-	-	2

Notes:

- (1) Stock-based compensation is categorized as non-monetary compensation.
- (2) The number of people and the compensation amounts in the table to the left include one director and one Audit & Supervisory Board member who resigned at the closing of the 10th Ordinary General Meeting of Shareholders held on June 28, 2023.
- (3) The amount of bonuses includes the provision for bonuses for directors (and other officers) for fiscal 2023.
- (4) The amount of stock-based compensation is the provision for share awards for directors for fiscal 2023. The basis for calculating the provision for share awards for directors (and other officers) is the book value of the Company’s shares acquired through a trust using funds provided by the Company.

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Risk management policy

The Company has defined seven risk categories (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) that, if manifested, could interfere with the achievement of management targets of Group companies. We recognize climate change risk as a 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.

Risk management structure

The Risk Management Committee and the Group Executive Committee manage each highly significant risk category in accordance with the type of risk. Overall risk management is overseen by the Risk Management

Committee, which reports to the Board of Directors.

The Risk Management Committee also manages Group priority risks, which are risks that need to be addressed on a Group-wide basis, and monitors and evaluates the status of risk management at each Group company.

Each Group priority risk is assigned to a supervising division, which is responsible for running a thorough PDCA cycle. Also, the monitoring and evaluation of the status of risk management at each Group company by the Risk Management Committee is strengthening

the overall Group risk management structure.

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.

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.

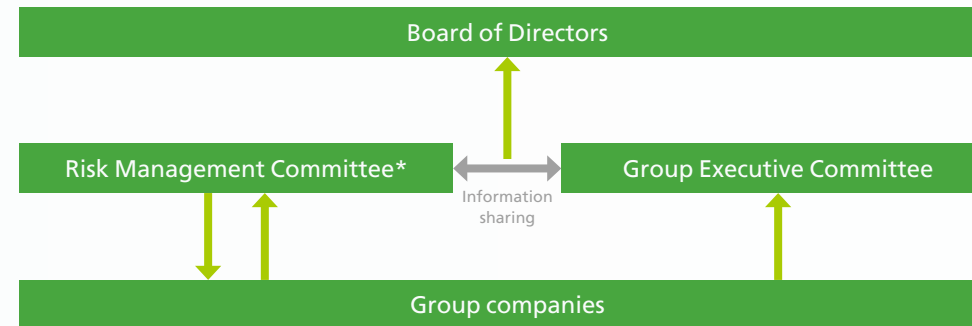
Highly significant risks

- 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



* Has overall control of managing Group priority risks and monitoring and evaluating the status of risk management at each Group company

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Main scenarios and management initiatives for major risks

Risk category	Main scenario	Risk management initiatives
Investment risks	<ul style="list-style-type: none"> Asset-utilizing businesses may see a downturn in profits or profitability, or a decrease in the value of owned assets due to factors including changes in business conditions, real estate markets, or government policy in Japan and overseas. 	<ul style="list-style-type: none"> We have set risk management factors and calculate value at risk for each investment asset, and the amount of risk is managed through continuous monitoring.
Financial and capital risks	<ul style="list-style-type: none"> Our financial position and business performance may be adversely affected by a rise in interest rates or a steep drop in share price. 	<ul style="list-style-type: none"> When procuring financing from financial institutions, we minimize the impact of interest rate rises through steps such as ensuring the majority of interest-bearing debt is long-term. In regard to equity, we work to keep our share price at an appropriate level by analyzing capital market trends and other measures.
Climate change risks	<ul style="list-style-type: none"> Transition risk: Tighter laws and regulations, such as carbon taxes, may have an adverse impact on business, while companies that cannot adapt to movement toward a decarbonized society may suffer a fall in demand and loss of reputation. Physical risk: The ski resort business may be impacted by reduced snowfall and adverse climate events may raise costs by damaging buildings and lengthening construction periods. 	<ul style="list-style-type: none"> We have accepted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and joined the TCFD Consortium. We have formulated a plan to transition to a decarbonized society and have set climate change-related targets and are advancing Group-wide initiatives to achieve them. Details of initiatives are discussed and coordinated by the Sustainability Committee and reported to the Board of Directors.
IT strategy risks/digital strategy risks	<ul style="list-style-type: none"> If we are unable to respond swiftly and appropriately to technological progress and changes in customer demand, our financial position and business performance may be adversely affected. 	<ul style="list-style-type: none"> We are considering possible applications for new technologies in each business. We have positioned digital transformation (DX) as the Group policy and are advancing various measures.
Personnel and labor risks	<ul style="list-style-type: none"> The decline in the working population due to the declining birthrate and aging population in Japan, and the resulting shortage of human resources, may hinder the growth of our Group. 	<ul style="list-style-type: none"> We are eliminating over-long working hours and encouraging employees to use paid leave. We are adapting to the diverse work styles of employees through measures such as remote work and work-at-home systems.
Information security risks	<ul style="list-style-type: none"> If we were to suffer an information leak caused by a cyberattack or Group employee, it may adversely impact our social credibility and brand image. 	<ul style="list-style-type: none"> We are strengthening our security measures We are raising the digital literacy of employees through training, such as targeted email attack drills.
Crisis management response	<ul style="list-style-type: none"> A crisis such as a natural disaster, terror attack, accident, fire, or epidemic, an event such as the discovery of an environmental issue or real estate defect, or an extreme change in population demographics may result in conflict related to damages connected to assets owned by the Group or the fulfillment of compensation obligations. 	<ul style="list-style-type: none"> We are preparing safety measures and business continuity plans for times of disaster. We are carrying out training that anticipates a variety of potential disasters.
Legal and compliance risks	<ul style="list-style-type: none"> If an event such as a violation of laws and regulations or a payment of compensation for damages were to occur, it may adversely impact our social credibility and brand image. 	<ul style="list-style-type: none"> We have formulated and promote a compliance program. We are establishing compliance frameworks at each Group company. We have created a code of conduct and compliance manual for all Group officers and employees.

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 Information Security Committee has established and operates PDCA cycles, which includes receiving 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 the 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.

Tokyu Fudosan Holdings Group Code of Conduct

(Revised April 2024)

1. Fulfilling Our Promises to Society	2. Creating a Sound Work Environment	3. Doing Business with Integrity	4. Safeguarding Company Assets
<ul style="list-style-type: none"> Respect for human rights Contribution to society Coexistence with the environment 	<ul style="list-style-type: none"> Ensuring a healthy, safe, and comfortable work environment Prohibiting harassment Clearly separating public and private life 	<ul style="list-style-type: none"> Providing value consistently preferred by customers Practicing appropriate procurement Ensuring fair transactions Complying with laws and regulations Prohibiting bribery and inappropriate entertainment Severing all relations with antisocial forces Prohibiting insider trading 	<ul style="list-style-type: none"> Appropriately managing documents/information and operating information systems Appropriately managing sensitive, personal, and other information, and rigorously upholding confidentiality obligations Protecting company property

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). Specifically, we have established an internal whistleblowing office that allows anonymous reports to be made and an external 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. In fiscal 2023, 163 consultations and enquiries, mostly concerning minor issues, were made through these channels.

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Directors

Kiyoshi Kanazashi
Chairman



Director, Tokyu Corporation
Representative Director (Chairman), The Tokyu Foundation
Representative Director (Chairman), Lifelong Health and Wellness Association

Number of the Company's shares owned

Common stock: 113,546
Potential shares: 39,025
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
10 years 9 months
(As of June 2024)

Reason for election

Kiyoshi Kanazashi joined Tokyu Land Corporation in 1968 and has worked in areas such as the housing business. He has participated in corporate management as President and Director of the Company from 2013 to 2015 and as Chairman of the Company since 2015. He has extensive operational experience within the Group and knowledge of every aspect of corporate management. He also offers insight relating to the environment and sustainability gained through his commitment to the activities of an external organization that aims to realize a sustainable society with lifelong health.

