Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

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

WE ARE GREEN

Contents

Editorial Policy

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Editorial Policy

This report is aimed at providing all of our stakeholders, including shareholders and investors, with easy-to-understand information about how the Group addresses social issues through its businesses to achieve sustainable growth and improve its corporate value. With the slogan for our long-term vision "WE ARE GREEN" on the title page, 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 strategy and corporate governance, interspersed with case studies and messages from our employees.

The International Integrated Reporting Framework advocated by the Value Reporting Foundation (VRF), and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation published by Japan's Ministry of Economy, Trade and Industry, and other resources were consulted in the creation of this report.

Reporting target

Covered in this report
Tokyu Fudosan Holdings Corporation and Group companies

Dates covered
April 1, 2021 to March 31, 2022 (including some information from April 2022 and later)

Released
August 2022

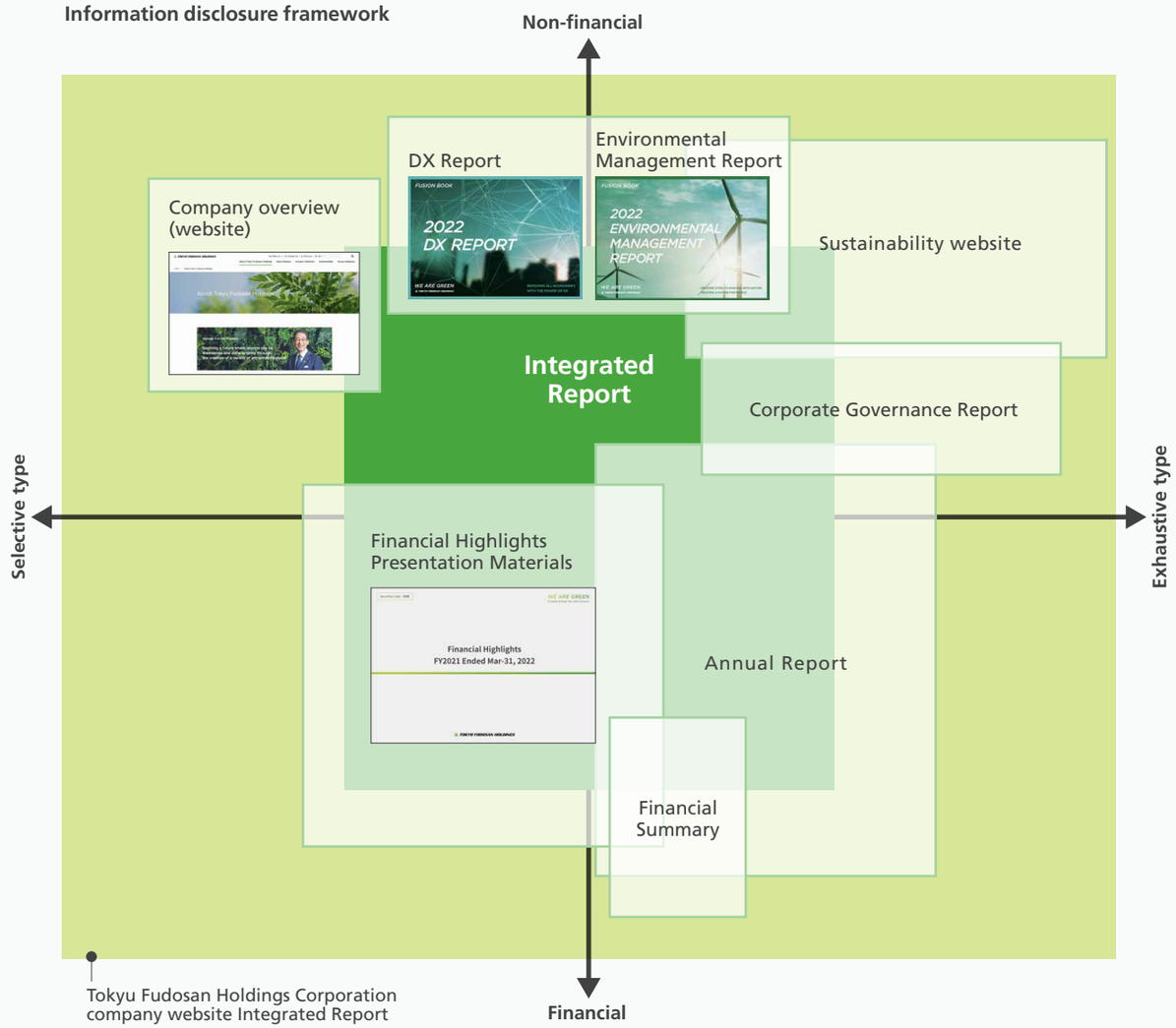
Administrative office and cooperative departments

Group Sustainability Promotion Department /
Group Corporate Planning Department / Corporate Communication Department /
Group General Administration Department / Group Human Resources Department /
Group Digital Transformation Promotion 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.

Information disclosure framework



Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Contents

5 Who We Are

The current status of the Group and our aspirations

6 The Group Philosophy
7 A History of Value Creation
8 Group Overview
9 The Group's Strengths in Numbers
10 Letter to Our Stakeholders (Message from the President)

16 Our Vision

Our long-term vision and value creation story

17 Process for Value Creation
18 Value Provided to Stakeholders
19 Overview of Sustainable Management
20 Themes of Our Efforts to Create Value (Materialities)
21 Financial and Non-Financial KPI Targets and Results
22 Materiality Identification Process

Outputs

23 Lifestyle Creation 3.0
24 Case Study 1: The Greater Shibuya Area Concept
26 Case Study 2: Renewable Energy Business
28 Case Study 3: Resilience in Communities and Buildings

29 Our Strategy

Policies and strategies for realizing the long-term vision

30 Long-term Management Policy and Medium-term Management Plan
34 Financial Capital Strategy

Group Policy

37 Environmental Management
41 DX
44 Outside Director Discussion
47 Business Policy and Four Key Strategies

Strategy by Business Segment

48 Urban Development
50 Strategic Investment
52 Property Management & Operation
54 Real Estate Agents

56 Management Foundation

Our platform for value creation

57 Human Capital and Organizational Climate
59 Respect for Human Rights
60 Corporate Governance
67 Risk Management
69 Messages from Outside Directors
70 Officers

75 Performance Information

Financial, corporate, and other information

76 Financial and Non-Financial Highlights
78 Financial and Non-Financial Data
80 Business Areas
82 Socially and Environmentally Friendly Assets
84 Support for International Initiatives / External Evaluations
85 Holdings Structure
86 Corporate Overview / Stock Information

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Who We Are

The current status of the Group and our aspirations

Aerial view of Shibuya (taken February 2024)

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

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 the Den-en Toshi Company, the origin of the Group

Eiichi Shibusawa is often referred to as the father of Japanese capitalism for his role in building the foundation for the Japanese economy. He was active from the Meiji era (1868-1912) into the early Showa period (1926-1989). He was involved in the establishment and development of around 500 companies and around 600 public works projects, and made great efforts in support of philanthropic activities.

Provided by: Tokyu Corporation

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).

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

A History of Value Creation

We have continuously grown by addressing social issues and needs as they change with the times to create new value related to living, work, and play.

FY2021 operating revenue
¥989.0 billion

Major theme from 1953 to the 1960s
Eliminating housing shortages

Major theme up to the 1980s
Improving quality of life

Major theme up to the 2000s
Diversifying lifestyles

Major theme up to the present
Creating a sustainable society

Tokyu Skyline (condominiums)

Japan's recovery following the Second World War led to a period of rapid economic growth, during which factors such as the growing concentration of people in urban areas made the problem of housing shortages apparent. The Group responded by providing residential properties and commercial facilities, particularly in its base area of Shibuya.

Asumigaoka New Town (housing estate)

With Japan established as a major economic power, society, culture, and lifestyles began to diversify as people sought spiritual enrichment. The Group diversified its operations to encompass property management, real estate agency operations, and retail and resort development, and grew into a corporate group that provides total lifestyle services.

Setagaya Business Square (office building)

Amid prolonged stagnation in the Japanese economy, land prices fell, bringing people back into cities. As lifestyles and values began to change, the Group shifted its focus from the development of suburban housing to the leasing of offices, commercial facilities and other properties.

Shibuya Fukuras (office and commercial complex)

In the present day, responding to global climate change and the digitalization of society are urgent issues. The Group is leveraging its strengths to advance sustainable urban development and is working to create value that is both economically and environmentally sustainable.

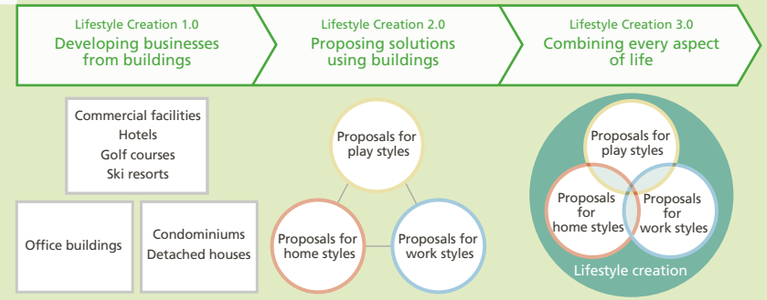
Our Origin: Den-en Chofu Urban Development

Den-en Toshi Company was established in 1918 by Eiichi Shibusawa and others. The company developed the Den-en Chofu district as a residential area in Tamagawadai, incorporating the British-originated garden city concept to offer the advantages of both natural and urban environments.

Business development that addresses social issues

Realizing Lifestyle Creation 3.0

From buildings to solutions, and combination of lifestyle scenes. We are evolving our efforts to create value in a way that is conscious of social issues to realize Lifestyle Creation 3.0, which brings together the three areas of living, work, and play. We combine environmental management and digital transformation (DX) to propose new value that is more unique than ever before.



Changes in operating revenue*

1953 1960 1970 1980 1990 2000 2010 2020

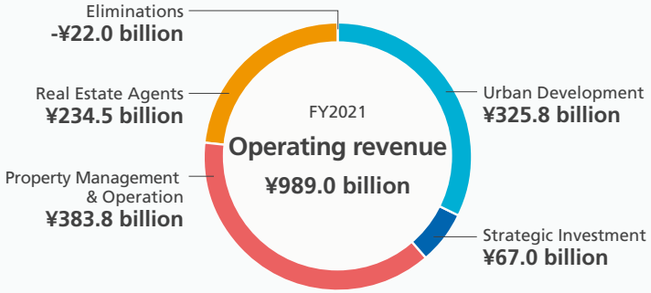
* Fiscal 1953 to fiscal 1992: non-consolidated operating revenue from Tokyu Land Corporation. Fiscal 1993 to fiscal 2012: consolidated operating revenue from Tokyu Land Corporation. From fiscal 2013 onward: consolidated operating revenue from Tokyu Fudosan Holdings Corporation.
Fiscal 1989 was only a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

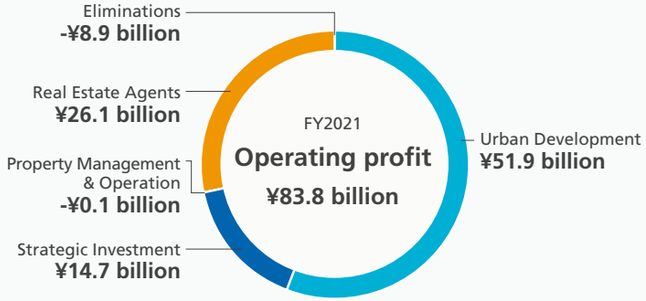
Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

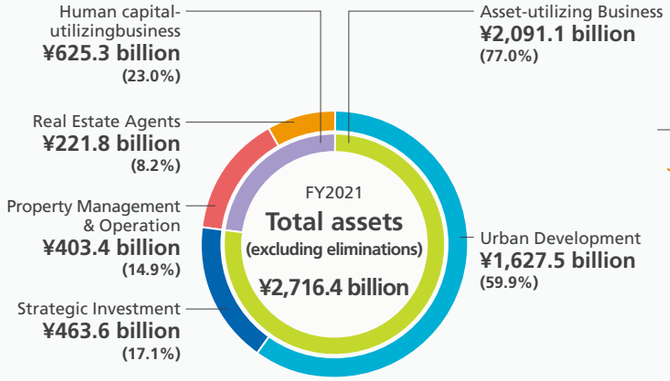
To the last viewed page

Group Overview

We operate a wide variety of businesses spanning the entire real estate value chain, from real estate development to building management and operation, real estate agent operations, infrastructure building, and real estate investment.







Urban Development

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

Shibuya Solasta

Shibuya Fukuras

BRANZ Tower Toyosu

Campus Village Osaka Kindaimae

Strategic Investment

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

ReENE Zenibako Wind Farm

LOGI'Q Sayama Hidaka

425 Park Avenue

Property Management & Operation

Condominium management / building and facility management / renovation construction / rental conference rooms / hotels / leisure / healthcare / environmental and greening management

Management business

Hotel operation business

Niseko Tokyu Grand HIRAFU

Real Estate Agents

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

Real estate agent business

The L'GENTE series

Rental housing services

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

The Group's Strengths in Numbers

Over many years of developing and expanding our business, we have accumulated diverse management assets and expertise and cultivated an innovative corporate culture.

Diverse assets and customers

Group facilities under operation
255

Customers served
Approx. 18 million

- Outsourced employee welfare services members: Approx. 5.1 million
- BRANZ CLUB members: Approx. 160,000
- Commercial facility cardholders and app members: Approx. 1.1 million
- Tokyu Cosmos Members Club members: Approx. 120,000
- Fitness club members: Approx. 870,000
- Tokyu Harvest Club members: Approx. 27,000
- Tenant companies (office): 422
- Tenant companies (commercial): 1,415
- Condominium units under comprehensive management: Approx. 530,000
  Condominium management company (non-consolidated)
  Condominium units under comprehensive management (approx. 504,000)
  (Source: Mansion Kanri Shimbun, May 25, 2022 issue)
  No. 1 in Japan
- Real estate transactions through agents: Approx. 29,000
  FY2021
  Ranking for real estate transactions through agents
  (Source: Shukan Jutaku, May 30, 2022 issue)
  No. 3 in Japan

etc.

Highly specialized personnel and knowhow

Group employees (excluding temporary employees)
21,276

Employees with certifications
Approx. 9,500

- Licensed architects (first and second class): 510
- Real estate notaries: 7,465
- Licensed Strata Management Consultants: 594
- Licensed care workers: 514

etc.

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, as well as events and seminars aimed at fostering an innovative corporate culture.

Cumulative 104 events held
Total participants
13,104

A culture that produces unique businesses

Businesses with unique characteristics
ReENE
The Tokyu Land Corporation's renewable energy business

See p. 26

As of June 2022

- Rated Capacity: 1,329 MW
- Number of projects: 82
- Reduction in CO_2 emissions: Approx. 1,266,000 t-CO_2/year

Launch of Value Up NISEKO Road to 2030
An urban development project aiming to create
Asia's No. 1 international resort
Niseko Tokyu Grand HIRAFU

Step – the Group's co-creation-based internal venture scheme

Launched in FY2019

- Cumulative proposals received: 198
- Commercialized proposals: 3

Corporate Venture Capital

Launched in FY2017

- Cumulative investments: 27

Becoming an environmentally advanced company — CDP Climate Change A List Selected in 2021 — RE100 First real estate company to join (Tokyu Land Corporation) in 2019

DX promotion initiatives — Digital Transformation Certification — First comprehensive developer to become a DX-certified operator in 2021

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Letter to Our Stakeholders

Applying environmental management and DX to creating unique value for a future where everyone can shine in their own way

President & CEO,
Tokyu Fudosan Holdings Corporation

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Letter to Our Stakeholders

After two years of pandemic-induced business crisis, a V-shaped earnings recovery

My start as Company president in spring 2020 coincided with the government's declaration of a state of emergency due to the COVID-19 pandemic. That was two years ago. During that time, I stood at the front of the Company and continuously promoted our WE ARE GREEN slogan to change the unprecedented crisis into an opportunity to bring about a major transformation. Our whole Group shares our aspiration and is working to create unique value as we pursue our Vision for 2030 to be a corporate group that continues to create value for the future.

The pandemic has persisted since I became president, and it's been frustrating to have to manage the Company without the benefit of in-person meetings with stakeholders. The message I have repeated inside the Company is to not rush and don't let the circumstance lead us astray; we must keep our feet firmly on the ground and remember the bigger perspective.

The Group has experienced the major crises of Japan's economic bubble and the global financial crisis, and we overcame both by remaking ourselves. Based on my experience at that time, I was convinced that if we were flexible and calm about change, we would definitely be able to overcome this crisis.

Even as the pandemic continued, in the past fiscal year we generated substantial growth in both sales and profits in a strong real estate market and produced a V-shaped recovery that included record-high operating profit. I am very proud of our performance because it shows the Group working together at its very best with Group employees remaining dedicated to their work while protecting the safety of our customers and the work sites.

However, other companies in our industry are expanding both their results and presence at an even faster pace. We cannot be complacent, but must continue working tirelessly.

The Group transformation that I am aiming for has only just begun. My mission as the president of a pure holding company is to turn the Group's broad business wings into a true strength and create new value. That is the reason we are doing all we can to construct a robust and unique business portfolio.

Last year, we aligned our businesses into four segments based on the investment of management resources and growth strategies. We are now seeking to improve each segment's profitability and efficiency by applying common standards to evaluate the businesses and will implement reform in any area needing improvement.

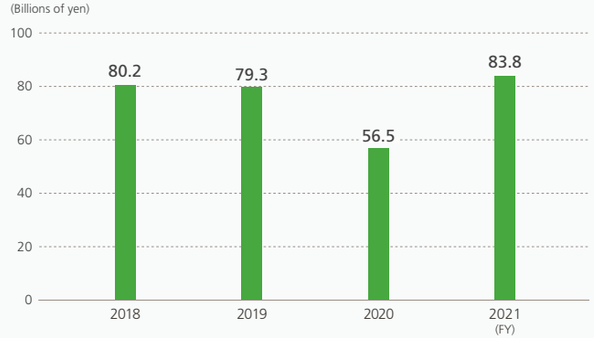
In March 2022, we sold our Tokyu Hands subsidiary to Cainz Corporation. The decision to sell the subsidiaries was made because it was the optimal solution for maximizing both value to the customer and business value, and we found a new partner that shares the same values as Tokyu Hands.

I believe selling the business is a big step forward in rebuilding our business portfolio. Going forward, we will seek to transform and grow each business by managing our business portfolio both quantitatively and qualitatively and keeping a firm eye on changes in the business environment.

In May, we formulated the medium-term management plan 2025 to realize our ideal vision described in our long-term vision. In the restructuring phase during the first half of the long-term business policy, we will seek to improve our earning power and efficiency to regenerate growth in the post-COVID-19 period.

See p. 30

Operating profit



Long-term vision slogan

WE
ARE
GREEN

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Letter to Our Stakeholders

Our competitive advantage is the breadth of our business wings spanning from development to management and operation.

I recently traveled to Chiba Prefecture to visit our Abiko Village, a large condominium complex developed by Tokyu Land Corporation in 1977 and managed and operated by Tokyu Community Corp. I was surprised and awed by how well maintained and managed the property is, making it hard to believe it's 45 years old. I was told that Tokyu Community and the very conscientious residents are working together so the building will have a long life.

The whole complex has a truly wonderful layout and the "local community" has been formed from the careful maintenance and renovations that have been conducted over the years. Abiko Village has a high occupancy rate, and the owners and residents are proud that the complex received an award from the Building and Equipment Long-Life Cycle Association, an association promoting the construction of buildings with long lifecycles.

See p. 28

That project that was built nearly half a century ago taught me what it means to turn the breadth of our business wings into a true strength. Our work does not end when construction is done, we must use our wings across a wide range of business areas and join with stakeholders to build a city together. That process will create a city that is loved for decades, and I believe it is an ideal to strive for. By engaging in a wide range of businesses spanning development, management, operation, renovation, and distribution and matching them to customer life stages, we are creating a virtuous cycle of listening directly to our customers and creating new businesses and services to meet their needs.

The Group's diverse human capital is the ones who carry out and sustain our wide variety of businesses. We boast an industry-leading presence in both the property management business and the brokerage business, and continuing to build our competitive advantages is further developing our Group identity.

Developing businesses that leverage our extensive customer contact points and operational know-how will enable us to provide new value to our customers and lead to the growth of the Group. Future society is one of our stakeholders, and I strongly feel that our Group's mission is to use our various projects for sustainable urban development.

In our home ground of the Greater Shibuya Area, the Group is working to improve the appeal of the entire area following the concept of "future sharing." The Shibuya commercial

Sakuragaoka smart city concept

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

district is active 24 hours a day, and its charm lies in its diversity and entertainment. By weaving "impressive experiences" into the district's characteristic multifunctionality, we will boost its international attractiveness by proposing a new Shibuya-style urban lifestyle.

Numerous redevelopment projects are scheduled for the Shibuya Station area, and we will use the full breadth of our business wings to create value and build a community that, like the Abiko Village, will be loved for a long time.

See p. 24

An environmentally advanced company turning environmental issues into business power

The long-term vision we announced last year set environmental management and digital transformation (DX) as Group policies. We recognize that in the business environment ten years from now services and products will be selected based on the degree that they protect the environment and that the rapid integration of digitalization will significantly change how business is done.

Beginning in the current fiscal year, we have begun a phase in which we will incorporate these policies into concrete initiatives and produce tangible results. When we announced the medium-term management plan, we simultaneously issued our Environmental Management Report and DX Report, in which we presented to the Group and the public our value creation roadmap and the main initiatives we will pursue.

Environmental management means building on business opportunities in every Group business using the environment as a starting point. With environment awareness rapidly increasing in our society, environmental initiatives are more than an obligation, they are a business opportunity. Superficial efforts will not be enough, we need to seriously confront the environmental issues facing society and turn the solutions into power for new businesses.

Since its founding, the Group has used its business activities to contribute to a sustainable society and address environmental issues. When Tokyu Land Corporation's first president, Noboru Goto, set about developing a resort in the tropical island of Palau, he did everything he could to respect the harmony with nature, telling the planners, "Don't construct buildings taller than a palm tree." Tokyu Land Corporation took early steps to clarify its stance on the environment and established its Environmental Philosophy in 1998.

In my own experience, I became strongly conscious of the environment when I was a new employee assigned to the resort division. Resort development and management relies on the blessings of nature. One of our biggest missions is to use appropriate management to create a flourishing environment for future generations.

A good example of how we have connected the environment to business is our renewable energy business, where we have moved ahead of other companies in recent years and have become an industry leader in business performance. The business is developing solar power plants and wind power plants across the country, and by 2025 we aim to have the power generation capacity equivalent to two nuclear power plants.

The time is approaching when environmental value will be recognized as part of product value. As an environmentally advanced company we will continue leveraging the Group's

advantages in environmental initiatives to address issues with a focus on our three priority areas of decarbonized society, recycling-based society, and biodiversity conservation.

See p. 37

Connecting digital technology and business, and using new "impressive experiences" as a source of competitiveness

The COVID-19 pandemic has caused major changes in our social lifestyles. I feel that the biggest change in business has been the rapid and wide spread integration of DX. It is truly an instance of turning a crisis into an opportunity. I believe we can use the power of digital technology to bring about a major transformation of our business and spur further growth.

The concept that is key to realizing DX is "fusion" – fusion

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

of all aspects of life, fusion of online and offline, fusion that extends beyond business and organizational boundaries. We plan to make maximum use of digital technology to create value by removing barriers and creating fusion across what we call Lifestyle Creation 3.0.

Our DX vision is "removing all boundaries with the power of DX." We will maximize the value of our assets and human capital to establish a new profit model based on the three themes of business process, customer experience (CX), and innovation.

CX is of utmost importance to the Group because framing our services from the customer's perspective is essential to operating our various B2C businesses. We will use of our wealth of customer contact points, particularly at actual locations, and the know-how and data we have accumulated from our wide range of businesses to provide customers with "impressive experiences" in every situation.

The leaders of the next era will be the social native Z generation. When I talk to the younger generation, I find them to be very sensitive to society, whether it be the environment or DX, and they have many new ideas and concepts. We will actively listen to these voices and create an environment where the younger generations can take the lead creating new businesses and services.

Digital technology is evolving at a high pace. To fully harness the power of digital in our business, we need to raise the level of digital literacy throughout the organization. At each Group company, we will systematically train "bridge personnel" who will incorporate digital into their business and lead projects. Our newly established DX technology company TFHD digital Co., Ltd. will lead our hiring of advanced digital human capital and build a system for accumulating knowledge internally and facilitating co-creation with Group companies and external partners.

See p. 41

Creating an organizational culture for diverse human capital to thrive

Our Company shares were shifted to the new Prime Market with the reorganization of the Tokyo Stock Exchange. We are subsequently stepping up our measures to strengthen governance, establish sustainable growth, and improve corporate value over the medium and long term. One of the KPIs of our long-term management policy is to improve the effectiveness of the Board of Directors (through a third-party evaluation), and we working to achieve that by ensuring management soundness and transparency and by constructing a governance system that contributes to swift decision-making.

While improving governance, I am also emphasizing reforming the organizational culture as a foundation for sustainable growth.

We are creating an organizational culture in which diverse human capital can thrive. That's the type of organization and personnel I am aiming for. Society is placing increasing importance on human capital. In my long experience in human resources, I have found that the most effective way to improve the value of human capital is to "diversify the entrance and exit."

