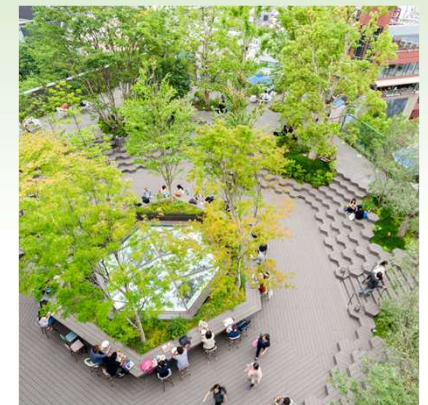
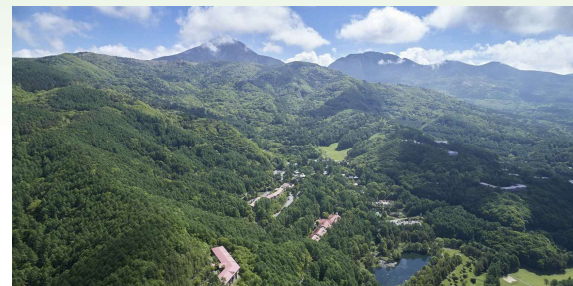


TCFD/TNFD Report

—Tokyu Fudosan Holdings Group's Contribution to
Net Zero and Nature Positive—

Climate and Nature-Related Financial Information Disclosure and
Transition Plan for a Decarbonized Society

(Integrated Version)
February 14, 2025



Introduction

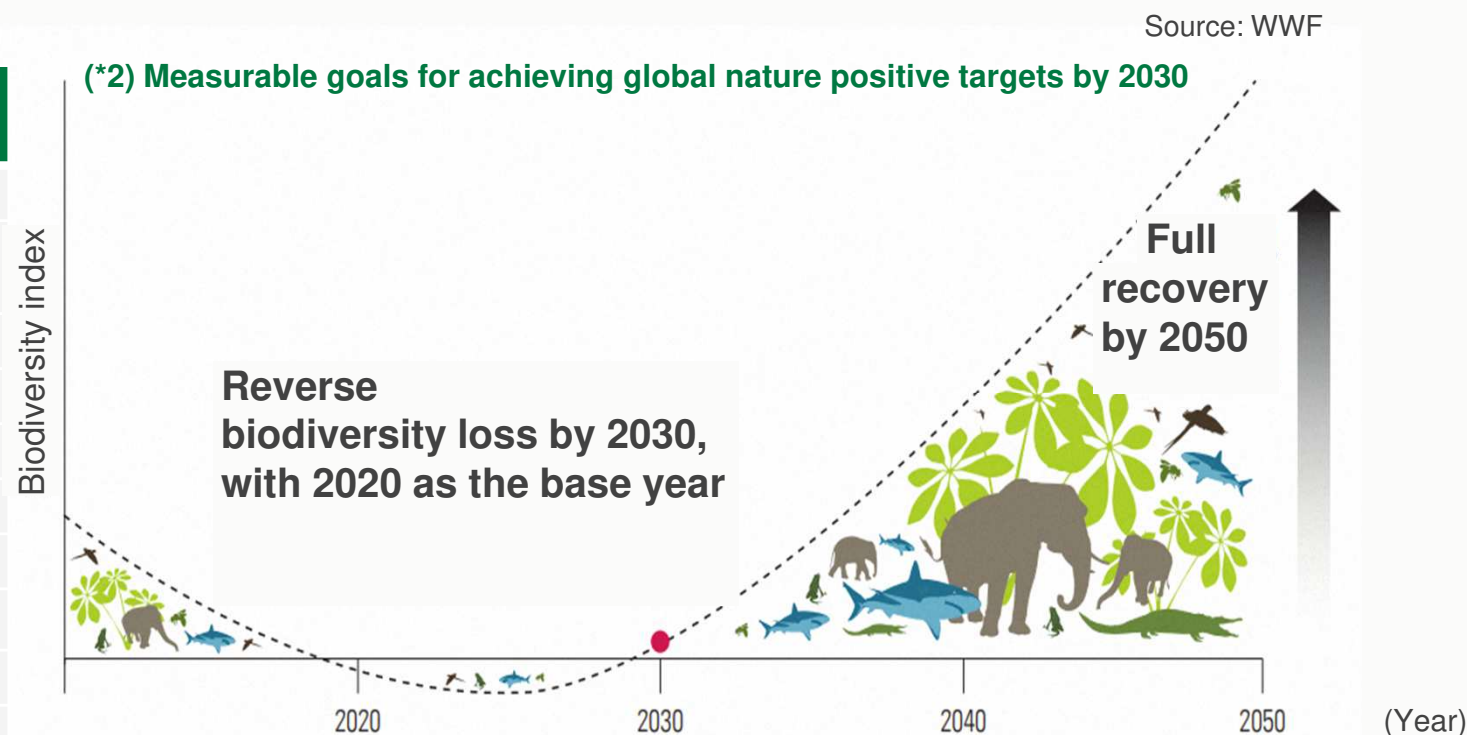
Introduction – worldwide aims of net zero and nature positive

Global environmental issues, such as climate change and biodiversity loss, are becoming more serious every year and are recognized as major risks to society and the economy (see *1). Various measures have been adopted to address climate change including the 2015 Paris Agreement, and international initiatives are underway to develop a **net zero decarbonized society**. Measures addressing biodiversity loss include the 2022 Kunming-Montreal Global Biodiversity Framework (GBF); under the **2050 vision of “Living in harmony with nature”**, the GBF has set a goal of **becoming “nature positive”** (*2) **by 2030**, which prescribes taking urgent action to halt and reverse biodiversity loss and promote environmental recovery under 23 specific targets.

