

Tokyu Land Corporation Group

CSR Report 2011-2012



日本に
笑顔を

日本中に笑顔があふれますように。



Focusing on What We Can Do Now for Japan to Smile Again

On March 11, 2011, Japan suffered a giant earthquake. The tsunami caused by the earthquake devastated areas on Pacific coast in East Japan. We would like to express our heartfelt sympathy to the people affected by the disaster and offer sincere condolences to those who passed away.

We are Quickly Doing What We Can Do Now to Support the Disaster Areas and the People Who have been Affected

Immediately after the occurrence of the disaster, the TLC Group started assistance activities for the disaster areas and victims, such as accepting evacuees and victims into our resort facilities, and donating relief money.

We have made ongoing efforts for conducting timely activities in response to the needs of the quake-hit areas that have changed over time, for example, by provision of relief supplies, construction of temporary housing, support for a camp to reduce stress on children affected by the disaster, and holding events with an eye to assistance for reconstruction.

Revitalizing Japan so that All People Can Smile

As the Great East Japan Earthquake was an unprecedented disaster, I think it will take a long time to recover from the disaster. We intend to continue to conduct sustained activities, such as dispatching volunteers to the devastated areas, and providing spaces in TLC's facilities for the purpose of support for the disaster areas, in the future.

I have been to the disaster area many times to investigate the actual status and have listened to the local people.

In the disaster areas, people have high expectations of developers toward full-scale reconstruction in the near future. We will be pleased to provide our expertise in town planning if it is helpful.

I truly hope that the earthquake and tsunami-hit areas will be reconstructed as soon as possible, and that Japan will be revitalized so that all people can smile.

Providing Solutions to Social Issues through Business Activities

Our group originated from Den-en Toshi Company. Established in 1918, Den-en Toshi Co., Ltd. developed a sophisticated residential district in Tokyo, now well known as Den-en Chofu. As a shortage of favorable residential areas was a recognized social issue at that time, the company instituted a progressive approach to the creation of an ideal town "Garden City."

The enterprising and challenging spirit cultivated at that time has long passed down in our group's DNA. We consider it is the TLC Group's mission to provide solutions to social issues such as assistance for reconstruction of disaster areas through business activities.

Creating Cities Co-existing with Nature, Creating a Future for People

The TLC Group regards global environmental conservation as one of our important business issues and has put the relevant approaches at the core of CSR activities.

In the 13 years since the "Environmental Philosophy" was established in 1998, we have conducted reviews in response to social changes, and newly formulated the "TLC Group Environmental Vision," indicating a direction for the environmental activities of the entire TLC group with an "environmental philosophy," an "environmental policy," and an "environmental action."

At that time, we also announced an environmental message of "creating cities co-existing with nature, creating a future for people" as the expression of this direction. In this message, "creating cities co-existing with nature" represents our approaches to incorporating nature into cities through business activities, and "creating a future for people" represents our hope to achieve a sustainable society in the future, taking over and developing our predecessors' efforts for environmental conservation.

The message also means that the TLC Group will create value through business activities. Under this environmental vision, the TLC Group will be further committed to the global environmental conservation.

Contribution to Continuous Development of Society

The TLC Group wishes to remain a corporate group that is selected and trusted by customers, local communities, and stakeholders such as investors in the future. The TLC Group's directors and employees as a whole will make great efforts to represent a corporate group which can contribute to continuous development of society. Your continued support is greatly appreciated.



Kiyoshi Kanazashi

President and CEO
Tokyu Land Corporation

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日本中に笑顔があふれますように。

Assistance for Recovery from the Great East Japan Earthquake

We express our heartfelt sympathy to people affected by the Great East Japan Earthquake on March 11, 2011.

Tokyu Land Corporation Group will do our best to support the recovery from the Great East Japan Earthquake.

Launch of Disaster Area Assistance Project

After considering the possible contribution of the TLC Group, we launched a project to devote ourselves to quick assistance activities toward the recovery from the Great East Japan Earthquake, with the slogan of "Smile for Japan." We also have established a disaster area assistance project team and centralized information related to reconstruction assistance to transmit a summary of information to employees.

Furthermore a volunteer group consisting of the TLC Group employees has been established and has conducted assistance activities in the devastated areas.



Multiple volunteer activities by the TLC Group employees were implemented as needed. (Rikuzen Takata City, Iwate Prefecture)

For Launching the Project

The TLC Group defines CSR as providing solutions to social issues through business activities. In order to support the reconstruction of disaster areas, we deliberated concrete contents of assistance activities, taking into account linkages through business activities, i.e., use of the TLC Group's business resources.

Upon launching the project team, we decided to promote our unique assistance activities by meeting the needs of the devastated areas by doing what was possible as quickly as possible.

The volunteer group consisting of TLC employees mainly conducted the activities. In

response to requests for assistance activities, a number of employees registered themselves with the volunteer group, and applied for the assistance activities exceeding the enrollment limit. We intend to continue to promote the activities to contribute in the reconstruction of the areas affected by the disaster as much as possible in the future.



Hideyuki Takada
Project Team Leader
Manager of PR/CSR Promotion Department
Corporate Planning Division

Donation of Relief Money

The TLC Group donated relief money for supporting the reconstruction of devastated areas through Japan Red Cross.

TLC Group

66,071,724 yen in total (as of July 4, 2011)

[A total of 52,343,963 yen of additional contributions from TLC and the TLC Group* + a total of 13,727,761 yen of donation from customers]

* The amount of relief money contributed by TLC and the TLC Group includes donations from employees of group companies.

* Tokyu Group separately donated 100 million yen in total.

Provision of Supplies

Sympathizing with the concept of a project of "temporary housing × green curtain" hosted by a NPO, "Midori no Katen Ouen Dan," Ishikatsu Exterior, Inc. provided original potting compost to 208 households of four temporary compounds in Natori City and Tagajo City, Miyagi Prefecture. Other supplies offered by the TLC Group are as follows:

| Name of companies | Relief supplies |
|--------------------------|--|
| Ishikatsu Exterior, Inc. | Donation of relief supplies equal to a two-ton truck including clothes, daily necessities, and stoves to Kamaishi City |
| Tokyu Hands, Inc. | Donation of water, food, batteries, and other supplies to the devastated areas |
| Tokyu Sports Oasis, Inc. | Donation of 2,000 towels through Kawasaki City |

Revitalization of Japan from Ginza, Provision of Operating Space to Companies Proactively Conducting Reconstruction Assistance Activities

Ginza TS Building has conducted the “project for supporting reconstruction of East Japan from Ginza” to provide operating spaces to companies which proactively conduct activities to support reconstruction.

Aiming to dispel harmful rumors caused by the nuclear accident in Fukushima Prefecture, and vitalize tourism of Ibaraki prefecture, “*Komon March-Ibaraki Farm*,” a satellite store, started operation for a limited period of six months from July 2011. It was planned to have tasting corners for special local agricultural products, etc. and for experiencing Kasama pottery to have people be attracted to Ibaraki.

Various activities to support the reconstruction of devastated areas have been conducted at Ginza TS Building as a base for transmission of information, for example, opening “*Ginza Ikinari Market*” handling products of Kesennuma City, Miyagi Prefecture in October, and “*Ginza Tsunagaru Restaurant*” in November, aiming to build a bridge between people all over the Japan with the concept of “revitalizing Japan by eating and drinking in Ginza.”



Ginza Ikinari Market

Acceptance of Evacuees

Resort facilities possessed by the TLC Group accepted a total of 650 people affected by the disaster. About 50 evacuees moved into a company dormitory of Grandeco Resort in Urabandai, Fukushima Prefecture.

Charity Drive at Commercial Facilities

We have placed donation boxes in commercial facilities in order to collect contributions from customers. We implemented an event in which 1% of sales would be donated as relief money for three days from April 15 to 17, 2011 at Tokyu Plaza in Shibuya, Kamata, and Totsuka. As a result, 2,279,424 yen was collected and donated through Japan Red Cross.



Construction of Temporary Housing

In response to a request from Fukushima Prefecture, Tokyu Homes Corporation built 50 units of temporary housing in Aizu Wakamatsu City, Fukushima Prefecture. With up to 100 workers per day, Tokyu Homes Corporation and cooperative companies successfully completed the temporary housing within a short construction schedule with utmost effort.



Temporary housing

“Green Curtain” Project

In July 2011, we installed “green curtains” for 53 units of temporary housing and two meeting places in Aizu Wakamatsu city, Fukushima Prefecture. The “green curtain” refers to an energy-saving method to prevent the temperature of a building from rising by growing plants outside windows.

Hoping to enable residents to live as comfortably as possible, employees of TLC and Ishikatsu Exterior, Inc. worked on the installation of green curtains using materials provided by the TLC Group such as nets and potting compost, together with 13 student volunteers from the metropolitan area.



Installation of green curtains



After one month

Assistance for "Midori no Tohoku Genki Camp"



Works made by children who took part in the camp -Midori no Dream Plan-



Tree climbing



Shower climbing



Serving an authentic curry made by the chef of the Hotel Grandeco

The TLC Group is supporting "Midori no Tohoku Genki Camp" for the purpose of the psychological healthcare of children in the disaster areas.

This program is hosted by "Midori no Tohoku Genki Program Executive Committee" consisting of teachers of Tokyo Gakugei University, etc. with an eye to prevention of post-traumatic stress disorder (PTSD), in which children affected by the disaster are invited to a four days / three nights camp free of charge. In the camp, various activities are conducted, containing the following three elements; 1) safe and secure environment, 2) enjoying a sense of mastery by challenging, and 3) connecting the sense of mastery and secure feeling obtained in the camp to everyday life.

Sponsored by the Japan Tourism Agency, the Fukushima Prefectural Board of Education, the Japanese Association of Counseling Science, etc., the program is developed with the support from experts of outdoor activities and various other fields. The TLC Group supported and facilitated the program by providing albums and painting materials, an authentic curry made by a chef of the Hotel Grandeco, accommodation, transportation service by bus, an expert lecture about "a plan to create a green town," as well as by taking and distributing photos at the site.

Outline

Date: 1) from July 30 to August 2, 2011; 2) from August 20 to 23, 2011
 Venue: Onogawako Lakeshore Outdoor Activity Center (Kita Shiobara Village, Yama-gun, Fukushima Prefecture)
 Ensuring of secure feeling: Support by psychological and medical staff, Relaxation through "dohsa-hou," and counseling for parents
 Challenge program: Canoe, Shower climbing, Tree climbing, Building a tree house, Making art crafts, Bistro (creating a menu by looking at food ingredients)
 Program to connect the activities with everyday life: Making albums, Formulating a "Midori no Dream Plan"

Message from Midori no Tohoku Genki Program Executive Committee

"Midori no Tohoku Genki Camp" was held in collaboration with camping and psychology specialists for the purpose of preventing children in Fukushima and others affected by the disaster from suffering from adjustment problems and had a total of 150 participants in two sessions in July and August 2011.

The various aspects of the planning and support for the program was supported by the TLC Group including the Hotel Grandeco. In addition, the TLC Group provided us with backroom assistance for conducting various activities necessary for camping. We express our sincere appreciation in this regard.

Mr. Masayuki Kobayashi
 Chairman of Midori no Tohoku Genki Program
 Executive Committee
 Professor of Tokyo Gakugei University



Assistance Activities for Persons Affected by the Disaster

TLC and the Tokyu Resort Service Corporation sponsored "Fukushima Kodomo Hanabi" in Aizu/Anawashiro, which is a fireworks event aiming at revitalizing tourism in the Tohoku district, as well as providing entertainment for children who have evacuated to the Aizu district due to the nuclear accident in Fukushima prefecture.

The Grandeco Resort, a complex resort facility operated by Tokyu Resort Service Corporation, presented the children with fireworks.

Assistance activities for victims conducted by the TLC group companies are as follows:



| Name of Company | Details of assistance activities |
|----------------------------------|---|
| Tokyu Livable, Inc. | Provision of information on rented accommodation available to victims in the metropolitan area and Sendai |
| Tokyu Resort Service Corporation | Allowing members of the Tokyu Harvest Club who suffered from the disaster to use facilities without a ticket (ended on July 14, 2011) Distributing fans that were made in Tohoku |
| Ishikatsu Exterior, Inc. | Providing two-day business assistance to local cooperative business operators for the purposes of reconstruction |

Message from a Participant in Volunteer Activities

I went to Ishinomaki City, Miyagi Prefecture, with volunteers who were new employees and members of the personnel department using a volunteer support system soon after the consecutive holidays of Golden Week in May 2011. We cleaned mud out of houses damaged by the tsunami and did other physical work. After the volunteer activities, the house owner was crying as they expressed their thanks. I have never experienced such an expression of gratitude from another person. While going to help victims, I felt that I was encouraged by them. After that, I have continued to take part in volunteer activities on a personal basis during my holidays.

Mizuho Hosoda

Senior Housing & Leasing Department
Senior Life Division



Cleaning mud out of a house damaged by the tsunami/Cleanup work

Holding Charity Events

Our facilities implement charity events to revitalize the disaster-hit areas with customers.

The Grandeco Resort hosted "Smile Fukushima 2011 Challenge Cup Park Golf Competition for supporting the recovery from the Great East Japan Earthquake" at the Grandeco Park Golf Course with 116 participants to impress people with the lively and active atmosphere of Aizu in Fukushima prefecture. A charity bazaar was also held at the venue.

Futako Tamagawa Rise Shopping Center held Charity Sports Festa in cooperation with Tokyu Sports Oasis, Inc., and other parties. About 120 participants attended seminars such as "hip walking for beautiful legs," and "a professional way of running for beginners," etc.

Proceeds from both events were donated as relief money.



