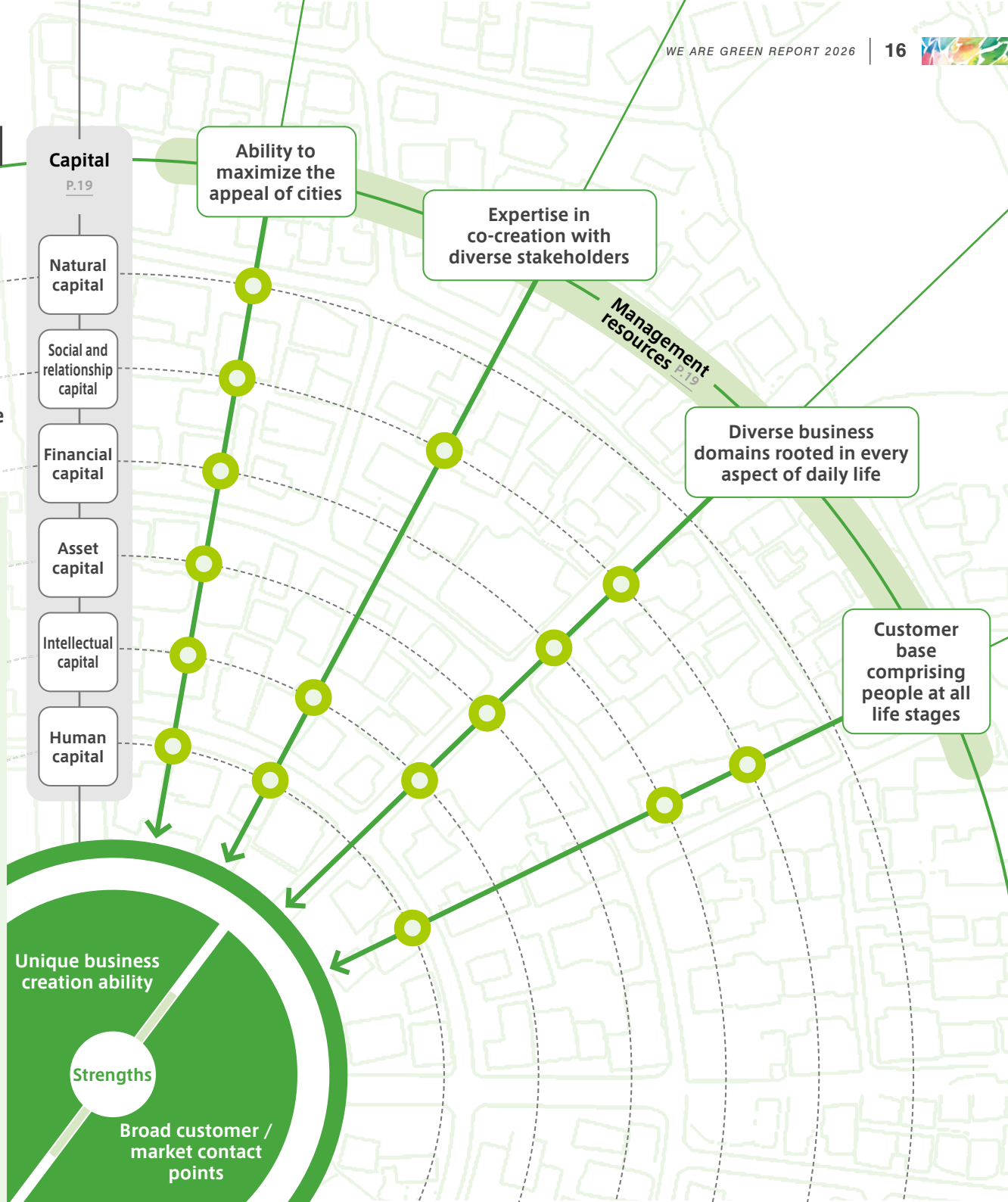
Accumulated Capital and Management Resources

The Tokyu Fudosan Holdings Group organically integrates the diverse forms of capital through its business activities and turns it into management resources. We then transform these management resources into strengths that serve as sources of competitive advantage and thereby enhance our long-term corporate value.



