



TOKYU FUDOSAN HOLDINGS



Tokyu Fudosan Holdings Corporation
Corporate Communication Department
www.tokyu-fudosan-hd.co.jp/english/

TOKYU FUDOSAN HOLDINGS

2020 Integrated Report

WORK



HOME

LIFESTYLE CREATION

Combining new home, work and play styles



PLAY

An inheritance of Challenge-oriented DNA,
a spirit of trying to solve social issues
through business activities



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

Seien Kaikoroku [Memoirs of Eiichi Shibusawa]

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

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

Eiichi Shibusawa

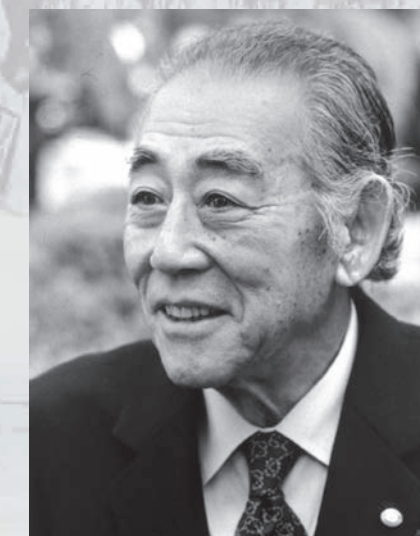
Established the Den-en Toshi Company, the origin of the Group (1918)

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

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

Noboru Goto

First president of TOKYU LAND CORPORATION (1953 to 1978)



Provided by: TOKYU CORPORATION

Communication with Stakeholders

Direct communication

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



Tour of Creer Residence Yokohama Tokaichiba

Reports

- Integrated Report
- Annual Securities Report
- Corporate Governance Report



WEB



- Investor Relations
<https://www.tokyu-fudosan-hd.co.jp/english/ir/>
- Sustainability Website
<https://tokyu-fudosan-hd-csr.disclosure.site/en>
- Group Initiatives
<https://www.tokyu-fudosan-hd.co.jp/english/efforts/>







Video explaining the story of our value creation

An animated video introducing the value creation of the Tokyu Fudosan Holdings Group, which creates and proposes new lifestyles, taking advantage of the Challenge-oriented DNA that is its founding spirit.

<https://www.tokyu-fudosan-hd.co.jp/english/about/media/movie14.html>



Support of International Initiatives

<p>The UN Global Compact</p> 	<p>Task Force on Climate-related Financial Disclosures</p> 	<p>Renewable Energy 100%</p> <p>RE100 CLIMATE GROUP</p>  <p>(TOKYU LAND CORPORATION)</p>	<p>Principles for Responsible Investment</p> <p>Signatory of:</p>  <p>Principles for Responsible Investment</p> <p>(Tokyu Land Capital Management Inc.)</p>
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Major External Evaluations

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

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The Tokyu Fudosan Holdings Group has continued to create unique value while always facing social issues head-on. This section introduces specific examples and other content to explain our past, present, and future.

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Value Creation Strategy

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Section 3

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Editorial Policy

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



Regarding Reporting Target

Covered in This Report : Our company and Tokyu Fudosan Holdings Group
Dates Covered : April 1, 2019 to March 31, 2020
(including some information from April 2020 and later)
Released : October 2020

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.

The Value Creation Story

Who We Want To Be

The Tokyu Fudosan Holdings Group proposes and creates lifestyles, going beyond the bounds of physical structures. Since our foundation, we have always been truly committed to solving social issues through our business activities and have consistently provided new value to our customers and society. Having inherited this Challenge-oriented DNA, we aim “To Become a Corporate Group that Continues to Create Value”, in order to realize a sustainable society and growth.

Tokyu Fudosan Holdings Group Ideal

To Become a Corporate Group that Continues to Create Value

We go beyond the bounds of physical structures to propose and create new lifestyles

Sustainability Vision

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

Sustainability Policy

- We strive for environmental and economic harmony through our business activities.
- We endeavor to collaborate properly with stakeholders and maintain and strengthen relationships with them.
- We pursue sound and highly transparent management and actively disclose sustainability information.

Framework for Integrated Thinking of the Group with Challenge-oriented DNA

To Become a Corporate Group that Continues to Create Value

Become
a Corporate Group

Continues to Create

Create Value

Our Three Core Strengths P11

Diverse Assets and Customers

We conduct business in varied life settings and come into contact with diverse assets and around 10 million customers.

A Culture that Produces Unique Businesses

Inheriting our founding spirit of Challenge-oriented DNA, we are involved in many pioneering and highly original businesses.

Highly Specialized Personnel and Knowhow

About 30,000* employees from Group companies work in a wide range of business fields, sharing urban development and business knowhow built up over many years.

Foundations Supporting Our Sustainable Growth P44

Financial Initiatives

We aim to build on our stable financial base and increase shareholder value and corporate value by growing our earning power while maintaining financial discipline.

Non-Financial Initiatives

We are strengthening non-financial initiatives from the viewpoints of human capital strategy, social needs, environment, and corporate governance.

Unique Value Creation P14

Lifestyle Creation

We are committed to solving various social issues through the proposal of new Home Styles, new Work Styles and new Play Styles.

Wide Range of Business Fields

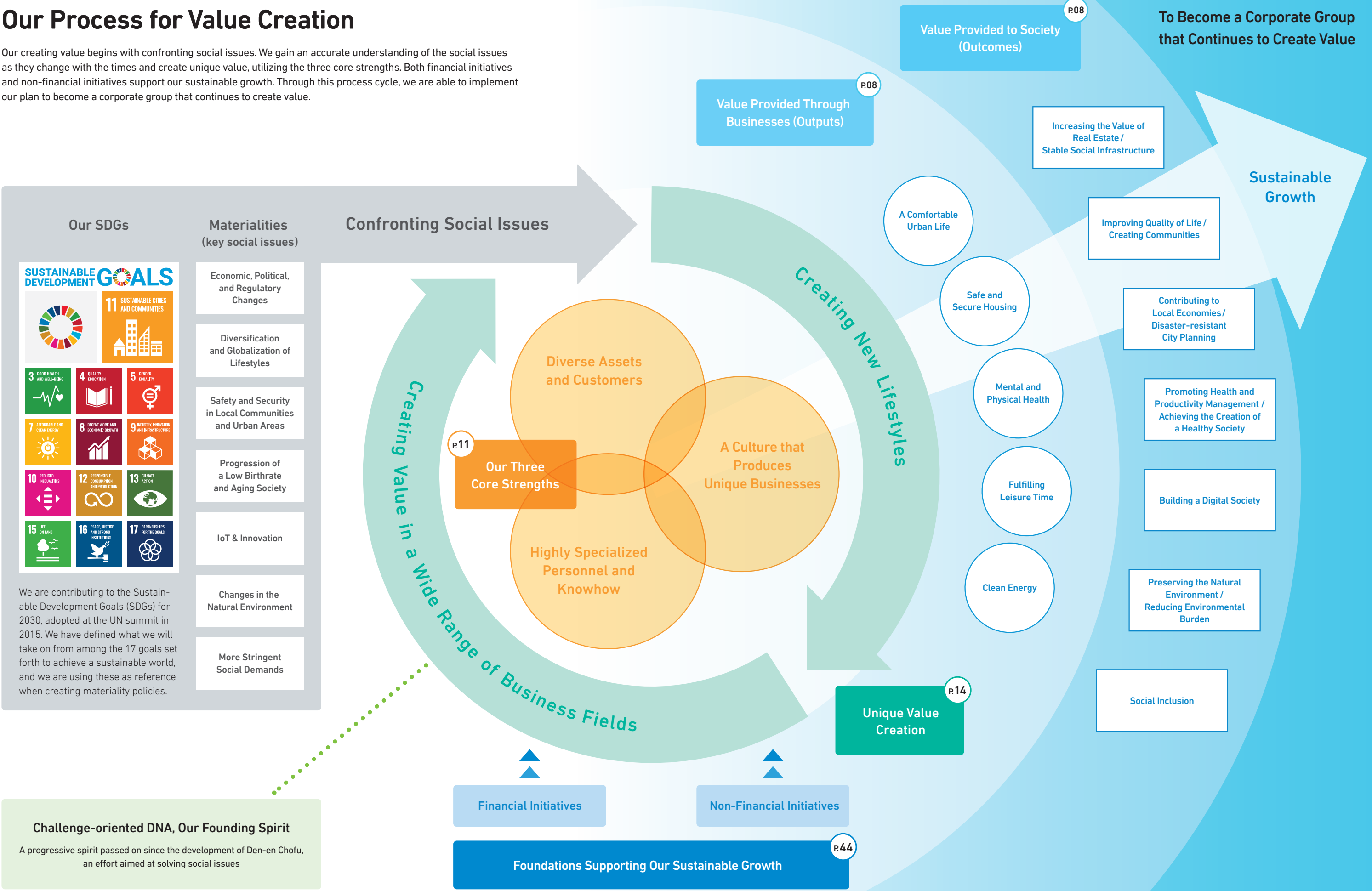
We create value by providing diverse services to address social issues, ranging from real estate development to the management, agents and operation of real estate.

*Includes temporary employees

The Value Creation Story

Our Process for Value Creation

Our creating value begins with confronting social issues. We gain an accurate understanding of the social issues as they change with the times and create unique value, utilizing the three core strengths. Both financial initiatives and non-financial initiatives support our sustainable growth. Through this process cycle, we are able to implement our plan to become a corporate group that continues to create value.



The Value Creation Story

Value We Provide
Outputs and Outcomes

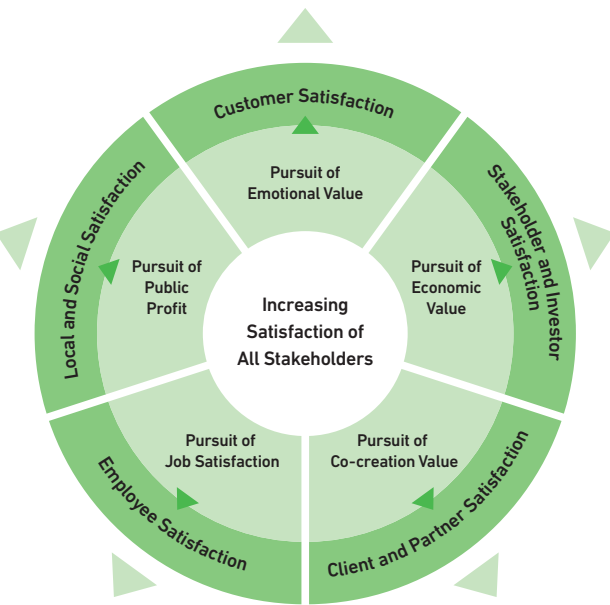
Sustainable
Growth

To Become a Corporate Group that
Continues to Create Value

We go beyond the bounds of physical structures to propose and create new lifestyles

Corporate value is the sum total of the levels of
satisfaction of all of our stakeholders

We believe that corporate value is the sum total of the levels of satisfaction of all of our stakeholders.
We seek to achieve sustainable growth by expanding the circle of satisfaction for all manner of stakeholders.



Local and Social Satisfaction

We contribute to a sustainable society through efforts such as working to revitalize communities and conserve the environment through our business activities.

Customer Satisfaction

We provide value that will ensure that we continue to be chosen by customers, based on our Group Customer Service Standard.

Stakeholder and
Investor Satisfaction

We answer to the expectations of shareholders and investors by maximizing share value through sustainable growth.

Employee Satisfaction

We strive to nurture human capital who can tackle the challenges of the VUCA* era, and create workstyle environments where Group employees can work actively.

Client and Partner Satisfaction

We aim to achieve growth together with our suppliers and partners by creating value across our entire supply chain.

Value Provided to Society
(Outcomes)

Increasing the Value of Real Estate / Stable Social Infrastructure

- Urban development creating cities full of vitality (Futako Tamagawa Rise, Abeno Q's Mall, etc.)
- Management services and renovation to increase asset value

Urban development through redevelopment projects (Shibuya, Takeshiba, Ofuna, etc.)

Number of public housing units managed by private companies Ranked 1st in Japan*2

Improving Quality of Life / Creating Communities

- Urban development based on lifestyle proposals centered around housing Life Story Town
- Area management (Greater Shibuya Area, Takeshiba, etc.)
- Support for student lifestyles (accommodations for students, support for career creation)

Contributing to Local Economies / Disaster-resistant City Planning

- Creating employment opportunities and tourism demand in communities (Niseko, Palau, etc.)
- Development of robust, disaster-resistant city functionality and alleviation of areas with high concentrations of wooden housing (Shibuya Sakuragaoka Block Redevelopment Plan, BRANZ Tower Ofuna, etc.)

Promoting Health and Productivity Management / Achieving the Creation of a Healthy Society

- Creating easy-to-work workplaces that seek to improve the mental and physical health of employees
- Improving the health of senior citizens through the provision of preventive medicine programs (Collaboration with Juntendo, an educational corporation, Fitness salon Lactive, etc.)
- Health support through welfare and benefits (EWEL)

The Health & Productivity Stock Selection

WELL Building Standard (Precertified)*3

Building a Digital Society

- Provision of new value through digital transformation (DX) (Utilization of customer data, online customer services, MaaS*4 demonstrative testing, etc.)
- Smart cities and smart offices utilizing IoT (TOKYO PORTCITY TAKESHIBA, SHIBUYA SOLASTA, etc.)

Model project for Tokyo Society 5.0 "Smart Tokyo"*5

Preserving the Natural Environment / Reducing Environmental Burden

- Urban development for coexistence with the environment (environmental real estate, green buildings, etc.)
- Supplying power with ReENE, a renewable energy business

Support for TCFD

Joining RE100*6

20 DBJ Green Buildings

Social Inclusion

- Utilizing diverse human capital (employment of people with disabilities, active participation of women, etc.)
- Achieving stakeholder engagement (Human Rights Policy, Sustainable Procurement Policy)
- Urban development that is friendly to everyone, through universal design, etc. (Shibuya redevelopment, etc.)