Charity Sports Festa

TLC Group Overview (as of the end of March 2011)

The TLC Group comprises a number of affiliated companies and a total of 15,923 employees across the Group. The TLC Group provides comprehensive solutions and is a producer of comprehensive lifestyle services for the needs of our customer in areas such as sales, leasing, management, and real estate agency services, contracted construction, property management, and retail sales.



Financial Data

● Financial Summary (consolidated)

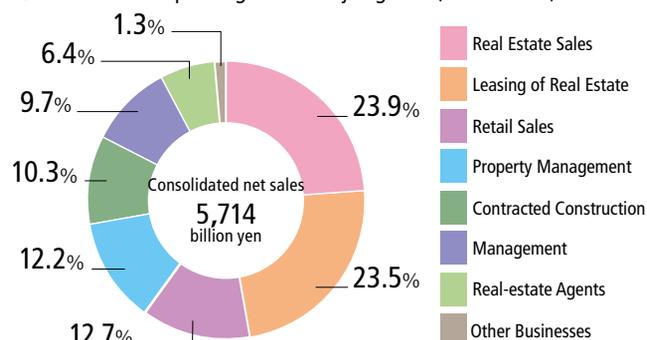
(Unit: ¥ billion)

| Consolidated | FY 2008 | FY 2009 | FY 2010 |
|-------------------|---------|---------|---------|
| Operating Revenue | 5,744 | 5,521 | 5,714 |
| Operating Income | 350 | 355 | 625 |
| Ordinary Income | 277 | 282 | 549 |
| Net Income | 102 | 111 | 116 |
| Total Assets | 10,357 | 10,554 | 11,614 |
| Total Net Assets | 2,225 | 2,310 | 2,398 |

(Unit: ¥)

| | | | |
|---------------------|------|------|------|
| Dividends per share | 8.00 | 7.00 | 7.00 |
|---------------------|------|------|------|

● Breakdown of Operating Revenue by Segment (consolidated)



Major Group Companies

See the website for each company for further details.

Tokyu Land Corporation (TLC)

(Listed on the 1st section of TSE)

As a comprehensive real estate developer, the Tokyu Land Corporation is developing business to achieve an affluent lifestyle that harmonizes human beings with the environment through business activities such as "office buildings," "commercial facilities," "housing," "resorts," and "residential facilities for the elderly and leasing." TLC is committed to responding to social issues and creating new value through business activities of TLC and its group companies.

URL:<http://www.tokyu-land.co.jp/>



Tokyu Community Corporation

(Listed on the 1st section of TSE)

With expertise in condominium/building management, Tokyu Community Corporation provides comprehensive services to support comfortable living/work environments, and serves as the best partner in creating future value. Our company develops business for each customer's lifestyle and assets as a social resource.



Tokyu Livable, Inc.

(Listed on the 1st section of TSE)

Tokyu Livable, Inc. is a comprehensive real estate marketing firm running four core businesses: brokerage services; leasing; sales contracting services; and real estate sales with the nationwide networks including 130 business establishments. The company is committed to communicating with customers to exactly fulfill their needs through community-based business activities.



Tokyu Hands, Inc.

With the company slogan of "Hint Market," Tokyu Hands, Inc. provides hints to make our lifestyle happier and more affluent through a wide range of products and various events, and helps individual customers to create their own unique lifestyle. In addition to 23 Tokyu Hands, Inc. stores all over Japan, the company operates "hands be" lifestyle shops, "Truck Market" a store open for a limited time, and "HANDS NET" an online store.



Tokyu Homes Corporation

Tokyu Homes Corporation is a comprehensive housing solution provider that provides affluent lifestyle products to customers in relation to new construction, renovations, interior finishing, and housing maintenance. Its major product is a North American-style imported house "Millcreek."



Tokyu Relocation Co., Ltd.

Tokyu Relocation Co., Ltd. is currently developing 15 Tokyu Stay hotels which are comfortable for both short and long stays, in addition to providing rental residence management and support services for effective use of private houses and corporate assets, and company housing management agency services.



Tokyu Sports Oasis, Inc.

In the present day when all individuals seek an "Oasis" in a broad sense, Tokyu Sports Oasis, Inc. provides sincere services and rich experience to all people wishing to lead a healthy and affluent life, based on the concept of "Warm heart."



Ewel, Inc.

As a welfare programs sub-contractor, Ewel, Inc. provides consistent solutions, such as consulting, system construction/operations, and customer-specific services to satisfy current needs, drawing on its accumulated experience and expertise in corporate healthcare and welfare services.



Agency services for welfare programs

Ishikatsu Exterior, Inc.

As a leading company in landscaping business, Ishikatsu Exterior, Inc. creates and produces landscape designs based on the principle that a garden becomes a view in 10 years, scenery in 100 years, and a natural feature in 1,000 years. It provides total environmental solutions, actively developing business that preserves and revitalizes biodiversity.



Tokyu Land Capital Management, Inc.

As an asset management company to compose and manage funds for domestic and foreign institutional investors and pension funds, Tokyu Land Capital Management, Inc. establishes appropriate compliance risk management systems and links "accurate understanding of investors' needs" and "real estate with definite management potential" to respond to trust of investors.



Asset Management

Tokyu Land SC Management Corporation

With an aim to contribute to community development and society, Tokyu Land SC Management Corporation provides a new sense of value in local citizens through operation, management, planning, and consulting of commercial complexes and spaces, serving as a linkage between customers and tenants.



Tokyu Resort Corporation

The Tokyu Resort Corporation promotes sales, brokerage, and leasing activities for resort products, membership, and other products. Offering quality services, Tokyu Resort Corporation helps each client enjoy a leisurely and comfortable resort experience.



Tokyu Resort Service Corporation

Tokyu Resort Service Corporation offers integrated resort management services including resort facility operation. Drawing on management expertise accumulated over some 40 years, Tokyu Resort Service Corporation applies its expertise to new contracting services for a wide range of resorts and seeks to contribute to the development and revitalization of local communities.



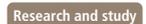
Tokyu E-Life Design, Inc.

With expertise and know-how in residential designs and facility operation, Tokyu E-Life Design, Inc. manages and operates "secure, warm, and comfortable senior housing facilities and nursing homes."



Tokyu Home & Lifestyle Research Center

With an objective to examine real estate/housing life marketing, Tokyu Home & Lifestyle Research Center, a think tank, conducts research on a variety of businesses, including urban development, and services related to resort, environment, and others. It is entrusted with extensive research by group companies, government offices, and municipalities.



Research and study

Real Estate Sales Leasing of Real Estate Retail Sales Property Management

Contracted Construction Management Real-estate Agents Other Businesses

Establishment of Environmental Vision

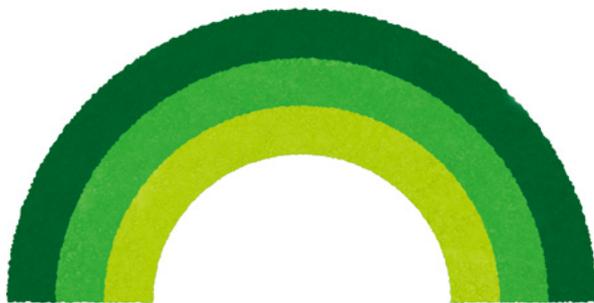
Furthering Promotion of Environmental Activities by Revising the Environmental Philosophy into an Environmental Vision

Under the Environmental Philosophy formulated in 1998, TLC has made efforts for environmental conservation in various businesses, regarding the global environment conservation as an important business issue.

In the 13 years since the “Environmental Philosophy” was established in 1998, we have conducted reviews in response to social changes, and have newly formulated the “TLC Group Environmental Vision” in order to further enhance environmental efforts.

TLC Group Environmental Vision

(The Environmental Philosophy established in 1998 and revised into the Environmental Vision in 2011)



都市と自然をつなぐ。ひとと未来をつなぐ。



東急不動産グループ

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



TOKYU LAND CORPORATION

TLC Group Environmental Vision

Environmental Philosophy

We will create value to connect cities and nature, and people with the future.

Environmental Policy

We will make efforts to harmonize the environment and the economy through business activities.

Environmental Action

We will tackle five environmental issues from three viewpoints.

Three viewpoints

- 1) Publicize a goal and implement action.
- 2) Endeavor to implement progressive activities.
- 3) Conduct community-based activities in collaboration with local people.

Five environmental issues

- 1) CO₂ reduction
- 2) Promoting biodiversity conservation
- 3) Conservation of water resources
- 4) Energy saving
- 5) Health care

Determination of an Environmental Message and Logo

In order to promote an understanding by stakeholders of the TLC Group's stance in working on environmental conservation, an environmental message and logo were determined together with the Environmental Vision.

The message of “creating cities co-existing with nature, creating a future for people” was determined. The catchphrase “creating cities co-existing with nature” represents our approaches to incorporating nature into cities through business activities, and “creating a future for people” represents our hope to achieve a future sustainable society, taking over and developing ancestors' efforts for environmental conservation. The message also means that the TLC Group will create value through business activities.

A three-layer green rainbow, a symbol in the logo, represents our posture of making efforts for environmental conservation by connecting cities and nature, and people with their future, the TLC Group with the people in a community according to the environmental philosophy, policy, and through action as a whole based on the Environmental Vision.

Establishment of the Environmental Vision by a Company-wide Working Group

In an awareness survey of related environmental conservation conducted in TLC prior to establishment of the Environmental Vision, although recognition of the significance of environmental activities was identified, our employees were not sufficiently aware of the necessity to connect those activities with actual business. In the decade since the establishment of the previous Environmental Philosophy, various changes have occurred in relation to the environment, for example, more severe environmental problems such as global warming and a global shortage of water resources, as well as the increasing significance of corporate environmental activities.

Therefore, a company-wide working group was established aiming to enhance the philosophy for activities for environmental conservation and the relevant future direction in response to needs of the times, and to win understanding among many people including our employees. During the course of dozens of meetings, the working group identified necessary activities for environmental conservation in the past business, and visualized and redefined the advantages of the TLC Group. It also deliberated the corporate ideal image, and studied the progressive activities of domestic and overseas companies and business models. As a result, the working group determined the direction for the creation of new value by conducting environmental conservation activities from three viewpoints through business activities, aiming at becoming a company which contributes to the creation of a sustainable society by implementing activities for environmental conservation.

With the establishment of the new Environmental Vision, we hope that the range of our stakeholders including our employees will understand the TLC Group's diligent efforts for environmental conservation and its philosophy. Aiming to continue to further promote environmental conservation activities, we are also instituting various actions in collaboration with local people.



A meeting

VOICE

Participation of a Consultant in the Process of Establishing the Environmental Vision

I took part in the process of formulating the next generation environmental strategy together with the parties responsible for assistance in the organization of environmental initiatives in business activities to date and determination of the scope of activities. I feel sympathy for TLC's strong intention to tackle environmental conservation through actual business as the company approach, in addition to a suitable social contribution. (Mr. Yasuhiko Nomura)

After many discussions, we finally managed to establish the Environmental Vision. I think persons actually in charge of projects would be able to conduct environmental activities aiming at a clear goal under the Environmental Vision. It is a wonderful message representing the corporate stance that the viewpoint of working on environmental conservation in collaboration with stakeholders was adopted into the action guidelines. I expect TLC to conduct environmental conservation activities with a consistent attitude in the future in accordance with the current Environmental Vision. (Mr. Dylan Scudder)



(Left) Mr. Dylan Scudder, Milestone Inc.
(Right) Mr. Yasuhiko Nomura, Fuji Xerox KDI

Environmental Conservation Activities through Business Activities



Futako Tamagawa Rise
(Joint project with Tokyu Corporation)



Palau Pacific Resort



Minoh Market Park visola



BRANZ Kawaguchi Sakaecho Park Front

| Five environmental issues | Contents | |
|---------------------------------------|----------|---|
| ① CO ₂ reduction | P.19 | Understanding of and a reduction in CO ₂ emissions at each facility to curb the global warming |
| ② Promoting biodiversity conservation | P.21 | Caring for ecological systems with promotion of green purchases, conservation of natural environment, and establishment of green guidelines |
| ③ Conservation of water resources | P.23 | Conservation of water resources with introduction of water-saving equipment and reuse of rain water and greywater |
| ④ Energy saving | P.24 | Promotion of a recycling society by a longer useable life for buildings, and the 3Rs (reduce, reuse, and recycle) |
| ⑤ Health care | P.25 | Reduction in hazardous chemical substances, implementation of health promotion programs |

Environmental Conservation Activity in Collaboration with the General Public Green Connection Project

What is the Green Connection Project?

The Green Connection Project started in October 2011, in which the TLC Group conducts environmental conservation activities in collaboration with the general public.

In this project, activities for forest conservation are supported at various linkages between the general public and the TLC Group. The goal is contribution to forest preservation of 1,000 hectares (equivalent to about 200 Tokyo Domes) per year.

In order to help resolve the five environmental issues (1) CO₂ reduction, 2) Promoting biodiversity conservation, 3) Conservation of water resources, 4) Energy saving, 5) Health care) in the TLC Group's Environmental Vision, we will make efforts for preserving forests which function to reduce CO₂, promoting biodiversity conservation, watershed conservation, produce timber, and maintain the landscape.

Outline of Green Connection Project



Significance of Forestry Functions and their Preservation

The Kyoto Protocol Target Achievement Plan (revised in 2008) stipulates that a 3.8% reduction of CO₂, which represents about two thirds of the 6% reduction target for forest absorption resources is to be maintained by CO₂ absorption by domestic forests.

Properly maintained forests have a lot of functions, for example, CO₂ absorption, promoting biodiversity conservation, watershed conservation, and enhanced disaster prevention. Appropriate maintenance (tree thinning, pruning, and weeding, etc.) is required to sustain

those forestry functions.