Hiring is the entrance, retirement is the exit. It is obvious that Japan's entrenched systems of mass hiring of new college graduates and mandatory retirement hinder the mobility of human capital. One company cannot change the whole system, but we will create a structure that is open to various human capital, such as a by hiring mid-career professionals and creating opportunities for post-retirement individuals to rejoin the work force.

Families and lifestyles have changed a lot since I was young. Nowadays, we are in an era where taking an extended break will not adversely impact the promotion or career of either a man or a woman. It is important to be a company that makes it possible for an individual to work the way they want. The COVID-19 pandemic set the stage for new work styles, and we are creating a system that accommodates various workstyles so employees can work in a way that best suits their lifestyle.

Human capital is essential assets that generate innovation and is the source of the Group's value. As we seek to promote a diverse workforce, the gender gap is presently one of our biggest issues. Our long-term management policy sets various KPIs, such as for the percentage of women hired and women in management positions, but we have also begun providing various types of support, such as flexible mechanisms and systems to be more responsive to employee needs and so everyone can work in their own way and be active throughout their career.

An organizational culture that accepts diversity cannot be created overnight. During internal conversations in the Company, I often stress two points: Remove unconscious bias and Ensure psychological safety. Preconceived, unconscious ideas of a certain group, like the LGBTQ community, hinder communication. We are seeking to remove those obstacles one by one to create an environment of mutual respect.

Our health and productivity management activities include supporting the mental and physical health of our employees and creating a dynamic workplace. Through our corporate activities, products, and services, we will join with our customers and business partners to promote the overall health of society.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Letter to Our Stakeholders

Our objective is to protect the safety and security of group employees, and to continue to be innovative and growing together with stakeholders. To achieve this goal, I also am working to shed old ways of thinking and be open to new ideas for improving our organizational culture.

See p. 57

Becoming a corporate group that is not only trusted but loved for accepting all individual lifestyles

I believe our WE ARE GREEN slogan, which is easy for anyone to understand, clearly communicates our purpose and our vision, and feel that it is gradually taking root inside and outside the Company.

The GREEN in our slogan is not just the environment. WE ARE GREEN represents our goal of "a future where everyone can be themselves and shine vigorously." Green is our corporate color, and the color gradation represents the diversity of the Group's wide range of businesses and human capital. Respect all values, accept diversity, and accept different ideas and ways of thinking. We will fuse the powers of the various shades of green of our Group businesses to create new value that will enhance our corporate value and help realize a sustainable society.

Another essential element to fulfilling our social responsibility is supply chain initiatives. Since 2016, we have been participating in the United Nations Global Compact, which supports Ten Principles of human rights, labor, the environment, and anti-corruption. We will provide strength as society advances by working with our business partners to promote human rights, health and productivity management, and environmental management.

What can we do for the future society? That question is on my mind every day as I manage the Group. I believe it is important for management to take a broad view and be bold. Particularly in this era of so much uncertainty, we must not get caught up by trivial near-term matters or stuck in fixed ideas or stereotypes. I strongly believe that we need future-oriented management that will steadily lead us to accomplishing what we envision for ourselves.

Consistent actions geared to the future will earn stakeholder trust, and they will eventually become "attached" to our Company. When a customer feels an attachment to a product or service, they would naturally have an affection for the Company too. I want our corporate Group to go beyond being trusted to being loved. To do that, we will accumulate the Group intangible asset of our unique value creation, and with that we will build strong brand power. The reason we will aim for that is because brand power is proof of attachment.

Last but not least, our ideal is a society in which individuals can be physically and mentally healthy and enjoy their own way of living and thinking. The Lifestyle Creation 3.0 concept fusing living, working and spending time is synonymous with a way of life. We want to create a bright future where each person lives their life their own way and achieves their own happiness. I feel so strong about this because I feel a sense of mission as a person who is building society. I believe a company is a mirror that reflects society and, together with our stakeholders, we will continue to working to create a sustainable society and grow as a company.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Our Vision

Our long-term vision and value creation story

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

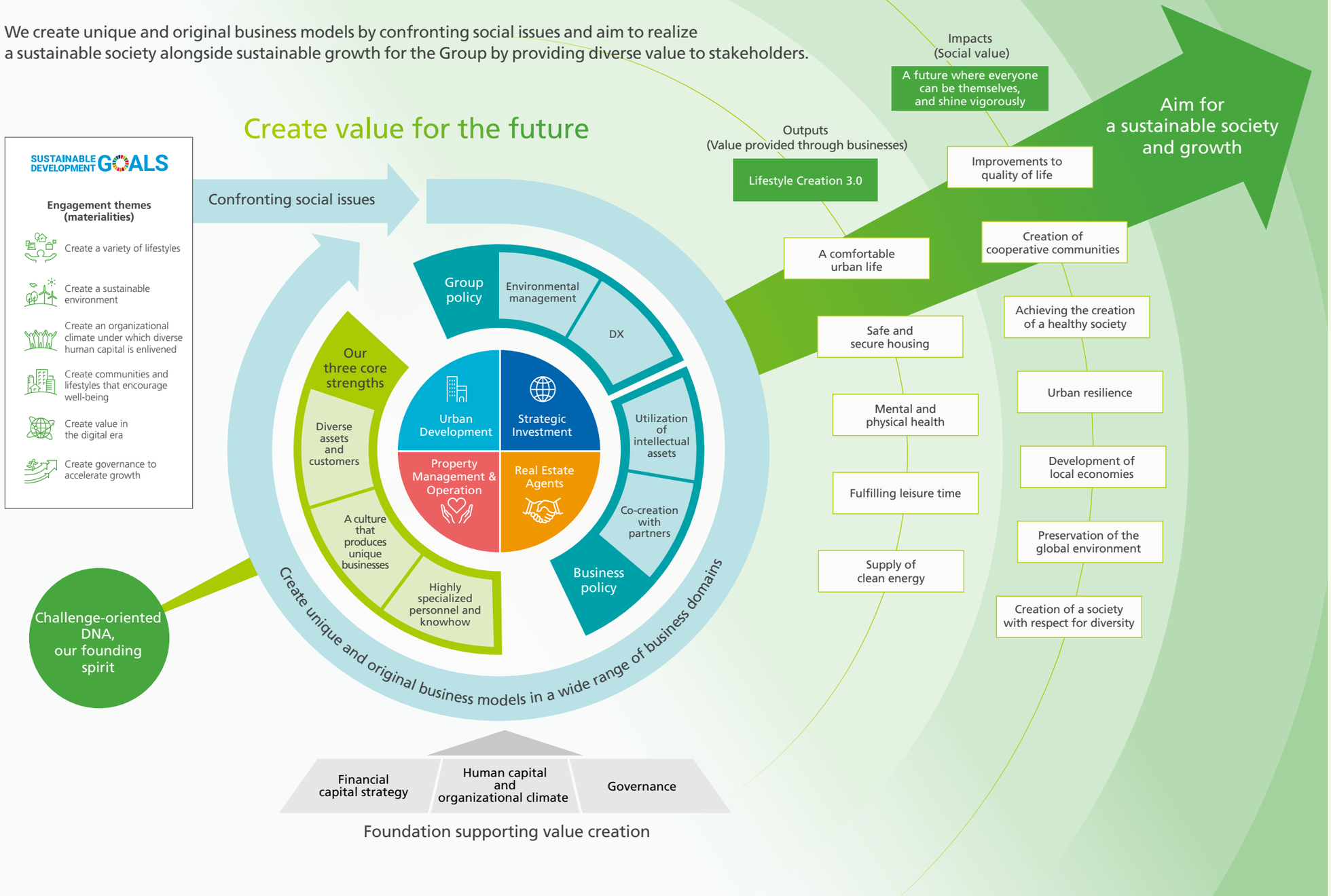
Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Process for Value Creation

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.



Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

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.

Customers

We will realize enriching and convenient lifestyles by facilitating the seamless use of a wide range of Group services in accordance with the diverse lifestyles and life stages of individual customers.

Group employees

We will cultivate highly productive human resources who can contribute to wider society by establishing environments that enable employees to maintain their physical and mental health while working with motivation and aspirations.

Business partners

We will contribute to the creation of a sustainable society through our entire supply chain by supporting the growth of not only Group companies, but also our partners.

Local communities

We will contribute to regional revitalization and resilient, sustainable urban development through the creation of cities and communities that are resistant to disasters and in harmony with the environment.

Shareholders and investors

We will establish a position as an attractive investment destination for investors who focus on ESG and impact analysis by enhancing medium- to long-term corporate value.

Aim for a sustainable society and growth

Future society

We will solve social issues to create a beautiful, abundant environment and urban development that has enduring appeal, not only for the next generation, but for all future generations.

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

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Overview of Sustainable Management

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

Social Issues

Materialities	Opportunities and risks (Opportunities / Risks)	Ideal vision for 2030	Non-financial KPI	FY2030 targets	SDGs targets
Lifestyle	Diversification of lifestyles Mismatch to consumer needs	A vibrant life, both physically and mentally	• Customer satisfaction level*1	90% or more	10.3
			• Products and services that contribute to Lifestyles Creation 3.0	100 cases or more	5.1 8.8 12.7
Liveable City	Mental and physical health / Disaster preparedness and disaster damage reduction Dilapidation and decline of urban areas	A society where everyone can feel happy	• Measures to revitalize communities	100 cases or more	11.3
			• Strengthening building safety and security*2	100%	3.9 11.3 11.5
Environment	Growing needs to respond to decarbonization and recycling Intensification of disasters and increase in response costs	A carbon-free society and a recycle-oriented society	• RE100*3	To be achieved by 2025*4	7.2
			• Percentage of renewable energy power usage	60% or more	7.2
			• CO_2 emissions (compared with FY2019) (SBT certification*5)	(46.2)%	13.1
			• Water usage	Less than the previous fiscal year	6.4 12.2
			• Waste volume (compared with FY2019)	(11)%	12.5
			• Environmental certification acquisition*6 (e.g. CASBEE, DBJ)	100%	9.4 15.5
			• Sustainable procurement (wood materials for molds)	100%	15.2
			• Midori wo Tsunagu Project (area of forest protected)	3,000 ha	15.2
			• Environmental efforts through business	100 cases or more	11.6 11.7
DX	Increasing importance of customer contact points Declining position of real experiences	Create customer's new experience value	• Number of initiatives for digital utilization	100 cases or more	8.2 17.16
			• DX investment amount (compared with FY2021)*7	2 times	9.1
			• Acquisition of IT passport*4	100%	4.4
Human Capital	Securing diverse human capital Intensifying competition in the human capital market	An organizational climate for continuously creating innovation	• Ratio of employees who undergo physical examinations	100%	8.5
			• Ratio of female hires	50%	5.5
			• Ensuring of diversity in the core human capital (ratio of female managers)	20% or more	5.5
			• Ratio of childcare leave taken by male employees	100%	5.1 5.5
			• Deepening understanding of LGBT (percentage of employees who took an e-learning course)	100%	10.3
			• Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)	100%	10.3
Governance	Deepening relationships with stakeholders Increasing cost of fundraising	Sustainable improvement of corporate value	• Engagement with shareholders and investors	300 cases or more	12.6
			• Improvement of effectiveness of the Board of Directors (third party evaluation)	100%	16.6
			• Adherence to the compliance code of conduct	100%	16.5

Financial KPI — FY2030 targets

Reference indicators

ROE
10% or more

ROA
5% or more

D/E ratio
2.0 times or less

Operating profit
¥150 billion or more

Net profit*8
¥75 billion or more

Results and changes

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

*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. This target is for 2022. *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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

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.
By implementing strategies in line with each theme, we will contribute to the creation of a sustainable society.

Main social issues

- 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 of personnel development
- Diversification of workstyles and an increasing need to improve working conditions and environments
- Growing importance to factor ESG into corporate management

Materialities		SDGs targets	Main opportunities	Main risks	Main measures
Lifestyle	**Create a variety of lifestyles** We will help people to enjoy lives that are both physically and mentally vibrant by promoting Lifestyle Creation 3.0, a combination of home, work and play styles.	5, 8, 10, 12	• Diversification of work styles, home styles and play styles • Fusion of all manner of lifestyle scenes	• Mismatch to consumer needs • Declining efficiency accompanying response to segmentalized needs	• Verification testing of workation services using resort hotels • Enhancement of website functions for condominium residents and resident's associations
Liveable City	**Create communities and lifestyles that encourage well-being** We will realize a society where everyone can feel happy by building secure, safe and comfortable life infrastructure and creating communities where people help each other.	3, 11	• Increasing importance of community creation • Growing need for disaster preparedness and disaster damage reduction • Increasing awareness regarding mental and physical health issues	• 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	• Community building through area management activities • Student internships for promoting corporate sustainability
Environment	**Create a sustainable environment** As an environmentally advanced company, we will create a carbon-free and recycle-oriented society by addressing global issues such as climate change.	7, 13, 15	• Growing need to respond to a decarbonized and recycling-oriented society • Increasing funding from ESG investors	• Escalation of climate change and natural disasters • Increasing costs due to environmental restrictions, etc.	• Acceleration of initiatives for achieving RE100 and in the renewable energy business See p. 26 • Promotion of environmental initiatives at condominium buildings See p. 40
DX	**Create value in the digital era** We will transform our business models by utilizing digital technologies to create new experience value for customers.	9, 17	• Increasing importance of utilizing customer contact points • Improving scalability of services provided	• Declining position of real experiences due to enhancement of virtual experiences • Appearance of disruptors to existing businesses	• Development of a condominium sales office that uses DX (Ginza, Tokyo) See p. 43 • AI appraisals for real estate sales agents
Human Capital	**Create an organizational climate under which diverse human capital is enlivened** We will continue to create innovation through an organizational climate that respects human rights and under which diverse human capital can exercise their abilities.	5, 8, 10	• Increasing opportunities to secure diverse human capital • Emergence of innovation due to diversification	• Intensifying competition and increasing costs in the human capital market • Declining reputation due to the occurrence of human rights issues	• Accelerated promotion of female employees and strengthening of mid-career recruitment • Due diligence related to human rights and sustainable procurement See p. 59
Governance	**Create governance to accelerate growth** As a group trusted by all stakeholders, we will aim to enhance our corporate value sustainably by increasing management transparency and fairness.	16	• Strengthening relationships with stakeholders by improving transparency • Increasing funding from ESG investors	• Increasing cost of fund procurement • Decline in confidence due to legal violations	• Compliance e-learning courses for Group employees • Evaluations of the effectiveness of the Board of Directors that incorporate third-party assessment See p. 63

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Financial and Non-Financial KPI Targets and Results

	Category	Materiality	KPI		FY2030 target	FY2025 target	FY2021 results
Financial targets	Finance		ROE		10% or more	9%	5.7%
			ROA		5% or more	4%	3.2%
			D/E ratio		2.0 times or less	2.2 times or less	2.3 times
			Operating profit		¥150 billion or more	¥120 billion	¥83.8 billion
			Net profit*1		¥75 billion or more	¥65 billion	¥35.1 billion
Non-financial targets	Society	Create a variety of lifestyles	Customer satisfaction level*2		90% or more	90% or more	94.7%
			Products and services that contribute to Lifestyles Creation 3.0 (cumulative)		100 cases or more	50 cases or more	20 cases
	Society	Create communities and lifestyles that encourage well-being	Measures to revitalize communities (cumulative)		100 cases or more	50 cases or more	21 cases
			Strengthening building safety and security*3		100%	100%	100%
	Environment	Create a sustainable environment	RE100 to be achieved by 2025*4		100%	100%	5.8%
			Percentage of renewable energy power usage		60% or more*5	65%*6	4.0%
			CO_2 emissions (compared with FY2019)	Scope 1 and 2	(46.2)% (SBT certification)*5	FY2023 (50)%*6	(9.0)%
				Scope 3	(46.2)% (SBT certification)	Qualitative target: Collaborative initiatives with partners (construction companies, etc.)	(3.7)%
			Water use		Less than the previous fiscal year	Less than the previous fiscal year	+7.3%
			Waste volume (compared with FY2019)		(11)%	(6)%	(11.2)%
			Environmental certification acquisition*7 (e.g., CASBEE, DBJ)		100%	70%	35.0%
			Sustainable procurement (wood materials for molds)		100%	30%	0%
			Midori wo Tsunagu Project (area of forest protected)		3,000 ha	2,400 ha	2,031 ha
			Environmental efforts through business (cumulative)		100 cases or more	50 cases or more	22 cases
	Society	Create value in the digital era	Number of initiatives for digital utilization (cumulative)		100 cases or more	50 cases or more	30 cases
			DX investment amount (compared with FY2021)*8		2 times	1.5 times	¥1.4 billion
			Acquisition of IT passport*4		100%	80%	28.7%
	Society	Create an organizational climate under which diverse human capital is enlivened	Ratio of employees who undergo physical examinations		100%	100%	100%
			Ratio of female hires		50%	42%	41.2%
			Ensuring of diversity in the core human capital (ratio of female managers)		20% or more	9%	9.2%
			Ratio of childcare leave taken by male employees		100%	100%	43.5%
			Deepening understanding of LGBT (percentage of employees who took an e-learning course)		100%	100%	30.0%
			Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor)		100%	50%	41.9%
	Governance	Create governance to accelerate growth	Engagement with shareholders and investors		300 cases or more	290 cases or more	275 cases
			Improvement of effectiveness of the Board of Directors (third party evaluation)		100%	100%	100%
			Adherence to the compliance code of conduct		100%	100%	97.4%

*1. Profit attributable to owners of parent *2. Tokyu Cosmos Members Club questionnaire survey *3. Support people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc.
*4. Tokyu Land Corporation. This target is for 2022 *5. Set at the same time as the long-term management policy (fiscal 2021) *6. Set at the same time as the medium-term management plan (fiscal 2022)
*7. Covers large-scale non-residential owned properties (total floor area of at least 10,000 m^2). Excludes some properties, such as joint ventures *8. Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Materiality Identification Process

We have organized and analyzed social issues in terms of both significance for stakeholders and significance for business management and identified six issues that need to be addressed as a priority as the themes of our efforts to create value (materialities).

Step 1
Determination, integration, and consolidation of social issues

- **Integration and consolidation of 561 social issues into 37 items**
  We created a longlist of 561 social issues and then integrated and consolidated similar and overlapping items into 37 issues

- **Social issue longlist inputs**
  Issues recognized in international frameworks (such as the SDGs, ISO 26000, GRI, and SASB), SRI ratings indexes (such as FTSE and DJSI), analyst reports, and by the Japanese government and business organizations, as well as stakeholder feedback, and issues identified in trends regarding other companies and at Group companies

Step 2
Recognition and assessment of stakeholder expectations

- We held interviews with stakeholders to gauge their expectations regarding the 37 social issues
- We organized the interview feedback and the results of Step 1 to **evaluate each issue in terms of significance for stakeholders**

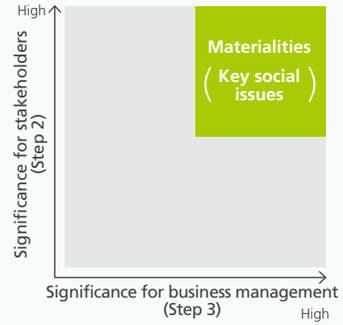
Step 3
Extraction of high-priority management issues

- For each of the 37 social issues, we **confirmed its importance for each Group company, as well as potential risks and opportunities**
- We also **evaluated its significance for business management** in accordance with our long-term management policy and extracted the issues that are of the highest priority to the overall Group

Step 4
Identifying materialities, opportunities and risks

- **The Sustainability Committee and Group Executive Committee** assessed the identified management issues along two axes: significance for stakeholders as verified in Step 2 and significance for business management as verified in Step 3
- **The Board of Directors** designated six key issues that need to be addressed as a priority as the themes of our efforts to create value (materialities)
- We then established the correspondence between each materiality and opportunities and risks, our ideal vision for 2030, KPIs, and SDGs targets

See p. 20



Sustainability Committee

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Outputs

Lifestyle Creation 3.0

Our uniqueness as a Group is our ability to create value through proposals that combine home styles, work styles, and play styles.
We create value on a time axis by providing diverse services for each life stage of our customers and creating new lifestyles,
and on a spatial axis by utilizing the Group's assets and services in wide range of business fields in all manner of urban settings.

Lifestyle creation (value creation on a time axis) × **Wide range of business fields (value creation on a spatial axis)**

Life stage: Schooling | Career | Post-retirement

Higher education | Employment | Marriage | Parenting | Job transfer | Leisure | Retirement | Nursing care

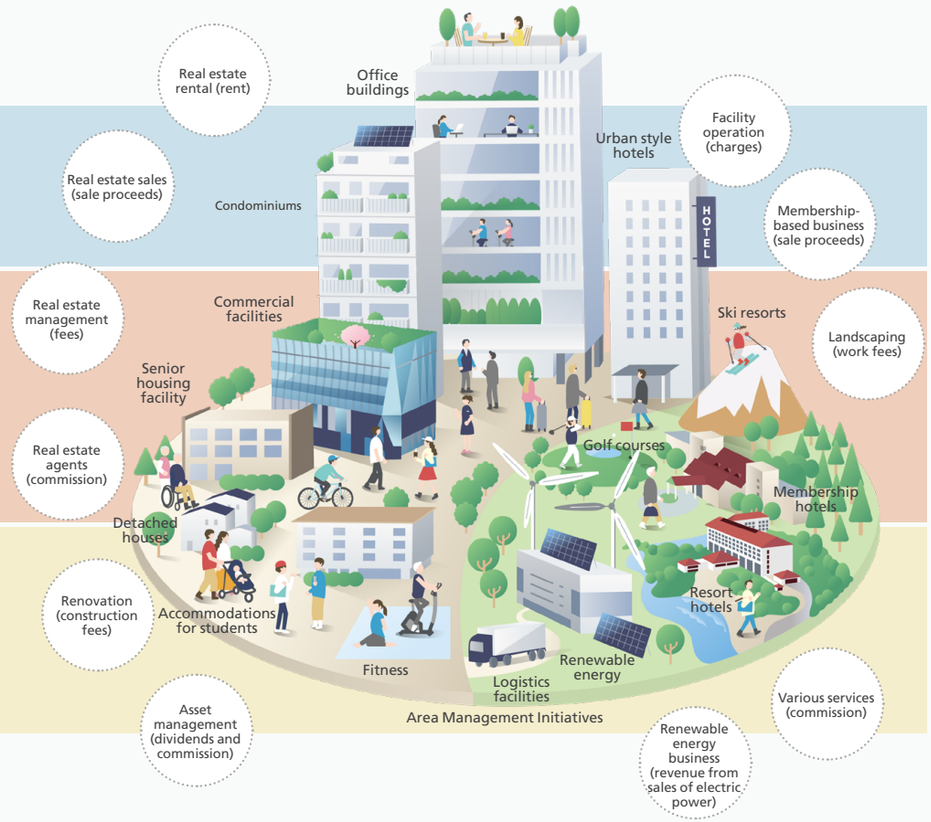
Proposals for work styles
- Office buildings: building smiles, Business-Airport, INFIELD, QUICK
- Consignment welfare and health support: WELBOX, KENPOS
- Building and facility management: TOKYU COMMUNITY CORP.
- Career support: Nasic

Proposals for home styles
- Condominium management
- New condominiums: BRANZ, L'GENTE
- Rental housing: Tokyu Housing Lease, COMFORIA
- Real estate agents (sales and leasing): TOKYU LIVABLE
- Renovation construction: TOKYU Re·DESIGN
- Accommodations for students: CAMPUS VILLAGE
- Senior life: GRANCREER

Proposals for play styles
- Commercial facilities: TOKYU PLAZA, Q plaza, Q's MALL
- Hotels: TOKYU STAY, TOKYU Harvest Club
- Leisure: TOKYU SNOW RESORT, TOKYU GOLF RESORT
- Fitness: TOKYU SPORTS OASIS

Renewable energy: ReENE

Logistics facilities: LOGI'Q



Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

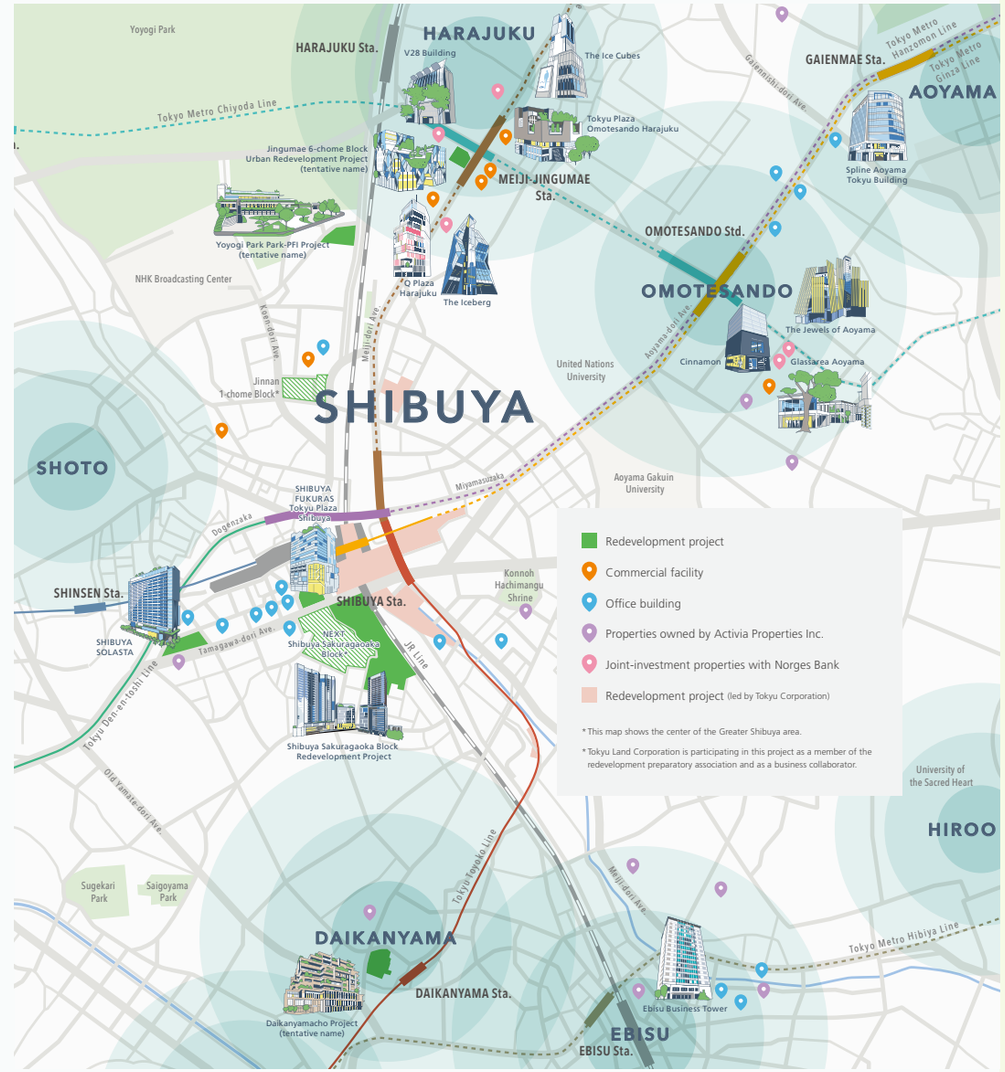
Outputs

Case Study 1: The Greater Shibuya Area Concept

Aiming to enhance the value of the entire Shibuya area

We are advancing urban development under the Greater Shibuya Area Concept strategy with the aim of establishing a Shibuya-style urban life that cannot be experienced anywhere else.