Accordingly, our Group is steadily adopting business initiatives to meet the global “net zero” and “nature positive” goals, while proactively identifying and disclosing important climate- and nature-related concerns.

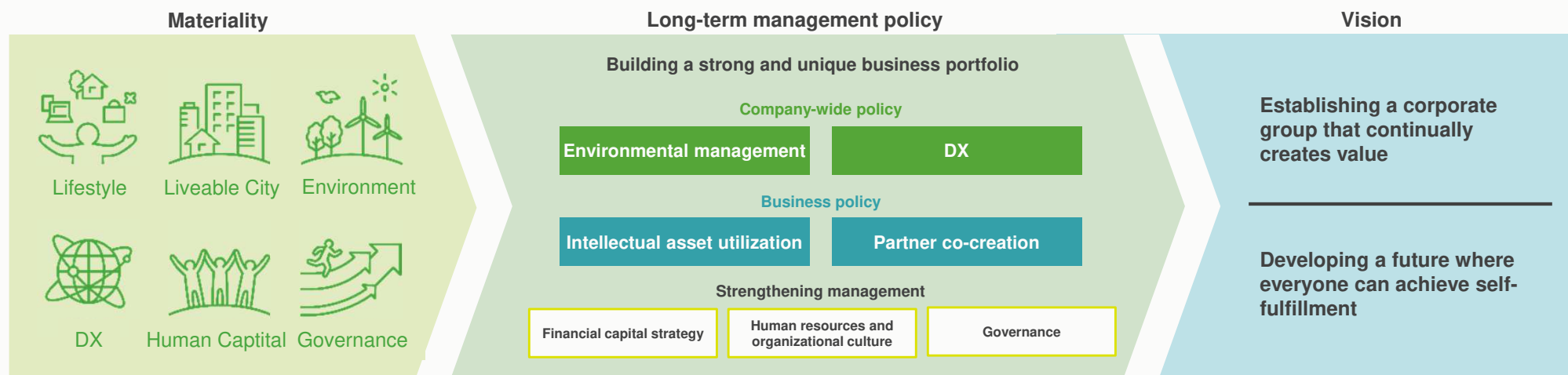
(*1) Excerpt from World Economic Forum Reference Material 1)

Ranking of risks according to severity over next decade	
1	Extreme weather events
2	Biodiversity loss and ecosystem collapse
3	Critical changes to Earth systems
4	Natural resource shortages
5	Misinformation and disinformation
6	Adverse outcomes of AI technologies
7	Inequality
8	Societal polarization
9	Cyber espionage and warfare
10	Pollution



Environmental management at Tokyu Fudosan Holdings

- Our Group has adopted materiality based on social issues and established a long-term “environmental management” policy, which will be key to achieving our vision.



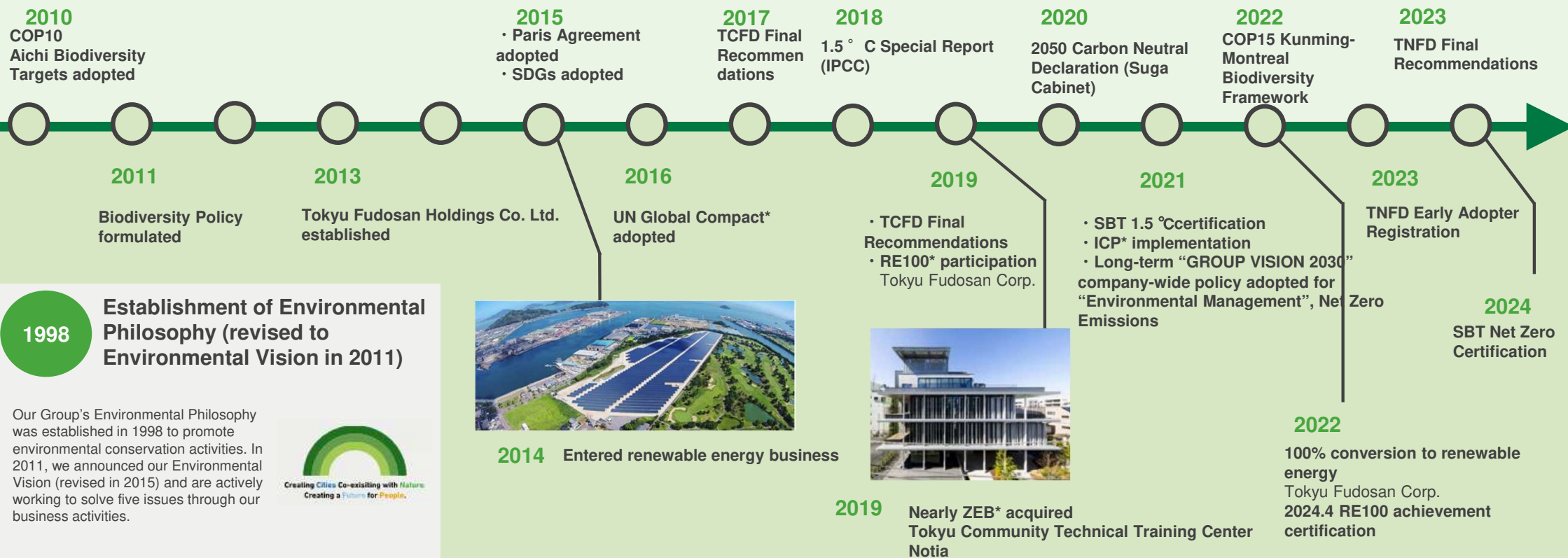
- Since its founding, we have been working to develop a sustainable society and address environmental issues through various business activities. In May 2021, we formulated the long-term materiality-based “GROUP VISION 2030” that endeavors to create lifestyles that protect the environment.
- Our long-term vision places environmental management as a major pillar, and we aim to expand environment-friendly business opportunities through the **decarbonized society, circular economy, and biodiversity** initiatives.
- This report discusses climate- and nature-related issues and our Group’s responses to them, with reference to the **Task Force on Climate-related Financial Disclosures (TCFD*)** and **Task Force on Nature-related Financial Disclosures (TNFD*) frameworks, as well as various guidance on transition plans**. To this end, we collaborate with MS&AD InterRisk Research Institute & Consulting Inc. to analyze climate- and nature-related issues, and with Think Nature Inc. to analyze nature-related issues.