Hironori Nishikawa
President & CEO



Chairman, Tokyu Land Corporation
Chairman, Real Estate Fair Trade Council

Number of the Company's shares owned

Common stock: 54,375
Potential shares: 39,025
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
8 years
(As of June 2024)

Reason for election

Hironori Nishikawa joined Tokyu Land Corporation in 1982 and has worked in areas such as the resort business, human resources division, and general administration division. He has participated in corporate management as a Director of the Company since 2016 and as President & CEO of the Company since 2020, with a focus on promoting environmental management and digital transformation (DX). He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment and sustainability.

Hitoshi Uemura
Representative Director & Vice President



Chairman, Student Support Center

Number of the Company's shares owned

Common stock: 52,275
Potential shares: 33,200
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
9 years
(As of June 2024)

Reason for election

Hitoshi Uemura joined Tokyu Land Corporation in 1982 and has worked in areas such as real estate securitization operations and the overseas business. He has participated in corporate management as a Director of the Company since 2013 and has served as a Representative of a DX technology subsidiary since 2022. He offers extensive operational experience within the Group; knowledge of every aspect of corporate management; and insight relating to the environment, sustainability, and DX.

Shohei Kimura
Director, Operating Officer



President & CEO, Tokyu Community Corp

Number of the Company's shares owned

Common stock: 31,000
Potential shares: 30,275
(As of March 31, 2024)


Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
5 years
(As of June 2024)

Reason for election

Shohei Kimura joined Tokyu Land Corporation in 1984 and has worked in areas such as the overseas business, senior-related business, and finance division. He has participated in corporate management as a Director of the Company since 2019. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment, sustainability, and DX.

Yoichi Ota
Director, Operating Officer



President & CEO, Tokyu Livable, Inc.
Chairman, The Association of Real Estate Agents of Japan
Chairman, Real Estate Information Network for East Japan

Number of the Company's shares owned

Common stock: 31,415
Potential shares: 31,475
(As of March 31, 2024)


Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
4 years
(As of June 2024)

Reason for election

Yoichi Ota joined Tokyu Land Corporation in 1983 and has worked in areas such as the real estate brokerage business and human resources division. He has participated in corporate management as a Director of the Company since 2020. He offers extensive operational experience within the Group and knowledge of every aspect of corporate management.

Hiroaki Hoshino
Director, Operating Officer



President & CEO, Tokyu Land Corporation

Number of the Company's shares owned

Common stock: 14,700
Potential shares: 18,850
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office
2 years
(As of June 2024)

Reason for election

Hiroaki Hoshino joined Tokyu Land Corporation in 1989 and has worked in areas such as the office and commercial facility business. He has participated in corporate management as a Director of the Company since 2022. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment, sustainability, and DX.

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Directors

Shinichiro Usugi
Director, Operating Officer



Number of the Company's shares owned

Common stock: 11,800
Potential shares: 5,400
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
10/10 (100%)

Period in office

1 year
(As of June 2024)

Reason for election

Shinichiro Usugi joined Tokyu Land Corporation in 1991 and has worked in areas such as the finance division and residential business. He has participated in corporate management as a Director of the Company since 2023. He offers extensive operational experience within the Group; knowledge of every aspect of corporate management; and insight relating to accounting, finance, and DX.

Hirofumi Nomoto
Director



Number of the Company's shares owned

Common stock: 38,724
Potential shares: —
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office

10 years 9 months
(As of June 2024)

Reason for election

Hirofumi Nomoto is the Chairman of the Board and Representative Director of Tokyu Corporation, the Company's major shareholder. He has insight relating to corporate management in general, environment, sustainability and DX.

Outside Directors

Makoto Kaiami
Outside Director
(Independent Officer)



Outside Audit & Supervisory Board Member, Seiren Co., Ltd.
Outside Director, Japan Post Holdings Co., Ltd.

Number of the Company's shares owned

Common stock: 6,100
Potential shares: —
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office

6 years
(As of June 2024)

Reason for election and expected role

The Company expects Makoto Kaiami to leverage the knowledge in corporate legal affairs, compliance, and risk management he has gained as a judge and attorney at law to supervise the management of the Company and offer advice on the execution of duties based on his insight and opinions from the viewpoints of stakeholders. Additionally, there is no legal advisory contract between Mr. Kaiami and the Company. The Company judges that he is able to appropriately perform duties as an Outside Director based on his expert knowledge and many years of legal experience.

Satoshi Miura
Outside Director
(Independent Officer)



Outside Director, Nippon Life Insurance Company

Number of the Company's shares owned

Common stock: 8,000
Potential shares: —
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office

3 years
(As of June 2024)

Reason for election and expected role

Satoshi Miura has served in key positions at NTT group, a telecommunications operator that serves the public interest, and possesses extensive experience and broad knowledge of managing holding companies from a long-term and sustainable perspective, as well as of overseas businesses, human resources, labor affairs, and DX. The Company expects him to leverage this knowledge to supervise the management of the Company and offer advice on the execution of duties based on his insight and opinions from the viewpoints of stakeholders.

Tsuguhiko Hoshino
Outside Director
(Independent Officer)



Vice Chairman, The General Insurance Association of Japan
Outside Director, Aisin Corporation

Number of the Company's shares owned

Common stock: 2,000
Potential shares: —
(As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
12/12 (100%)

Period in office

3 years
(As of June 2024)

Reason for election and expected role

The Company expects Tsuguhiko Hoshino to leverage the knowledge of accounting, finance, legal affairs, compliance, and risk management, as well as the global perspectives he gained while serving at the Ministry of Finance and National Tax Agency, during which he participated in the establishment of the Financial Services Agency, to supervise the management of the Company and offer advice on the execution of duties and opinions from the viewpoints of stakeholders. The Company judges that he is able to appropriately perform duties as an Outside Director based on his expert knowledge and many years of experience as an administrative official.


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Outside Directors

Yumiko Jozuka
 Outside Director
 (Independent Officer)

Outside Director, Shimizu Corporation
 Representative Director (Chairman), Japan Institute for Women's Empowerment & Diversity Management



Number of the Company's shares owned

Common stock: 900
 Potential shares: —
 (As of March 31, 2024)

Attendance at meetings of the Board of Directors in fiscal 2023
 12/12 (100%)

Period in office


3 years
 (As of June 2024)

Reason for election and expected role

The Company expects Yumiko Jozuka to leverage the knowledge of legal affairs, compliance, risk management, human resources, labor affairs, environment, and sustainability she gained while serving at the Ministry of Health, Labour and Welfare Ministry, during which she engaged in efforts to promote work style reform and women's participation and advancement in the workplace, to supervise the management of the Company and offer advice on the execution of duties and opinions from the viewpoints of stakeholders. The Company judges that she is able to appropriately perform duties as an Outside Director based on her expert knowledge and many years of experience as an administrative official.

Akiko Uno
 Outside Director
 (Independent Officer)

Outside Director, Hokuriku Electric Power Company



Number of the Company's shares owned

Common stock: 0
 Potential shares: —
 (As of March 31, 2024)

Reason for election and expected role

The Company expects that Ms. Akiko Uno will supervise the management of the Company utilizing her knowledge in legal affairs, compliance and risk management, human resources development, labor affairs and DX gained in the course of her duties at Shiseido Company, Limited as well as through duties as a full-time Audit & Supervisory Board Member of Shiseido Company, Limited, in addition to offering advice on the execution of duties based on her insight and opinions from a viewpoint of stakeholders.

The number of potential shares represents the number of shares equivalent to vested points under the stock-based compensation system utilizing the trust as of the end of March 2024.

Criteria for determining the 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

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Skills matrix of directors

As the Company is a company with an Audit & Supervisory Board, the Board of Directors is required to be effective as a supervisory body as well as to make decisions on the execution of important duties. Therefore, it is preferable that the composition of the Board is diverse and that it possesses the skills required to achieve long-term management policies and advance medium-term management plans. We have determined seven skillsets that we would like the overall Board to possess. These are corporate management, environment/sustainability, accounting/finance, legal affairs/compliance/risk management, global, personnel/labor, and digital transformation (DX). These skillsets are used as criteria for considering director candidates.

