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Message from the President

Yuji Okuma
President and Representative Director
Tokyu Fudosan Holdings Corporation



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Tokyu Fudosan Holdings Group's CSR



In order to achieve sustainable growth and increase corporate value over the long term, we have positioned ESG (environment, society, governance) as a key management issue and practice ESG management in accordance with the Group CSR vision of raising the level of satisfaction among stakeholders by finding solutions to social issues through our business activities.

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CSR Vision

We will work on creating solutions for social issues through our business activities and in the process enhance the satisfaction of stakeholders.

We find ourselves surrounded by a host of different challenges, spanning from environmental issues, such as global warming and ecosystem conservation, to social issues, such as aging society and a declining birthrate, as well as the need to reinforce compliance and risk management. Given this, the corporate social responsibility (CSR) of the Tokyu Fudosan Holdings Group is defined as promoting initiatives that leverage resources through its business activities to solve social challenges and enhance the satisfaction of stakeholders in the process. For this reason, we share the Tokyu Fudosan Holdings Group CSR Vision with all subsidiaries and consider CSR to be an important management task for which we are promoting initiatives through our core business.

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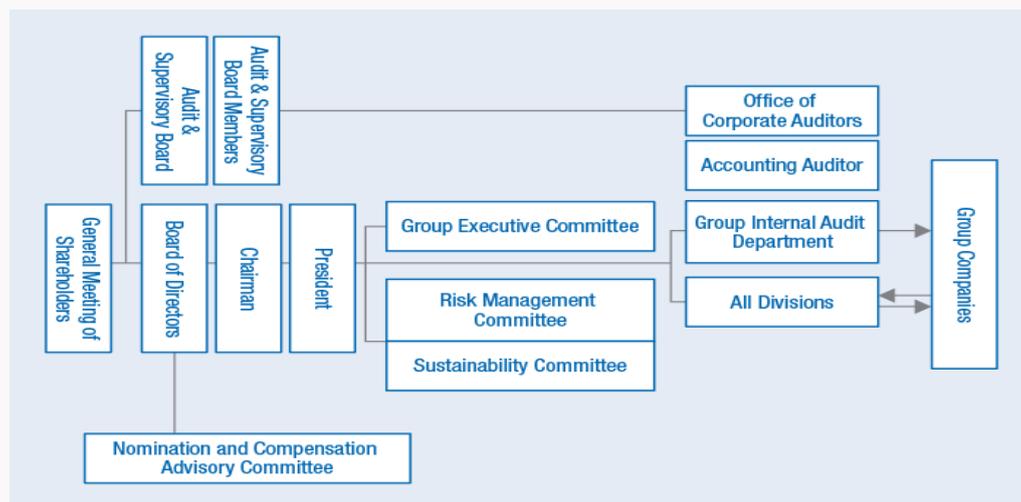
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Promotion Structure

Aiming for continuous value generation, we have made Environmental, Social and Governance (ESG) factors as a vital part of the Group's management. Based on our identified social materiality, our Group's medium-term management has been organized into four themes with KPI targets in terms of ESG aspects, Environment, Work-style reform, Social needs and Corporate Governance. We are making Group-wide effort to achieve the KPI targets for FY2020, the last year of the medium-term management plan.

■ Organization chart of CSR promotion



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Tokyu Fudosan Holdings Group Code of Conduct

We have established the Tokyu Fudosan Holdings Group Code of Conduct as a set of action guidelines for all executives and employees to follow. The Code of Conduct documents action principles for all executives and employees in order for the Tokyu Fudosan Holdings Group to always be trusted by stakeholders. In addition to compliance, the Code of Conduct also addresses the environment and society to encourage responsible efforts within the group for helping society and the group to achieve sustainability.

1. Compliance with Laws and Regulations and Fair Trading	2. Ensuring Customer oriented Awareness	3. Suitable Execution of Duties	4. Proper Management of Information	5. Ensuring Good Faith in Business Conduct
<ul style="list-style-type: none"> ● Ensure compliance with 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 antisocial forces. 	<ul style="list-style-type: none"> ● Identify customer needs and develop products 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. 	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Operate appropriate document and information management systems. ● 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 	<ul style="list-style-type: none"> ● 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.

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Identification of Materialities & Opportunities and Risks

When formulating the Medium-Term Management Plan, the Tokyu Fudosan Holdings Group identified key social issues that will be important to the Group over the long term and then identified materialities while taking into consideration the opinions of experts with advanced knowledge regarding the low birthrate and aging society, lifestyles, the environment, work styles, and ESG investment. We verified opportunities and risks in our business activities associated with these key issues with an awareness of social problems that affect the Group. In order to achieve sustainable society and increases in our corporate value, we will undertake measures to address social issues through our business activities in accordance with the Value Frontier 2020 Medium-Term Management Plan.

Identification Process

Step 1 → Determination and Organization of Social Issues

When identifying key issues, the Group ascertained social issues while making reference to the Group's management plans, the GRI Guidelines, ISO 26000, the Sustainable Development Goals, issues recognized by the Japanese government and economic organizations, and other information, and generated a long list comprising 470 items.

Step 2 → Integration and Consolidation of Issues

We integrated and consolidated the 470 social issues by organizing similar items and taking into account relevancy to the Group. Based on the results, we tentatively evaluated importance based on relevancy to the Group's value creation process and stakeholder expectations and demands and selected 31 materialities.

Step 3 → Stakeholder engagement

We conducted interviews of management staff and experts with high levels of knowledge in specialized fields. We also gathered opinions regarding the importance of social issues from within the Group and society.

Management

Comment

President and Representative Director
Yuji Okuma

- Sound and sustainable management requires an emphasis on the opinions of independent outside directors, arrangement of issues, and investigation of the details of measures.
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Director, Operating Officer
Hironori Nishikawa
Responsible for general administration divisions

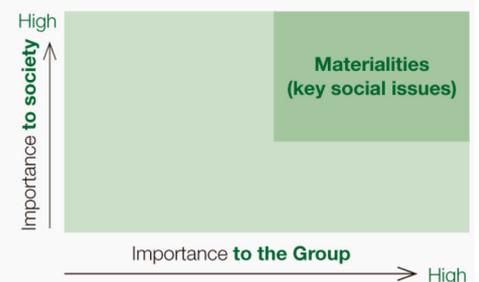
- In a society with an aging population and advances in the Internet of things (IoT), business will be born from services that combine various issues and can be provided in an integrated manner
- When engaging in the resort business, it is necessary to take measures to mitigate environmental impact from business activities with regard to the issue of climate change.

Specialized Field Expert	Comment
<p>Low Birthrate, Aging Society Tomoo Matsuda Research Director and Chief Producer Platinum Society Center, Mitsubishi Research Institute, Inc.</p>	<ul style="list-style-type: none"> It is important to create business from means of preventing the elderly from needing nursing care (such as sports, diet, and lifelong learning)—in other words, the perspective of preventing rather than addressing issues. In an aging society, there is potential for the Internet of things (IoT) including the use of big data relating to health to play extremely important roles and become a new growth business.
<p>Living/Lifestyles Research institution (anonymous)</p>	<ul style="list-style-type: none"> It is important to consider what type of space people will come to in order to spend their time. Businesses need to realize that minority groups are becoming the majority (e.g., unmarried persons, double-income no-kids households, at-home workers)
<p>Environment Shiro Wakui Professor, Department of Environmental and Information Studies, Tokyo City University</p>	<ul style="list-style-type: none"> Platform-like spaces and services that can change flexibly according to the diversity of individual consumers will be expected in the future. The key is how to create value with environmental measures.
<p>Work Styles Keiko Tsuchiya General Manager, Personnel Division and Director, Adecco Ltd.</p>	<ul style="list-style-type: none"> With regard to changes in work styles, emphasis will be placed on flexible working styles not limited to a single site, such as work from anywhere (a work style whereby employees can work not just at a single office, but also at home, satellite offices, and other locations). As society becomes increasingly diverse, there will be calls for this to be reflected in buildings and the environment.
<p>ESG Investment Masaru Arai Chairman, Japan Sustainable Investment Forum (JSIF)</p>	<ul style="list-style-type: none"> What is currently being emphasized with regard to ESG investment is governance. Whether boards of directors are functioning properly is being called into question. Policies, plans, and structures must be formulated, PDCA implemented, and the information disclosed.

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

Step 4 Identification of Materialities

Based on the interview results, we verified the appropriateness of the importance of each issue that should be prioritized by the Group. The evaluation results were plotted and organized as a materiality map and categorized into seven groups. The materialities were reported to the Board of Directors by the Sustainability Committee and finalized.



Materialities and Our SDGs of the Tokyu Fudosan Holdings Group

Our SDGs	Materialities	Major Opportunities and Risks		Value Provided to Society
		Opportunities	Risks	
	Economic, political, and regulatory changes Issues of social security by the Japanese government, privatization, uncertainty in the global economy, and other factors will have major impacts on business opportunities and capital procurement.	<ul style="list-style-type: none"> ● Capturing new business opportunities 	<ul style="list-style-type: none"> ● Risk of long-term interest rate increases 	Increasing the value of real estate / Stable social infrastructure
 	Diversification and globalization of lifestyles Factors such as the diversification of lifestyles and consumer needs and the revitalization of regional communities significantly affect our business opportunities as an urban development company.	<ul style="list-style-type: none"> ● Expanded inbound demand ● Expanded opportunities for overseas business 	<ul style="list-style-type: none"> ● Decline in total domestic demand (diversification of demand) 	Improving quality of life / Creating communities
 	Safety and security in local communities and urban areas As a real estate developer, the increase and aging of existing stock and rising need to respond to disasters will have a major impact on business opportunities.	<ul style="list-style-type: none"> ● Expansion of markets related to existing stock, and accelerated privatization of public asset processing and operation 	<ul style="list-style-type: none"> ● Issue of vacant homes ● Deterioration of existing stock 	Contributing to local economies / Disaster-resistant city Risks planning
 	Progression of a low birthrate and aging society As a Group that develops business in residences and senior housing, the low birthrate, aging population, and declining population in Japan will have a major impact on business opportunities.	<ul style="list-style-type: none"> ● Increasing demand related to senior citizens 	<ul style="list-style-type: none"> ● Falling demand in conjunction with the decline of the working age population 	Increasing life expectancy
	IoT & Innovation As a company that provides both products and services, advances in IoT technology will have a major impact on innovation and changes in business models.	<ul style="list-style-type: none"> ● Business innovation 	<ul style="list-style-type: none"> ● Lowering of barriers to entry into existing business fields, delayed market entry, and increasingly rigorous information security and control 	Contributing to smart cities
  	Changes in the natural environment As a company that performs urban development and infrastructure development and investor interests in conjunction with intensifying climate change will have a major impact on business opportunities and continuity.	<ul style="list-style-type: none"> ● Expansion of environmental markets 	<ul style="list-style-type: none"> ● Expansion of climate change risks 	Preserving the natural environment / Reducing environmental burden
 	More stringent social demands Diverse demands from consumers, corporate governance, and various other factors will have a major impact on management systems.	<ul style="list-style-type: none"> ● Increase in non-financial value 	<ul style="list-style-type: none"> ● Increasingly stringent responses to various types of risk 	Social inclusion

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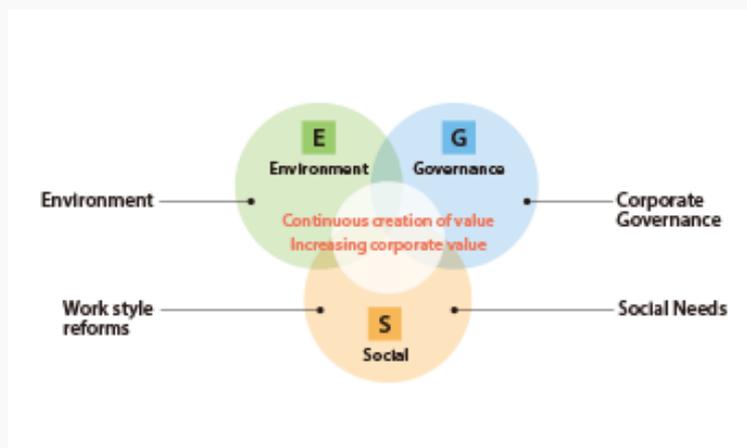
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Tokyu Fudosan Holdings Group's ESG Management

We have established ESG as a significant management issue. In our Medium-Term Management Plan, we specified our Group materiality (key social issues), and formulate four themes from the perspective of ESG: work-style reform, social needs, environment, and corporate governance. We established KPI goals for fiscal 2020 for each of these themes, and we are progressing across the Group with initiatives aimed at achieving these goals, while following the PDCA cycle.



KPI Targets for Fiscal

Item		Fiscal 2018 results	Fiscal 2020 Targets
E Environment	CO ₂ emissions	27.9% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
	Water use	0.9% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
	Waste emissions	23.6% reduction compared to fiscal 2005	25% reduction compared to fiscal 2005
	Acquisition of environmental certifications such as CASBEE and DBJ	100%	100%
	Green buildings (roofs, walls, etc.)	100%	100%
	Midori wo Tsunagu Project (Area of Forest Protected)	1,423ha	2,000ha

S Social	Work style reforms	Working hours (Over time)	14.4 hours	(Internal target)
		Percentage of employees who undergo stress tests	91.9%	100%
		Percentage of employees who undergo physical examinations	99.0%	100%
		Percentage of female hires	39.5%	At least 30%
		Percentage of female managers	8.3%	(Internal target)
		Percentage of disabled employees	2.23%	2.2%
	Social needs	Securing space for use during disasters*1	100%	100%
		Building certified under the Barrier Free Act*1	100%	100%
		Condominiums with stockpiles of disaster relief goods*2	100%	100%
		Persons who are nursing care workers or have other professional qualifications*3	72%	80%
G Governance	Corporate governance	Number of outside directors	4/13 (approximately 31%)	At least 1/3 (approximately 33%)
		Board of Directors meeting attendance rate	99%	100%
		Female directors	1	At least one person
		Compliance with the Compliance Code of Conduct	99%	100%
		Awareness of the Compliance Helpline Counter	80%	100%

*1. Tokyu Land Corporation office buildings, commercial facilities, and new large properties

*2. Tokyu Land Corporation new condominiums

*3. Nursing care workers

Signatory to Initiatives

Tokyu Land Capital Management Inc. became a signatory of the Principles for Responsible Investment (PRI) as of June 2019, in agreement with the underlying concept.

The PRI is a set of investment principles established for the financial industry in 2006 under the leadership of the then United Nations Secretary-General Kofi Annan. The aim is for companies to include ESG factors in their decision-making processes on investment and enhance the long-term investment performance of their beneficiaries.

Signatory of:



Tokyu Land Capital Management Inc.

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TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake



For smiling faces all over Japan

Message from the President



The Peak of Redevelopment in Our Home, Shibuya

Shibuya Station, a leading Tokyo train terminal, is used by about 3.3 million people per day.

The landscape around the station is undergoing a transformation. From SHIBUYA SOLASTA, our new headquarters at the top of Dogenzaka, you can clearly see the cone-shaped topography of Shibuya. Large-scale redevelopment, said to be a once-in-a-100-year chance, is progressing around the station, located right at the center of the cone-shaped valley, and the multi-year construction is reaching its peak. We are focusing on our redevelopment business, with SHIBUYA SOLASTA completed in March 2019, where we created a new Group headquarters from August. In October, SHIBUYA FUKURAS, a largescale multi-purpose facility, will be completed, hosting a new Tokyu Plaza Shibuya on the commercial floor and opening in December.

We've called Shibuya home for many years, and increasing the area's international competitiveness is an important initiative in the national interest. Since the urban development of Den-en Chofu, we have continued to inherit our Challenge-oriented DNA and gather general Group ability, and we hope to contribute to the long-term improvement of the overall value of the area.

First, the Shibuya redevelopment was a concept thought up and drafted by Keita Goto, the first chairman of the TOKYU LAND CORPORATION. Chairman Goto, who established the Company in 1953, said the following at a founding establishment meeting the following year.

“I hope to contribute to the maintenance and development of the area centered around Shibuya, building skyscrapers in 4 or 5 locations around Shibuya Station.”

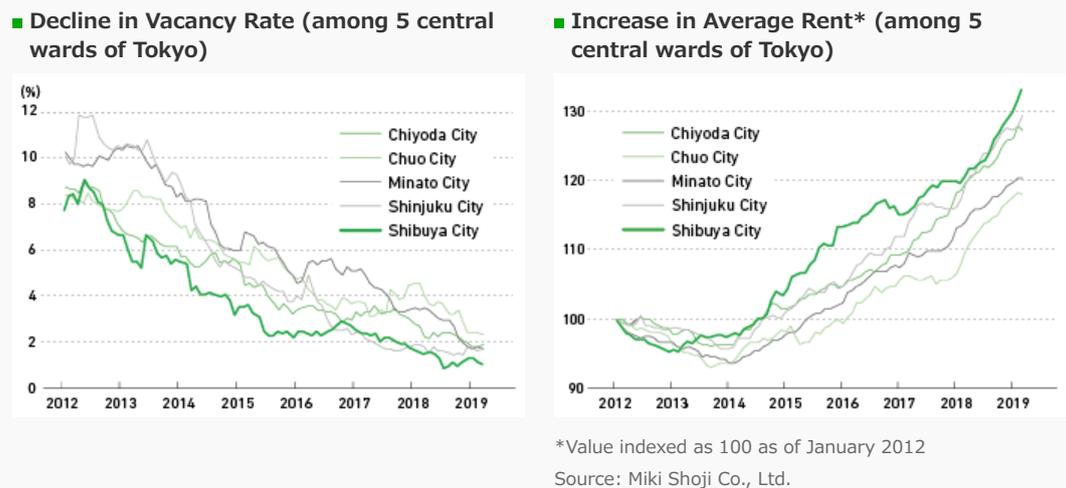
It seems as if his statement was a prediction of today's redevelopment. Through this speech, Chairman Goto touched on Shibuya's general redevelopment plan, described how Tokyo and Shibuya are responsible for the transportation artery, and then spoke passionately about a specific urban design idea that included the desire for a corporation to carry out the development that would act as the central nervous system and capillaries of the area, the building of an underground shopping center and bus terminal to eliminate above-ground congestion, and the need for financial centers and buildings occupied by branches of financial institutions. Looking back at his words makes me feel that I must inherit this incredibly wonderful insight.

Expanding Urban Development from Shibuya to the Greater Shibuya Area

As members of Tokyu Group, we are moving forward with wide-scale urban development known as the Greater Shibuya Area, widening the scope of development and integrally connecting the unique areas of Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama, while also working to realize the Entertainment City Shibuya concept. (📄 See page 22, “The Challenges of the Greater Shibuya Area Concept”)

The attractive Greater Shibuya Area encompasses diverse urban functions for work, life, leisure, education, rest, creation, and more, and we believe it has great potential for the future. It has the lowest vacancy rate and the highest standard for average rent in the five central wards of Tokyo. Rent is steadily increasing, and I hope that you can see how Shibuya is a promising area (Figure 1. Shibuya's Superiority). We offered a public stock offering in October 2018 to further promote continuous investments to the Greater Shibuya Area. Some ¥350 billion's worth of investment plans were established through fiscal 2023, offering strengthening of the leasing business base and improvement of net asset value (NAV). The business environment that we are surrounded by is steadily transitioning, and among this transition, there is an extremely high standing with Shibuya's superiority. There were reports of an overcapacity of offices within central Tokyo since 2018, but this ended as a baseless fear, and office tenant contracts were signed ahead of the 2019 completion of SHIBUYA SOLASTA and SHIBUYA FUKURAS.