*See “Terms and Explanations”

Our Group's environmental management history

*See "Terms and Explanations"

Domestic and International Trends



[Environmental Vision]

Environmental Philosophy: To create value-adding services that connect cities to nature, and people to the future.

Environmental Policy: To achieve harmony between the environment and economy through our business practices.

Environmental Actions: Address five issues from three perspectives.



[Three Perspectives]

- Disclose and implement goals.
- Adopt cutting-edge initiatives.
- Work in collaboration with society.

[Five Issues]

- Climate change
- Biodiversity
- Pollution and resources
- Water use
- Supply chain

TCFD

2018 Scenario analysis supported by the Ministry of the Environment 2020 Review of scenario analysis for expanded target fields

Analysis of 2°C and 4°C scenarios. Focusing on target businesses in 2030 for urban areas and 2050 for leisure.

Analysis of 1.5 °C, 3 °C, and 4 °C scenarios. Focusing on target businesses in 2030 and 2050 for cities, residences, leisure, and renewable energy.

TNFD

2023 First TNFD report published in the domestic real estate industry

Analyzes and discloses nature-related issues, focusing on the greater Shibuya area.

2023 TNFD Final Recommendations (2nd edition) report published

An updated version corresponding to the final recommendations of September 2023.

2023 Analysis of IEA*'s latest scenario NZE2050

Analysis of the latest 1.5°C scenario. Focusing on target businesses in 2030 and 2050 for cities, residences, leisure, and renewable energy.

2024 TNFD report (3rd edition) published, covering overview and priority areas

Detailed analysis of nature-related issues in Tokyu Resort Town Tateishina.

Highlights in numbers for decarbonization and nature positive

Decarbonization achievements

Scope1,2 *1
70% reduction in emissions
(FY2023)
(50% target achieved in FY2022)

First domestic company to achieve RE100*2 (2024.4 certification)
(Tokyu Fudosan Corp.)



Environmental certification acquired*3
(CASBEE/DBJ etc.)
65% (FY2023)

ZEB/ZEH* level*4
87% (FY2023)



CDP “A List”
4 consecutive years
(FY2024)
Climate change/water security

Environmentally friendly business initiatives
Total of 70 cases (FY2023)



Renewable energy business
• Total number of businesses: **122** (2024.12)
• Rated capacity*5: **1884 MW** (2024.12)

Introduction of internal carbon tax (ICP) (FY2021)
Presentation at management meetings (FY2022) (Tokyu Fudosan Corp.)



Nature positive achievements

First in the domestic real estate industry
TNFD report disclosure
(FY2023)



Forest conservation area
(Green Connecting Project) **2145 ha**
(FY2023)

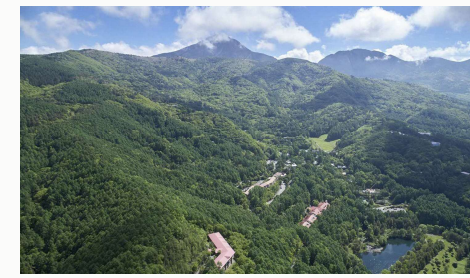


Sustainable procurement
(formwork timber)
9.7% (FY2023)



Building greening *6
(rooftops, walls, etc.)
100% (FY2023)

30 by 30
Tateshina certified as Nationally Certified Sustainability Managed Natural Site (FY2023)



*1 Confirmed value after third-party certification *2 Excluding some joint ventures, etc. *3 Applies to large non-residential properties (total floor area ≥10,000 m²). Excluding some joint ventures

*4 Percentage of condominiums, offices, and other facilities owned by Tokyu Fudosan Corp. with building performance equivalent to or higher than ZEB/ZEH Oriented (at commencement of construction)

*5 Before equity conversion (including businesses under development) *6 New large-scale office buildings and commercial facilities developed by Tokyu Fudosan Corp.

Executive summary

[Summary] Integrated disclosure of climate- and nature-related issues

We are working toward solving climate- and nature-related issues through our business practices. To mitigate and adapt to climate change, the conservation of natural vegetation is essential for absorbing greenhouse gas (GHG) and reducing the risk of extreme weather events. Climate change is also a major cause of biodiversity loss and needs to be addressed to achieve nature positive goals.

Nature- and climate-related issues are closely related to each other, as recommended by the TNFD; thus, we have adopted **integrated examination policies and initiatives on climate and nature, and disclose information in accordance with the framework**.

This report seeks to provide an overview of how we address climate- and nature-related issues through disclosure based on the TCFD recommendations, transitioning to a decarbonized society, and disclosure based on the TNFD recommendations.