As 70% of national land is occupied by forests, Japan is said to be one of the most-forested countries in the world. However, the number of forests that have been abandoned without sufficient care is increasing and more forests do not fully function.

Protecting and improving forests to enable them to function healthily with support for forest conservation activities would lead to diverse global environmental conservation.

Well-maintained forests

The forest is soundly functioning with healthily growing trees thanks to sunlight.



A forest without sufficient care

The forest functions decrease due to stunted trees resulting from a shortage of sunlight.



2011 · 国际森林年

2011 is the International Year of Forests. TLC Group has worked on forest preservation as a forest supporter.

Environmental Conservation Activities in Collaboration with General Public

The TLC Group provides diverse products and services. The Green Connection Project would work when the general public contacts the TLC Group in various ways. Forest preservation activities are supported when our customers use the TLC Group, for example, purchase of a TLC condominium, use of an office building, or staying at a resort hotel. In other words, the Green Connection

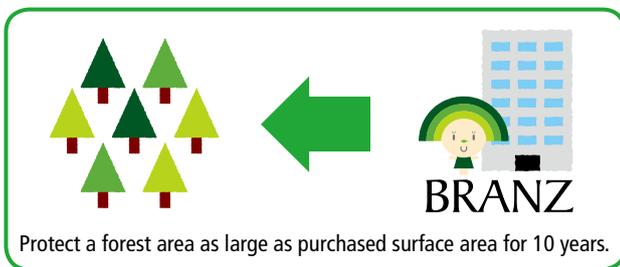
Project is a forest conservation activity conducted jointly by customers and the TLC Group. In addition to linkages with customers during business activities, we intend to implement ongoing expansion of a range of linkages such as becoming a shareholder of TLC.

We protect forests in collaboration with the general public.

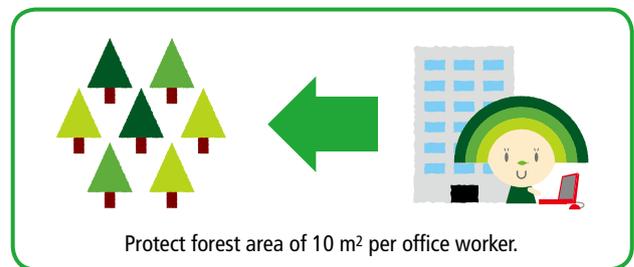


Linkages with the TLC Group

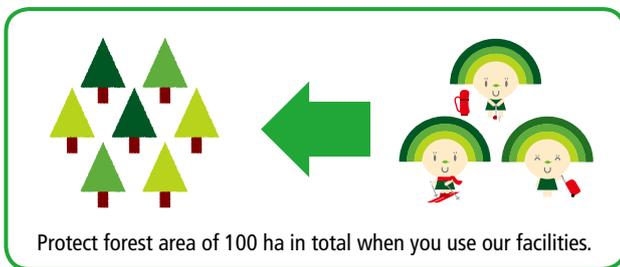
Purchase of condominiums



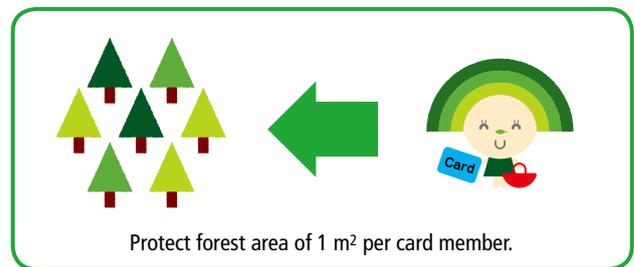
Use of office buildings



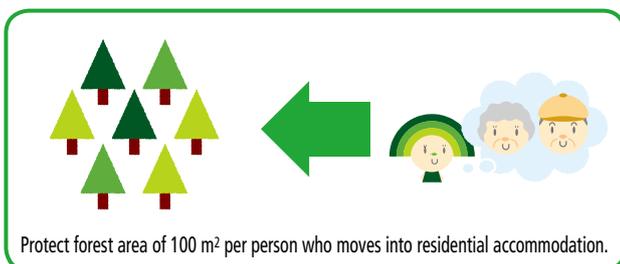
Use of resort facilities



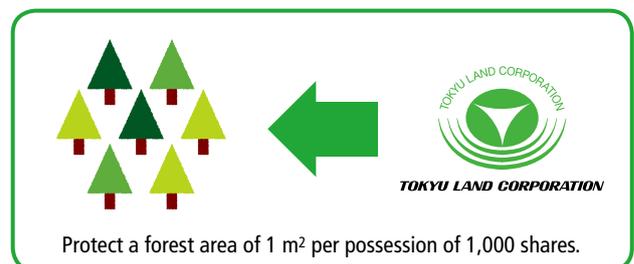
Use of commercial facilities



Moving into residential accommodation for the elderly



Ownership of shares



Social and Environmental Initiatives at Commercial Facilities

We are aiming to create shopping malls where you feel as if you were surrounded by a lot of greenery even in the city, and which are loved by and grow and harmonize with communities.

It's Always You.
TLC Shopping malls



Photo: Abeno Market Park Q's Mall

Abeno Market Park Q's Mall

-A newly opened environmentally conscious facility taking into account co-existence with the local community

Abeno Market Park Q's Mall (hereinafter referred to as "Q's Mall") is the largest shopping mall in Osaka prefecture and opened on April 26, 2011 as a project realized with comprehensive management by the TLC Group from development planning to final operation. In order to be a facility which can revitalize the entire community around a core of Abeno, various initiatives for the local community and environment have been made.

Efforts for Co-existence with and Development of the Local Community

Abeno is about to face a new change with promotion of a redevelopment project. Q's Mall has played a major role as a part of project. TLC has put emphasis on measures to deepen ties with the community, so that Q's Mall can become a facility which is loved by people in the community. One initiative is an expansion of the ways to use points accumulated by a customer by use of an original reward card when shopping. In addition to enjoying usual benefits, customers can accumulate points for programs beneficial to the local community. Those points are used for the local community. In this manner, customers, the local community, and the facility work together to revitalize the community. Furthermore, we are developing a "Welcoming Abeno-Tennoji Campaign" together with the railway companies whose trains enter the Abeno/Tennoji terminal and local stores, in order to improve the area's image. In this campaign, a walking event to visit historical sites in the town, a sales exhibition for local traditional vegetables, and clean-up activities have been implemented.

The buildings in Q's Mall used a method of segmenting the large-sized building by changing materials and colors for each block to reduce a feeling of crowding and harmonize with the townscape of the community.

TLC has also taken measures to prevent environmental deterioration of the town, such as traffic jams and illegally-parked bicycles, by preparing 1,500 parking lots for cars and about 2,000 for bicycles on the premises.

VOICE

Message from Director of Tennoji Zoo

After opening Abeno Market Park Q's Mall, TLC has conducted various activities and events, for example, the "Abeno Smile Project" aiming to contribute to the revitalization of the community. As the second stage of this project, a cape hyrax, a small animal in the savanna in Africa is scheduled to be donated for a space which is presently vacant in our zoo with points accumulated by reward card members. I really feel that TLC is conducting such activities aiming at a commercial facility which would develop together with the community.



Mr. Kenjiro Nagase
Director of Tennoji Zoo

Eco-friendly Facility

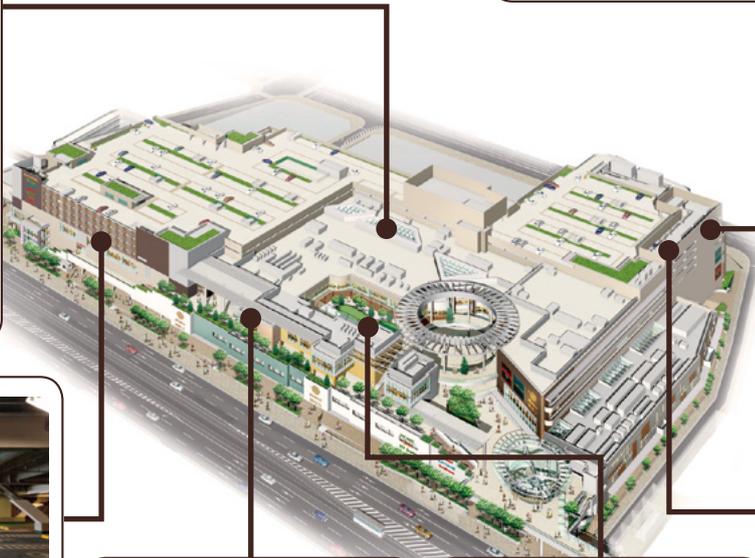
Q's Mall has adopted various measures to reduce environmental loads, including introduction of the largest-sized energy management system in Japan using cloud computing.



Daylight is used for a top light in the mall, and LED lighting system is used for downlighting to reduce power consumption.



Ducts for ventilation of parking lots were eliminated and the circulation of air on each floor is facilitated by suitable positioning of small fans.



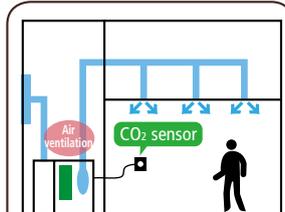
Power consumption used for air conditioning and lighting at common spaces has been reduced by using outdoor spaces.



Recyclable building materials and resource efficient building material are used. Plants are proactively planted on the roof and the wall, as well as around the building.



The energy management system makes it possible to comprehend the electricity consumption and CO₂ emission by stores so as to promote voluntary energy-saving efforts.



Air volume of ventilation is controlled according to CO₂ concentration in the facility which changes depending on the day of the week and time zone. Electric power used for air conditioning is reduced by using outside air.



The adoption of an "ice thermal storage system" in which cold energy produced during nighttime is used during daytime enables a shift in the peak time of power consumption and operation efficiency of heat source is improved.



Setting a larger difference than before between the temperatures of cold and hot water which is the heat source of air conditioning reduced the power consumption of the water pump by decreasing the necessary amount of water.

"Tokyu Plaza Omotesando Harajuku" - Creating a New Town following Abeno Market Park Q's Mall

"Tokyu Plaza Omotesando Harajuku" scheduled to open in April 2012 is a commercial facility to be constructed on the intersection of Meiji Street and Omotesando in the heart of one of Japan's busiest commercial area. TLC will create a new residential-type commercial facility co-existing with nature for the next generation, taking advantage of the excellent conditions of location.

At an open-air terrace on the roof, a rich, green environment symbolized by the forest of Meiji Shrine and Omotesando lined with zelkova trees will be reproduced to create an environmentally friendly facility in harmony with the townscape. By opening the terrace to the public so that people can fully enjoy the green environment even in the urban center, we will revitalize the local community and seek co-existence with nature.

TOKYU PLAZA
OMOTESANDO HARAJUKU



Robust and Transparent Management Structure

As a member of the Tokyu Group in pursuit of creating beautiful living environment, the TLC Group aims to establish a structure that ensures robust and transparent management, in order to perform our social responsibilities and enhance corporate value.

The Tokyu Group Group Philosophy

Mission Statement

Management Policy

Guidelines for Action

We hold this philosophy in common as we work together to create and support the Tokyu Group.

■ Mission Statement

We will create a beautiful living environment, where each person can pursue individual happiness in a harmonious society.

■ Management Policy

Work independently and in collaboration to raise Group synergy and establish a trusted and beloved brand.

- Meet current market expectations and develop new ones.
- Manage in harmony with the natural environment.
- Pursue innovative management from a global perspective.
- Value individuality and make the most of each person.

Through these means, we will fulfill our corporate social responsibilities.

■ Guidelines for Action

Fulfill your responsibilities.
Collaborate to enhance each other's abilities.
Reinvent yourself with a global awareness.

TLC Group's Approach to CSR

We believe that CSR means providing solutions to social issues through business activities and enhancing shareholders' satisfaction. As a member of the Tokyu Group, we share "The Tokyu Group Philosophy" and place our CSR activity as a pillar of management; we therefore formulated the "TLC Group Social Contribution Policy," and the "TLC Group Environmental Vision" (* See P.9). Concurrently, we are committed to enhancing corporate value by promoting quality control and safety measures, reinforcing corporate compliance, and promoting/strengthening our risk management system.

TLC Group CSR Promotion Structure

The TLC Group has set up the CSR Promotion Committee that is formed from company executives within the group who are in charge of CSR. In addition, the Compliance Council and Environment / Social Contribution Council have been established within the Committee respectively to ensure compliance and risk management and to promote social contribution.

■ Diagram of the TLC Group's CSR Promotion System



TLC Group Environmental Vision

Reviewing the "Environmental Philosophy" established in 1998 in response to social changes, we newly formulated the "TLC Group Environmental Vision" to indicate the direction of environmental activities of the entire TLC Group in 2011. (* See P.9)

TLC Group Social Contribution Policy

We endeavor to seek solutions to social issues by providing products and services that are unique to the TLC Group in order to provide fulfilling living environment to all people.

<Four Areas of the TLC Group Social Contribution>

Providing Safety and Security /
Contribution to Local Communities / Childcare Support /
Nursing Care Support

Corporate Governance

• Corporate Governance System

TLC has implemented an executive officer system to separate the functions for decision-making and supervision on management policies, from those related to the execution of duties on business affairs to thereby strengthen corporate governance and increase management efficiency. In addition, from the standpoint of strengthening consolidated management of the TLC Group, the presidents of the major group companies attend the Group Management Committee.

The Board of Directors functions as the highest decision making body and is responsible for management policies and ensuring execution of duties by the directors. Board meetings are held on a monthly basis, and extraordinary board meetings are held as necessary. For fiscal 2010, a total of 15 board meetings were held. The role of the statutory auditors is to attend important meetings and correctly assess the corporate status, and effectively supervise TLC and the group companies' operations and directors' execution of duties. Transparency in the management by appointing three external auditors in the four members Board of Statutory Auditors.