Eruboshi Accreditation*7

DSDC Gold award for dementia-friendly design*8

Value Provided Through
Businesses (Outputs)

A Comfortable Urban Life

- Office buildings 60 (Total floorspace: 640,000m²)
- Commercial facilities 32 (Total floorspace: 844,000m²)
- Building and facility management 1,561
- Logistics facilities 12*1

Safe and Secure Housing

- Condominium units (cumulative number) Approx. 93,000
- Condominium units under management Approx. 830,000
- Rental housing units under management Approx. 145,000
- Real estate agent transactions Approx. 26,000

Mental and Physical Health

- Senior housing facilities 13
- Nursing care housing facilities 6
- Membership fitness clubs 38
- Consignment welfare members Approx. 3,840,000

Fulfilling Leisure Time

- Membership resort hotels 25
- Resort facilities 16
- Golf courses 19
- Ski resorts 8
- Urban style hotels 27
- TOKYU HANDS 58

Clean Energy

- Solar Power 41 (798MW)*1
- Wind Power 8 (193MW)*1
- Biomass Power 1 (50MW)*1

*1. Including in development

*2. Number of public housing units managed by TOKYU COMMUNITY CORP. (Source: Real Estate Economic Institute, 2018)

*3. The Group has obtained preliminary certification under the WELL Building Standard (WELL certification) system for one of its key locations: its head office inside the SHIBUYA SOLASTA building. WELL certification is an assessment and rating system for buildings and indoor environments that pay consideration for health and comfort.

*4. MaaS: Mobility-as-a-Service. It is the concept of mobility seamlessly connecting transport services into a single service through information and communication technologies (ICT).

*5. Smart City Takeshiba has been selected as one of the projects in a public offering by Tokyo Metropolitan Government aimed at creating a "Smart Tokyo". The project will aim to implement services spanning multiple fields, utilizing cutting-edge technologies in an urban environment.

*6. In April 2019, TOKYU LAND CORPORATION joined RE100, an international initiative aimed at sourcing 100% of electricity consumed in business activities from renewable energy.

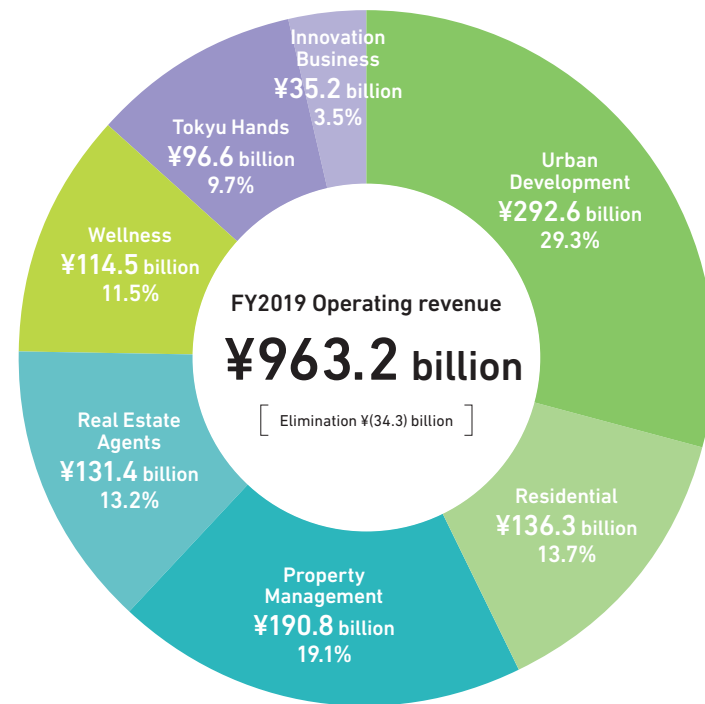
*7. TOKYU COMMUNITY CORP. received the highest of the three levels of Eruboshi certification, which is granted by the Minister of Health, Labor and Welfare (MHLW) based on the Act on the Promotion of Women's Participation and Advancement in the Workplace.

*8. Grancree Setagaya Nakamachi Care Residence and Creer Residence Yokohama Tokaichiba have received the Gold award, the highest award from the University of Stirling's Dementia Services Development Centre (DSDC) in the United Kingdom.

*9. VUCA: Volatility, Uncertainty, Complexity, and Ambiguity, referring to an unpredictable socio-economic environment.

The Value Creation Story

At a Glance

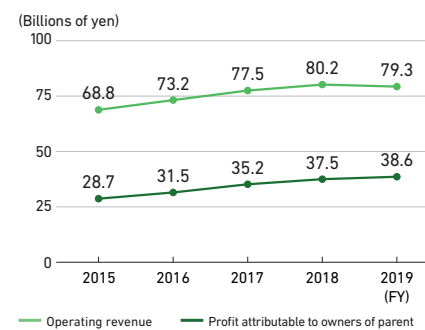


FY2019 Operating profit

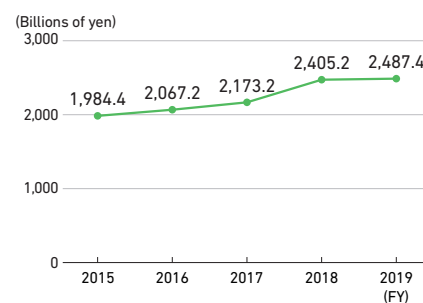
¥79.3 billion



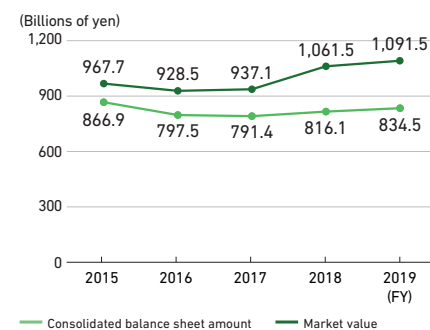
Operating revenue / Net profit



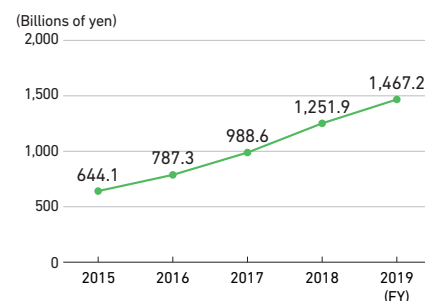
Total assets



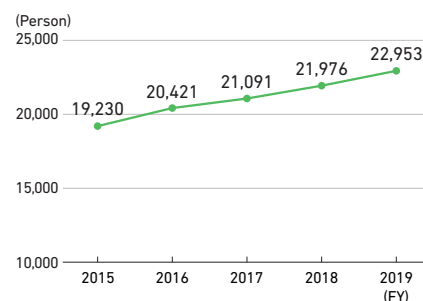
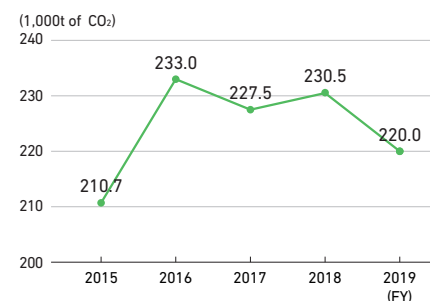
Market value appraisal for leased properties



Assets under management



Group employees*

CO₂ emissions

* The number of Group employees does not include temporary employees.

The Value Creation Story

Our Three Core Strengths

1 Strength of Business Foundations: Diverse Assets and Customers

The Group has worked continuously to resolve social issues accompanying changes in society. We are involved in diverse assets through a wide range of businesses in the varied life settings of live, work and spend time, and create opportunities for contact with a variety of customers.

Involvement in Diverse Assets



Tokyu Plaza Ginza



LOGI'Q Miyoshi



ReENE Matsumae Wind Farm



BRANZ Roppongi The Residence



Kiminomori Golf Club



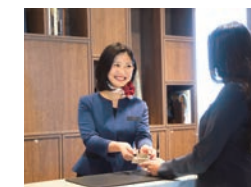
Palau Pacific Resort

Customer Contact Points: Approx. 10 Million Customers

TOKYU HANDS Club members	Approx. 4,950,000
Consignment welfare members	Approx. 3,840,000
BRANZ CLUB members	Approx. 112,000
Fitness club members	Approx. 104,000
Tokyu Harvest Club members	Approx. 26,000

2 Strength of Corporate Culture: A Culture that Produces Unique Businesses

We have always anticipated the needs of the times and created innovative, unique businesses. This Challenge-oriented DNA is deeply rooted in the Group as a whole as our organizational culture.



Business-Airport membership-based satellite office service offers people the opportunity to cater for diverse workstyles.



Tokyu Harvest Club private membership resort hotels propose new ways of spending leisure time.



Hi! Tenshu Project at TOKYU HANDS Shinjuku Store makes life more enjoyable through customer service.

Examples of services utilizing the characteristics of each business



3 Strength of Human Capital: Highly Specialized Personnel and Knowhow

The Group has around 30,000 employees (including temporary employees) working in various business fields. We also aim to encourage collaborative links within the Group and increase our human resource capabilities through information sharing opportunities, such as expert-run seminars and workshops.

Number of employees with professional qualifications

First-class registered architects	345
Second-class registered architects	450
Real estate notaries	6,238
Condominium managers	573

Knowledge Café

(held 32 times with a total of 3,851 participants)

We hold seminars for Group employees around four times a year to promote understanding of the Group's businesses and create opportunities for cooperation between Group companies. We invite project leaders to speak as lecturers and share information, such as examples of progressive initiatives at each Group company.



A seminar held at the Group location COLABO! (November, 2019)

Knowledge Forum

(held 25 times with a total of 3,196 participants)

We hold self-improvement / awareness-raising seminars for Group employees on appealing themes, inviting professionals and leaders from various business fields and industries. The Knowledge Forum is held around four times a year and these are popular seminars, providing employees with an opportunity to increase their knowledge.



A session with CEO Yoshihisa Aono of Cybozu, Inc. (September, 2019)

The Value Creation Story

Social Issues and the History of Lifestyle Creation

Our Group’s origins lie with the development of Den-en Chofu, a pioneering effort to create the ideal town in a time of housing shortages. Since then, we have seriously faced the social issues in front of us, regardless of the times, and have worked to resolve those issues through Lifestyle Creation, by proposing new home, work and play styles, while also inheriting our Challenge-oriented DNA.

Our Origin: Den-en Chofu Urban Development

Den-en Toshi Company was established in 1918, focused on Eiichi Shibusawa and others. During a time of housing shortages, the English-originated Garden City urban concept, combining the merits of nature and the city, was incorporated, and Den-en Chofu was created as the Tamagawadai residential area – a beautiful, comfortable town where housing and gardens coexisted.



Den-en Chofu at the time of development

1950s and 1960s

From Post-war Recovery to Rapid Economic Growth

Japan rebuilt its economy, boosted by special demand from the Korean War, and completing the postwar reconstruction, ushered in a period of rapid economic growth. However, the housing shortage in urban areas became a serious problem due to population concentration in the three major metropolitan areas and increasing urban sprawl.

Establishment of the Company, focused on urban development in Shibuya, Daikanyama, etc., starting with Den-en Toshi

TOKYU LAND CORPORATION was established as the real estate department was spun off from TOKYU CORPORATION. The Company offered housing, which was in short supply, and commercial facilities to support residents’ lives around our home base of Shibuya. The Company sought value creation through the real estate business.

1953 Establishment of TOKYU LAND CORPORATION

New company inaugurated with Keita Goto as chairman and Noboru Goto as president

Words of Keita Goto, the first chairman

“ At TOKYU CORPORATION, the Den-en Toshi business and other real estate business were overshadowed by the mainstay railway business, and this tended to prevent free development. We wanted to make this business a separate company, freeing it from the constraints it faced as a business incidental to the railway business, develop the business freely, branch out into other new fields, expand it to equal leading real estate companies such as Mitsui Fudosan Co., Ltd. and MITSUBISHI ESTATE CO., LTD., and become involved in national projects. “Snip” We want to contribute to the development of the area around Shibuya by building another four or five high-rise buildings near Shibuya Station. ”

Excerpt from Chairman Goto’s speech about the Shibuya District Development Plan at a meeting to announce the establishment of TOKYU LAND CORPORATION to Shibuya District officials in January 27, 1954

1970s and 1980s

Drastic Change in the World Economy and Advancement of Living Standards

The period of rapid economic growth in Japan came to an end with the oil crisis. In Japan, which had become an economic superpower, people gained material well-being and began to seek spiritual enrichment. As a result, values in various areas of life, including society, culture and lifestyle, diversified.

Pursuing business diversification from an early stage to become a total lifestyle producer

We expanded into related business domains derived from real estate, including management, real estate agents, retail, fitness, resorts, and more early on. Through our business diversification, we grew to be a corporate group offering total lifestyle services.

1990s and 2000s

Post-bubble Period and Diversification of Lifestyles

Due to prolonged economic stagnation, coupled with the declining birthrate, aging population, and a drop in land prices, people began to return to the cities. Lifestyles and values became more diverse as a result of the advancement and diffusion of information technology and the tide of globalization.

Strengthening our revenue base by shifting the focus to the leasing business in the post-bubble era

In an effort to overcome the unprecedented crisis of the collapse of Japan’s financial bubble, we shifted the focus of our operations away from long-term development of conventional suburban detached housing towards the leasing of office buildings and commercial facilities. We also improved our finances and strengthened our revenue base.