	Disclosure based on TCFD recommendations	Transition plan for a decarbonized society	Disclosure based on TNFD recommendations (TNFD report)
Revision history	2019.3 Support for TCFD recommendations TCFD disclosure 2023.3 Expansion of scenario analysis scope	2023.7 Report issued	2023.8 1st edition: Overview and analysis of Greater Shibuya Area 2024.1 2nd edition: Updates in response to final TNFD recommendations 2024.7 3rd edition: Addition of analysis for Tokyu Resort Town Tateshina
Disclosure contents	<ul style="list-style-type: none"> Climate-related governance Strategy implementation (climate-related risks and opportunities, scenario analysis, etc.) Climate-related risk management Climate change targets, KPIs 	<ul style="list-style-type: none"> Governance Roadmap for realizing a decarbonized society Key measures and initiatives Funding policy Stakeholder engagement Skills and human resources development 	<ul style="list-style-type: none"> General requirements Nature-related governance Strategy implementation (nature-related dependencies, impacts, risks, and opportunities; priority areas) Nature-related risk and impact management Nature-related metrics and targets Nature-related initiatives

Integration (Feb 2025)

Disclosure based on TCFD/TNFD recommendations (this report)

Climate- and nature-related governance/strategy/risk and impact management/metrics and targets/transition plan for a decarbonized society

For your benefit, this report uses **icons in the upper right corner of each page** to indicate the theme (“climate” and “nature”) and items “governance,” “strategy,” “risk and impact management,” and “metrics and targets” being covered. In addition, **the “NEW” icon** is displayed in the upper left corner for **content that has been newly added** to this report.

[Summary] Overall disclosure

Please refer to the Appendix for the TNFD Recommendations for disclosures.

Pillars of disclosure	Main recommendations for disclosure	Climate-related disclosure	Nature-related disclosure
<u>Governance</u>	<ul style="list-style-type: none"> Board oversight system for climate- and nature-related issues (dependencies and impacts, risks and opportunities), governance system determining the role of management Nature-related stakeholder engagement 	<ul style="list-style-type: none"> The Sustainability Committee was established, consisting of the president and CEO (chairman) and executive officers. Meetings are held twice a year with the Risk Management Committee to plan for important environmental management and sustainability issues, including climate- and nature-related issues. The Board of Directors receives reports from the Sustainability Committee and regularly reviews the progress. We formulated a human rights policy and are engaging with local communities. 	
<u>Strategy</u>	<ul style="list-style-type: none"> Identify climate- and nature-related issues Determine impacts of risks and opportunities on business, strategy, and financial plans Scenario-based strategies for promoting resilience Nature-related priority regions 	<ul style="list-style-type: none"> Medium- and long-term scenario analysis for four businesses (cities, leisure, residences, and renewable energy) under the 1.5, 3, and 4° C scenarios, considering risks and opportunities, assessing financial impacts, and incorporating them in our strategies. We formulated our long-term “GROUP VISION 2030” for achieving net zero emissions by 2050 and set long-term targets for reducing GHG emissions. We received the SBT Net Zero certification in July 2024. The transition plan for achieving the above target is explained in this report. 	<p>Based on the TNFD's LEAP* approach, we identified nature-related issues (dependencies, impacts, risks, and opportunities) as follows:</p> <ul style="list-style-type: none"> Considering the dependencies and impacts by business Based on the metrics assessment, the priority areas are set: “Greater Shibuya Area (*)” and “13 areas including resort facilities” centered around “Tokyu Resort Town Tateshina” Considering material nature-related issues in the “Greater Shibuya Area” and “Tokyu Resort Town Tateshina”
<u>Risk and impact management</u>	<ul style="list-style-type: none"> Identifying, assessing, and managing climate- and nature-related issues Integration into the company-wide risk management initiative 	<ul style="list-style-type: none"> Climate-related risks are identified and assessed based on scenario analysis. Nature-related dependencies, impacts, risks, and opportunities are identified and assessed in terms of the entire business and value chain, with detailed assessment of priority areas. The identified issues are managed through a system informed by the Sustainability Committee and are also integrated into company-wide risk management. 	
<u>Metrics and targets</u>	<ul style="list-style-type: none"> Metrics, targets, and performance in the assessment and management of climate- and nature-related issues 	<ul style="list-style-type: none"> Management performance for each item. For details, please refer to the “Metrics and Targets” section. 	

*See “Terms and Explanations”

*The Greater Shibuya Area refers to the area within a 2.5-km radius of Shibuya Station, as defined in the Shibuya Urban Development Strategy of the Tokyu Group.

[Summary] Climate-related scenario analysis

We **conducted a scenario analysis** for our four businesses (urban development, leisure, residential, and renewable energy) and **incorporated it in our strategy**.