Social issues we are addressing	Outputs	Impacts
• Intensifying competition between urban areas • Making areas attractive amid population decline • Realization of diverse lifestyles • Response to globalization • Preparation for large-scale disasters	• Comfortable urban lives • Safe and secure housing • Fulfilling leisure time	• Enhancement of real estate value / stable social infrastructure • Enhancement of quality of life / community building • Contribution to the regional economy / urban development that is resilient against disasters • Realization of a smart city • Conservation of the natural environment / reduction in environmental impact • Social inclusion



Proposing new lifestyles unique to Greater Shibuya that integrate living, work, and play

In July 2021, Tokyu Corporation and Tokyu Land Corporation formulated Greater Shibuya 2.0, a new strategy that further evolves and develops the vision of Greater Shibuya 1.0. Under this strategy, we will be advancing the kind of large-scale development in Shibuya seen only once every 100 years. The construction of Shibuya Solasta and Shibuya Fukuras has already been completed and the Shibuya Sakuragaoka Block Urban Redevelopment Project, Jingumae 6-chome Block Urban Redevelopment Project, Yoyogi Park Park-PFI Project (tentative name) and Daikanyamacho Project (tentative name) are scheduled for completion from fiscal 2023 to 2024. The goal of these projects is to accelerate urban development that has a distinct Greater Shibuya flavor and that can draw people and companies to the area by creating new lifestyle proposals which integrate living, work, and play and by enhancing initiatives focused on digital technologies and sustainability.

Rendering of what the area around Shibuya Station will look like in the future

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

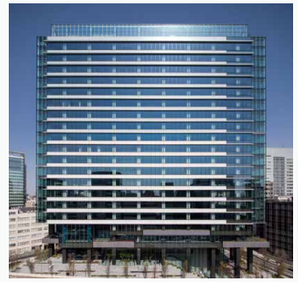
Outputs

Case Study 1: The Greater Shibuya Area Concept

Aiming to enhance the value of the entire Shibuya area

Construction of Shibuya Solasta and Shibuya Fukuras completed

Shibuya Solasta is an office building that will support diverse work styles for workers as the embodiment of the "workplace where you can work under clear skies" concept. Shibuya Fukuras is a mixed-use office and commercial complex containing *shibuya-san*, which is a tourism information hub, and a bus terminal.



Shibuya Sakuragaoka Block Urban Redevelopment Project (due to be completed)

We will create attractive office, commercial, and residential spaces over a vast area to the southwest of Shibuya Station. This will contribute to making Shibuya more competitive internationally through the establishment of infrastructure such as facilities that support global lifestyles and startup companies.

Daikanyamacho Project (tentative name, due to be completed)

Jingumae 6-chome Block Urban Redevelopment Project (due to be completed)

Yoyogi Park Park-PFI Project (tentative name, operatorship scheduled to start)

Tokyu Land Corporation, Tokyu Corporation, Ishikatsu Exterior Inc., and Tokyu Community Corp. have been designated as the operators of Tokyo's first Park-PFI project under the Urban Park Act.

2019 → 2021 → 2023 → 2024

Introducing renewable energy

In April 2021, Tokyu Land Corporation switched to using renewable energy to power 17 of its facilities in the Greater Shibuya area, including its headquarters.

Supporting start-ups

Shibuya is a hub for the creative industries, so we will encourage start-ups to move to the area through measures such as opening shared offices and co-creation spaces.

Formulating the new Greater Shibuya 2.0 strategy

We will build on Greater Shibuya 1.0 efforts by advancing initiatives that leverage Shibuya's unique appeal under the themes of work, play, living, digital, and sustainability.

The Yoyogi Park Park-PFI Project (tentative name) – A park operation and management business

Leveraging the characteristics of the park's location bordering Shibuya and Harajuku and our wealth of operational expertise to realize management of an attractive park

Kurumi Hashimoto
Project Promotion Section
Management & Operation Department
Green Management Business Department
Ishikatsu Exterior Inc.

Ishikatsu Exterior has built an extensive track record of park management that leverages our garden development technologies and expertise with greenery through projects for a wide range of municipalities and local governments. Recently we have been focusing on public-private urban park collaborations and we are building a strong reputation and trusting relationships through proposals that combine uniquely appealing operations with high quality management.

In the Yoyogi Park Park-PFI Project (tentative name), we are participating in park management and operation as a designated operator. We will pay close attention to the consistency of greenery throughout the entire park while demonstrating our management technologies in the garden development field to realize spaces where visitors can experience the true beauty of nature. The park will also provide functions that address new needs and cultural trends through attractive facilities such as an urban sports park where people can skateboard and a "communication terrace" which can be used as a stage. Going forward, we leverage the characteristics of the park's location, as well as our abundant planning and proposal capabilities to operate the park in a way that visitors will love.

Launching a sustainable fashion community hub

In July 2021, NewMake Labo, a community hub for realizing sustainable fashion, opened in the Omotesando/Harajuku area. This project is a collaborative venture between Tokyu Land Corporation, and STORY&Co., an operator of experience-based sharing services, with support from Brother Sales, Ltd. It is creating new value by upcycling clothes and other items provided by Japanese and international brands.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Outputs

Case Study 2: Renewable Energy Business

Striving for further decarbonization

We have made practicing environmental management a Group-wide policy, under which we will increase business opportunities with the environment as a starting point and accelerate efforts to realize a decarbonized society. As part of this, we are growing our ReENE renewable energy business. We aim to raise corporate value and continue as the first choice for stakeholders by making environmental business into a strength for realizing a decarbonized society.

Social issues we are addressing	Outputs	Impacts
• Realization of a decarbonized society • Raising of Japan's energy self-sufficiency	• Clean energy supplies	• Conservation of the global environment • Development of regional economies

Contributing to decarbonization by expanding businesses that leverage our development capabilities

As a group that works to solve social issues through our business, in 2014 we launched a renewable energy business and since then, we have expanded it to cover the whole of Japan under the brand name ReENE. We have leveraged the wide-ranging expertise we have cultivated through urban development, including in advancing site development and collaborating with regional communities, to develop solar, wind, and biomass power generation facilities. ReENE has three objectives, and we are developing the business in collaboration with partner companies and other stakeholders. As a result, we have grown to become one of the leading renewable energy producers in Japan and as of June 30, 2022, we had 82 facilities with a rated power capacity totaling 1,329 MW.

The three objectives of ReENE

1. Realize a decarbonized society
2. Realize harmony and mutual development with local communities
3. Raise Japan's energy self-sufficiency

The Japanese government is looking to make renewable energy into one of Japan's main sources of electricity, so demand is expected to grow further. We will work to grow the scale of our business and enter into new areas, such as offshore wind power, so that we can contribute to the realization of a long-term, stable power supply, as well as local energy production for local consumption and regional revitalization.

*1. A certificate that links energy to information about power providers certified under the non-fossil feed-in tariff scheme (a scheme in which renewable energy is purchased at a fixed price), enabling renewable electricity to be tracked back to its source. It can be used toward RE100 targets.
*2. Power purchase agreement

Achieving our RE100 targets in 2022, ahead of schedule

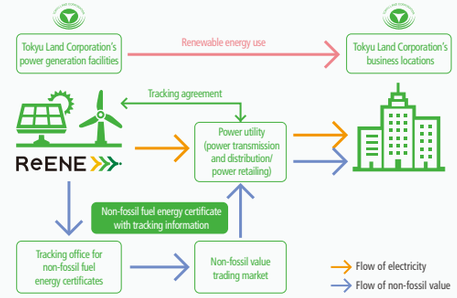
Leveraging our advantage of owning large-scale facilities to develop our power generation business, we will actively incorporate renewable energy into various businesses and fields. In this way, we will turn our engagement in a wide range of business areas, one of the Group's distinct characteristics, into a real strength.

Utilizing schemes such as non-fossil fuel energy certificates with tracking information*1, we will supply energy generated at sites owned by Tokyu Land Corporation to other facilities owned and operated by the company, such as office buildings, commercial facilities, and hotels. This will create value related to decarbonization for tenants and other users. We are a member of RE100 and by accelerating our renewable energy initiatives, we have been able to move forward the deadline for achieving our RE100 target, initially set for 2050, to 2022. In an era in which there is heightened awareness of environmental issues and SDGs among both companies and individuals, creating added environmental value is helping us to maintain a competitive position as a first choice corporate group.

We are installing solar power generation equipment (including equipment operated under an onsite PPA*2) on the rooftops of various sites, including BRANZ condominiums and showrooms, which are currently under development, as well as Comforia rental condominiums, Campus Village student accommodation, and LOGI'Q logistics facilities. The electricity generated will be used to power each facility's shared spaces, among other uses, providing a new kind of value.

Another advantage of the renewable energy business is that power generation is a form of social infrastructure, so it creates stable revenues that are not significantly affected by the economic climate. Going forward, we will continue to invest proactively to expand our business and realize a decarbonized society.

Scheme for switching to renewable energy



Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Outputs

Case Study 2: Renewable Energy Business

Striving for further decarbonization

2014

Entry into the solar power business

2015

Takuma Solar Power Plant

The Group's first solar power generation facility

Entry into the wind power business

2018

Entry into biomass power business

Consolidation of all businesses under the ReENE brand

2019

ReENE Kiminomori Golf Club Solar Power Plant

A renewable energy project begins operation in the golf club's carport.

ReENE Matsumae Wind Power Plant

Hokkaido's first wind power plant equipped with storage batteries begins operation. A local microgrid was launched in 2020.

ReENE LOGI'Q Hirakata Solar Power Plant

Launch of a renewable energy project that uses solar panels installed on the roof of a logistics facility

Tokyu Land Corporation becomes the first company in the real estate industry to join RE100

RE100

2020

Suzuran Kushirocho Solar Power Plant

Japan's largest (at the time) mega-solar facility equipped with storage batteries begins operation.

2022

Yonago Biomass Power Plant

Woody biomass plant begins operation

ReENE Solar Farm Higashi-Matsuyama (scheduled to begin operation in December)

A renewable energy testing facility with a focus on solar sharing (solar power generation on agricultural land)

Rendering of the completed facility

Tokyu Land Corporation achieves its RE100 target (projected)

2025

The Group becomes carbon negative (projected)

See p. 37

ReENE Solar Farm Higashi-Matsuyama – an agricultural and power generation partnership project

Contributing to raising Japan's energy and agricultural self-sufficiency and realizing local production for local consumption

Keigo Kumazawa
Infrastructure Industry & Overseas Business Unit
Infrastructure & Industry Business Division
Tokyu Land Corporation

I work in the solar sharing business, which involves using land where solar power generation equipment is placed for agriculture. The aim is to not only expand the potential of renewable energy but also solve issues facing the agricultural industry. For example, we are testing electric agricultural vehicles that increase efficiency by using electricity generated onsite, as well as an initiative that aims to create a positive food and energy cycle by taking harvested crops and processing it into food products and providing it directly on the spot.

I had no experience of agriculture, but I wanted to see what it feels like for myself, so I organized a rice planting event. Plenty of children participated in the event as well, so I was able to deepen my understanding of both agriculture and the local community. I want to share information about the project and what we are doing so that it can become an important site for creating a bright future together with stakeholders, including farmers and other local residents.

Initiatives to develop the industry

Tokyu Land Corporation has established the Renewable Energy Association for Sustainable Power Supply (REASP) and Association for Reciprocal Revitalization of Renewable Energy and Region (FOURE) to advance activities as representative organizations. They are collaborating with government ministries, including the Ministry of Economy, Trade and Industry and the Ministry of the Environment, and industry organizations, to realize sustainable growth for businesses, regional revitalization, and decarbonization.

REASP FOURE

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Outputs

Case Study 3: Resilience in Communities and Buildings

Extending building lifespans at Abiko Village

The statutory useful life of reinforced concrete housing is 47 years. Abiko Village was constructed in 1977 and 45 years later, it still has a vibrancy and charm that resonates with today's society. During development, we incorporated the most cutting-edge technologies and ideas of the time into its design and construction. Based on this solid foundation, we have built a relationship of trust with the residents' management association through a thorough long-term renovation plan and support for its smooth operation, thereby further enhancing the value of Abiko Village.

Social issues we are addressing	Outputs	Impacts
• Increase in aging and abandoned housing in Japan • Re-examination and revitalization of regional communities • Increase in the need to realize a sustainable society (response to disasters, resource shortages, population decline, etc.)	• Comfortable urban lives • Safe and secure housing	• Enhancement of quality of life • Creation of communities where people help each other • Urban resilience

Receiving an award in the Long-Life category of the 31st BELCA Awards*

In February 2022, Abiko Village received an award in the Long-Life category of the BELCA Awards, hosted by the Building and Equipment Long-Life Cycle Association. It was highly evaluated due to characteristics such as its pioneering construction plan, its use of various new technologies boasting high levels of energy-saving performance that were introduced during large-scale renovation work led by the management association (implemented three times), and the fact that 39% of its total area is covered in greenery.

Utilizing the Group's comprehensive strength to contribute to raising the quality of housing

Abiko Village is a large estate comprising a total of 994 housing units in 20 buildings. Tokyu Community Corp. has been overseeing its management and operation for about 45 years. It was developed by Tokyu Land Corporation under the concept of creating a healthy living environment using the latest technology. Pioneering technologies were used in its construction and its agile design included a landscape containing abundant greenery, a robust structure that still meets today's antiseismic standards, and elements such as piping that are easy to repair and replace.

The residents' management association of Abiko Village has built a management and maintenance framework that facilitates long-term use and it engages in continuous management and maintenance, disaster preparation, environmental activities, and community building. Ever since construction was completed, Tokyu Community Corp. has been supporting the association by leveraging its wide-ranging track record and experience to provide management, operation, and long-term renovation planning proposals. These efforts have resulted in a good living environment, an increase in the asset value of the buildings, and continuously high occupancy rates of around 95%.

We are working on a comprehensive set of measures for extending the lifespans of buildings, covering development through to management, and we will continue contributing to the creation of a society with a healthy housing stock situation by addressing emerging social issues such the aging of buildings.

Abiko Village Management Office

Practicing management and operations that keep the customers choosing us

The Abiko Village Management Association is highly motivated, to the extent it has even established a 100-Year Condominium Committee. It has formed a task force to handle building maintenance and repairs, while we handle overall management and all inspection-related matters. When it comes time to upgrade a building, work is implemented through a process in which we submit management reports and renovation proposals and then the association discusses and decides the specifics.

As a leading comprehensive real estate management company, we will continue working to provide high quality management and operations so that we can enhance the value of the residences that the association is working so hard on and meet their expectations.

Kenichi Nakajima
Tokyu Community Corp.

A study session at Abiko Village carried out jointly by Tokyu Land Corporation and Tokyu Community Corp.

* An awards program that aims to encourage contributions to prolonging the lifespans of buildings in Japan. The Long-Life category recognizes buildings that are excellent examples of building design which factors in long-term usage, proper maintenance and conservation efforts carried out over many years, and maintenance and conservation plans that extend considerably into the future.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Our Strategy

Policies and strategies for realizing the long-term vision

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Long-term Management Policy and Medium-term Management Plan

Positioning of medium-term management plan 2025

Formulating medium-term management plan 2025 as the restructuring phase of our long-term management policy

Medium-term management plan 2025 has been positioned as the restructuring phase of our long-term management policy. During the plan period, we will work toward realizing our ideal vision by enhancing earning power and efficiency with a view to returning to growth in the post-COVID-19 period and by building a solid and distinctive business portfolio.

GROUP VISION 2030 Create value for the future

Realizing a future where everyone can be themselves and shine vigorously

2021-2025
Long-term management policy: Restructuring phase

2026-2030
Long-term management policy: Resilience phase

Improve earning power and efficiency for the post-COVID-19 period in order to achieve renewed growth

Build a solid and distinctive business portfolio

Medium-term management plan 2025

Maximize corporate value
by transforming our business model

Increase profits and expand business opportunities
by enhancing experience value for customers

Improve profitability
through higher productivity and efficient investment

Outline of long-term management policy

Group policy

Make the Group's characteristics its strengths

Environmental management	DX
Strive for environmental advancement	Create new experience value

Business policy

Evolve the associated assets expansion model

Utilization of intellectual assets	Co-creation with partners
Monetize know-how and data	Break away from a closed, fully in-house approach

Key Strategies

1. Direct attractive city development
2. Strengthen environment-related business
3. Digitally transform B2C business
4. Create business in new domains

Our long-term management policy aims to make the Group's characteristics its strengths by advancing environmental management and DX as overall Group policies. We will also evolve the associated assets expansion model by promoting the utilization of intellectual assets and co-creation with partners as policies for our businesses.

Medium-term management plan 2025 has been positioned as a restructuring phase in which these Group policies and business policies will be used as a foundation for business restructuring. We will aim to enhance earning power and efficiency with a view to returning to growth in the post-COVID-19 period and to build a solid and distinctive business portfolio. This will be achieved by improving profitability through higher productivity and efficient investment and by increasing profits and expanding business opportunities through the enhancement of experience value for customers.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Outline of the medium-term management plan and target indicators

Creating unique value through environmental management and DX

We are expanding our engagement of business opportunities with the environment as a starting point to create unique value. Furthermore, we will establish a new business model by connecting the strengths and services of each business through DX.

Outline of the medium-term management plan

Asset-utilizing business

Urban Development / Strategic Investment

Target direction

Increased asset efficiency through efficient investment of funds and co-creation-based development

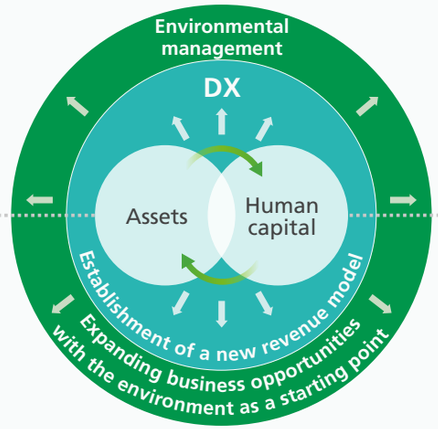
Strengths of our Group

Leveraging a broad range of assets

- Experience in developing diverse asset types
- Industry-leading AUM

Capacity to produce business

- Development of unique facilities
- Community-based project promotion



Utilization of intellectual assets

Co-creation with partners

Human capital-utilizing business

Property Management & Operation / Real Estate Agents

Target direction

Improved productivity through a departure from labor-intensive methods and the effective use of intellectual assets

Strengths of our Group

A wealth of customer touchpoints

- Business development in a variety of B2C areas
- Communication focusing on the physical

Human capital and operational expertise

- Industry-leading presence in management and brokerage

Target indicators for fiscal 2025

Primary targets for each materiality*1

Lifestyle: Customer satisfaction level*2 — **90** % or more	DX: Number of initiatives for digital utilization — **50** cases or more
Liveable City: Community revitalization measures — **50** cases or more	Human Capital: Ratio of childcare leave taken by male employees — **100** %
Environment: GHG (CO_2) emissions*3 — **-50** % or more (versus fiscal 2019)	Governance: Improvement of effectiveness of the Board of Directors (third party evaluation) — **100** %

Efficiency	Profit targets	Financial soundness
ROE **9**% ROA **4**%	Operating profit **¥120** billion	D/E ratio **2.2** x or less
EPS **¥90** or more	Net profit*4 **¥65** billion	EBITDA multiple **10** x or less

*1. Detailed targets are stated on p.21. *2. Tokyu Cosmos Members Club questionnaire
*3. Scope 1 and 2 under SBT certification *4. Profit attributable to owners of parent

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. 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.

We aim to achieve our targets for six themes to work on (materialities) as well as financial KPIs in regard to efficiency, profit targets, and financial soundness.

While advancing business restructuring, particularly in the first half of the plan, we will realize profit growth primarily driven by the expansion of our infrastructure and industry business in the Strategic Investment segment, as well as a recovery in demand for tourism in the Property Management & Operation segment as we approach fiscal 2025.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Perception of the business environment

Identifying significant changes in the business environment due to the pandemic

We have identified four significant changes in the business environment for the period up to fiscal 2025. These are the acceleration of decarbonization and diversification of environmental issues, the acceleration of digitalization, financial and economic trends driven by increasing uncertainty, and the diversification of lifestyles driven by the COVID-19 pandemic.

Heading toward 2030

Toward an era in which the meaning of going to real places will be questioned	Toward an era in which contribution to the environment will be a corporate value	Toward an era of personalized customer service	Toward an era of co-creation through borderless societies

Major changes in the business environment

Acceleration of decarbonization / diversification of environmental challenges	Acceleration of digitalization	Trends in finance and the economy
• Expansion of sustainability investment, etc. • Measures against nature-related risks, more initiatives aimed toward realizing a recycling-oriented society	• Launch of "Vision for a Digital Garden City Nation" plan by the Digital Agency • Advancement of a digital shift under the COVID-19 situation	• Rise in long-term interest rates and inflation as uncertainty increases • Expansion in markets related to wealthy people, increased the demand from dual high income couples

Diversity of lifestyles

New living styles

- Living choices will change from location selection based on the workplace to a focus on how people spend their time

→
- Boosted area value
- Increased need to resolve community issues

New work styles

- More flexible workstyles that aren't bound by time or place

→
- Compounding of challenges such as insufficient communication and health-related issues

New play styles

- New consumer behavior among the Z generation and other groups
- Changes in the value of physical stores amid a transition to e-commerce

→
- Increase in need for experience-based consumption
- Continued increase in demand for logistics facilities

In our long-term management policy, we have identified future changes in individuals, society, and the environment, and then organized them into four categories based on how they affect the business environment around the Group to create a vision of the world in 2030.

A year has passed since the formulation of the long-term management policy, and we are beginning to glimpse what direction the business environment will take in the post-pandemic period. Accordingly, we have identified four significant changes in the business environment for the period up to fiscal 2025, as shown in the chart on the left.

The diversification of lifestyles is a particular focus and as various aspects of lifestyles begin to merge together due to the pandemic, we need to accelerate our Lifestyle Creation 3.0 value creation efforts. We will monitor all changes in society, from changes in the way people live, work, and play, to environmental issues, the development of digital technology, and financial and economic trends, in order to create distinctive and unique value through the provision of new solutions that address social issues.

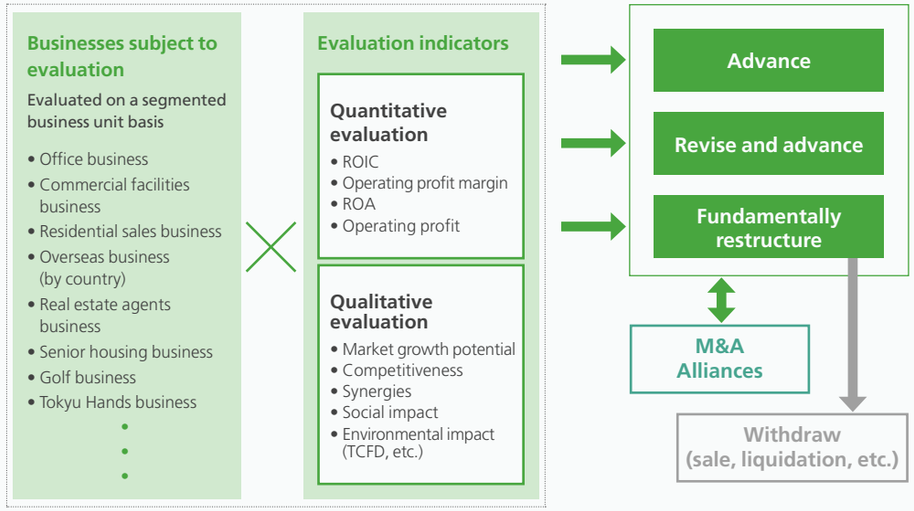
Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Business portfolio management

Finding a direction by evaluating all businesses along quantitative and qualitative axes

In the plan, portfolio management is conducted by assessing all businesses along two axes, qualitative evaluation and quantitative evaluation. Our goal is to realize the transformation and growth of each business in order to build a solid and distinctive business portfolio.