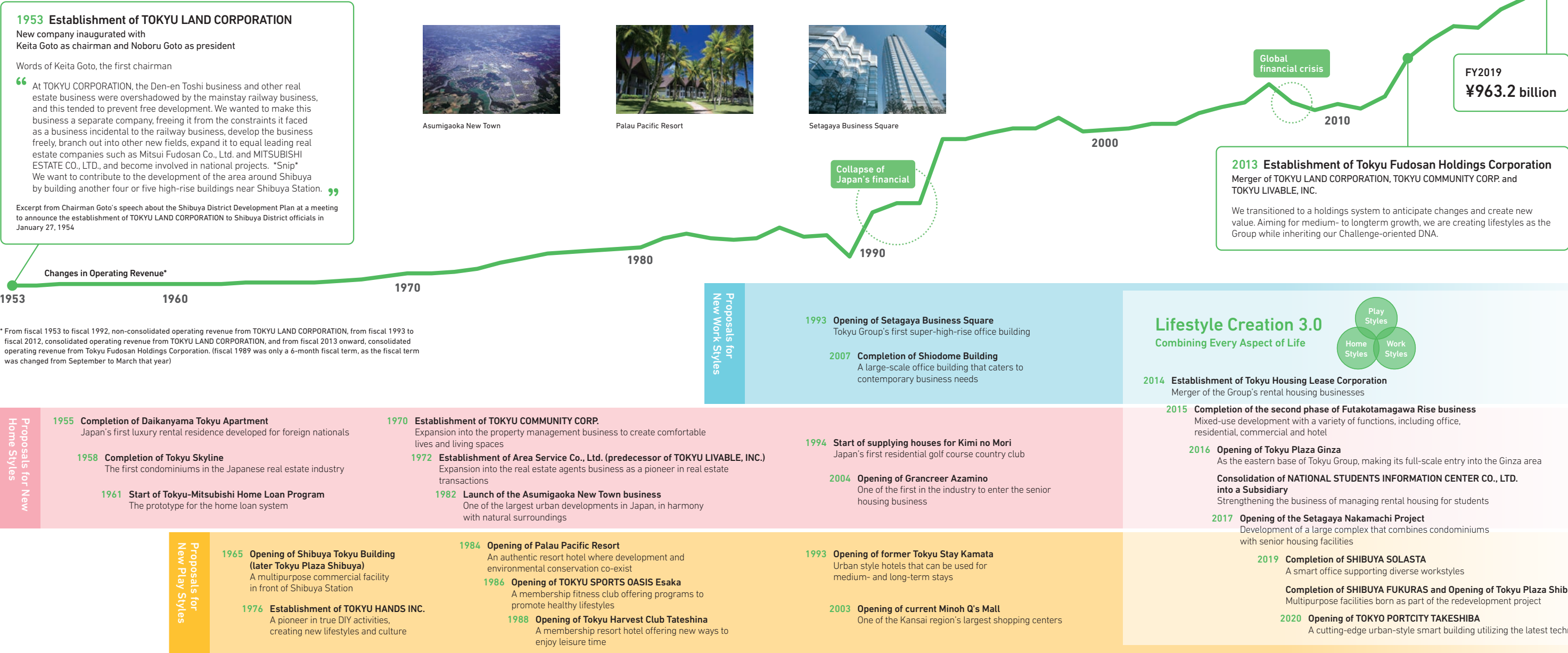
2010s and 2020s

Towards a Sustainable Society

Under globalization, a paradigm shift has taken place with both the public and private sectors looking to achieve sustainable growth. Further advances in information technology will bring major innovations to people’s lives, society and the industrial structure.

Overcoming the global financial crisis and promoting Group management

After the collapse of Lehman Brothers in 2008 and the ensuing global financial crisis, we worked to develop a more appropriate balance sheet. By achieving two REIT stock listings and shifting to a holding company system, we laid out a path for achieving stable growth as the Group.



The Value Creation Story

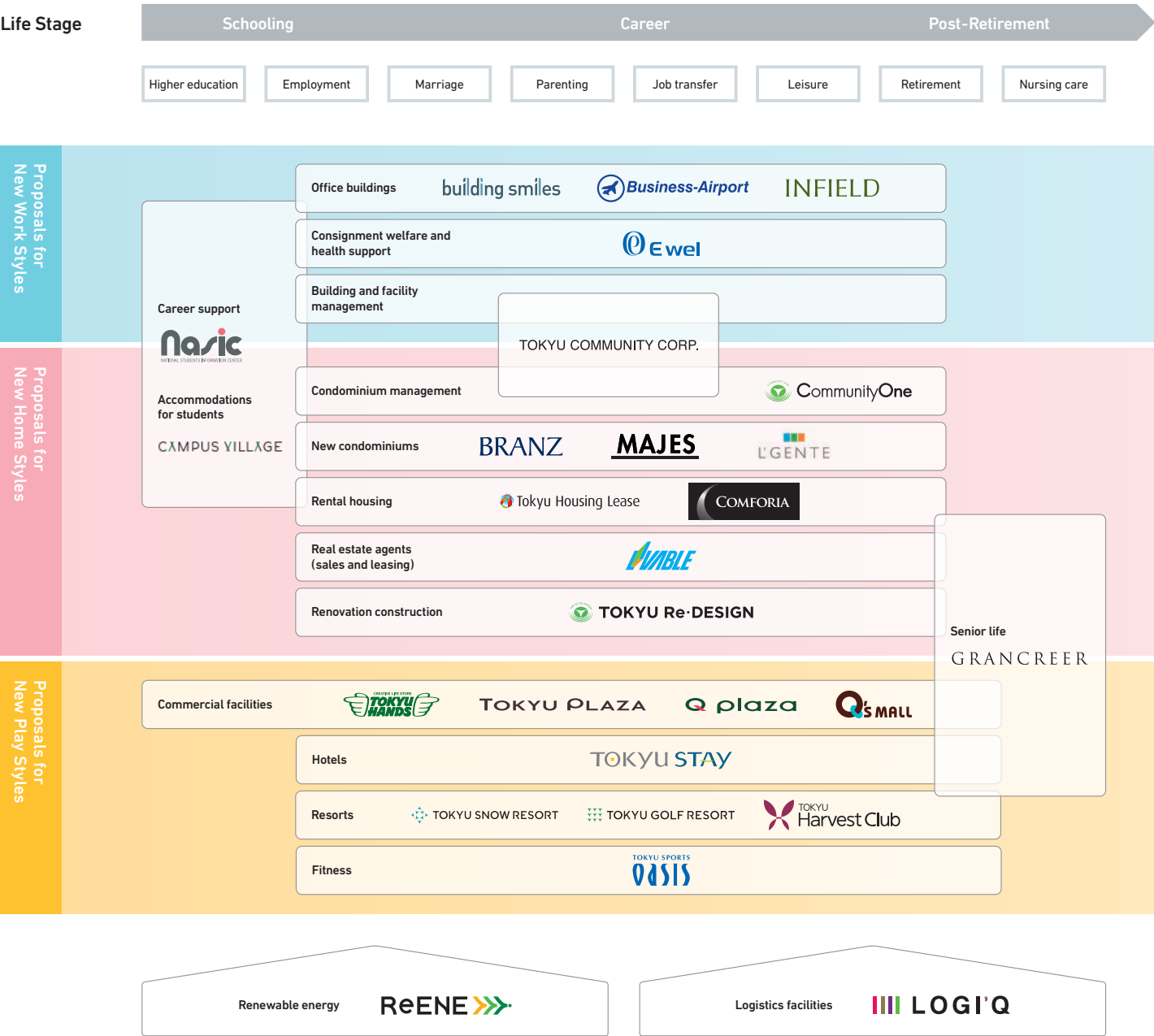
Unique Value Creation

The originality of our Group can be discussed in terms of creation of value on the time axis and creation of value on the spatial axis. On the time axis, we create new lifestyles by offering diverse services at every life stage of our customers. Meanwhile, on the spatial axis, we create value by harnessing our wide range of business fields in all kinds of urban settings.

Value Creation on Time Axis

Creating New Lifestyles

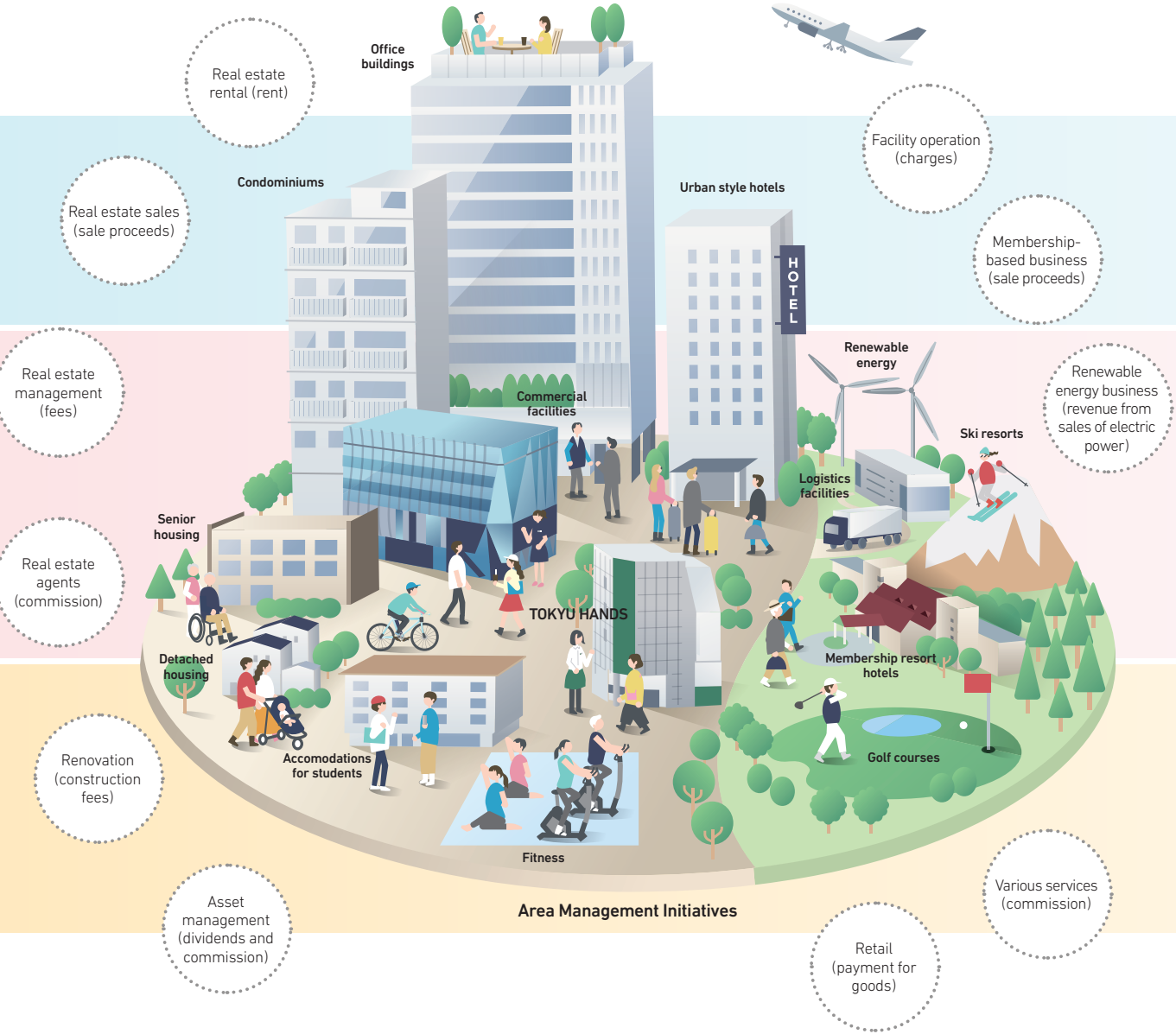
We offer diverse services at every life stage to all generations of customers, from students and professionals to families and retired people. Proposing new Home Styles, Work Styles and Play Styles in various life settings leads to the creation of new lifestyles.



Value Creation on Spatial Axis

Creating Value in a Wide Range of Business Fields

We create lifestyles that go beyond the bounds of physical structures in all kinds of settings, ranging from urban living to resort life. Value creation in a wide range of business fields creates diverse business models, including management, agents and operation, and generates new sources of earnings.



Aiming to Be a Corporate Group that Continues to Be Trusted and Loved by All Stakeholders

President & CEO
Tokyu Fudosan Holdings Corporation

Awari Iishikawa

Turning an Unprecedented Crisis Into an Opportunity, and Driving the Group's Transformation

Firstly, I would like to extend my sincere condolences to everyone affected by the COVID-19 pandemic, and my heartfelt thanks to all of the healthcare professionals and those working hard to maintain our social infrastructure.

The Tokyu Fudosan Holdings Group engages in a wide range of BtoC business operations connecting with many customers, in areas such as commercial facilities, hotel and resort facilities, fitness clubs and senior housing, as well as BtoB operations which include the supply of renewable energy. Under the current circumstances, we feel a renewed and heavy sense of responsibility for our role in supporting the social infrastructure that protects safe and secure lifestyles.

We have numerous essential workers, working at the facilities we operate nationwide, to ensure the continuous provision of services to our customers. We are proud of our Group employees making continuous efforts on the front lines. Moving forward, we will keep making our very best efforts, leveraging the Group's combined total capabilities to ensure the continuity of our business activities, with a priority on preventing the spread of infection and ensuring safety. ▶ See page 22, "Adapting to the New Normal as Society Changes with the COVID-19 Pandemic"

The Speed of Transformation Demanded as a Result of the COVID-19 Pandemic

I was appointed president and representative director of Tokyu Fudosan Holdings Corporation this spring. The mission entrusted to me as representative director of our pure holding company is to pursue total optimization of the Group from a medium to long-term perspective, and aim to improve corporate value and achieve sustainable growth. I want to create a roadmap for us to become a corporate group that is considered needed by all of its stakeholders, and—by extension—by society as a whole.

Fiscal 2020 is the final year of our Medium-Term Management Plan 2017-2020, which we have worked towards since fiscal 2017. With the impact of the pandemic, however, we expect to fall short of all of the financial indicators that we had set. Currently, we are working to determine what kind of impact the pandemic will have on our business operations in both the with- and post-COVID phases, and holding discussions with regard to our medium- and long-term management plan for next fiscal year onward. However the Group's stance of aiming to improve shareholder and corporate value by seeking to enhance its earning power while maintaining financial discipline remains unchanged.

▶ See page 46, "Financial Capital Strategy"

After a major crisis such as this, it is conceivable that we will see a paradigm shift, in which the values of society as a whole will change. I am determined to drive the Group forward powerfully in its transformation, with a view to adapting to this post-COVID world. It seems safe to say that, as a result of the pandemic, the changes that we had predicted in the social and business landscape will be taking place quite a lot sooner than we had envisaged. For this reason, I focus daily on the importance of advancing this transformation with an even greater sense of speed and urgency than ever before.

Business Management Crises We Have Overcome in the Past

The Group has faced several other major business management crises in the past, and has overcome these difficulties by transforming itself.

The greatest crisis that the Group has faced since I joined TOKYU LAND CORPORATION in 1982 was the collapse of the Japanese economic bubble, the "asset price bubble" during the early 1990s. As the

popular myth surrounding land prices that they would continue to rise indefinitely began to fall apart, the Group suffered serious damage as a result of plummeting land prices. In response, we used the situation as an opportunity for change, shifting the focus of our business structure away from the conventional long-term development of suburban detached housing towards the leasing of properties such as office buildings and commercial facilities.

By 2008, the negative legacy of the economic bubble had been settled, and the Group had finally gotten itself back on track for future growth and begun expanding its business operations. Then came the bankruptcy of Lehman Brothers, the climax to the US subprime mortgage crisis. The simultaneous fall in stock prices around the world ushered in a global financial crisis. The Tokyu Fudosan Holdings Group, too, was forced to deal with massive losses, and we worked at full strength to optimize our balance sheet.