Scenario assumptions		Overview of results	Financial impact	Medium term	Long term	
1.5°C scenario	Policies, technologies, markets, etc. steadily transition toward a decarbonized society and limit increases in global average temperatures at the end of the 21st century to 1.5° C compared to pre-industrial levels.	<ul style="list-style-type: none">In the medium term, carbon pricing and ZEB implementation costs will have a significant financial impact on urban development businesses; however, in the long term, ZEB conversion will be completed, and rental income is expected to increase by securing a market advantage. In addition, the renewable energy business is expected to expand.Regarding physical risks, natural disasters due to abnormal weather will gradually increase, but with little impact due to strengthened BCP* and LCP* responses.	Transition	Urban development	High	Somewhat low
				Residential	Somewhat low	Low
				Leisure	Somewhat low	Low
				Renewable energy	High	Low
			Physical	Urban development	Low	Somewhat low
				Residential	Low	Somewhat low
				Leisure	Low	Somewhat low
				Renewable energy	Low	Somewhat low
3°C scenario	Each country complies with its Nationally Determined Contributions (NDCs), and the average global temperature by the end of the 21st century is about 3° C higher than pre-industrial levels.	<ul style="list-style-type: none">In the medium term, the shift to ZEB in urban development businesses has relatively mild effects, and the financial impact is lower than in the 1.5° C scenario, though the impact is expected to continue in the long term. A certain degree of expansion is expected in the renewable energy business.In terms of physical risks, natural disasters will become more severe, and temperatures will rise faster than in the 1.5° C scenario, and the impact on resort businesses will be greater. However, a certain degree of financial impact can be reduced by differentiation from competing facilities, such as by selecting locations and using facilities during the off-season.	Transition	Urban development	Somewhat high	Somewhat high
				Residential	Somewhat low	Somewhat low
				Leisure	Somewhat low	Somewhat low
				Renewable energy	Somewhat high	Somewhat high
			Physical	Urban development	Low	Somewhat low
				Residential	Low	Somewhat low
				Leisure	Low	Moderate
				Renewable energy	Low	Somewhat low
4°C scenario	Policies, technologies, markets, etc. continue to expand at the current rate, average global temperatures rise by >4° C by the end of the 21st century compared to pre-industrial levels, increasing the risk of natural disasters due to climate change.	<ul style="list-style-type: none">In the medium term, the impact of climate change is expected to be small and the financial impact will be low; however, in the long term, the financial impact of intensifying natural disasters and rising temperatures is expected to increase. Meanwhile, the financial impact may be limited to a certain extent by differentiating from competing facilities through developing satellite offices in urban development businesses, selecting locations in resort businesses, and using facilities during the off-season.The renewable energy business is required to expand in line with market trends.	Transition	Urban development	Low	Low
				Residential	Low	Somewhat low
				Leisure	Low	Moderate
				Renewable energy	Low	Low
			Physical	Urban development	Low	Moderate
				Residential	Low	Moderate
				Leisure	Low	Somewhat high
				Renewable energy	Low	Moderate

High: ≥10% of consolidated operating revenue
Somewhat high: ≥10% of the operating revenue of the business portfolio
Medium: 5-10% of the operating revenue of the business portfolio
Somewhat low: 2-5% of the operating revenue of the business portfolio
Low: <2% of the operating revenue of the business portfolio

*See “Terms and Explanations”

[Summary] Overview of dependencies and impact on nature and setting of priority locations

STEP 1) Assess dependencies/impacts on nature for Group overall

Based on tools such as ENCORE (see Glossary), we reviewed an overview of dependencies and impacts in our entire business.

Segment	Business activities	Sales volume	Value chain	Impacts on nature								Dependencies on nature					
				Terrestrial ecosystem use	Freshwater/ Marine ecosystem use	Resource use		GHG emissions	Pollutant	Waste	Other	Provisioning services		Regulating and maintenance services			Cultural services
						Water	Other resources					Water resources	Other resources	Alleviation of impacts	Climate regulation	Other	
Urban development	Offices and commercial facilities/condominiums and rental housing, etc.		Building and development	VH			M	H	M	H	H		M	L			
			Operation	VH		H		H		H		H		L	L		H
Strategic investment	Renewable energy facilities (Solar power/wind power/biomass)		Building and development	VH			M	H	M	H	H		M	L			
			Fuel production	H				H	H			VH					
			Operation	VH		H	H	H	H	H	M	M	VH	L	VH		
	Logistics facilities		Building and development	VH			M	H	M	H	H		M	L			
			Operation	VH				H		H	H			L	L		M
			Management, renovation and construction	VH							H						
Property management and operation	Condominium management Environment and greening management		Management, renovation and construction	VH							H						
	Hotel, golf course, ski resort, etc.		Building and development	VH	VH		M	H	M	H	H		M	L			
			Production of ingredients, etc.	VH	VH	VH		H	H			VH	VH	VH	VH	VH	
			Operation	VH	VH	H	M	H		H	H	H	M	L	M	H	VH
	Healthcare, etc.		Building and development	VH			M	H	M	H	H		M	L			
			Operation and use	VH		H		H		H		H		L	L		H

Impacts

Land modification/occupation, etc. upon real estate development and operation
Terrestrial ecosystem use

Dependencies

Supply services for resources, etc. and **cultural services*** for nature-based comfort, landscapes, etc.

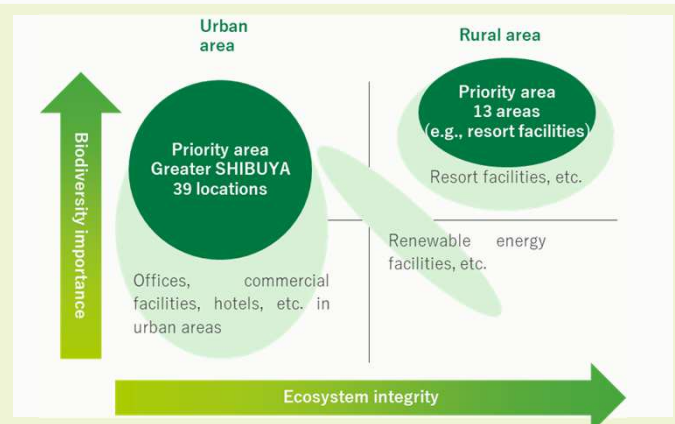


Business scale (Sales volume)



STEP 2) Analyze importance at addresses of each property

We analyzed various metrics regarding the ecological integrity* and biodiversity importance and water stress as they pertain to the addresses of properties held and operated by the Group. Then we selected the "Greater Shibuya area" and "13 areas including resort facilities" as our priority locations.