Group management resources

Ability to maximize the appeal of cities

Starting with our business domains rooted in people's daily lives, we possess portfolio design capabilities that enable both synergy creation and risk diversification through effective capital utilization. Moreover, we maximize business value by comprehensively integrating not only knowledge but also human and natural capital derived from both inside and outside the Group.

Expertise in co-creation with diverse stakeholders

Through the creation of new businesses to address social issues together with industry, government, and academia, we have accumulated collaborative expertise that generates business synergies while utilizing external capital. We have thus honed the ability to incorporate external knowledge and turn social networks into business capital, thereby achieving sustainable value creation.

Diverse business domains rooted in every aspect of daily life

In communities and related businesses, we broadly develop business domains that support the increasingly diverse lifestyles of our customers. We also leverage our value chains formed through co-creation among businesses, enabling us to enhance experiential value, strengthen customer touchpoints, and achieve both risk diversification and growth.

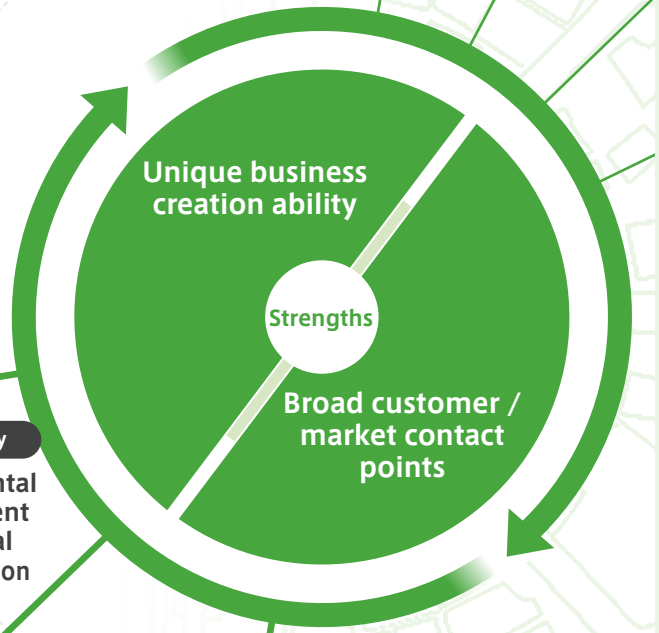
Customer base comprising people at all life stages

By engaging in business activities in domains that allow us to foster relationships with people of all ages, from the young generation to the elderly, we have touchpoints with approximately 16.15 million customers. In addition, we provide a wide range of services for each stage of the lives of customers and maintain a brand that continues to be chosen thereby.

Value Creation Leveraging Our Strengths

By driving a business ecosystem in which our strengths interact, we create premium value that addresses social issues.

Business ecosystem that continues to strengthen competitive advantages



Creating premium value

Experiential value

Closely aligned with the individual, we will realize vibrant lifestyles through gratifying experiences.

Local value

Collaborating with our partners and government agencies, we will elevate local appeal to community enrichment.

Environmental value

We will carry out environmental management into the future by establishing both businesses and solutions for resolving environmental issues.