Director			Expertise and experience							Committee membership		
Name	Inside/Outside	Gender	Corporate management	Environment/sustainability	Accounting/finance	Legal affairs / compliance / risk management	Global	Personnel/labor	DX	Nomination and Compensation Committee	Risk Management Committee	Sustainability Committee
Kiyoshi Kanazashi	Inside	Male	●	●						●		
Hironori Nishikawa	Inside	Male	●	●		●		●	●	●	◎ Chair	◎ Chair
Hitoshi Uemura	Inside	Male	●	●			●		●		●	●
Shohei Kimura	Inside	Male	●	●	●		●		●		●	●
Yoichi Ota	Inside	Male	●					●			●	●
Hiroaki Hoshino	Inside	Male	●	●	●		●		●		●	●
Shinichiro Usugi	Inside	Male	●		●				●		●	●
Hirofumi Nomoto	Inside	Male	●	●					●			
Makoto Kaiami	Outside (independent)	Male				●				◎ Chair		
Satoshi Miura	Outside (independent)	Male	●	●			●	●	●	●		
Tsuguhiko Hoshino	Outside (independent)	Male			●	●	●			●		
Yumiko Jozuka	Outside (independent)	Female		●		●		●				
Akiko Uno	Outside (independent)	Female				●	●	●	●			

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Audit & Supervisory Board Members



Masaoki Kanematsu
Full-time Audit & Supervisory Board Member



Akiko Enokido
Full-time Audit & Supervisory Board Member



Katsunori Takechi
Outside Audit & Supervisory Board Member (Independent Officer)
Representative, Takechi & Partners



Takahiro Nakazawa
Outside Audit & Supervisory Board Member (Independent Officer)
Certified public accountant

Operating Officers

Position in the Company	Name	Areas of responsibility
President & CEO*	Hironori Nishikawa	Group Internal Audit Department Supervisor
Vice President*	Hitoshi Uemura	Aide to the president, in charge of the Greater Shibuya Area Strategy Promotion Office, and Supervisor for the Group Solutions Promotion Department, Overseas Business, and Group Overseas Planning Department
Operating Officer*	Shohei Kimura	Tokyu Community Corp. Supervisor (President & CEO of Tokyu Community Corp.)
Operating Officer*	Yoichi Ota	Tokyu Livable, Inc. Supervisor (President & CEO of Tokyu Livable, Inc.)
Operating Officer*	Hiroaki Hoshino	Tokyu Land Corporation Supervisor (President & CEO of Tokyu Land Corporation)
Operating Officer*	Shinichiro Usugi	In charge of General Management
Operating Officer	Kazuki Yoshino	National Students Information Center Co., Ltd. Supervisor (President & CEO of National Students Information Center Co., Ltd.)
Operating Officer	Shigeru Hashimoto	Tokyu Housing Lease Corporation Supervisor (President & CEO of Tokyu Housing Lease Corporation)
Operating Officer	Takashi Ikeuchi	Supervisor for the Urban Business Unit, Tokyu Land Corporation
Operating Officer	Tatsuaki Tanaka	Supervisor for the Residential Business Unit, Tokyu Land Corporation
Operating Officer	Shinya Tange	Supervisor for the Wellness Promotion Unit, Tokyu Land Corporation
Operating Officer	Keisuke Nishida	Supervisor for the Infrastructure and Industry Unit, Tokyu Land Corporation
Operating Officer	Eiji Yamane	Supervisor for the Group Corporate Planning Department, Corporate Communication Department, and Greater Shibuya Area Strategy Promotion Office
Operating Officer	Takahiro Aoki	Supervisor for Group CX and Innovation Department, Group Digital Transformation Promotion Department, and Group Finance Department
Operating Officer	Hideto Naitou	Supervisor for the Group Sustainability Promotion Department and Group Human Resources Department
Operating Officer	Morio Suzuki	Supervisor for the Group General Administration Department and Group Legal Affairs Department

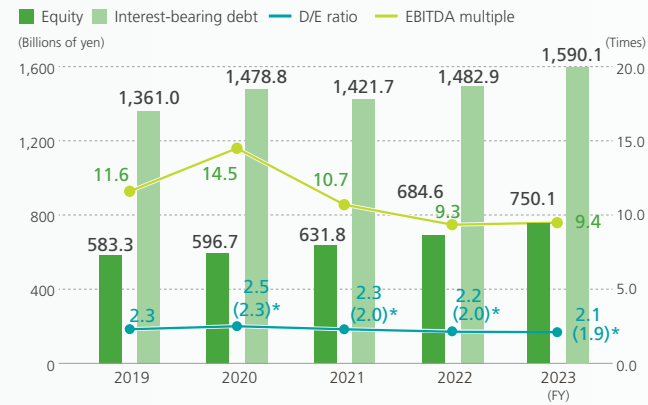
Officers denoted with an asterisk (*) are serving concurrently as directors.

(As of July 1, 2024)

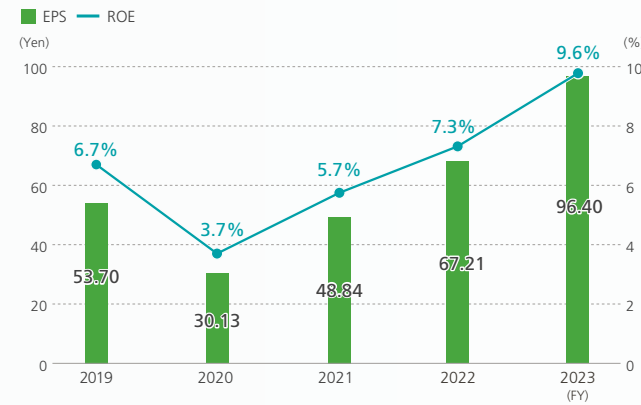
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Key financial indicators

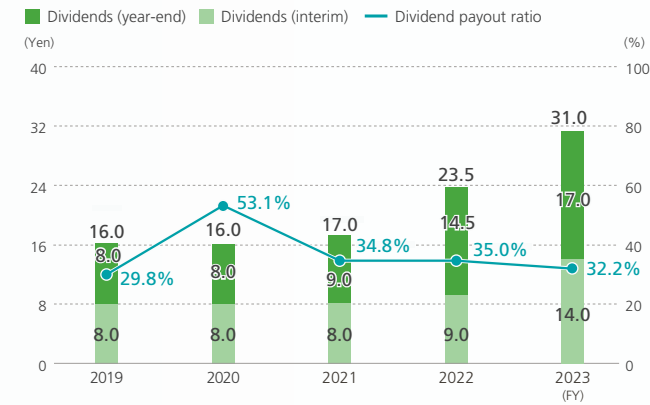
Equity / interest-bearing debt



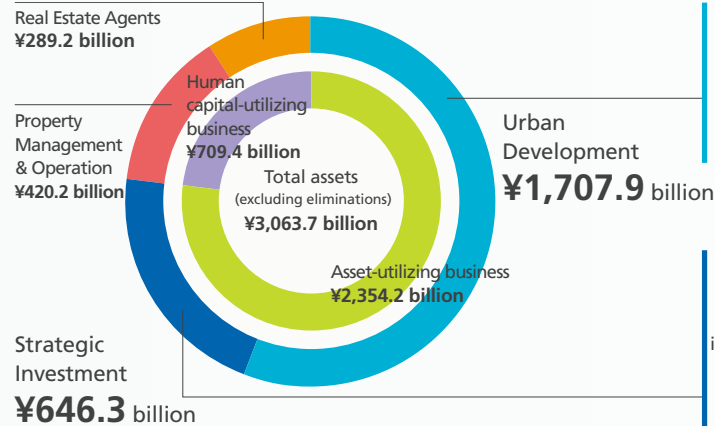
EPS / ROE



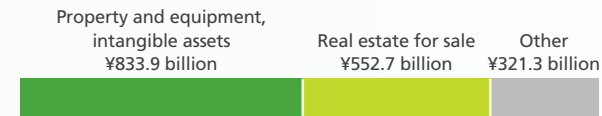
Dividends / dividend payout ratio



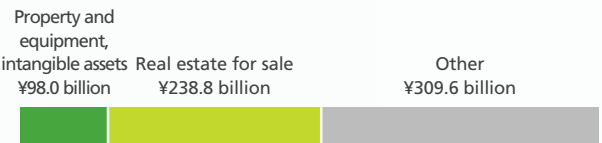
Asset breakdown by segment (fiscal 2023)



