Human Capital Management

Message from an Executive Officer



Morio Suzuki
Operating Officer
Supervisor of the Group General Administration Department, Group Legal Affairs Department, and Group Human Resources Department
Tokyu Fudosan Holdings Corporation

Supporting the growth of roughly 30,000 employees to drive value creation and business transformation

Reflecting on the first year of the resilience phase

The Tokyu Fudosan Holdings Group has designated the first year of Medium-Term Management Plan 2030 as the resilience phase, during which it has worked to strengthen the management foundation that will support its sustainable growth going forward. In line with the policies thereof, we aim to expand our investment in human resources to 1.5 times that of the annual average during the previous medium-term management plan, as we believe that investment in the recruitment and development of people is less an expense and more a critical up-front investment in enhancing corporate value over the long term. With regard to human resource development in particular, in an era that demands autonomous career development, we are determined to provide strong support as a group to every employee in their pursuit of voluntary learning. Accordingly, in the first year of the resilience phase, we were able to give concrete form to and steadily implement measures such as the establishment and expansion of training programs for operating officers, who will be responsible for managing the Group in the next generation, and the introduction of Groupwide joint tiered training programs. I consider our efforts during the year to have advanced our human resource management from the stage of adopting measures to one of putting them into practice.

Building "a human resource portfolio in which some 30,000 people can continue to grow and develop"

In order to navigate the intense changes in the business environment and continue creating value, the Tokyu Fudosan Holdings Group has adopted a vision of "building a human resource portfolio in which some 30,000 people can continue to grow and develop." To realize this vision, we are advancing the multifaceted development and retention of talented personnel in an integrated manner.

Our basic approach to human resource investment

Strengthening human resource investment

Recruitment, training, and development of corporate culture
Approx. ¥**13.0** billion*1
1.5 times or more than under previous medium-term management plan annually

+

Above-inflation **employee compensation***2
Ample employee benefits

Proactive investment in human resources and organizational climate

Sustainable growth in corporate value

Employee performance improvement

Employee experience (EX) improvement

- Enhance motivation to work and employee development
- Foster well-being
- Implement DE&I initiatives

*1 Cumulative total during the period covered by major Group companies under Medium-Term Management Plan 2030
*2 Group wages / compensation policy

Human Capital Management

Message from an Executive Officer

Our first priority is the development of talented management personnel and personnel capable of executing business transformation. In an era marked by uncertainty and rapid change, it is essential to possess both the ability to make bold and decisive decisions and the capacity to translate strategy into concrete initiatives grounded in frontline and business realities and see them through to completion. Having defined "talented management personnel" as "director-level personnel responsible for management" and "talented personnel capable of executing business transformation" as "personnel who understand the entire business value chain and are able to execute business model transformation," we are expanding our tiered training programs—which are designed to cultivate a broad perspective of the Group as a whole—to target not only operating officers but also those at various levels of the hierarchy, including general managers and managers.

Our second priority is the recruitment and retention of essential personnel, who are deemed so as they are tasked with supporting our frontline operations. Particularly in talent-driven businesses such as hotel operations and office cleaning services, the recruitment and retention of talented personnel are tasks of the highest importance that should be approached holistically as inseparable, complementary elements. As a group, we will build an environment in which all employees can thrive in order to encourage long-term retention. By ensuring job satisfaction among employees and realizing a comfortable working environment, we aim to enhance employees' sense of pride in and belonging to their respective Group companies and the Tokyu Fudosan Holdings Group as a whole, thereby cultivating a large number of talented personnel who will thrive over the long term.

Creating organizational strength through diversity and unity

Diversity and unity are indispensable to enhancing organizational resilience. With regard to the advancement of women in the workplace, we are striving to not only increase the ratio of female employees in management positions but also create a working environment in which women can take on challenges without fear of failure and carve out career paths based on their own aspirations. We are also focusing on enabling employees to work in good physical and mental health with high levels of motivation and ambition through various initiatives, such as systems allowing employees to balance their work with childcare and nursing care responsibilities as well as efforts to promote health and productivity management.