Business portfolio management

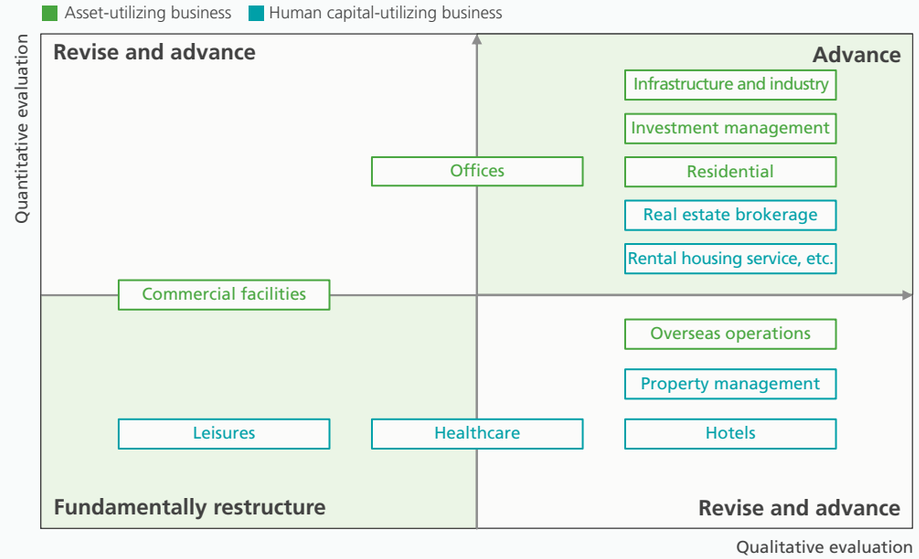


- Comprehensive judgment based on quantitative and qualitative evaluations common to all businesses
- Evaluation → monitoring → review and allocation decision management
- Utilization of external capital to maximize business value

Improvement of profitability and efficiency

Results of quantitative and qualitative evaluations

* Quantitative evaluations based on FY2020 results; qualitative evaluations based on expectations for the period through to the mid-2020s.



Directions for businesses requiring fundamental restructuring

Tokyu Hands business →	Transferred all shares to a new business partner (March 2022)
Leisure business →	Promote steps to become asset-light based on TCFD scenarios, etc.
Healthcare business →	Fundamentally restructure the fitness business with a focus on store operations based on expectation of a limited recovery in the number of members in the post-COVID-19 period.
Commercial facilities business →	Shift focus of facilities, especially urban facilities, to respond to customer needs for experience-based and empathetic consumption accompanying the development of e-commerce. Advance portfolio restructuring.

We will transform our business portfolio from a perspective that takes into account long-term changes in the business environment, while continuing to make adjustments in response to more rapid changes. In particular, businesses that require fundamental restructuring will be positioned as businesses requiring a significant transformation in order to grow, and we will advance various measures to achieve this.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Financial Capital Strategy

Profit growth while emphasizing capital efficiency

Hiroaki Hoshino
Director, Operating Officer,
Tokyu Fudosan Holdings Corporation

One of the core themes of medium-term management plan 2025 that we announced in May 2022 is improving our earning power and efficiency to regenerate growth in the post-COVID-19 period. We believe that the cost of shareholders' equity that we are seeking to maintain demands that we raise ROE above 8% as quickly as possible. To raise ROE, we are enhancing our capital efficiency by carefully managing our business portfolio and improving our existing businesses.

The management of our business portfolio aims to create the most effective portfolio by evaluating all Group businesses using common quantitative and qualitative indicators and dividing them into the three categories of "advance," "revise and advance," and "fundamentally restructure." For businesses that we determine require fundamental restructuring, we will take immediate action to improve their profitability and operating efficiency.

Group businesses are categorized into asset-utilizing businesses and human capital-utilizing businesses based on the management resources to be invested and their growth strategies. For the asset-utilizing businesses, we have set ROA as the key performance indicator and are aiming to complete and begin operation of major development products and strengthen and expand the highly profitable renewable energy and revolving real estate investment businesses during the current medium-term plan. We are targeting raising the businesses' ROA by 0.4 percentage point from fiscal 2021 to 3.6% when the plan finishes in fiscal 2025. For human capital-utilizing businesses, we have set operating profit margin as the key performance indicator and will institute digital transformation along with other measures to boost productivity and create value-added. We are targeting raising the operating profit margin by 3.9 percentage points from fiscal 2021 to 8.1% in fiscal 2025.

Through these combined efforts, we will improve the efficiency of our existing businesses and seek to raise overall Group ROE to 9% in fiscal 2025.

Financial soundness and a broad and stable earnings base are essential for the sustainable growth of the Group. The real estate market tends to fluctuate in cycles over the medium and long term, and the periods when property prices are on a downswing can present good investment opportunities. Financial soundness and a stable earnings base are particularly important for a group like ours whose core company is a comprehensive real estate developer so that we can continue investing in an otherwise unfavorable business environment.

We are fortifying our earnings base stability by expanding the leasing business's menu of office and commercial buildings with several major development projects, such as the Shibuya Sakuragaoka Block Urban Redevelopment Project due to be completed in fiscal 2023. We also plan to be operating multiple facilities by fiscal 2025 in the renewable energy business, which we are developing to become a growth driver under the medium-term plan.

We plan to bolster our financial soundness by accumulating periodic profit to expand our equity capital while also controlling interest-bearing debt and investment spending and recovery with the aim of lowering the debt-to-equity ratio to 2.2 times or lower by the end of fiscal 2025.

Capital allocation for the investment plan from fiscal 2021 to 2025 calls for gross investment of ¥2,200 billion with net investment of ¥570 billion. While maintaining financial discipline, we will increase investments in the highly profitable renewable energy and revolving real estate investment businesses, which includes logistics facilities and rental housing, to continue boosting our profit growth and asset efficiency.

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. Profit will be returned to shareholders by reinvesting in growth with the aims of increasing earnings per share and by raising the amount allocated to dividend payout.

One of the central tenets of the present medium-term management plan is to focus on efficiency while pursuing profit growth. By achieving growth through both profitability and efficiency and constructing a resilient and unique business portfolio, we aim to generate sustainable growth and increase shareholder value and corporate value.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Financial analysis

Summary of results

In the results for fiscal 2021, we recorded increases in both revenue and profit. This included an operating revenue of ¥989.0 billion (+9.0% year on year), operating profit of ¥83.8 billion (+48.3%), ordinary profit of ¥72.8 billion (+56.4%), extraordinary income of ¥7.1 billion (compared to an extraordinary income of ¥7.3 billion in the previous fiscal year) mainly attributable to gain on sale of shares of subsidiaries and associates, extraordinary losses of ¥24.0 billion (compared to extraordinary losses of ¥12.0 billion in the previous fiscal year) mainly attributable to impairment losses, and profit attributable to owners of parent of ¥35.1 billion (+62.1% year on year).

In the first quarter in particular, we had to implement temporary closures and shorter operating hours at our commercial facilities and other facilities we operate, and our retail stores due to the declaration of a state of emergency by the Japanese government and requests from local governments, and the effects of these shorter operating hours and other measures carried into the second quarter and beyond. However, the regions subject to the state of emergency and the scope of restrictions were limited compared to the previous fiscal year, so we were able to realize a significant recovery in business performance. Factors such as the full-year operation of large-scale office buildings in the rental office business, an increase in gain on asset sales driven by an active real estate sales market, and the strong performance of the residential sales and real estate sales agent businesses led to the achievement of a record high operating profit in fiscal 2021, even outperforming years before the transition to a holding company structure.

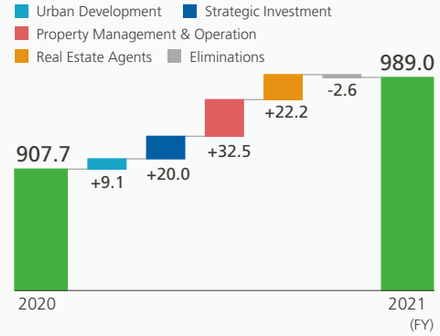
	FY2019	FY2020	FY2021	Difference
Operating revenue (Billions of yen)	963.2	907.7	989.0	81.3
Operating profit (Billions of yen)	79.3	56.5	83.8	27.3
Ordinary profit (Billions of yen)	67.5	46.6	72.8	26.3
Profit attributable to owners of parent (Billions of yen)	38.6	21.7	35.1	13.5
D/E ratio (Times)	2.3	2.5*	2.3*	(0.2)
ROA	3.3%	2.2%	3.2%	1.0P
ROE	6.7%	3.7%	5.7%	2.0P

* D/E ratio before taking hybrid financing into account

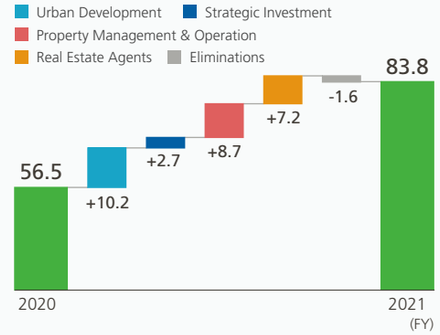
Operating revenue/Operating profit by segment

Fiscal 2021 business results by segment saw increases in both revenue and profit in each of the Urban Development, Strategic Investment, Property Management & Operation, and Real Estate Agents segments.

Operating revenue by segment (Billions of yen)



Operating profit by segment (Billions of yen)



Urban Development
Segment revenue and profit increased, mainly due to the full-year operation of TOKYO PORTCITY TAKESHIBA Office Tower, our main commercial facilities recovering to a certain extent from the impact of the COVID-19 pandemic, an increase in gain on asset sales driven by an active real estate sales market, and an increase in the total number of condominium properties sold. In the office market, there were concerns that the diversification of workstyles, such as remote working, might shrink demand for office buildings, but demand was robust, especially in the Shibuya area where we own many properties, and as a result vacancy rate for office buildings and commercial facilities remained low at 1.3% (as of March 31, 2022). Actual demand for condominiums was strong due to the need for enhanced quality residences among other factors, and sales continued in a steady direction.

Strategic Investment
Segment revenue and profit increased, mainly due to sales of logistics facility assets, an increase in the number of facilities we operate in the renewable energy business, and an increase in proceeds from property sales in the U.S. The renewable energy business is growing smoothly, and we have been increasing the number of facilities we operate according to plans. The total rated capacity of all our facilities (before conversion to equities) is around 1,311 MW (as of March 31, 2022).

Property Management & Operation
This segment is mainly comprised of B2C businesses, so although there have been signs of recovery, declarations of a state of emergency and quasi-state of emergency during the year meant that the COVID-19 pandemic continued to have an impact. Tokyu Community Corp.'s condominium management and building management businesses successfully rebounded following self-imposed limitations on business activities and suspensions of management operations in the previous fiscal year. The hotel business, including Tokyu Stay, and the leisure business, which covers golf and ski facilities, also saw a certain amount of recovery, leading to increases in segment revenue and profit.

Real Estate Agents
Segment revenue and profit increased significantly, mainly due to rises in the number of transactions and average transaction prices of the retail and wholesale divisions of Tokyu Livable, Inc.'s real estate sales agent business, as well as sales of large-scale properties in the real estate sales business.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Financial analysis

Assets, liabilities, and total net assets

Total assets at the end of fiscal 2021 were ¥2,634.3 billion, a decrease of ¥18.0 billion compared to the end of the previous fiscal year. Although we made progress on investing in real estate for sale, this was exceeded by factors such as sales of non-current assets and the removal of Tokyu Hands from consolidation.

Total liabilities were ¥1,991.0 billion, a decrease of ¥52.5 billion compared to the end of the previous fiscal year, mainly due to a decrease in interest-bearing debt. Total net assets were ¥643.3 billion, an increase of ¥34.6 billion from the end of the previous fiscal year, chiefly due to an increase in retained earnings.

(Billions of yen)

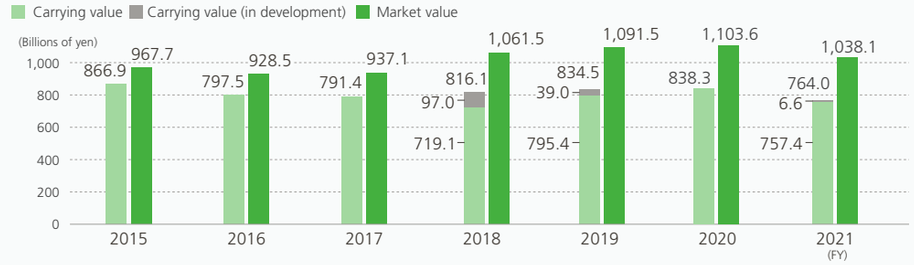
	FY2019	FY2020	FY2021	Difference
Real estate for sale	658.0	680.6	757.4	76.7
Property and equipment, Intangible assets	1,192.7	1,223.9	1,140.9	(83.0)
Goodwill	71.7	66.4	60.7	(5.6)
Other investment	312.2	339.1	369.1	30.1
Other	252.7	342.3	306.2	(36.2)
Total assets	2,487.4	2,652.3	2,634.3	(18.0)
Interest-bearing debt	1,361.0	1,478.8	1,421.7	(57.1)
Other	532.0	564.8	569.3	4.5
Total liabilities	1,893.1	2,043.6	1,991.0	(52.5)
Total net assets	594.2	608.7	643.3	34.6

Formulation of the WE ARE GREEN Bond Policy, Japan's first policy for the long-term issuance of ESG bonds

We have formulated a policy for the long-term issuance of ESG bonds based on our long-term vision. By continually issuing ESG bonds, we will advance and raise awareness of the Group's ESG initiatives while also creating stable investment opportunities and enhancing investor engagement.

Market value appraisal for leased properties

The carrying value at the end of fiscal 2021 for leased properties, including office buildings and commercial facilities, was ¥764.0 billion, with a market value of ¥1,038.1 billion – a difference of ¥274.1 billion. Properties that are planned but not yet opened (¥77.1 billion at the end of fiscal 2021) are not included in year-end market value or carrying value, as it is difficult to determine their value.



Cash flows

Net cash provided by operating activities in fiscal 2021 was ¥76.5 billion, partly due to an increase in profit before income taxes. Net cash used in investing activities was ¥31.8 billion, mainly due to the acquisition of non-current assets. Net cash used in financing activities was ¥81.3 billion, which mainly comprised repayments of long-term borrowings.

(Billions of yen)

	FY2019	FY2020	FY2021	Difference
Net cash provided by (used in) operating activities	(6.7)	100.4	76.5	(24.0)
Net cash provided by (used in) investment activities	(147.2)	(116.0)	(31.8)	84.2
Net cash provided by (used in) financing activities	65.1	108.3	(81.3)	(189.6)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Group Policy
Environmental Management
DX

Focusing on three priority issues to create value through environmental management

Creating Cities Co-exisiting with Nature.
Creating a Future for People.
Environmental Vision

When formulating our medium-term management plan, we identified three priority issues through which we will aim to increase business opportunities with the environment as a starting point.

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. Our long-term vision released in fiscal 2021 also positions "create a sustainable environment" as a materiality and advancing environmental management is a Group-wide policy. Additionally, climate change has become an urgent global issue, so we have set achieving the 1.5°C-aligned SBT by fiscal 2030 and net zero emissions by 2050 as climate change-related targets, while we are implementing various initiatives based on the TCFD recommendations.

Our medium-term management plan focuses on decarbonized society, recycling-based society, and biodiversity conservation as three priority issues and we will address these by advancing specific measures that use the wide range of solutions offered by the Group as strengths, while also aiming to increase business opportunities with the environment as a starting point.

Tokyu Land Corporation will also accelerate environmental efforts as an environmentally advanced company, including by achieving its RE100 targets ahead of schedule.

Climate change-related targets

2022
Achieve RE100 targets
(Tokyu Land Corporation)

FY2023
Scope 1 and 2
(Internal)
- Reduce CO_2 emissions -50% or more*2

FY2025
Carbon negative
- CO_2 emissions < Reduction contributions through the creation of renewable energy, etc.

Scope 3 (Supply chains)*3
- Collaborative efforts with partners (construction companies, etc.)
- Provide decarbonization value to customers

FY2030
Achieve the 1.5°C-aligned SBT
- CO_2 emissions reduction of 46.2% (compared with FY2019)*4

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2050
Net zero emissions
- Net zero CO_2 emissions

Three priority issues and main KPI targets (FY2030)

Decarbonized society		Recycling-based society		Biodiversity conservation	
CO_2 emissions -46.2%*4 (compared with FY2019)	**Percentage of renewable energy power usage** 60% or more	**Water usage** Continuously lower than the previous fiscal year	**Waste volume** -11% (compared with FY2019)	**Midori wo Tsunagu Project** 3,000 ha of protected forest	**Sustainable procurement** Certified timber used for 100% of wooden formwork

Value creation through environmental management

Long-term management policy
- Reducing environmental impact through all of our businesses
- Creation of comfortable communities and lifestyles that contribute to the environment

×

Strengths of the Group
- Ability to work closely with landowners and communities on development and project building
- Environmental value propositions that appeal to user sensibilities

▶

Medium-term management plan
Expanding business opportunities with the environment as a starting point

*1. Name changed to Environmental Vision in 2011 *2. Set at the same time as the medium-term management plan (2022) *3. Our SBT-approved reduction targets cover categories 1, 2, and 11 *4. Set at the same time as the long-term vision (2021)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Group Policy
Environmental Management
DX

Remaining a first-choice company by addressing the core priorities

We are engaged in a wide range of business areas, including real estate development and building management and operation, and we have business sites in many different regions. This enables us to solve environmental issues through intra-Group collaboration and to nurture regional environments. We are also proposing environmental value that appeals to customers' sensitivities through greening efforts and environmental events.

Decarbonized society

Achieving decarbonization with environmental business as a strength

We will aim to achieve CO_2 emissions reduction targets and advance environmentally friendly urban development by leveraging our strengths as the operator of a renewable energy business.

Also, as an environmentally advanced company, we will participate in environmental initiatives, both in Japan and internationally, and implement an internal carbon pricing (ICP) scheme.

• RE100

In 2019, Tokyu Land Corporation became the first company in the real estate industry to join RE100. Its renewable energy business has made it one of the leading generators of renewable electricity among Japanese companies and it is currently in the process of switching the facilities it owns to renewable energy. It has also moved its projected date for achieving the RE100 targets to 2022 with the goal of becoming the fastest company in Japan*1 to meet the targets.

See pp. 26-27

• Internal carbon pricing (ICP)

From fiscal 2022, we will fully launch an ICP scheme in accordance with the TCFD recommendations. The scope of this scheme will be expanded in stages, and it will be factored into management decision-making from fiscal 2023.

• GX League Basic Concept

Tokyu Land Corporation endorses the GX League basic concept being promoted by the Ministry of Economy, Trade and Industry, and it is currently preparing for the full-scale operation of the league.

• 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*2	FY2025 Approx. 70%	FY2030 100%

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

ZEB/ZEH level*3	FY2025 Approx. 50%	FY2030 100%

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, office buildings, and logistics centers, in order to reduce the amount of energy used by these buildings.

Plans for Kudan-Kaikan Terrace (completed in July 2022) acquired a five-star rating under the DBJ Green Building Development Plan Certification program

In 2021, Sapporo Susukino Ekimae Complex Development Project (tentative name, scheduled for completion in FY2023) acquired BELS ZEB Ready certification

Recycling-based society

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

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

• Building a circular economy

We aim to create attractive facilities with a greater awareness of resource recycling by incorporating resource-saving and reuse into plans. These efforts include using eco-friendly construction materials during construction and regenerative architecture, as well as installing equipment and facilities that curb water use. We are also focusing on extending the service life of buildings through high-quality building management and renovations while encouraging the effective reuse of waste at facilities we operate.

• Realizing regional revitalization through cooperation with regional communities and local governments

We will contribute to the revitalization of regions though our business to build a sustainable, recycling and coexistence-oriented society.

Reproduced from the Environmental Management Report

Hokkaido Ballpark F Village (scheduled to open in 2023) will leverage our extensive expertise to offer environmentally friendly facility management proposals and contribute to community collaboration through the use of facilities

Biodiversity conservation

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.

• Contributing to becoming nature positive

We are advancing urban development that is considerate of both people and nature, such as building an ecological network in the Greater Shibuya area. Also, in our nationwide resort business, we are developing resort facilities that are in harmony with the local environment, including carrying out conservation activities and ecosystem surveys of forests and oceans in accordance with regional characteristics.

• Formulation of related policies and manuals

We formulate policies and manuals, such as a Biodiversity Policy and a Sustainable Procurement Policy and collaborate with stakeholders to reduce the global environmental impact of our entire supply chain. We have also joined the 30by30 Alliance for Biodiversity*4 and are accelerating associated initiatives.

At Hyatt Regency Seragaki Island Okinawa, we are cooperating with a local university to conserve and restore clownfish populations

*1. According to the list at the end of the RE100 2021 Annual Disclosure Report *2. Covers large-scale non-residential owned properties (total floor area of at least 10,000 m^2). Excludes some properties, such as joint ventures.
*3. 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)
*4. 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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

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

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 and actively disclosing information based on the TCFD recommendations.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The TCFD is a taskforce for the disclosure of climate-related financial information founded by the Financial Stability Board (FSB) at the request of the G20 to consider methods for climate-related disclosures. In its final report released in June 2017, the TCFD recommended that companies disclose information under four categories related to climate change-related risks and opportunities.

Category	Group initiatives For details, see our website
Governance	• 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	• In each business of Urban Development, Leisures, 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	• 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 companywide risk management activities.
Metrics and targets	• 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.

Scenario analysis overview

In each of our four business units (Urban Development, Leisure, Residential, 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).

Businesses covered by scenario analysis
2018: Urban Development (medium-term), Leisure (long-term)
2020: Urban Development, Leisure, Residential and Renewable Energy (medium- and long-term)

Responding to TCFD scenarios

Mitigation measures LOGI'Q logistics facilities

We have installed solar power generation equipment on the rooftops of logistics facilities to provide LOGI'Q tenants and the shipping companies that handle their cargo with environmental impact reduction services that utilize ReENE Green Energy, 100% of which comes from renewable sources.

Mitigation measures TOKYO PORTCITY TAKESHIBA

To prepare for the risk of storm surges associated with rising sea levels, we have taken measures such as installing electrical rooms and emergency generator facilities on higher floors, raising the floor of the disaster prevention center on the ground floor, and preparing flood barriers.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Interview

Environmental management: Employee interview

BRANZ rebranding project

Envisioning environmentally advanced condominiums

BRANZ Tower Toyosu with an expansive 7,590 m² green space

Yuri Hosoya
Product Planning Group, Business Strategy Department, Residential Business Unit, Tokyu Land Corporation

Ms. Hosoya is in charge of formulating policies for specific environmental initiatives related to the BRANZ rebranding. While working horizontally within the Residential Business Unit, she strengthens cooperation with other assets in pursuit of new value for Tokyu Land Corporation to provide.

Yuga Nakajima
Next-Generation Business Planning Group, Business Strategy Department, Residential Business Unit, Tokyu Land Corporation

Ms. Nakajima is in charge of the residential business and BRANZ branding operations. She ensures every employee engaged in BRANZ activities has a clear understanding of the objectives for the brand.

New value for a new era

Nakajima In December 2021, we announced a new slogan for the BRANZ condominiums—Environmental progress, starting with homes. Two things led us to the rebranding of BRANZ.

The first was that the value BRANZ had been offering was vague, so that even though customer awareness of the brand was increasing each year, we were having trouble linking that to purchases. We needed to clarify what the brand was aiming for and what value it provided. Second, to follow the Group policy "environmental management" set forth in our long-term vision, we needed to create a consistent brand image across the three levels of the Company, the residential business, and BRANZ. We launched a new project in April 2021 to accomplish both and created the term "environmentally advanced condominiums" combining the residential business, BRANZ positioning, and analysis from consumer surveys.

Hosoya We also examined new environmental features that we could add to the properties. We worked with various departments to find ways to go beyond reducing our environmental footprint and to give customers a sense that they also benefited from living in the buildings. Some of the features we developed were the Zero Energy House-Mansion (ZEH-M), standardized solar power generation equipment at all properties, and storage batteries for luxury condominium properties. We plan for the new BRANZ Tower Tanimachi 4-Chome, which went on sale in July 2022, to use 100% renewable energy, including energy from proven renewable energy sources with added environmental value. We are also seeking to use greenery to increase happiness and comfort at our properties, such as through our policy of using vertical greening of our buildings and by devising ways to bring people and greenery closer together to appeal to the five senses.

Solar panels on the roof of a condominium complex

Enhancing recognition as an environmentally friendly brand

Nakajima We launched a new promotional campaign in January 2022 centered on television commercials highlighting the BRANZ image of environmentally advanced condominiums. To make a strong impression, we even featured a celebrity in one of our commercials for the first time. Our objective was to create a clear perception of "environmental progress, starting with homes." A survey after the commercials aired found that some respondents equated BRANZ with "environmentally advanced condominiums," so we believe the commercials had some success.

Hosoya The rebranding has given BRANZ a new start as an environmentally advanced condominium, but at the same time the increased recognition will also increase the critical eye of our customers and society. We will need to continue earning the reputation of an environmentally advanced condominium by considering how we can make use of the Group's wide range of businesses in various domains and continue providing value added from the customer standpoint.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Formulating the DX Vision and advancing strategies based on three action policies

Digital Fusion
Removing All Boundaries with the Power of DX
DX Vision

We have positioned digital transformation (DX) as a core element of our Group-wide policies. DX is being promoted throughout the entire Group, and in 2021, we formulated our DX Vision in order to pass on a world full of hope and an abundant environment to future generations. This provides a clear direction for action, leading to improved competitiveness, higher profitability, and expanded revenue opportunities in the medium to long term.