Figure 1. Shibuya's Superiority



Expectations are high among investors in Shibuya, a gathering place for people from around the world, and we are working to increase the attractiveness of global Tokyo centered around the Greater Shibuya Area, an important base, through promoting projects with high added value in the main areas of the capital.

Aiming for Further Increases in Shareholder and Corporate Value

We completed the 2nd year of our Medium-Term Management Plan 2017-2020, reaching a turning point. Fiscal 2018 resulted in increases in revenues and profit compared to the previous year, and we were able to reach a new record profit, beating the previous record set in the first year of the Plan.

Looking back at the first half of the Medium-Term Management Plan, we were able to make good progress on plans centered around large-scale projects, while steadily moving forward with the three growth strategies we defined: Urban development that proposes new lifestyles, Expansion of the scope of cyclical reinvestment business, and Reinforcing stock utilization. In addition to SHIBUYA SOLASTA and SHIBUYA FUKURAS, at the Takeshiba District Development Plan (tentative name) where development continues in the Takeshiba and Hamamatsucho areas, the SoftBank Group, one of the largest group companies in Japan, has decided to use offices in our largest office building yet, with contracts signed for all floors ahead of completion in fiscal 2020.

Based on transitioning results that exceeded expectations and the holding of a public stock offering, we readjusted the Medium-Term Management Plan in May 2019. There are two areas that we readjusted. First, we upwardly revised the targets set in fiscal 2020, the final year of the Plan. Second, we added earnings per share (EPS) and return on equity (ROE) as new indicators from the perspective of capitalization strategy. [See page 32, "On Readjusting Our Medium-Term Management Plan"](#)

We recognize that our stakeholders strongly desire an increase in corporate value over shareholder value. Moving forward, we are aiming to grow EPS and increase ROE through strengthening our

earning capacity while also maintaining financial discipline as a fundamental policy towards improving shareholder and corporate value. (📖 [See page 44, "Financial Capital Strategy"](#))

From Eiichi Shibusawa's Gapponshugi to Darwin's Theory of Evolution

I'd like to once again review our history. Our origins lie with Den-en Toshi Company, established in 1918 by Eiichi Shibusawa and others. Den-en Chofu was developed, combining the merits of nature and the city based on the English-originated Den-en Chofu Urban Concept, which was developed as urbanization and population inflow were advancing in Tokyo and as people began to see signs of a housing shortage. Since then, we have inherited Eiichi Shibusawa's Challenge-oriented DNA for over more than 100 years, facing a variety of social issues head on.

The attitude of working to solve social issues through business activities is exactly the Gapponshugi philosophy that Eiichi Shibusawa advocated for. Gapponshugi, which makes the pursuit of profit a mission while promoting businesses that gather appropriate personnel and financing, differentiates itself from management that monopolizes businesses and profits and forms financial groups. Gapponshugi idealizes overall wealth through synchronizing private and public profits and long-term interest formation. We have certainly inherited this recent management style that considers both economic value and social value and strives for sustainability.

I have returned to the Gapponshugi philosophy, especially in today's world with harsh environmental changes, and I think we need long-term management rooted in high aspirations for solving social issues. Our history and the later expansion of business tells the story of how we have continued to be deemed necessary by society, and we try to always be aware of the public side of our corporation. I treasure Charles Darwin's theory of evolution as a way to connect the next generation with our Challenge-oriented DNA. I was influenced by Darwin after reading his book, *On the Origin of Species*, while in university.

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change."

I think that an existential tip for business management can be found in this concept said to be offered by Darwin. Darwin teaches us how important it is to clearly understand the changes to our environment and the needs of society, and to flexibly respond to those changes, in addition to corporations surviving long-term.

The businesses and services that we have developed are quite diverse. This is a result of a history of continuing to evolve while striving for the public benefit, and is a testament to the fact that we have responded to society's various needs according to the times.

When taking another look back at our history from this viewpoint, you can see that we began with the Residential business, including new housing development and sales of condominiums. If the period when we expanded into a value chain through our Property Management and Real Estate businesses was the dawn of our business, then you can say that the period after that where we have expanded our business fields to the real estate investment business centered around office buildings, commercial facilities, and other urban development was our developing period. And now, I think it may be time to seriously consider how we ought to evolve our future business at a time when technological innovations are rapidly progressing. (📖 [See page 10, "Creating Value Alongside Social Issues"](#))

Overcoming Dangers by Quickly Understanding Changes

I treasure future-oriented management that isn't afraid of change, and this may largely depend on my own personal career.

In the early 1990's, the bubble economy burst, and the real estate industry faced great danger. At that time, I had been made a supervisor of new housing development, something I had wanted since entering the Company. I thought about ways to make a profit amidst a time when business financing was strict, and arrived at the concept of conversion into securities, something that had been in the

news in the United States. at the time. We immediately converted real estate into securities in Japan, and were able to create a path connected to rapid growth of our leasing business by applying this scheme to office buildings, etc.

Afterwards, we were able to overcome each danger by constantly setting our eyes on the future, quickly understanding changes, and then flexibly adapting to those changes as our company itself underwent large changes, including restructuring after the Lehman Brothers' bankruptcy and re-organization into a holding company. When considering the history of great changes in the structure of the industry over a 10-year span, I am convinced that it is important to understand environmental changes with a long-term perspective for the future.

In Darwin's theory of evolution, in addition to the need for environmental adaptability as humans evolved, it is explained that diversity is required to continue evolving. Evolution is the history of branching, with individuals with characteristics that differ from others surviving and evolving in a variety of ways amongst the repetition of natural selection. The spread of our business is a lineage of evolution that has surely repeatedly branched off, and you could say that the aggregate of our variously evolved businesses has created a unique group unlike any other.

Value Creation is Born from Dialogue with Customers

In addition to our unique Group history, we also are different from other comprehensive real estate companies in that we have many businesses where we connect directly with our customers. Because there are a wide variety of points of contact with customers, from our operations businesses, such as commercial facilities and hotels, to our retail business, such as TOKYU HANDS, we carefully observe changes in society and customer needs on-site, and this is connected to the creation of new value. One of my theories is that value creation is born from dialogue with customers.

Our cultivated strengths can be explained in three large categories. (📄 See page 12, "Our Three Core Strengths")

The first is our Diverse Assets and Customers. We are involved in a wide range of assets under the safe and trustworthy TOKYU brand, offering a variety of services to meet the life stages of our customers, from children to seniors. The second is a Corporate Culture that Produces Unique Businesses. Our progress from constantly looking ahead at the needs of society and creating unique businesses, such as our resort business for enjoying leisure time and the Tokyu Hands business which has expanded true DIY activities, is rooted as the Group's culture in all of us. The third is our Highly Specialized Personnel and Knowhow. Our approximately 30,000 employees*1 from over 100 companies in the Group participate actively using their own strengths. We also work towards creating new value while our highly specialized personnel share their knowhow within the Group.

Starting in the real estate business, our business fields have gradually expanded amid the changing times. In particular, lifestyles and values have become more diversified and city dwellers' needs have become more fragmented, leading to a time where the role of real estate as requested by customers and society is greatly changing. Among this changing environment, we are creating new value in the local area and in society by making use of our three core strengths.

The idea of creating lifestyles is a key point in this value creation. We are working to solve a variety of social issues through proposing new Home Styles, new Work Styles and new Play Styles as a corporate group that creates and proposes lifestyles that go beyond the bounds of physical structures. (📄 See page 14, "Unique Value Creation")

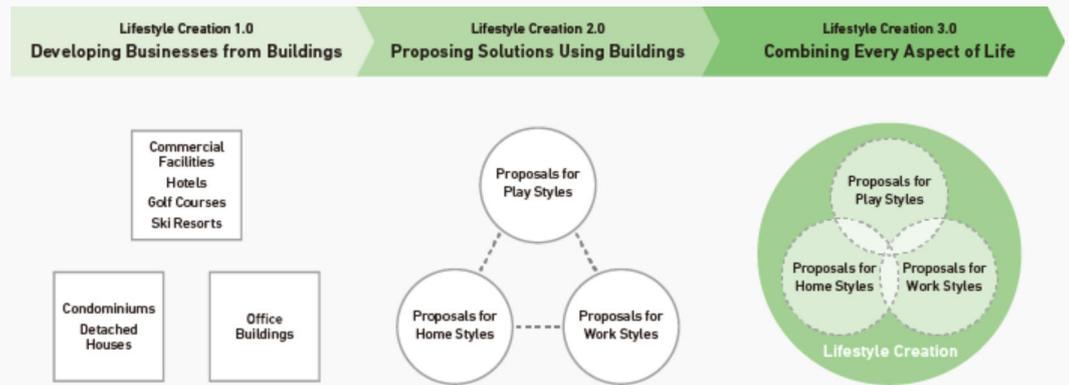
*1. Includes temporary employees

The Key to Lifestyle Creation is How You Spend Time

I'd like to explain the concept of lifestyle creation that we deal with, broken down into three evolutionary phases (Figure 2. The Evolution of Lifestyle Creation). Involved in developing the comprehensive real estate industry, we began our business with real estate development, namely with buildings. We first worked with residences. We offered the value of housing to our customers through the development and sales of condominiums and detached houses. Our business, which began with buildings, later spread to commercial facilities, hotels, and resort facilities, including golf courses and ski resorts. Office buildings, which raised our profits through rent payments, were added

as the third pillar (Lifestyle Creation 1.0).

Figure 2. The Evolution of Lifestyle Creation



From there, we expanded the boundaries of the real estate industry towards management, real estate, and operations centered around the building, and created new added value that didn't end with sales. Before long, the need for non-material services increased in addition to material services, together with the process of the Japanese economy becoming richer, and we began to propose new Home Styles based on the needs of the times, making use of the building. In the same way, commercial and resort facilities brought about a change from consumption of things to consumption of services, and we sought to propose new Play Styles. In the wellness field, which covers the leisure, senior, and health fields, we offer a wide range of support services to allow people from every generation to live a full and lively life. We are evolving to be able to propose new Work Styles, as our office buildings have been subject to work-style reform and health management. We have expanded our businesses and our profit model has evolved through creating solutions by utilizing each of our buildings (Lifestyle Creation 2.0).

We are now approaching a new phase in the lifestyle creation that we produce. By accepting the diversification of lifestyles and sense of values, the evolution of technology, and more, the barriers are lowered to Home Styles, Work Styles, Play Styles. For example, from the viewpoint of workers, the old work-life balance concept is transforming into a work-as-life concept. Rather than placing work or one's personal life over the other, this idea considers work as one part of one's life, and is a lifestyle that realizes one's ideals. Following the increase in freelancers who have no restrictions on working hours or location, so-called "workcations" combining work and vacation have started to become commonplace. The problems faced by modern society, including work-style reform, childcare and nursing issues, and increases in life expectancy, all overlap into the three areas, and I feel like these issues require lifestyle creation that fuses all manners of everyday life together (Lifestyle Creation 3.0).

From among the three areas, I think that we are able to show our unique abilities to the max in Play Styles. We have strength in having developed commercial and resort facilities over many years, and we are excellent in understanding business from the viewpoint of Play Styles, including management and operation.

I feel that we may succeed in future business with further development of ways of spending time. Expanding the cycle of lifestyle creation that utilizes ways of spending time is what we are aiming for and therefore we can be particular about services offered for all ages (value creation based on time) and in all areas (value creation based on space), developing a wide range of businesses.

Realizing a Sustainable Society and Sustainable Growth

The evolution of our lifestyle creation was born out of our Challenge-oriented DNA, which works to solve social issues through our business. If we reexamine the Gauponshugi philosophy proposed by Eiichi Shibusawa, we see that it is our mission to continue seeking sustainable growth through lifestyle creation. We established a Sustainability Vision and a Sustainability Policy in fiscal 2018 to show our Group stance on sustainability. 📄 See page 6, "Who We Want To Be"

Environmental problems and the energy crisis are both a risk and a chance for our Group, while also being long-term issues that require efforts on a global scale. As members of the global society,

we are contributing to the achievement of the Sustainable Development Goals (SDGs) for 2030, adopted at the UN summit in 2015. We are actively developing new measures in 2019 to combat climate change, including support of the Task Force on Climate-related Financial Disclosures (TCFD)'s proposals and participation (TOKYU LAND CORPORATION) in the international RE100 initiative, which aims for business operations with 100% renewable energy.

In our Medium-Term Management Plan, we offered ESG Management as an initiative for strengthening our management foundation that supports our growth strategy. We established four themes – the environment, work-style reform, social needs, and corporate governance – from the viewpoint of ESG (Environment, Society, and Governance), and in addition to establishing KPI goals for fiscal 2020, we are progressing on initiatives aimed at achieving these goals while also following the PDCA cycle. (📄 See page 48, “ESG Management”)

Regarding corporate governance, we are improving our management efficiency and continuing to strengthen our governance system towards creating a healthy and highly-transparent management system. There was a surge in social requests in fiscal 2018, including movements towards amending the Company Act, and we established corporate governance guidelines among other things. We also had our first female outside director, allowing us to have diverse debates over the long term. (📄 See page 51, “Corporate Governance”)



Establishing Strategies to Continue Creating Value in an Era of VUCA

We are living in an era of VUCA^{*2} today, full of unpredictable elements. Our readiness determines whether we are threatened by this or take it as an opportunity. I think that our desire to be a corporate group that continues to create value will become an important anchor as a compass for management during these uncertain, violently changing times. Looking past fiscal 2021, we will begin to formalize discussions aimed at establishing the next Medium-Term Management Plan to further pursue our vision.

We in the comprehensive real estate industry will continue to increase the depth of the leasing business through high added value urban development. But the issue of how to incorporate rapid technological advances in our business must be considered seriously. It is also said that we will reach the singularity^{*3}, where AI surpasses human intelligence, in 2045. In response to these changes, I think it will become important in how we produce added value through collaboration including innovative technology between existing businesses and partners outside the Company.

New business models are emerging in the various fields that surround our businesses. In the real estate industry, platformer-style companies operating co-working spaces and offering places for community-building have emerged, and cloud funding has caught the attention of even the real estate financing world. There are also industries with rapidly changing competitive environments due to innovations, and even in the real estate industry, there is a considerable possibility that players from completely different industries may compete through the advancement of real estate tech.

In the Japanese domestic market, with its decreasing birthrate and aging population, the labor shortage issue due to a decrease in the working age population is becoming apparent. For us, with our strengths in operations and management, this is an unavoidable issue. Although the future is highly uncertain, it is predicted that there will be an increase in single-person households and empty houses and a population drain from regional areas. I think it is important to carefully understand these changes.

In addition to working towards operational efficiency and increases in assets in various ways, including the use of robotic process automation (RPA), we are making use of innovative technology and creating synergies through corporate venture capital (CVC). Even so, we have only just begun these initiatives. We are searching for the seeds for growth and are creating the next growth strategy, while reexamining the opportunities and risks surrounding our business in order to contribute to the realization of Society 5.0*4, a new society that will arrive after the information society, as put forward by governments through the creation of smart cities.

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

*3. Singularity: refers to a technological singularity or the changes to the world brought about by this transformation.

Ray Kurzweil, an American futurist, predicts that AI will exponentially evolve, reaching a technological singularity where human intelligence and AI are reversed by 2045.

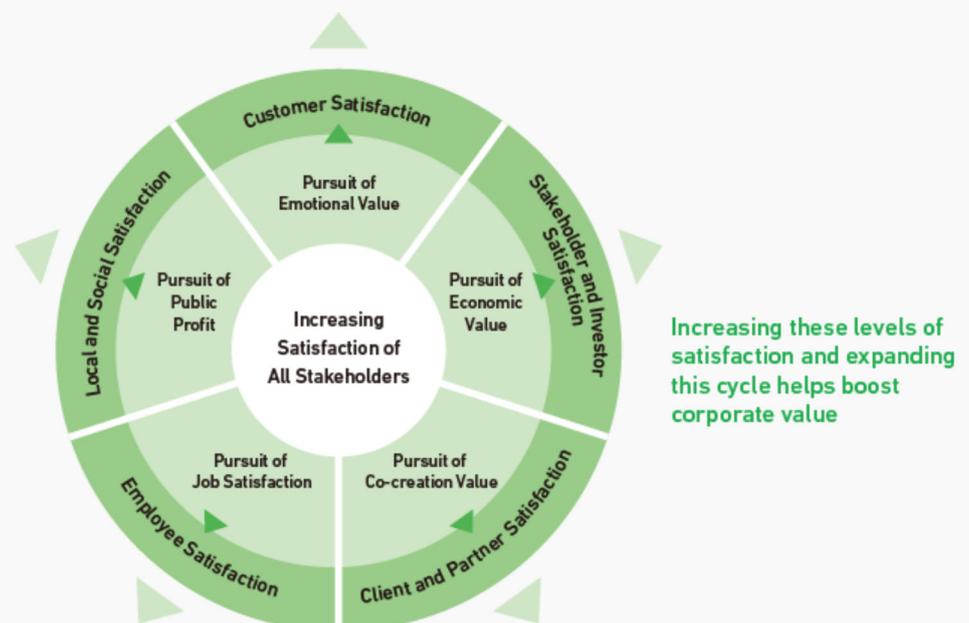
*4. Society 5.0: The 5th new society in human history, as advocated by The 5th Science and Technology Basic Plan. It refers to an incredibly smart society where new values and services are created one after another following the 4th industrial revolution.

Management that Speaks to the Sympathies of All Stakeholders

Finally, I'd like to explain what I value with the Group's management. It's the improvement of each stakeholder's satisfaction. This is the management philosophy that I have arrived at through all my experience.

Pursuing public benefit for regional and social satisfaction while also pursuing economic value for stakeholder and investor satisfaction. Balancing both of these while synchronizing private and public benefit is the concept of Gapponshugi, which could be called our origin. Through pursuing emotional value through our strong lifestyle creation for customers, co-creation value that fosters further value for our clients and partners, and joy in working and job satisfaction for our employees, we can raise satisfaction levels for all these groups. I believe that increasing these five types of satisfaction and expanding this cycle is connected to increasing namely corporate value (Figure 3. The Five Types of Satisfaction that Raise Corporate Value).

Figure 3. The Five Types of Satisfaction that Raise Corporate Value



I think that corporations, beyond being public institutions in society, should pursue universal satisfaction, without focusing solely on specific stakeholders, while constantly being aware of the

viewpoints of commonality and utility. Said another way, this is perhaps management that speaks to our sympathies. Society cannot be changed if we rid ourselves of our sympathies.

Just as I said before, there is the potential of great change to our world from the speed of technological evolution and innovation. In other words, this means that there is the potential for our lives to change greatly. For example, the Mobility-as-a-Service (MaaS) initiative may overthrow the foundation of the concepts of transportation and location, something we have come to think of as a given. When this happens, will we still be separated by long distances that take a long time to cover? How will the roles of tourist attractions and resorts change? I wonder how much the roles held by tourist attractions and resorts will change. A time may be coming when robots take over our jobs and we don't need to work at all. When that time comes, I wonder if we will continue to pursue job satisfaction, sensing meaning and allure from working.

When visualizing this future, I think what we will pursue is the humanity and creativity that is felt and the joy that is shared – something that we already have. From here on, we are in the times when emotions are valued, a time when a society in which each person strives for self-fulfillment is trying to take hold. I wonder how emotional satisfaction that will come from Play Styles time through rich experiences and time will change economic value when each individual attempts to pursue their self-fulfillment through their own values. I feel that it is necessary for future management to properly confront this.