• Internal Control Systems Framework

At TLC, compliance management is ensured as a result of the determination by the Board of Directors of resolutions to enforce fair business practice across the TLC Group while advancing internal control framework, and validating progress on a regular basis. TLC has also established the Internal Audit Department in order to guarantee independency and fair practice of the internal control system. The Internal Audit Department conducts internal auditing of overall business practices of TLC and its subsidiaries, and objectively and justly examines and validates the legality and appropriateness

of management/operation systems and business conditions, and initiates improvement in business practices.

Compliance

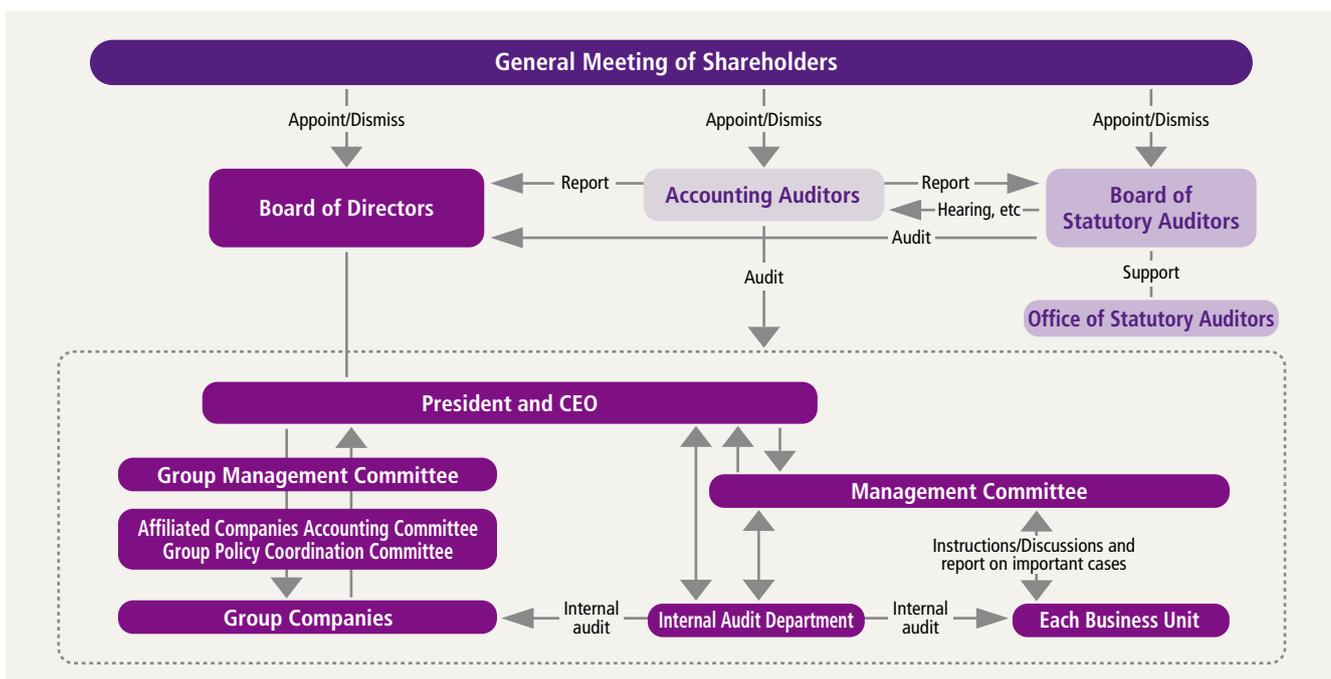
The TLC Group has a compliance system in place that consists of committees such as the "TLC Group CSR Promotion Committee," and endeavors to ensure compliance management in accordance with the "TLC Group Code of Conduct." To supplement the Code, we have implemented the "TLC Group Compliance Manual," which outlines each item in the Code of Conduct more specifically, as a tool for our employees to put compliance into practice. Furthermore, we hold compliance trainings periodically to familiarize employees with compliance issues in order to establish a culture of compliance within the Group.

• Initiatives to Raise Awareness-raising Measures

TLC formulates "Compliance Program" in each fiscal year to plan compliance activities for that year. To ensure awareness of compliance and appropriate business practices, TLC conducts rank-specific trainings periodically for all executives, employees, contract workers, and temporary staff. For fiscal 2010, a total of 32 such training courses were initiated, on the topic of compliance, legal matters, and financial instruments and exchange business. At the same time, a compliance e-learning program has been implemented via the intranet for all employees since fiscal 2009.

Furthermore, a List of incidents related to compliance as well as information on laws and regulations that affect our business have been made accessible. Compliance trainings have been also extended to directors and employees of the TLC Group companies in order to raise compliance awareness across the Group.

■ Corporate Governance System





Compliance training

• Helpline System

The TLC Group has a “Compliance Helpline” (whistle-blowing compliance hotline) in place as a mechanism to prevent and remediate any violation of law or fraud. The external helpline is also available for employees to consult with independent attorneys on compliance issues.

• Compliance with the Financial Product Trading Business

In accordance with the enforcement of Financial Instruments and Exchange Act, TLC is registered as a Type II Financial Instruments Business and an Investment Advisory and Agency Business. We are endeavoring to upgrade our business structure by strengthening the organization and establishing necessary company regulations. Furthermore, we are also working to build our internal management and control system and its validation system based on the PDCA management cycle to enhance compliance with law and regulation.

Furthermore, “basic training for securitization of real estate” and internal seminars concerning “Financial Product Trading Business Manual” are held on a regular basis in order to familiarize employees with relevant laws and regulations, etc.

• Policy for Anti-social Forces

The “TLC Group Code of Conduct” clarifies the principle of no association with anti-social forces. It is stipulated in the Code of Conduct that we shall construct close connection with police, attorneys and other external institutions within the context of our day-to-day business activities, and stand firm against any demands from anti-social forces. TLC also released “Guidelines for Anti-social Forces” and “Anti-social Forces Policy Manual” to prescribe actual preventive and handling procedures of anti-social forces and disseminating the guidelines and manual through compliance trainings for employees.

TLC Group Code of Conduct

1. Compliance with Law and Regulation and Fair Trading

- Ensure compliance to applicable laws and regulations.
- Ensure best practice in material procurement and fair trade.
- Ensure compliance with fiduciary responsibility in the execution of duties.
- Never connect with anti-social forces.

2. Ensuring Customer-oriented Awareness

- Identify customer needs and develop product to meet their needs.
- Prompt and dedicated response to customers’ comments and requests.
- Customers’ safety and security comes first when providing products and services.
- Provide a suitable and appropriate explanation and marketing of our products and services.

3. Suitable Execution of Duties

- Responsible execution of duties, keeping concepts of “speed” and “evolution” in mind.
- Nurture organization culture of placing emphasis on “Collective wisdom.”
- Take advantage of combined strength of the corporate group.
- Ensure proper decision making process.
- Proper management of rules.
- Proper negotiations with business associates.

4. Proper Management of Information

- Operate appropriate document and information management system.
- Proper management of confidential information and compliance with confidentiality obligation.
- Prohibit insider trading.
- Timely and appropriate information disclosure and PR activities.
- Internal control to ensure proper accounting and financial reporting.

5. Ensuring Good Faith in Business Conduct

- Preserve corporate assets.
- Ensure a robust, safe, and comfortable working environment.
- Respect human rights.
- Contribution to society and consideration of the environment.
- Reasonable business entertaining and gift-giving.
- Clear distinction between business and personal matters.

Risk Management System

• Day-to-Day Risk Management

Upon risk identification and assessment, the TLC Group has established a PDCA (plan, do, check, act) cycle as the risk management system. Critical risks that are project-specific to TLC are to be discussed at "Management meetings" and then comprehensive risk management is carried out accordingly. Furthermore, TLC promotes risk management activities across the TLC Group through "TLC Group CSR Promotion Committee."

• Crisis Management in the Event of a Disaster

TLC will respond to a disaster or other situation associated with a risk or occurrence of urgent and critical loss in accordance with the "Emergency Response Provisions," shall distribute all necessary information, make decisions in an appropriate manner, and take measures to minimize damage.

Moreover, TLC formulated "Emergency Response Basic Manual" stipulating code of behavior in an emergency, and individual manuals for large scale earthquakes and other diverse crises. TLC also developed business continuity plans (BCP) for a head office and individual businesses to avoid business interruption.

Information Management and Disclosure

• Information Management System

With the objective of appropriately managing the information required for our business operations, TLC has constituted "Information Management Provisions" to stipulate information sharing to increase efficiency of business operations, to prevent breach of confidence, and ensure adequate information disclosure. On the other hand electronic information shall be handled on the base of "Electronic Information Security Rules" that are to be observed by directors and employees regarding information usage monitoring by information managers, information terminal use, and other electronic information related matters.

• Protection of Personal Information

TLC has issued "Personal Information Protection Rules" to require all employees to observe relevant laws and regulations. To disseminate the rules and raise awareness of personal information protection, TLC has distributed a "Personal Information Protection Manual" and conducts training on related matters. In addition, TLC pays close attention to choosing business and outsourcing partners, and promotes appropriate supervision in order to ensure information protection. Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu Relocation Co., Ltd., and Ewel, Inc. have obtained a Privacy Mark that guarantees personal information to be safely managed and protected.

• Prohibition of Insider Trading

In order to prevent insider trading that clearly is in breach of the Financial Instruments and Exchange Act, TLC established "Provision of Insider Trading Prohibition" to thereby raise awareness of the provisions through compliance trainings and e-learning programs.

• IR Activities

TLC is committed to providing information to shareholders and investors in a fair, accurate and timely manner. With respect to disclosure, TLC ensures strict compliance with applicable laws and regulations. We also disclose information on management strategies and our financial position to extensively promote understanding of our business activities.

We are pleased to note that TLC earned Internet IR Excellent Company Award 2010 from Daiwa Investor Relations (Daiwa Securities Group), won first place in Fiscal 2010 Listed Company Web Site Quality Ranking by Nikko Investor Relations, and won the Bronze prize in IR Site Total Ranking 2011" by Gomez Consulting.



Daiwa Investor Relations
(Daiwa Securities Group)
"Internet IR Excellent Company
Award 2010"



Nikko Investor Relations
"Fiscal 2010 Listed Company Web
Site Quality Ranking" First Place
Nikko Investor Relations webpage:
<http://www.nikkoir.co.jp/>



Gomez Consulting,
"IR Site Total Ranking 2011"
Bronze prize

Five environmental issues (1)

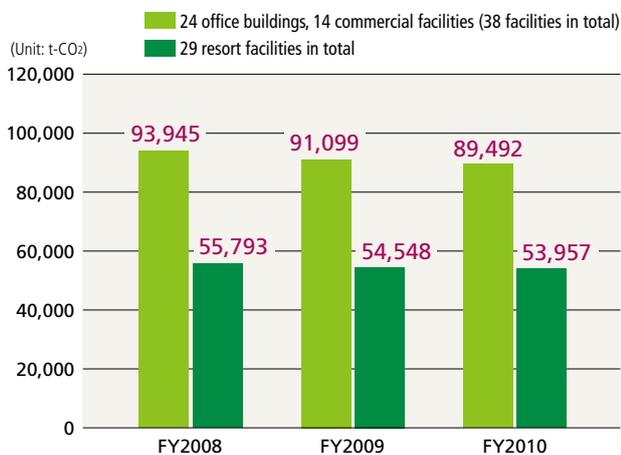
CO₂ Reduction

The TLC Group is committed to reducing CO₂ emissions to achieve a low carbon society in various scenes of business activities for the purpose of curbing global warming.

Environmental Conservation Activities of the TLC Group

The TLC Group is tackling reductions in CO₂ emissions in accordance with the Revised Energy Saving Act and other laws and regulations, as well as the "Voluntary Action Plan on the Environment" of participating industry organizations.

CO₂ Emissions from TLC's Major Facilities



* CO₂ emissions are calculated with following emission factors defined for each emission source:
 Electricity: 0.561 t-CO₂ / thousands kWh
 City gas: 2.08 t-CO₂ / thousands m³
 Propane gas: 3.00 t-CO₂ / t
 Gasoline: 2.32 t-CO₂ / kL
 Light oil: 2.58 t-CO₂ / kL
 Heavy oil: 2.71 t-CO₂ / kL
 Kerosene: 2.49 t-CO₂ / kL
 Heat supply: 0.057 t-CO₂ / GJ

Energy Data Collection System

TLC is promoting actualization of three issues related to reductions in CO₂ emissions.

- 1) "Internal actualization" underlying energy-saving activities
- 2) "Actualization for customers (tenants)" of leasing buildings
- 3) "Actualization for society and governments" with smooth response to the Energy Saving Act and ordinances of prefectural governments, as well as information disclosure to the public

To this end, in August 2010, TLC introduced a system to control energy consumption at about 200 bases (excluding housing,) such as office buildings, commercial facilities, and resort facilities possessed or used by TLC.

This system enables centralized management of data

on consumption of electricity, gases, and water via Internet and comparative analysis with target values or the previous data. Using this system, TLC promotes its own activities to reduce CO₂ emissions, and comply with laws and regulations, such as the Energy Saving Act and Tokyo Metropolitan Ordinance on Environmental Preservation.

Environmental-conscious Housing and Facilities

At houses, commercial facilities, office buildings, and other facilities developed by the TLC Group, self-assessment on environmental performance is conducted. Some facilities are also evaluated by third parties, such as "Tokyo Green Labeling System of Condominiums" and "Comprehensive Assessment System for Building Environment Efficiency (CASBEE)."