Breakdown of the Urban Development segment (¥1,707.9 billion)



Breakdown of the Strategic Investment segment (¥646.3 billion)



Market value appraisal for leased properties

	End-FY2022	End-FY2023	Comparison
Carrying value	¥732.6 billion	¥749.5 billion	¥16.9 billion
Market value	¥1,032.4 billion	¥1,158.0 billion	¥125.6 billion
Difference (latent profit)	¥299.8 billion	¥408.4 billion	¥108.7 billion

NOI yield on operating properties: Approx. 5%

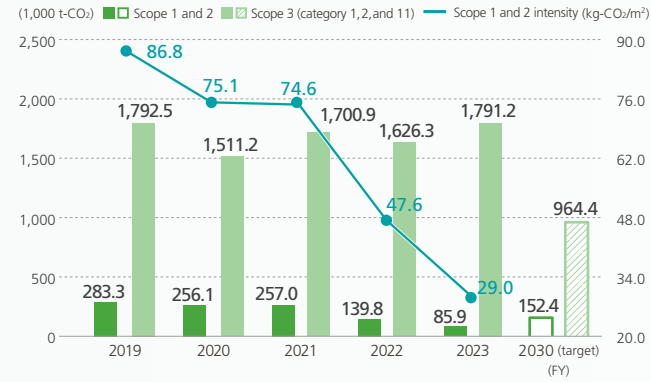
* D/E ratio after taking hybrid financing into account

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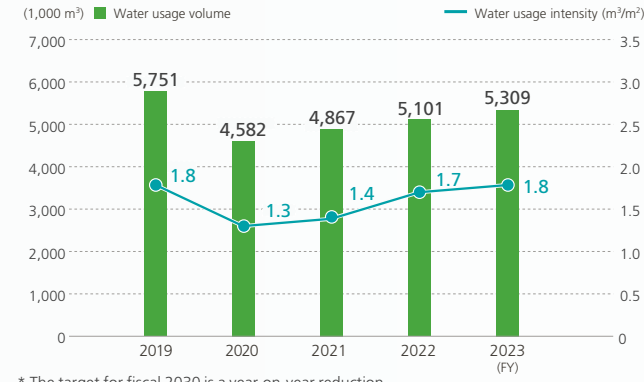
Key non-financial indicators

*Some of the figures for fiscal 2023, including for CO2 emissions, have yet to undergo third-party verification.

CO2 emissions volume and intensity

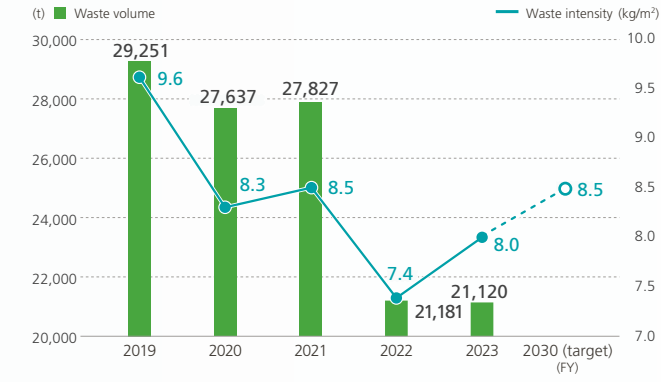


Water usage volume and intensity

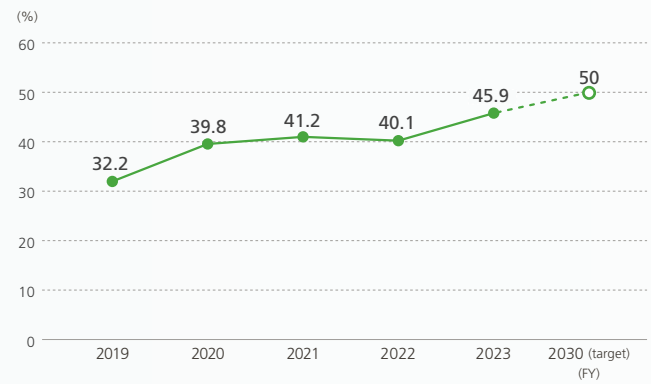


* The target for fiscal 2030 is a year-on-year reduction

Waste volume and intensity



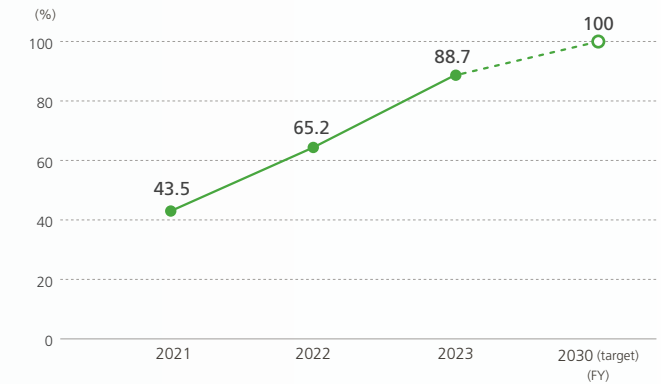
Ratio of women among new graduate hires



Ratio of female managers



Ratio of childcare leave taken by male employees



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Financial Indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating revenue	Billions of yen	714.1	773.1	815.5	808.5	866.1	901.9	963.2	907.7	989.0	1,005.8	1,103.0
Operating gross profit	Billions of yen	145.3	148.8	163.8	173.0	182.5	193.4	201.7	164.8	193.9	197.2	216.0
Operating profit	Billions of yen	61.4	63.3	68.8	73.2	77.5	80.2	79.3	56.5	83.8	110.4	120.2
Ordinary profit	Billions of yen	50.6	51.7	56.4	63.6	68.7	70.7	67.5	46.6	72.8	99.6	110.4
Net profit ^{*1}	Billions of yen	23.7	25.2	28.7	31.5	35.2	37.5	38.6	21.7	35.1	48.2	68.5
Total assets ^{*2}	Billions of yen	1,789.8	1,973.8	1,984.4	2,067.2	2,173.2	2,405.2	2,487.4	2,652.3	2,634.3	2,738.5	3,030.8
Current assets	Billions of yen	416.0	572.6	491.9	588.0	649.8	872.7	889.0	1,005.0	1,037.0	1,115.6	1,359.2
Real estate for sale ^{*3}	Billions of yen	245.9	394.7	364.4	418.6	473.7	568.0	658.0	680.6	757.4	795.2	912.7
Non-current assets	Billions of yen	1,373.8	1,401.2	1,492.4	1,479.1	1,523.4	1,532.2	1,598.1	1,647.2	1,597.4	1,622.9	1,671.6
Total net assets	Billions of yen	369.2	398.3	422.4	446.3	475.3	568.7	594.2	608.7	643.3	700.7	771.9
Equity	Billions of yen	364.5	395.3	418.8	442.3	468.1	561.4	583.3	596.7	631.8	684.6	750.1
Interest-bearing debt	Billions of yen	991.0	1,125.4	1,106.1	1,137.9	1,210.4	1,289.8	1,361.0	1,478.8	1,421.7	1,482.9	1,590.1
Cash flows from operating activities	Billions of yen	(13.5)	(38.5)	87.9	68.9	12.3	44.5	(6.7)	100.4	76.5	94.7	156.5
Cash flows from investing activities	Billions of yen	19.7	(100.3)	(112.4)	(71.0)	(96.4)	(60.4)	(147.2)	(116.0)	(31.8)	(120.1)	(178.2)
Cash flows from financing activities	Billions of yen	3.0	139.2	(30.5)	23.0	82.4	139.1	65.1	108.3	(81.3)	42.8	97.8
Capital investment	Billions of yen	77.5	126.7	78.8	60.3	44.6	89.8	136.1	108.7	41.7	79.8	243.9
Depreciation	Billions of yen	20.0	20.2	21.0	23.5	23.1	24.6	32.3	39.8	43.3	44.5	44.6
EPS (net profit per share of common stock)	Yen	41.61	41.45	47.18	51.77	57.80	56.84	53.70	30.13	48.84	67.21	96.40
BPS (net assets per share of common stock)	Yen	598.73	649.40	687.92	726.59	768.85	780.78	811.04	829.50	878.32	964.77	1,053.04
Dividends per share	Yen	8.00	10.00	12.00	13.00	14.50	15.50	16.00	16.00	17.00	23.50	31.00
ROA	%	3.5	3.4	3.5	3.6	3.7	3.5	3.3	2.2	3.2	4.1	4.2
ROE	%	7.5	6.6	7.1	7.3	7.7	7.3	6.7	3.7	5.7	7.3	9.6
Equity ratio	%	20.4	20.0	21.1	21.4	21.5	23.3	23.5	22.5	24.0	25.0	24.8
D/E ratio	Times	2.7	2.8	2.6	2.6	2.6	2.3	2.3	2.5 ^{*4}	2.3 ^{*4}	2.2 ^{*4}	2.1 ^{*4}
Dividend payout ratio	%	19.2	24.1	25.4	25.1	25.1	27.3	29.8	53.1	34.8	35.0	32.2
EBITDA ^{*5}	Billions of yen	84.6	88.0	94.3	101.7	106.1	110.2	117.1	101.7	132.5	160.2	169.9
EBITDA multiple ^{*6}	Times	11.7	12.8	11.7	11.2	11.4	11.7	11.6	14.5	10.7	9.3	9.4