If you go out in Shibuya, you will encounter many diverse people. Young and old, businesspersons and street performers. There are no other places with this kind of diversity. Many chances to create and propose new lifestyles have fallen into our hands as we built our home base here in Shibuya. We ourselves have practiced new Work Styles from Shibuya and spread the cycle of interaction outside the Company, and I want us to become a professional group that values unseen value – that is, humanity. In the end, our way of living itself will create new lifestyles. I want to offer this situation as a dream for our Group.

— CSR

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Create Value for Customers



The Tokyu Fudosan Holdings Group is committed to pursuing customer satisfaction by providing products and services with value tailored to customer needs in response to society's diverse lifestyles and values and the challenges posed by the trends towards smaller families and an aging population.

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Enhancing Services and Improving Quality

Building homes that take customers views into account

Tokyu Land Corporation's "BRANZ" condominium brand has been using the "BRANZ VOICE" activity to canvas customers' views using surveys and interviews.

The opinions expressed by customers in these venues are used to identify customer needs; BRANZ then leverages its know-how and integration capability to transform these into physical form. Based around the concept of "Functional beauty that enhances your living experience," BRANZ has developed the "MEUP" original product plan. To date, surveys conducted regarding the issue of water circulation—an issue that many customers had expressed opinions about—have resulted in the commercial launch of MEUP kitchens, powder rooms and bathrooms.



Group interview



Wash-basin

Two different types of wash-basin are available, to meet the needs of people who like to be able to relax and use the wash-basin alone, and people who want to be able to use it together with another person in the morning when people are getting ready to go out.

TOKYU LAND CORPORATION

Service-way Forum

In 2009, the Tokyu Fudosan Holdings Group launched the Service-way Forum (SWF), the aim of which is to ensure a high level of customer satisfaction with service provision throughout the Group by promoting the sharing of know-how and information between Group member companies, particularly the five companies* whose personnel are most likely to have direct contact with customers (in relation to operation, etc.).

For example, one SWF activity is the implementation of the Hospitality Enhancement Program, a training program conducted by Tokyu Harvest Club, a membership resort hotel chain, which aims at ensuring that Tokyu Harvest Club employees provide guests with service that reflects a higher level of hospitality.

Besides putting in place measures to ensure that staff members remember guests' names, steps have also been taken to make sure that guests remember staff members' names, including the display of a Staff Board and the use of "face-cards" instead of conventional name-cards. The aim of these measures is to strengthen staff members' relationship with guests.

*Tokyu Resort Service Co., Ltd., Tokyu Sports Oasis, Inc., Tokyu Stay Service Co., Ltd., Tokyu E-LIFE DESIGN, Inc., and TOKYU LAND SC MANAGEMENT CORPORATION

TOKYU SPORTS OASIS Inc., Tokyu Resort Service Co., Ltd, TOKYU LAND SC MANAGEMENT CORPORATION, Tokyu Stay Co., Ltd, TOKYU E-LIFE DESIGN Inc.

Tenant satisfaction survey

Tokyu Land SC Management Co., Ltd. investigates the satisfaction level of our company's management (relations, safety management, working environment in tenants, etc.) once a year for store managers of residents of major commercial facilities. Based on the responses of the questionnaire, we are extracting the issues of each facility and working on improvement.

TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

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Providing Safety and Security

Strengthening disaster preparedness measures

Tokyu Land Corporation's "BRANZ" condominium brand has been working actively to strengthen disaster preparedness, for example by becoming the first condominium brand in Japan to incorporate "pantry shelters" (which are used as storage space under normal circumstances, but can be used as an emergency shelter in the event of an earthquake etc.) Comprehensive measures have been taken to enhance disaster preparedness, including strengthening of the building structure, the making of improvements to storage facilities, and the arrangement of disaster prevention activities at the level of the building management unit, etc., with the aim of strengthening residents' awareness of the importance of being prepared for disasters.



Example of a storage area optimized for disaster preparedness

TOKYU LAND CORPORATION

Condominium design that emphasizes safety and peace of mind

Tokyu Land Corporation is working to create condominiums whose residents can enjoy safety and peace of mind.

To prevent furniture from falling over during an earthquake, we conduct testing in a vibration simulator to ensure that walls that will have furniture fixed to them using metal fixings have sufficient rigidity and strength and we utilize a specially reinforced specification for the metal fixings.



Testing in a vibration simulator
Cooperation:
Tokyu Construction Co., Ltd.
Engineering Research Laboratory

TOKYU LAND CORPORATION

Strengthening seismic resistance through home renovation

Tokyu Homes Corporation's "Total housing renovation system" goes beyond renewing a property's interior and exterior decoration and facilities to achieve a complete renewal that "strengthens the building from the core to create a home that will last". Tokyu Homes Corporation's "Seismic Resistance System" is designed to protect against earthquakes up to 6 on the Japan Meteorological Agency Seismic Intensity Scale, and with the aftershocks, and also includes the latest seismic damping device as standard. With "Total housing renovation system" and "Seismic Resistance System", your residence can be transformed into a new home that provides real security and peace of mind.



TOKYU HOMES CORPORATION

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Responding to the Trends towards Smaller Families and an Aging Society

Initiatives to Address Social Issues through the Senior Housing Business

In Japan, the aging of society is accelerating, with people age 65 or older accounting for more than 27% of the population. At the same time, there is a severe shortage in the supply of housing where senior citizens can continue to live comfortably with a sense of security. Moreover, partly because of the weakening of community bonds, there are many cases in which senior citizens and people who need long-term care live in isolation. The Group is applying the experience and expertise it has acquired over more than 10 years to support integrated community care and conduct initiatives to promote interaction among generations that include participation of community residents. We will continue to support the lifestyles of senior citizens so that everyone in the community, not just those who live in the housing the Group provides, can enjoy their own lifestyles for all time.

Long-term urban development project to promote interaction among generations and lifestyle continuity from one generation to the next

In view of social issues such as interaction among generations and changes in life stages with the extension of healthy life expectancy, the Setagaya Nakamachi Project (Setagaya-ku, Tokyo), a complex consisting of senior housing and condominiums for sale, opened in 2017 based on the concept of promoting interaction among generations and lifestyle continuity from one generation to the next. This project involves development of a community where residents can continue to live in comfort, security and health no matter what life stage they are at. The project, which takes into account the needs of Japan's aging modern society, including the need for a sense of security from having multiple generations living nearby and realization of diverse home styles in the same community, was the first to be selected in the Tokyo Metropolitan Government's "Project to Establish Senior Housing with Services Combined with Ordinary Residences."

SDGs in the Senior Housing Business



Grancreer Setagaya Nakamachi (senior housing)



BRANZ City Setagaya Nakamachi (condominiums for sale)

Junior golf lessons

Tokyu Land Corporation and Tokyu Resort Service Co., Ltd. have been arranging golf lessons for elementary school students during summer break to help children get fit and learn new skills and good manners. The lessons, led by golf pros, were held at the Otakijo Golf Club in Chiba Prefecture in August 2019. (These photos are from 2018)



Otakijo Golf Club



Golf lesson in progress

Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

Supporting child raising through condominiums

In September 2015, Tokyu Livable, Inc. opened the doors to the model unit for L'gente Liber Shiki, the first in a series of renovated condominiums with the concept of "creating happiness for families raising children." This building features a unique "child raising support master plan" in which layouts provide a comfortable living environment for families raising children and considers the future of the children living there. So that both children and families alike can live in comfort and peace of mind, condominiums that adopt this master plan are thoroughly checked by accredited experts in all aspects, from individual units, common areas and management system to property location and surrounding environment, receiving accreditation as a "child-friendly housing and environment" from Mikihouse Child & Family Research and Marketing Institute Inc.



Model unit for L'gente Liber Shiki

TOKYU LIVABLE, INC.

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Promoting Communication

Communication with customers

Reflecting the Group's desire to continue to enrich customers' lives even after they have purchased our products or used one of our services, we run the Tokyu Cosmos Club, which is an exclusive member's only organization. We are broadening communication with the more than 100,000 members of the Tokyu Cosmos Club through the Group newsletter **Cosmos** and the member's only website called Cosmos WEB. In particular, in the customer satisfaction survey carried out in 2018, 86.3% of the members gave us opinions that they are "satisfied". We will continue to strive to deepen communication with our customers.



the Group newsletter
Cosmos

Tokyu Fudosan Holdings

Communication with tenants

With the aim of helping the office workers working in buildings managed by the company to enjoy a more fulfilling office lifestyle, Tokyu Land Corporation publishes the free newspaper **Office To**, and also operates the Office To CLUB website in collaboration with EWEL Inc. to inform tenants about special services offered by the Tokyu Fudosan Holdings Group that they can access. Both **Office To** and Office To CLUB have proved very popular with readers and site-users.



the free newspaper
Office To

EWEL,Inc., TOKYU LAND CORPORATION

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Environmental Conservation Initiatives



The Tokyu Fudosan Holdings Group, based on its Environmental Vision, is implementing measures to address five environmental issues (climate change, biodiversity conservation, pollution and resources, water usage, and supply chain) from three viewpoints.



Environmental Vision

Basic Policy developed in 1998, revised in 2015

● 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

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

● Five environmental issues

- Climate Change
- Biodiversity Conservation
- Pollution and Resources
- Water Use
- Supply Chain

> Climate Change

> Biodiversity Conservation

> Pollution and Resources

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Climate Change

Policy

The Tokyu Fudosan Holdings Group recognizes that climate change is an important environmental issue that greatly impacts its business activities.

In 2014, the Intergovernmental Panel on Climate Change (IPCC) released the Fifth Assessment Report (AR5). This report found that warming of the climate system is unequivocal and it is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century. Climate change caused by global warming not only causes rising sea levels, but also abnormal weather such as an increase in heavy rains and flooding as well as droughts. The businesses of the Group are not only directly affected by weather conditions, such as snowfall amounts required to operate ski areas, but also indirectly affected as well such as the fact that the worldwide procurement of various supplies required for our businesses may become difficult.

Commitments

It is based on this awareness that the Group is promoting the more efficient use of energy and the utilization of renewable energy at its business offices as well as the office buildings, commercial facilities and resorts that it owns in an effort to mitigate the impacts that its business activities have on climate change. The development and operation of energy efficient office buildings, commercial facilities and resorts will create business opportunities and enhance the competitiveness of the Group. We will continue to work with design firms, construction companies, end users and other stakeholders in an effort to realize a low-carbon society and address the issues of climate change and energy consumption.

Tokyu Fudosan Holdings

Management Structure

The Tokyu Fudosan Holdings Group has in place the Tokyu Fudosan Holdings Sustainability Committee, which is chaired by the President & Representative Director of Tokyu Fudosan Holdings and co-chaired by the Operating Officer of Tokyu Fudosan Holdings. The committee meets regularly 3 times a year to discuss, plan and confirm results pertaining to material issues, such as compliance, climate change, social contributions, and diversity. In turn, the results of committee deliberations are reported to the Board of Directors, which is led by the President & Representative Director of Tokyu Fudosan Holdings.

Additionally, the Sustainability Council, established as a subcommittee to the Tokyu Fudosan Holdings Group Sustainability Committee, leads relevant management activities across the entire Group. The Sustainability Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for greenhouse gas emissions, a major cause of climate change, monitors results and shares information based on a shared policy. This ensures proper reporting under relevant laws and regulations and environmental impacts are reduced through business activities.

Tokyu Fudosan Holdings

Recognition of climate change ~ Disclose time horizon (short/medium/long term) of business related risk and/or opportunity

In fiscal 2017, the Tokyu Fudosan Holdings Group launched the 2017-2020 Management Plan as stage 2 of its Value Frontier 2020 medium-and long-term management plan. One of the materialities that form the basis for its formulation is the "change in the natural environment". Among them, we regard "climate change" as medium to long-term risk.

Tokyu Fudosan Holdings

Impact of climate-related risks and opportunities

- With advanced renewable energy sources and technologies including energy management system becoming available, Tokyu Land Corporation has always been on the lookout for latest trends and technologies to identify and seize business opportunities that climate change presents. One such example is BRANZ City Shinagawa Katsushima, the first condominium in the world with each unit equipped with ENE-FARM, a fuel cell system developed specifically for multi-family residential. Also successfully completed in FY2017 are two multi-family residential projects, one with 11kW-solar power generation system and the other with EV sharing. We are now looking to offer residential with smart home services using cutting-edge energy management system and IoT technology.

- The Energy Conservation Act has been strengthened in recent years and we adhere to the stricter requirements as part of our climate-change risk management. Under the amended Act, we are required to make an effort to reduce annual emissions from our properties including office buildings, commercial facilities, resort facilities and fitness facilities by average of 1%. We renew and renovate our facilities and run routine energy management and energy conservation activities in order to meet the reduction target and other requirements.

Climate change risks and opportunities in our strategy

	Politics	Economy	Society	Technology
Transition risk (i.e. tighter regulations)	<ul style="list-style-type: none"> Carbon price Large impact Increase in CO2 emission cost due to carbon tax etc. Carbon emission target/regulation Large impact Increased introduction cost for technologies and systems due to boarder coverage of and higher targets for Energy conservation law and cap-and-trade program. energy-efficient performance. ZEB Law Large impact Increase in construction / renovation cost in order to meet Zero Energy Building Law. 	<ul style="list-style-type: none"> Energy price Wider use of renewable energy and cost increase of fossil fuel causes grid stability to decrease, leading to higher energy price. Trend in Energy demand Fluctuation in overall energy demand affects energy purchase cost. Change in energy mix Changes in % of renewable energy in the energy mix requires businesses to take measures to achieve additional emission reduction. 	<ul style="list-style-type: none"> Changes in customer behavior Large impact Higher demand expected for buildings with ①disaster prevention performance ② eco-friendly features Changes in business reputation from customer/investor Large impact Lack of or deferred approach to buildings' ①disaster prevention features and ② eco-friendly features may lead to customer boycott and/or divestment. 	<ul style="list-style-type: none"> Advanced ZEB technology Large impact Less cost burden for building construction/renovation thanks to advanced material and technology for ZEB Broader use of energy conservation/renewable energy technologies Large impact As the society moves toward low-carbon, advanced energy conservation and renewable energy related technologies become widely available, leading to lower introduction cost for such technologies.
Physical risk (i.e. climate change)	<ul style="list-style-type: none"> Rise in average temperature and sea-levels Large impact Higher average temperature leads to more cases of heatstroke and additional cooling cost. Higher sea-levels create risk of flooding of our facilities. Abnormal climate and acute disasters(wind hazard and flooding) Large impact Frequent typhoons, torrential rainfalls cause wind hazards and flooding, leading to increased cost for building repair and reduced customer. 			

Tokyu Fudosan Holdings

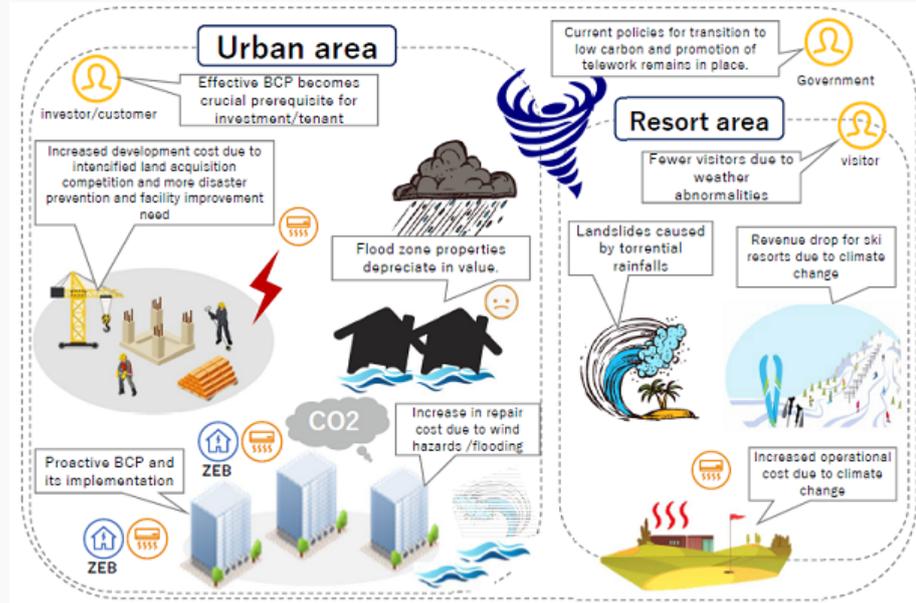
Climate Scenario plannings and climate-related risk management

- Society in 4°C scenario

Worsening natural disasters while transition to low carbon/renewable energy stalled.

- Society in 2°C scenario

Natural disasters becomes not as worse as 4°C scenario while ZEB/renewable energy become popular.



■ Society in 4°C Scenario (Impact of climate change is large.)				
Environmental change	Negative business impact	Financial impact	Positive business impact	Financial impact
Intensification of natural disasters	〈Urban area〉 Frequent wind hazards/floods 〈Resort area〉 Increased damage caused by landslides	↓	〈Urban area・Resort area〉 Properties being selected based on BCP	↑
Average temperature rise	〈Urban area〉 Sea level rise and storm surges constrain construction sites and architectural design 〈Resort area〉 Due to the reduction of snowfall, the operation period of the ski resort is shortened	↓	〈Urban area〉 Resilient buildings・Remote Work・Setting up satellite offices 〈Resort area〉 Deploying cutting-edge snow machine.	↑
■ Society in 2°C Scenario (The impact of regulatory changes is significant.)				
Introduction of carbon tax	〈Urban area・Resort area〉 Cost of carbon tax incurred	↓	〈Urban area・Resort area〉 Superiority of high environmental performance buildings. Utilization of renewable energy	↑

Financial quantification of climate change

a: Costs associated with climate change

We expect apparent exposure to physical risks associated with climate change by year 2050. We have therefore established a set of expected climate change factors affecting our resort facility business in year 2050, and identified possible risks to the business:

- Decrease in revenue due to unexpected weather conditions including intense rainfalls and typhoons leading to fewer operating days.
- Added restoration cost related to collapsed slopes in the resort facilities caused by unexpected torrential rain.
- Decrease in revenue generated from our ski resorts and other winter sports facilities due to shorter operating period caused by warmer temperature and less snowfall amid global warming.

b: Investment in R&D on climate change

In order to reduce exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon, we have been advancing our research of and exploring further deployment of renewable energy generation facilities including solar and wind power generations to our commercial and resort facilities.

Tokyu Fudosan Holdings

Support for activities to avoid climate change

Tokyu Fudosan Holdings Corporation has agreed to the recommendations of "Task Force on Climate-related Financial Disclosures(TCFD)" established by the Financial Stability Board (FSB).



Tokyu Fudosan Holdings

Tokyu Land Corporation is a member of the international initiative "RE100", which aims to source 100% of the energy required for business from renewable energy by 2050.



TOKYU LAND CORPORATION

As a member of the environmental committee of "The Real Estate Companies Association of Japan", Tokyu Land Corporation is working on promoting environmental action in the real estate industry. The committee periodically collects excellent efforts by member companies that lead to reduction of environmental burden and sustainable society building. They are used to share information among member companies and to further improve environmental awareness. Furthermore, we actively make proposals to public policies and regulations through "Low Carbon Town Planning Action Plan" or "Environmental voluntary action plan" etc.



TOKYU LAND CORPORATION

Supporting international initiatives

The Group supports and respects the UN Global Compact. In accordance with the 10 principles of the UN Global Compact broken down by the subjects of human rights, labour, environment, and anti-corruption, we are promoting responsible management aimed at contributing to the realization of a sustainable society.



