Group Policy DX

Message from an Executive Officer



Accelerating value creation with digital transformation as a growth driver

Eiji Yamane

Operating Officer
Supervisor of the Group Corporate Planning Department, Group CX & Innovation Department, and Group DX Promotion Department
Tokyu Fudosan Holdings Corporation

The shifting position of digital transformation in the first year of our resilience phase

In fiscal 2026, I was appointed as the executive officer for the Group Corporate Planning Department, Group Finance CX & Innovation Department, and Group Digital Transformation Promotion Department. In fiscal 2021, digital transformation (DX) was adopted as a Group policy, and I led Group DX promotion as the general manager of the Group DX Promotion Department through fiscal 2021. I have since been involved in value creation for the Group in areas such as sustainability and the Greater Shibuya Area strategy. Now, I will once again be responsible for DX promotion.

In fiscal 2025, the first year of our resilience phase, DX's positioning within the Group underwent a major shift. I feel we have clearly transitioned from a trial stage of using digital tools to improving the efficiency of business processes and productivity into a stage in which we explore to what extent data and AI can be leveraged to create value.

This shift is underpinned by the characteristics of the Group's businesses. The breadth of both our business portfolio, which extends from urban development to management, operations, and distribution, and our business structure, which enables us to maintain touchpoints across a broad customer and market base, is a source of competitive advantage in DX promotion. I recognize that the role of DX—and the aim of my own mission—is to utilize data platforms such as customer data platforms (CDPs) in the cross-organizational linking of intellectual assets, including the data and know-how continuously accumulated via our abundant touchpoints, and to transform these assets into value that can be leveraged Group-wide.

Our decision-making and business processes are changing through the leveraging of the business characteristics above, the utilization of TFHD Chat (a custom in-house proprietary AI tool), and the establishment of a system in which TFHD digital Inc.'s personnel with digital capabilities provide support on individual operations. DX is permeating the Company not merely as a means of improving efficiency but as the foundation for business transformation, which I regard as a sign that we have taken an important step forward.

Our DX strategy aims to realize business model transformation (BX) by creating a virtuous cycle of employee experiential value (EX) and customer experiential

Group Policy DX

Message from an Executive Officer

value (CX). This strategy, along with our organizational structure, human capital development, and multiple DX projects, received high praise, leading to the Company's inclusion in DX Stocks 2026. This marks the second time the Company has been recognized in this regard, following its first inclusion in 2023.

Delivering value through a virtuous cycle of EX and CX driven by AI utilization

DX has begun to function as a starting point that simultaneously drives EX, CX, and the enhancement of business value. Employees who find fulfillment in their jobs provide high-quality services. Creating gratifying experiences for customers then further enhances their own motivation. This virtuous cycle is accelerated by DX, which is driven by the proactive utilization of AI. The shift toward more creative work is led by "bridging personnel" who possess both frontline operational experience and digital skills. Furthermore, we have introduced on the front lines TFHD Chat, and Map DX, a tool that dramatically speeds up decision-making by visualizing real estate information. Through the permeation of generative AI and digital tools across the Group, we are achieving dramatic gains in operational efficiency and productivity (EX improvement) on the scale of tens of thousands of hours per year.

By shifting resources and time created through productivity improvements to higher-value-added tasks, we are linking these gains to the enhancement of CX. We have now completed the construction of a CDP and are consolidating information from each Group company to further utilize the data across the entire Group. By integrating customer information accumulated across Group companies and services, we will deepen our customer insight, thereby delivering personalized, gratifying experiences that go beyond merely addressing individual needs.

Advancing BX driven by software and DX human capital development

The realization of BX lies beyond the acceleration of the virtuous cycle of EX and CX. Rather than being bound to revenue models dependent on conventional real estate development, we are working to address social issues through digital services and to create business models that generate new revenue streams.

A representative example of such a service is Kutchan ID+, a digital resident certificate we provide in Kutchan Town, Hokkaido Prefecture. The service was realized in the short span of approximately one year through open innovation that utilized the implementation capabilities of TFHD digital alongside patented technologies from our corporate venture capital (CVC) investees. The service allows residents to access exclusive benefits at popular tourist destinations and has received high social praise: approximately one in four residents are registered, and it won the 43rd Information Technology Award. Beyond its contributions to society, the service's system of monetization through system usage fees and other sources represents a new business model for the Company, which has traditionally focused on real estate-related businesses.

To generate such business model transformations in each frontline operation, bridging personnel, who possess both on understanding of existing businesses and digital expertise, are indispensable. Thus, one of our focus areas is the advanced bridging personnel program, which launched in the previous fiscal year, and other human capital development initiatives. Against our target of developing over 10,000 DX promotion personnel by fiscal 2030, we have already developed 9,910 such staff, putting us well ahead of schedule. Together with the activities of TFHD digital, which outsources personnel with high-level digital abilities, we will develop and secure human capital to ensure that our DX initiatives are not one-time measures but continuous drivers of value creation. ▸ P.45

Sustainably enhancing corporate value through offensive and defensive DX

Moving forward, we will more deeply embed the virtuous cycle of EX and CX—representing the core of our DX strategy and driven by the proactive utilization of AI—throughout the Group and develop it into a solid management strength.