*1 In fiscal 2015, net profit was reclassified as profit attributable to owners of parent

*2 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

*3 Real estate for sale: Includes real estate for sale in process and costs of uncompleted construction contracts *4 D/E ratio before taking hybrid financing into account

*5 EBITDA: Operating profit before depreciation = Operating profit + Depreciation + Amortization of goodwill *6 EBITDA multiple: Interest-bearing debt ÷ EBITDA (Operating profit before depreciation)

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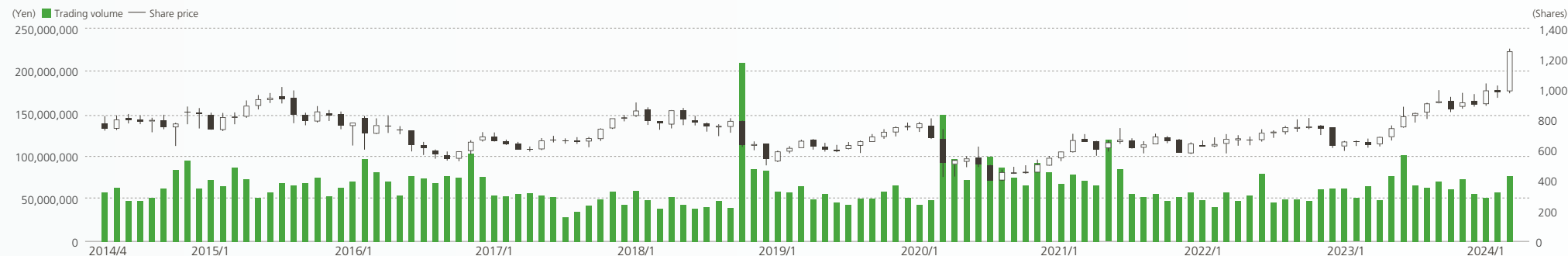
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Share price-related information

	(Unit)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total shareholder return*	%	–	–	–	–	–	80.7	103.8	109.2	106.9	204.2
Share price at end-March	Yen	820	764	604	775	662	518	655	674	635	1,249
Highest price	Yen	887	1,016	825	914	878	810	708	746	812	1,266.50
Lowest price	Yen	628	604	528	590	501	425	399	564	596	625

*Formula for calculating total shareholder return: (Closing share price on the final day of the relevant fiscal year + Cumulative amount of dividends per share for the period from the fiscal year four years prior to fiscal 2023 to said fiscal year) ÷ Closing share price on the final day of the fiscal year five years prior to fiscal 2023

Environmental indicators

	(Unit)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
CO ₂ emissions (Scope 1 and 2)	1,000 t of CO ₂	234.8	210.7	233.0	227.5	230.5	283.3	256.1	257.0	139.8	85.9
Intensity	kg-CO ₂ /m ²	101.9	98.4	106.7	101.0	96.1	86.8	75.1	74.6	47.6	29.0
CO ₂ emissions (Scope 3)	1,000 t of CO ₂	–	821.9	682.1	585.9	1,295.5	1,913.0	1,618.8	1,801.7	1,739.0	1,860.8
Category 1, 2, and 11	1,000 t of CO ₂	–	–	–	–	–	1,792.5	1,511.2	1,700.9	1,626.3	1,791.2
Water use	1,000 m ³	3,141	2,811	2,650	2,548	2,612	5,751	4,582	4,867	5,101	5,309
Intensity	m ³ /m ²	1.39	1.32	1.23	1.14	1.10	1.8	1.3	1.4	1.7	1.8
Waste volume	t	18,796	18,908	25,127	25,569	22,932	29,251	27,637	27,827	21,181	21,120
Intensity	kg/m ²	10.2	10.1	12.5	12.6	10.2	9.6	8.3	8.5	7.4	8.0

• For figures from fiscal 2019 onward, the coverage of this scope has been changed in accordance with the setting of SBT-approved targets.

• Fiscal 2023 figures for CO₂ emissions have yet to undergo third-party verification. If adjustments are made, the new data will be disclosed through our website as needed.

(As of March 31, 2024)

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Social indicators

Initiatives and KPI related to human capital strategies([➔ See p. 81](#))

	(Unit)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees	Persons	18,243	19,230	20,421	21,091	21,976	22,953	23,411	21,276	21,614	21,170
Ratio of female managers	%	5.7	5.9	5.7	8.6	8.3	8.1	8.6	9.2	7.3	8.0
Ratio of female candidates for management positions ^{*1}	%	-	-	-	-	-	-	-	-	18	18
Ratio of mid-career hires among managers ^{*1}	%	-	-	-	-	-	-	-	-	46	54
Female directors (non-consolidated)	Persons	0	0	0	0	1	1	1	2	2	2
Female Audit & Supervisory Board members (non-consolidated)	Persons	0	0	0	0	0	0	0	0	0	0
Female operating officers ^{*2}	Persons	2	2	2	2	2	4	4	6	2	3
Average years of service (male)	Years	13.2	13.0	12.9	12.7	13.1	13.2	12.7	12.7	10.4	10.5
Average years of service (female)	Years	9.0	8.7	8.8	8.7	9.2	8.9	8.5	8.7	7.6	7.7
Ratio of female full-time employees	%	24.2	25.3	26.5	27.2	28.5	29.8	30.9	31.8	31.9	33.3
Ratio of new female employee hires to total hires	%	33.0	35.4	41.6	40.1	39.5	32.2	39.8	41.2	40.1	45.9
Ratio of childcare leave taken by male employees	%	-	-	-	-	-	-	-	43.5	65.2	88.7
Degree of personal investment in achieving the long-term vision of executive officers at each Group company (extent of Group coordination)	%	-	-	-	-	-	-	-	-	84	92
Acquisition of IT passports ^{*3}	%	-	-	-	-	-	-	-	-	71.4	84.3
Number of businesses utilizing digital technology (cumulative)	Businesses	-	-	-	-	-	-	-	-	43	58
Sustainable Action Awards entries (cumulative)	Entries	-	-	-	-	-	-	-	-	123	304
Environmental efforts through business (cumulative)	Efforts	-	-	-	-	-	-	-	-	36	70
Deepening understanding of DE&I (percentage of employees who took an e-learning course)	%	-	-	-	-	-	-	-	30.0	86.5	96.2
Number of proposals commercialized through STEP, the Group's co-creation-based internal venture scheme (cumulative)	Proposals	-	-	-	-	-	-	-	-	3 (commercialized) 253 (entries)	4 (commercialized) 302 (entries)
Acquiring external knowledge and sharing expertise within the Group (cumulative)	Seminars	-	-	-	-	-	-	-	-	111	119
Ratio of employees who undergo physical examinations ^{*1}	%	-	-	-	-	-	-	-	-	100	99.9
Ratio of employees who undergo stress checks ^{*1}	%	-	-	-	-	-	-	-	-	92.8	93.1
Ratio of Group companies implementing a remote working system ^{*1}	%	-	-	-	-	-	-	-	-	100	100
Ratio of Group companies implementing a flextime (or staggered working hours) system ^{*1}	%	-	-	-	-	-	-	-	-	100	100
Carrying out employee engagement surveys and implementing improvements ^{*3}	Engagement rating	H1 H2	-	-	-	-	-	BBB BBB	A A	A AA	AA AA
Respect for human rights in the supply chain	%	-	-	-	-	-	-	-	41.9	72.7	58.9

*1 Combined total of the five main business companies (Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable Inc., Tokyu Housing Lease Corporation, and National Students Information Center, Co., Ltd.)