Tokyu Fudosan Holdings

Practice and Implementation

Program to promote corporate value improvement through decarbon management

Tokyu Fudosan Holdings Co., Ltd. participated in the "Corporate Value Improvement Promotion Program by Decarbonizing Management" sponsored by the Ministry of the Environment in fiscal 2018, and studied internal carbon prices. Reference : [Ministry of Environment HP \(Japanese\)](#)

Tokyu Fudosan Holdings

Unquantified, Process CO₂ reduction targets

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums must comply with Insulation Performance Level 4 within the Evaluation Methods and Standards based on the Housing Quality Assurance Act. Also, Tokyu Plaza Ginza, a large-scale commercial facility, will be developed with the same level of performance as quasi-top level place of business recognized for outstanding countermeasures taken against global warming by the Tokyo Metropolitan Government.

Quantified CO₂ reduction targets

[Short- to medium-term quantified target]

- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of our business offices 25% compared to FY 2005 by the FY 2020.
- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of real estate portfolio 25% compared to FY 2005 by the FY 2020.

[Long-term quantified target]

- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of our business offices 30% compared to FY 2005 by FY 2030.
- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of real estate portfolio 30% compared to FY 2005 by FY 2030.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

GHG(CO₂) emissions data

(unit: thousand t-CO₂)

	FY2015	FY2016	FY2017	FY2018
Scope 1	210.7	43.0	42.9	41.9
Scope 2		190.1	184.6	188.6
Scope 3 ▼	821.9	682.1	585.9	1295.5

· Scope 1 · 2 cover the scope of Tokyu Fudosan Holdings and six operating companies.

Tokyu Fudosan Holdings

Energy usage data

(unit: thousand GJ)

	FY2015	FY2016	FY2017	FY2018
Scope 1	4,374.3	4,542.6	4,463.5	4,555.4
Scope 2				

· Scope 1 · 2 cover the scope of Tokyu Fudosan Holdings and six operating companies.

Tokyu Fudosan Holdings

GHG(CO₂) emissions and energy consumption

	FY2005 (base year)	FY2015	FY2016	FY2017	FY2018	FY2020 (short-term target year)	FY2030 (long-term target year)
GHG (CO ₂) emissions (Unit:thousand t-CO ₂)	65.5	210.7	233.0	227.5	230.5	-	-
Energy consumption (Unit:thousand GJ)	-	4,374.3	4,542.6	4,463.5	4,555.4	-	-
GHG (CO ₂)emissions (intensity) (Unit:kg-CO ₂ /m ²)	133	98.4	106.7	101.0	96.1	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-25%	-30%
Energy consumption (intensity) (Unit:thousand GJ/m ²)	-	2.0	2.1	2.0	1.9	-	-

Number of target facilities	-	210	192	204	213
Office buildings	-	80	70	73	78
Commercial facilities	-	64	59	64	65
Resorts facilities	-	58	55	55	59
Other	-	7	7	11	11
Overseas	-	1	1	1	-
Floor area	492.6	2,291.9	2,184.3	2,251.3	2,399.3
Office buildings	-	718.3	599.3	655.3	673.4
Commercial facilities	-	1,226.3	1,042.4	1,050.8	1,142.3
Resorts facilities	-	296.3	491.6	491.6	543.5
Other	-	35.7	35.7	38.3	40.2
Overseas	-	15.3	15.3	15.3	-

• As greenhouse gases other than CO₂ are extremely small amounts, CO₂ emissions are regarded as greenhouse gas emissions.

• Date cover the scope of Tokyu Fudosan Holdings and six operating companies.

• One overseas property was transferred to a resort facility from 2018.

Tokyu Fudosan Holdings

Reduction of CO₂ emissions / Reduction of energy consumption

● Reduction of CO₂ emissions / Reduce energy consumption at resort facilities

(I) Unquantified, Process targets

(1) Targets in the investment process

- ① Electrical facility : Introduction of energy saving fluorescent spheres and LED lamps
- ② Water supply and sanitation facility : Introduction of water-saving type faucets
- ③ Air conditioning equipment : Update, Installation of inverter control device

(2) Targets in the management process

- ① Electrical facility
 - Review of lighting time
 - Unnecessary lights go out
 - Review illuminance
- ② Water supply and sanitation facility
 - Revision of temperature setting of cold / hot water
 - Review operating hours
 - Review temperature setting and capacity of hot water tank, bath tub or pool etc
- ③ Air conditioning equipment
 - Operation at proper temperature
 - Stop unnecessary air conditioning and introduce outside air and efficient operation of total heat exchanger
 - Clean filter or fin of air conditioner, ventilator and kitchen exhaust hood

(II) Achievement status on quantified reduction targets

[Achievement status]

※Compared to FY2005

FY2015	FY2016	FY2017	FY2018
-26%	-21%	-24%	-27%

● Process or quantified targets and records on reduction of CO₂ emissions or energy consumption (FY2017)

(1) Targets in the investment process and reduction record

- ① Electrical facility:
 - Energy reduction target 10.03kl ⇒ record-10.8kl
 - CO₂ reduction target 26.28t-CO₂ ⇒ record-28.30t-CO₂
- ② Water supply and sanitation facility:
 - Energy reduction target 7.93kl ⇒ record-6.6kl
 - CO₂ reduction target 20.78t-CO₂ ⇒ record-17.29t-CO₂
- ③ Air conditioning equipment:
 - Energy reduction target 13.17kl ⇒ record-13.0kl
 - CO₂ reduction target 34.50t-CO₂ ⇒ record-34.06t-CO₂

(2) Targets and records in the management process

- ① Electrical facility :
 - Energy reduction target 14.92kl ⇒ record-16.1kl
 - CO₂ reduction target 39.09t-CO₂ ⇒ record-42.18t-CO₂
- ② Water supply and sanitation facility:
 - CO₂ reduction target 39.71kl ⇒ record 2.4kl
 - CO₂ reduction target 104.04t-CO₂ ⇒ record 6.29t-CO₂

③ Air conditioning equipment:

CO₂ reduction target 39.02kl ⇒ record-19.1kl

CO₂reduction target102.23t-CO₂ ⇒ record-50.04t-CO₂

TOKYU LAND CORPORATION

Initiatives to Address Social Issues through the Renewable Energy Business

Amid calls to reduce emissions of CO₂ and other greenhouse gases in the supply of energy, expectations are rising for renewable energy from solar and wind power. Renewable energy is not depleted with use because it is produced from natural phenomena. It also does not emit greenhouse gases. The renewable energy business, in addition to producing clean energy, contributes to local job creation and economic activity through the development and operation of power generation facilities.

SDGs in the Renewable Energy Business



Development of the Renewable Energy Business in 43 Locations Nationwide

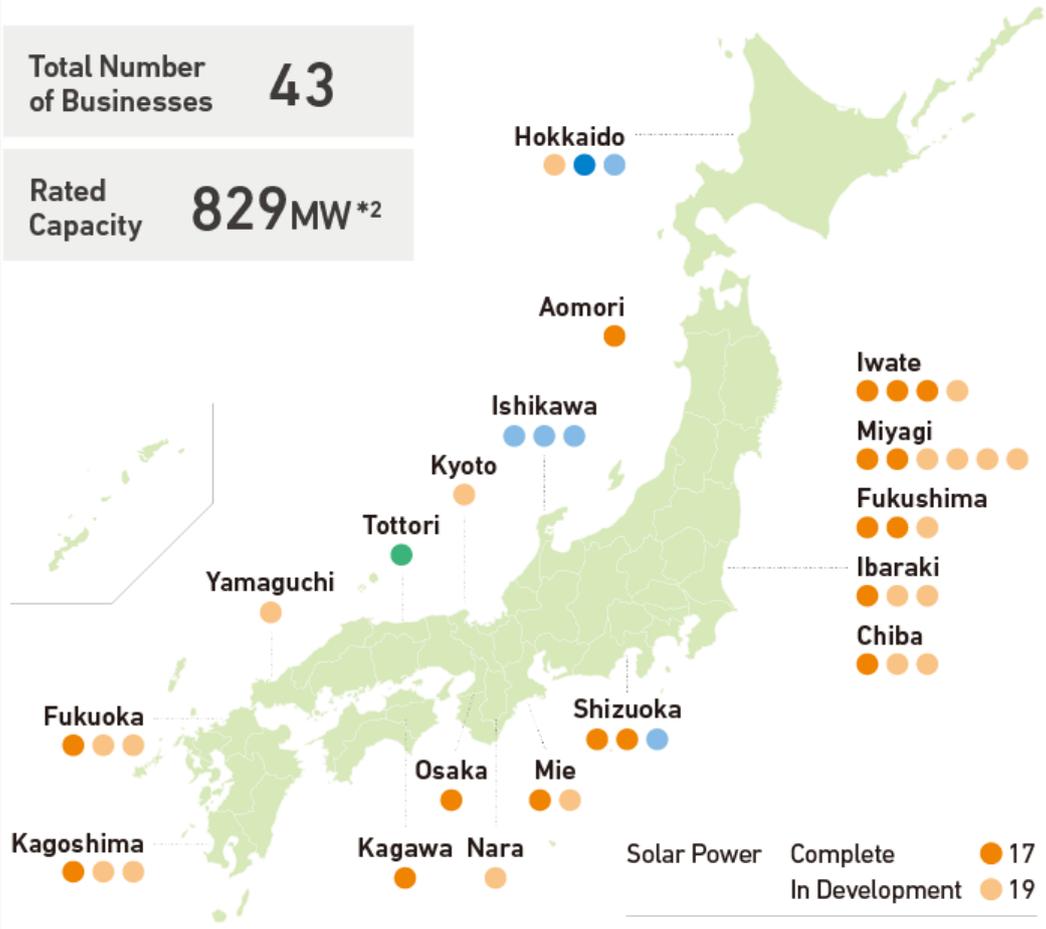
The Group first invested in a solar power generation project in 2014. In 2017, we entered into a capital and business alliance with Renewable Japan Co., Ltd., a renewable energy provider. In July 2018, through a joint investment with the Development Bank of Japan we began an ownership and operation business for seven projects that are either currently in operation or under development. We are now involved in renewable energy business facilities in 43 locations throughout Japan(including projects under development. As of the end of June 2019) and rated capacity 829MW(Total involvement business value including joint venture) .

Projects in various regions are moving forward, including the Suzuran Kushiro-cho Solar Power Plant (tentative name), which will be one of Japan's largest solar power generation facilities equipped with storage batteries, and an innovative solar sharing business in Ichinoseki, Iwate Prefecture that will operate both a solar power generation facility and an agricultural business. We will continue to contribute to the realization of a sustainable society and regional development through our businesses



Total Number of Businesses **43**

Rated Capacity **829MW*2**



Solar Power	Complete	17
	In Development	19
Wind Power	Complete	1
	In Development	5
Biomass	In Development	1

(as of end of June, 2019)

Tokyu Fudosan Holdings

Reduction in CO₂ emissions in office buildings

The Group works to reduce CO₂ emissions in the office buildings it manages through the installation of energy-saving equipment and in cooperation with its tenants. By implementing these initiatives, the Group aims to serve a pioneering role in achieving the numerical energy conservation targets for new office buildings stipulated in the environmental action plan formulated by the Real Estate Companies Association of Japan.

At the Shin-Meguro Tokyu Building developed by Tokyu Land Corporation, we have achieved visualization through the installation of BEMS (building energy management system) monitors on each floor that allow tenants to confirm their energy consumption and also reduced energy use for the entire building through means such as the installation of natural ventilation systems and automatic dimming equipment.

Reduction in CO₂ emissions in condominiums

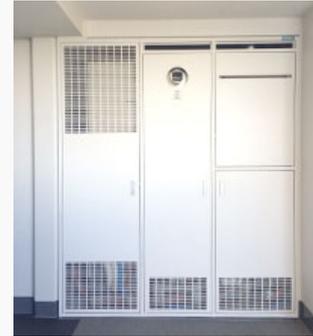
The 356-unit Branz City Shinagawa Katsushima is a large condominium building in which the collective strengths of the Tokyu Group, including Tokyu Land Corporation and Tokyu Community Corporation, are being used to make it more energy efficient.

As a result of efforts including the adoption of the world's first home use fuel cell for condominiums called Enefarm in all housing units and the installation of HEMS as a system that enables the visualization of home power consumption, it has been estimated that CO₂ emissions have been reduced by at least 60% and the highest S Rank (self-evaluation) has been acquired using CASBEE (Comprehensive Assessment System for Built Environment Efficiency).

We will verify CO₂ reduction results and provide feedback to residents as we aim for even further energy efficiency. In recognition of these efforts, the project was selected as a Low-CO₂ Residence and Building Leadership Project by the Ministry of Land, Infrastructure and Transport.



Branz City Shinagawa Katsushima



Enefarm for condominiums

TOKYU COMMUNITY CORP., TOKYU LAND CORPORATION

Use of renewable energy

The Group uses photovoltaic energy, wind power and other forms of natural energy to power various businesses.

Solar power generation systems have been introduced to resort facilities, specifically to the Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA. In addition, at the commercial facility Tokyu Plaza Omotesando Harajuku, two wind turbines have been installed on the rooftop to foster the use of natural energy.



Photovoltaic energy
(Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA)



Wind power
(Tokyu Plaza Omotesando Harajuku)

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

Company position on public policy for mitigating climate change

Tokyu Land Corporation approves the Tokyo Cap-and Trade program.

[Our data is here.](#) 

TOKYU LAND CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



Biodiversity Conservation

Policy

Tokyu Fudosan Holdings Group's business activities rely heavily on ecosystem services for land development and materials procurement. Given this, we are strongly aware that biodiversity conservation represents an important environmental issue.

The loss of biodiversity would make it difficult for us to reap the benefits of ecosystem services that until now have benefited our businesses in terms of land use and construction materials procurement, which carries with it the risk of much higher costs. Furthermore, the loss of biodiversity is an extremely critical issue that could threaten the very existence of society and human life.

The development and operation of housing, office buildings, commercial facilities and resorts that help to conserve biodiversity will create business opportunities and enhance the competitiveness of the Group.

commitment

It is based on this awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible materials procurement and conduct ecosystem studies at the time of development for our business activities as well as the office building, commercial facilities and resorts we develop in an effort to mitigate impacts on biodiversity and conserve biodiversity.

[Policies on biodiversity conservation]

1. We will grasp the relation between our operation and biodiversity.
2. We strive to minimize the effect of the operations on biodiversity.
3. We strive for sustainable use of biological resources.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address climate change issues, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, manages the results of group-wide efforts on biodiversity issues and shares information based on a shared policy. This ensures biodiversity conservation is addressed throughout all business activities.

Responding to the impact on biodiversity ~ KPI Targets for Fiscal 2020

Green buildings(roofs,walls,etc)* Fiscal 2017 Results 100% , Fiscal 2020 Targets 100%

*Tokyu Land Corporation new large office buildings and commercial facilities.

Tokyu Fudosan Holdings

Practice and Implementation

Biodiversity risk assessment ~ Conducting ecosystem studies and conserving biodiversity using greenery in the project

《New project》 The Group actively introduces greenery at its condominium, office and commercial facility buildings, which links with community greenery to form ecological networks considerate of biodiversity. When developing large-scale properties that will impact the local community, we conduct ecosystem studies on the local environment during the planning stage in order to introduce greenery through planters or other means that will provide a habitat for native birds and insects. Such formation of greenery networks helps to conserve the biodiversity of the entire community.

《Existing project》 For example, at the roof terrace garden named Omohara Forest at Tokyu Plaza Omotesando Harajuku, we conduct regular studies on living organisms throughout the year with Regional Environmental Planning, Inc., a specialist in natural environment conservation in order to gain an understanding of the ecosystem created there, .



Ecosystem study in progress
at Tokyu Plaza Omotesando Harajuku



Seven-spot ladybug



Japanese white-eye

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

Participation in the biodiversity certification system ~ Acquired the top AAA rank for JHEP Certification

The FUTAKO TAMAGAWA Rise integrated commercial and residential complex that is a joint venture between Tokyu Land Corporation and Tokyu Corporation acquired the top rank (AAA) for JHEP Certification, which is Ecosystem Conservation Society - Japan's system for certification of biodiversity assessments. We developed the building's roof garden into an open space containing water and greenery as a large-scale roof garden with features such as a vegetable garden and a killifish pond in an aim to create a community that is in harmony with the abundant natural environment in the surroundings.



FUTAKO TAMAGAWA Rise



Killifish pond created
as part of the roof garden



TOKYU LAND CORPORATION

Creation of “Invasive Alien Species Response Manual”

According to the Invasive Alien Species Act (Ministry of the Environment), an invasive alien species is a species of fauna or flora that did not originally reside in Japan and was brought to Japan intentionally or unintentionally by human actions and that may cause damages to local ecosystems. The Group has created a manual that outlines ways to deal with an invasive alien species if it is found in order to protect the community's ecosystem.



(Non-native fauna)
Nettle caterpillar



(Non-native flora)
Annual fleabane

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TOKYU FUDOSAN HOLDINGS GROUP

Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



Pollution and Resources

Pollution

Policy

The Tokyu Fudosan Holdings Group believes that one of its duties is to mitigate the release of pollutants from its business activities. This is why we are working with design firms, construction companies and other stakeholders to prevent the release of pollutants and mitigate pollutants by avoiding the use of materials that are a source of pollutants in order to reduce our impacts on the environment.

Tokyu Land Corporation has established specific measures for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums or detached housing must be in compliance with Formaldehyde Abatement Level 3 and the company has created an in-house manual on soil contamination and asbestos abatement to ensure it takes proper measures.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of pollutants, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, manages the results of efforts on pollutants and shares information based on a common policy. This ensures pollutants are addressed throughout all business activities.

Tokyu Fudosan Holdings

Practice and Implementation

Setting standards to ensure residential indoor air quality

Tokyu Land Corporation has rigorous performance standards for its newly built condominiums in order to prevent indoor air pollution caused by building materials, some of which are as follows:

- All formaldehyde-emitting building materials are to meet JIS(Japanese Industrial Standards) and F☆☆☆☆ rating under JAS (Japanese Agricultural Standard).
- Aside from formaldehyde, toluene, xylene, ethylbenzene, styrene and other toxic emission from building materials have to be minimal.
- Newly built condominiums are subject to our indoor air quality testing to ensure that indoor chemical substance concentration does not exceed guideline values set forth by the Ministry of Health, Labour and Welfare.

TOKYU LAND CORPORATION

Handling of hazardous substances

The Group's office buildings, commercial facilities and resorts manage and dispose of hazardous substances in a responsible manner in accordance with relevant laws and regulations.

We carry out procedures and dispose of fluorocarbons used in air conditioners and PCBs used in electrical facilities in accordance with the law. These substances are handled with the utmost care to prevent leakage or release. For asbestos and soil pollution, we carry investigative studies in a timely manner and implement proper measures or controls based on the situation.

TOKYU LAND CORPORATION

Waste

Policy

The Group recognizes that the mitigation and proper disposal of waste is an important environmental issue because increased business activities will result in increased waste.

We also believe that it is important to endeavor to reduce waste emissions based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses.

The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting recycling in business activities, will contribute to reduction of pollution through curbing the use of resources in business activities.

It is based on this awareness that we will continue to work with design firms, construction companies, end customers and other stakeholders to reduce waste through responsible recycling and achieve a recycling-oriented society.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of waste, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, manages the setting of group-wide targets, results of efforts, and shares information about waste based on a common policy. This ensures data on the use and storage of waste by each company is understood and that proper management/disposal is carried out in accordance with relevant laws and regulations. This also ensures that we are making efforts to reduce waste through our business activities.

The Group has established the following target for waste.