As we were doing so, in 2011 came the Great East Japan Earthquake, which left the whole country in a state of shock. At the time, I was TOKYU LAND CORPORATION's executive officer responsible for crisis management. I worked to formulate company-wide BCPs (Business Continuity Plans), and was kept busy ensuring the safety of our employees and providing support for communities affected by the disaster.

Around the time the impact of the global financial crisis began to show signs of coming to an end, and with the strong conviction of its senior management to ensure that "the same kind of crisis would never be repeated again," the Group listed two real estate investment trusts (REITs) organized by TOKYU LAND CORPORATION on the stock market, and began building a system for further accelerating its cyclical reinvestment model. In 2013, we established Tokyu Fudosan Holdings Corporation, as a pure holding company, strengthening the management base of the Group. After that we formulated a medium- and long-term management plan leading up until fiscal 2020, and worked to achieve stable growth for the Group such as by accelerating the pace of investments in good quality leasing properties, in the Greater Shibuya Area among others. ▶ See page 10, "At a Glance"

The key thing that I have learned from these past management crises is the importance of having a stable revenue base and financial base. When a company falls into a management crisis, it takes several years for the situation to come to an end, and for the company to recover. When you consider the impact of this on the organization's culture, the loss is enormous. I have felt keenly just how important it is to surely and steadily amass earnings from day to day in order to prevent this.

Now is Not the Time to Panic or Be Swayed by Others Around Us

Unlike the collapse of the economic bubble and the global financial crisis in the past, the current COVID-19 pandemic is not caused by financial factors, but rather by an external factor (i.e. the virus). Unlike the management crises of the past, in which the company had massive interest-bearing liabilities and was forced to immediately sell off assets, thanks to our sure and steady amassing of profits since the shift towards a holding company system, I also regard this current crisis as a chance to take the offensive.

Our Group has so far responded flexibly to the market conditions and environments while shifting its earning structure. In this current crisis, too, while withstanding short-term decreases in sales and cost-cutting primarily in our BtoC business operations, we believe that a new world will open up before us if we envisage the post-COVID world ourselves and spin the buds of next generation businesses.

In the media, we often see examples of extreme reporting which have an impact on the business environment, such as articles arguing that there is no need for offices, or stating that there is a complete lack of inbound demand. During situations such as this, I think that we must not be swayed by fleeting information, and identify the essential changes that are taking place, with our feet firmly on the ground. Based on our past experiences overcoming management crises, I am spreading the message, within the Group, the now is not the time to panic or be swayed by others around us; and am forcing myself to constantly consider our next moves from a long-term and higher-up perspective.

The Potential of Shibuya Remains Unchanged

On our home, Shibuya, we have worked to alleviate the long-standing issue of the shortage of office space, completing both the office building SHIBUYA SOLASTA and the large complex SHIBUYA FUKURAS in 2019.

In response to the COVID-19 pandemic, we have seen progress in the widespread adoption of workstyles such as telework and work-from-home. The way offices are used is changing. With the number of options available for workplaces and workstyles increasing, the significance of offices as “places where people gather together” is being reviewed, and we also hear many opinions asserting the necessity of face-to-face communication. With regard to this debate, rather than a two-dimensional argument between offline and online, I think that we

should show people ways of working which are suitable for this new era, utilizing the positive points of both online and offline.

The SHIBUYA SOLASTA building in which we are based is a showcase for doing that. Here, by implementing new workstyles and engaging in various experimental initiatives ourselves, we are proposing a diverse range of workplaces to our customers. ► See page 37, “Live Offices Proposing and Implementing New Workstyles”

Shibuya has always been a multi-faceted district filled with diversity. In addition to the cultural foundation of movies and music, Shibuya has developed as one of a handful of commercial centers that communicates fashion and other new trends. This has now seen the addition of good quality office stock, with creative content and startup companies gathering in the area. The fact that Shibuya offers such truly diverse urban functions gives it a unique appeal that cannot be found in other areas such as Marunouchi, Nihonbashi or Roppongi.

The grouping of other richly individualistic areas such as Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama forms the Greater Shibuya Area. We are advancing the Greater Shibuya Area concept for increasing the value of the overall area, and working to create a city area that is sustainable in the long term. Even with the new lifestyles being demanded under the current pandemic, we believe that the appeal and attraction of the Greater Shibuya Area remains unchanged, and our policy is to continue to invest proactively in the area.

► See page 25, “Feature: Greater Shibuya Area Concept”

Increasing Customer Experience Value Through Digital Transformation (DX)

Solving Social Problems Through Lifestyle Creation

The origins of our Group lie with the Den-en Toshi Company, established by Eiichi Shibusawa and his associates in 1918. At that time, urbanization and population influx were progressing in Tokyo, and the signs of a housing shortage were becoming apparent. Den-en Chofu was developed based on the British-originated Garden City (Den-en Toshi) concept, combining the merits of both nature and the city.

For over more than 100 years since then, we have continue to inherit the Challenge-oriented DNA of working to resolve a variety of social issues through our business activities, and expanded our business portfolio with real estate as our starting point. ► See page 12, “Social Issues and the History of Lifestyle Creation”

Our three core strengths can be summarized as our Diverse Assets and Customers, a Corporate Culture that Produces Unique Businesses, and our Highly Specialized Personnel and Knowhow. ► See page 11, “Our Three Core Strengths”

As I also touched upon earlier, a distinctive feature of our Group’s business operations is that we have many points of direct contact with customers, in comparison with other general real estate companies. It is because we have such a wide range of contact points with customers, that we are able to sensitively detect changes in customer needs in the field and create unique businesses.

Our value creation is really born out of dialogue with customers. The keyword that symbolizes our value creation is Lifestyle Creation, in which we work to resolve various social issues through new home, work and play styles.

Lifestyle Creation has continued to evolve through three phases. After Lifestyle Creation 1.0, in which we developed business from buildings and other real estate, the concept evolved to Lifestyle Creation 2.0, in which we utilized buildings to propose solutions. We now advocate Lifestyle Creation 3.0, which combines every aspect of life, transcending

the conventional boundaries of living, working and spending time.

► See page 24 feature, “Taking Up the Challenge of Lifestyle Creation 3.0”

With the arrival of this new era, in which people can work anytime, anywhere, the boundaries between work and life for modern people are becoming increasingly blurred. It can therefore be said that the diversification of workstyles is essentially also the diversification of lifestyles. The range of options for spending time—playing, learning, resting and creating—has also become increasingly diverse, to the point where they can no longer be discussed in a uniform manner. The focus now is on how people work, live and spend their time. I feel that the Lifestyle Creation 3.0 concept is precisely what is needed for us to live in this modern era, to create a society in which people can feel happy and healthy both physically and mentally through the provision of an extensive array of time-spending options and experiences.

Making the Breadth of Our Business Wingspan Into a Real Advantage

As the Group, we have sought to create unique value through the provision of services for all manner of life stages and overall areas, namely, the time axis and spatial axis, respectively, developing a wide range of businesses. The width of our business wingspan is one of our group’s key advantages, and is so broad because we have built up various kinds of value creation in line with changes in the needs of customers and society. ► See page 14, “Unique Value Creation”

At the same time, having a broad business wingspan alone is not sufficient to achieve the realization of Lifestyle Creation 3.0, which combines every aspect of life. It is essential to maximize the depth of each business, and the synergies between businesses.

Our role as a pure holding company, is to allocate management resources appropriately as we seek to achieve total optimization of the Group from a medium to long-term perspective, to match changes in



business conditions. Based on that, we delegate the execution of business to the Group’s various operating companies, in order to maximize the effective utilization of the strengths of each Group company. Moving forward, in addition to seeking to increase the speed with which we implement strategies at each operating company, we will also work to turn the Group’s broad business wingspan into a real advantage by driving business operations beyond the boundaries between individual operating companies. Specifically, our policy is to work to rebuild our business portfolio by carefully examining and determining which business operations we will continue as they are, which business we will revise, and which ones we will discontinue with a constant focus on total optimization, rather than the individual optimization of operating companies.

Society is Changing as a Result of Digitalization

We are currently in the midst of a pandemic, living in an age filled with unpredictable elements we refer to as VUCA*¹. It is because we live in such a highly uncertain era that we must face up to the social issues that we must tackle from a long-term perspective, taking a bird’s-eye view of developments in the world around us.

In Japan, with its progressing social problems of low birth rate and ageing society, labor shortages and difficulties in recruitment—brought about by the shrinkage of the productive population—are becoming increasingly apparent. As an operator of labor-intensive building/facility management and operation services, these are very important issues for the Group.

Moreover, customer needs are changing as a result of dramatic progress in technological innovations. In particular, the Generation Z*² that will support our society in the future are digital natives who have been familiarized with the Internet and social media from childhood. They are said to have tendency towards valuing individuality, and it is thought that diversification of value and individual optimization will continue to progress further as a result of this. There will therefore be a need for the products and services that we provide to change into solutions that are better matched to the needs of individuals, rather than being uniform one-size-fits-all solutions.

In the Group’s business domains, too, there is now a possibility of domination by new players from outside the industry. We must make full use of our imagination, and maintain a healthy sense of crisis.

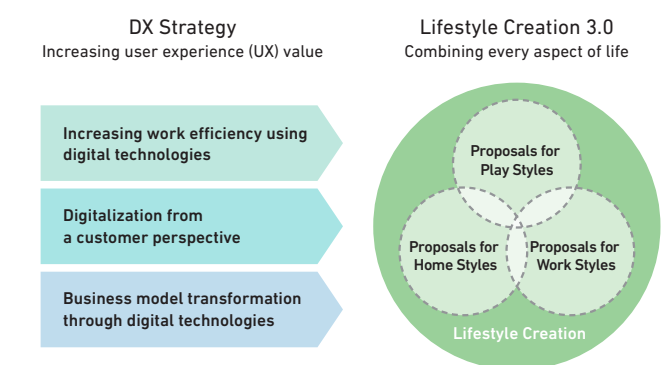
Bold Business Innovation Through DX

To boldly execute the transformation that we had already conceived, and with this current sense of crisis, we established the Digital Transformation Promotion Office in April this year. We now regard the digital transformation (DX) of our business operations as a key pillar of our growth strategy. The three elements of this DX are increasing work efficiency using digital technologies, digitalization from a customer perspective and business model transformation through digital technologies. The purpose of driving DX is to establish a competitive advantage by transforming our work processes, organization and corporate culture, thereby offering merits to all of our stakeholders including not only customers but also our employees and suppliers.

As I stated earlier, a distinctive feature of our Group is that it has extensive contact with customers over a long period of time. Using this advantage, we will utilize data accumulated within the Group as we seek to improve operational and work process efficiency, and increase corporate value by encouraging the transformation of business models spanning across the Group.

We believe that pursuing the Lifestyle Creation 3.0 concept I mentioned earlier increases customer experience value, and that DX is an effective means of doing this. (Figure 1. DX Strategy and Lifestyle Creation 3.0)

Figure 1. DX Strategy and Lifestyle Creation 3.0



Moving forward, through initiatives such as utilizing data internally within the Group and creating smart cities, we will aim to create added value for real estate such as buildings and other physical spaces using digital technologies. The flagship project for our smart city initiatives is TOKYO PORTCITY TAKESHIBA, which we opened this year.

Through this project and others like it, we are proposing urban lifestyles that combine new work and home styles, with smart buildings that feel as though they are from the near future. SoftBank Corporation has moved into the Office Tower—one of our largest ever buildings—as a tenant, and is engaged in joint efforts to build the smart city utilizing cutting-edge technologies. The project has also been selected by Tokyo Metropolitan Government as an advance model project for Smart Tokyo.

The power of technology is essential to the future of urban development. By conducting demonstrative testing utilizing real-time data and cutting-edge technologies such as robotics, MaaS (Mobility-as-a-Service), Augmented Reality, Virtual Reality and 5G, with our Takeshiba project, we are communicating our image of the kind of next-generation urban development which embodies our DX strategy. ► See page 28, “Feature: TOKYO PORTCITY TAKESHIBA”

Creating a Foundation for Executing Transformations

The Digital Transformation Promotion Office is pushing ahead swiftly with DX initiatives by taking a leading role in implementing the Business x IT (digital) strategies while coordinating organically with our corporate

planning & IT strategy divisions, under the leadership of our director responsible for DX. We have launched an organization comprising responsible personnel at each operating company from across the Group, and are working to resolve issues through information-sharing session and meeting on themes. (Figure 2. DX Promotion System)

With regard to securing and developing human capital, we have defined the necessary abilities required by DX personnel as being able to create business designs using new digital technologies as a starting point based on knowledge of existing businesses, and are holding internal training sessions and communicating DX-related information. We are also driving investment in human capital, including bolstering our hiring of mid-career personnel.

In order to push ahead with DX, it is important to develop and enhance internal IT infrastructure, in addition to utilizing both internal and external resources. We will accelerate our DX initiatives using investment through corporate venture capital (CVC) and the creation of new businesses using internal venture schemes. We will also evaluate existing systems and update them as necessary, with the aim of building a platform that will enable us to visualize and utilize data, with a view to tackling the 2025 Digital Cliff problem*4 highlighted in the Japanese Ministry of Economy, Trade and Industry (METI)’s DX Report.

In addition to such strategies, organizational structure and culture will also be important drivers for advancing DX. We will work to execute our transformation with the awareness that such initiatives, seeking to achieve overall group-wide innovation, are also part of our DX strategy.

Figure 2. DX Promotion System



Achieving a Sustainable Society and Growth by Expanding the Circle of Satisfaction

Human Capital Strategy and Promoting Health Management

I believe that the source of the Group’s value creation is undoubtedly its human capital. The active contribution of younger generations is essential to reading future needs and creating innovation with new ideas.

Until now, too, we have advanced workstyle reforms to create more active workplaces, and had worked to implement telework and work-from-home since before the COVID-19 pandemic. In order to make maximum effective use of human capital, we are advancing HR strategies such as diversity and inclusion, work-life balance and HR development.

► See page 50, “Human Capital Strategies”

In particular, promoting health management is an important management issue. While we can expect to see improvements in productivity as a result of introducing new technologies and advancing DX, it is also necessary for employees to familiarize themselves with these new technologies. As interpersonal relationships and behaviors change, and our home lives become more closely combined with our work, we experience an increase in physical and mental stress. We must also turn our attention to the fact that we may begin to suffer from lack of exercise.

For these reasons, the significance of health management is increasing, not only as a way of responding to the demands of society for lengthening healthy lifespans, but also as a way of maintaining the energy of employees to tackle the challenges of new changes. In view

of this background, we are working to implement group-wide health management, with a priority focus on the physical and mental health of our employees.