Facilities assessed by third parties

(Completed in FY2010/Scheduled to be completed in FY2011)

| Environmental Performance Certification | Project names |
|--|---|
| Tokyo Green Labeling System of Condominiums *1 | BRANZ Geo Todoroki (3 stars in all four criteria)/ BRANZ Shinonome (3 stars in all five criteria) |
| CASBEE*2,3 | Futako Tamagawa Rise Tower & Residence (Rank A)/ BRANZ City Konandai Uguisu no mori (Rank A)/ Asumigaoka Higashi THE GRAND (Rank S) * only some houses / Abeno Market Park Q's Mall (Rank A)/ BRANZ Joto Sekime (Rank A)/ OSAKA Fukushima Tower (Rank A)/ BRANZ Shonaidori (Rank B+)/ BRANZ Abiko (Rank A)/ BRANZ City Miyakojima Tomobuchicho (Rank B+)/ BRANZ Sakuranomiya (Rank A)/ BRANZ Shitennoji Yuhigaoka (Rank B+)/ BRANZ Oimazatominami (Rank B+)/ BRANZ Mizuho Undojo Higashi (Rank B+)/ BRANZ Mikuni South Residence (Rank B+)/ BRANZ Kyoto Kawaramachi (Rank B+) |

*1 Tokyo Green Labeling System of Condominiums: There are five criteria of environmental-consciousness; 1) building insulation, 2) energy efficiency of equipment, 3) solar power generation and solar heat, 4) measures to enhance building life and 5) green spaces. Projects are rated for each criterion by 1-3 stars. (Until 2009, four criteria excluding "solar power generation and solar heat")

*2 CASBEE (Comprehensive Assessment System for Building Environment Efficiency): evaluates buildings by their environmental performances on a five-point scale (S, A, B+, B-, C.) It is a nation-wide standard.

*3 Partly including labeling based on CASBEE by local governments

Nature-friendly Lifestyle Starting at BRANZ

BRANZ Series, housing developed by TLC, are built based on three concepts, "spartan craftsmanship," "sophisticated sense of space," and "lifelong support." Especially in consideration of "prudent manufacturing practice," TLC

plans products to achieve environmental-conscious lifestyle with high insulation of building, LED lighting system, and use of natural energy. TLC also suggests eco-friendly lifestyle while informing customers of effectiveness of reduction in CO₂ emissions at the time of installing energy consumption monitoring system, and purchasing a house.



Solar panels for solar power generation of "BRANZ Higashi Ikebukuro"

Efforts for Popularization of Environmental-conscious Smart Houses

Tokyu Homes Corporation developed "new environmental-conscious concept housing" based on three concepts, "use of natural energy," "long-life and durable house," and "low life-cycle costs," and announced it in August 2011. As for use of natural energy, in addition to passive design which is conscious about solar insolation and ventilation, and well sealed/high insulation specification, the house is equipped with large-sized solar power generation systems, and energy-related technologies. In order to achieve a "long-life and durable house," more durable materials were adopted for building exteriors, in addition to a suggestion on a space capable to respond to long-term life stages. Tokyu Homes set relatively lower prices so that a lot of customers can easily purchase a house, aiming at promoting the popularization of energy-saving houses with less CO₂ emissions in Japan.



Exterior of the "new environmental-conscious concept housing"

CO₂ Reduction with Introduction of LED Lighting System

In various facilities, lighting and air conditioning consumes a lot of energy. CO₂ emissions can be reduced by switching them to energy-saving models.

In FY2010, beginning with experimental introduction of

LED lighting systems into the head office of Tokyu Land Corporation, Tokyu Hands, Inc., Tokyu Sports Oasis, Inc., and Tokyu Resort Service Corporation promoted the introduction of the systems into their stores and facilities.

Suggestions on Energy Saving to Customers

The TLC Group makes suggestions on energy-saving methods to not only Group Companies but also customers. Tokyu Livable, Inc. suggests for owners of properties to use highly efficient lighting equipment which ensures brightness with light reflectors while halving the number of fluorescent lights.



Light reflectors



After installation of fluorescent lights

Tokyu Community Corporation diagnoses energy efficiency of properties of which management has been trusted to the company with condominium energy conservation checklist prepared, and makes suggestions on effective energy-saving methods. Tokyu Homes Corporation and Tokyu Relocation Co., Ltd. proactively make suggestions on properties highly capable of saving energy and upgrading equipment with an eye to energy saving.

Adoption of Rental Plants to Offset Carbon

It is considered that foliage plants at an entrance and a reception area of office buildings contribute to preventing dryness thanks to evaporative moisture from leaves, in addition to the healing effects from seeing greenery. TLC has adopted rental plants to offset carbon for some buildings operated by TLC.



You are able to know offset amount of carbon with tags attached to each plant pot.

Five environmental issues (2)

Promoting Biodiversity Conservation

The TLC Group makes efforts for promoting biodiversity conservation through TLC's participation in "Japan Business and Biodiversity Partnership," procurement of timber taking into account the ecosystem of forests, and progressive landscaping technologies.



Participation in COP 10 "Interactive Fair for Biodiversity"

Participating in "Interactive Fair for Biodiversity" held together with COP 10 in Nagoya city, Aichi prefecture in October 2010, the TLC Group presented our approaches to environmental conservation, centering on green technologies and natural conservation through management of the "Palau Pacific Resort."

Tokyu Hands, Inc. held workshops for kids, "Cutting thinned wood" and "Acorn pinching with chopsticks."



Local staff of Palau Pacific Resort participated in the Fair.



Cutting thinned wood workshop held by Tokyu Hands, Inc.

Nature Walk to Deepen Understanding of Nature

In order to protect biodiversity, it is important for each person to recognize the significance of biodiversity and its protection.

Condominiums and detached homes of TLC provide programs for natural experience, such as in agriculture and forest preservation, to customers who are embarking on a new life experience. For example, "BRANZ GARDEN Asumigaoka Higashi" implements parent-and-child nature walks at neighboring *Showa no Mori Park*.



Parent-and-child nature walk

Implementation of Activities to Conserve Endangered Butterflies, etc.

"Grandeco Resort" a resort facility in Fukushima prefecture which is operated by Tokyu Resort Service Corporation, holds an event to observe chestnut tiger butterflies which are biologically rare, and mark the butterflies captured by participants to record their travel. The travel record is available on the website of Grandeco.

"Tokyu Resort Town Tateshina" supports the "Chino

Aporia Hippiia Butterfly Outing" which addresses activities to protect *Miyamashirocho* (*Aporia Hippiia japonica* Matsumura) designated as an endangered species, and also holds nature observation events.



"Asagimadara" (chestnut tiger butterfly)

Creation of Places where Creatures Gather

In order to improve regional biodiversity, it is necessary to not only increase plants, but also create an environment to gather creatures. Planting of flowering plants attracts butterflies and other insects, and then birds feeding on them increase. Like this, it is expected that biodiversity is gradually increasing.

"Hunter Mountain Shiobara," a ski resort in Nasu Highlands, Tochigi Prefecture, operates as "Hunter Mountain Lily Park" during summer season. It is Japan's largest lily park in which five million colorful lilies of 50 kinds bloom mainly in a ski area as vast as 99,000m².

"Tanbara Ski Park" in Tanbara Highland which was



Hunter Mountain Lily Park

certified as Gunma Prefecture environmental GS (Gunma Standard) business operator in FY2010 operates as "Tanbara Lavender Park," planting 50,000 stocks of lavender during the summer season. Both parks are contributing to promoting biodiversity conservation in the regions by attracting many insects around flowers. As Ski resorts which used to run a business only in ski season became able to operate in summer, employment opportunities in summer are created and local economy is revitalized.

Preservation of Existing Trees

In order to preserve as many original ecological systems as possible, it is desirable to use the existing trees in the region. "BRANZ Seta," a condominium, was designed using existing zelkova trees as a symbolic tree at the entrance.

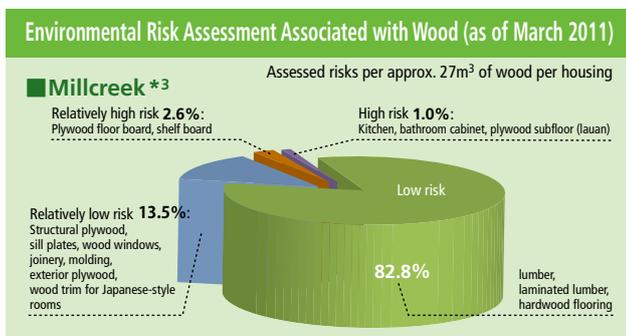
"Tokyu Harvest Club Atami Izusan & VIALA," a membership resort hotel scheduled to be completed in May 2013, carries out a green project using existing trees and land features of hillside to lower environmental loads.



Exterior (architectural rendering) of "Tokyu Harvest Club Atami Izusan & VIALA"

Fair Wood Procurement

Tokyu Homes Corporation proactively promotes fair wood procurement*1 with the "Lumber Procurement Policy" established incorporating international procurement standards. Assessment of wood-related environmental risks is implemented in cooperation with FoE Japan*2, an international environmental NGO. Based on results of the assessment, continuous improvement activities are conducted.



*1 Fair wood trading refers to not only that trees are legally harvested, but also that they are logged in an environmental conscious manner and represents purchase of only socially-fair wood (no endangered species, no illegal logging or trading, no adverse effect on ecosystem or indigenous people.)

*2 Japan office of FoE (Friends of the Earth,) an international environmental NGO

*3 North American-style homes (custom built)

Promoting Biodiversity Conservation with Green Housing

In "BRANZ Shinonome" scheduled to be completed in February 2012, a regional ecological corridor is being created by various methods for attracting insects and birds, for example, planting a symbolic tree at a patio, greening, and setting birdhouses.

"BRANZ GARDEN Asumigaoka Higashi" has been developed in Chiba City, Chiba Prefecture, and lies adjacent to *Showa no Mori Park* which has an area as large as 22 Tokyo Domes. Various implementations have been put into action to take advantage of this favorable natural environment. Trees are planted in a row so that wild birds, etc. can easily travel even in a town area, and eco-friendly planting design has been achieved with food-producing trees and flowering plants attracting wild birds and bugs.



Town scenery of "BRANZ GARDEN Asumigaoka Higashi"

VOICE

Approaches to Promoting Biodiversity Conservation in "BRANZ GARDEN Asumigaoka Higashi"

Superiority of "BRANZ GARDEN Asumigaoka Higashi" is attributed to a plan in which an "ecological corridor" is formed centering on neighboring vast *Showa no Mori Park* with the gardens of individual houses. The gardens of houses include various means of attracting birds from the park, and planting is designed taking into account regional vegetation such as *benthamidia japonica*. We believe that such approaches to regional promoting biodiversity conservation would lead to an improvement in value of the residential area.



Mr. Shiro Wakui
Professor of Environmental and Information Studies
Tokyo City University

Five environmental issues (3)

Conservation of Water Resources

The TLC Group makes efforts for conserving water resources by introducing diverse water-saving equipment to save water in business activities in TLC's office buildings, commercial facilities, and resort facilities.

Conservation of Water Resources with Water-saving Equipment

In various housing and facilities developed by the TLC Group, a range of water-saving equipment has been introduced, for example, water-saving faucets, and equipment to adjust the volume of water for dish washers and a toilet bowl. The TLC Group is also proactively tackling reuse of rain water. In "Futako Tamagawa Rise Tower & Residence," a condominium completed in 2010, a system has been introduced in which rain water that penetrates to and is stored in a tank placed in the green area is reused for watering a green area.



Water-saving toilet and a smart controller capable to adjust the volume of water (Example)

In "Totsuka Tokyu Plaza," industrial water is used to flush a toilet. The industrial water is purified with fewer chemicals, and distributed from a water treatment plant by using not electricity but a difference in height of land. Therefore, this system features generally lower environmental loads.

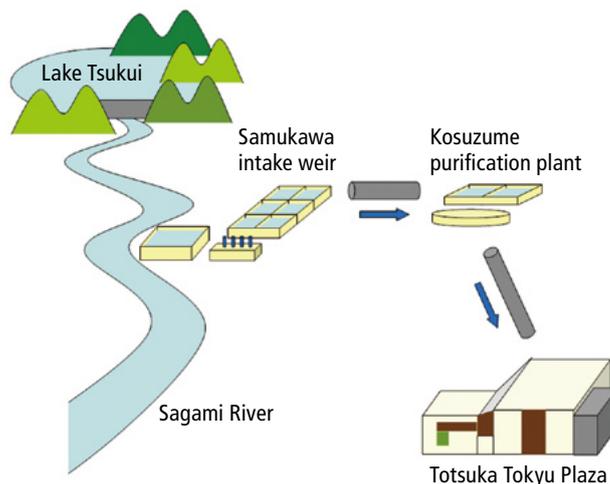


Image of water source of industrial water

Self-water Purification at Resort Facilities

In the Republic of Palau, while public water supply is available, it is not suitable drinking water as water quality is very poor due to corrosion in piping, etc. Since there is not enough rainfall during a drought period from January to April, the public water supplies might run dry. Moreover, in recent years, El Nino has made the situation during the drought period more serious.

Taking into account such circumstances, "Palau Pacific Resort" has operated a hotel with drinking water generated by its own private water supply facilities since opening, and taken measures for saving water to protect water resources in Republic of Palau.

Other Initiatives

For Raising Employees' Awareness of Environmental Issues

Since FY2009, TLC encourages employees to take the Certification Test for Environmental Specialists (Eco Test) hosted by the Japan Chamber of Commerce and Industry, in order to raise employees' awareness of environmental issues and complement environmental education.

In FY2010, TLC introduced a system in which the company pays all costs to take the examination to facilitate efforts to increase the number of employees certified as environmental specialists.