Target

We aim to reduce waste emissions per floor area of our business offices and real estate portfolio 25% compared to FY2005 by the FY 2020.

Tokyu Fudosan Holdings

Practice and Implementation

Waste reduction through remodeling

The Tokyu Fudosan Holdings Group is working to reduce waste through home renovations. Tokyu Resort Corporation is conducting the sales of vacation homes that have been seismically diagnosed and guaranteed and also ecologically remodeled under its REWORTH program.

Tokyu Fudosan Holdings, TOKYU RESORT CORPORATION

Data on waste volume

	2005(FY) (base year)	2015(FY)	2016(FY)	2017(FY)	2018(FY)	2020(FY) (target year)
VOC emissions (Unit:liters)	-	0	0	0	0	-
Hazardous waste emissions (Unit:kg)	-	35,807	109,509	3,160	11,984	-
Non-recyclable waste emissions (Unit:t)	-	9,360	13,261	15,669	10,711	-
Recyclable waste emissions (Unit:t)	-	9,548	11,865	9,900	12,221	-
Cost of environmental fines (Unit:yen)	-	0	0	0	0	-
Waste emissions (intensity) (Unit:kg/m ²)	13.23	10.06	12.50	12.64	10.11	9.92
Achievement rate	-	-24%	-5.5%	-4.5%	-23.6%	-25%

• Date cover the scope of Tokyu Fudosan Holdings and five operating companies.

Tokyu Fudosan Holdings

Ratio of establishments receiving environmental management certification

There are no office that have received environmental management certification such as ISO14001 or EMAS.

Tokyu Fudosan Holdings

Use of Resources

Policy

The Group recognizes that the responsible use of resources is an important environmental issue because increased business activities will result in increased use of resources, even though these resources are limited in nature.

We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses.

The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting the reuse of resources in business activities, will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with design firms, construction companies and other stakeholders to use resources responsibly and more effectively.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of use of resources, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, shares information from across the group based on a common policy. This ensures that we are using resources responsibly and efficiently.

Tokyu Fudosan Holdings

Practice and Implementation

Forming a reuse cycle for wood resources

The Green Connection Project is an initiative with customers and other stakeholders of the Group to help preserve forests. This initiative has preserved forests in various uses, from condominium purchases to use of offices and resorts, with more than 1,000 hectares saved to date. Wood produced from forests is utilized in various businesses operated by the Group and also provided to customers, which forms a reuse cycle.



Eave materials for the Shin Aoyama Tokyu Building



Morinomiya Q's MALL BASE playground equipment



Original stationery sold at Tokyu Hands

Tokyu Fudosan Holdings, TOKYU HANDS INC., TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

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TOKYU FUDOSAN HOLDINGS GROUP
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Great East Japan Earthquake
Smile for Japan
For smiling faces all over Japan

Water Use

Policy

The Tokyu Fudosan Holdings Group recognizes the importance of water conservation in its capacity as a fundamental component of social infrastructure.

Today, water shortages are growing more serious worldwide due to desertification and other factors. Although Japan, where the vast majority of the Group's business offices are located, has yet to experience chronic water shortages, in light of the water resources used to produce the materials we import, so-called "virtual water", the issue of water shortages and water pollution around the world is not irrelevant to our business operations. The development and operation of homes, office buildings, commercial facilities and resorts that excel at water conservation through the use of water saving systems and features will create business opportunities and enhance the competitiveness of the Group.

Commitments ~Group-wide actions to reduce water usage

It is based on above awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible management and efficient use of local water resources for our business activities and at the office buildings, commercial facilities, and resorts we own.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & CEO, and to address the issue of water resource conservation, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for water use and shares information based on a common policy. This ensures we are able to understand water use volume for each group company, report proper information in accordance with relevant laws and regulations, and work to reduce water use throughout all business activities.

We have set the following target for water use.

Unquantified, Process type water reduction targets

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects.

Quantified water reduction targets

We aim to reduce water use per floor area of our business offices and real estate portfolio 25% compared to FY 2005 by the FY 2020.

For example, development projects involving new build condominiums or detached housing must use water efficient toilets that use less than six liters of water per flush as well as efficient hot water saving kitchen, shower, and bathroom vanity fixtures.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Practice and Implementation

Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water by actively using mountain groundwater.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

Initiatives Along the Tama River - Environmental Conservation of the River and its Basin

The Tokyu Foundation (formerly known as The Tokyu Foundation for Better Environment) works to improve the environment of the Tama River area by conducting surveys of the Tama River and its basin, supporting environmental activities, and disseminating information.

Tokyu Fudosan Holdings

Business activities in a water shortage area

The Republic of Palau is chronically suffering from a shortage of water. At Palau Pacific Resort, we have our own water supply facilities from the time of opening, we operate the hotel with our own drinking water, and we strive to conserve water resources in the Republic of Palau by thorough water conservation.

TOKYU LAND CORPORATION

Water usage — Goals and results

	2005 (FY) (base year)	2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)	2020 (FY) (target year)
Water usage (unit:m ³)	-	2,811,153	2,662,803	2,547,920	2,611,535	-
Water use intensity (unit:m ³ /m ²)	1.12	1.32	1.23	1.14	1.11	0.84
Achievement rate	-	+18.8%	+9.8%	+1.8%	-0.9%	-25%

• Date cover the scope of Tokyu Fudosan Holdings and five operating companies.

Tokyu Fudosan Holdings

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TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan

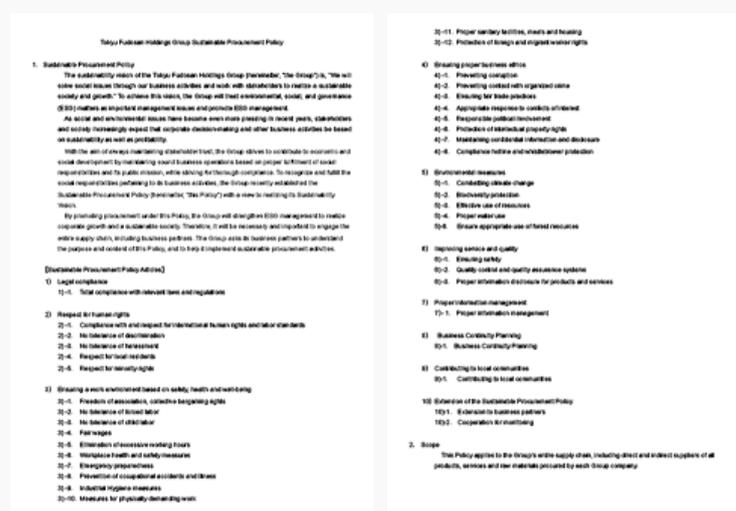


Supply Chain (Environment)

Policy

In the real estate business involving the Tokyu Fudosan Holdings Group, since development and operation of houses, office buildings, commercial facilities, resort facilities, etc. are going on for a long time and many stakeholders are involved, we recognize that we need to work on the entire supply chain in cooperation with stakeholders (design companies, construction companies, customers etc.). Also, since we utilize large amounts of resources from the environment for our business activities, we will work on the entire supply chain for energy use, water resources conservation, biodiversity conservation, saving resources, reduction of pollutants and waste and appropriate treatment.

Sustainable Procurement Policy



 [Tokyu Fudosan Holdings Group Sustainable Procurement Policy\(PDF:137KB\)](#)

 [Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:140KB\)](#)

Supplier policy in the environmental supply chain

–**Energy use**– We will promote the efficient use of energy and the use of renewable energy throughout the entire group and will endeavor to reduce the impact of CO2 / GHG emissions from business activities on climate change.

–**Water Resource**– In order to properly manage water resources according to region / time and efficiently use water resources , it is necessary to work in cooperation with stakeholders. Also, Japan, where many of our business sites are concentrated, has yet to experience chronic water shortage, but in our business activities, we recognize that it is necessary to consider the water resources used for the production of imported materials (so-called “virtual water”).

–**Biodiversity Conservation**– Land development and materials procurement in our business activities are highly dependent on ecosystem services. Because damaging the ecosystem makes it difficult to receive such service, the Group will conduct appropriate material procurement and ecosystem surveys in collaboration with our stakeholders and work on biodiversity conservation.

–**Saving Resources**– The Group recognizes that the responsible use of resources is an important environmental issue because global environmental resources are finite. We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses. The Group will work with stakeholders to use resources responsibly and more effectively.

– Reduction of Pollutants and Waste and Appropriate Treatment – The Group recognizes that the reducing emissions of pollutants and waste in business activities is one of the corporate social responsibilities. The Group will work to reduce the impact for the environment in cooperation with design firms and construction companies to reduce pollutants and waste discharges, reduce materials causing the pollutants and waste, and apply appropriate treatment when discharging it we will work.

Property portfolio management policy

Tackling the real estate business in consideration of global environmental issues such as energy use, water resource, biodiversity conservation, resource saving, reduction of pollutants and waste and appropriate treatment will create business opportunities and enhance the competitiveness of the Group. It is based on this awareness that we will work with tenants and other stakeholders to help protect the environment across the entire supply chain of our businesses.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & CEO, and to address environmental issues within the supply chain, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

CO2(GHG) quantified reduction targets setting

[Short- to medium-term quantified target]

- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of our business offices 25% compared to FY 2005 by the FY 2020.
- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of real estate portfolio 25% compared to FY 2005 by the FY 2020.

[Long-term quantified target]

- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of our business offices 30% compared to FY 2005 by FY 2030.
- The Tokyu Fudosan Holdings Group aims to reduce CO₂ emissions per floor area of real estate portfolio 30% compared to FY 2005 by FY 2030.

Tokyu Fudosan Holdings

Practice and Implementation

Results on quantified reduction targets for CO₂(GHG) emissions and energy consumption

	FY2005 (base year)	FY2015	FY2016	FY2017	FY2018	FY2020 (short-term target year)	FY2030 (long-term target year)
GHG (CO ₂) emissions (Unit:thousand t-CO ₂)	65.5	210.7	233.0	227.5	230.5	-	-
Energy consumption (Unit:thousand GJ)	-	4,374.3	4,542.6	4,463.5	4,555.4	-	-
GHG (CO ₂)emissions (intensity) (Unit:kg-CO ₂ /m ²)	133	98.4	106.7	101.0	96.1	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-25%	-30%
Energy consumption (intensity) (Unit:thousand GJ/m ²)	-	2.0	2.1	2.0	1.9	-	-

Number of target facilities	-	210	192	204	213
Office buildings	-	80	70	73	78
Commercial facilities	-	64	59	64	65
Resorts facilities	-	58	55	55	59
Other	-	7	7	11	11
Overseas	-	1	1	1	-
Floor area	492.6	2,291.9	2,184.3	2,251.3	2,399.3
Office buildings	-	718.3	599.3	655.3	673.4
Commercial facilities	-	1,226.3	1,042.4	1,050.8	1,142.3
Resorts facilities	-	296.3	491.6	491.6	543.5
Other	-	35.7	35.7	38.3	40.2
Overseas	-	15.3	15.3	15.3	-

• As greenhouse gases other than CO₂ are extremely small amounts, CO₂ emissions are regarded as greenhouse gas emissions.

• One overseas property was transferred to a resort facility from 2018.

Tokyu Fudosan Holdings

Results on goals of acquisition of environmental performance certification, including LEED and CASBEE

《Quantified target》 FY2020 : 100%

※Tokyu Land Corporation new large office building and commercial facilities.

《Results》 The Group works with stakeholders to obtain environmental performance certification to improve the environmental practices of its entire supply chain. The achievement ratio to the acquisition target in FY 2018 was 100%.

In August 2015, Futako Tamagawa Rise Tower Office (Setagaya City) acquired LEED for New Construction Gold certification through a partnership involving TOKYU CORPORATION, Tokyu Land Corporation and Setagaya City. In November 2015, the entire Futako Tamagawa Rise development became the first location in the world to receive LEED for Neighborhood Development Gold certification. This neighborhood development project received high marks not only for its verdant

surrounding environment next to the Tama River, but also for its excellent access to public transportation, high density, compact development, and its initiatives for biodiversity and the more efficient use of energy.

In addition, we are also actively working to acquire CASBEE and DBJ Green Building certification for our residential, office and commercial facility developments as part of our efforts to display environmental performance.

*LEED

A green building certification program administered by the U.S. Green Building Council.



Futako Tamagawa Rise

TOKYU LAND CORPORATION

Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water by actively using mountain groundwater.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

Reduction of water usage by using rainwater

The office building "Kasumigaseki Tokyu Building" developed by Tokyu Land Corporation has introduced facilities to utilize rainwater falling on the roof.

The collected rainwater is used for miscellaneous water such as toilet wash water to save water usage. Water retention pavement for suppressing the rise in road surface temperature is laid on a part of the outer structure by thermal evaporation of water vapor, and it is expected that the heat island phenomenon will be mitigated.

TOKYU LAND CORPORATION

Operating energy management systems together with tenants

Tokyu Land Corporation actively employs energy saving equipment and is constantly working to improve the management and operation of equipment that consume large amounts of energy, such as air conditioners.

At Abeno Q's Mall in the Abeno Ward of Osaka, Tokyu Land Corporation together with business owners and tenants jointly operates the Motto Save system with Osaka Gas Co., Ltd. that makes it possible to mitigate CO₂ emissions. This system aggregates energy usage data for the common space and private space of the mall on a cloud so that business owners and tenants can check, analyze and share findings about the energy usage data of each tenant.

We will continue to work on energy saving measures with the goal of realizing a low-carbon society in the future.

TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

Visualizing energy usage with smart meters

Tokyu Land Corporation installs smart meters for the condominium units it sells to encourage the visualization of energy usage. At Branz Sapporo Nakajima Koen, smart meters come standard that automatically read electricity usage data in 30-minute increments using telecommunications.



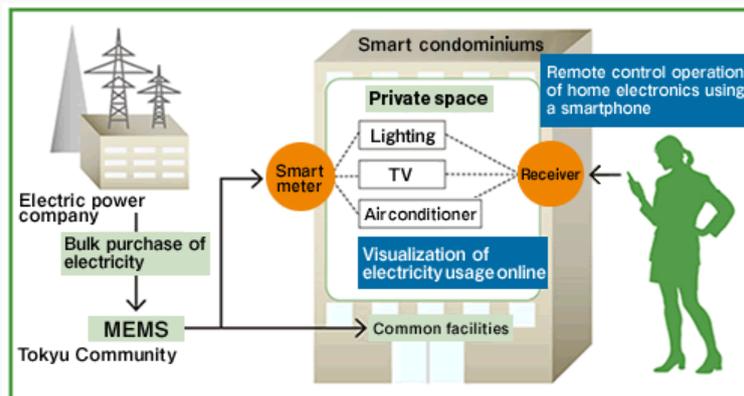
Smart meter (sample image)

TOKYU LAND CORPORATION

Managing energy usage of condominiums

Tokyu Community Corporation has been selected to be an MEMS aggregator as an energy management service provider by the Ministry of Economy, Trade and Industry. It is adopting MEMS (condominium energy management systems) and bulk high-voltage electricity receiving services (a type of energy-saving system) in the condominiums that it manages.

These systems were introduced for approximately 786 housing units during FY2014 as part of efforts to reduce energy use at existing condominiums.



Conceptual diagram of bulk electricity purchases and MEMS

TOKYU COMMUNITY CORP.

Hosting of environmental seminars

Tokyu Homes Corporation(Newly built housing division), recognizing the importance of working with suppliers to achieve the sustainable use of forest resources, holds seminars respecting the forest environment every year for construction materials manufacturers. Tokyu Homes Corporation will continue to raise awareness about the environment across the supply chain in an effort to realize more sustainable procurement of resources in the future.

TOKYU HOMES CORPORATION

— CSR

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Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



Contributions to Local Communities



The Tokyu Fudosan Holdings Group conducts social contribution activities that will lead to the resolution of issues in local communities with the aim of developing a sustainable society and creating abundant communities.

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Supply Chain (Society)

Policy

The Tokyu Fudosan Holdings Group recognizes the cooperation of stakeholders is necessary and important to ensuring proper social responses in our business activities across the entire supply chain. In particular, the real estate business of the Group largely affects communities and parties over long-term time horizons from development to operation, so it is essential that we work closely with a variety of stakeholders. Additionally, the development and operation of homes, office buildings, commercial facilities and resorts that are mindful of local community development will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with stakeholders such as local governments, local communities, design firms, construction companies, and end customers to help revitalize and develop society across the entire supply chain of our businesses.

Tokyu Fudosan Holdings

Sustainable Procurement Policy

Tokyu Fudosan Holdings Group Sustainable Procurement Policy	
<p>1. Sustainable Procurement Policy</p> <p>The sustainability vision of the Tokyu Fudosan Holdings Group (hereinafter, "the Group") is, "We will solve social issues through our business activities and work with stakeholders to realize a sustainable society and growth." To achieve this vision, the Group will meet environmental, social, and governance (ESG) matters as important management issues and promote ESG management.</p> <p>As social and environmental issues have become even more pressing in recent years, stakeholders and society increasingly expect that corporate decision-making and other business activities be based on sustainability as well as profitability.</p> <p>With the aim of always meeting stakeholder trust, the Group strives to contribute to economic and social development by maintaining sound business operations based on respect for human rights and labor requirements and to public interests, while striving for thorough compliance. To recognize and fulfill the social requirements pertaining to its business activities, the Group is hereby established the Sustainable Procurement Policy (hereinafter, "this Policy") with a view to realizing its Sustainability Vision.</p> <p>By promoting procurement under this Policy, the Group will strengthen ESG management to realize sustainable growth and a sustainable society. Therefore, it will be necessary and required to engage the entire supply chain, including business partners. The Group asks its business partners to understand the purpose and content of this Policy, and to help it implement sustainable procurement activities.</p> <p>[Sustainable Procurement Policy Article]</p> <p>1) Legal compliance</p> <p>1)-1. Total compliance with relevant laws and regulations</p> <p>2) Respect for human rights</p> <p>2)-1. Compliance with and respect for international human rights and labor standards</p> <p>2)-2. No tolerance of discrimination</p> <p>2)-3. No tolerance of harassment</p> <p>2)-4. Respect for non-employees</p> <p>2)-5. Respect for minority rights</p> <p>3) Striving a work environment based on safety, health and well-being</p> <p>3)-1. Freedom of association, collective bargaining rights</p> <p>3)-2. No tolerance of forced labor</p> <p>3)-3. No tolerance of child labor</p> <p>3)-4. Fair wages</p> <p>3)-5. Elimination of excessive working hours</p> <p>3)-6. Workplace health and safety measures</p> <p>3)-7. Emergency preparedness</p> <p>3)-8. Prevention of occupational accidents and illness</p> <p>3)-9. Industrial hygiene measures</p> <p>3)-10. Measures for physically demanding work</p>	<p>3)-11. Proper sanitary facilities, meals and housing</p> <p>3)-12. Protection of foreign and migrant workers rights</p> <p>4) Striving proper business ethics</p> <p>4)-1. Preventing corruption</p> <p>4)-2. Preventing contact with organized crime</p> <p>4)-3. Striving for trade practices</p> <p>4)-4. Appropriate response to conflicts of interest</p> <p>4)-5. Responsible political involvement</p> <p>4)-6. Protection of intellectual property rights</p> <p>4)-7. Maintaining confidential information and decisions</p> <p>4)-8. Compliance hotline and whistleblower protection</p> <p>5) Environmental measures</p> <p>5)-1. Combating climate change</p> <p>5)-2. Biodiversity protection</p> <p>5)-3. Efficient use of resources</p> <p>5)-4. Proper material use</p> <p>5)-5. Strive appropriate use of natural resources</p> <p>6) Improving service and quality</p> <p>6)-1. Enhancing safety</p> <p>6)-2. Quality control and quality assurance systems</p> <p>6)-3. Proper information disclosure for products and services</p> <p>7) Proper information management</p> <p>7)-1. Proper information management</p> <p>8) Business Conduct Planning</p> <p>8)-1. Business Conduct Planning</p> <p>8)-1. Contributing to local communities</p> <p>8)-1. Contributing to local communities</p> <p>10) Extension of the Sustainable Procurement Policy</p> <p>10)-1. Extension to business partners</p> <p>10)-2. Cooperation for members</p> <p>2. Scope</p> <p>This Policy applies to the Group's entire supply chain, including direct and indirect suppliers of all products, services and raw materials procured by each Group company.</p>

 [Tokyu Fudosan Holdings Group Sustainable Procurement Policy\(PDF:137KB\)](#)

 [Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:140KB\)](#)

Tokyu Fudosan Holdings

Management Structure

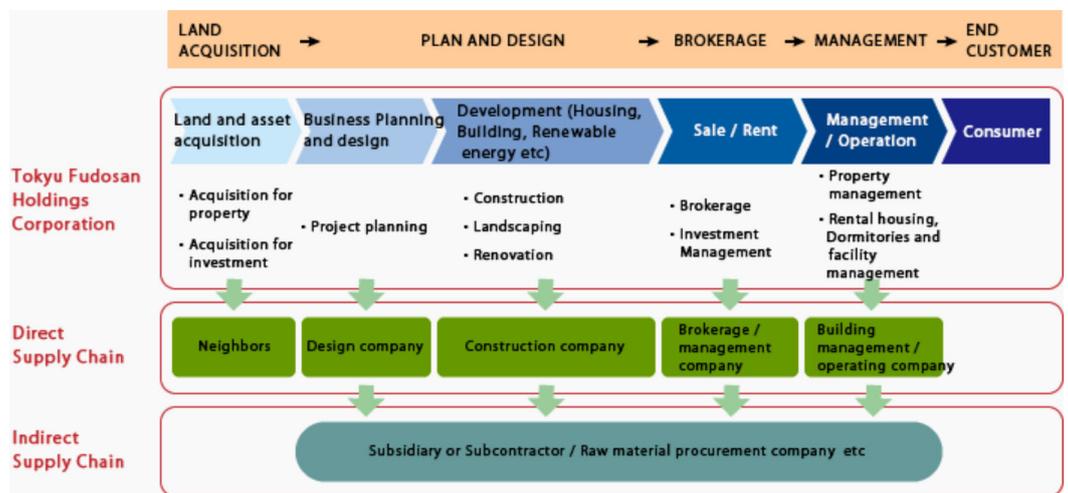
The Group strives to create value for local communities and end users by actively working to reduce the environmental burdens through urban revitalization or improved access to transit or to construct buildings that have barrier-free designs for individual projects in response to the initiatives it is carrying out for social issues in the supply chain.