Last year, when TOKYU LAND CORPORATION relocated its head office to the SHIBUYA SOLASTA building, we utilized the opportunity to launch the GREEN FLAG PROJECT; an effort to advance cross-divisional organizational cultural reforms driven primarily by young employees. The Group’s management, too, hopes to back these kinds of initiatives led by young employees, and to link them on to the next generation of innovation. I myself will act as a flag bearer for improving openness within the company, responding flexibly and agilely to environmental changes, and aiming to create an autonomous organization that can turn the crisis before us into an opportunity.

Jingi-Dotoku (Humanity and Morality) and Giving Back to Society

One of my beliefs in managing the Group is that of conducting activities in line with the common sense of the world around us. When put into words this seems like something that goes without saying, but we are members of society, and our activities are constantly together with society. A major prerequisite for any company to continue to prosper in perpetuity is for each of its constituent members—in other words, its individual employees—to be moral, and to act properly and ethically. The Group as it exists today has been built as a result of the accumulation of that. We must not forget that, before being a profit-making company, we are also a public institution of society.

In his book *Rongo and Soroban* (Analects of Confucius and the Abacus), Eiichi Shibusawa, who formed the origins of our Group, stated that “The root of wealth is *jingi-dotoku* (humanity and morality). If wealth is not based on correct morality, then it cannot continue in complete perpetuity.”

I also empathize very much with the idea that morality and earning exist in balance, and that we must create such a balance. The stance of valuing morality and pursuing what is morally just, with a sense of duty to come to terms to society, is the basic thinking of our Group. Eiichi Shibusawa preached this concept of *jingi-dotoku*, and worked in the pursuit of public profit. Like Shibusawa, TOKYU LAND CORPORATION’s first president, Noboru Goto, also faced sincerely up to the social issues in front of him, and followed through on the stance of resolving those issues through business activities. Goto advocated that when a company carries out its original objectives properly, it is effectively giving back to society.

We are currently managing the Group based on our vision for sustainability, which is to “solve issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth.” The idea of following the correct path as a member of society, gaining wealth as a result, and achieving sustainable prosperity for both the company and society continues to be inherited by our Group to this day. ► See page 1, “Lineage of Challenge-oriented DNA”

Environmental, Social and Governance Initiatives

Having inherited these high ideals and sense of duty, we are Working continuously toward the achievement of our vision.

In this modern era, we face a mountainous heap of long-term

issues—including various environmental and energy-related problems—which must be tackled on a global scale, and the importance of initiatives in sync with international society is increasing. As members of international society ourselves, we are also contributing to the achievement of the Sustainable Development Goals (SDGs)—which were established at a UN summit in 2015—by 2030.

With regard to our response to climate change, we endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and support RE100, which TOKYU LAND CORPORATION acquired,—an international initiative which aims to operate businesses using 100% renewable energy—and other activities aimed at suppressing climate change. Our renewable energy business, ReENE, has now grown to a rated power capacity of over 1GW, with over 50 facilities nationwide including those currently under development. We have also issued Green Bonds, which are used to raise funds for environment related projects. ► See page 52, “Environment”

To further advance our social initiatives, in fiscal 2019 we established our Human Rights Policy and Sustainable Procurement Policy, setting forth details of how we will work to thoroughly ensure fairness in our overall supply chain, respect for human rights and consideration for the environment. ► Page 51, “Social Needs”

In corporate governance, in fiscal 2019, we incorporated third-party assessment by lawyers with no advisory relationship with the Group into our assessment of the effectiveness of our Board of Directors. Moving forward, we will continue seeking to enhance our governance system with a view to improving management efficiency and building a sound and highly transparent management framework.

► Page 54, “Corporate Governance”

Going Beyond Trust to Become a Corporate Group that Is Loved

The role of management is to achieve sustainable growth by increasing corporate value, by transforming the value provided through businesses (outputs) into value provided to society (outcomes). We believe that corporate value—which expresses the size of our impact on society—is the sum total of the levels of satisfaction of all of our stakeholders. We list five types of satisfaction by stakeholder (Customer Satisfaction, Shareholder and Investor Satisfaction, Local and Social Satisfaction, Client and Partner Satisfaction, and Employee Satisfaction), and work to increase corporate value by expanding this circle of satisfaction. ► See page 8, “Value We Provide”

The most important thing in order for us to be a corporate group that continues to create value is to continue to be trusted and loved by all of our stakeholders. In order for us to captivate a diverse range of customers, it is necessary to deliver something which goes beyond trust; something emotional other than just practical utility. We could call it an attachment or fondness for the brand, or even becoming “fans” of the Group. I can’t help but feel that it is these kind of emotional, intangible assets that hold the key to the future of our Group.

Our aim is to become a corporate group that is loved by its stakeholders, by securing empathy with our ideas and initiatives. To achieve this aim, we will continue working ceaselessly to create value together with our 30,000 or so employees*5, at over 100 Group companies.

*1. VUCA: A term that is used to describe unpredictable socioeconomic environments. The initials stand for Volatility, Uncertainty, Complexity, and Ambiguity.

*2. Generation Z: A general term for the generation of people born between 1996 and around 2010. This generation is currently gaining attention for its values and characteristics as the generation following on from the so-called Millennial Generation, who entered their 20s during the 2000s.

*3. Smart City Takeshiba has been selected as one of the projects in a public offering by Tokyo Metropolitan Government aimed at creating a Smart Tokyo.

The project will aim to implement services spanning multiple fields, utilizing cutting-edge technologies in an urban environment.

*4. The 2025 Digital Cliff problem: The Report on Digital Transformation (DX) published by METI in 2018 pointed out the possibility that Japan may suffer an economic loss of up to 12 trillion yen per year from 2025 onward if Japanese companies fail to make progress in DX going forward.

*5. Number of group employees: This number includes temporary employees.

Adapting to the New Normal as Society Changes with the COVID-19 Pandemic

Interview

New Lifestyle Creation Responding to the Arrival of the Digital Society

Hiroaki Hoshino
Operating Officer and Supervisor for General Management, Tokyu Fudosan Holdings Corporation

The impact of the COVID-19 pandemic is giving rise to major changes in values with respect to distance, location and time. With the widespread adoption of telework and e-commerce, the digitalization of all manner of transactions will surely progress going forward, including movements towards deregulation. While differentiation between the use of online and offline methods progresses, both for individuals and organizations, I think that a fusion will also progress.

Recently, there has been an increase in the number of media reports regarding the state of office usage and changes in demand in due to the spread of telework. I think that the role of offices as places offering chance realizations and new ideas, and for increasing employee engagement will become more clear, and that this process will also generate new demand. Moving forward, I think that workplaces will become more diverse and differentiated according to people's various job types and lifestyles, falling into categories such as company, home, co-working space and resort. The Tokyu Fudosan Holdings Group has offered its Business-Airport membership-based satellite office service from an early stage. We believe that identifying this kind of new demand and continuing to offer new and improved versions of conventional offices to match changes is part of our role as a developer.

In terms of changes in the post-COVID era, we predict trends such as an increase in demand for working from home, and the digitalization of all manner of consumer behaviors. In each of our business segments, during the pandemic, we are seeking to strike a balance between precautionary measures against infection and maintaining business continuity, and working to provide new products and services as we regard these changes as a business opportunity. Since before the pandemic, e-commerce in the retail sector has expanded year by year. Now the digitalization of consumer behaviors such as experiential and extraordinary consumption which were previously completed primarily in reality



is progressing, and the boundaries for customers between online and offline are now being removed. Moving forward, we will accelerate the pace of initiatives in our various businesses that respond to these kinds of changes in values and lifestyles.

In this modern society, where importance is placed on diversity and individuality, I think that the arrival of this full-blown digital society will make it easier for people to achieve lifestyles in which they can stay true to themselves. As the Group with extensive contact points with customers, I hope that we can support people in living lives that suit them in fields such as home, work and play, and link this to the creation of new lifestyles by understanding individual consumers.

Moreover, as the Group is involved with diverse assets, until now we have aimed to increase the value of real spaces, areas and communities. Even as digitalization progresses, this major direction will remain unchanged.

By utilizing digital technologies to increase convenience and user experience (UX) for customers, we aim to maximize the value of related assets and contribute to creating appealing urban lifestyles.

► Predicted changes to society and related businesses

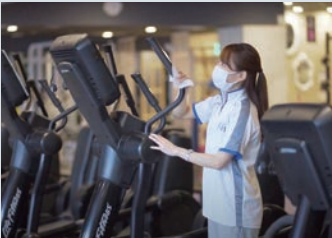
Trends	Behavioral changes	Main related businesses
Irreversible spread of telework	<ul style="list-style-type: none">● Firm establishment of telework and online meetings● System design and assessment systems to respond to telework● Changes to functions and roles of offices	<ul style="list-style-type: none">● Urban Development (office buildings and shared offices)● Residential● Wellness (hotels and resorts)
Expansion of at-home demand / Increase in awareness of promoting better health	<ul style="list-style-type: none">● Decrease in movement, increase in time spent staying at home● Increase in time spent exercising	<ul style="list-style-type: none">● Residential● Property Management● Wellness (healthcare)
Digitalization of all manner of consumer behaviors	<ul style="list-style-type: none">● Irreversible spread of e-commerce● Digitalization and shift to online sources for extraordinary consumption● Increase in Internet use and online interaction● Shift to online transactions and contracts	<ul style="list-style-type: none">● All businesses (Especially commercial facilities, logistics facilities and TOKYU HANDS)
Widespread adoption of remote learning and healthcare, etc. / Expanded use of data	<ul style="list-style-type: none">● Deregulation, abandonment of old social customs● Advancement of smart city developments● Establishment of remote job seeking and penetration of online class	<ul style="list-style-type: none">● Urban Development (office buildings, commercial facilities)● Residential, Property Management (renovation construction)● Wellness (healthcare)

Continuing Provision of Services to Customers

Operation, sales and management-related businesses carry many opportunities for direct interaction with customers. At the same time as implementing measures to prevent the spread of infection, we are also working to ensure the continuity of business operations with contact-less solutions, such as seeking to promote the utilization of IoT devices using telework environments.

- **TOKYU COMMUNITY:** gradually releasing web versions of directors' meetings and parking contracts online on its Life Time Portal site aimed at condominium residents and unions
- **TOKYU LIVABLE:** introducing online customer service and conducting non face to face sales
- **TOKYU HANDS:** investing energies into e-commerce, and expanding sales of items for stay-at-home consumption
- **NATIONAL STUDENTS INFORMATION CENTER:** conducting explanations of important IT-related matters online, VR property viewings without actual attendance, and providing online workshops for student tenants
- **TOKYU SPORTS OASIS:** providing 24-hour online fitness app WEBGYM and free online lessons for a fixed period

Examples of measures to prevent the spread of infection



Regular sterilization of fitness machines and equipment (TOKYU SPORTS OASIS Shinjuku 24Plus)



Customer service at a reception counter with an acrylic panel installed (Tateshina Tokyu Hotel)

Protecting the Safety of Group Employees

Since the declaration of a state of emergency in Japan in April 2020, the Tokyu Fudosan Holdings Group has taken swift and flexible measures seeking to secure the safety of its employees and their families, and to ensure business continuity.

The head offices of many of the Group's operating companies are located in Tokyo. During the state of emergency, as a general rule, employees who are able to work from home avoided attending work at the office, and refrained from unnecessary, non-urgent meetings or business trips. We have also sought to reduce the risk of infection, such as by making proactive use of online meetings and recommending staggered commuting when attendance at the office is necessary.

In particular, since the relocation of their head office in August 2019, Tokyu Fudosan Holdings Corporation and TOKYU LAND CORPORATION have worked to develop their IT environment and work schemes, such as by using the relocation as an opportunity to switch to lightweight PCs, in order to facilitate diverse and flexible ways of working and new work styles. As a result of advancing preparations for telework, we were able to shift smoothly to working from home when the state of emergency was declared.

We have also engaged in recruitment activities and HR training not constrained by time or location, such as by conducting recruitment interviews and training for new employees remotely.

Since the lifting of the state of emergency, we have continued to implement New Normal measures across the entire Group. At the head offices of each Group company, we have reduced em-

Interview

From the Front Line of Senior Residences (TOKYU E-LIFE DESIGN Inc.)



Ikue Tanaka
Head of Nursing, Grancrer Setagaya Nakamachi Care Residence

At our care residences, staff are on duty 24 hours a day to provide close lifestyle assistance for residents who require various forms of support. We have a strong sense of duty to protect our residents. During the COVID-19 pandemic, we have toughened our measures to prevent infections, and are maintaining a sense of crisis awareness when interacting with our residents, based on our guideline of not bringing the virus into the residence, and not allowing it to spread. We have also launched limited-time online visitations and lobby visitations. Seeing the happy faces of our residents leads to greater energy and teamwork among our staff.



A tenant enjoys an online visitation with family (Grancare Azamino)

ployee attendance rates to avoid the Three Cs (Confined spaces, Crowded places, Close contact), and are implementing thorough measures to prevent infection, including temperature checks, seating records, and installation of hand sanitizer.

In operation, sales and management workplaces, too, we have toughened hygiene management measures. We also ensure thorough implementation of temperature checks on arrival at work, wearing of masks, gloves, face shields and other protective clothing, social distancing, proper ventilation and disinfection of indoor spaces and equipment.

► Support for employees with childcare commitments (until June 30)

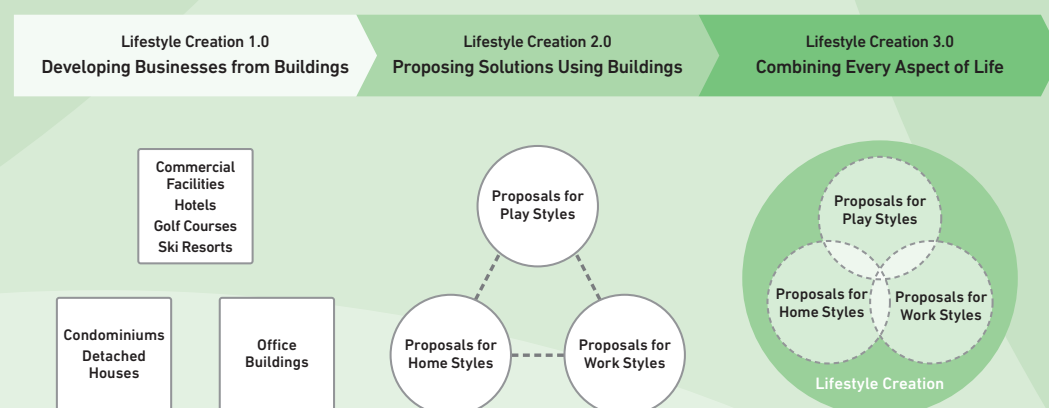
In response to the temporary closure of nursery schools and elementary schools as a measure to prevent the spread of COVID-19 infections, the Group has provided support to enable flexible workstyles for employees caring for children, making use of schemes such as working from home, flextime and break times outside of regular hours. We have also established a system that enables employees to work with greater peace of mind, allocating special paid leave when it is unavoidable to have employees take a leave of absence.