We are advancing collaboration within the Group to make business development more efficient by actively sharing the knowledge of each Group company. We are also creating synergies through partnerships with external organizations with the aim of generating new value. We will significantly grow our intellectual assets, including digitized assets and business conceptualization capabilities, while removing every internal and external barrier with the power of DX, to turn the breadth of our business portfolio into a true strength.

In order to advance DX, we have formulated a value creation roadmap to fiscal 2030, and each Group company is implementing specific initiatives that aim to realize steady progress on our three action policies of business process, customer experience (CX), and innovation, and to achieve KPI targets. The medium-term management plan period up to 2025 has been positioned as a restructuring phase during which we will focus on business process and CX. By streamlining businesses while utilizing the intellectual assets we have built up, we will provide customers with one-to-one services that are highly unique and offer great peace of mind.

* Infrastructure-related costs, including costs for applications that will be newly developed or introduced after fiscal 2021 and the cost of building zero trust networks

Value creation roadmap to FY2030

2021-2025 Restructuring phase — Accumulate examples of specific actions and achieve growth, especially through DX in human capital-utilizing businesses

2026-2030 Resilience phase — Achieve discontinuous, exponential growth through DX

Business process
A shift to creative work by promoting labor saving

CX
Impressive experience creation through the advancement of customer contact points

Innovation
New value creation by utilizing intellectual assets

Asset-utilizing business Enhance the centrally attracting force of cities with the introduction of smart urban development

Human capital-utilizing business Creation of advanced service models through the optimal combination of people and DX

Improved profit margins through higher productivity

Increased revenue through enhanced customer experiential value

Diversification of revenue sources through the creation of new business models

Main KPI targets (FY2030)

DX investment amount	DX initiatives	Human capital base
2 x or more (compared with FY2021)*	**Number of projects utilizing digital (cumulative)** 100 projects or more	**Acquisition of IT passport** 100%(Tokyu Land Corporation)

Value creation based on the DX

Long-term management policy

Business process | CX | Innovation

×

Strengths of the Group

An integrated system from development, operations, and management to brokerage

A wealth of customer touchpoints focusing on real places

▶

Medium-term management plan

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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Group Policy
Environmental Management
DX

Aiming for optimal DX in both asset-utilizing and human capital-utilizing businesses

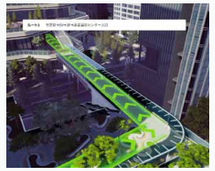
We are working to establish new revenue models by maximizing the value of the Group's assets and human capital through DX.
We will also accelerate DX by cultivating an innovative organizational culture through six initiatives.

Asset-utilizing business

Improve the centripetal force of cities by making them smart

- Smart operations based on management data
- Area management in collaboration with communities and local government

Enhancement of asset and area value



Initiative example

Developing digital twins for area management

Tokyu Land Corporation, which is promoting a smart city in conjunction with SoftBank in the Takeshiba area in Tokyo, is collaborating with the Ministry of Land, Infrastructure Transport and Tourism on demonstration testing of a digital twin for area management. The tests are verifying business streamlining for building management based on 3D urban models and convenience for areas visitors.

Innovation
Business model transformation

Expansion of associated assets

CX

Creating experiential value in all situations

Know-how and data

Business process
Promoting labor-saving perations

Human capital-utilizing business

Create advanced service models

- Offering gratifying experiences through one-to-one marketing
- Promotion of OMO and enhancement of online communication

Improvement of the service value

Initiative example

Introduction of digital tickets in Niseko

TFHD digital Inc., established in April 2022, is providing a non-contact digital bus ticket service in Niseko, Hokkaido. These digital tickets provide passengers with a more convenient experience and help to establish and build human relationships in the area.

Six initiatives for accelerating DX

Developing and securing human capital
Establishment of a company with DX functions / training to develop human resources in DX/IT

Strategic IT infrastructure
Developing a digital workplace for value creation

Internal venture scheme
Utilization of the Step program for creating new businesses using digital technology

Collaboration with tech companies
Work efficiency and improved CX leveraging advanced technology

Organizational culture and work-style reforms
Implementation of events to foster a culture (e.g., lectures by venture owners and pitches)

Co-creation through CVC
Creation of synergies with CVC, universities, foreign ventures, etc.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

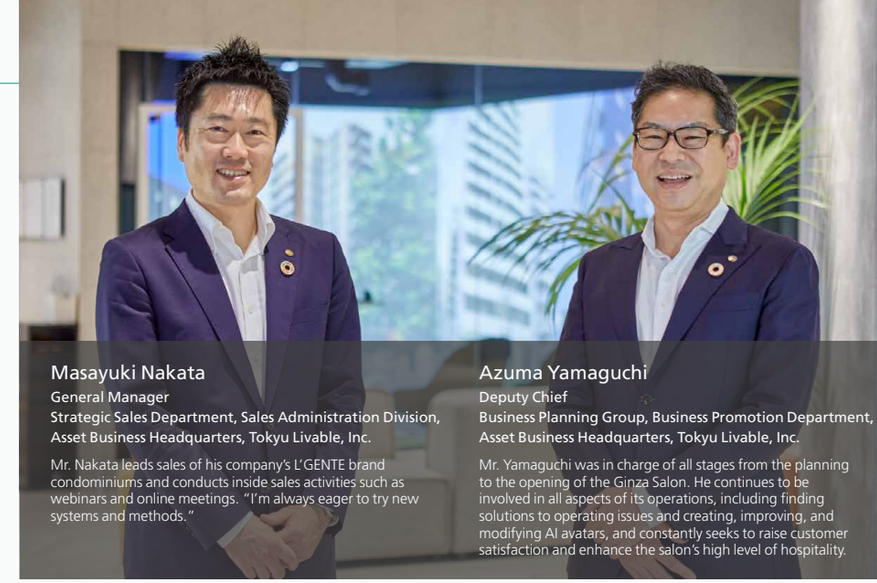
To the last viewed page

Interview

DX: Employee interview

The Tokyu Livable Ginza Salon centralized condominium sales base

A new experience fusing digital and reality



Masayuki Nakata
General Manager
Strategic Sales Department, Sales Administration Division, Asset Business Headquarters, Tokyu Livable, Inc.

Mr. Nakata leads sales of his company's L'GENTE brand condominiums and conducts inside sales activities such as webinars and online meetings. "I'm always eager to try new systems and methods."

Azuma Yamaguchi
Deputy Chief
Business Planning Group, Business Promotion Department, Asset Business Headquarters, Tokyu Livable, Inc.

Mr. Yamaguchi was in charge of all stages from the planning to the opening of the Ginza Salon. He continues to be involved in all aspects of its operations, including finding solutions to operating issues and creating, improving, and modifying AI avatars, and constantly seeks to raise customer satisfaction and enhance the salon's high level of hospitality.

Innovating sales and marketing methods for leading-edge real estate sales

Nakata The Tokyu Livable Ginza Salon opened in Tokyo in May 2022. The salon has no model rooms. We take a whole new approach to condominium buying by providing a comfortable open environment with a community space equipped with a virtual theater and large monitors to give visitors the feeling that they were in one of the condominium's rooms and a property search space with touchscreen monitors.

Yamaguchi The Ginza Salon came into existence from an idea for a project to create a sales base using digital technology during a workshop on creating and expanding new businesses that the company held at its headquarters in fiscal 2019. With webinars and online meeting becoming so common, there's a growing need even in home sales to collect and prepare data on a large number of properties so the broker can present the information at a convenient time for the customers. We thought that we could respond to those changes by moving away from the conventional idea of a sales base focused on attracting customers to various model sites and by creating a virtual sales base where a customer could have a realistic simulated experience of many properties at one site. We also thought that eliminating model rooms would have the added benefit of reducing waste and costs for business owners.

As we worked on the project, there was some trepidation about using non-traditional methods like using virtual reality for sales and not meeting customers in person. The sales staff adamantly told us "We don't need a model room to make a sale!" so we all decided to give it a try and see what happens. That ultimately led to the creation of the Ginza Salon.

Nakata When we first started selling the L'GENTE Komagome Rikugien Livio Raison at the Ginza Salon, we surveyed customers about the virtual reality condominium models and 84% gave positive feedback of "high" or "very high" ratings. Sales in the first phase of marketing are progressing as we had hoped.

DX to set the standard for new home construction consignment sales

Yamaguchi AI avatars is another feature at the Ginza Salon. An AI avatar confirms appointments, notifies the sales agent, and serves as a customer service representative explaining property information and responding to customer questions and requests. Right now, we are testing if unmanned customer service be used in place of sales representatives.

Nakata We are continuing to advance the Ginza Salon's functions with the aims for creating one-stop information distribution for customers and setting a new standard for consignment sales of new home construction orders that will set us apart from other companies.

See p. 55

I believe in the future we can create a new system with a customer referral hub linking everything from a new construction order through to post-sale support. We plan to effectively use the time saving that DX creates to plan and provide even higher value-added services and continue raising customer satisfaction.

The AI avatar at the Ginza Salon reception counter

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Outside Director Discussion

Three outside directors with different professional backgrounds discussed their views of the Group's strategies and policies, issues the Group needs to address, and their expectations for the Group's future.

Become a group more resilient to change and where employees work with enthusiasm while maintaining the Group's unique character

Saeko Arai
Outside Director

Ms. Arai began her career as a certified public accountant providing auditing and other services. She later managed a company in the United States, co-founded an IT company, and became the first female CFO in Japan. She was appointed an outside director in 2018.

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). 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.

Topic 1

Group Initiatives for Environmental Management and DX

— What are your views on the Group's long-term vision and long-term management policy?

Miura Since I joined as an outside director just a year ago, I was not involved in the creation of the long-term vision or long-term management policy. But I see the long-term vision and its slogan "WE ARE GREEN" as well as the Group policies on environmental management and digital transformation (DX) as all very in tune with the times. Building the business portfolio to clearly reflect those was a very good decision. I also think it's commendable that the Group has formulated long-term management policies for each materiality issue and disclosed specific initiatives as well as numerical targets.

Jozuka I also joined the Board of Directors a year ago after the WE ARE GREEN slogan was in place, and I thought it was a great phrase.

Arai The Group set the WE ARE GREEN as the basis for two Group policies and deserves much credit for how quickly it implemented the policies.

Miura The medium-term management plan is under way now, but the Group is making rapid progress on several initiatives that were begun while the plan was still being formulated, such as the transfer the shares of Tokyu Hands, the integration of subsidiaries in the Property Management & Operation business, and the revision of the business portfolio. I think one of the challenges ahead will be maintaining a balance of growth investment and financial discipline.

Arai It's great to see the Group reviewing its business portfolio. Finding financial leverage can be very complicated. The Board has been discussing Tokyo Hands for some, and I believe the executives have made a good decision.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Topic 2

Medium-term Management Plan

— What were your suggestions and advice when formulating the medium-term management plan 2025?

Arai Beginning with the previous long-term management policy, I have been recommending that management clearly explain how it plans to construct the business portfolio. The current medium-term management plan also lacked specifics at the start, but I thought it needed to have specific figures, such as for asset allocation, and to set numerical targets so investors and other stakeholders could understand the plan and follow its progress. I believe that doing so made the process easier to follow because it clarified the specific measures being taken for environmental management and DX and also allowed management to set milestones for achieving its KPIs.

Jozuka I was focused mainly on human capital issues, particularly diversity. The Group's vision of "a future where everyone can be themselves and shine vigorously" is the definition of diversity, and it was extremely gratifying that the Group included ambitious numerical targets for employee diversity.

Miura After presenting a draft, we just kept improving it by discussing and revising it over and over until the content became easy to understand, the topics became more concrete, and our target figures became very precise.

Jozuka The executive side would discuss and refine the content and then pass it over to us to look at. I think that repeated back and forth helped make the plan very detailed and polished. It certainly must have been a challenge to encompass all of the Group's many segments and companies, but the final plan presents a solid sense of unity.

— What do you think will be the key points for the success of the medium-term management plan 2025?

Miura To advance our environmental management, we conduct a wide range of activities to lower our environmental impact and also operate the renewable energy business. The Group was an early supporter of Science Based Targets (SBT) and other international initiatives and is taking a proactive approach to environmental matters. Right now in Japan, solar power is the primary source of renewable energy, but wind power, particularly offshore wind power generation, is expected to provide a growing amount of the country's renewable energy. The government has already opened the bid process for offshore wind farms, but because of the relatively lack of shallow offshore sites, the real growth will be in floating offshore wind farms. Companies from various industries are expected to enter the market and drive down prices, but I would like to see the Group to look ahead and have a strategic plan for when there is global competition.

Jozuka Competition is also increasing in the renewable energy field since Russia's invasion of Ukraine triggered the rise in oil prices. That presents additional risk for countries like Japan with low energy self-sufficiency and only makes it more important that they seek to increase their self-sufficiency by pursuing renewable energy. That would seem to be the inevitable course for Japan and the

corporate environment.

Arai Let me give you my view from the perspective of DX. I agree with Ms. Jozuka that human capital is of utmost importance. We particularly need to develop human capital that understand both DX and the real estate business or we won't be ready to make the step from the restructuring phase to the resilience phase in our value creation roadmap.

Jozuka I agree. Each Group company will have its own challenges for integrating DX, so the holdings company will need to lead the overall DX of the Group. So as each company develops their DX human capital, the holdings company will need to develop human capitals on the group level with a focus on the new DX technology subsidiary.

Miura The IT industry has significant workforce mobility, which is otherwise rare in Japan. Attracting DX talent will require more than an offer of better work conditions. I think we will need to appeal to people

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

who buy in to the Group vision and business direction. DX is often described as a top-down transformation, so we should factor that into our approach, too.

Arai The Group's top executives will also need to be actively involved. One company's DX strategy included creating an environment where engineers were encouraged to creatively take on challenges, and when the top management put out the call for engineers, they landed experienced industry professionals even though the pay was actual lower. If our Group successfully communicates that it wants to use DX to create an innovative world with a vision that only a real estate corporation can achieve, then I believe IT engineers would be eager to join us.

Jozuka Another factor to consider is the increasing focus in information disclosure about "human capital." The increased disclosure is leading to companies being asked to think about what kind of human capital they need for their management strategies, which makes it important to have a human capital strategy. Just like in other areas, input from people with different backgrounds will be essential when forming the strategy. Half of our customers are women, so gender issues should be considered, but we also need to find ways to secure other forms of diversity so we create an environment where every person can perform to the fullest.

Topic 3

Expectations for the Group

— Lastly, what should be the Group's targets for its corporate image and the social value it creates?

Miura I would like the Group to apply its green management philosophy and digital technologies to offer features that other real estate firms don't have. I'd also like it to become a corporate group with a lean structure because I expect the changes in society to become even bigger and faster. Businesses will have to be both lean and agile to keep up. I also believe an energetic workforce is essential.

Jozuka To work energetically, employees must have job satisfaction, which requires both diversity and a comfortable work environment. Quantifying and monitoring job satisfaction as the Group companies advance their businesses may be one way to create lean and attentive management. I'd also like to see the Group develop the Tokyu Fudosan Holdings Group's unique characteristics arising from its home base in the trendy Shibuya district. The Group could highlight the "coolness" of the green and energy features of its properties, such as its net zero energy buildings (ZEB) and distinctive greenery. The WE ARE GREEN slogan could be a highlighted even as a brand.

Arai I agree. The Group's unique features deserve to be highlighted. For example, the Group's image is closely linked to the Greater Shibuya area. The Group could to provide services specially geared to the young people and IT companies that gather there. I'd like to see the Group make various experiences available to its employees so they can build their skills and live flourishing lives, and then share that with the local communities. That will take closer communication inside and outside the Group and through various channels. During the Tokyu Hands share transfer, in addition to its own target indicators, we were also careful to consider the needs of our customers, the receiving company Cainz Corporation, and employees. Tokyu Fudosan Holdings Group is the type of group that can coexist and co-prosper with others as it enhances the value of an entire area. That offers so much potential, and I'd like to see the Group use it to introduce Shibuya to the world.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Business Policy and Four Key Strategies

In order to evolve the associated assets expansion model advocated in our long-term management policy, we have set "utilization of intellectual assets" and "co-creation with partners" as our two business policies, and we will work to realize our ideal vision and the value creation we aspire to by advancing four key strategies based on our recognition of the business environment and our materialities.

Engagement themes (materialities)

Long-term management policy

Business policy

Evolve the associated assets expansion model

Utilization of intellectual assets	Co-creation with partners
Monetize know-how and data	Break away from a closed, fully in-house approach

Our ideal vision

Create Value for the Future

The value creation we aim to achieve

Changes in individuals

- Diversification of lifestyles and workstyles
- Changes in values such as possession and place
- Continued rise in health and environmental awareness

Changes in society

- Integration of online and offline
- Changes in the concept of cities and regional communities
- Diversity & Inclusion

Changes in the environment

- Climate change and the escalation of natural disasters
- Accelerated trend toward decarbonization
- Emergence of the impact of world population growth

Heading toward 2030	Key strategies		Main materialities targeted: Lifestyles	Communities and living	Environment	Digital
Toward an era in which the meaning of going to real places will be questioned	**1. Direct attractive city development** • Provide lifestyles and experiences that integrate City OS and content • Increase the value of the greater Shibuya area by creating an attractive urban center	We will develop comfortable and lively urban areas by combining basic urban infrastructure with diverse content, area management, and other elements.	●	●		●
Toward an era in which contribution to the environment will be a corporate value	**2. Strengthen environment-related business** • Expand the renewable energy business • Advance urban development that benefits people and the environment	We will contribute to the realization of a decarbonized society through our business, including by promoting clean energy and establishing green infrastructure.	●	●	●	
Toward an era of personalized customer service	**3. Digitally transform B2C business** • Evolve services that utilize abundant contacts with customers (promotion of OMO) • Expand sources of earnings by providing our know-how externally	We will transform our B2C businesses into intellectual asset-intensive businesses by leveraging our expertise and abundant touchpoints.	●	●		●
Toward an era of co-creation through borderless societies	**4. Create business in new domains** • Promote business that focuses on changes in social issues and the social structure • Build businesses by combining internal and external resources	We will stay conscious of social issues and changes in the social structure as we work to develop new businesses by combining internal and external resources.	●	●	●	●

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Urban Development
Creating attractive communities and lifestyles

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

Business environment

- Acceleration of decarbonization, diversification of environmental challenges
- Acceleration of digitalization
- Financial and economic trends
- Diversification of lifestyles

Opportunities

- Elimination of borders between home styles, work styles, and play styles
- Growing needs to solve regional issues

Risks

- Intensifying competition between the different areas in city center
- Changes in office building demand due to the widespread adoption of telework

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

Business strategy

Strengthen redevelopment and complex development

Propose urban lifestyles that enhance CX

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.

Office building and commercial facilities business targets

	FY2021	FY2025
Total relevant floor area*1	1.62 million m²	1.75 million m²
Environmental certifications obtained*2	55.5%	100%

Residential business targets

	FY2021	FY2025
Sales from related projects*3	FY2021-FY2025 (five-year period) Approx. ¥250 billion	
Profitable real estate asset scale	¥71.9 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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Strategy by Business Segment

Urban Development

Strengthen redevelopment and complex development

When advancing redevelopment and complex development that leverages our wide range of business fields, we will work to solve social and regional issues by introducing solutions to environmental issues and original, unique frameworks that keep communities continually updated. We aim to enhance the value of assets and areas and to realize Lifestyle Creation 3.0, particularly in strategic priority areas such as Greater Shibuya.

We will grow our rent revenue base by steadily advancing large-scale development and redevelopment projects, primarily in Greater Shibuya and other areas of Tokyo. These include the Shibuya Sakuragaoka Block Urban Redevelopment Project and Kudan-Kaikan Terrace.

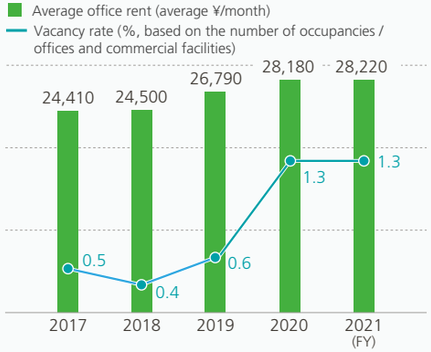
We will also advance projects that cover sections of the Tokyo metropolitan area, including Greater Shibuya, such as the Jingumae 6-chome Block Urban Redevelopment Project and the Daikanyamacho Project (tentative name). In our complex facilities that combine living, work, and play, we will raise the value of both the facilities and their surrounding areas by utilizing City OS to create content together with new experience value. We will also apply the expertise and experience gained in other projects to further accelerate our efforts. Additionally, we will aim to increase revenue efficiency by advancing co-creation development with institutional investors.

Propose urban lifestyles that enhance CX

In the office building and commercial facilities business, we are advancing strategies that will take into account lifestyles changes in the post-pandemic period, such as offering tenant companies solutions that incorporate new work styles and enhancing facilities that prompt empathy, in order to provide customer-oriented value that is responsive to changes in the business environment. In the office building business, we have launched GREEN WORK STYLE, a one-stop, comprehensive solution that provides measures and services covering the four themes of workplace, environment, health and productivity management, and lifestyles. This initiative takes into account changes in the business environment and needs, such as the diversification of work styles, growing awareness of health and productivity management, the environment, and sustainability.

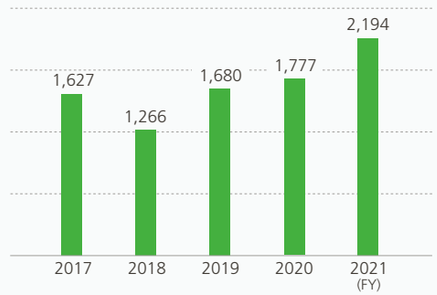
In the residential business, we are working to enhance brand value by strengthening environmental response and Group collaboration. BRANZ, one of our condominium brands, has made "environmental progress, starting with homes" into its brand slogan, and all of the new condominiums it will develop in the period to fiscal 2030 will be environmentally advanced condominiums that not only meet ZEH standards, but also actively incorporate new concepts and schemes that will contribute to the environment and realize comfortable, sustainable living.

Changes in average office rent*1 and vacancy rate*2



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

Number of condominium units sold



Case Study

Shibuya Sakuragaoka Block Urban Redevelopment Project

In the Shibuya Sakuragaoka Block Urban Redevelopment Project, which is scheduled for completion in November 2023, we are engaged in initiatives to realize a smart city, such as the establishment of digital platforms, as well as the establishment of sustainable infrastructure that will facilitate innovation and environmental response.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Strategic Investment
Building next-generation infrastructure

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

Business environment	Opportunities	Risks
• Acceleration of decarbonization, diversification of environmental challenges • Acceleration of digitalization • Financial and economic trends	• 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)	• 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.

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)

Business strategy

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

In the Strategic Investment segment, we develop and improve infrastructures supporting urban life, such as renewable energy power generation facilities and logistics facilities. We also create diverse investment opportunities by applying our real estate investment management know-how in Japan and overseas. In the infrastructure and industry business, we will contribute to building next-generation social infrastructure by considering changes in energy policy and industrial structure. In our overseas operations, centered around Asia and the United States, we are advancing business by demonstrating our presence as a comprehensive developer.

Infrastructure and industry business targets

	FY2021	FY2025
Rated capacity*1	1.3 GW	2.1 GW
Amount of investment in logistics and industrial facilities	FY2021-FY2025 (five-year period) Approx. ¥280 billion	

*1. Before equity conversions

Investment management/overseas business targets

	FY2021	FY2025
AUM*2	¥1.6 trillion	¥2.2 trillion
Investments in the U.S. and Asia	FY2021-FY2025 (five-year period) Approx. ¥150 billion	

*2. Total value from REIT and privately placed funds (unconsolidated)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Strategy by Business Segment

Strategic Investment

Expand the renewable energy business

As of June 30, 2022, ReENE, the Group's renewable energy business, had grown to include 82 projects across Japan with a total rated capacity of 1.3 GW (including projects under development).

Furthermore, in September 2021, we established ReENE Co., Ltd. (a fully owned subsidiary of Tokyu Land Corporation) to achieve RE100 targets and further expand the renewable energy business by gathering specialist personnel and expertise.

In order to build a business implementation structure that takes future changes in the business environment into account, we are coordinating various assets and actively considering offshore wind projects, as well as implementing initiatives that will revitalize regions and solve regional issues, such as environmental education programs for local children and the development of power generation facilities that are in harmony with beloved local environments.

Make logistics and industrial facilities more sophisticated

The logistics business, which operates our LOGI'Q brand, has grown to encompass 16 facilities (as of June 30, 2022; including facilities under development). The Group's wide range of activities include the development of next-generation logistics facilities that enable the use of new technologies such as IoT and autonomous driving, the provision of environmental impact reduction services in collaboration with the renewable energy business, and the development of data centers that can respond to constantly growing demand for cloud use. We will leverage these businesses and our project advancement capabilities to capture business opportunities.