Group policy

Environmental management and digital transformation

P.30

Business policy

Utilization of intellectual assets and co-creation with partners

P.55

Examples of Premium Value Creation

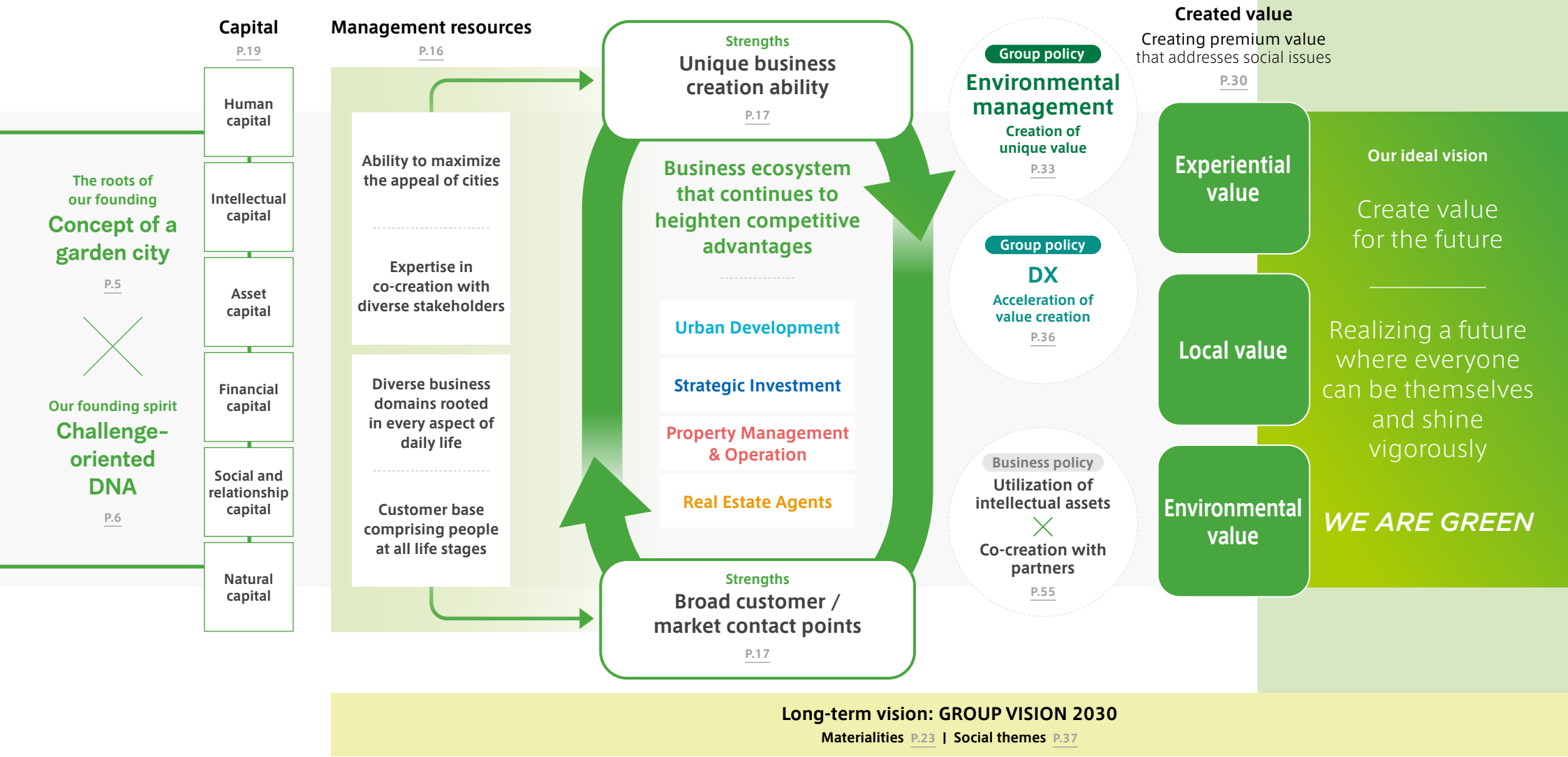
Providing value to diverse generations at the intersection of "work," "play," and "live"

Adjacent to Shibuya Station, Shibuya Sakura Stage creates high added value by combining offices, a retail complex with trendsetting and cultural tenants, event spaces, and the only residential building in the large-scale redevelopment of the central area of Shibuya Station. By developing one of Japan's largest deep-tech start-up co-creation facilities and serviced apartment buildings, we also contribute to the strengthening of Shibuya's international competitiveness. This large-scale mixed-use facility integrates work, play, and living, providing town-like value to diverse generations. In addition to serving as a disaster response hub, the development of a pedestrian network enhances connectivity with surrounding districts. This facilitates flows of people and urban expansion, and by providing approximately 6,000 m² of green space, Shibuya Sakura Stage offers premium value.