Special Feature

Taking Up the Challenge of Lifestyle Creation 3.0

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

In Lifestyle Creation 1.0, we offered new lifestyles to society through the development and sale of condominiums and detached houses, development of commercial facilities, hotels and resorts, and the provision of spaces such as office buildings. In Lifestyle Creation 2.0, we proposed solutions in the form of new home, work and play styles, expanding the boundaries of our real estate business to include management, agency and operation of these various spaces and properties, as consumer behavior shifts from the consumption of goods to the consumption of services. Social issues are changing with the times, with examples including workstyle reform, childcare and nursing care problems, lengthening healthy lifestyles, and the advancement of new workstyles such as telework and workations; and customer lifestyle scenes are diversifying. To support these needs, our value creation model is evolving into Lifestyle Creation 3.0, which combines the three domains (home, work and play styles) to achieve ideal lifestyle proposals.



In this special feature, we introduce our attempts as Lifestyle Creation 3.0 through four key initiatives: the Greater Shibuya Area Concept, through which we are creating new value for the Shibuya area by utilizing the diversity of the district; TOKYO PORTCITY TAKESHIBA, an urban development project where we are communicating future lifestyle ideas through the power of technology; LOGI'Q Miyoshi, which is proposing new workstyles for the logistics industry leveraging the Group's total capabilities; and Tokyu Resort Town Tateshina MORIGURASHI, which is creating new resort appeal by resolving social issues.



PROJECT 01

Urban Development for Long-Term Sustainability
The Greater Shibuya Area Concept

Creating Value from the Area by Taking Advantage of the Area's Diversity



Director and Executive Officer,
TOKYU LAND CORPORATION
Takashi Ikeuchi

The rooftop terrace on the 18th floor of SHIBUYA FUKURAS, a complex completed in October 2019

Developing a town which attracts growth companies and people with enticing contents

Takashi Ikeuchi

Director and Executive Officer, TOKYU LAND CORPORATION

In the Greater Shibuya Area around Shibuya Station, we are proceeding with a project under the Greater Shibuya Area Concept, which is aimed at sustainably improving the value of the area as a whole. Bustling activity spreads from individual points to the area via people and places, connecting people and places together. The urban development project combines tangible and intangible features of the area, taking advantage of its diversity. It is a unique challenge the Tokyu Fudosan Holdings Group, which creates lifestyles, has taken up. We also work on area management through government-industry collaboration, to work proactively to revitalize the area.

The redevelopment of Shibuya, the scale of which is considered to be a once-in-a-100-year event, is at its peak. Last year, SHIBUYA SOLASTA and SHIBUYA FUKURAS were completed. Through integrated development together with its surroundings, the SHIBUYA FUKURAS pedestrian deck connects to the station, underground parking, bus terminal, and other facilities. It has contributed to solving issues in the area in front of Shibuya Station. For example, vehicles no longer need to be parked on road for cargo handling. In addition, the Shibuya Sakuragaoka Block Redevelopment Plan is scheduled to be completed in fiscal 2023. We will proceed with the development of an appealing area that will attract people and companies, by improving the international competitiveness of Shibuya with proposals integrating unprecedented new home, work and play styles.

The COVID-19 pandemic has ushered in a new normal, as peoples' values and lifestyles are also changing. These changes have also instigated diverse workstyle options in offices as well, partly reflecting the ubiquitization of teleworking. However, this has weakened connections between people, and the negative consequences of insufficient communication have also become apparent. Places that encourage communication and the creation of ideas and innovation are essential for business. Offices will play a significant role in strengthening employees' sense of belonging and the strength of the organization as well.

We believe, however, that the concept of offices will change entirely. We need to propose solutions providing greater added value than ever before, by accurately identifying customer needs and providing places and environments that enable flexible work styles. We would like to offer places for diverse purposes.

In addition, because Shibuya attracts diverse cultures, the area is free from the authoritarian hierarchy that is typical of traditional office streets. Startups attracted to the non-authoritarian atmosphere of Shibuya see the area's great potential as a place for innovating—more so now with the changes taking place. Progress in digital transformation (DX) will definitely lead to the development of businesses based on sensing technologies, D2C,* and other systems, resulting in an increase of companies enjoying significant growth. Support for these startups will make Shibuya a place that continues to develop and attract growth companies.

Looking ahead to the future of Shibuya, we will continue to sustainably take action to enhance the distinctive personality of the area and improve the value of the overall area. Thus, we will strive to continue proactively increasing the appeal of Shibuya, an area where diverse values coexist.

* D2C: Direct to Consumer. It refers to systems in which companies directly sells products they plan and produce to consumers.

INFORMATION

We have defined the Greater Shibuya Area as including several highly distinctive neighborhoods, including Shibuya, Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama. We are working to realize the Entertainment City Shibuya concept as a member of the Tokyu Group. This area is home to many of the major properties of the Group, and features good access to transportation.

Shibuya's Attractive Points

Concentration of IT firms
Growth of creative industry

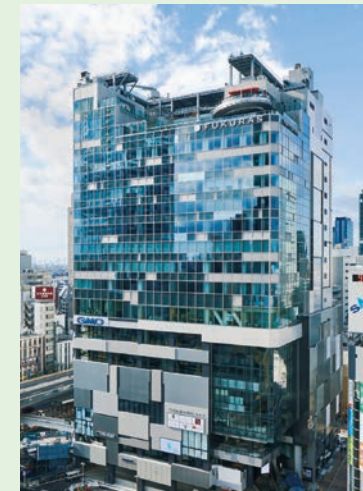
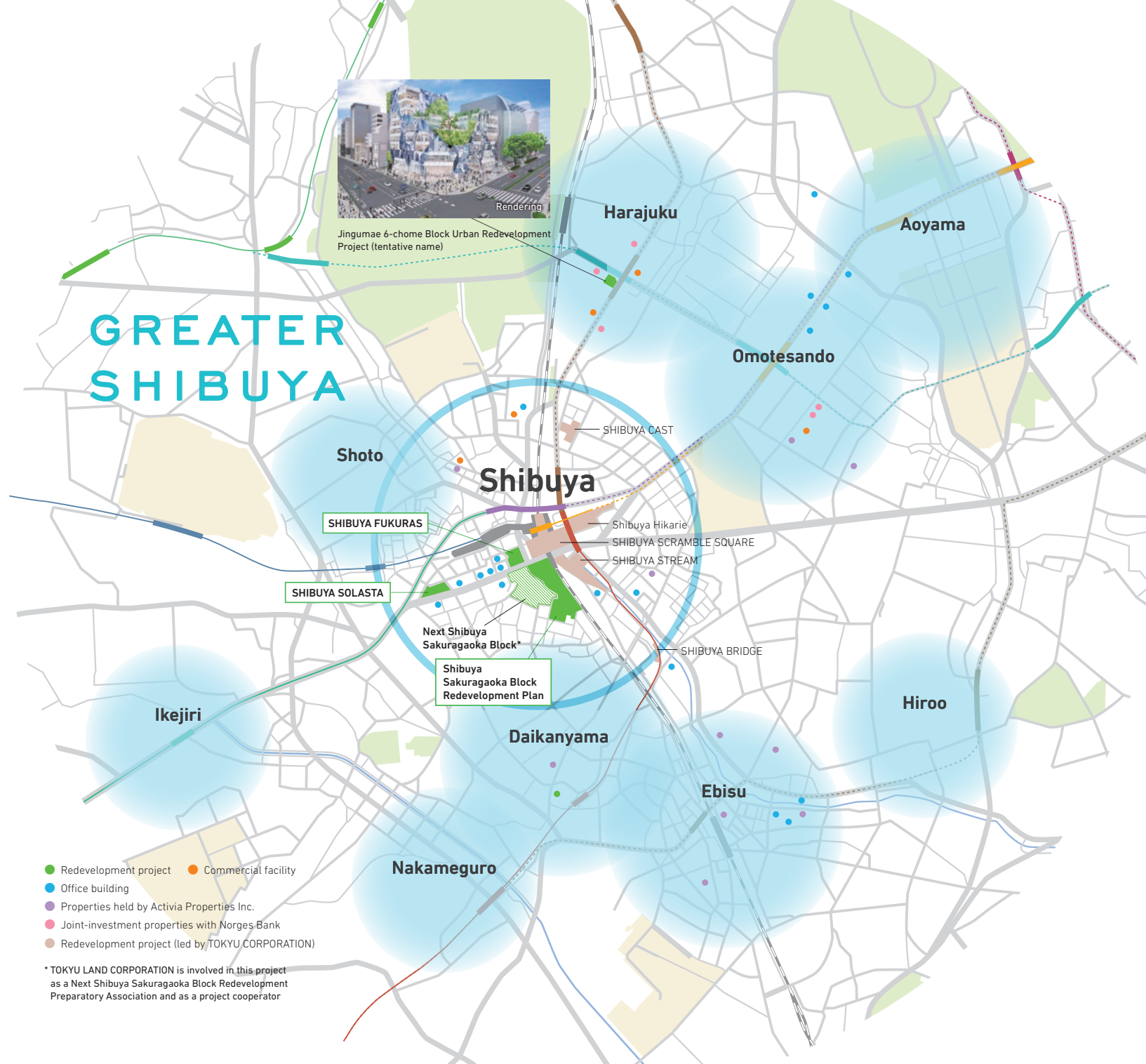
Abundant residential properties
Including embassies and foreign residents

Major hub of commercial and cultural activity
A district that attracts new trends

Good access
Links up to 8 lines (JR and private train lines)



Rendering of what the area around Shibuya Station will look like around 2027 redevelopment of Shibuya, which will improve the flow of foot traffic around the station and accelerate the expansion of the city, will continue.



SHIBUYA FUKURAS

Completion: October 2019

Business entity: Dogenzaka 1-chome Shibuya-station Front District Redevelopment Associate / Use: Retail stores, offices, etc. / Total floorspace: Approx. 58,970 m²/Building scale: 18 floors above ground (19 floors according to the Building Standards Act of Japan) and 4 basement levels

SHIBUYA FUKURAS is a complex created through the integrated development of the area including the land of the former Tokyu Plaza Shibuya. The atmosphere of the new Tokyu Plaza Shibuya enables business people to enjoy their time in Shibuya. The first-floor bus terminal is a solution to issues faced by the area in front of the station.



Initiatives to Increase the Area's Value

- Improving the transportation and accessibility of the area around Shibuya Station
- Establishing a drop off and pick up point for airport buses
- Strengthening disaster prevention and initiatives for the environment



SHIBU NIWA, a rooftop garden on the 17th floor that commands a panoramic view of Shibuya

The name, SHIBUYA FUKURAS, comes from the Japanese word, *fukurasu*, meaning "to inflate or expand". This expresses our desire to greatly "expand" the happiness of all who visit Shibuya.

Interview Tenant of SHIBUYA FUKURAS

GMO Internet Group

Establishing an Office in Shibuya, Wishing to Continue Growing in This Area

We were among the first to introduce teleworking in response to the COVID-19 pandemic. Our business performance has remained unaffected during the several months since then, so at one point we questioned the necessity of an office. However, we have now reaffirmed the role and significance of an office, and are certain of the significant importance of an office. If business is a battle, an office is a weapon, and so is teleworking. It is important to take advantage of every workstyle weapon we have. Of course, places for face-to-face communication are indispensable.

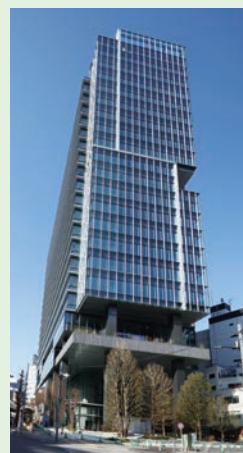
For our company, which only handles digital products, the office is a symbol that plays an important role in the building of credibility and the differentiation of our company from others. This is why we consolidated our group's financial businesses to open our second head office at SHIBUYA FUKURAS.

We relocated to Shibuya because our office in Aoyama, where we were founded, became too small for us. Since then, IT ventures have gradually collected here, resulting in the establishment of Bit Valley. Shibuya has become an area that contributes greatly to the acquisition of human resources and improvement of the corporate brand. When we moved to the building, people from TOKYU LAND CORPORATION welcomed us as if we were family. We cannot thank them enough for that. We would like to continue growing together with TOKYU LAND CORPORATION in this city, which is filled with diversity and supplies people with dreams.



Mr. Masatoshi Kumagai

CEO, Chairman of the Board and President, Founder and Group CEO
GMO Internet, Inc.



SHIBUYA SOLASTA

Completion: March 2019

Business entity: Dogenzaka 121 General Incorporated association (Operating Company created by TOKYU LAND CORPORATION and a land owner)
Use: Offices, etc. / Total floorspace: Approx. 46,954 m² / Building scale: 21 floors above ground and 1 basement level

SHIBUYA SOLASTA is a large office building on a scale rare in Shibuya. To build it, we redeveloped the entire block that was the location of our former headquarters building. Featuring spaces filled with revitalizing plants and smart offices, SHIBUYA SOLASTA helps to create highly productive workstyles.



Initiatives to Increase the Area's Value

- Building a rare, large-scale office building in Shibuya
- Creating a lush, green, environmentally-friendly office
- Initiatives towards diversity

The name, SHIBUYA SOLASTA, is made from the words SOLA (meaning "sky" in Japanese), SOLAR, and STAGE, suggesting a desire for this building to become a stage where diverse workers can flourish under a radiant sky.

High Environmental Value

The construction for SHIBUYA SOLASTA, taking biodiversity and global warming into consideration, was rated highly, receiving multiple environmental certifications.