Supporting Environmental NPO with Customers

Tokyu Sports Oasis, Inc. launched "Oasis Blue Project" in commemoration of the 25th anniversary in 2010. In July and August, fund-raising activities were conducted at various events and activities on the theme of CO₂ reduction. During the period from September to October, one yen was accumulated for each use of Oasis, and the accumulated money was donated to the Japan Fund for Global Environment of the Environmental Restoration and Conservation Agency. In FY2011, TLC is committed to supporting the recovery from the Great East Japan Earthquake.



Five environmental issues (4)

Energy Saving

The TLC Group makes efforts for recycling and saving resources in business activities, as well as longer life of housing and facilities, aiming to achieve a recycling society.

Energy Saving with Longer-life Housing

In accordance with the "Act on Promotion of Dissemination of Long-term Superior Housing" (enforced in 2009), "BRANZ Aobadai 2 Chome" completed in September 2011 acquired the Long-term Superior Housing Certification.

TLC's condominiums have acquired the highest three-star rating for "measures against deterioration" in the Housing Performance Indication System, in consideration of quality of concrete.

Great Reduction in Waste during Renovation Works

Tokyu Homes Corporation is developing "*Kurashi UP GREEN*," environmental-conscious renovation.

In renovation, waste is reduced by about 90% compared to new construction by effectively using existing buildings. At the same time, life of buildings would become longer with new equipment and enhanced structure.

Saving and Recycling of Resources in Business Activities

The TLC Group promotes thorough separate collection and recycling of wastes. In relation to office buildings and commercial facilities, appropriate disposal has been implemented in relation to waste materials at construction, provide education to management companies, and call for cooperation of tenants.

Tokyu Resort Service Corporation is promoting recycling

of waste oil from restaurants in hotels, golf courses, and ski resort facilities managed by Tokyu Resort Service, and switching from disposal chopsticks to ordinary ones.

Use of Wood Cut for Improvement of Company-owned Forest

TLC makes bamboo smoked chips in the company-owned forest in Ichihara city, Chiba Prefecture, and uses the chips as materials for soil amendment of home garden spaces at some detached homes sold in "BRANZ GARDEN Asumigaoka Higashi." We also use wood which was cut during forest improvement activities for plant name tags and woodchips.

In "Asakura Golf Club," logged wood is made into chips and recycled in the facility by Ishikatsu Exterior, Inc. At the same time, fallen leaves and lawns are turned into compost.



Home garden spaces

Products to Make Ecological Efforts in Everyday Life

Tokyu Hands, Inc. offers carefully selected products to effectively use limited resources taking into account the environment as a series of "Ecology in Your Hands."

Dispatch of Lecturers for School Education

The TLC Group participated in "Interactive Fair for Biodiversity" held with COP10 in 2010, and introduced our environmental approaches. In response to request from a teacher of Gifu Prefectural Ogaki Higashi High School who also participated in the fair, we dispatched employees to the school as lecturers for environmental education.

In a class at the school, the global environmental issues and the TLC Group's environmental initiatives were presented on the theme of "Environmental Conservation and Corporate Efforts." Students seemed to become strongly interested in the theme, and asked a specific question on green wall technique. We received valuable feedback from students

who attended the class, for example, "I became interested in environmental activities," and "Despite a general impression that real estate business operators are not enthusiastic about environmental conservation, I got to know that TLC was an exception."



Classroom Lecture

Five environmental issues (5)

Health Care

Considering that environmental conservation would lead to physical health, The TLC Group conducts health-conscious activities.

Compliance with Laws and Need for Toxic Chemicals Reduction

At the TLC Group's office properties, resort and commercial facilities, we are committed to a reduction of toxic chemicals that have an impact on the environment, and handle these substances in accordance with the applicable laws and regulations. CFC (chlorofluorocarbon,) which is used as air-conditioner coolant and PCBs, for condensers, are properly managed or discarded in accordance with the required procedures without leaks or discharges in accordance with the corresponding regulations.

Control measures and procedures in relation to asbestos and contaminated soil are implemented when required in light of the site investigation results.

Creation of Healthy Housing by Reducing Chemicals

In response to increasing cases of sick house syndrome in recent years, the Japanese Building Standards Act has introduced a ban on two chemical substances, and the Ministry of Health, Labour and Welfare (MHLW) has issued guidelines for air concentration levels for 13 chemicals. TLC's condominiums and detached housings employ construction materials with the highest rating of F4-stars in JIS/JAS evaluation system, and acquired the highest grade 3 for the category of formaldehyde countermeasures in the Housing Performance Indication System. TLC also pays great attention to emission of other chemicals and is committed to providing healthier homes.

For example, wall paper used for the main bedroom of "BRANZ Sugamo" has effects to curb dew formation and mold, letting air through with textile fiber contained. No harmful chemicals to humans are generated from these paper and adhesive agents. Furthermore, due to the capacity to overpaint wall paper many times so as to be used for a long time, the wall paper has resource-saving effect.



Wall paper adopted in "BRANZ Sugamo"

"Millcreek," residential houses that are imported by Tokyu Homes Corporation, exhibits superior performance in relation to durability, insulation, and air tightness, which were invented based on North American traditional approaches in which a house is inherited as an asset by future generations. Its energy-saving performance exceeds the next-generation energy-saving criteria determined by the national government. In total air conditioning system of "Millcreek," CO₂ emissions and running costs are reduced with various energy-saving technologies. In terms of health, it is possible to keep the entire house at constant temperature, and to keep the interior environment comfortable through a whole year by taking in fresh air free from pollen dust, moisture, and odor. "Millcreek" is a house aiming at balancing "environment" and "health."

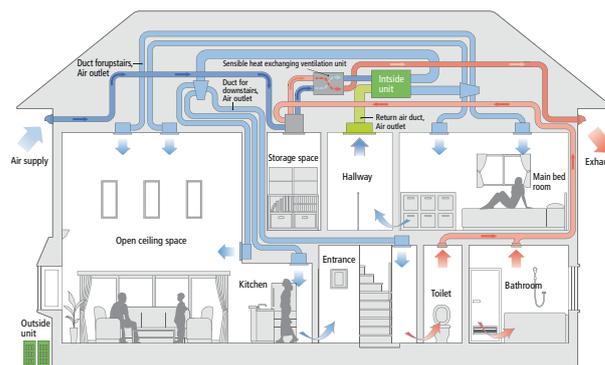


Image of the total air conditioning system

Realizing Health by Treetop Adventures

"Sky Adventure Amagi" opened in "Amagi Tokyu Resort" in April 2011 is an adventure course in which people challenge various elements (attractions) placed about six meters above the ground level among trees in the forest. A sense of fulfillment and a sense of accomplishment obtained by exercising the whole body to clear elements in the great nature would lead to higher awareness of health and children's growth. Of course, thorough safety measures are taken, for example, people attach themselves to a safety rope and cannot take it off until reaching a place where staff are available.



Sky Adventure Amagi

Aiming at Creating a Workplace where People Feel Job Satisfaction

The TLC Group considers it important to create a working environment where employees can work with vigor and motivation in order to improve services to customers and improve our corporate value. Therefore, we have established various systems and structures to enable individual employees to make the maximum use of their personal characteristics and abilities, aiming at creating a workplace where employees can work with pride.

In-house Training Programs

At TLC, employees are not regarded as “human resources,” but rather, as “human asset,” exerting direct influence on corporate value and profit. TLC’s employee training program consists of four stages, with a five-year interval from the time they join the company. Each stage has goals to be achieved through a stage-specific training curriculum. The program is intended to enable employees to create new values and improve their skills as “value producers.” In addition to existing programs, TLC actively develops personal development programs to help each employee learn and acquire certifications for his/her chosen career path. Furthermore, due to the attention placed on development of foreign business activities, TLC provides education of foreign languages (English/Chinese) for interested employees.

Training Program Overview

| Year count from joining TLC | Year 1 to 5 | Year 6 to 10 | Year 11 to 15 | Year 16 and over |
|-----------------------------|--|--|--|---|
| Stage | Basic | Advanced | Pro | Management |
| Upskilling Programs (input) | <ul style="list-style-type: none"> - Marketing - Finance - Logical thinking - Accounting - Communication - Business mind | <ul style="list-style-type: none"> - Interpersonal effectiveness - Negotiation skills - Relationship building - Creativity and innovation - Presentation skills | <ul style="list-style-type: none"> - Information gathering - Information analyzing - Risk assessment - Hypothesis formation and verification | <ul style="list-style-type: none"> - Strategy formulation - Business creation - Business management skills |
| Performance Goal (output) | Accurately execute given tasks | Complete tasks in area of responsibility | Able to manage the team to achieve project goals | Able to create businesses, and continuously achieve higher performance goals |

Outsourcing/Cross-industrial Training Programs

In order to develop competitive human resources, TLC considers it necessary to support employees to not only learn just practical business skills, but also build extensive human networks with business persons outside the company to develop multifaceted perspectives. To this end, TLC has introduced outsourcing/cross-industrial training programs, and provided many courses which employees will be able to use in business, for example, “logical communication” and “seven practices.”

Personnel Rotation Program

TLC systematically rotates young employees who have been with the company for ten years or less for the purpose of fostering personnel to take charge of management positions with a broad understanding of corporate business. TLC carries out the personnel rotation program, taking into account employees’ own wishes and aptitudes based on annual interview on personnel affairs. Those employees, in principle, would experience three kinds of duties at three divisions during the period of ten years after entering the company. With this program, it is possible for the company to determine an employee’s aptitude at an early stage, and for employees to conduct business activities from the company-wide viewpoint, in addition to their own division’s viewpoint.

New Business Venture Proposal System

Since 2004, the TLC Group has implemented a new business venture proposal system, “Demand Innovation,” with an eye to discovering a new source of profit for the next generation. Since FY2011, the Marketing Strategy Department of Business Innovation Division which was newly established for creating new business models has enhanced the system by supporting commercialization of suggested businesses as a specialized department, and invited ideas of new businesses from the TLC Group employees.

The TLC Group has the DNA to constantly challenge new businesses even in social transit periods, for example, in past days, establishing Tokyu Hands Inc., and taking a leading role in introduction of installment selling of real estate in the industry. With such a corporate culture, aiming to commercialize new businesses, the TLC Group widely invites ideas which may break a social deadlock, free from industrial stereotypes from the TLC Group employees.



The poster to invite ideas

Internship Programs to Support Future Employees

TLC offers two internship programs for next generation to learn first-hand what it means to work in the society, and rewards and challenges of working in the real estate business. One program is called "Internship" and gives actual working experience with our employees, while the other, "one-day Internship," consists of visits to TLC's projects and group workshops to discover advantages of the real estate industry. "I could more understand the real estate industry," and "I could imagine myself working," participating students said every year, highly appreciating the internship system which contributes to cultivating a view of career for the next generation.

Ensuring Employment Diversity

In order to promote employment diversity, TLC proactively employs people with disabilities, and improves and enhances their work environment. As a result, the employment rate of people with disabilities was about 2.1% as of the end of March 2011, largely exceeding the statutory employment rate at 1.8%. The re-employment system for retired persons has been introduced with an eye to productive employment for both employees and the company (job matching.) With this system responding to diversification of life plans after retirement which has been recognized as an issue of the aging society, a lot of employees who retired once are actively working, using skills that they have developed so far.

Advancing Support System for Childcare and Nursing Care

The TLC Group has implemented a number of measures to provide our employees with diverse working style options. In addition to allowing ordinary childcare leave (up to one and half years old,) TLC has a short-time working system for childcare, which employees in the child-rising years widely use, as able to choose their own working hours. Tokyu Hands, Inc. provides an exemption from overtime for employees with children up to the third grade at elementary school. It also has a system in which employees with a family member requiring nursing care are exempted from overtime work and can choose their own working hours.

Tokyu Sports Oasis, Inc., on the other hand, implements flexible human resource management, including extended maternity leave (small children up to three-years old,) "Short Work-Hour upon Returning to Work Program" (work three hours less, for six months after returning to work,) and "Childcare Employees System" (employees with children in elementary school can choose their own working hours.)

Certified for Next Generation Accreditation Mark "KURUMIN"

In May 2010, TLC earned certification for employers that support development of next generation from Tokyo Labour Bureau. TLC executed an action plan to improve work-life balance, for instance, by establishing and enhancing new systems and workplace understanding to create better atmosphere for work-life balance, promoting paternity leaves, establishing system to allow employees to leave on expired annual holidays to be with the partner for the delivery or for nursing leave, and promoting taking paid annual holidays. Among Group Companies, Ewel, Inc., Tokyu Community Corporation, and Tokyu Hands, Inc. have already acquired the certification. In July 2011, Tokyu Sports Oasis, Inc. newly earned the certification.



KURUMIN
(next generation accreditation mark)

VOICE

Using the Support System for Childcare

Thanks to the establishment of systems for childcare leave and short-time work in the company, I could feel comfortable when I unexpectedly had a child 20 years after entering the company. TLC encourages the maximum use of existing company's benefit programs. Accordingly, since a lot of colleagues actually experience childbirth and childcare of their second or third child, there is a full understanding of the relevant leave and short-time work in the workplace. Therefore, I had a feeling of security when applying to use the programs.

Now, a half year has passed since I returned to work. Thanks to the short-time work and flexible time systems, as well as a leave reserve system, I can calmly respond to a sudden call from a day-care center if my one-year-old baby has a fever or for other reasons. I have been able to keep a balance between work and childcare with an easy mind, and furthermore have spare time for myself.



Yuko Tateishi
The Harvestclub Department
Resort Business Division

Revitalization & Communication Workshop

TLC holds "Revitalization & Communication Workshop" with the aim of allowing for exchange among employees and reducing stress. The purpose of this workshop is to figure out ways to work and live free from stress through various experiences with guest lecturers. Useful programs for actual business and life enjoy popularity among a lot of participants, for example, "Self-relaxation" to relieve muscle stiffness in shoulder and neck and promote comfortable sleep, "How to breathe for releasing tension and how to relieve irritation," and "Work for learning an effective way of praising."