(As of March 31, 2024)

*2 Includes female directors who serve as operating officers. However, the number of directors who serve as operating officers is not included in the scope of third-party verification.

*3 Tokyu Land Corporation

• Discrepancies between the wages of male and female employees are disclosed through our corporate website. [➔ For details, see our website](#)

• Fiscal 2023 figures also include data that has yet to undergo third-party verification. If adjustments are made, the new data will be disclosed through our website as needed.

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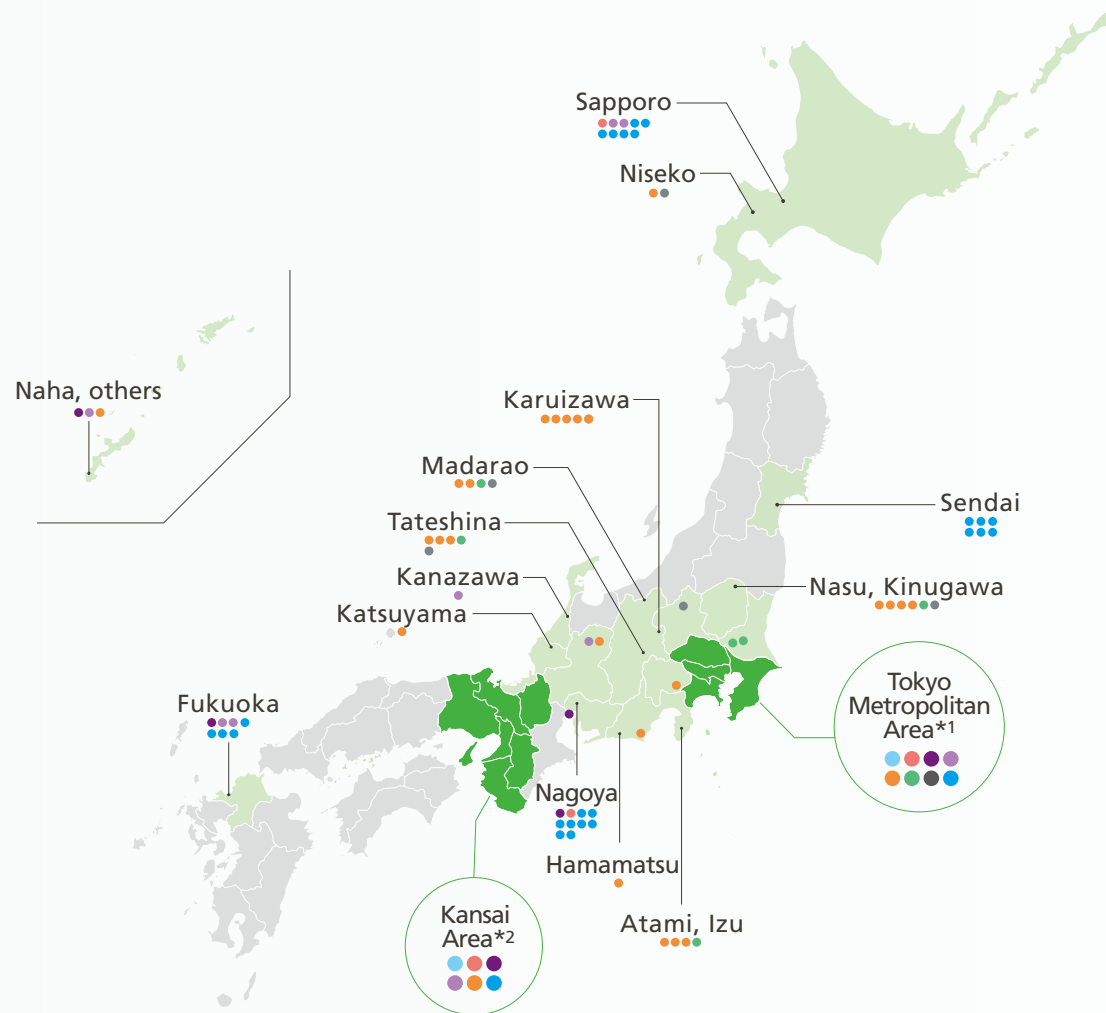
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Main domestically operated facilities and stores



Type of Property	Unit	Tokyo Metropolitan Area*1	Kansai Area*2	Other Areas	Total
Office buildings	Buildings	47	1	0	48
Commercial facilities	Facilities	24	7	2	33
Logistics facilities	Facilities	4	1	3	8
Urban style hotels	Facilities	19	4	8	31
Resort facilities	Facilities	4	7	23	34
Golf courses	Facilities	7	0	6	13
Ski resorts	Facilities	0	0	5	5
Senior housing facilities	Facilities	16	0	0	16
Tokyu Livable	Locations	143	42	34	219

(As of March 31, 2024)

*1 Including Tokyo, Kanagawa, Chiba, and Saitama Prefectures

*2 Including Osaka, Kyoto, Hyogo, Shiga, Nara, and Wakayama Prefectures

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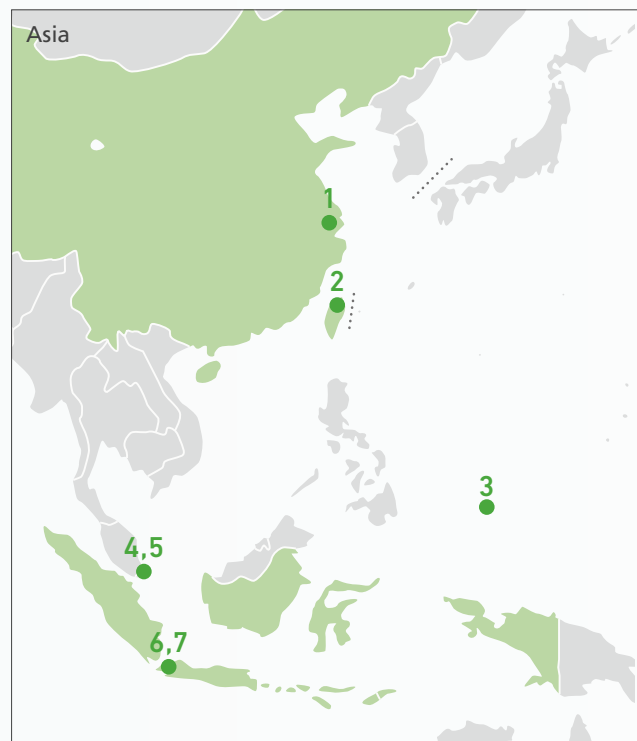
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Main overseas bases



China	Shanghai	1	Tokyu Land Corporation (Shanghai) Ltd. (Tokyu Land Corporation)
Taiwan		2	Tokyu Livable (Taiwan), Inc. (Tokyu Livable, Inc.)
Palau		3	Pacific Islands Development Corporation (Tokyu Land Corporation)
Singapore		4	Tokyu Land Asia Pte. Ltd. (Tokyu Land Corporation)
		5	Investment in OT Group Pte. Ltd. (Tokyu Livable, Inc.)
Indonesia	Jakarta	6	PT. Tokyu Land Indonesia (Tokyu Land Corporation)
		7	PT. Tokyu Property Management Indonesia (Tokyu Community Corp.)
The United States	Los Angeles	8	Tokyu Land US Corporation (Tokyu Land Corporation)
	New York	9	New York Office of Tokyu Land US Corporation (Tokyu Land Corporation)