At the same time, as the use of digital technologies and AI expands, the importance of information management and security grows. Within the Group, we have completed the construction of a zero-trust network infrastructure two years ahead of schedule and we are thoroughly implementing AI governance through the Information Security Committee, among other measures, to ensure robust, defensive DX. With this defensive foundation firmly in place, we are evolving our offensive DX efforts to drive business model transformation and, beyond that, to secure new revenue opportunities. We will continue to maximize the Group's strengths through DX and accelerate the creation of value, thereby realizing sustainable enhancement of corporate value.

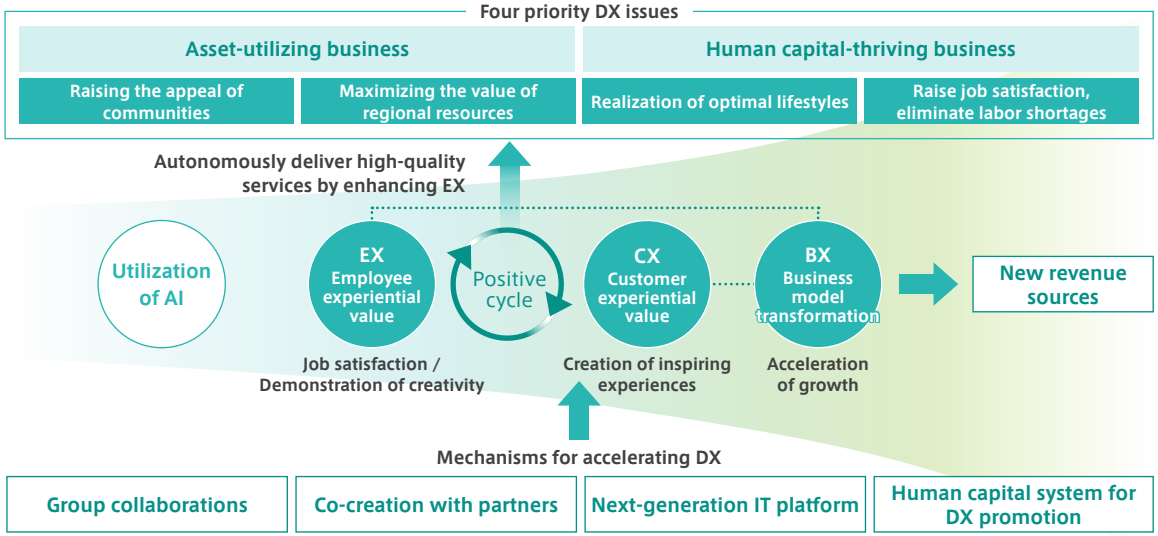
Enhancing Customer Experiential Value and Employee Job Satisfaction While Transforming Our Business Model

Overview of value creation through DX

The Tokyu Fudosan Holdings Group promotes a digital transformation (DX) strategy founded upon the proactive use of AI that seeks to realize business model transformation (BX) by creating a virtuous cycle whereby both employee experiential (EX) value and customer experiential (CX) value are improved. We do so by enhancing daily operations through the introduction of generative AI and other digital technologies to enable employees to dedicate more time to creative work tasks. High-quality services provided by employees who are satisfied with their jobs create moving experiences for customers and further increase employee motivation. DX strongly drives this virtuous cycle enhancing both EX and CX.

We further accelerate this cycle through Group collaborations, co-creation with partners, and the development of human capital who advance DX, thereby achieving BX and securing new revenue sources.

Please refer to our DX Report for details.



Examples of DX initiatives

Improvement of EX value

Map DX, a platform that integrates geographical data

Map DX is the industry's first geographical data integration platform that supports decision-making for land acquisition in real estate development. It centrally aggregates and visualizes various external data such as market information, people flow, and transportation data on top of a land information management system. The platform's features include instant estimation of maximum building scale using AI for the purpose of increasing the speed and accuracy of land acquisition decisions. It has led to great improvements in productivity and freeing up more time for employees to take on more creative work tasks, thereby enhancing EX.

Enhancement of CX value

Tokyu Stay official accommodation rights resale service



We have launched an accommodation resale service at Tokyu Stay. This system allows guests to buy and sell accommodation rights to third parties if they are unable to stay due to sudden changes in their schedules. NFTs are used to facilitate the distribution of real-world services, such as accommodation rights, allowing for a user experience enabling customers to intuitively use the service without being conscious of blockchain technology like NFTs. This innovative model both alleviates customer anxiety caused by unavoidable cancellations and creates a more flexible and comfortable accommodation experience, thereby enhancing CX and addressing issues in the hotel sector.

Realization of BX

Digital resident identification Kutchan ID+



Kutchan ID+ is Japan's first digital resident identification service, available in Kutchan Town, Hokkaido Prefecture. It combines My Number authentication with patented NFC tag technology provided by a company in which our corporate venture capital (CVC) fund has invested, enabling residents to smoothly access local benefits with just a tap of their smartphone. Around one in four residents have registered for Kutchan ID+, and the service has received high accolades in society, including winning the 43rd IT Award (Creation of Social and Environmental Value) organized by the Japan Institute of Information Technology. This BX initiative aims to solve regional issues and create new business opportunities and sources of revenue by leveraging digital services rather than relying on conventional real estate development.