The greatest strength of the Group's human resources lies in its some 30,000 employees, who engage in a wide range of businesses. It is thus essential that we not allow the diverse capabilities of our workforce to be confined to the level of individual employee or business strengths. Rather, we must turn these capabilities into competitive strengths for the Group as a whole. By having diverse and talented personnel stimulate, learn from, and combine the strengths of one another, we will build organizational strength of a caliber unique to the Group.

Paving a way to the future by providing cross-organizational experiences, supporting non-Japanese personnel, and embodying our challenge-oriented DNA

To enhance the Tokyu Fudosan Holdings Group's overall strength and use it to spur the creation of new value, we need to accelerate the provision of cross-organizational experiences for our human resources. Among the initiatives toward this end, in fiscal 2025, we launched our Groupwide internal recruitment system. Under the system, regular employees can volunteer to be seconded to another company within the Group, taking on challenges they would have otherwise been unable to experience at their sending company. Upon conclusion of their secondment, they bring back the knowledge and personal connections they have cultivated and share them with their colleagues. We expect such a circulation of talented personnel to broaden the organization's perspective and become a force that drives changes in the conventional ways of thinking and practices to which organizations are prone. In addition to this system, the business collaboration task force in the Greater Shibuya Area and the Group collaboration and co-creation projects in Hokkaido and Kyushu also serve as platforms for practical collaborations that transcend the boundaries between businesses and organizations.

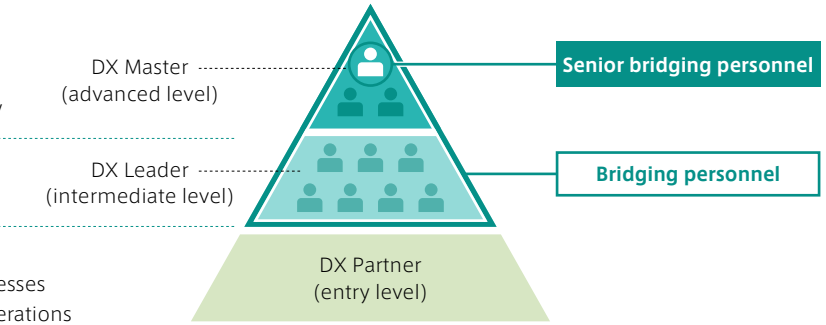
Furthermore, we are working to help non-Japanese personnel thrive through Global Gateway Japan Inc. (G2J), a subsidiary established in 2025. G2J is advancing employment support and staff dispatching for non-Japanese personnel, with a view to addressing issues across multiple business domains, including office cleaning services and hotel operations, and across the entire Greater Shibuya Area. By bringing in talented personnel with diverse values and experience, we will further enhance the quality of our services and the responsiveness of our frontline operations.

The founding spirit of the Tokyu Fudosan Holdings Group lies in its challenge-oriented DNA, and this spirit is fostered among employees through their embodiment of said DNA, grounded in a sense of psychological safety. The new ideas and ingenuity generated on the front lines, ranging from incremental improvements in daily operations to the creation of entirely new businesses through our internal venture scheme, have been a consistent source of new value. This spirit drives the businesses through which the Group leverages its intellectual assets and is a vital pillar supporting our future growth.