Process for Value Creation

The capital of the Tokyu Fudosan Holdings Group cultivated through its challenge-oriented DNA being put into practice generates unique management resources. By organically linking these management resources, we have built up the Group's strengths, namely, unique business creation capabilities and broad customer and market touchpoints. By promoting business activities starting from a business ecosystem in which these two strengths interact, we create premium value that addresses social issues while aiming to realize our ideal vision for 2030.



Enhancing Financial and Non-Financial Capital

Backed by a sound financial base, the Tokyu Fudosan Holdings Group is working to enhance its capital through ongoing investments in non-financial capital. By organically linking each form of capital strengthened in this way, we form management resources unique to the Group.

Category	Characteristics of our capital	Initiatives to enhance capital
Internal capital — Human capital	To realize a human capital portfolio in which some 30,000 people can continue to grow and develop, we are building human capital platforms for the asset-utilizing and human capital-thriving businesses that underpin our business ecosystem. Through group training programs by employee level and secondments among Group companies, we develop and deploy human capital who can drive forward business transformation, and we create value through Group co-creation that combines diverse expertise. Guided by our challenge-oriented DNA, we are working to enhance employee motivation through investments in human capital.	▪ Develop people who create value (dissemination of the Group philosophy, development of digitally savvy talent, human capital development based on environmental management) ▶P.45 ▶P.62 ▪ Develop organizations with diversity and a sense of unity (empowerment of women, empowerment of diverse human capital, fostering of an innovative organizational climate) ▶P.63 ▪ Enhance motivation to work and foster an employee-friendly work culture (promotion of health and productivity management, support for diverse workstyles, improvement of employee engagement) ▪ Set key performance indicators (KPIs) such as the amount of investment in human capital
Internal capital — Intellectual capital	In addition to the technological capabilities cultivated across our wide-ranging business domains and the Group as a whole, together with our expertise in co-creation with partners, we are deploying our knowledge of urban planning, digital transformation, and public–private partnership gained through the redevelopment of Shibuya in other regions. We also accumulate external knowledge through industry–government–academia collaboration. A fusion of brand, technology, and external knowledge, this intellectual capital supports our long-term competitive advantage and our consistent ability to drive business forward.	▪ Promote digital transformation as a Group policy (next-generation IT platform, human capital platform for the promotion of digital transformation) ▶P.34 ▪ Advance innovation creation and new business development (corporate venture capital, STEP internal venture scheme) ▶P.63 ▪ Co-create start-up ventures through industry–academia partnerships, etc. ▶P.38 ▪ Set KPIs such as the amount of investment in digitalization
Internal capital — Asset capital	With a broad business portfolio, we develop offices and commercial facilities, housing, resorts, and logistics and infrastructure assets throughout Japan. In addition to stable cash flows from rental income, electricity sales, and membership fees, we secure earnings through asset replacement. By leveraging the management, operation, and real estate agency functions cultivated in our human capital-thriving businesses, we produce urban development in a comprehensive manner.	▪ Total assets (excluding eliminations) ¥3,539.9 billion ▪ Real estate for sale ¥1,082.4 billion ▪ Market value appraisal for leased properties ¥1,240.4 billion ▪ Set KPIs such as environmental certification acquisition (CASBEE, DBJ) and renewable energy electricity use ▪ Set KPIs for strengthening safety and security measures for buildings
Investments — Financial capital — Investments	Backed by our stable earnings base built up over many years, a high-quality asset composition, and a high credit rating founded upon a sound financial position, we maintain strong fundraising capabilities and continue to invest steadily even amid fluctuating market conditions. Through the issuance of ESG bonds, we also gain the understanding and support of stakeholders, including bond investors, for the Group's ESG initiatives, while promoting the diversification of our funding sources.	▪ Improve the D/E ratio (fiscal 2030 target:1.8 times or lower) ▪ Achieve an equity ratio of around 30% (fiscal 2030 target) ▪ Issue ESG bonds such as green bonds ▪ Set KPIs such as ROE and EPS
External capital — Social and relationship capital	Building on the track record cultivated in each of our businesses, we have established strong relationships of trust with a wide range of customers and partners. Through an integrated business structure spanning development, sales, management, and operation, we work together with rights holders, local communities, and government agencies while also forming multilayered relationship capital with developers, financial institutions, and tenant companies both in Japan and overseas. These relationships of trust are the foundation that supports our sustainable growth.	▪ Advance regional co-creation and urban development activities (including solving regional issues through cooperation between government agencies, citizens, and companies; revitalizing communities; and implementing stakeholder environmental education programs that envision future society) ▪ Engage stakeholders (communication for building relationships of trust, etc.) ▪ Set KPIs such as customer satisfaction levels, new lifestyle creation, and community revitalization
External capital — Natural capital	With the coexistence of cities and nature at the forefront, we advance urban development premised on the natural environment through resort development and urban regeneration. While accumulating expertise in areas such as environmentally friendly construction, the introduction of renewable energy, forest conservation, greening technologies, and the protection of marine life, we work continuously with our supply chain partners and stakeholders to maintain and restore natural capital and, in turn, deliver environmental value.	▪ Practice low-carbon real estate development, management, and operation that leverages our strength in renewable energy (co-existence of electricity generation, logistics, and agriculture, creation of new employment and economic benefits) ▪ Manage and utilize buildings in a way that contributes to longer useful lifespans and community revitalization (maintaining asset value, urban development focused 50 years in the future) ▪ Contribute to ecosystem conservation that takes into account urban and regional characteristics (creation of spaces that contribute to well-being in urban areas, sustainable tourism) ▪ Set KPIs such as renewable energy consumption and CO_2 emissions volume