Conduct detailed analysis at the locations below:

1. Greater Shibuya area
 (Disclosed in FY2023)

2. Tokyu Resort Town Tateshina
 (Disclosed in FY2024)

[Summary] Contributed to nature positive in our urban development business in the Greater Shibuya Area

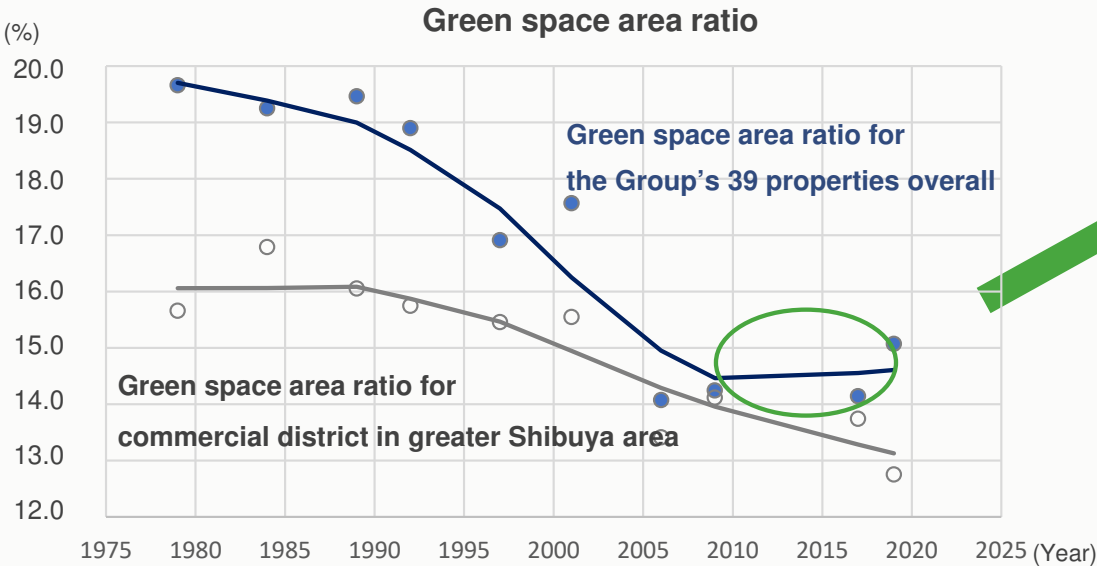
Dependencies and impacts of Greater Shibuya area

Our businesses in "Greater Shibuya area", one of the priority locations, has various impacts, such as land alteration and occupation, as well as dependencies on nature, such as mitigation of flooding and heat island effects, and the healing and aesthetic aspects of nature.

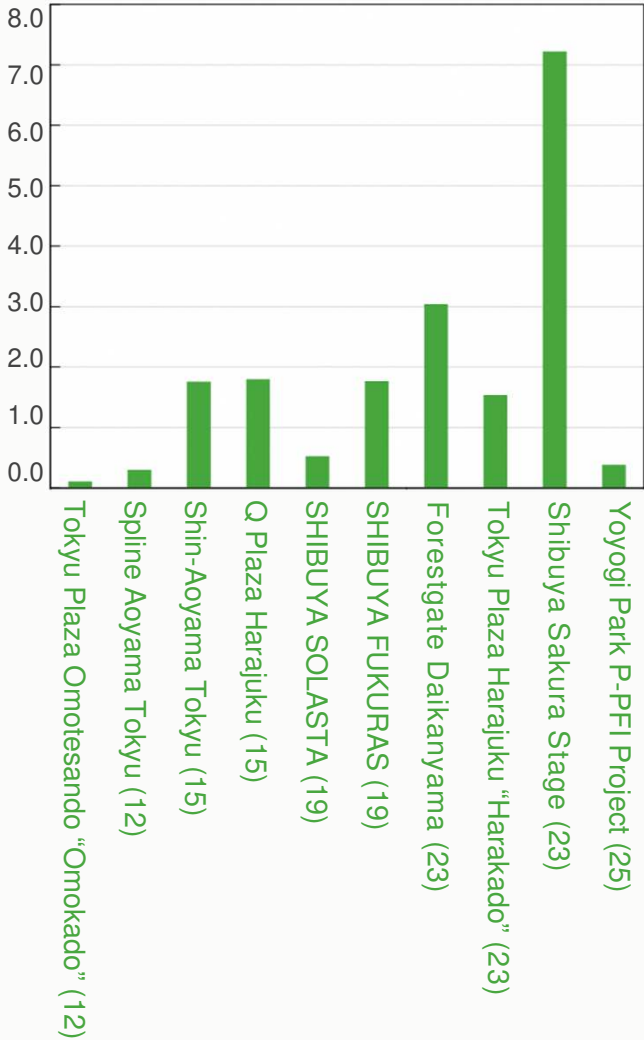
Of these, the impacts of land use and building greening on nature were quantitatively analyzed using the analysis tools of Think Nature Inc.

As a result of performing quantitative analysis using Think Nature’s analysis tools, we found that **biodiversity regenerative effects before and after the building of Group properties in the greater Shibuya area turned positive starting with properties from FY2012 and beyond**. At properties completed in recent years, initiatives aimed at ensuring the quantity and quality of greening, such as securing green space area largely through urban redevelopment systems and selecting native species of trees for planting, have shown positive effects, and the community planning efforts of the Group have been recognized as **contributing to nature positive**.