Self-relaxation

Medical Checkup and Mental Healthcare

TLC provides annual medical checkups for all employees, conducts secondary diagnosis and interviews depending on the initial results, in addition to health checks for those whose overtime exceeds the company's standard, and other detailed tests. For mental healthcare, TLC implements employee mental support program (EAP) arranged by a specialized external institution. The mental support program is also available for families of employees to consult with the specialist about any problems including non-work related problems such as childcare and nursing. Furthermore, the mental healthcare program offers self-checklist every year for employees to recognize their own stress levels.



User instruction card for mental healthcare consultation service

Communication Meeting

In order to activate communication between management executives and employees, and among employees, TLC held a "Communication Meeting" 12 times in FY2010, in which the president and employees directly talk about the corporate future vision and relevant issues. Employees could have a valuable and rare opportunity to frankly discuss various individual thoughts with the president, for example, "if we change this, the company would be better" and "I want to work at such a company in the future." We are encouraged to make efforts for improvement as a whole by increasing transparency inside the company and sharing common awareness of issues. Those activities facilitate the creation of a workplace where people can find satisfaction, and the brew of open corporate culture to revitalize the company.

Knowledge Forum (in-house seminars)

TLC holds in-house seminars called "Knowledge Forum" for executives and employees of the TLC Groups. With the aim of advancing reform of organizational culture, knowledge interaction with other leading companies, and of promoting learning and motivation, we invite leading figures in many different industries to speak at our Forums.

In FY2010, six lecturers were invited, including Mr. Noboru Takano, former President of the Ritz-Carlton Hotel Company in Japan for the seminar titled "The moment when hospitality exceeds service," and Mr. Kazuhiro Fujihara, former principal of Wada Junior High School, Sugunami-ku, Tokyo for the seminar titled "Communication skills to foster human resources and increase their motivation the Secret of strength of Recruit Co., Ltd."

Since FY2004, the Knowledge Forum has been held 28 times in total as of September 2011.



The Knowledge Forum

Communication with Customers

Drawing upon diverse expertise across the Group gained through various services we have developed over the years, the TLC Group strives to further improve our products and services, and maximize customer satisfaction.

Activities at Service-way Forum

The TLC Group encompasses a variety of facility operations including hotels, golf courses, ski resorts, fitness clubs, housing for the elderly, and commercial facilities at 108 locations nationwide with approximately 2,700 employees.

The TLC Group launched "Service-way Forum (meeting for improvement of operation)" consisting of five major group companies* engaged in facility operations in April 2009, in the group-wide effort to provide services which can satisfy users of those facilities.

With the catch phrase of "Heartful Service (Heartfelt Service)," the TLC Group is working on review and improvement of services with the group-wide perspective, in order to establish a vision concerning facility operations which is common to the entire group based on each group company's peculiar philosophy and vision.

* Tokyu Resort Service Corporation, Tokyu Sports Oasis, Inc., Tokyu Stay Service Co., Ltd, Tokyu E-Life Design, Inc., Tokyu Land SC Management Corporation

• CS Campaign and Customer Survey

CS (customer satisfaction) Campaign is held twice a year to raise awareness of Service-way Forum toward improvement in service quality by displaying posters showing each group company's model employee, and wearing badges. During this period, a customer survey is implemented. According to the result, we present an award to staff that provided excellent service in order to raise employees' motivation and lead the objective evaluation to improvement in services.

• Human Resource Development for Heartful Service

Focusing on the development of frontline personnel, the TLC Group regards fostering of excellent facility managers as an important issue, and prepared the guidebook with which facilities managers can confirm actions that they are expected to take. Diverse training and seminars are implemented using this guidebook.

Among them is a Dream Map Seminar. Dream Map means "a map to make one's dream come true." Participants express images of their ideal selves with pictures and letters, and share them among participants. The purpose of the seminar is to enable participants to achieve a work-life balance and feel pleasure in having a connection with society through jobs by drawing images from the viewpoint of self-fulfillment and contribution to others, and to positively act on their own initiative by concretely imaging self-fulfillment. Some participants made the positive comment that "I recognized that any assignment could be wonderful depending on how I approach it." "I received suggestions from the issues I shared with other members to resolve problems."

Expecting an increase in participating Group Companies in the future, the TLC Group will continue to conduct activities to provide customers "Heartful Service" shared with all staff.



Dream Map made at the seminar



Campaign poster

BRANZ Support Program

TLC implements "BRANZ Support" Program, as needed, to provide life-time support to customers who made a contract regarding purchase of TLC's condominiums.

In "BRANZ Support" Program, our customers receive construction progress reports. In addition, they are invited to the Technology Center of Tokyu Community Corporation, common spaces preview events, and resident get-together events, as well as a variety of nature programs such as farming experience and forest conservation experience for interested customers.

Furthermore, a lot of Tokyu Group Companies including Tokyu Hands, Inc. offer various kinds of courtesy services to support the customer's life.



Emergency drill at resident get-together event

Publication of "Cosmos" Magazine

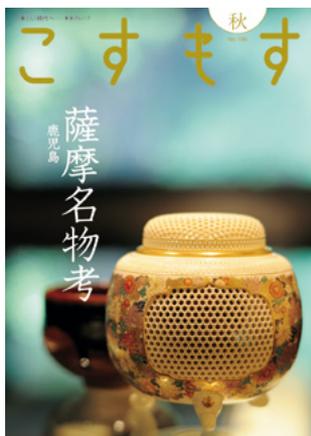
The TLC Group publishes "Cosmos" an information magazine for customers related to housing and resort facilities, featuring people's lifestyles on the theme of "encounter with the authentic."

The magazine is published four times a year, and, at present, delivered to approx. 130,000 customers nationwide.

As the magazine contains useful information such as the latest news of the TLC Group Companies, various campaigns and services, the entire group businesses would be further recognized by customers who use the information. Like this, through the magazine, we improve the power of the TLC Group brand and expand business opportunities.

In addition to publishing the information magazine, we enclose complimentary tickets, enhance privileges such as discount and rewards by introduction of a Contract Renewal Program and Introduction Guidelines at the time of purchasing products and entering into a contract, and hold elaborately planned participatory events in the effort for further improving customer satisfaction and enhancing relationships with customers.

The TLC Group will proactively transmit information to help customers lead affluent and comfortable lives after using services and purchasing products.



"Cosmos"



The customer participatory event held in April 2011
"Ms. Remi Hirano's Cooking Show & Lunch"

Sales Office Loved by Customers

Each sales office of Tokyu Livable, Inc. conducts community-based activities, aiming to be a sales office loved by customers in local communities.

For example, "Aobadai Center" plans and implements various free seminars for customers, such as "Parent-and-child flower arrangement class." The center has deepened the interaction with local citizens by holding events that tailored for the participation and enjoyment of people. The Aobadai Center also gathers information mainly on restaurants inside its sales area, and inserts such useful information in leaflets of properties distributed as a part of sales activities.

Taking advantage of being located in front of the station, "Shakujii Koen Sales Office" provides service to lend about 30 umbrellas free of charge on rainy days in the hope of helping local citizens as much as possible. This service is received well by users. "It is a big help at times of sudden shower" users said.

In addition, with the aim of being a sales office needed by local citizens, each sales office of Tokyu Livable, Inc. nationwide conducts not only real estate business, but also activities suitable for features of each community, playing a role as its information base in development of the community, for example, proactively participating in a clean-up campaign and festivals in the community, and providing a billboard in front of the office for free.

Ensuring Safety and Security

Because the TLC Group is involved in urban infrastructure and services that are imperative to people's daily lives, it is our mission to maintain and improve safety and security of our products and services.

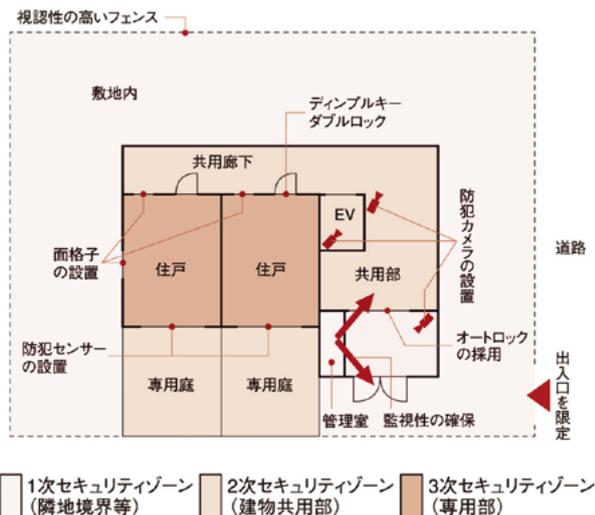
Thorough Quality Control

Planning and developing condominiums and detached housings, TLC conduct strict quality checks such as ensuring the drawing and patrolling inspection at each stage of residential project from schematic design, construction, to after-sales service in order to maintain high quality, safety, installation of disaster and crime prevention equipment, and comfort of our products and services.

Based on the "planning checklist" which is a compilation of the know-how and experiences of product development and management over the years, we verify the performance characteristics of our buildings' structures, appliances and specifications during schematic planning and construction planning phases.

For crime prevention, we outline the fundamental idea in our "security guideline." Entry routes to the residence are divided into three zones (site periphery, common spaces and individual units) and crime prevention measures are implemented for each zone.

• Residential Zoning for Security (example)



Our goal for TLC office buildings is assuring a safe working environment. We therefore take greatest care in undertaking routine safety measures and, based on our "Office Building Planning Guidelines" and "Universal Design Guidelines," improve our approach day to day. Any accident that occurs in the buildings or facilities including commercial complexes is recorded in a database, and is managed by the Facility Management Information Network for inter-departmental sharing in order to investigate the causes and preventive measures.

This is one of the self-imposed requirements, among

other cutting-edge structural designs, to make TLC's new office buildings with over 3,000 *tsubo* (9,917m²) floor space, to meet the equivalent performance level of the seismic resistance standard for Type II Government and Other Public Office Facilities*. In order to assure our tenants' business continuity in case of earthquake, we also conduct seismic resistant assessment on our existing office buildings and commercial facilities, and reinforce the structures to the level required by current Japanese Building Standard Act.

Tokyu Resort Corporation implements building inspections and seismic resistant assessments at the time of selling used detached homes which the company purchased, and if needed, reinforces their structure. Finally, only properties guaranteed by outside inspection institution will be put on the market.

Tokyu Community Corporation implements seminars for management associations in effort to improve condominium management techniques, aiming at provision of condominiums which can satisfy customers.

* The seismic resistance standard for Type II Government and Other Public Office Facilities: The structure should be designed and constructed to withstand severe shakes without serious damage that require major repair work. Specific measures have to be implemented for safety of life and structural functions.

Disaster Prevention

TLC's condominiums distribute "DIY Guidebook for Seismic Countermeasures" in which countermeasures against earthquakes are explained, for example, how to prevent furniture from falling, as well as "Condominium Life Handbook" in which basic knowledge of condominium management and measures for crime and disaster prevention are described. In "BRANZ Support" Program (see P. 29,) seminars on crime/disaster prevention, fire drills, and other events are conducted at Tokyu Community's Technology Center (excluding some condominiums.)

Tokyu Community Corporation, on the other hand, offers seminars and useful ideas regarding disaster prevention instruments and proper building maintenance methods to condominium association board members. It also put together "Disaster Control Guide" for each condominium association for their disaster preparedness. In FY2010, a security manual was formulated in preparation for increasing risk of flooding in urban areas.



Distributing information through handbooks

Enhanced Stockpile in Preparation for Disasters

Having taken various actions in preparation for disasters, such as a stockpile of food and setting up of emergency toilets, individual facilities of the TLC Group further enhanced stockpile and other disaster contingency planning in the wake of the occurrence of the Great East Japan Earthquake.

Condominiums of BRANZ Series have reserve storages for stockpile in place according to the number of resident households, and defined the criteria of storage area and stockpile. (Excluding some condominiums)



Reserve storage of "BRANZ City Konandai Uguisu no mori"

Participation in Shibuya Ward Area Council for People with Difficulty Getting Home

At the time of the Great East Japan Earthquake, a number of people had difficulties in getting home. In Shibuya Ward Area where the TLC Group has a lot of bases, it is expected that public disaster assistance will be limited by high number of visitors to the town. In response to such circumstances, the Shibuya Ward Area Council for People with Difficulty Getting Home was launched by relevant organizations and companies.

The Council established "Shibuya Ward Rule" in relation to countermeasures and division of roles in case of occurrence of large-scale earthquake. It plans to take quick action for handling visitors with difficulties in getting home during disasters. TLC has participated in the Council by managing and operating several commercial facilities and buildings near Shibuya Station.

Evaluation of Damaged Buildings Inspector / Emergency Lifesaving Courses

Tokyu Homes Corporation encourages its employees to attain certification for Post-Earthquake Temporary Risk Evaluation of Damaged Buildings Inspector. As of July 2011, 98 Tokyu Homes Corporation employees were certified. The role of inspectors is to assess post-earthquake building damages in order to prevent secondary disasters caused by building collapse or falling building materials caused by aftershocks. Other Group Companies also implement various approaches including enrollment in lifesaving courses to ensure safety of our facilities and services. In Shiki New Town in Saitama Prefecture that has an aging population, AED was put in place and lifesaving courses were conducted at the request of the local community.