Expand areas and scale of investment

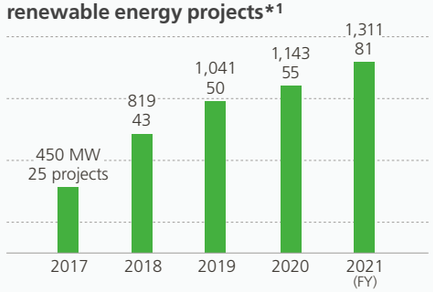
The REIT and fund management business has been expanding steadily and as of March 31, 2022, the AUM of listed REITs, private REITs, and other funds exceeded ¥1.6 trillion. Going forward, we will take advantage of the Group's wide range of assets and comprehensive support system to steadily expand associated assets with the goal of achieving ¥2 trillion in AUM by 2025.

In the overseas businesses, we are participating in 42 projects in the United States and six Asian countries (as of June 30, 2022; including projects under development).

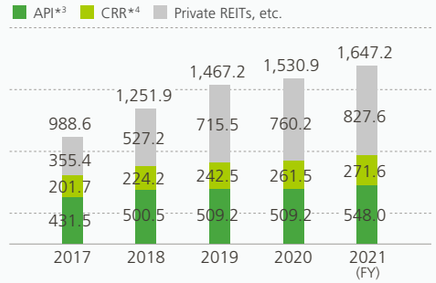
In the United States, we are mainly acquiring rental housing and engaging in value-adding operations that raise the real estate value of developments through renovations, as well as advancing the 425 Park Avenue office redevelopment project. The business has grown to cover a total floor area of approx. 370,000 m^2.

In Asia, we have established subsidiaries in Singapore, Indonesia, and China. The Singaporean subsidiary is implementing a wide range of investments in various Southeast Asian countries, including the Riveria City condominium development in Malaysia and the One Sanampao office building development project in Thailand. In Indonesia, we are leveraging unique expertise cultivated in Japan to lead our own development projects while in China, we are investing in development projects.

Number and rated power capacity of renewable energy projects*1



Changes in AUM*2 (billion yen)



Case Study

LOGI'Q Minamisunamachi

The first urban logistics facility to be originally developed by the Group. In addition to being equipped with labor-saving equipment and BCP measures, it also provides comfortable spaces for workers through elements such as consistent interior design with a woody tone.

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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Property Management & Operation
Providing impressive experiences to customers

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

Business environment

- Acceleration of decarbonization, diversification of environmental challenges
- Acceleration of digitalization
- Financial and economic trends

Opportunities

- 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

Risks

- Rising labor costs and labor shortages
- Fierce competition for replacement and construction orders in the property management business

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

Business strategy

Evolve a model that offers management solutions

Build a new wellness business model

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.

Property management targets

	FY2025
Life Time Portal*1 association function usage rate*2	80%
Average annual growth rate for revenue from building construction	FY2021-FY2025 8.4%

Wellness targets

	FY2021	FY2025
Number of hotel rooms	8,860 rooms	10,000 rooms
Number of individuals receiving healthcare services*3	2.05 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. Total cumulative number of members registered at fitness facilities, specific health guidance instructors, WELBOX members, and cases of agent arrangements for medical examinations

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Strategy by Business Segment

Property Management & Operation

Evolve a model that offers management solutions

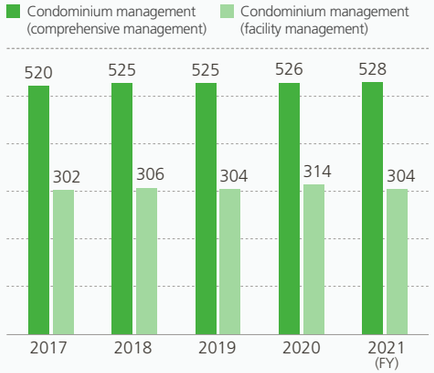
In the condominium management business, we are working to provide solutions that create new value by converting the condominium management expertise, services, and information that we have accumulated into digital forms, including operating a portal site that supports comfortable living and condominium management and operation, as well as building works proposals that could only be created by a management company with a wealth of proven data.

In the building management business, we are utilizing our track record of managing and operating a wide variety of buildings, ranging from multi-use complexes and office buildings to commercial, sports, and cultural facilities. As a result, in fiscal 2021, we concluded an agreement to undertake the overall facility management and operation of ES CON FIELD HOKKAIDO, a new ballpark scheduled to open in Kitahiroshima, Hokkaido Prefecture, in March 2023.

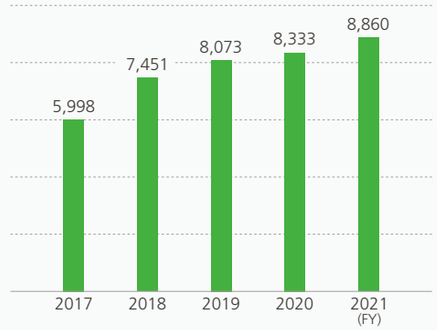
We will convert the knowledge and experience cultivated through this vast management and operation track record into data. This enables us to identify the specific needs of each building and facility, as well as the needs of each individual customer, including owners and tenants. In this way, we will contribute to raising the value of customers' assets and spaces.

In the environmental and greening management business, we are focusing on using industry-leading new technologies. We will realize collaborations between the Group's wide range of businesses to increase business opportunities with the environment as a starting point.

Changes in stock under management (1,000 units)



Number of hotel rooms



Build a new wellness business model

Going forward, we will expand the hotel business in anticipation of a recovery in demand for tourism, work with communities and governments to raise area value, advance digitalization to provide added value services, and enhance profitability by making operations more efficient.

In the hotel and resort business area, Tokyu Harvest Club VIALA Kinugawa Keisui is scheduled to open in December 2022. It will propose new ways to stay at a resort, including catering for "workations," one of the diverse new needs that have emerged in recent years. In the area around Niseko, Hokkaido Prefecture, we are using the 60th anniversary of the opening of the first ski-lift at the Niseko Tokyu Grand Hirafu ski resort as an occasion to launch Value Up Niseko Road to 2030, a project aiming to realize the No. 1 international resort in Asia. We will also leverage the expertise cultivated in Greater Shibuya and other areas to advance urban development in collaboration with communities and governments so that we can contribute to solving regional issues and revitalizing areas.

In the healthcare business area, we have been advancing the development of Grancreer HARUMI FLAG, a senior housing project within the HARUMI FLAG rental housing district, which is being built on the location that housed the athletes' village during the Tokyo Olympics. In addition to this, we are also strengthening digital services centered on health support, diversifying sources of revenue, and offering health and productivity management support services.

Case Study

Tokyu Harvest Club Kyoto Higashiyama In THE HOTEL HIGASHIYAMA

In July 2022, we opened Tokyu Harvest Club Kyoto Higashiyama In THE HOTEL HIGASHIYAMA, our first "In-type" location which reserves a portion of the guest rooms at a hotel operated by another company.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Real Estate Agents
Leading to a society with a healthy building stock situation

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

Business environment

- Acceleration of digitalization
- Financial and economic trends

Opportunities

- Expansion of the existing real estate transaction market
- Diversification of needs for the use of real estate, such as living in two places

Risks

- Reduction of information asymmetry attributable to the progress of digitalization
- Decline in buying motivation attributable to rising house prices

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

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

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.

Real estate brokerage targets

	FY2021	FY2025
Number of retail transactions	28,000	38,000
Wholesale revenue	¥13.0 billion	¥17.0 billion

Rental housing services, etc. targets

	FY2021	FY2025
Units under management*1	165,000 units	208,000 units
Productivity*2	1.5 x or more (against FY2021)	

*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)

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Strategy by Business Segment

Real Estate Agents

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

Our real estate brokerage business aims to grow profits by advancing our three No. 1 strategies (customer evaluation, market competitiveness, and job satisfaction) and our three strategies for changing the industry (enhancing added value from information, boosting efficiency in operations, and strengthening our ability to adapt to the business environment) as core strategies.

Regarding our three strategies for changing the industry in particular, we are focusing on enhancing added value from information by strengthening real estate sales business initiatives, such as the resale of purchased properties, and by increasing the functions offered by retail shops. We are boosting efficiency in operations by automating and re-engineering business processes through DX. We are also strengthening our ability to adapt to the business environment by establishing businesses targeting wealthier customer segments and creating a new business that sells marketing systems to external clients. In fiscal 2021, we focused on taking a customer-oriented approach to create new experiential value, including by launching an AI condominium price assessment system that can calculate assessment values with the same degree of accuracy as a professional assessor, and providing sale and purchase support through PROPERTISTA, a service for real estate investors that combines our wealth of experience with AI technology.

We will continue to actively open new stores while aiming to further raise our competitiveness by utilizing digital technologies such as AI to automate operations and reduce the labor required, and by enhancing the problem-solving skills of our salespeople.

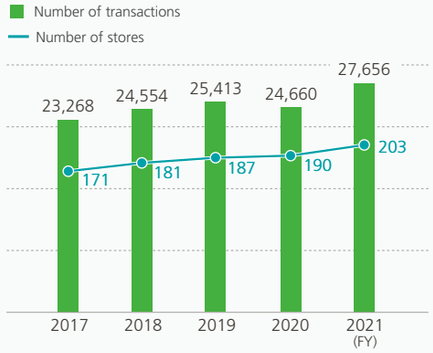
Increase the scale and improve the efficiency of our rental housing services

In the rental housing services business, we plan to raise productivity by advancing DX, including digitalizing business processes, while also strengthening our ability to make proposals to owners and expanding the scale of the business.

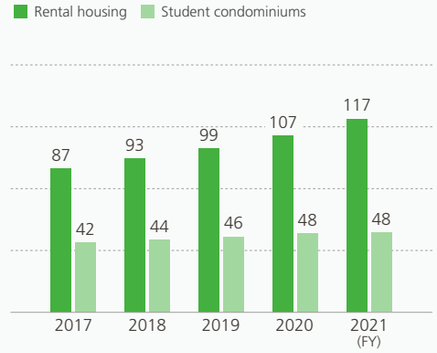
Tokyu Housing Lease aims to improve convenience for customers by enabling various paper-based procedures, including tenancy applications, to be carried out online, raise the quality of its services and make operations more efficient through business restructuring, and grow profits by expanding its housing stock.

National Students Information Center plans to improve experiential value for customers by digitalizing resident touchpoints, and to provide a career support service for residents with the aim of transforming into a company that customers can entrust both their first experience living alone and their career development to. It will also expand its business area by utilizing its connections with students, schools, and property owners to strengthen its BPO business for schools and asset consulting services. Additionally, as a company with a strong awareness of the SDGs, it is implementing an internship program to incorporate student viewpoints into its support for solving issues. It is also participating in a collaborative initiative with Kyoto University to help exchange students from Ukraine by providing student accommodation.

Changes in retail



Changes in units under management (1,000 units)



Case Study

Launching a sales promotion method that combines automated guidance with remote customer service

At L'GENTE Ikebukuro Rikkyodori, a condominium building operated by Tokyu Livable, we are working to raise customer satisfaction and sales efficiency by launching a new sales promotion method that combines the automated building guidance used in the building's smart locks with remote customer service from Ginza Salon sales personnel.

Remote customer service example

* We are using the TimeRep remote customer service system provided by UsideU Inc.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Management Foundation

Our platform for value creation

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Human Capital and Organizational Climate

We are working to engage our diverse workforce and enable each individual to fully demonstrate their capabilities by fostering a unified, innovative organizational climate that provides comfortable work environments and job satisfaction while advancing the realization of our ideal vision.

Our approach to human capital management

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

Message from the management

Creating an organizational climate that engages diverse human resources

Jun Kodama

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

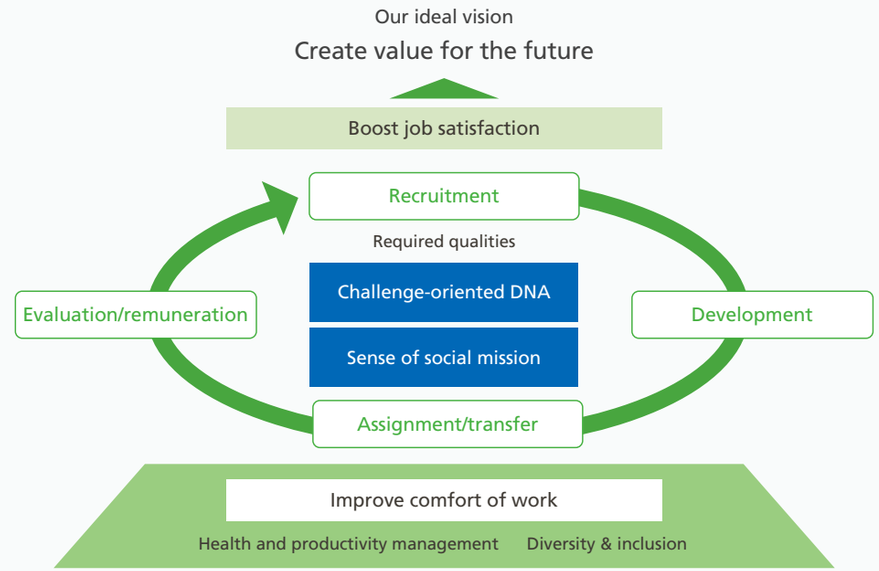
As we enter an era of great change in the environments around both companies and individuals, human capital is becoming ever more important. The Group comprises over 100 companies and approximately 30,000 employees, so I think it is essential that we strengthen our management foundation to create an organization that engages its diverse workforce. Therefore, we have set KPIs that cover advancing the active participation of women, encouraging the taking of childcare leave by male employees, and deepening understanding of LGBT matters, and we are working to establish frameworks and systems at each Group company. In addition to these frameworks and systems, it is crucial that we "realize a future where everyone can be themselves and shine vigorously" by creating psychologically safe workplaces across the Group and fostering a free and open organizational climate that facilitates innovation. Going forward, we will carry forward the Group's "challenge-oriented DNA" and advance human resources strategies that will help raise our competitiveness, so that we can enhance corporate value that starts with solving social issues.

Basic policy on human capital strategy

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

Each Group company is working to develop a training system and environment in which the organization supports individuals taking on challenges while sharing the basic direction of the organization, designs programs to give employees diverse workstyle options, and enhances its IT infrastructure. We also request that employees share the organization's direction, take the initiative for their own growth, give back to society, and acquire the ability to identify issues and potential solutions for customers and society.

Our companies and employees are united through these activities and will work to develop an uninhibited organizational climate that facilitates innovation and enhances corporate value starting from solving social issues.



Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Human Capital and Organizational Climate

Improving the comfort of work

Health and productivity management

The Group regards the maintenance and enhancement of the happiness and good health of employees as important management issues. Group companies take various measures that lead to better physical and mental health and longer healthy lifespans. These measures have been highly evaluated by society, and as a result, Tokyu Fudosan Holdings Corporation was selected under the Health & Productivity Stock Selection*1 for the third consecutive year in March 2022, and seven Group companies, including Tokyu Fudosan Holdings Corporation, were selected as 2022 Certified Health & Productivity Management Outstanding Organizations*2. In addition, in December 2020, we became the first developer in Japan to obtain WELL Certification*3 for our headquarters located in Shibuya Solasta.

- **FY2030 KPI targets**
  Tokyu Fudosan Holdings Corporation:
  · Ratio of employees who undergo physical examinations 100%

Diversity & Inclusion

We have set KPIs that aim to increase the ratios of female managers and female hires, as well as the ratio of childcare leave taken by male employees, and to deepen understanding of LGBT matters. We have thus promoted the development of work environment which enables diverse human capital to fully demonstrate their capabilities. To prevent harassment, we provide relevant training to employees and have established related rules, in an effort to create an organizational climate that encourages employees to respect each other's values. In fiscal 2021, Tokyu Land Corporation was awarded a Gold rating and Tokyu Community Corp. was awarded a Silver rating in the PRIDE Index*4 in recognition of their efforts to promote diversity.

- **FY2030 KPI targets**
  Tokyu Fudosan Holdings Corporation:
  · Ratio of female managers 20% or more
  · Ratio of female hires 50%
  · Ratio of childcare leave taken by male employees 100%
  · Deepening understanding of LGBT (percentage of employees who took an e-learning course) 100%

Boosting job satisfaction

Recruitment

Our policy is to recruit people who have an abundant willingness to take on challenges and a sense of duty and responsibility to solve social issues. These are basic requirements for both new graduates and mid-career recruits, and each Group company carries out recruitment activities that respect diverse values. Assignments after recruitment take into account the requests and aptitude of each individual and we are establishing environments that enable new employees to fully participate as part of the team once they join the Group.

- **Main initiatives**
  Tokyu Land Corporation:
  · Introduction of partner duties for re-hired employees
  · Job return system for former employees

Cultivation

We are cultivating human resources who can propose new value that addresses social issues and customers' needs. We are also providing specialized education in order to nurture specialists in each business field. Together with optional training programs and other initiatives, this creates environments that support individual employees in taking on challenges. Furthermore, we are also leading the implementation of Group-wide shared training programs and e-learning courses on topics such as social issues in order to foster a unified educational environment for the Group.

- **Main initiatives**
  Tokyu Fudosan Holdings Corporation:
  · Introduction of joint training sessions for Group operating officers
  · Compliance e-learning courses

Assignments and transfers

We provide a wide range of options that support individual growth. Each Group company operates systems such as job rotation systems, open application systems, and job challenge systems in order to enhance the organizational capabilities by placing self-driven, diverse individuals in the most appropriate positions.

- **Main initiatives**
  Tokyu Fudosan Holdings Corporation:
  · Short-term transfers of Group personnel
  Tokyu Land Corporation:
  · Job rotations
  Tokyu Community Corp.:
  · Introduction of a job rotation system for management positions

Evaluations and compensation

We are establishing evaluation and compensation systems that take into account the characteristics of each Group company and business and that are in line with the times. We also recognize employees who perform in a way that is not solely focused on short-term profit but also conscious of social issues from a medium- to long-term perspective, as well as employees who are willing to take on challenges without being limited by fixed ideas. 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, with the aim of nurturing growth.

*1. A joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to select and announce listed companies that are committed to the creation and implementation of health and productivity management measures and that have achieved results
*2. A system by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi that recognizes organizations which are demonstrating outstanding performance in terms of health and productivity management. Selected companies were Tokyu Fudosan Holdings Corporation, Tokyu Land Corporation, Tokyu Community Corp., Tokyu Livable, Inc., Tokyu Housing Lease Corporation, Tokyu Sports Oasis Inc., and Ewel, Inc.
*3. WELL Building Standard. A system for evaluating buildings and their interior environment that takes into account health and comfort *4. An evaluation index for initiatives focused on sexual minorities, including members of the LGBT community

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Respect for Human Rights

We aim to show consideration for the human rights of all stakeholders connected to our business activities by advancing initiatives that respect 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 to show our commitment to carrying out business activities that fully respect human rights, together with our suppliers, as well as our support for the Universal Declaration of Human Rights and other international human rights doctrines. Additionally, in January 2020 we formulated the Tokyu Fudosan Holdings Group Sustainable Procurement Policy.
As a responsible corporate group, we are implementing this policy 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.

Identifying human rights risks

In addition to formulating the Human Rights Policy, we are also carrying out human rights risk assessments. This includes analyzing issues shared by all businesses and human rights issues for each individual business using possibility of occurrence and level of potential impact as indicators. Based on the results, we have identified six important human rights issues related to our business activities.

Six important human rights issues

- Forced labor and child labor
- Work conditions and work environment of employees and suppliers (including migrant workers)
- Participation in the infringement of employees' privacy and personal information protection rights
- Impact of land development on local communities (including indigenous people)
- Employees and suppliers' safety during development
- Infringement of rights to access remedy

Areas to be addressed as a priority

Within the important human rights issues, areas that are particularly material to our business activities and that need to be addressed as a priority have been identified as the sustainable procurement of construction materials (especially wood for concrete formwork) and the prevention of forced and child labor within the supply chain. Accordingly, we have set relevant KPI in our long-term management policy.

- **FY2030 KPI targets**
  - Sustainable procurement (wood materials for molds) 100%
  - Respect for human rights in the supply chain (implementation of due diligence related to forced labor and child labor) 100%

Sustainable procurement of construction materials

A lot of the wood we use for concrete formwork in Japan is south-sea timber, and there are many concerns associated with this material, including the seizing of land from indigenous peoples and environmental destruction. In order to protect both the environment and human rights, we aim to source 100% of the wood used in concrete formwork for building construction from sustainable sources (such as certified timber or timber sourced in Japan) by fiscal 2030.

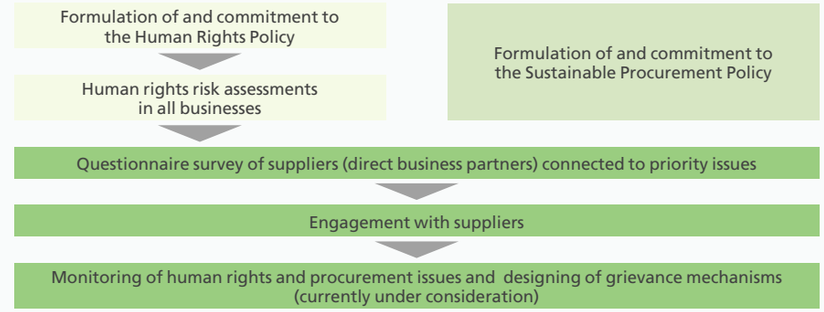
Respect for the rights of technical intern trainees

In regard to forced labor, Japan's Technical Intern Training Program (a program in which Japanese companies accept trainees from overseas, particularly from developing countries) has seen many cases in which trainees with internships in the construction industry have experienced human rights violations regarding treatment and working conditions. We are working to prevent forced labor within the Group by staying aware of the actual situation regarding training environments and the well-being of trainees by practicing due diligence.

Practicing due diligence

In fiscal 2021, we implemented a sustainable procurement survey covering 172 construction companies that are major business partners of Tokyu Land Corporation. This survey evaluated five companies as high risk and we will respond by engaging with these companies and ensuring corrective steps and other measures through dialogue. In the project outlines we send construction companies when requesting a quote, we have added conditions such as adherence to various policies and requirements regarding the treatment of technical intern trainees. We are also working to educate employees within the Group through awareness-raising content in internal newsletters, e-learning, and new employee training, among other measures. We are also establishing contact points for consultation on various matters, such as harassment and LGBT issues.

Human rights and sustainable procurement due diligence flow



Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Corporate Governance

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 to enable more prompt and decisive decision-making while following the standards required in the prime market.

Message from the Chairman of the Board of Directors

Kiyoshi Kanazashi

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

One of the materialities of the long-term GROUP VISION 2030 is to "create governance that accelerates growth." The medium-term management plan 2025 additionally sets governance as an important management foundation to be strengthened along with the financial capital strategy, human capital, and the organizational culture.

We revised the remuneration system for executive directors in fiscal 2022. The new system creates a stronger connection between compensation and the performance indicators the Company is emphasizing in the medium-term plan. In addition to consolidated operating profit, the system now uses operating profit margin, ROE, the ratio of EBITDA to interest-bearing debt as indicators linked to compensation. We also revised the proportions of fixed and variable remuneration in total remuneration, and raised the target ratio of bonuses, which is a variable remuneration, to 40%.

To further increase motivation to achieve the performance targets, we have also expanded the bonus parameter range from 40% to 160% of base amount.

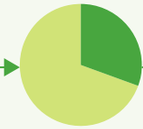
Another target indicator in the medium-term plan is to improve the effectiveness of the Board of Directors (through a third-party evaluation). The effectiveness of the Company's Board of Directors is evaluated annually by having all directors and Audit & Supervisory Board members respond to a questionnaire prepared and compiled by an outside consultant, and then having an independent attorney with no advisory relationship with the Company review the results. The evaluation is conducted to verify the system's effectiveness and provides an opportunity to receive recommendations for improvements. Feedback from past evaluations was used to fine-tune the risk management system, which is introduced in this report.

We will continue to strengthen our governance as a "foundation supporting our sustainable growth."

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Timeline of the strengthening of corporate governance

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	Elected first outside director		Elected two more outside directors		Elected first female outside director			Increased the number of female outside directors to two	
Outside directors/ total directors	Outside directors 11.1% 1/9		Outside directors 23.1% 3/13		Outside directors 30.8%  4/13			Outside directors 40.0% 6/15	Outside directors 38.5% 5/13
Evaluation of the effectiveness of the Board of Directors			• Began evaluating effectiveness of the Board of Directors			• Introduced third-party evaluation of the effectiveness of the Board of Directors	• Began using an external consultant for evaluations		
Nomination and Compensation Advisory Committee			• Established the Nomination and Compensation Advisory 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		• Established independence standards for outside directors • Clarified policy regarding cross-shareholdings	• Began the appointment of a lead independent outside director	• Set KPIs for corporate governance	• Established the Corporate Governance Guidelines		• Disclosed a directors' skills matrix		

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

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.

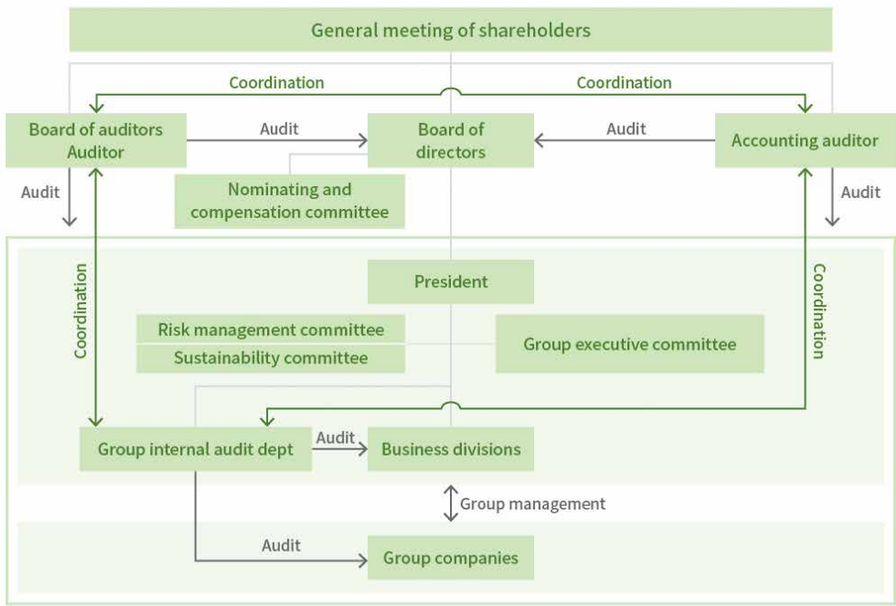
To that end, we will work to ensure the soundness and transparency of management and build a corporate governance system that contributes to expediting decision making.