In particular, the quantity and quality of greening at target properties under our Redevelopment Business have been trending highly relative to facilities up to this point. Going forward, we will continue to promote the planning of communities that coexist with nature.



Biodiversity regenerative effects (Before building⇒After building)



*Year in parentheses is the year of completion

[Summary] Contributions to nature positive in Tokyu Resort Town Tateishina

Dependencies and impacts in Tokyu Resort Town Tateishina

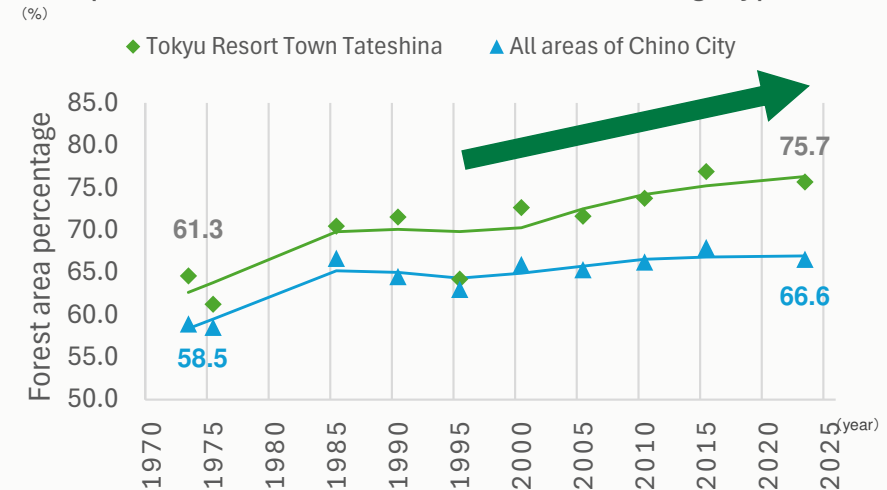
Our businesses at “Tokyu Resort Town Tateishina”, analyzed as a priority location, has various dependencies on nature, such as tourism resources, recreational functions, climate control, and disaster mitigation. Despite the potential negative impacts, such as land alteration and occupation, through the value chain, there are positive impacts through initiatives such as forest management. Focusing on one of these important impacts, that is, land alteration and occupation through facility development and operation, this impact was measured as an indicator via **quantitative evaluation of the changes in forest area percentage since development initiation in collaboration with Think Nature Inc..**

Analysis of forest area from aerial and satellite images showed that, although the forest area has declined due to the construction of golf courses and vacation homes, **the overall trend is toward recovery**, and that the **current status is that the area is in its most recovered state**, as well as the fact that the business operations, which have simultaneously maintained and recovered forests, are **contributing to nature positive as a result of our group's resort development and operations** (upper right figure).

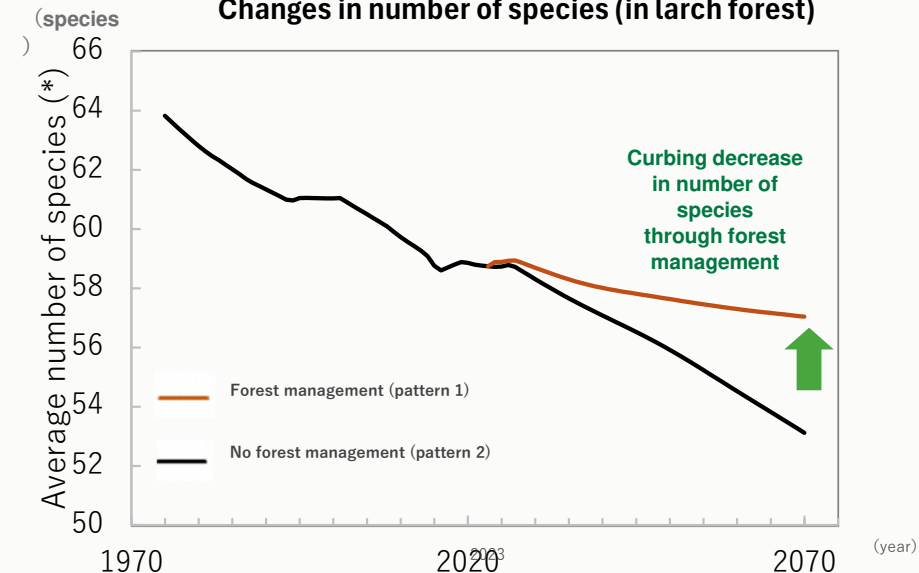
Additionally, "Tokyu Resort Town Tateishina" is engaged in **forest management, such as thinning based on a forest management plan**. Currently, given the advanced age of the trees that constitute the forests, going forward, thinning will be continued while considering forest management that includes a partial clear-cutting of aged larch forests and replanting.

Even when conducting a quantitative evaluation on the potential impacts of forest management on biodiversity and conducting a "management method of clear-cutting and reforesting two hectares a year," **the decline in the number of species in the forest was greatly suppressed** compared with the case of not conducting forest management and leaving the process to natural transitions (lower right figure). These results will be used as a reference to continue promoting efforts to preserve biodiversity with appropriate forest management.

Changes in forest area percentage
(evaluated from aerial and satellite imagery)



Changes in number of species (in larch forest)



[Summary] Understanding risks and opportunities, supply chain collaboration, initiatives/future policy

Climate- and nature-related risks and opportunities

Based on the scenario and dependency/impact analyses, we characterized climate- and nature-related transition risks, physical risks, and opportunities that are particularly important for our business.