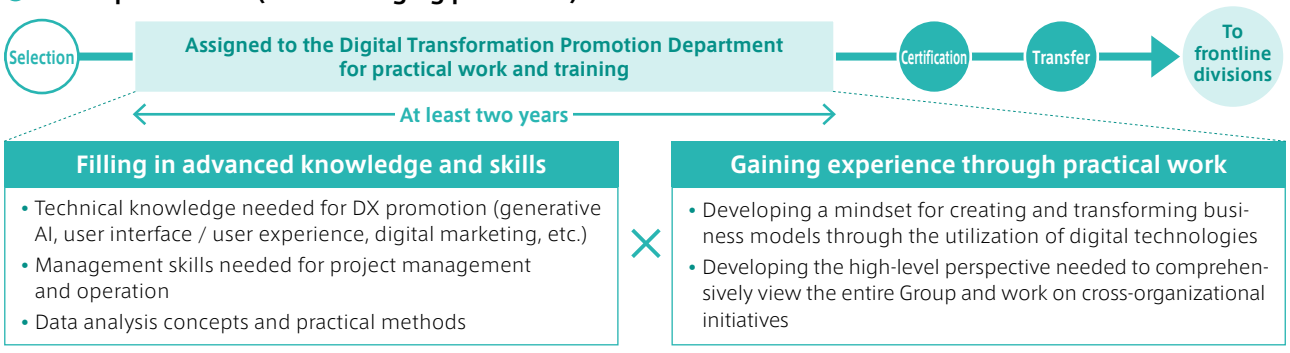
As the management of and investment in human resources are attracting ever-greater attention, human resource strategies lie at the heart of the Group's management, given that over 90% of its some 30,000 employees are engaged in talent-driven businesses. In pursuit of the Tokyu Fudosan Holdings Group's vision of realizing "a future where everyone can be themselves and shine vigorously," we aspire to be a corporate group that harnesses the collective capabilities of our employees to continue to create value that exceeds customers' expectations. I will be at the vanguard of this effort, connecting the growth of and challenges taken on by every employee to the tangible enhancement of corporate value.

Using a Unique Framework to Strengthen Digital Training for Employees

To create premium value as set forth in Medium-Term Management Plan 2030, the Tokyu Fudosan Holdings Group is systematically developing human capital capable of executing digital transformation (DX) as part of efforts to reinforce its human capital base. In particular, we define human capital who integrate digital technologies into business activities and proactively lead DX projects as "bridging personnel." We have thus established training programs to enhance their combined business and digital capabilities. Along with flexible curricula tailored to proficiency levels, we provide practical learning opportunities, thereby increasing the number of frontline employees leading DX initiatives. Furthermore, from fiscal 2025, we have designated human capital with advanced skills who can not only advance projects but also lead business model transformation as "senior bridging personnel." Candidates are selected from within the Group and, through two years of practical work and training in the DX Promotion Division, they are progressively developed as human capital who will drive transformation at Group companies and support the creation of new value.



Development flow (senior bridging personnel)



CLOSE UP

Activities of Bridging Personnel



Kenichi Kazami
Group Leader of Business Planning Group,
Business Strategy Department,
Wellness Business Unit,
Tokyu Land Corporation

Bridging personnel raise awareness, hone employees' ability to form a consensus, and execute DX in frontline operations

I worked in the Marketing IT Strategy Department for three years starting in 2015, leading projects to enhance security and implement IT strategies across the Tokyu Fudosan Holdings Group. I began with very little knowledge of IT, and I initially noticed incidents of miscommunication among people involved in the systems domain. In response, I worked hard to visualize and share knowledge and learned how to move projects forward while proactively engaging with various related persons.

While carrying out efforts to heighten visualization and engagement, I then led the creation of value with DX projects for five years in the residential and wellness businesses. In the residential business, I introduced data-driven marketing while demonstrating the benefits of improving customer experiences (CX) and operational efficiency through necessary system upgrades. Currently, I am involved in establishing a new earnings model that extends beyond existing boundaries, and I have started to improve CX and foster loyal customers by integrating and utilizing customer data in the wellness business, which has an abundance of customer touchpoints.

Using this experience, I would like to take on the challenge of creating value by combining the latest AI technology with the volumes of data existing across the Group. While integrating customer data from across businesses, our aim is to provide services tailored to each customer based on advanced AI-powered forecasting, while automating and increasing efficiency through the implementation of digital technology in various business processes. Doing so will both maximize customer value and improve productivity, thereby contributing to the sustained growth of the Group.