ABINC
Certification



CASBEE
S Rank



DBJ Green Building
Certification



Edo-Midori Green Area
Registration in Tokyo

Shibuya Sakuragaoka Block Redevelopment Project

Completion:
FY2023 (planned)

Business entity: Shibuya Sakuragaoka Block Redevelopment Associate
Use: Offices, retail stores, residences, etc. / Total floorspace: Approx. 254,830 m² / Building scale: Block A: 39 floors above ground and 4 basement levels, Block B: 29 floors above ground and 2 basement levels, Block C: 4 floors above ground

We will create an area complete with places for home, work and play by developing a vast area to the southwest of Shibuya Station. We will implement barrier-free access from the station and build condominiums, commercial facilities and office buildings, to create a fulfilling residential environment.



Initiatives to Increase the Area's Value

- Connecting the flow of traffic in the southwestern part of Shibuya Station
- Establishing global livelihood support facilities
- Initiatives to maintain safety and security of the area when natural disaster strikes



Rendering

PROJECT 02

Large-Scale Complexes—TOKYO PORTCITY TAKESHIBA

Creating Lifestyles of the Future with a Cutting-Edge Smart City



Chairperson of City & Tech Committee,
Contents innovation Program (CiP)
Ms. Nanako Ishido

TOKYU LAND CORPORATION
Shuhei Hanano

On the skip terrace of TOKYO PORTCITY TAKESHIBA with its abundant greenery

Creating a district that will be talked about for generations to come

Shuhei Hanano

Deputy Manager, Smart City Promotion Office, Urban Business Division, Urban Business Unit, TOKYU LAND CORPORATION

Since 2013, we have been working to create an international business hub utilizing land owned by Tokyo Metropolitan Government at Takeshiba: a gateway for both sea and air, owing to its close proximity to both the Port of Tokyo and Tokyo International Airport (Haneda). The project aims to create new lifestyles through the close proximity of workplaces and housing, connecting people, information and business from around the world, based on the core concept of Digital×Content. This September we opened TOKYO PORTCITY TAKESHIBA, which includes both office and residential spaces. The SoftBank Group has moved into the office tower as a tenant, and is engaged in efforts to co-create the smart city utilizing cutting-edge technologies.

Takeshiba is surrounded by greenery and the ocean. With housing, schools, office buildings, hotels, and even theaters, the district possesses a diverse array of urban features. This compact area also has social issues specific to urban areas along with various attractions. We therefore feel that Takeshiba has limitless potential as a field for demonstrating and implementing new trials in considering future urban development. We are also working together with the Contents innovation Program (CiP)—an organization established with the aim of creating a content industry agglomeration in the Takeshiba district—to create new businesses utilizing digital technologies. Moving forward, we will work to achieve the realization of a range of ideas.

We are also involved in long-term efforts to increase the vitality of the area, such as through the development of a pedestrian deck connecting Takeshiba to Hamamatsucho Station, and area management through industry-government-academia partnership. What we are envisaging is a vision of the district 70 years from now. For that reason, we are uncovering and nurturing local community resources and placing value on connections. We have also revived the *Takeshiba Mikoshi*, a portable shrine festival, for the first time in 30 years. Rather than chasing short-term profits, we are working to build a smart city that will create future lifestyles through the power of technology, by developing city infrastructure from a medium to long-term perspective. We feel strongly that it is our mission to take on the development of this district, going beyond generations.



INFORMATION

TOKYO PORTCITY TAKESHIBA is a specified project under the National Strategic Special Zones plan being jointly developed by TOKYU LAND CORPORATION and KAJIMA CORPORATION. TOKYU LAND CORPORATION has leased the land for the project from Tokyo Metropolitan Government for a fixed period of around 70 years, as part of the city's Urban Redevelopment Step Up Project, and is advancing the development of an international business base equipped with functionality that contributes to the nurturing and advancement of the content industry. The project has also been selected as an advance project for Tokyo Society 5.0 "Smart Tokyo."



The office tower and residence tower cover a combined area of around 200,000m². The office tower is home to a variety of tenants, including the Tokyo Metropolitan Industrial Trade Center.

Interview

Utilizing digital content to create an environment where people can make the most of their creativity

Ms. Nanako Ishido

Chairperson of City & Tech Committee,
Contents innovation Program (CiP)

AI, robots, smart mobility... Takeshiba is a district that enables us fulfill all of our dreams, with an accumulation of the cutting-edge technologies. The City & Tech Committee continues to engage in activities that will help to make Takeshiba a district where everyone can make the most of their creativity. Takeshiba is a kind of urban laboratory, socially implementing diverse technologies in urban spaces; a showcase for exhibiting cutting-edge technologies to the world. I have been involved with the project for seven years. TOKYU LAND CORPORATION is our reassuring partner, who always eagerly accept our proposals and lead them reliably toward actual implementation.

PROJECT 03

Logistics Facility—LOGI'Q Miyoshi

A Next-Generation Logistics Center that Seeks to Resolve Social Issues



TOKYU LAND CORPORATION
Natsuki Hirabayashi

Executive Officer, General Manager
of ECR Division, ASKUL Corporation
Mr. Hideo Amanuma

Outside LOGI'Q Miyoshi, the external appearance of which is characterized by its Santome Shinden motif

Proposing new workstyles and creating a place that is loved by the community

Natsuki Hirabayashi

Logistics Business Department, Infrastructure & Industry Division, Urban Business Unit, TOKYU LAND CORPORATION

LOGI'Q Miyoshi began as a reconstruction project for the former ASKUL Logi Park Greater Tokyo, and it is a BTS-type logistics facility built in accordance with the needs of tenant companies. We have completed a facility unique to TOKYU LAND CORPORATION, a comprehensive developer, under the concept of sustainable logistics that pursues safety and security while aiming to coexist with the community, and new workstyles that change the image of facility.

Aiming to create a sustainable logistics facility, we have focused on safety aspects such as by installing firefighting equipment that exceeds the new legal standards and fire department guidelines. We also made proposals to create a facility that would be long loved by the community, such as by basing the external appearance of the facility on the nearby Santome Shinden (a unique agricultural landscape consisting of farmland and woodland areas, for which Japan aims to acquire world heritage status), and the development of promenade-style pedestrian walkways. The inside of the facility incorporates ideas to increase the motivation and productivity of workers, including *Choitore Park*, a small-scale exercise training park aimed at improving the health of employees; *Irodori Toilet* designed to offer a pleasurable user experience while at the same time maintaining a conscious focus on genderless design; the acoustic space service *KooNe*, which appeals to the five senses; and the use of original aromas intended to reduce the stress levels of facility users. In ways such as this, we have sought to offer a comfortable working environment that exceeds those offered by city center offices. Partly due to the COVID-19 pandemic, there is growing demand for EC and logistics. As the same time, the logistics industry is facing many issues, including increasingly serious personnel shortages, and the need to improve workforce diversity and working environments. We hope that our proposals for new workstyles will help resolve these issues. Launched in 2016, the LOGI'Q brand is evolving continually with a view to creating next-generation logistics centers. Specific initiatives include local 5G networking and smart logistics solutions in partnership with companies. Through these efforts, we aim to contribute to the future of logistics as a member of society supporting social infrastructure.

Deliver future and smiles.



INFORMATION

The LOGI'Q (pronounced "logic") brand concept is that the facility spaces should offer comfort which exceeds that of offices in the city center, and that working there should be a kind of status symbol for workers. It seeks to create facilities with high added value that dispel the conventional image of warehouses. As of October, 2020, a total of ten LOGI'Q facilities have been established in Japan. LOGI'Q Miyoshi (Miyoshi, Iruma District, Saitama)—which was completed in January, 2020—is engaged in various environmentally friendly initiatives, such as utilizing wood from forest thinning for furniture in common areas.



From the rooftop *Miharashi Terrace* relaxation space, users can look out across the Santome Shinden district as they take a break and rest their weary bodies on the wood decks.

Interview Tenant of LOGI'Q Miyoshi

Creating a worker-oriented facility based on highly original space development

Mr. Hideo Amanuma

Executive Officer, General Manager of ECR Division,
ASKUL Corporation

The decisive reason why we asked TOKYU LAND CORPORATION to reconstruct our logistics center after the previous facility was lost to fire was the content of the proposal, which embodied new workstyles, as a comprehensive developer. The space development experience accumulated through TOKYU LAND CORPORATION's office building development efforts is also highly original, and was very appealing to us. We also empathized strongly with the brand concept, which aims to create facilities that enable users to feel the warmth of human interactions. Personnel shortages are currently an urgent issue for the logistics industry. The provision of good working environments helps to secure manpower, and leads to increased productivity. We are confident that LOGI'Q Miyoshi is a facility that is designed for working people.

A New Resort Style Born Out of Lifestyle Creation



General Manager,
Tokyu Resort Town Tateshina
Toshinori Ando

Manager, Commerce and
Industry Section, Industrial and
Economic Affairs Division, City
Government of Chino, Nagano
Mr. Kazuhide Kitahara

The Glamorous Dining Tateshina, glamping facility, opened in 2017

Embodying an advanced resort that seeks to resolve issues

Toshinori Ando
General Manager, Tokyu Resort Town Tateshina

Since 2017, Tokyu Resort Town Tateshina has worked to advance MORIGURASHI (“forest life”) initiatives in some areas based around the theme of eating, playing and staying overnight in the forest, with a view to offering a new resort lifestyle and implementing environmental initiatives. I had also been involved with the project from an earlier stage, but as we conducted surveys of the site and surrounding area when I was appointed to my current post last April, I once again began to appreciate the appeal and attraction of Tateshina.

As diverse relationships between lifestyles and workstyles are created, with the shift from work-life balance to work-as-life, as of this year we have added the new theme of relaxing, working and living in the forest as part of our rebranding with the MORIGURASHI concept, comprehensively encompassing the whole resort town. Working in the forest also links in with our “workation” strategy, which combines work—including telework, which is gaining more widespread popularity as a result of the COVID-19 pandemic—with vacation time. At the same time as seeking to expand the range of possibilities and options for resort life, other aspects that characterize the MORIGURASHI concept include paying consideration to the environment, tackling the SDGs, and facing up to social issues in local communities, such as the problem of social aging as it relates to holiday homes.

We are also attempting to improve traffic access, which is another of the issues faced by Tateshina. This June, a council to discuss new community public transportation was opened in Chino city, marking the beginning of efforts aimed at demonstrative testing of MaaS (Mobility-as-a-Service) in the area, to facilitate efficient mobility using a diverse range of transportation methods. With the approval of the city of Chino, we have also launched a MORIGURASHI Council in cooperation with property ward landowners, and are working to spread the MORIGURASHI concept to surrounding communities. We are seeking not only to increase the appeal of our resort facilities but also to achieve fusion with the city’s workation plans, as we work to create new value for the Tokyu Resort Town Tateshina facility while at the same time resolving various community issues, including the encouragement of permanent settlement and increasing numbers of stakeholders.

INFORMATION

Tokyu Resort Town Tateshina was opened in 1978, at a location which historically flourished as a hot-spring resort, with views of the Yatsugatake mountain area. The vast premises include around 2,400 holiday homes, as well as hotels, golf courses and ski areas as part of a multi-purpose resort which has earned the love of its guests. In 2017, the resort was partially renewed and remodeled around the morigurashi (“forest life”) theme. The resort is working to resolve community issues while proposing new resort lifestyle ideas.



We have formed a partnership with Rakuten to provide an unmanned delivery service for delivering food supplies to glamping facilities using an automated self-driving robot, with a view to delivering supplies to holiday homes.

Interview A “community textbook” approach, attempting pioneering initiatives

Mr. Kazuhide Kitahara
Manager, Commerce and Industry Section, Industrial and
Economic Affairs Division, City Government of Chino, Nagano

As part of the MORIGURASHI initiative, the resort has launched a pioneering attempt at utilizing woodchips obtained through forest thinning activities as a biomass fuel. The city of Chino also recognizes forest thinning and recycling of resources as urgent issues. We are also promoting the “workation” concept as part of our regional revitalization efforts. The concept of protecting and living together with the forest also aligns with the direction we aim to take, and the fact that the initiative also seeks to resolve community issues makes it a real “community textbook” approach. I also hope that these efforts will enlighten more people about the positive aspects and value and of living in Chino.