Our group demands all of our business associates compliance with the following:

- (1) Ban on associating with anti-social forces
- (2) Compliance with general contractor selection criteria
- (3) Compliance with laws and regulations regarding reuse/recycling ratio of construction materials
- (4) Reduction of CO₂ emissions
- (5) Ban on unfair labor practice

Tokyu Fudosan Holdings

Arrangement of Real Estate business value chain



Tokyu Fudosan Holdings

Practice and Implementation

Redevelopment project in Shibuya

The Group is actively involved in urban redevelopment projects in an effort to create more appeal and attractive urban communities.

One of Japan's largest terminal stations, Shibuya fulfills a role not only as a hub of transportation, but also a hub of community information and culture. Currently, a public-private partnership is taking place to make fundamental changes to Shibuya's urban functions and Tokyu Land Corporation is a participant in this redevelopment project. In 2027 when all redevelopment is completed and the area serves as a hub for creative contents industries and urban tourism, Shibuya will be transformed into a community that attracts even more people from Japan and abroad.



Conceptual image upon completion of the redevelopment project around Shibuya Station

Every real estate development with excellent access to transit

Tokyu Land Corporation has a basic philosophy of every developing office buildings that can access public transportation. Such excellent locations near stations with quick access to transit have received high marks from tenants because of the convenience and shortened commute times they offer. These buildings also help to mitigate CO2 emissions because their location encourages the use of public transit, which has less of an impact on the environment.

TOKYU LAND CORPORATION

Adoption of universal design and barrier-free design for people with disabilities

Tokyu Land Corporation's office buildings adopt barrier-free and universal design concepts to ensure that people with disabilities can use facilities safely. The company has created the Office Building Universal Design Guidelines to ensure a standardized approach. All of its newly constructed office buildings must comply with these guidelines, while existing buildings are handled sequentially, such as when carrying out remodeling work.

TOKYU LAND CORPORATION

Partnerships with university hospitals

In July 2015, Tokyu Sports Oasis, Inc. began accepting heart disease patients from Nippon Medical School Musashi Kosugi Hospital for heart rehabilitation. The company's heart rehabilitation program is carried out using preselected exercises based on a medical exam and ensures participant safety by having a physician on call to respond immediately in case of an emergency. In the future, Tokyu Sports Oasis, Inc. will work with Nippon Medical School Musashi Kosugi Hospital to create an urban area heart rehabilitation program jointly run by both.



Rehabilitation (sample image)

TOKYU SPORTS OASIS Inc.

- CSR

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Human Rights and Community

Policy

The Tokyu Fudosan Holdings Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations and an expectation placed in all companies. It is based on this belief that we support the Universal Declaration of Human Rights and other international human rights doctrines and conduct business activities that fully respect human rights.

We take action both inside and outside of Japan to ensure that we do not violate the human rights of local residents due to economic disparities. We also support UNICEF's Children's Rights and Business Principles in an effort to effectively eliminate child labor and respect human rights.

Tokyu Fudosan Holdings

Human Rights Policy



 Tokyu Fudosan Holdings Group Human Rights Policy(PDF:95KB)

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & CEO, and to respect the human rights of the stakeholders involved in the business of the Group, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

Human rights impact or risk assessments

Regarding the potential new projects and the existing projects, Tokyu Land Corporation respects the human rights of stakeholders regarding the project itself and business activities in the local community by continuously evaluating risks related to respect for human rights in accordance with our risk management process.

TOKYU LAND CORPORATION

Practice and Implementation

Understanding of LGBT penetration

In July 2017, the Group invited Mx.Maki Muraki who is the representative director of a specific NPO "Rainbow Color Diversity", and Mx.Yuji Kato who is a staff of Tokyo office. We held a study group titled " We can make use from tomorrow! LGBT basic knowledge and current Japan" and 85 people from 16 companies of our group participated.

LGBT is an acronym for a lesbian, gay, bisexual, and transgender that refers to sexual oriented (which sexuality) or sexual recognition (what is your sex).

On that day, they explained the challenges of the LGBT and talked about the expected response to the company. Participants received opinions such as frank stories of the parties and felt the need for future response.

Tokyu Fudosan Holdings

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Contribution to Local Communities and Society

Policy

The Tokyu Fudosan Holdings Group recognizes the sustainability of communities and society is an important issue for the sustainable development of companies.

It is based on this awareness that the Group carries out various self-led activities through its businesses for communities and society, such as enhancing the value of an area or generating economic benefits. We will continue to work with stakeholders such as design firms, construction companies, and end customers to help revitalize local communities through our businesses.

Tokyu Fudosan Holdings

Commitments

We are committed to take the Group's business and advance it to serve our local communities in creating jobs and making them revitalize and flourish.

Tokyu Fudosan Holdings

Practice and Implementation

Community investment for developing startup companies in Shibuya

Tokyu Fudosan Holdings Corporation and Tokyu Land Corporation established two programs with total investment of 5 billion yen for financially vulnerable start-up companies.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Creation of local employment opportunities

Ewel, Inc. opened a second operation center that handles administrative processing in Yonago City, Tottori Prefecture to follow the other center in Matsue City, Shimane Prefecture. The Yonago Operation Center, which opened in February 2015, plans on hiring around 300 people from the local community over the next five years, which will contribute to the creation of local employment opportunities.



Yonago Operation Center
(Yonago City, Tottori Prefecture)



Work space

EWEL, Inc.

Contributing to communities in the tourist haven of Palau

For nearly three decades Tokyu Land Corporation through its management of the Palau Pacific Resort has continually worked on environmental conservation, the passing down of cultural traditions, the creation of employment opportunities and development of infrastructure in Palau. More than 80% of the Palau Pacific Resort's staff is hired from Palau and Tokyu Land Corporation gives back to the local community through the creation of employment opportunities and developing human resources qualified for working in the hospitality industry.



Palau Pacific Resort

TOKYU LAND CORPORATION

Continuing to support disaster-stricken areas in the recovery effort

The Group has continued to provide assistance toward the recovery effort of the Great East Japan Earthquake since 2011 by utilizing its network of resources.

Tokyu Land Corporation has established a volunteer leave program that enables employees to take up to five days of leave per year in order to take part in volunteer activities in support of the reconstruction effort from the Great East Japan Earthquake. Additionally, Tokyu Land Corporation dispatches personnel around once or twice per month to attend local meetings with Kesennuma Regional Development, the developer of a planned commercial facility in the city's port area that will serve as a symbol of Kesennuma's reconstruction. In turn, these personnel provide advice concerning the operation, management and tenant solicitation for this facility to support its operations.

Tokyu Fudosan Holdings Corporation and Tokyu Resort Service Co., Ltd. have established an e-commerce site selling products from the Tohoku region and Kumamoto in order to support the reconstruction of these areas. One percent of the sales from this site will be donated locally through the Japanese Red Cross Society.

[Click here for more details.](#)



Tokyu Fudosan Holdings, Tokyu Resort Service Co., Ltd, TOKYU LAND CORPORATION

Promoting Local Community Revitalization Programs

Tokyu Land Corporation and Tokyu Land SC Management Corporation which runs Q's Mall have been partnering with local communities in neighborhood revitalization, the "Smile Project".

As part of the project at Q's Mall embracing its slogan "Town is generous, people are joyful", the mall membership card holders donate their shopping points to "Let's give our school kids' safety alarms" program to make Q's Mall personal safety alarms to be presented to first graders in neighboring elementary schools every year.

The Smile Project has also implemented a number of community revitalization programs including donation of gym equipment to elementary schools around the Mall, responding to a local request for the better environment for local children to enjoy sports.



Q's Mall Original Personal Safety Alarms

TOKYU LAND SC MANAGEMENT CORPORATION, TOKYU LAND CORPORATION

Supporting local activities

Tokyu Land Corporation is involved with the activities of an NPO called the Shibuya Station Area Community Planning Council, which was established in order to promote Shibuya Station area, where Tokyu Land Corporation was founded, as a place to live, work to raise the profile of the community and promote its attractiveness. As part of its support, Tokyu Land Corporation sponsors the Shibuya Music Festival, a local event organized by the Council every year, and provides direct support to the Festival with employee volunteers. In addition, Tokyu Land Corporation is a member and supports the activities of the Shibuya Sakuragaoka Community Planning Council, established with a similar goal for the nearby Shibuya and Sakuragaoka neighborhoods.

In addition, TFHD and TLC have sponsored "the Aoyama Festival" since moving the headquarters to Minamiaoyama in Minato-ku in 2015.

For these activities we made the following donation in FY 2018.

(JPY)

Cash contributions	70,587,000
Time contributions	7,749,000
Management overheads	11,748,000
Total	90,084,000

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

— CSR

+ Tokyu Fudosan Holdings Group's CSR

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▣ Employment and Labor Practice Initiatives

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Employment and Labor Practice Initiatives



The Tokyu Fudosan Holdings Group aims to establish energetic workplaces that allow each and every employee to perform to the best of their ability and work in a lively manner in order to improve customer satisfaction and corporate value.

> Health and Safety

> Labor Standards

> Diversity Promotion

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Health and Safety

Policy

The Tokyu Fudosan Holdings Group recognizes that ensuring the health and safety of its employees is an important issue for its sustainable development.

It is based on this awareness that the Group continue to seek to create a work environment where our diverse employees can thrive, by maintaining a positive working environment, ensuring employee safety, supporting maintenance and improvement of employee health as well as proactively eliminate factors that negatively impact our workplace environment. We also ask our outsourcing partners, construction companies and other important stakeholders of the Group businesses to thoroughly ensure health and safety at their own workplaces.

Tokyu Fudosan Holdings

Management Structure

Board of Directors to Oversee Health and Safety Issues

In order to supervise its employees health and safety risk management, Tokyu Fudosan Holding reviews the Group companies' workforce management practices. The results of biannual monitoring of workforce management related performance including overtime work and absentees are reported to Board of Directors to effectively manage Group-wide risks associated with human resources and labor health and safety.

Tokyu Fudosan Holdings

Monitoring and Management of Health and Safety Performance

Tokyu Fudosan Holdings has set up goals for health consultation rates and has been gearing up measures to encourage Group employees to take physical exams and stress tests.

Physical exam participation rate – Goal for FY2020 is 100%. It was 98.2% and 97.9% in FY2016 and FY2017 respectively.

Stress test participation rate -- Goal for FY2020 is 100%. It was 85.3% and 90% in FY2016 and FY2017 respectively.

Tokyu Fudosan Holdings

Third-party Evaluation of Health and Safety Data

Tokyu Fudosan Holdings Group offers the Group companies' employees regular stress tests by Ewel, Inc., whose results are sent to a third party expert agency to monitor and evaluate the employees' mental health. These evaluation results helps to enhance the Group's measures to improve employees' health and safety. (Not all companies included.)

Tokyu Fudosan Holdings

Health Management

TOKYU LAND CORPORATION, TOKYU LIVABLE, INC., TOKYU COMMUNITY CORP., TOKYU HANDS INC. and Tokyu Housing Lease Corporation have established "Health Declaration" and "Health Policy" to promote and maintain employees health. In order to ensure their "Health Management", TOKYU LAND CORPORATION and TOKYU LIVABLE, INC. have appointed the president and the Division Manager of Business Administration respectively as Chief Health Officers, while the Human Resources Executive of TOKYU COMMUNITY CORP and the president of TOKYU HANDS INC. serve as Health Management Promotion Executives at respective organizations, and the president of Tokyu Housing Lease Corporation, its Chief of Health Management.

TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., TOKYU LAND CORPORATION, Tokyu Housing Lease Corporation

Health committees , Labor liaison meetings

The Group has established Health Committees at its business offices with 50 or more employees. With a goal of improving occupational health, these committees usually meet once a month to discuss 1)fundamental measures for preventing employees' health hazards, 2) fundamental measures for maintaining and promoting employees' health and 3)cause of occupational injuries and recurrence prevention measures involving health aspects. At TOKYU LAND CORPORATION, members of Health Committee include managers of labor division, employees' health management personnel, industrial physicians and labor union representatives.

Starting in fiscal 2011, we began sharing information on labor management pertaining to health and safety across the Group through the Group's labor liaison meetings. In addition, we have been conducting employee stress testing via Group-wide infrastructure since fiscal 2016. (Not all companies included.)

As of today, none of our business sites has obtained OHSAS 18001 certification.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Application to stakeholders

We have concluded a construction contract with the construction company. The agreement contains the fact that it takes measures necessary to prevent occupational accidents of workers of construction companies and workers of related contractors at construction sites.

TOKYU LAND CORPORATION

Practice and Implementation

Employees' physical health and mental health

The Group endeavors to offer sound workplaces that are dynamic so that each and every employee can contribute their skill set to the fullest extent possible, based on the belief that employees are one of our most important assets.

Tokyu Land Corporation offers employees training programs based on their number of years of service in order to enhance the skills needed to produce new value. It also provides self-development programs that allow employees to select the program that best fits their needs. All the company's employees also undergo annual health examinations to safeguard their health. The company has established no overtime days and Commitment Leave as a means to rest their mind and body and return to work fresh and with a new sense of vigor. For employees' mental health, Tokyu Land Corporation carries out stress checks and has introduced an employee assistance program (EAP) implemented by an external health organization. Mental health training is provided annually to newly appointed managers, and in fiscal 2018 a total of 21 newly appointed managers participated.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Eight Companies Certified as Outstanding Health and Productivity Management Companies in 2020

Tokyu Fudosan Holdings and the seven companies of the Group have been certified as outstanding health management and productivity companies in 2020 under the program encouraged by the Ministry of Economy, Trade and Industry.



The four companies Tokyu Fudosan Holdings Corporation, Tokyu Land Corporation, Tokyu Community Inc., and Ewel Inc. are among the top 500 (large companies) in the healthcare survey.



Tokyu Fudosan Holdings, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU HANDS INC., TOKYU SPORTS OASIS Inc., EWEL, Inc., TOKYU LAND CORPORATION, Tokyu Housing Lease Corporation

Acquired Health Management Rating from the DBJ

In February 2015, Ewel, Inc. received the highest DBJ Employee's Health Management Rating of A from the Development Bank of Japan Inc, which awards ratings to companies with excellent health management practices. The company's wide ranging activities carried out at all of its business sites were impetus for this rating. These activities included promoting action through the company-wide Well Being Project that includes detailed health measures and incentive programs as well as its offices that are considerate of the work environment.



Logo of the DBJ
Employee's Health
Management Rating

EWEL, Inc.

Number of Employees with Training in Health and Safety Standards

Tokyu Fudosan Holdings Group companies have offered their employees trainings on health and safety, whose records in fiscal 2018 are shown below.

Company	Training Subject	Participants	Number of Participants
TOKYU LAND CORPORATION	Mental health · Labor management	Group Leaders of new hires	22
TOKYU LAND CORPORATION	Labor management	New hires	38

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

Addressing Global Health Issues

There are a number of countries suffering HIV, tuberculosis, malaria and other major health challenges and Tokyu Fudosan Holdings Group is committed to address these global health issues. To make sure our employees have the right knowledge of and are protected against major infectious diseases, the Group companies provide their expatriate staff and families with health checkups prior to their assignments and recommend vaccinations as necessary. We make it our priority to support our expatriate staff and their families lead healthy and safe living abroad.

Tokyu Fudosan Holdings

Number of employee's fatal occupational accidents – Employees including contract employees

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)
0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

Injury and morbidity rate with leave (LTIFR) - Employees including contract employees

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)
0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

Absentee Rate - Employees including contract employees

2015 (FY)	2016 (FY)	2017 (FY)	2018 (FY)
0 incidents	0 incidents	0 incidents	0 incidents

Tokyu Fudosan Holdings

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TOKYU FUDOSAN HOLDINGS GROUP
Recovery Support Project
Great East Japan Earthquake For smiling faces all over Japan



Labor Standards

Policy

The Tokyu Fudosan Holdings Group will respect the following matters as a set of fundamental rights in hiring and employment in order to achieve co-existence and co-prosperity with employees.

- (1) Prohibition of discrimination: We will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment.
- (2) Prohibition of harassment: We will never engage in sexual harassment, power harassment, or any other form of harassment toward people in the workplace. We will also never tolerate language or actions related to harassment.
- (3) Prevention of forced labor: We will strive to eliminate and prevent all forms of forced labor.
- (4) Curtailment of overwork and reduction of overtime: We will establish a fundamental policy on work management to curtail overwork and reduce overtime work giving consideration to employees' work-life balance and their health maintenance/improvement. In Japan, we will comply with the "Article 36 Agreement."
- (5) Prevention of child labor: We will support and practice the effective abolishment of child labor.
- (6) Respect for freedom of association and the right to collective bargaining: In recognizing that the freedom of association and the right to collective bargaining are fundamental human rights that must be respected by a company, in countries and regions where the formation of labor unions is allowed we fully recognize employees' right to organize, right to collective bargaining and right to strike in labor agreements. In addition, even in countries and regions that do not allow the formation of labor unions due to laws or practice, we will effectively promote conflict resolution through dialogue involving management and labor with the purpose of securing the freedom of association and the right to collective bargaining.
- (7) Payment of wages above and beyond the minimum wage: We will comply with labor laws and regulations and adopt a fundamental policy on labor management in which we will pay wages to employees above and beyond the minimum wage.