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

Corporate governance structure



Roles of key organizations

Board of Directors

The Board of Directors passes resolutions on the Company's management policy and important matters 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 Advisory 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. Internal rules stipulate that over half of the committee should be independent outside directors and that an independent outside director serves as chair.

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 and working to understand, evaluate, and monitor the status of risk management efforts at each Group company.

Sustainability Committee

This committee formulates basic policy and KPI concerning sustainability and also builds implementation frameworks and monitors progress toward achieving these KPIs. Together with the Risk Management Committee, it reports information regarding the details and progress of initiatives to the Board of Directors. In addition to this, it supports coordination between divisions of the Company and Group companies on sustainability promotion activities and manages these efforts on a Group-wide basis.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

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 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.

Main topics discussed by the Board of Directors

Fiscal 2021

- Formulation of the long-term vision and medium-term management plan
- Whether to transfer to the Tokyo Stock Exchange's Prime Market
- Revisions to policy for determining directors' compensation, etc.
- Evaluations of the effectiveness of the Board of Directors
- Corporate Governance Reports
- Verification of the rationality of cross-shareholdings
- Audit reports from the Internal Audit Department
- IR activities reports
- Financial market trends and the financing environment around the Group
- Activities reports from the Risk Management Committee and Sustainability Committee
- Monitoring of the progress made on previous resolutions of the Board of Directors
- Reports on the status of COVID-19 infections

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. 73

We select people with knowledge and judgment as candidates for internal directors. As our outside directors, we select people who have extensive experience in fields such as management, legal affairs, finance, and accounting, while having a sensible, objective perspective. We choose candidates who can raise and discuss problems about growth strategies and 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 of Directors 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. Issues identified through these evaluations are shared with directors and reflected in ongoing improvement efforts with the aim of further raising effectiveness.

Evaluations are carried out using a questionnaire for directors and Audit & Supervisory Board members. We use an external consultant to ensure that the design and aggregation of questionnaires are objective, and the responses are evaluated by a third-party attorney-at-law who has no advisory connections to the Company.

One example of how effectiveness has been raised is from the fiscal 2020 evaluation, in which it was pointed out that we should not be complacent about our risk management systems and structures and instead, aim for a more effective risk management framework. In fiscal 2021, we worked on making our risk management more advanced. Specifically, we reorganized important risks, clarified the roles of the Risk Management Committee and Group Executive Committee, and strengthened PDCA cycle efforts.

As a result of initiatives like this, the fiscal 2021 evaluation confirmed that the Board of Directors is sufficiently effective. Going forward, we will continue to enhance governance structures based on evaluation results.

Effectiveness evaluation cycle

Questionnaire

- Questions are set by an external consultant to realize a more objective evaluation that can be used as a comparison with other companies.
- Questions cover a broad range of topics, including the composition and operation of the Board of Directors, management strategy, risk management, and communication with shareholders.
- Questionnaires are anonymous to enable candid responses.

Analysis and assessment of evaluation results

An external consultant analyses and assesses response content.

→

Third-party evaluation

An attorney-at-law, who has no advisory connections to the Company, carries out a third-party evaluation.

→

Feedback to the Board of Directors

The results of the evaluation are shared with the Board of Directors which formulates and implements measures to further improve effectiveness.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Nomination and Compensation Advisory Committee composition

The Nomination and Compensation Advisory Committee was established as an advisory body to the Board of Directors to increase the fairness and transparency of procedures for matters related to the nomination of director candidates and operating officers and matters relating to their compensation, among others.

The Board of Directors consults this committee concerning these matters before passing resolutions on them. The committee is chaired by an independent outside director, and independent outside directors constitute the majority of its members.

The committee met three times in fiscal 2021 and attendance was 100%. The composition in fiscal 2022 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)

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.

The lead independent outside director for fiscal 2022 is as follows.

- Lead independent outside director
  Makoto Kaiami

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. 73

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 Advisory 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 Advisory 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 Advisory Committee.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Director compensation

The upper limit for annual compensation paid to directors is set at no more than ¥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).

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 Advisory Committee.

Also, from fiscal 2022, the proportion of compensation delivered as bonuses (short-term incentives) has been increased and the amount that these bonuses can fluctuate from the base amount has been revised in order to improve the correlation between compensation and medium-term management plan KPIs. This will further raise the motivation of executive directors to execute duties in a way that will steadily achieve plan objectives.

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 representative director 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 representative director, 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 exceptional talent 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 (Effective April 2022)

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	Linked to stock price
Fluctuation from base amount		40-160%	

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

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 attend important meetings, including those of the Board of Directors, to receive business reports from directors and other officers. Audit & Supervisory Board members peruse documentation on important decisions, listen to reports from subsidiaries, and cooperate with the Internal Audit Department, the accounting auditor, and other parties as a part of their audit of the status of business execution at the Company, its subsidiaries, and related companies.

The Audit & Supervisory Board forms fair audit opinions by accurately grasping information based on on-site visits and other activities, which are mainly conducted by full-time Audit & Supervisory Board members, and effectively audits directors in the performance of their duties as an independent body under the mandate of shareholders by utilizing the fast responsiveness and flexibility of the Audit & Supervisory system.

Audit system

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

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

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

Internal control

The Tokyu Fudosan Holdings Group is thoroughly implementing compliance-based management to achieve its sustainable development and improve its corporate value. All members of the Group shall take steps to put in place and implement internal control systems to raise 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 2021

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	363	251	77	34	16
(of which, outside directors)	59	59	–	–	7
Audit & Supervisory Board members	67	67	–	–	5
(of which, outside Audit & Supervisory Board members)	10	10	–	–	3

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 8th Ordinary General Meeting of Shareholders held on June 25, 2021.

(3) The amounts in the table to the left include a provision for bonuses for directors (and other officers) for fiscal 2021.

(4) The amount of stock-based compensation is the provision for share awards for directors for fiscal 2021. Provision for share awards for directors (and other officers) is basically the book value of the Company's shares acquired through a trust using funds provided by the Company.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Risk Management

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 new risk with high significance.

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

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.

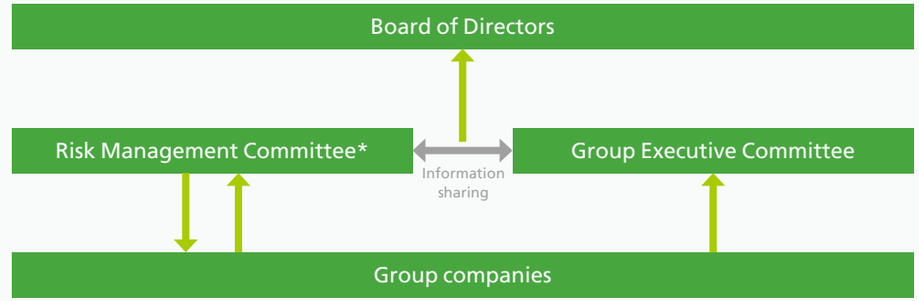
Basic risk management policy

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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Risk Management

Main scenarios and management initiatives for major risks

Risk category	Main scenario	Risk management initiatives
Investment risks	• 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.	• 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	• Our financial position and business performance may be adversely affected by a rise in interest rates or a steep drop in share price.	• 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	• 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.	• We have accepted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and joined the TCFD Consortium. • We 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 when necessary.
IT strategy risks/ digital strategy risks	• 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.	• The Group Digital Transformation Promotion Department is leading the consideration of 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	• If we are unable to continuously recruit and cultivate human resources due to changes in social structure, such as declining birthrates and aging populations, it may hinder Group growth.	• 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	• 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.	• We are reinforcing our information systems through security measures and other means. • We are raising the digital literacy of employees through training, such as targeted email attack drills.
Crisis management response	• 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.	• 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	• 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.	• 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.

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 whistleblowing office, where cases are handled by a lawyer who is not our corporate lawyer. The aim of these offices is to discover and rectify violations at the earliest possible time. In fiscal 2021, 129 consultations and enquiries, mostly concerning minor issues, were made through these channels.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Messages from Outside Directors

Monitoring and improving the new risk management system

Makoto Kaiami
Outside Director (Independent Officer)

The company has made great strides strengthening governance in the four years that I have been an outside director. Not only has it increased the percentage of outside directors, appointed multiple female directors, and enhanced the functions of the Nomination and Compensation Advisory Committee, it has also made qualitative improvements, such as making it easier for outside directors to share their views with the corporate directors and enabling more objective evaluations of the Board of Directors effectiveness. I believe the Board has a diverse mix of individuals and allows an exchange of opinions from various perspectives and angles.

The new risk management system clearly outlines Tokyu Fudosan Holdings' risk management activities for the Group and steps that will be taken to continue improving risk management primarily by applying the PDCA process. With the adoption of the new system, we have identified specific crisis management risk areas (natural disasters and infectious diseases) that we are prioritizing for risk countermeasures this year. The new system is a positive step, but I believe management also needs to make further improvement in its operations, such as in the connectivity of risk management and the internal reporting systems of the Group companies.

The risk I focus on the most is non-compliance. There are more than a few examples of well-known major companies losing credibility because of non-compliance. To date, the Group has not had a serious non-compliance violation; however, identifying and eliminating the root causes of violations is essential to ensuring no incidents occur in the future. My experience serving on several corporate misconduct investigative committees has taught me that a functioning and effective whistleblowing system is critical.

I will continue to make recommendations for the whistleblower system, keep a close watch for any signs of compliance violations, and do my utmost to ensure that the risk management system functions effectively. I will also recommend the Board of Directors to engage experts to raise its level of awareness of cybersecurity risks and other new threats to corporate security.

Information security risk management in preparation for full-scale DX

Tsuguhiko Hoshino
Outside Director (Independent Officer)

The Company is actively creating new businesses aimed at addressing various social issues, and the Board of Directors is taking a more active approach to maintaining and improving corporate governance.

The new risk management system shifts the emphasis from monitoring to using the PDCA cycle for improving, which was a recommendation from outside directors. This incorporation of input from the outside directors is highly laudable. Establishing effective risk management under the new structure is an important first step that I believe will yield positive results in the future.

In my current activities in the non-life insurance field, risk management is constantly on my mind because I see how risk is becoming more diverse and how risk contagion is growing. When I was Commissioner of the National Tax Agency, I modified the regional tax return deadline extension system to make it applicable nationwide in certain circumstances, rather than only during natural disasters. Although the modifications were focused on a cyberattack, the system was designed to accommodate various scenarios, including a pandemic, which ultimately enabled it to be used during the COVID-19 pandemic. That experience made it abundantly clear once again how important it is to be able to accommodate a wide range of potential risks as well of the importance of being very imaginative about what could possibly happen at the work sites.

A risk is a risk because it cannot be seen. Therefore, in the Plan and Check stages, it is important to look beyond the boundaries of past incidents and constantly review what can happen and whether the situation is being envisioned correctly. The Company is preparing for a full-fledged digital transformation. The monitoring by the Information Security Committee and the risk management for each field will need to be supplemented by considering risk management on both the physical and technological levels, including cyberattacks. To ensure full coordination among group companies, the PDCA implementation procedures of each group company will need to be reviewed on a regular basis. I intend to provide oversight and encourage those activities from my perspective as an outside director.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Officers

Directors

Kiyoshi Kanazashi
Chairman

Director, Tokyu Corporation
Director, Tokyu Recreation Co., Ltd.
Representative Director (Chairman), The Tokyu Foundation
Representative Director (Chairman), Lifelong Health and Wellness Association

Number of the Company's shares owned
110,446
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
8 years 9 months
(As of June 2022)

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

Number of the Company's shares owned
50,675
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
6 years
(As of June 2022)

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

Number of the Company's shares owned
49,775
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
7 years
(As of June 2022)

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. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment and sustainability.

Masashi Okada
Director, Operating Officer

President & CEO, Tokyu Land Corporation

Number of the Company's shares owned
49,000
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
4 years
(As of June 2022)

Reason for election

Masashi Okada joined Tokyu Land Corporation in 1982 and has worked in areas such as the office and commercial facility business and renewable energy business. He has participated in corporate management as a Director of the Company since 2018. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment and sustainability.

Shohei Kimura
Director, Operating Officer

President & CEO, Tokyu Community Corp.

Number of the Company's shares owned
30,000
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
3 years
(As of June 2022)

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.

Number of the Company's shares owned
31,115
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
2 years
(As of June 2022)

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.

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Officers

Directors

Hiroaki Hoshino
Director, Operating Officer

Number of the Company's shares owned
11,800
(As of March 31, 2022)

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 been in charge of general administrative division, including corporate planning division, as an Operating Officer of the Company since 2018. He offers extensive operational experience within the Group, knowledge of every aspect of corporate management, and insight relating to the environment, sustainability, and DX.

Hirofumi Nomoto
Director

Chairman of the Board and Representative Director, Tokyu Corporation
Director, Tokyu Recreation Co., Ltd.
Outside Director, Toei Company, Ltd.
Outside Director, Mitsubishi UFJ Financial Group, Inc.

Number of the Company's shares owned
36,724
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
8 years 9 months
(As of June 2022)

Reason for election

Hirofumi Nomoto is the Chairman of the Board and Representative Director of Tokyu Corporation, the Company's major shareholder. He offers extensive experience and broad knowledge of every aspect of corporate management.

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
3,200
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
4 years
(As of June 2022)

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.

Saeko Arai
Outside Director
(Independent Officer)

Representative, Acuray, Inc.
Outside Member, Board of Directors, Sumitomo Pharma Co., Ltd.

Number of the Company's shares owned
900
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
12/12 (100%)

Period in office
4 years
(As of June 2022)

Reason for election and expected role

Saeko Arai has broad knowledge of accounting and finance as a certified public accountant, as well as experience in corporate management gained as the CFO of a company and as the representative of its overseas subsidiary. The Company expects her to leverage this knowledge to supervise the management of the Company and offer advice on the execution of duties based on her insight and opinions from the viewpoints of stakeholders.

Satoshi Miura
Outside Director
(Independent Officer)

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

Number of the Company's shares owned
1,800
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
9/10 (90%)

Period in office
1 year
(As of June 2022)

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.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Outside Directors

Tsuguhiko Hoshino

Outside Director
(Independent Officer)

Vice Chairman, The General Insurance Association of Japan

Number of the Company's shares owned
400
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
10/10 (100%)

Period in office
1 year
(As of June 2022)

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.

Yumiko Jozuka

Outside Director
(Independent Officer)

Outside Director, Shimizu Corporation

Number of the Company's shares owned
0
(As of March 31, 2022)

Attendance at meetings of the Board of Directors in fiscal 2021
10/10 (100%)

Period in office
1 year
(As of June 2022)

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.

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

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Officers

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 Advisory Committee	Risk Management Committee	Sustainability Committee
Kiyoshi Kanazashi	Inside	Male	●	●						●		
Hironori Nishikawa	Inside	Male	●	●		●		●	●	●	◎ Chair	◎ Chair
Hitoshi Uemura	Inside	Male	●	●			●				●	●
Masashi Okada	Inside	Male	●	●							●	●
Shohei Kimura	Inside	Male	●	●	●		●		●		●	●
Yoichi Ota	Inside	Male	●					●			●	●
Hiroaki Hoshino	Inside	Male	●	●	●		●		●		●	●
Hirofumi Nomoto	Inside	Male	●						●			
Makoto Kaiami	Outside (independent)	Male				●				◎ Chair		
Saeko Arai	Outside (independent)	Female	●		●		●					
Satoshi Miura	Outside (independent)	Male	●	●			●	●	●	●		
Tsuguhiko Hoshino	Outside (independent)	Male			●	●	●			●		
Yumiko Jozuka	Outside (independent)	Female		●		●		●				

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Officers

Audit & Supervisory Board Members

Kazuo Mochida

Full-time Audit & Supervisory Board Member

Masahiko Hashizume

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
Outside Audit & Supervisory Board Member, Kao Corporation

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 Supervisor for the Overseas Business and Group Overseas Planning Department
Operating Officer*	Masashi Okada	Tokyu Land Corporation Supervisor (President & CEO of Tokyu Land Corporation)
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	In charge of General Management and supervisor for the Group Solutions Promotion Department
Operating Officer	Katsushi Miki	Tokyu Housing Lease Corporation Supervisor (President & CEO of Tokyu Housing Lease Corporation)
Operating Officer	Katsuhiro Yoshiura	National Students Information Center Co., Ltd. Supervisor (President & CEO of National Students Information Center Co., Ltd.)
Operating Officer	Takashi Ikeuchi	Supervisor for the Infrastructure Industry & Overseas Business Unit, Tokyu Land Corporation
Operating Officer	Tatsuaki Tanaka	Supervisor for the Wellness Promotion Unit, Tokyu Land Corporation
Operating Officer	Akiko Enokido	Supervisor for the Urban Business Unit, Tokyu Land Corporation
Operating Officer	Shigeyuki Kameshima	Supervisor for the Residential Business Unit, Tokyu Land Corporation
Operating Officer	Jun Kodama	Supervisor for the Group General Administration Department, Group Legal Affairs Department, and Group Human Resources Department
Operating Officer	Shinichiro Usugi	Supervisor for the Group Planning Strategy Department, Group Finance Department, and Group Digital Transformation Promotion Department, and Executive Manager of the Group Planning Strategy Department
Operating Officer	Shigeru Hashimoto	Supervisor for the Corporate Communication Department, Group Corporate Planning Department, and Group Sustainability Promotion Department, and Executive Manager of the Group Sustainability Promotion Department

Officers denoted with an asterisk (*) are serving concurrently as directors.

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Performance Information

Financial, corporate, and other information

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

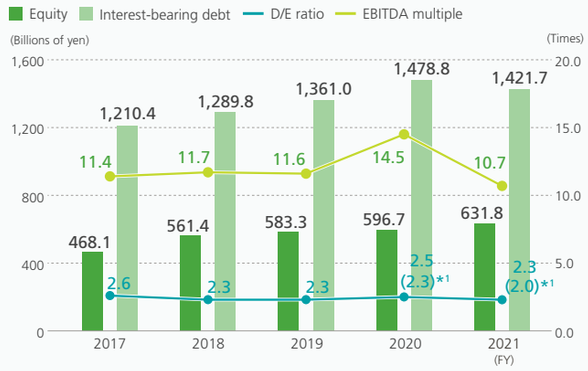
Performance Information
Financial, corporate, and other information

To the last viewed page

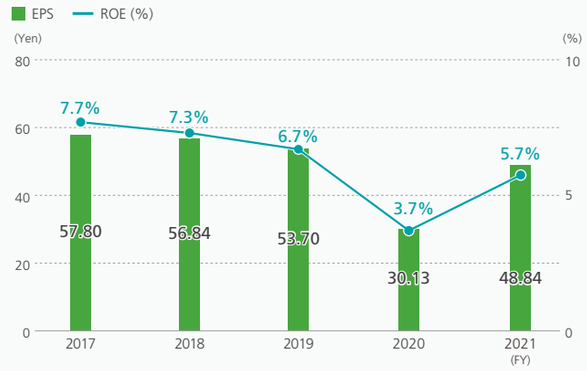
Financial and Non-Financial Highlights

Key financial indicators

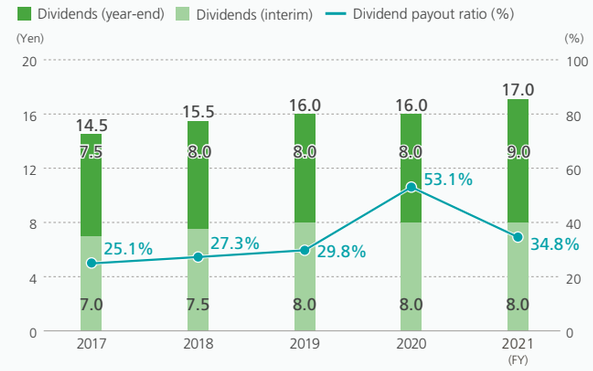
Changes in equity and interest-bearing debt



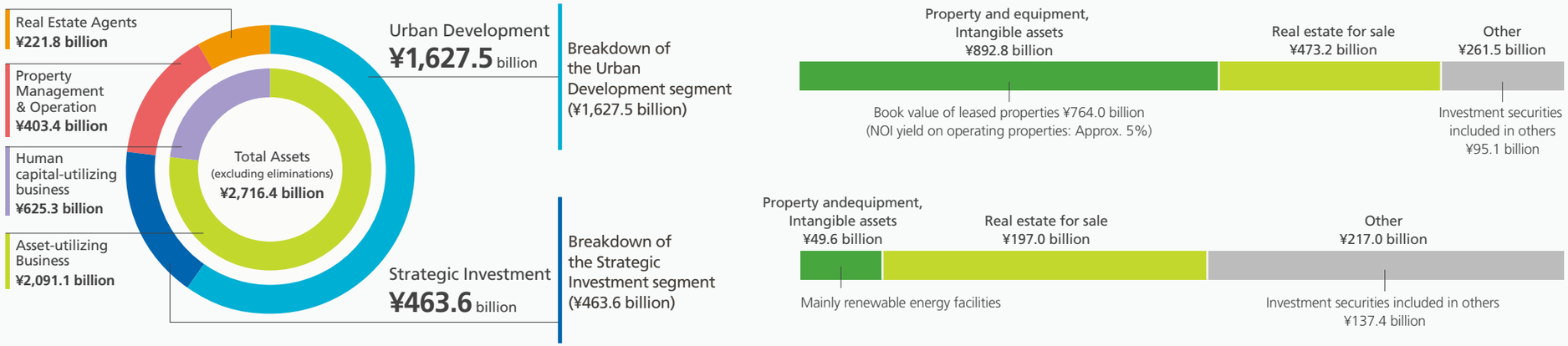
Changes in EPS and ROE



Changes in dividends and dividend payout ratio



Asset breakdown by segment*2



*1. D/E ratio after taking hybrid financing into account
*2. As of fiscal 2021, we have changed our segment system from our previous seven businesses segments to four. Segments are therefore displayed in the new segment configuration

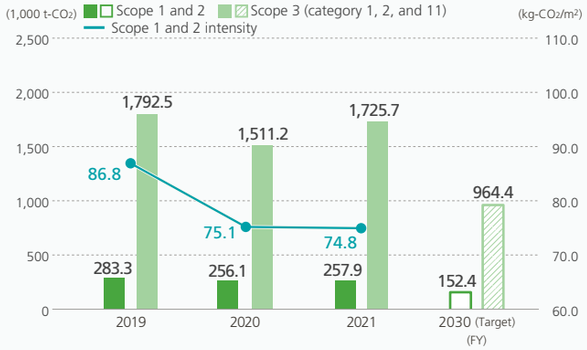
Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

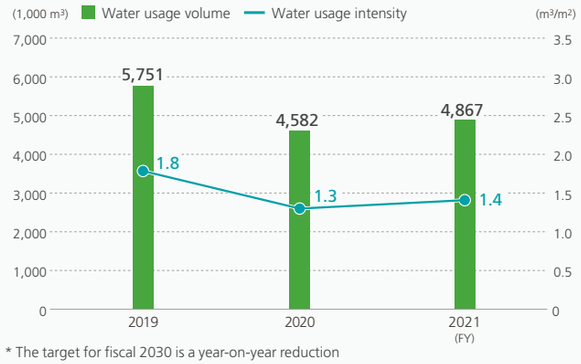
Financial and Non-Financial Highlights

Key non-financial indicators

CO_2 emissions volume and intensity

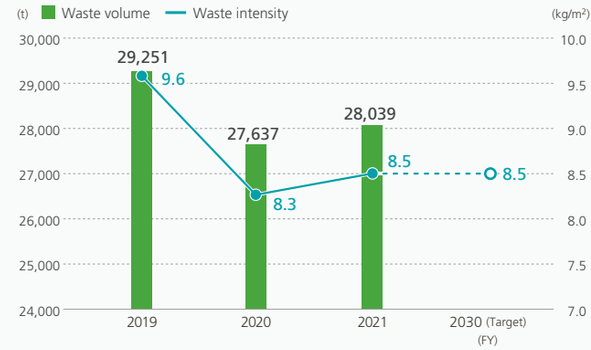


Water usage volume and intensity

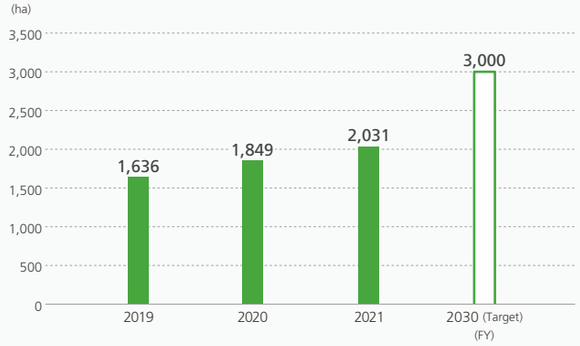


* The target for fiscal 2030 is a year-on-year reduction

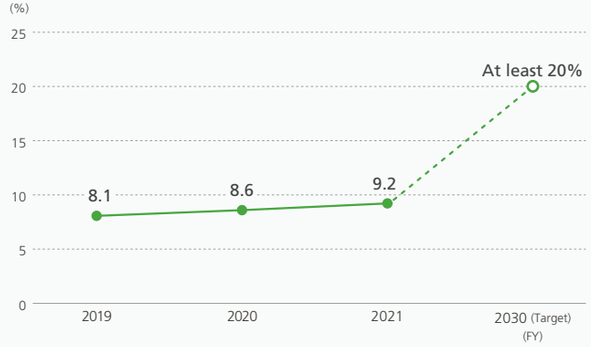
Waste volume and intensity



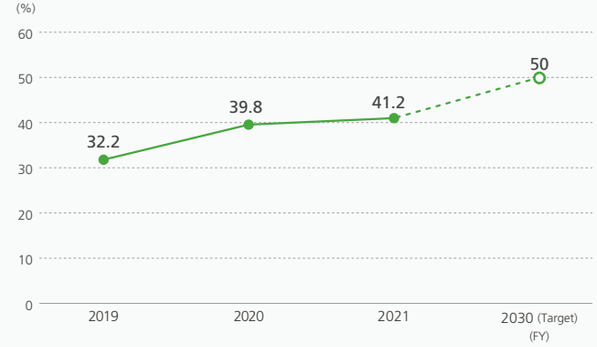
Midori wo Tsunagu Project (area of forest protected)