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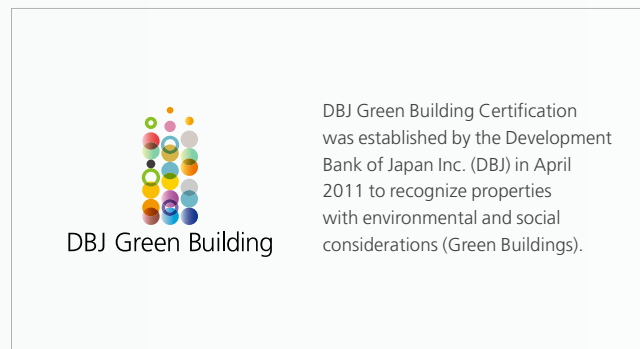
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List of environmental real estate (DBJ Green Building Certification)



5 stars Properties with the highest environmental & social awareness



Shibuya Solasta
Shibuya-ku, Tokyo



Shibuya Fukuras
(office area and retail area)
Shibuya-ku, Tokyo



TOKYO PORTCITY
TAKESHIBA
Office tower
Minato-ku, Tokyo



Kudan-Kaikan Terrace
Chiyoda-ku, Tokyo

4 stars Properties with exceptionally high environmental & social awareness

Shin-Meguro Tokyu Building	Shinagawa-ku, Tokyo
----------------------------	---------------------

Shin-Aoyama Tokyu Building	Minato-ku, Tokyo
----------------------------	------------------

Tokyu Plaza Omotesando "Omokado"	Shibuya-ku, Tokyo
----------------------------------	-------------------

Amagasaki Q's Mall	Amagasaki-shi, Hyogo
--------------------	----------------------

3 stars Properties with excellent environmental & social awareness

Ebisu Business Tower	Shibuya-ku, Tokyo
----------------------	-------------------

Shibuya Minami Tokyu Building	Shibuya-ku, Tokyo
-------------------------------	-------------------

Nihombashi Front	Chuo-ku, Tokyo
------------------	----------------

Nihombashi Honcho Tokyu Building	Chuo-ku, Tokyo
----------------------------------	----------------

Nihombashi Maruzen Tokyu Building	Chuo-ku, Tokyo
-----------------------------------	----------------

Uchisaiwaicho Tokyu Building	Chiyoda-ku, Tokyo
------------------------------	-------------------

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

Spline Aoyama Tokyu Building	Minato-ku, Tokyo
------------------------------	------------------

Hamamatsucho Square	Minato-ku, Tokyo
---------------------	------------------

Minoh Q's Mall (STATION Building)	Minoh-shi, Osaka
-----------------------------------	------------------

(As of March 31, 2024)

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Renewable energy business list

ReENE

(As of June 30, 2024)

Total number of businesses

113

Rated capacity

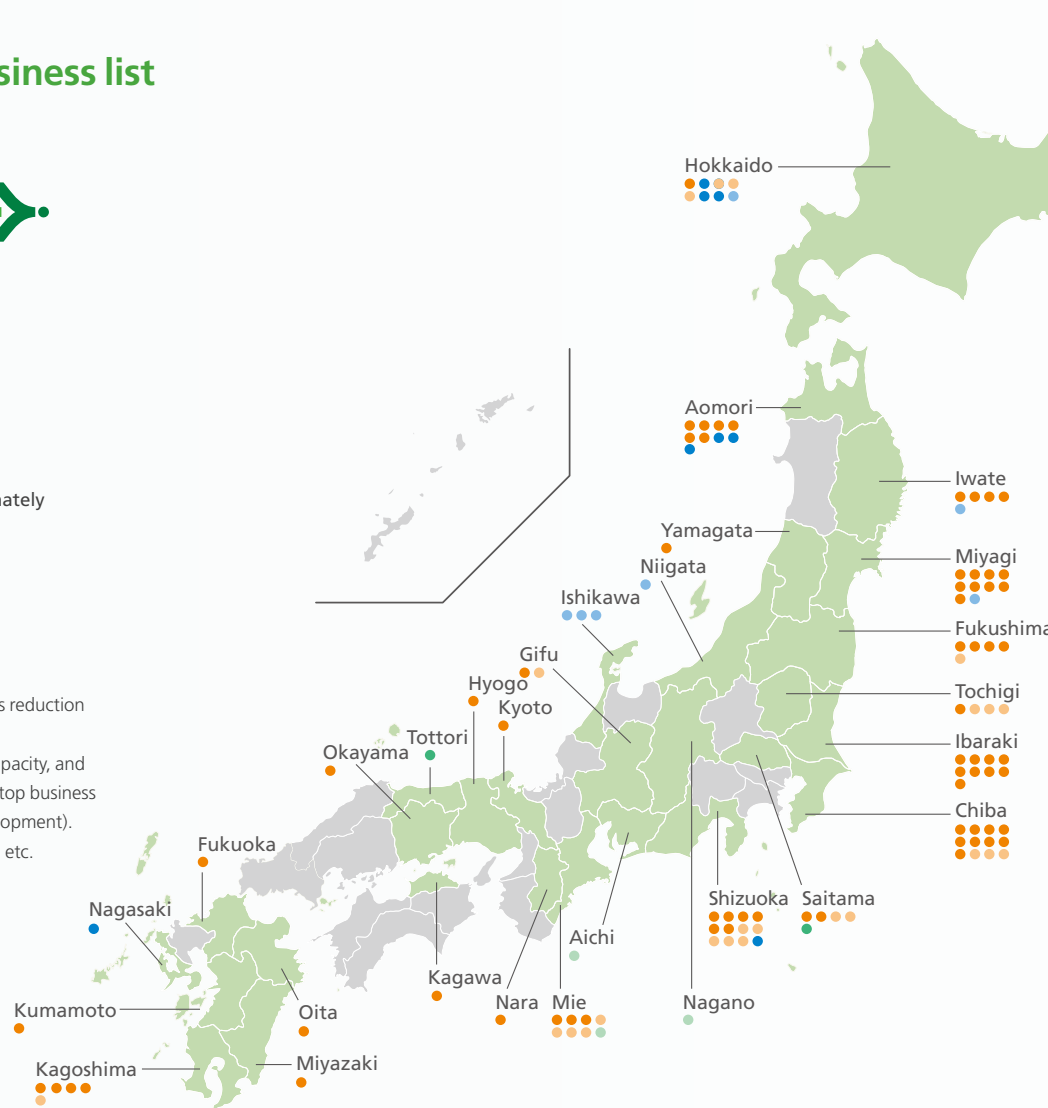
1,763 MW

► Equivalent to the energy used by approximately 839,000 regular households*1

CO2 emissions reduction

1,733,000 t-CO₂/year*2

- Includes joint ventures.
- The values for rated capacity and CO₂ emissions reduction are before conversion to equities.
- Figures for total number of businesses, rated capacity, and CO₂ emissions reductions also include one rooftop business (completed locations and locations under development).
- MW values refer to the capacity of solar panels, etc.



Solar power	Complete	70 (1,039.3 MW)
	In development	23 (72.5 MW)
	Rooftop*3	1 (101.8 MW)
Wind power	Complete	7 (247.0 MW)
	In development	7 (192.2 MW)
Biomass	Complete	2 (56.5 MW)
	In development	3 (54.0 MW)

Other businesses

Batteries*4	Power generation storage	3 (approx. 269.8 MWh, 82.0 MW)
	Grid energy storage	2 (approx. 60.9 MWh, 21.8 MW)
Overseas*5	Europe	2 (77.8 MW)

Meeting the RE100 target

In April 2024, Tokyu Land Corporation became the first company in Japan to be recognized for meeting its target under the international RE100 initiative.