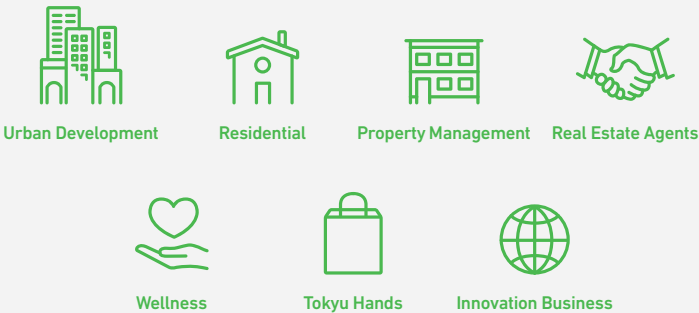
Section 2

Value Creation Strategy

SDGs that Tokyu Fudosan Holdings Corporation is Working on



7 Businesses for a Sustainable Society and Growth Based on SDGs

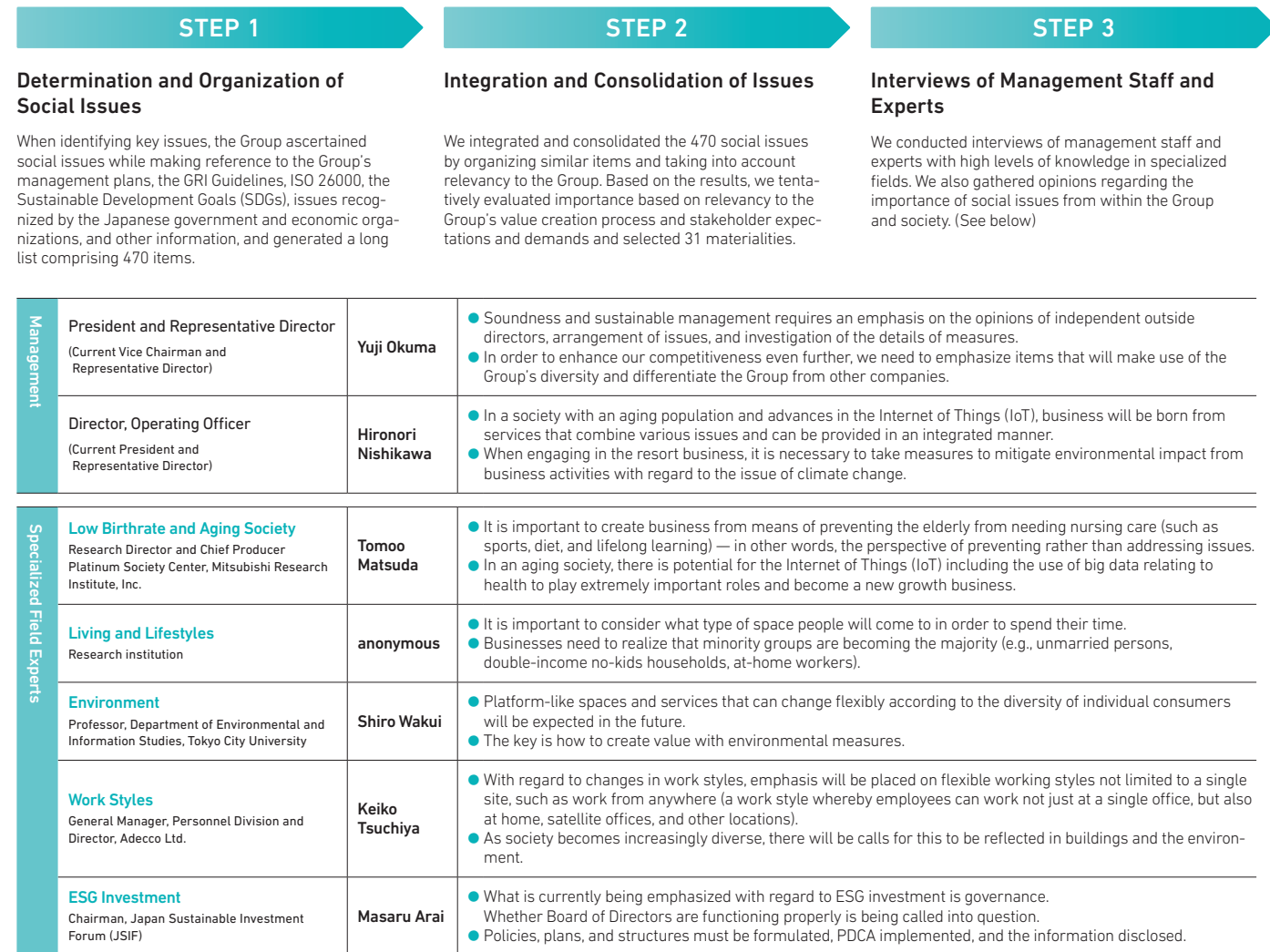


Value Creation Strategy

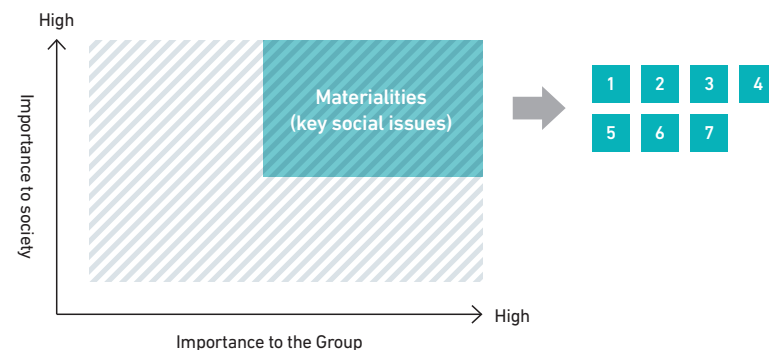
SDGs and Materialities

Since fiscal 2017, the Tokyu Fudosan Holdings Group has worked to achieve the goals of its Medium-Term Management Plan 2017-2020. When formulating this plan, we determined the SDGs we will focus on and identified seven materialities (key social issues) based partly on the input of experts. We remain committed to solving social issues through our business activities in order to realize sustainable society and growth.

Materiality Identification Process
















* Titles are as of June 2016 when the interviews were conducted.



Materialities of the Tokyu Fudosan Holdings Group (key social issues)

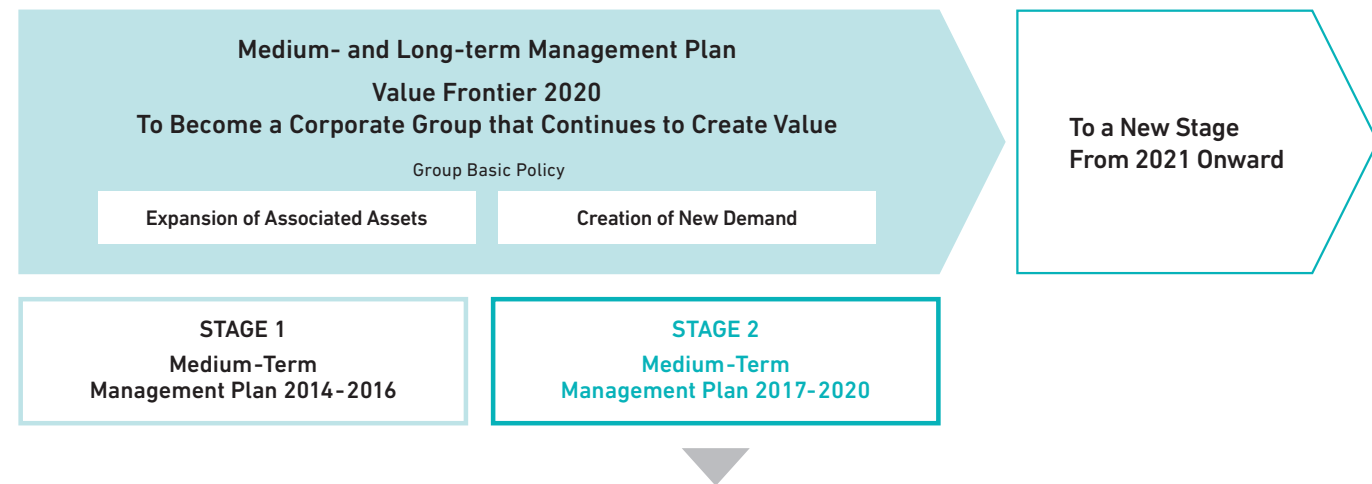
1	Economic, political, and regulatory changes	Issues of social security by the Japanese government, privatization, uncertainty in the global economy, and other factors will have major impacts on business opportunities and capital procurement.
2	Diversification and globalization of lifestyles	Factors such as the diversification of lifestyles and consumer needs and the revitalization of regional communities significantly affect our business opportunities as an urban development company.
3	Safety and security in local communities and urban areas	As a real estate developer, the increase and aging of existing stock and rising need to respond to disasters will have a major impact on business opportunities.
4	Progression of a low birthrate and aging society	As a Group that develops business in residences and senior housing, the low birthrate, aging population, and declining population in Japan will have a major impact on business opportunities.
5	IoT & Innovation	As a company that provides both products and services, advances in IoT technology will have a major impact on innovation and changes in business models.
6	Changes in the natural environment	As a company that performs urban development, changes in infrastructure development and investor interests in conjunction with intensifying climate change will have a major impact on business opportunities and continuity.
7	More stringent social demands	Diverse demands from consumers, corporate governance, and various other factors will have a major impact on management systems.

Our SDGs	Materialities	Major Opportunities and Risks		Related Segments						Value Provided to Society	
				Urban Development	Residential	Property Management	Real Estate Agents	Wellness	Tokyu Hands		Innovation Business
	1 Economic, political, and regulatory changes	Opportunities	Capturing new business opportunities								Increasing the value of real estate / Stable social infrastructure
		Risks	Risk of long-term interest rate increases								
 	2 Diversification and globalization of lifestyles	Opportunities	Expanded inbound demand Expanded opportunities for overseas business								Improving quality of life / Creating communities
		Risks	Decline in total domestic demand (diversification of demand)								
 	3 Safety and security in local communities and urban areas	Opportunities	Expansion of markets related to existing stock, and accelerated privatization of public asset processing and operation								Contributing to local economies / Disaster-resistant city planning
		Risks	Issue of vacant homes Deterioration of existing stock								
 	4 Progression of a low birthrate and aging society	Opportunities	Increasing demand related to senior citizens								Promoting health and productivity management / Achieving the creation of a healthy society
		Risks	Falling demand in conjunction with the decline of the working age population								
	5 IoT & Innovation	Opportunities	Business innovation								Building a digital society
		Risks	Lowering of barriers to entry into existing business fields, delayed market entry, and increasingly rigorous information security and control								
  	6 Changes in the natural environment	Opportunities	Expansion of environmental markets								Preserving the natural environment / Reducing environmental burden
		Risks	Expansion of climate change risks								
 	7 More stringent social demands	Opportunities	Increase in non-financial value	(Groupwide issue / Non-financial initiatives)						Social inclusion	
		Risks	Increasingly stringent responses to various types of risk								

Value Creation Strategy

Medium-Term Management Plan Based on Materialities

In our Medium-Term Management Plan 2017-2020, we created strategies based on materiality, as it was investigated and determined to be an issue that we should prioritize and work on. In the Plan, we established our fiscal 2020 KPI goals, and our three growth strategies are progressing, making use of our overall ability as the Group in accordance with our two fundamental Group policies of expansion of associated assets and creation of new demand.



Medium-Term Management Plan 2017-2020

Three Growth Strategies		
Urban Development that Proposes New Lifestyles	Expansion of the Scope of Cyclical Reinvestment Business	Reinforcing Stock Utilization
Making use of the regional characteristics fused with many living, working, and spending time functions and our strengths gathered by our Group's major projects, development and participation are progressing on the surface in the Greater Shibuya Area. Our initiative of promoting lifestyle communities with alteration of generations is also progressing, responding to the diverse residential needs in our super-aging society.	We have expanded the scope of our investments to new asset types, including infrastructure and industry, hotels, and student residences, in addition to office buildings, commercial facilities, and rental housing units, increasing our earning power through cyclical reinvestment. Our AUM grew to reach around ¥1.5 trillion in fiscal 2019.	Understanding the change from a flow-based society to a stock-based society, we are strengthening our stock utilization-based business centered around management and real estate agents. We are utilizing real estate information from the increasing management stock and real estate agents as much as possible, based on the rich connection points we have with our customers, increasing our profits through businesses without investments.

Reinforcing the Management Foundations that Support the Growth Strategies

Strengthening Measures to Generate Synergy Effects Among Businesses	Optimizing Group Management Assets and ESG Management
We will maximize use of the Group's business foundations (stock, customer information, and human capital), acquire derivative business opportunities, and create added value.	To achieve sustainable growth and increase corporate value over the long term, we are optimizing Group management assets and undertaking non-financial initiatives.

Business Portfolio

We have created a business portfolio to flexibly respond to social issues and changes in the business environment as the Group. We plan to investigate a business portfolio strategy, categorizing our seven business into three categories: Asset Utilization Businesses, including the Urban Development, Residential, and Wellness businesses; Stock Utilization Businesses, including the Property Management and Real Estate Agents businesses; and Strategic Businesses, including the Innovation and Tokyu Hands businesses.



KPI Targets for FY2020

KPI		FY2019 Results	FY2020 Targets	Results
Financial	Operating profit	¥79.3 billion	¥95.0 billion	
	Net profit	¥38.6 billion	¥50.0 billion	
	Debt-Equity ratio	2.3 times	2.3 times or below	●
	EBITDA multiple	11.6 times	10 times level	
	EPS	¥53.70	¥69.53	
	ROE	6.7%	Over 8.0%	
Environment	CO ₂ emissions	36.2% reduction compared to FY2005	25% reduction compared to FY2005	●
	Water use	1.8% reduction compared to FY2005	25% reduction compared to FY2005	
	Waste emissions	31.1% reduction compared to FY2005	25% reduction compared to FY2005	●
	Acquisition of environmental certifications such as CASBEE and DBJ*1	100%	100%	●
	Green buildings (roofs, walls, etc.) *1	100%	100%	●
	Midori wo Tsunagu Project (Area of Forest Protected)	1,636ha	2,000ha	
Human Capital Strategy	Working hours (average overtime hours per month)	20.1 hours	(Internal target)	-
	Ratio of employees who undergo the stress check	92.4%	100%	
	Ratio of employees who undergo physical examinations	100%	100%	●
	Ratio of female hires	32.2%	At least 30%	●
	Ratio of female managers	8.1%	(Internal target)	-
	Ratio of disabled employees	2.27%	2.20%	●
Social Needs	Securing space for use during disasters*1	100%	100%	●
	Buildings certified under the Barrier Free Act*1	100%	100%	●
	Condominiums with stockpiles of disaster relief goods*2	100%	100%	●
	Persons who have nursing care or other professional qualifications*3	77%	80%	
Corporate Governance	Number of outside directors	4/13 (approx. 31%)	At least 1/3 (approx. 33%)	
	Board of Directors meeting attendance rate	99%	100%	
	Female directors	1	At least one	●
	Strict adherence to the Compliance Code of Conduct	99%	100%	
	Awareness of the Compliance Helpline Counter	88%	100%	

*1. For TOKYU LAND CORPORATION's newly constructed, large-scale properties, including office buildings and commercial facilities

*2. For TOKYU LAND CORPORATION's newly constructed condominiums

*3. For caregiving employees

Goals of Our Medium-Term Management Plan and the Impact of the COVID-19 Pandemic

Our Medium-Term Management Plan which began in fiscal 2017 was readjusted in May 2019, with financial targets for the final year (fiscal 2020) being revised upwards to account for performance exceeding initial expectations. Results progressed steadily, supported in part by the solid business environment, and we believed that would be able to sufficiently achieve all of our fiscal indicator targets. With the COVID-19 pandemic taking place from the fourth quarter of fiscal 2019, however, business conditions changed rapidly, especially with regard to BtoC business operations. We therefore expect not to achieve any of our financial target indicators for fiscal 2020.

Segment	Impact on business operations	Impact on business performance
Urban Development	Temporary closures of main commercial facilities and rental conference rooms	Decreases in percentage rent and reductions / exemptions of fixed rent, decrease in revenue from conference room rentals
Residential	Temporary closure of condominium galleries	Decrease in number of condominium units sold
Property Management	Shrinkage of new sales activities for construction business, suspension of some property management operations	Decrease in construction and property management revenues
Real Estate Agents	Shrinkage of operations at real estate agents	Decrease in real estate agent sales revenues
Wellness	Temporary closures of fitness clubs and hotels, shrinkage of operations due to shortening of business hours, etc.	Decrease in operating revenue
Tokyu Hands	Shrinkage of operations due temporary closures of stores and shortening of business hours, etc.	Decrease in sales
Innovation Business	Temporary closure of condominium galleries (Indonesia)	Decrease in number of condominium units sold (Indonesia)