Management Resources

Ability to maximize the appeal of cities

Human capital	Value creation through expertise cultivated across diverse business domains and through collaboration that transcends the boundaries of individual businesses, aimed at solving social issues
Intellectual capital	Expertise in business evaluation frameworks, KPI design, and the management of capital efficiency
Asset capital	A broad business portfolio and asset classes matched to the life stages of our customers
Financial capital	The ability to design an efficient, diversified framework for the allocation of capital
Social and relationship capital	Relationships of trust built on our business track record with diverse rights holders, local communities, government agencies, and companies
Natural capital	Creation of environmental value through environmentally friendly building construction, the introduction of renewable energy, and the conservation of green spaces

Expertise in co-creation with diverse stakeholders

Human capital	Guided by our challenge-oriented DNA, we combine wide-ranging expertise to advance co-creation with diverse stakeholders.
Intellectual capital	Expertise accumulated through frameworks for co-creation
Social and relationship capital	A multilayered network built up over many years with local communities, government agencies, universities, and companies

Diverse business domains rooted in every aspect of daily life

Intellectual capital	Knowledge and data platforms cultivated through co-creation across wide-ranging business domains
Asset capital	Assets that broadly cover the lives of customers
Financial capital	Investments across wide-ranging business domains
Social and relationship capital	Ongoing relationships with local communities, users, and municipalities

Customer base comprising people at all life stages

Intellectual capital	An organizational climate that keeps the customer firmly in mind and which addresses their diverse needs
Financial capital	Expansion of touchpoints through investments across wide-ranging business domains
Social and relationship capital	A multilayered network built up over many years with local communities, government agencies, universities, and companies