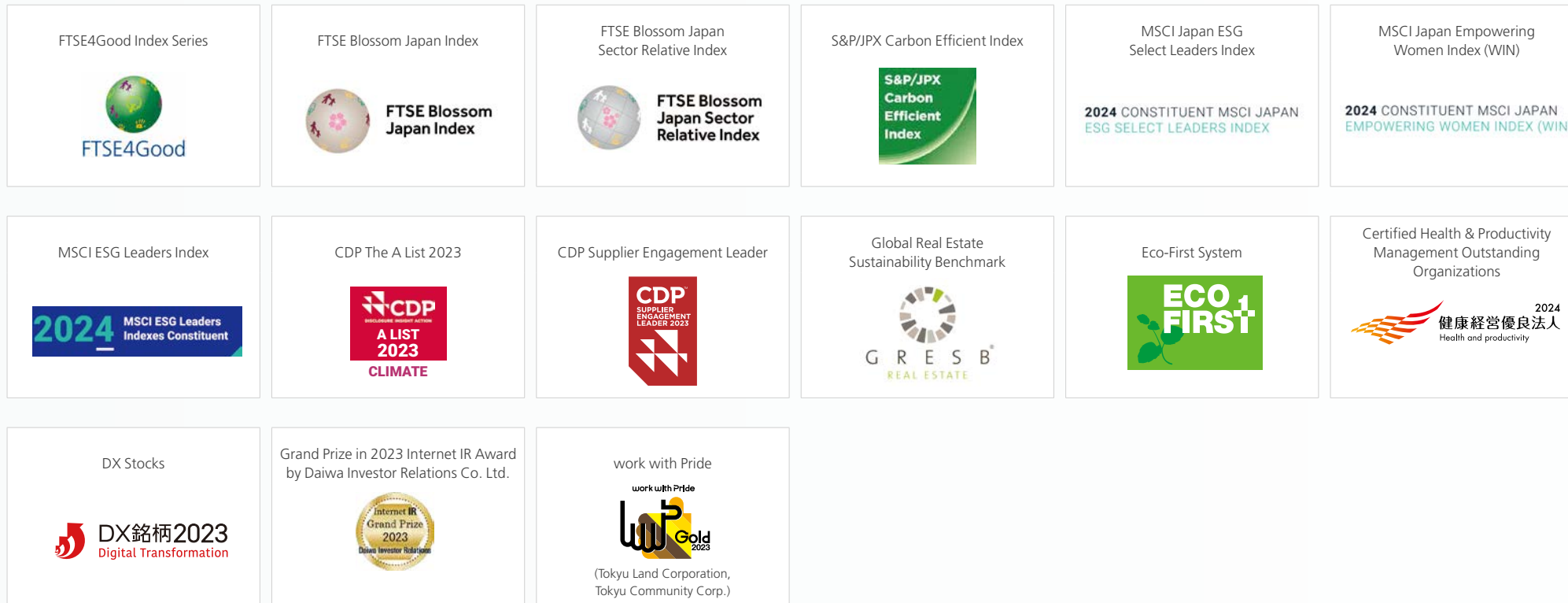
*1 Calculated based on the average household using 4,716 kWh of energy per year (from the Japan Photovoltaic Energy Association's Fiscal 2023 Disclosure Guidelines)
 *2 Calculated using 438 g-CO₂/kWh, the CO₂ emissions factor of general power companies for transmission and distribution (excluding Okinawa Electric Power Company) released by the Japanese government (based on fiscal 2022 results)
 *3 The number of businesses classified as rooftop does not include low-voltage bulk
 *4 MWh indicates battery capacity and MW indicates battery output
 *5 Before equity conversions

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Support for international initiatives



Major external evaluations and awards



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The Tokyu Fudosan Holdings Group comprises Tokyu Fudosan Holdings Corporation, a holding company established in October 2013, the five main business companies of Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable, Inc., Tokyu Housing Lease Corporation, and National Students Information Center Co., Ltd., and various affiliate companies led by each of the five business companies.



TOKYU FUDOSAN HOLDINGS

	TOKYU COMMUNITY CORP.			
TOKYU LAND CORPORATION	TOKYU COMMUNITY CORP.	TOKYU LIVABLE, INC.	Tokyu Housing Lease Corporation	NATIONAL STUDENTS INFORMATION CENTER CO., LTD.
TOKYU LAND SC MANAGEMENT CORPORATION Life & Work Design Co., Ltd. Tokyu Land Capital Management Inc. TLC REIT Management Inc. Tokyu Land Asia Pte. Ltd. TOKYU LAND CORPORATION (SHANGHAI) LTD. PT. Tokyu Land Indonesia Tokyu Land US Corporation ReENE Co., Ltd. ISHIKATSU EXTERIOR INC. EWEL, Inc. TOKYU E-LIFE DESIGN Inc. Tokyu Resorts & Stays Co., Ltd. Tokyu Resort Corporation Pacific Islands Development Corporation and others	MARIMO COMMUNITY CO., LTD.* TOKYU BLDG. MAINTENANCE SHONAN COMMUNITY DAI-ICHI Building Service Inc. YOGA DISTRICT HEATING AND COOLING CO., LTD. Tokyu Re-design Corporation TC FORUM CORP. INFIELD INC. HOC PARTNERS PFI Co., Ltd. PT. Tokyu Property Management Indonesia	Tokyu Livable Staff Corporation Livable Asset Management Inc. TOKYU LIVABLE (TAIWAN), INC.	Tokyu Corporate Housing Management Inc. Residential Partners K.K.	SIGMA Japan CO., LTD.
Segment	Segment	Segment	Segment	Segment
<ul style="list-style-type: none"> ■ Urban Development ■ Strategic Investment ■ Property Management & Operation 	<ul style="list-style-type: none"> ■ Property Management & Operation 	<ul style="list-style-type: none"> ■ Real Estate Agents 	<ul style="list-style-type: none"> ■ Real Estate Agents 	<ul style="list-style-type: none"> ■ Real Estate Agents



*Shares transferred to Daiwa Lifenext Co., Ltd. in April 2024.

(As of April 1, 2024)

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Corporate overview

Corporate name

Tokyu Fudosan Holdings Corporation

Address

1-21-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan

Phone

+81-3-6455-1122

Representative

Hironori Nishikawa, President & CEO

Business activities

Management and administration of the Tokyu Fudosan Holdings Group

Established

October 1, 2013

Capital

¥77,562 million (As of March 31, 2024)

Number of employees

100 (consolidated: 21,170) (As of March 31, 2024)

Website

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

Stock information and shareholder composition (As of March 31, 2024)

Basic Stock Information

Listed stock market

Tokyo Stock Exchange (Prime Market)

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

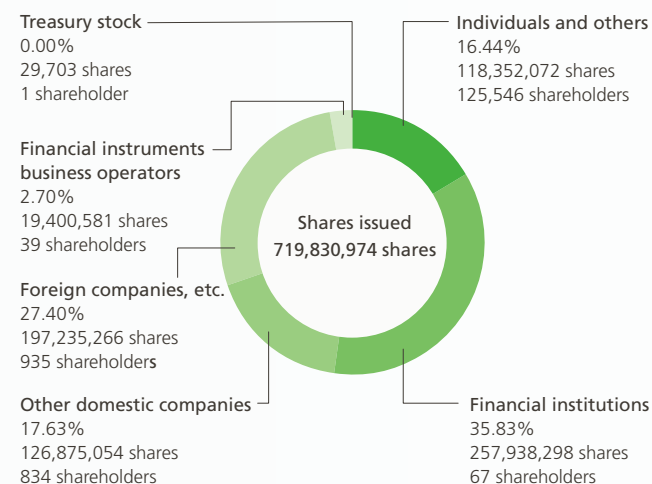
Ordinary General Meeting of Shareholder

June each year

Shareholders' record date

- 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*
The Master Trust Bank of Japan, Ltd. (Trust Account)	115,260	16.01%
TOKYU CORPORATION	114,479	15.90%
Custody Bank of Japan, Ltd. (Trust Account)	55,349	7.69%
Tokyu Fudosan Holdings Employee Shareholding Association	12,862	1.79%
Sumitomo Mitsui Trust Bank, Limited	12,140	1.69%
The Dai-ichi Life Insurance Company, Limited	11,934	1.66%
SSBTC CLIENT OMNIBUS ACCOUNT	9,652	1.34%
BNYM AS AGT/CLTS 10 PERCENT	9,037	1.26%
JPMorgan Securities Japan Co., Ltd.	8,479	1.18%
JP MORGAN CHASE BANK 385781	8,289	1.15%

* The percentage of shares held is calculated after deducting 29,703 shares of treasury stock

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