Lifesaving Courses Enrollment of the TLC Group Companies

| | |
|----------------------------------|---|
| Tokyu Land Corporation | Personnel in charge of office buildings/commercial facilities operations undergo Standard Lifesaving Courses. |
| Tokyu Community Corporation | New employees undergo Standard Lifesaving Courses during pre-assignment training. |
| Tokyu Sports Oasis, Inc. | All executives and employees undergo Standard Lifesaving Courses (voluntary program) every year. |
| Tokyu Resort Service Corporation | All staff members in all facilities undergo Standard Lifesaving Courses. |
| Tokyu E-Life Design, Inc. | All staff undergoes AED course or Standard Lifesaving Courses. In addition, suffocation prevention and how to use aspirators are also taught. |



Standard Lifesaving Courses (Tokyu Resort Service Corporation)



Emergency Lifesaving Courses (Tokyu Sports Oasis, Inc.)

Contribution to Local Community

We believe that the involvement of the TLC Group as a comprehensive real estate business group can make a positive contribution to society. That is why we are taking a number of actions to foster communities and restore connections among people.

Aiming to Be a Community-based Company

The TLC Group proactively participates in local events with the aim of promoting communication among employees and revitalize local communities.

For example, we ran booths at summer festivals of condominiums managed by the TLC Group, and took part in local traffic safety activities and clean-up campaigns. We also co-sponsor and make donations to fireworks, festivals, and other events in various communities.

Moreover, each business establishment and facility voluntarily conducts clean-up activities in its surrounding neighborhood.



Tokyu Resort Corporation participated in a clean-up activity at Kawazu-zakura Festival



Kids attending "Hands Hint Club"



Class of "Shibuya University Network"

Contribution to Creation of Local Landscape

The TLC Group contributes to an improvement in local living environments by greening various facilities.

With a goal of creating towns full of greenery, Ishikatsu Exterior, Inc. greens concrete surfaces using Earth Wall (green wall technique,) and plants seasonal flowers and plants. "Azabu Gardens" that were planted under the direction of the company won two awards related to creation of town as a green facility with excellent environment in Minato Ward, Tokyo. "Minato Ward Creation of Green Town Award" is given to private facilities carrying out an excellent greening plan. "Minato Ward Landscape Award" is given to excellent private facilities which care for a neighboring area and make a town more attractive. For efforts to form a beautiful, green, and calm residential area, "Azabu Gardens" simultaneously received two awards.



Azabu Gardens (completed in February 2010, Business owner: Pembroke Real Estate)

Finding Out Hints to Revitalize Communities

With the concept of "Hint Market," Tokyu Hands, Inc. conducts various activities to provide hints to revitalize communities. For example, in "Hands Kids Museum by Jinnan Elementary School" held at Tokyu Hands Shibuya branch, tote bags printed pictures drawn by pupils of Shibuya Ward Jinnan Elementary School in art class were sold, and part of proceeds was donated to Shibuya Ward Social Welfare Council. Branch stores all over the nation called on local education boards to make them hold "Hands Hint Club." In the Club which started from January 2011, staff of Tokyu Hands, Inc. go to kids' room and after-school day-care centers and have pupils enjoy making things with them after school. Tokyu Hands, Inc. has also taken part in activities of "Shibuya University Network," and holds classes mainly on things useful in every-day life for a wide range of generations at stores and training facilities.

Tokyu Sports Oasis, Inc. newly opened “Green Terrace,” a green roof technique available for local citizens at Sumiyoshi branch in November 2010. The facility was greened using a subsidy of “Greening Promotion Business” by Hyogo Prefecture to save energy, and is open to the community and used as local oasis.



Green roof technique at Sumiyoshi branch of Tokyu Sports Oasis, Inc.

Support for Developing Countries

Ewel, Inc. launched a service for members to make social contribution by simply purchasing fair trade products* forming business alliance with Fair Trade Company. Members can access the fair trade web shop via a members-only page and make purchases with part of the proceeds from the sales being donated to “Global Village,” an NGO advocating environment protection and international cooperation.

Furthermore, each TLC Group Company conducts activities to collect caps of PET bottles to provide polio vaccines to children in developing countries.

* Fair trade products: Products which are produced through a fair trade system and which create jobs for socially, financially disadvantaged producers and workers, and compensate them fairly so that they improve their standard of living on their own, and become financially independent.

Contribution to Local Employment and Economic Development

The TLC Group contributes to development of local economy by developing real estates and providing services.

In June 2011, Ewel, Inc. established an operation center in Matsue city, Shimane Prefecture, to respond to applications and inquiries from employees of companies which signed contracts on various services including “WELBOX,” welfare and benefit service. Centralizing operation functions which have scattered in various areas for multiple years, “Matsue Operation Center” schedules to employ 260 regular staff and over 300 operators in the local community within three years.



Opening ceremony with the governor of Shimane Prefecture and the mayor of Matsue City

Aiming to be a Community-based Company

Palau Pacific Resort is the first world class hotel ever to open in Palau. The hotel has had tremendous impacts; the number of visitors to Palau grew from only few thousands a year soaring to 80 thousand, making the islands of Palau one of the world renowned resorts.

The hotel not only contributed to attracting visitors, but also it has taken on an important role of job creation and human resource development over the years. About 85% of our hotel workers are hired locally and given professional training in the hospitality industry. We are proud to say that our business activities have contributed greatly to the widespread improvement of living standards and overall economic development of Palau. In 2009, Palau Pacific Resort was awarded special acknowledgment from Koror state government and Palau National Congress for our contribution to the society of Palau.

TOPICS

Contribution to the Safe and Secure Environment of a Community

As increasing numbers of children are subject to crimes and accidents, children’s safety has become a prime interest of society. Recognizing this issue, Tokyu Livable, Inc. has joined the “Children Emergency Call 110” program that provides a safe place for children to run to in case they are faced with danger. Among the Tokyu Livable’s real estate shops in the metropolitan area, 32 shops located on the ground level display the sign “Children Emergency Call 110” at the entrances to protect children from crime.

Moreover, at 11 bases in the metropolitan area, AEDs were put in place for emergency aid.

Our business characteristics make a relationship of trust with local communities an essential element of Tokyu Livable, Inc., and the company intends to continue participating in such programs.



“Children Emergency Call 110” sticker

Meeting the Needs of Aging Society with a Low Birthrate (Support for Child-raising and Nursing Care)

There are growing needs for a safe and comfortable living environment for the elderly and better support for raising children. The TLC Group provides various services to contribute to forming a society in which men and women of all ages can lead an affluent life.

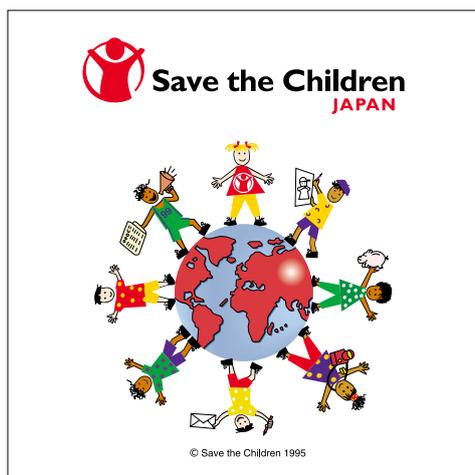
Cooperation in Children's Work Experience

With the aim of helping children deepen their understanding of a society and think of future through work experience, the TLC Group holds diverse events to offer opportunities to experience work.

To be more specific, targeting local junior high school students, the TLC Group Companies offer the following opportunities for work experience: Tokyu Community Corporation: condominium management and hotel staff; Tokyu Sports Oasis, Inc.: work at sports club; and Ishikatsu Exterior, Inc.: landscaping design underlying development of residential areas and parks.

Support for NPOs' Assistance Activities for Children

In order to work on social action programs together with customers materially and through expertise, Tokyu Hands, Inc. donates part of entry fees of events planned by Tokyu Hands, Inc. to NGO "Save the Children Japan." Donations to the NGO are also made as an option of special benefits of Hands Club Reward Card. Donated funds are used for assistance activities for children, such as provision of education, food, and medical care, all over the world.



For Promoting Work-Life Balance

Ewel, Inc. offers welfare and benefit package menus (WELBOX.) The company has a work-care support service for companies to promote work-life balance. In November 2010, Ewel, Inc. held an event called "Third Work-Life Balance for Parents and Children," in which Mr. Kiyomi Mikuni, a chef, was invited as a special keynote speaker and a family workshop to experience tastes was implemented.



Mr. Kiyomi Mikuni, owner chef of Hotel de Mikuni (Yotsuya, Tokyo)

Rental Apartment with Support for Childcare

Tokyu Relocation Co., Ltd. took part in the "Brote Okurayama" project (completion: August 2010, owner: P.O. Real Estate,) rental apartment with support for childcare, located at Okurayama, Yokohama City, and is handling related leasing services. The apartment building houses a city-approved childcare center as well as a child playroom. Floor plans vary from one-bedroom to four-bedrooms to allow residents to move to different units within the same building as the children grow or family structure changes. From floor plan to environmental consciousness, many aspects have been carefully considered to assure security and safety to support families with children.

It became the first rental apartment be approved by "Yokohama City Apartment with Childcare Support Approval System," and also earned a certification of "Housing and Environment for Childcare Support" by Mikihouse Child & Family Research and Marketing Institute Inc.

Events to Support Children's Growth

Tokyu Community Corporation has co-sponsored "Fureai Baseball Class" to enjoy playing baseball with active and retired professional baseball players with the aim of healthy growth of children. Among many children who applied for the 5th baseball class, 250 children chosen by lottery participated in it. Tokyu Community Corporation has also cooperated in a class of swimming with clothes at a municipal pool in preparation for water accidents of children.

Tokyu Resort Service Corporation held "Tokyu Nasu Resort Summer Junior Lesson" at "Nasu Kokusai Country Club Try Field," a general golf range for practical approach. 80 elementary school pupils who have played golf were invited to receive coaching from professional golfers in collaboration with NPO Junior Golfer Conference of Japan (JGC.) With a view to social and ethical education, Tokyu Resort Service Corporation holds the events to make healthy bodies of children, improve their skills, and teach manners necessary for social life and sportsmanship.



Scene of the Summer Junior Lesson

Provision of High-quality Living Environment for Seniors

TLC and Tokyu E-Life Design, Inc. support various aspects of senior lifestyles by operating our senior housing series "Grancreer" that assures a comfortable, safe and secure living environment.

There are 10 "Grancreer Series" housing facilities for the elderly as of September 2011, that are categorized into senior residences, and care residences. Senior residences are for healthy elderly and feature wide range of services for residents to enjoy safe and secure life, with excellent living spaces and common spaces. Care residences, on the other hand, are for people who require nursing care and are staffed to offer residents 24-hour assistance with meals, baths and other daily activities.

At senior residences, residents enjoy open dining rooms, large common baths, hotel-like services, and a variety of learning and recreational events to enhance their everyday life even more. The dining room offers three meals 365 days a year with no need for reservations. Staff are all required to take AED courses or standard lifesaving courses.

In addition, in-house nurses and affiliated doctors provide healthcare for residents.

Tokyu Homes Corporation is engaged mainly in construction and operation of group homes for the elderly, and holds various classes and events for residents. As of September 2011, Tokyu Homes Corporation has been involved in Lively Eda (opened in 2004 with 13 households) in relation to operation of the home and invitation of residents, and Lively Ohba (opened in 2007 with 14 households) in relation to invitation of residents.



A flower arrangement event

Promoting Certified Care-fitters and Barrier-free

For elderly and physically challenged people to enjoy and feel comfortable at resort facilities, Tokyu Resort Service Corporation has been advancing barrier-free facilities and promoting the staff to acquire Care-fitter certifications from an NPO, Nippon Care-Fit Service Association. Certified Care-fitters have hospitality skills and care skills required to attend to the visitors.

Dementia Supporter Training

In the increasingly aging society, we need to be aware of and have correct understanding of dementia.

In recognition of the issue of dementia, Tokyu Community Corporation has launched a training program for Dementia Supporters* since March 2008. The program teaches accurate knowledge of dementia as well as effective communication skills with condominium residents with dementia. Currently, all Amenity Mates (TLC condominiums' building managers) in the metropolitan area have completed the Dementia Supporter Training.

* Dementia Supporters: Taught by experts on dementia as lecturers (called "Caravan mate",) Dementia Supporter training programs are co-hosted by local municipalities and trade associations. Participants learn necessary skills to watch for people with dementia and their families, and become "Dementia Supporters." Concurrently, the Japanese Ministry of Health, Labor and Welfare launched a "Nationwide Caravan to Train One Million Dementia Supporters" campaign to increase the number of dementia supporters to one million nationwide, making every community always a safe and secure hometown.



FTSE4Good

Tokyu Land Corporation is included in the FTSE4Good Index, which encompasses companies who are committed to their social responsibilities.

We support the work of



持続可能な社会をめざして
私たちはUNEP (国連環境計画) の活動をサポートします。

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1. BRANZ GARDEN Kami Saginomiya
2. Hands Cafe
3. Asakura Golf Club
4. Futako Tamagawa Rise Tower & Residence
5. Abeno Market Park Q's Mall
6. Tanbara Lavender Park

Report Overview

Report Objective

This report has been compiled and published annually since fiscal 2009, for the purpose of informing our stakeholders of the TLC Group's CSR activities. This 2011 edition reviews progress of CSR activities of the TLC Group as a whole and is organized by subjects that we specifically wish to convey.

Intended Readers

The report is compiled for our customers, shareholders, investors, our company executives and employees, suppliers, government agencies, NPO/NGO, local communities where the TLC Group conducts business activities, educational institutions, families of our executives and employees, and other stakeholders of the TLC Group of companies.

Scope of Reports

This report covers CSR activities of all major companies of the TLC Group (* See P.7 and 8).

Reporting Period

Fiscal 2010 (from April 2010 to March 2011). Some data may be referenced from other fiscal years.

References

"Sustainability Reporting Guideline (GRI, Third edition)," international guidelines for reporting sustainability.

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