

Value Creation Strategy

Medium-Term Management Plan

Three Growth Strategies

The Tokyu Fudosan Holdings Group creates new value by leveraging a wide range of business operations and various contact points with customers to promote three growth strategies.



Urban Development Segment	<p>A Solid and Unique Urban Development Business at the Core of the Group</p> <ul style="list-style-type: none"> Create urban and area value through urban development in the greater Shibuya area, Takeshiba and elsewhere Expand the scope of cyclical reinvestment business to include infrastructure and industry 	▶ Page 30
Residential Segment	<p>Establish a Unique Presence in Domains That Make Use of the Combined Strengths of the Group</p> <ul style="list-style-type: none"> Expand the scale of business in domains where high added value can be generated, including city center development, redevelopment, complex development, and new businesses such as student residences Develop and sell rental housing for investors 	▶ Page 31
Property Management Segment	<p>Overwhelming No. 1 Comprehensive Property Management Company</p> <ul style="list-style-type: none"> Add a broad range of management stock including condominiums, office buildings, commercial facilities and public facilities such as public housing and airport terminal buildings Acquire additional business opportunities originating from currently managed stock 	▶ Page 32
Real Estate Agents Segment	<p>Real Estate Information Multi-Value Creator</p> <ul style="list-style-type: none"> Acquire business opportunities and expand business domains by evolving into a real estate brokerage business that provides value-added information Achieve three No.1 positions in the industry: in customer recognition, business competitiveness and meaningfulness of work 	▶ Page 33
Wellness Segment	<p>Secure Top Position in the Industry in the Wellness Domain</p> <ul style="list-style-type: none"> Expand scale by making use of development and management capabilities for Tokyu Stay and other hotels, senior housing, and other businesses Promote cyclical reinvestment business for hotels, resorts and other properties 	▶ Page 34
Tokyu Hands Segment	<p>No. 1 Brand for Lifestyle Creation Proposals</p> <ul style="list-style-type: none"> Propose products aligned with customer needs through consulting sales Transition to and reinforce a structure that can generate stable profits Strengthen the Tokyu Hands brand 	▶ Page 35
Innovation Business Segment (Overseas Business)	<p>Make the Most of Our Presence as a Comprehensive Developer in Overseas Business</p> <ul style="list-style-type: none"> Leverage our presence at the 425 Park Avenue Project in New York City to strengthen our business in the United States Strengthen business in Indonesia as the leading foreign-affiliated developer and expand business to other Asian countries 	▶ Page 36

Reinforcing the Management Foundations That Support Growth Strategies

Strengthening Measures to Generate Synergy among Businesses

We will maximize use of the Group's business foundation (stock, customer information, and human resources), acquire derivative business opportunities and create added value. To do so, we are

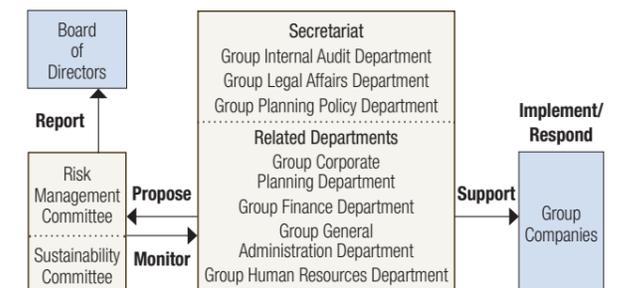
creating mechanisms to promote collaboration among our business segments and the generation of new initiatives.

▶ Page 37

ESG Management

The Tokyu Fudosan Holdings Group has positioned environmental, social and governance (ESG) initiatives as a key management issue for sustainable value creation. We identified Group materialities (key social issues) as background to the formulation of the 2017-2020 Medium-Term Management Plan and organized them into four themes from the perspective of ESG: corporate governance, work style reforms, social needs, and environment. We set KPI targets for each theme for fiscal 2020, the final year of the plan, and we are working toward achieving those targets across the entire Group.

Management Structure



Work style reforms ▶ Page 38 Social needs ▶ Page 41
 Environment ▶ Page 42 Corporate governance ▶ Page 44

KPI Targets for Fiscal 2020

		Fiscal 2017 Results		Fiscal 2020 Targets	
E	Environmental	Reduce CO ₂ emissions	-24% compared to fiscal 2005	25% reduction compared to fiscal 2005	
		Water use	-7% compared to fiscal 2005	25% reduction compared to fiscal 2005	
		Waste emissions	+1.5% compared to fiscal 2005	25% reduction compared to fiscal 2005	
		Acquisition of environmental certifications such as CASBEE and DBJ ¹	100%	100%	
		Green buildings (roofs, walls, etc.) ¹	100%	100%	
		Midori wo Tsunagu Project	1,303 ha	2,000 ha	
S	Work style reforms	Working hours (average overtime hours per month)	14.9 hours	(Internal target)	
		Percentage of employees who undergo stress tests	90%	100%	
		Percentage of employees who undergo physical examinations	97.9%	100%	
		Percentage of female hires	40%	At least 30%	
		Percentage of female managers	8.6%	(Internal target)	
		Percentage of disabled employees	2.14%	2.2%	
G	Social needs	Securing space for use during disasters ¹	100%	100%	
		Buildings certified under the Barrier Free Act ¹	100%	100%	
		Condominiums with stockpiles of disaster relief goods ²	100%	100%	
		Persons who have nursing care or other professional qualifications ³	75%	80%	
G	Corporate governance	Number of outside directors	3/13 (approximately 23%)	At least 1/3 (approximately 33%)	
		Board of Directors meeting attendance rate	98%	100%	
		Female directors	0	At least one	
		Strict adherence to the Compliance Code of Conduct	98%	100%	
		Awareness of the Compliance Helpline Counter	81%	100%	

1. Tokyu Land Corporation new large office buildings and commercial facilities
 2. Tokyu Land Corporation new condominiums
 3. Nursing care workers