Ratio of female managers



Ratio of female hires



Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Financial and Non-Financial Data

Financial Indicators

	(Unit)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Operating revenue	Billions of yen	556.8	595.9	714.1	773.1	815.5	808.5	866.1	901.9	963.2	907.7	989.0
Operating gross profit	Billions of yen	123.3	126.8	145.3	148.8	163.8	173.0	182.5	193.4	201.7	164.8	193.9
Operating profit	Billions of yen	50.1	52.0	61.4	63.3	68.8	73.2	77.5	80.2	79.3	56.5	83.8
Ordinary profit	Billions of yen	34.9	39.9	50.6	51.7	56.4	63.6	68.7	70.7	67.5	46.6	72.8
Net profit*1	Billions of yen	34.2	22.1	23.7	25.2	28.7	31.5	35.2	37.5	38.6	21.7	35.1
Total assets*2	Billions of yen	1,744.8	1,718.4	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
Current assets	Billions of yen	300.7	324.0	416.0	572.6	491.9	588.0	649.8	872.7	889.0	1,005.0	1,037.0
Real estate for sale*3	Billions of yen	172.7	175.3	245.9	394.7	364.4	418.6	473.7	568.0	658.0	680.6	757.4
Non-current assets	Billions of yen	1,444.1	1,394.4	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
Total net assets	Billions of yen	275.3	307.0	369.2	398.3	422.4	446.3	475.3	568.7	594.2	608.7	643.3
Equity	Billions of yen	240.8	268.7	364.5	395.3	418.8	442.3	468.1	561.4	583.3	596.7	631.8
Interest-bearing debt	Billions of yen	1,064.0	974.1	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
Cash flows from operating activities	Billions of yen	44.9	70.2	(13.5)	(38.5)	87.9	68.9	12.3	44.5	(6.7)	100.4	76.5
Cash flows from investing activities	Billions of yen	(28.8)	42.5	19.7	(100.3)	(112.4)	(71.0)	(96.4)	(60.4)	(147.2)	(116.0)	(31.8)
Cash flows from financing activities	Billions of yen	(16.4)	(90.5)	3.0	139.2	(30.5)	23.0	82.4	139.1	65.1	108.3	(81.3)
Capital investment	Billions of yen	41.6	43.8	77.5	126.7	78.8	60.3	44.6	89.8	136.1	108.7	41.7
Depreciation	Billions of yen	20.8	20.2	20.0	20.2	21.0	23.5	23.1	24.6	32.3	39.8	43.3
EPS (net profit per share of common stock)	Yen	64.40	41.71	41.61	41.45	47.18	51.77	57.80	56.84	53.70	30.13	48.84
BPS (net assets per share of common stock)	Yen	453.46	505.99	598.73	649.40	687.92	726.59	768.85	780.78	811.04	829.50	878.32
Dividends per share	Yen	7.00	7.00	8.00	10.00	12.00	13.00	14.50	15.50	16.00	16.00	17.00
ROA	%	3.5	3.0	3.5	3.4	3.5	3.6	3.7	3.5	3.3	2.2	3.2
ROE	%	15.2	8.7	7.5	6.6	7.1	7.3	7.7	7.3	6.7	3.7	5.7
Equity ratio	%	13.8	15.6	20.4	20.0	21.1	21.4	21.5	23.3	23.5	22.5	24.0
D/E ratio	Times	4.4	3.6	2.7	2.8	2.6	2.6	2.6	2.3	2.3	2.5*4	2.3*4
Dividend payout ratio	%	10.9	16.8	19.2	24.1	25.4	25.1	25.1	27.3	29.8	53.1	34.8
EBITDA*5	Billions of yen	71.0	72.4	84.6	88.0	94.3	101.7	106.1	110.2	117.1	101.7	132.5
EBITDA multiple*6	Times	15.0	13.5	11.7	12.8	11.7	11.2	11.4	11.7	11.6	14.5	10.7

*1. Net profit has been reclassified as profit attributable to owners of parent from fiscal 2015
*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)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Financial and Non-Financial Data

Human capital indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees	Persons	17,594	18,243	19,230	20,421	21,091	21,976	22,953	23,411	21,276
Ratio of female managers	%	4.8	5.7	5.9	5.7	8.6	8.3	8.1	8.6	9.2
Female directors (non-consolidated)	Persons	0	0	0	0	0	1	1	1	2
Female Audit & Supervisory Board members (non-consolidated)	Persons	0	0	0	0	0	0	0	0	0
Female operating officers*	Persons	1	2	2	2	2	2	4	4	6
Average years of service (male)	Year	13.2	13.2	13.0	12.9	12.7	13.1	13.2	12.7	12.7
Average years of service (female)	Year	8.8	9.0	8.7	8.8	8.7	9.2	8.9	8.5	8.7
Ratio of female full-time employees	%	23.7	24.2	25.3	26.5	27.2	28.5	29.8	30.9	31.8
Ratio of new female employee hires to total hires	%	31.5	33.0	35.4	41.6	40.1	39.5	32.2	39.8	41.2

* 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.

For details, see our website

Environmental indicators

	(Unit)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
CO_2 emissions (Scope 1 and 2)		228.3	234.8	210.7	233.0	227.5	230.5	283.3	256.1	257.9
Intensity	kg-CO_2/m²	98.6	101.9	98.4	106.7	101.0	96.1	86.8	75.1	74.8
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	1,856.7
Category 1, 2, and 11	1,000 t of CO_2	–	–	–	–	–	–	1,792.5	1,511.2	1,725.7
Water use	1,000 m³	3,042	3,141	2,811	2,650	2,548	2,612	5,751	4,582	4,867
Intensity	m³/m²	1.33	1.39	1.32	1.23	1.14	1.10	1.8	1.3	1.4
Waste volume	t	14,189	18,796	18,908	25,127	25,569	22,932	29,251	27,637	28,039
Intensity	kg/m²	10.3	10.2	10.1	12.5	12.6	10.2	9.6	8.3	8.5

Note: For figures from fiscal 2019 onward, the coverage of this scope has been changed in accordance with the setting of SBT-approved targets.

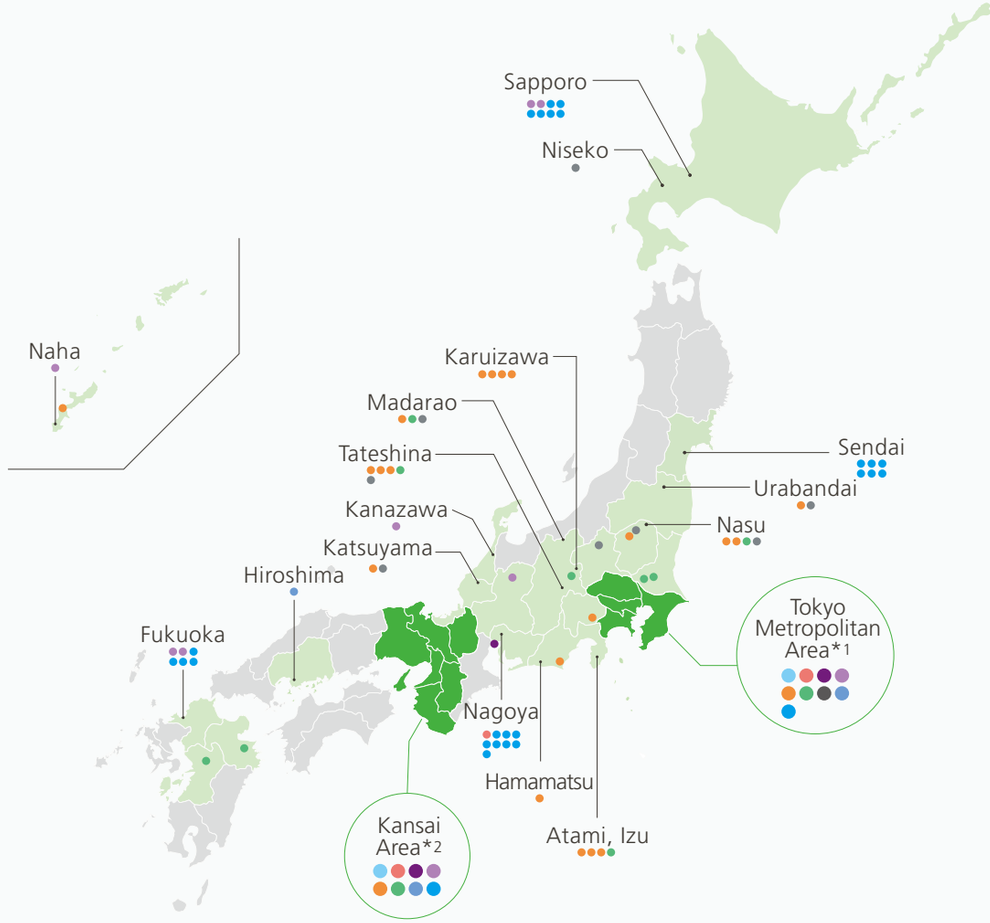
(Calculations current as of June 30, 2022)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Business Areas

Main domestically operated facilities and stores



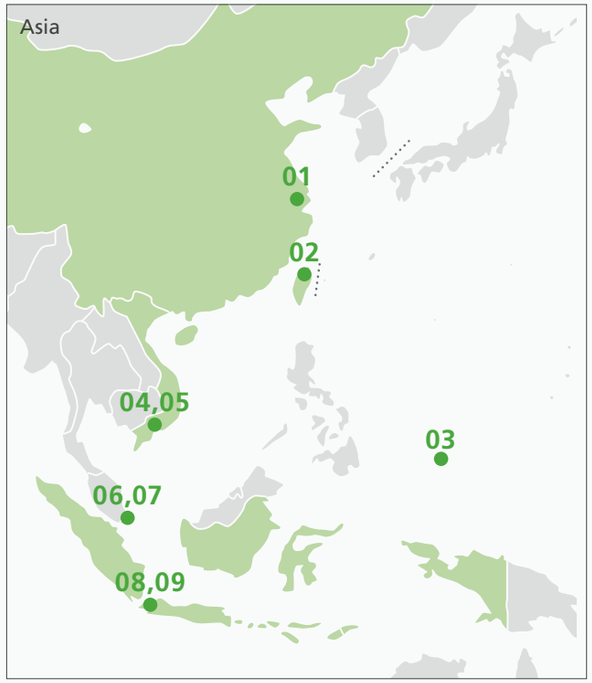
Type of Property	Unit	Tokyo Metropolitan Area*1	Kansai Area*2	Other Areas	Total
Office buildings	Building	49	1	0	50
Commercial facilities	Facility	24	6	1	31
Logistics facilities	Facility	2	2	0	4
Urban style hotels	Facility	19	3	8	30
Resort facilities	Facility	4	5	21	30
Golf courses	Facility	10	3	6	19
Ski resorts	Facility	3	0	5	8
Senior housing facilities	Facility	15	0	0	15
Fitness	Store	22	12	1	35
Tokyu Livable	Store	135	41	27	203

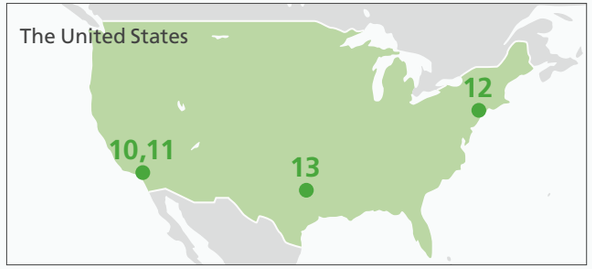
(As of March 31, 2022)

*1. Including Tokyo, Kanagawa, Chiba, and Saitama Prefectures
*2. Including Osaka, Kyoto, Hyogo, Shiga, Nara, and Wakayama Prefectures

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information
To the last viewed page

Main overseas bases





China	Shanghai	01	Tokyu Land Corporation (Shanghai) Ltd. (Tokyu Land Corporation)
Taiwan		02	Tokyu Livable (Taiwan), Inc. (Tokyu Livable, Inc.)
Palau		03	Pacific Islands Development Corporation (Tokyu Land Corporation)
Vietnam		04	Nozomi Residential Management JSC (Tokyu Community Corp.)
		05	Nozomi Residential Management (Tokyu Community Corp.)
Singapore		06	Tokyu Land Asia Pte. Ltd. (Tokyu Land Corporation)
		07	Investment in OT Group Pte. Ltd. (Tokyu Livable, Inc.)
Indonesia	Jakarta	08	PT. Tokyu Land Indonesia (Tokyu Land Corporation)
		09	PT. Tokyu Property Management Indonesia (Tokyu Community Corp.)
The United States	Los Angeles	10	Tokyu Land US Corporation (Tokyu Land Corporation)
		11	Tokyu Livable Us, Inc. (Tokyu Livable, Inc.)
	New York	12	New York Office of Tokyu Land US Corporation (Tokyu Land Corporation)
	Dallas	13	Tokyu Livable Texas Investment Advisors, LLC (Tokyu Livable, Inc.)

(As of March 31, 2022)

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment

Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Socially and Environmentally Friendly Assets

List of environmental real estate (DBJ Green Building Certification)

DBJ Green Building

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

5 stars Properties with the highest environmental & social awareness

Shibuya Solasta
Shibuya-ku, Tokyo

Shibuya Fukuras
Shibuya-ku, Tokyo

TOKYO PORTCITY TAKESHIBA Office tower
Minato-ku, Tokyo

Kudan-Kaikan Terrace
Chiyoda-ku, Tokyo
Plan certification

4 stars Properties with exceptionally high environmental & social awareness

Shin-Meguro Tokyu Building	Shinagawa-ku, Tokyo
Jimbocho Kita Tokyu Building	Chiyoda-ku, Tokyo
Shin-Aoyama Tokyu Building	Minato-ku, Tokyo
Spline Aoyama Tokyu Building	Minato-ku, Tokyo
Tokyu Plaza Omotesando Harajuku	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
Kasumigaseki Tokyu Building	Chiyoda-ku, Tokyo
Shimbashi Tokyu Building	Minato-ku, Tokyo
Hamamatsucho Square	Minato-ku, Tokyo
Minamiaoyama Tokyu Building	Minato-ku, Tokyo

(As of March 31, 2022)

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Renewable energy business list

ReENE

(As of June 30, 2022)

Total Number of Businesses

82

Rated Capacity

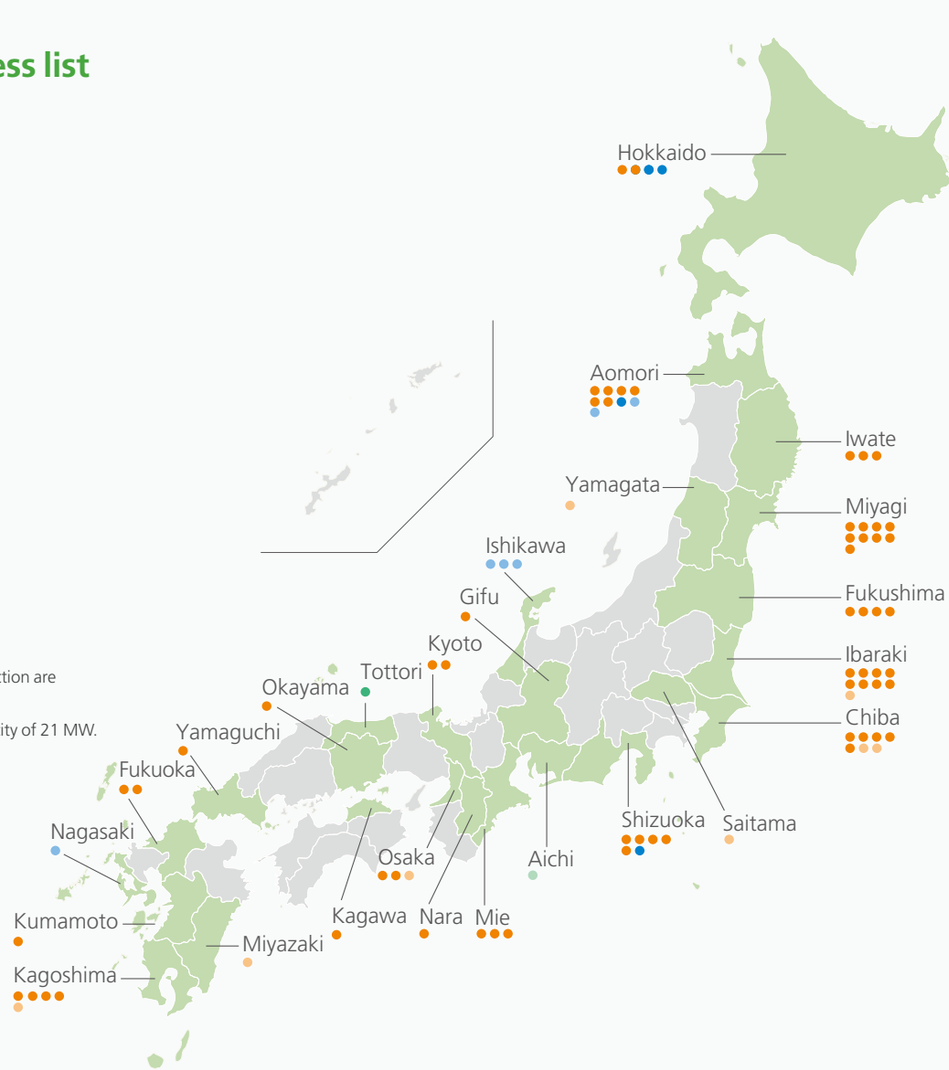
1,329 MW

▶ Equivalent to the energy used by approximately 639,000 regular households*1

CO_2 emissions reduction

1,266,000 t-CO_2/year*2

- Includes joint ventures.
- The values for rated capacity and CO_2 emissions reduction are before conversion to equities.
- Includes one rooftop business with a total rated capacity of 21 MW.
- MW values refer to the capacity of solar panels, etc.



Solar Power	Complete	●	61
	In development	●	8
Wind Power	Complete	●	4
	In development	●	6
Biomass	Complete	●	1
	In development	●	1

Participating in the global RE100 initiative

In April 2019, Tokyu Land Corporation joined RE100, a global initiative under which companies aim to procure renewable energy for 100% of the electricity used for business activities. It aims to achieve the targets in 2022.

RE100 CLIMATE GROUP | CDP

*1. Calculated based on the average household using 4,573 kWh of energy per year (from the Japan Photovoltaic Energy Association's Fiscal 2021 Disclosure Guidelines)
*2. Calculated using 433 g-CO_2/kWh, the CO_2 emissions factor of general power companies for transmission and distribution (excluding Okinawa Electric Power Company) released by the Japanese government (based on fiscal 2020 results)

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page

Support for International Initiatives / External Evaluations

Support for international initiatives

The UN Global Compact

The Task Force on Climate-related Financial Disclosures

Science Based Targets

Renewable Energy 100%

Principles for Responsible Investment

(Tokyu Land Corporation)

(Tokyu Land Capital Management Inc.)

Major external evaluations

Dow Jones Sustainability Indices (World / Asia Pacific)

FTSE4Good Index Series

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

CDP The A List 2021

CDP Supplier Engagement Leader

Global Real Estate Sustainability Benchmark

The Health & Productivity Stock Selection

WELL Building Standard

(Shibuya Solasta 5-11F)

Digital Transformation Certification

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Holdings Structure

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. In total, the Group has over 100 companies and approximately 30,000 employees all working to create new value.

TOKYU FUDOSAN HOLDINGS

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

Editorial Policy

Contents

Who We Are
The current status of the Group and our aspirations
- The Group Philosophy
- A History of Value Creation
- Group Overview
- The Group's Strengths in Numbers
- Letter to Our Stakeholders (Message from the President)

Our Vision
Our long-term vision and value creation story
- Process for Value Creation
- Value Provided to Stakeholders
- Overview of Sustainable Management
- Themes of Our Efforts to Create Value (Materialities)
- Financial and Non-Financial KPI Targets and Results
- Materiality Identification Process
- Outputs | Lifestyle Creation 3.0
  - | Case Study 1: The Greater Shibuya Area Concept
  - | Case Study 2: Renewable Energy Business
  - | Case Study 3: Resilience in Communities and Buildings

Our Strategy
Policies and strategies for realizing the long-term vision
- Long-term Management Policy and Medium-term Management Plan
- Financial Capital Strategy
- Group Policy | Environmental Management
  - | DX
- Outside Director Discussion
- Business Policy and Four Key Strategies
- Strategy by Business Segment

Management Foundation
Our platform for value creation
- Human Capital and Organizational Climate
- Respect for Human Rights
- Corporate Governance
- Risk Management
- Messages from Outside Directors
- Officers

Performance Information
Financial, corporate, and other information

To the last viewed page

Corporate Overview / Stock Information

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, 2022)

Number of employees
87 (consolidated: 21,276) (As of March 31, 2022)

Stock information and shareholder composition (As of March 31, 2022)

Basic Stock Information

Listed stock market
Tokyo Stock Exchange

Securities code
3289

Share trading unit
100 shares

Shares authorized to be issued by the Company
2,400,000,000 shares

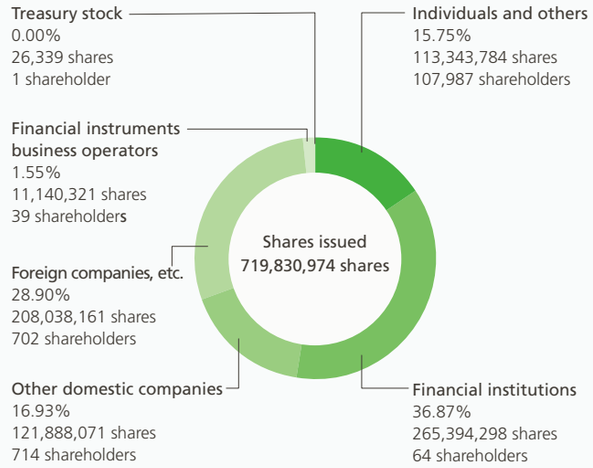
Shares issued
719,830,974 shares

Fiscal year
April 1 to March 31 of the following year

Ordinary General Meeting of Shareholder
June each year

Shareholders' record date
- 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)	120,184	16.70%
TOKYU CORPORATION	114,479	15.90%
Custody Bank of Japan, Ltd. (Trust Account)	53,911	7.49%
SSBTC CLIENT OMNIBUS ACCOUNT	16,366	2.27%
Sumitomo Mitsui Trust Bank, Limited	16,008	2.22%
The Dai-ichi Life Insurance Company, Limited	11,934	1.66%
HSBC BANK PLC A/C HSBC BANK PLC AS TRUSTEE FOR PUTM ACS JAPAN EQUITY FUND	10,265	1.43%
Nippon Life Insurance Company	8,107	1.13%
Custody Bank of Japan, Ltd. (Trust Account 4)	7,967	1.11%
JP MORGAN CHASE BANK 385781	7,935	1.10%

* The percentage of shares held is calculated after deducting 26,339 shares of treasury stock

To the Investor Relations website

Editorial Policy
Contents
Who We Are
The current status of the Group and our aspirations
The Group Philosophy
A History of Value Creation
Group Overview
The Group's Strengths in Numbers
Letter to Our Stakeholders (Message from the President)
Our Vision
Our long-term vision and value creation story
Process for Value Creation
Value Provided to Stakeholders
Overview of Sustainable Management
Themes of Our Efforts to Create Value (Materialities)
Financial and Non-Financial KPI Targets and Results
Materiality Identification Process
Outputs | Lifestyle Creation 3.0
| Case Study 1: The Greater Shibuya Area Concept
| Case Study 2: Renewable Energy Business
| Case Study 3: Resilience in Communities and Buildings
Our Strategy
Policies and strategies for realizing the long-term vision
Long-term Management Policy and Medium-term Management Plan
Financial Capital Strategy
Group Policy | Environmental Management
| DX
Outside Director Discussion
Business Policy and Four Key Strategies
Strategy by Business Segment
Management Foundation
Our platform for value creation
Human Capital and Organizational Climate
Respect for Human Rights
Corporate Governance
Risk Management
Messages from Outside Directors
Officers
Performance Information
Financial, corporate, and other information

To the last viewed page