Supporting international initiatives

The Group supports and respects the OECD Guidelines for Multinational Enterprises, international labor standards and Guiding Principles on Business and Human Rights. In December 2016, we stated our support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to a sustainable society.

The 10 Principles of the UN Global Compact

Human rights	<ul style="list-style-type: none"> ● Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and ● Principle 2: make sure that they are not complicit in human rights abuses
Labour	<ul style="list-style-type: none"> ● Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining ● Principle 4: the elimination of all forms of forced and compulsory labour: ● Principle 5: the effective abolition of child labour; and ● Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	<ul style="list-style-type: none"> ● Principle 7: Businesses should support a precautionary approach to environmental challenges; ● Principle 8: undertake initiatives to promote greater environmental responsibility; and ● Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	<ul style="list-style-type: none"> ● Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

[Click here to learn more about the UN Global Compact](#)

Tokyu Fudosan Holdings engages in activities as a member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

[Click here to learn more about the GCNJ](#)



Tokyu Fudosan Holdings

Communication of Corporate Policy on Labor Standards

Tokyu Fudosan Holdings Group translates basic policy on labor management into English to ensure it is properly communicated to our employees and local staff at our overseas business locations.

Tokyu Fudosan Holdings

Employment Initiatives, Apprenticeship, Internship Programs for Socially Disadvantaged and Youth with little formal education, qualification or opportunities

Tokyu Fudosan Corporation offers internship opportunities for students to make educated career choices. Both undergraduate and graduate students are eligible to apply to the internship program which accepted 119 students in fiscal 2018.

TOKYU LAND CORPORATION

Taking steps to promote diverse workforce regardless of race, religion, gender, age, sexual orientation, handicap, nationality, and equal opportunities, and to eliminate discrimination ~ Equal Employment Opportunities

Tokyu Fudosan Holdings has set forth a code of conduct regarding human rights for each Group company to observe. The Compliance Group of the Group Legal Affairs Department and the Human Resources Development Group in the Group Human Resources Department are responsible for the company's positive and voluntary fulfillment of social responsibilities regarding human rights, and raising awareness and understanding of human rights issues throughout the Group.

Specific measures include trainings and e-learning programs on sexual, power and other types of harassments, discrimination and LGBT as part of our continuous awareness campaign. In addition, compliance helplines are available both within and outside of the company for employees to consult to via phone or e-mail regarding harassments and other issues.

We have launched an information liaison committee to further our effort to raise human rights awareness throughout the Group and strive to improve disability employment and hiring foreign nationals residing in Japan.

Tokyu Fudosan Holdings

Management Structure

Diversity Council

The Group has established the Sustainability Committee headed by the President & CEO, and to address the issues of diversity with regard to employees and work styles, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

Management of work hours

Each subsidiary of the Group monitors employees for chronic and constant prolonged work hours and makes improvements when necessary by discussing information about employees working prolonged hours and solutions at meetings of the Group Executive Committee and meetings involving executive officers.

Tokyu Land Corporation has a mechanism in place for labor-management negotiations. And it also holds "no overtime days" or a program to automatically shutdown computers after a certain period of time. Tokyu Livable, Inc. also strives to prevent prolonged work hours by using a program to automatically shutdown computers after a certain period of time and other solutions.

Management of wages

The Group follows the minimum wage laws of each country where it operates to ensure that it pays wages that exceed the local minimum wage. The average annual wage of Tokyu Fudosan Holdings Corporation was 11.13 million yen in fiscal 2018.

Dialogue between labor and management

Tokyu Land Corporation has instituted a labor negotiation mechanism to ensure dialogue between its employee representatives and senior management. Under the mechanism, the company's directors and the labor union meet annually and exchange their views and opinions, which nurtures better mutual understanding necessary for healthy labor-management relationship enabling both employees and the management to identify and share present issues, seek solutions and implement measures.

Preventing child labor or forced labor

The Group primarily provides knowledge-based services, which means child labor or forced labor does not typically occur in this business segment. In its employment regulations, Tokyu Land Corporation prohibits employees under the age of 18 from working more than eight hours in one day, and as of today, there have been no cases of child labor or forced labor. To prevent child labor or forced labor from occurring in the future, checks are conducted as part of daily operations. If a case of child labor or forced labor is found, a mechanism and reporting system are in place to report the matter to the company.

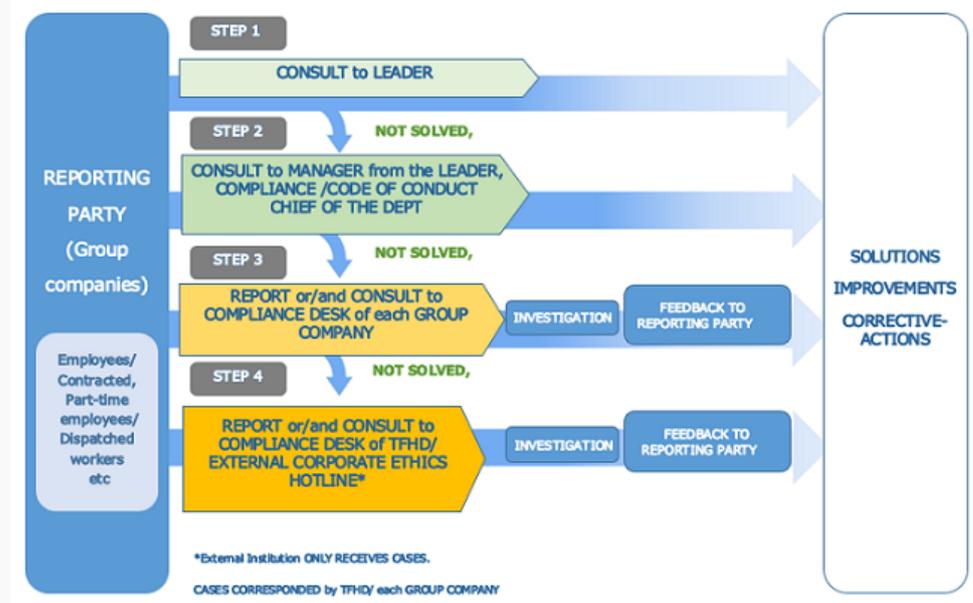
Respect for human rights and mechanism for reporting violations of human rights

The Group has clear stipulations prohibiting discrimination based on race, religion, gender, age, sexual orientation, disability or nationality. Such forms of discrimination are not present within the Group as of the present, and checks are conducted as part of daily operations in order to prevent discrimination from occurring in the future. If a case of discrimination is found, a mechanism and reporting system are in place to report the matter to the company.

In addition, The Tokyu Fudosan Holdings Group states "Respect human rights" in the Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. The Group respects basic human rights in compliance with "the Universal Declaration of Human Rights" adopted by the United Nations as well as with the local laws and regulations implemented in the regions where it has bases. The Group also takes steps to prevent discriminatory behavior and speech, sexual harassment and power abuse while making efforts to respect the diverse values, individuality, and privacy of individuals. Tokyu Land Corporation holds a training seminar for all new employees on the theme "Issues Surrounding Companies and Human Rights," so that they can have a grasp of human rights issues.

Whistleblower System

Whistleblower System of the TFHD Group assumes it step 1-3 as below. We strongly believe that we should take actions by employee and organization themselves before reporting to compliance desk step 3. It also applies to early detection and the prevention of the compliance violation.



Thorough dissemination of information to employees

"Guidebook for prevention of sexual harassment" and "Guidebook for prevention of power harassment" on the intranet so that all employees can see it at any time.

Harassment/bullying prevention seminars targeting managers

The Group conducts various harassment/bullying prevention seminars targeting all managers on a regular basis.

Tokyu Fudosan Holdings

Practice and Implementation

Launched and Participated in Builders and Realtors Human Rights Due Diligence Workshop

On September 21, 2018, with Mitsubishi Estate as an organizer, Tokyu Fudosan Holdings, NTT Urban Development, Tokyo Tatemono Co., Nomura Real Estate Holdings, Obayashi Co., Shimizu Corporation and Taisei Corporation joined in launching of Builders and Realtors Human Rights Due Diligence Workshop.

The Workshop aims to identify adverse impacts that builders and realtors have on human rights, and research and explore how we can address them. By doing so, we make sure we are in line with the UN Guiding Principles on Business and Human Rights which require business enterprises to avoid infringing on human rights of others and to implement measures to prevent, mitigate and remedy human rights abuses on those linked to their businesses.

Amid recent globalization, our businesses today operate well beyond national boundaries and we are expected to embrace more internationalized, sophisticated corporate social responsibilities(CSR). At the same time, adaption of UN Sustainable Development Goals(SDGs) in 2015 has accelerated ESG investing practices where investors screen and invest in companies with strong E(environment), S(society) and G(governance) due diligence.

Regarding Human Rights, a core subject in Social Responsibility, UN Commission on Human Rights adopted UN Guiding Principles on Business and Human Rights in 2011, providing a framework for businesses to respect human rights, in which companies are required to practice human rights due diligence in order to avoid and mitigate human rights infringement.

Human rights due diligence practice involves four steps: assessing human rights impacts; integrating findings and responding to impacts; tracking performance; and communicating about how impacts are addressed. Because these steps are to be taken not only on our own business entity but also on its entire supply chain and value chain network, the vastness of this scope has hindered us from thoroughly addressing the issues. That is why developers as well as construction companies in the supply chains decided to launch the Workshop, the first of its kind in the industry, to establish Human rights due diligence framework.

The Workshop provides member companies with opportunities to learn about human rights including international human rights standards and approaches expected of us. We intend to invite specialists from NGO and other experts to help us identify actual human rights risks and explore specific approaches.

Tokyu Fudosan Holdings

Initiatives to create an employee-friendly work culture

Tokyu Community Corp. introduced the teleworking system from May 2016. Approximately 120 people are currently applying for the system. In addition by using the "slide work system" already introduced which can advance the working hours can forward at the same time, more flexible way of working can be done. On the other hand, we have launched the "Women Employment Project Team" and are working on improving support for balancing child rearing and continuing employment. As a result, the number of women adopted increased, employment continued, we were able to earn the highest rank of "Eruboshi Certified *" as a company with good work on promoting women's success.

* "Eruboshi Certified*" is a certification system of Minister of health , Labor and Welfare.

TOKYU COMMUNITY CORP.

Continued employee satisfaction surveys

Tokyu Land Corporation continues to conduct employee satisfaction surveys. The purpose is to create a more rewarding organization / workplace by visualizing the engagement status of employees and improving their organizational capabilities.

	Rating	Score
FY2017	BBB	57.0
FY2018	BBB	56.3

ref : Engagement rating

AAA	AA	A	BBB	BB	B	CCC	CC	C	DDD	DD
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TOKYU LAND CORPORATION

Employee training dedicated to skills development

The training that Tokyu Land Corporation conducted to develop the skills of regular employees is as follows. (FY2018)

- Total time: 13, 228.5 hours
- Average time per person: 14.3 hours
- Average number of days per person: 1.9 days
- Type of training: hierarchical training, optional training, nomination type training

TOKYU LAND CORPORATION

Turnover rate

The turnover rate per voluntary reason of Tokyu Land Corporation was 1.5%, and there were no cases of dismissal due to personnel cuts. (FY2018)

TOKYU LAND CORPORATION

Skill Development Programs for Employees

In order to foster innovation within the Group required to create values for diverse lifestyles, the Group proactively promote individual skill development. A number of Group companies offer certificate assistance programs to help their employees obtain professional certifications including Licensed Real Estate Realtor, First-class Qualified Architect, Real Estate Transaction Specialist, Small and Medium Enterprise Management Consultant, Licensed Representative of Condominium Management Company, Licensed Strata Management Consultant, and The Official Business Skills Test in Bookkeeping. Language classes and other training programs are also available for the employees.

As one of the skill development programs, Tokyu Fudosan Holdings hosts Knowledge Café seminars quarter-annually, which invites top professionals from broad range of industries to share their expertise and views. The Café is open to all Group employees and some of these seminars draw over 200 audiences overflowing the venues eager to broaden their horizons.

Tokyu Fudosan Holdings

Ratio of non-regular employees

The Group employs 9,666 contract workers, and 37% of all persons employed, including regular employees, have fixed term contracts.(April 1, 2018)

Tokyu Fudosan Holdings

Third-party Verification of Social Data

The Tokyu Fudosan Holdings Group receives verification of its non-financial data from a third-party in order to ensure the reliability of this information. For fiscal 2019, the scope of this verification includes social data (eight items including the ratio of female managers, average years of service, and the ratio of new female employee hires to total hires, etc.).

Third-party Verification Report on Social Data



[Third-party Verification Report.pdf \(PDF:8,631KB\)](#)

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Diversity Promotion

Policy

The Tokyu Fudosan Holdings Group will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment. We accept each other in the difference in a variety of attributes and bring about innovation by showing individual ability to the maximum and continue to create value through our business activities.

Tokyu Fudosan Holdings

Management Structure

The Group has established the Sustainability Committee headed by the President & CEO, and to address the issues of diversity with regard to employees and work styles, the Diversity Council, established as a subcommittee, leads relevant management activities across the entire Group.

Tokyu Fudosan Holdings

Action Plan for Act on Promotion of Women's Participation and Advancement in the Workplace

Based on Act on Promotion of Women's Participation and Advancement in the Workplace, Tokyu Land Corporation is committed to realize a society where everyone regardless of gender is free to exert his/her individuality and capability, and hereby establish action plans in pursuit of this goal.

1. Period : FY2019 to FY2021

2. Present issues :

(1) Although the ratio of female new recruits has been on the rise in recent years, the company still has a smaller pool of female employees compared to that of male counterpart.

(2) We need to establish a system and corporate culture that allow all employees to choose from various working styles and achieve high productivity at different stages of their lives.

3. Quantitative Goal :

Following goals have been set in order to boost the ratio of female in managerial positions to roughly 10%:

. By FY 2025, roughly 20% of assistant manager positions to be held female.

. Roughly one thirds of the company's new graduates recruits to be female.

4. Actions and Implementation Period

(1) Proactively sending message to job seekers that we provide working environment where women prosper.

⇒Implementation : From the first half of FY2019

(2) Providing company-wide training on diversity

⇒ Implementation : From the second half of FY2019

(3) Setting up satellite offices aiming to boost productivity and provide better working conditions

⇒ Under implementation

(4) Pre-/ post parental leave interviews ⇒ Under implementation

(5) Instituting Reemployment system ⇒ Under implementation

TOKYU LAND CORPORATION

Practice and Implementation

Promoting diversity and creating dynamic workplaces

Tokyu Livable, Inc. has established the Diversity Promotion Section in an effort to create a workplace environment where women, seniors, foreign nationals and people with disabilities can be more actively involved. The company has introduced a mentor program for female real estate agents and provides training in an effort to increase the number of female managers. In 2015, Tokyu Livable, Inc. became the first major real estate sales company to receive the Tokyo Labor Bureau Director-General's Award of Excellence in the category of equal opportunity promotion at the Equal Opportunity and Work-Life Balance Promotion Awards organized by the Ministry of Health, Labor and Welfare.

The company also has a Career Expert Re-employment System in place that enables the continued employment of employees that fulfill certain internal standards until age 70 if they wish to remain employed. In addition to promoting the proactive use of female employees, the Group will actively work towards creating a workplace that can take advantage of the abundant experience and personal connections of senior employees that are expected to increase in the future so that they can be effectively used in the organization.

TOKYU LIVABLE, INC.

[Promotion of women's participation and advancement]

Diversity promotion and enhancement

Tokyu Fudosan Holdings Group organizes biannual Diversity Conference where representatives from group companies come together to promote group-wide diversity. The conference set KPI targets and monitor progress on percentage of female employees and women in managerial positions as well as employment of persons with disabilities. It also serves as a place to share innovative measures within and outside the group to improve group-wide diversity.

Tokyu Fudosan Holdings

Promoting women's participation

With an aim to promote women's participation, Tokyu Fudosan Holdings Group supports group-wide networking group where group employees, mostly women, meet up for "Positive Networking College" to discuss relevant issues. The program is open to everyone including male employees.



Positive networking college session

Tokyu Fudosan Holdings

Japan Innovative Women's Network(J-win)-encouraging women's leadership

In 2015, our effort to encourage growth mindset and more aspiration for women to fully display their capabilities led us to join an NPO, Japan Innovative Women's Network(J-win), who provides tailored supports for member companies in all industries in implementing measures to advance women in workplace. Tokyu Fudosan Corporation send two female employees to participate in workshops and seminars hosted by J-win on nurturing women's leadership and skill development.

Tokyu Fudosan Holdings

[Work style reform]

Employee satisfaction survey

Tokyu Land Corporation continues to conduct employee satisfaction surveys. We aim to create a more organized organization and workplace by visualizing the involvement situation of employees and improving organizational capabilities.

TOKYU LAND CORPORATION

Achieving Work-life balance

Our group offer diverse working arrangements to achieve better efficiency and productivity as well as employees' work-life balance. Thanks to advanced IT, Tokyu Fudosan, Tokyu Community, Tokyu Livable and Tokyu Housing Lease have introduced telework scheme to accommodate more flexible work style. Many employees have already been taking advantage of the arrangement, which have proven to lead to more efficient use of time, improving productivities and employee satisfaction.

TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., TOKYU LAND CORPORATION, Tokyu Housing Lease Corporation

[Support for balancing work, childcare and eldercare]

Support for childcare and eldercare

Each company in Tokyu Fudosan Holdings Group has been taking measures suitable to its business environment, to achieve a workplace where employees can balance their work and various life events or personal commitments including childcare and eldercare, and continue in their career.

<Examples of Group companies' and measures and programs>

- Tokyu Hands believes employees are their greatest asset, and none of them should have to leave the company for childcare, eldercare or other personal commitments. That is why they have launched "Now and Future Support Team" to support all employees in both professional and personal life. Tokyu Hands' employees at their career milestones have opportunities to visualize and plan their future career and personal life through workshops. The company also offers seminars for better understanding of balancing work and eldercare.



Diversity campaign poster

- In addition to reemployment program for those who leave work for childcare, Tokyu Community has “Pro Career Path” program for former employees who are qualified and willing. Employees leaving the company can sign up for the program if they meet certain criteria, and when ready to come back to work, they are eligible to take reemployment test in which they are given priority over others.

TOKYU COMMUNITY CORP., TOKYU HANDS INC.

Seminar on diversity

As part of our diversity initiative, Tokyu Fudosan Holdings held an executive seminar in October 2015 with Work-Life Balance Co. President Ms. Toshie Komuro as a speaker. Participants learned how to manage increasingly diverse workforce and workstyles and importance of executive commitment , and also engaged in a lively discussion.

Tokyu Fudosan Holdings

[Role of elderly and workers with disabilities]

Employment for people with disabilities

Tokyu Livable offers employment opportunities for those with disabilities, where everyone finds right work for his/her skills and competencies and becomes a valuable member of the company. Many physically or mentally challenged employees, or “satellite staff” have been teleworking, drawing plans and guide maps on PC, while mentally disabled employees or “challenge staff” have been working as a team at the head office and each division, taking on wide range of back office tasks including handling interoffice mails and issuing certificates.

TOKYU LIVABLE, INC.

Employment for older workers

Tokyu Livable’s “Career expert re-employment” program ensures extended employment up to 70 years of age for older workers who are willing and meet the company standards. Tokyu Community’s retirement extension program, just introduced in October 2017, extends retirement age to 65 years old from current 60 for their technical staff. Both schemes are intended for growing number of older workers to take active roles in the workplace, as well as for the companies to tap on senior workers’ valuable experience and connections.

TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC.

LGBT Employees Forum

As gender identity and sexual orientation have gained recognition as part of human rights in today’s society, Tokyu Fudosan Holdings Group hosted in July 2016, a forum on LGBT workers, inviting two speakers from NPO Nijiuro (rainbow) Diversity, Ms. Maki Muraki, a representative director and its staff member, Mr. Yuji Kato. 85 employees from 6 companies across the group participated in the event to raise awareness and deepen understanding of LGBT issues in Japan.

Tokyu Fudosan Holdings

[Awards & Rankings]

L-boshi certified* with highest ratings

Tokyu Community develop support programs to balance work and childcare/eldercare to ensure women's continuing career. This project was highly evaluated for achieving more employment opportunities and continuous career for women, and led to the highest ratings in L-boshi certificate awarded by Health, Labor and Welfare Minister as a company with excellent program implementation for advancement of women in workplace.

*L-boshi(star) certification is given to companies that meet criteria set forth based on the Act on Promotion of Women's Participation and Advancement in the Workplace.



"L-boshi" Logo

TOKYU COMMUNITY CORP.

Ranked as a "Great Place to Work"

Tokyu Livable ranked 22nd in 2019 Great Place to Work in Japan. Based on feedbacks from employees around the world, Great Place to Work[®], one of the world's largest survey institutes, shares 60 country specific ranking lists, and listed companies are recognized worldwide for their excellence.

TOKYU LIVABLE, INC.

Social Data

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
1. The number of managers	person	1,538	1,530	1,861	1,821	1,956
2. The number of female managers	person	91	87	161	151	159
3. The ratio of female managers	%	5.9	5.7	8.6	8.3	8.1
4. The number of directors	person	11	13	13	13	13
5. The number of female directors	person	0	0	0	1	1
6. The ratio of female directors	%	0	0	0	7.7	7.7
7. The number of female operating officers	person	2	2	2	2	3
8. The number of employees	person	19,230	20,421	21,091	21,976	21,976
9. The number of full-time female employees	person	2,089	2,125	2,390	2,514	2,863
10. Ratio of Female Employees	%	25.3	26.5	27.2	28.5	29.8
11. The number of new hires	person	831	411	379	377	422
12. The number of new female employees hires to total hires	person	294	171	152	149	136
13. The ratio of new female employees hires to total hires	%	35.4	41.6	40.1	39.5	39.5
14. The average Length of Service by Female Employees	year	8.7	8.8	8.7	9.2	9.2
15. The average length of service by male employees	year	13.0	12.9	12.7	13.1	13.1
16. The gender differene in length of service	year	4.3	4.1	4.0	3.9	3.9

*Major Companies of the Tokyu Fudosan Holdings Group

(Tokyu Land Corporation, Tokyu Community Corporation, Tokyu Livable, Inc., Tokyu hands, Inc., Tokyu Housing Lease Corporation and National Students Information Center CO., LTD.) As of April 1.

4, 5 and 6 are the results of Tokyu Fudosan Holdings.

4, 5 are the data after the general meeting of shareholders.

8 as of the end of the previous fiscal year, including non-regular employees .

8,14,15,16 in FY2019 are the data for FY2018.

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To continue to be a corporate group trusted by society, the Tokyu Fudosan Holdings Group has been increasing the transparency and efficiency of Group management, while enhancing its corporate governance and compliance.

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Anti-Corruption

Policy

The Tokyu Fudosan Holdings Group recognizes that corruption and bribery are serious risks that could considerably damage the trust and credibility of a company. We are committed to maintaining sound relationships with stakeholders and will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society. Specifically, we will thoroughly implement the following.

- (1) We will never engage or be complicit in any and all forms of bribery, including money laundering, embezzlement, or obstruction of justice, etc.
- (2) In fully understanding laws and regulations about relationships with public offices and other similar persons in Japan or other countries, we will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society and we will never provide monetary or other benefits to gain illicit profits.
- (3) We will not provide or receive business entertainment or gifts from business partners or other parties that deviates from sound business practices or social norms.
- (4) We will not use our position or authority to demand personal benefits from our business partners or other parties.

In addition, a code of conduct is stipulated in the code of ethics for executive officers approved by the Board of Directors Meeting to counteract all corruption activities including bribery.

Tokyu Fudosan Holdings

Management Structure

Whistleblower System

The Group has established the Compliance Helpline, as an outlet for all employees to report any violation of laws, company rules, and the Code of Conduct directly to the General Manager of the Group Legal Affairs Department or an outside lawyer. The Tokyu Fudosan Holdings Group Compliance Manual defines the Group's conduct based on five themes: 1) Compliance with Laws and Regulations and Fair Trading; 2) Ensuring Customer-oriented Awareness; 3) Suitable Execution of Duties; 4) Proper Management of Information; and 5) Ensuring Good Faith in Business Conduct. Particularly, number 5, which reads ensuring good faith in business conduct, further defines specific behavior guidelines, including 1) reasonable business entertaining and gift-giving, 2) prevention of corruption and bribery, 3) entertaining and gift-giving involving politicians and civil servants, and 4) code of behavior for deemed civil servants, in order to counteract all forms of corruption and not just bribery. More details about the Compliance Helpline can be found in the Tokyu Fudosan Holdings Group Compliance Manual.

Thorough dissemination of information to employees

The Tokyu Fudosan Holdings Group Compliance Manual defines the Group's code of conduct based on five themes: 1) Compliance with Laws and Regulations and Fair Trading; 2) Ensuring Customer-oriented Awareness; 3) Suitable Execution of Duties; 4) Proper Management of Information, and 5) Ensuring Good Faith in Business Conduct. More specifically, theme 5. Ensuring Good Faith in Business Conduct has further defined behavior guidelines, including 1) reasonable business entertaining and gift-giving, 2) prevention of corruption and bribery, 3) entertaining and gift-giving involving politicians and civil servants, 4) code of behavior for deemed civil servants, in order to counteract all forms of corruption and not just bribery. Employees can review this code of conduct on the Intranet at anytime.

Every year, e-learning on compliance is conducted targeting all employees. The learning program features questions related to laws and code of conduct, as well as refreshes employees' understanding of the Tokyu Fudosan Holdings Group Compliance Manual and Whistleblower System. Questions on elements of anti-corruption, including bribery, are posed to promote well-spread recognition and understanding, as well as to encourage active communication between all employees.

Tokyu Fudosan Holdings

Practice and Implementation

Compliance training

The Group conducts various compliance seminars targeting employees on a regular basis. Until now, we have worked on socially demanding themes such as "insider trading regulation", "power harassment / sexual harassment prevention measures", "unfair accounting prevention". We have made an effort to hold timely and appropriate such as inviting external lawyers to lecturers. During the period from April to December in 2018, we will hold a seminar titled "Role to be fulfilled by compliance officers" for compliance officers and seminars on "Improvement of communication skills for prevention of power harassment" targeted at management staff. A total of approximately 150 people attended. From February to March in 2019, we held a "compliance management" seminar targeting the executives (about 130 people) of each group company.

About 20,000 employees hold training every year through e-learning with the goal of 100% attendance rate. In FY2018, it was conducted twice.

Tokyu Fudosan Holdings

Political contribution

We are in compliance with the Political Funds Control Act or the Public Officers Election Act. We do not donate to individual politicians. When making donations to political parties or political funding organizations or purchasing political funding party tickets, we do it legally.

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Risk Management

Policy

Tokyu Fudosan Holdings Corporation prepares and operates a risk management system based on the "Risk Management Basic Rules". This risk management system refers to ISO 31000 which is a representative risk management framework.

The Group's risk management process



The Company recognizes all internal and external factors that adversely affect its management, such as financial loss, loss of brand image, discontinuance or suspension of business continuity, as a risk.

In order to comprehensively manage them, we are grasping the serious risks of the whole company and implementing countermeasures systematically and on a scheduled basis according to priority. In addition, each group company evaluates and analyzes the risk and manages it.

Management risks, business process risks and other risks that seriously affect management (such as crisis management response) are managed as "Major Risks". They are managed in the following individual risk unit.

《Major Risks》

- ①Investment risk ②Financial capital risk ③Personnel labor risk
 ④Legal compliance risk ⑤IT strategy risk ⑥Information leakage risk
 ⑦Crisis management response

ESG risk is managed as a sub category of "major risks".

《Example of ESG risk 》

- Climate change · Biodiversity conservation · Environmental pollution
- Waste reduction and appropriate treatment · Resource utilization
- Water resources conservation · Human rights protection
- Prevention of child labor · Contribution to the community and society
- Employee health and safety · Employee human rights · Corruption, Bribery
- Corporate governance, etc

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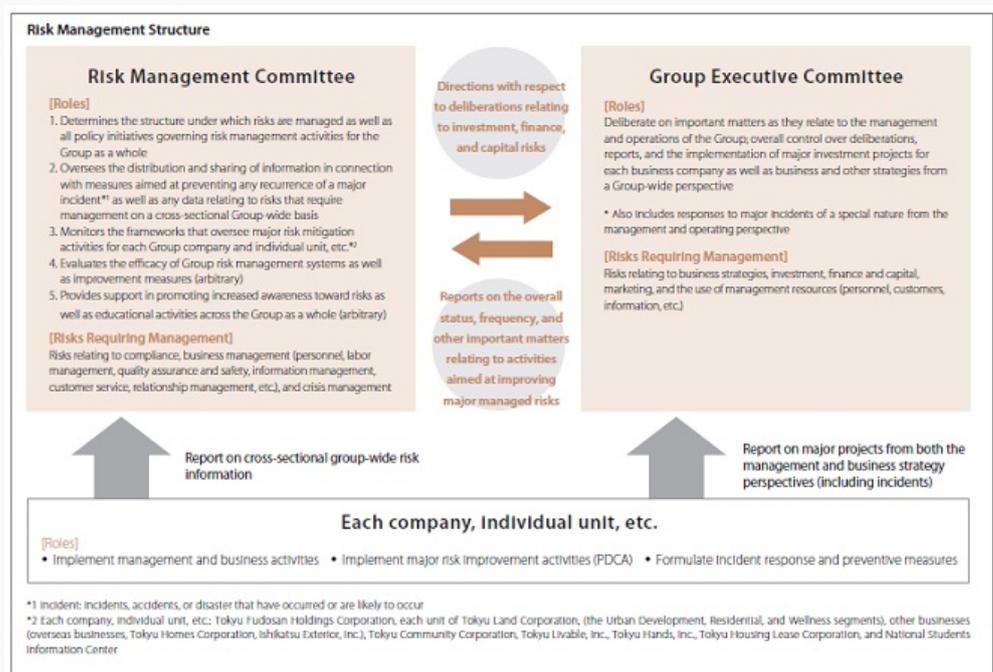
Risk Management System

The corporate Auditors audit the execution of risk management by the President and Representative Director, who is the head of risk management, based on the "Risk Management Basic Rules", and the Internal Audit Department of the Group audits risk management systems and risk management operations at each group company.

The Board of Directors has established the "Compliance Regulations" as guidelines for actions of executives and employees, and we supervise corporate activities in good faith and fairness and ensure the soundness of management based on self-discipline.



Risk management is managed through the Group Management Committee and the Board of Directors and The Risk Management Committee manages the risk management carried out by each group company in a comprehensive manner. We have established departments responsible for individual risk, and that department grasps, evaluates and analyzes the risk management structure and management situation of the group.



Dealing with serious ESG events and incidents

a) Scenario planning or stress test

- Selection of important risk (creation of risk map) or review and formulate measures (practical plan)
 - Investment · Financial Capital Risk Management (Business Risk Management)
 - Understanding total risks (Calculation of VaR value),
 - Market forecast (KRI setting, monitoring),
 - Individual investment management (Report progress on large-scale investment projects to the Group Management Council, Board of Directors)
- ⇒ The Risk Management Committee summarizes in the fiscal year and reports to the Board of Directors.

b) Response plan and emergency procedure

- In accordance with the role in the report route at the time of the crisis, appropriate crisis management is carried out based on the emergency response basic manual.

Tokyu Fudosan Holdings

Regular rotation and re-involvement of audit partners

Accordance with the regulations of the audit firm based on the Certified Public Accountant Act, etc., has been operating as follows.

- Audit partners cannot be involved in the auditing business of the Company for more than seven accounting periods, and the Senior audit partners for more than five accounting periods.
- Audit partners cannot be involved in the auditing business of the Company again for five accounting periods after the replacement, and the Senior audit partners again after the replacement.

Tokyu Fudosan Holdings

Reserve Fund for Legal Violations and Litigation

At the end of every fiscal year, Tokyu Fudosan Holdings estimates the amounts of penalties or legal settlements that are likely to occur in the future due to events from the current and previous fiscal years (if the loss of a court case is expected) and sets aside a reserve fund. We determine whether to disclose this amount or not (including in notes to financial statements) on a case by case basis in light of the materiality of the amount on the consolidated balance sheet. Over the previous three years, there have been no disclosures with regards to legal settlements or other matters. Future plans for disclosure are as follows.

- Disclosures as of December 31, 2019: None
- Disclosures until December 31, 2020: None planned

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Information Security

Policy

The Tokyu Fudosan Holdings Group formulated the “Information Management Provisions” to ensure the appropriate treatment of information in its business operations. Based on the provisions, the company is fostering information sharing to increase business efficiency, preventing the leakage of secrets, and disclosing information in an appropriate manner. As for electronic information, the company has set the rules to be obeyed by directors and employees based on the “basic policy on information security”, including the rules on the monitoring of employees’ access to information by information managers and on the use of computer terminals.

Tokyu Fudosan Holdings

Management Structure, Practice and Implementation

Protection of personal information

Each Group company develops policies, regulations, and manuals concerning the protection of personal information to ensure compliance with the related laws and regulations. Training is also conducted with employees to increase their awareness of handling personal information.

Moreover, when outsourcing the handling of personal information, outsourcing partners are selected with due care and their treatment of information is monitored appropriately to ensure information security.

Tokyu Community Corporation, Tokyu Livable, Inc., and EWEL, Inc. have obtained approval to use the Privacy Mark, which provides a proof that these companies are safely managing and appropriately protecting personal information.

Tokyu Fudosan Holdings, TOKYU COMMUNITY CORP., TOKYU LIVABLE, INC., EWEL, Inc.

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Elected for SRI Indices

Tokyu Fudosan Holdings Corporation was selected for inclusion in SRI indices because its efforts toward important management issues such as the environment, compliance were recognized as contributing to sustainable growth in the future. Going forward, we will continue to contribute to the creation of a sustainable society while also being mindful of the importance that CSR plays in our business.

Tokyu Fudosan Holdings

Dow Jones Sustainability Index Asia Pacific (DJSI Asia Pacific)

The shares of TFHD have been selected for inclusion in the Dow Jones Sustainability Asia/Pacific Index(DJSI Asia Pacific), which is the Asia/Pacific edition of the Dow Jones Sustainability Index (DJSI), the global benchmark for social responsibility investment (SRI)*.

The DJSI is the world's best known SRI index, jointly developed by U.S. based media firm Dow Jones and Swiss based SRI research and rating firm RobecoSAM. The index rates enterprises' sustainability based on economic, environmental, and social aspects, and selects corporations that it finds to offer overall excellence.

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

* Social responsibility investment (SRI): An investment method where individual and institutional investment considers as investment criteria in addition to financial analytical data, CSR information such as social, environmental, and corporate governance also matters.

Tokyu Fudosan Holdings

FTSE4Good

Tokyu Fudosan Holdings Corporation was selected for inclusion in the FTSE4Good Japan Index. FTSE4Good is an index created by FTSE Russell, the wholly-owned subsidiary of the London Stock Exchange, which recognizes company's efforts toward their social responsibilities from the perspectives of the environment, society, and governance.



FTSE4Good

Tokyu Fudosan Holdings

FTSE Blossom Japan Index

Tokyu Fudosan Holdings Corporation has been selected for the FTSE Blossom Japan Index, adopted by GPIF (Government Pension Investment Fund) as one of the benchmarks for its ESG investment strategy. The FTSE Blossom Japan Index is developed by FTSE Russell to identify the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices.



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Tokyu Fudosan Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products. <https://www.ftserussell.com/products/indices/FTSE4Good>

Tokyu Fudosan Holdings

MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index developed by MSCI Inc. offers investors a method to integrate ESG into their investment process. The index consists of companies with high ESG profiles relative to their sector peers within its parent index, the MSCI Japan IMI Top 500 Index, which includes large, mid and small-cap securities in the Japanese markets.



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Tokyu Fudosan Holdings

MSCI Japan Empowering Women Index

The MSCI Japan Empowering Women Index (WIN) is developed by MSCI Inc. offers investors a method to integrate ESG into their investment process. The index consists of companies with high ESG profiles relative to their sector peers within its parent index, the MSCI Japan IMI Top 500 Index, which includes large, mid and small-cap securities in the Japanese markets. For the MSCI Japan Empowering Women Index, MSCI selects industry leading companies in terms of attracting, retaining and promoting women, as well as advancing gender diversity. Selection is based on data regarding female employment disclosed according to the Act on Promotion of Women's Participation and Advancement in the Workplace as well as information publicly disclosed by companies such as company policy on gender diversity.



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Link to each location

CSR Vision

✓

CSR Promotion Structure

✓

Tokyu Fudosan Holdings Group Code of Conduct

✓

Identification of Materialities & Opportunities and Risks

✓

Materialities and the Related SDGs

✓

Tokyu Fudosan Holdings Group's ESG Management (KPI Targets)

✓

Link to each location

		Policy	Management Structure	Practice and Implementation	Third-party Verification
E	Climate Change	✓	✓	✓	✓
	Biodiversity Conservation	✓	✓	✓	-
	Pollution	✓	✓	✓	-
	Waste	✓	✓	✓	-
	Use of Resource	✓	✓	✓	-
	Water Use	✓	✓	✓	-
	Supply Chain (Environment)	✓	✓	✓	-

S	Supply Chain (Society)	✓	✓	✓	-
	Human Rights and Community	✓	-	-	-
	Contribution to Local Communities and Society	✓	-	✓	-
	Health and Safety	✓	✓	✓	-
	Labor Standards	✓	✓	✓	✓
	Diversity Promotion	✓	✓	✓	-

		Link to each location	
G	Corporate Governance	Basic Views on Corporate Governance	✓
		Composition of the Board of Directors and Audit & Supervisory Board	✓
		Policy and procedures on determining the remuneration of directors and other officers	✓
		Approach concerning selection of directors and other officers	✓
		Specialization and professional history of directors and other officers	✓
		Basic Views on Internal Control System	✓
		Schematic Diagram of Corporate Governance System	✓
		Management Monitoring Function	✓
	Compliance	Compliance System	✓
		Whistleblowing System (Compliance Helpline)	✓
		Prevention of Relationships with Anti-social Forces	✓
		Tokyu Fudosan Holdings Group Code of Conduct	✓
		Anti-Corruption	✓
	Risk Management and Other Matters	Risk Management	✓
		Information Security	✓
	General Meeting of Shareholders	Convocation Notice	✓
		Notice of Resolutions	✓