Although various **climate- and nature-related risks are expected**, **many business opportunities can also be expected**.

Initiatives to address risks, opportunities, dependencies, and impacts in the supply chain

Real estate development requires a long time and involves many parties; thus, it is necessary to collaborate with stakeholders to address climate- and nature-related issues throughout the entire supply chain.

● Sustainable Procurement Policy

We established not only “Compliance with and respect for international standards on human rights and labor” but also a Sustainable Procurement Policy, such as “Responding to climate change” and “Preserving biodiversity,” which includes environmental considerations and promotes efforts throughout the supply chain.

● Zero Deforestation Initiatives

The use of plywood panels for concrete formwork in construction may lead to environmental destruction in native forests and land confiscation from indigenous inhabitants. Our Group is cooperating with construction companies to increase the use of sustainable wood (FSC- and PEFC-certified, domestic, etc.) for concrete formwork in condominiums and other structures to 100% by FY2030.

Company-specific climate- and nature-related initiatives

Item		Major initiative
Climate-related		Establishing a business that provides renewable energy
		ZEB/ZEH, environmental certification acquisition
Nature-related	Urban development	Urban development, urban greening, greening technology, planting management, etc.
	Hotel and leisure	Forest management, protection of rare species, etc.
	Other	Invasive species removal, pollution and waste reduction, resource circulation, water use reduction

Toward the future

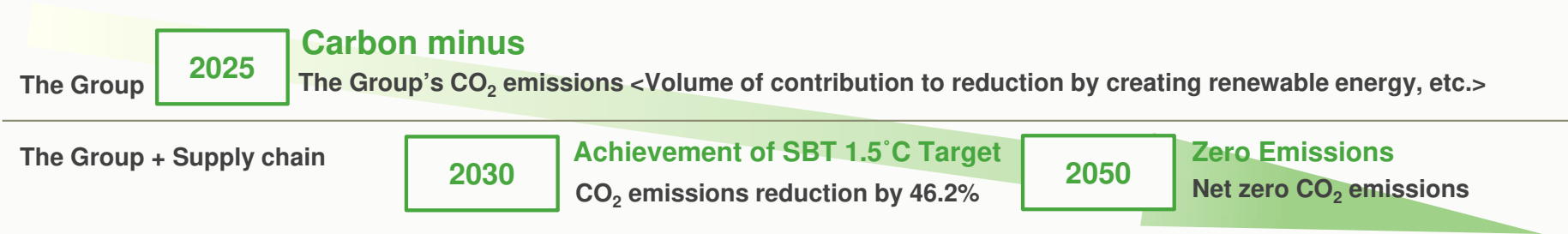
We plan to increase our efforts toward addressing climate- and nature-related dependencies and impacts, as well as risks and opportunities. In particular, we plan to elaborate on the scenario analysis, including the roles of nature, and examine nature-related metrics and goals based on international trends.

[Summary] Transition plan for a decarbonized society

Transition plan for a decarbonized society

We formulated the long-term “GROUP VISION 2030” and set a long-term goal of reducing GHG emissions to **net zero by 2050**, for which we received **SBT Net Zero certification in July 2024**.

This report describes our **transition plan, in line with the TCFD and other guidelines**, which forms the basis for promoting decarbonization initiatives, such as **renewable energy businesses and ZEB/ZEH building conversions**.



Components of transition plan	Disclosure	Pages
Governance structure	● Roles of the Board of Directors and committees regarding the transition plan, management structure	19-20
	● Remuneration and incentives	
	● Skills, abilities, and training	99
Roadmap and measures	● Roadmap, measures, and financing policy	90-94
Risks and opportunities	● Scenario analysis, risks and opportunities	30-38
Metrics and targets	● Climate-related metrics and targets	86-87
Stakeholder engagement	● Stakeholder engagement regarding the transition plan	21, 95-98

Disclosure policy (general requirements)

General Requirements	Our Group Policy
Application of Materiality	<ul style="list-style-type: none"> This report considers the impacts on stakeholders and society, as well as the Group's management.
Scope of disclosure/areas with nature-related issues	<ul style="list-style-type: none"> For climate-related issues, we conducted a scenario analysis for our four main businesses (cities, residences, leisure, and renewable energy). For nature-related issues, we characterized the issues in all business fields/major value chain stages and determined dependencies, impacts, risks, and opportunities based on priority areas in the “Greater Shibuya Area” and “Tokyu Resort Town Tateshina.” Of the recommended items for nature-related disclosures, the “scenario analysis” is not included.
Integration with other sustainability-related disclosures	<ul style="list-style-type: none"> This report provides integrated disclosures accounting for the close relationship between climate- and nature-related issues, which are also related to other sustainability issues, such as human rights.
Target period	<ul style="list-style-type: none"> We examined risks and opportunities in the short, medium, and long term. [Short term] 1–2 years based on the fiscal year. [Medium term] 3–9 years including the medium-term management plan. The climate change scenario analysis considers 2030, where the SBT 1.5 ° C target is set. [Long term] 10–30 years including the long-term management policy. The climate change scenario analysis considers 2050, where the net zero emissions target is set.
Engagement with indigenous and local communities and affected stakeholders	<ul style="list-style-type: none"> We formulated a human rights policy identifying important issues, including those in our supply chain, such as the rights of local and indigenous communities, to prevent and reduce impacts on humans and promote our Sustainable Procurement Policy with our suppliers. In new projects and existing businesses, we strive to respect the rights of stakeholders and engage with local stakeholders in nature- and climate-related initiatives.

INTRODUCTION

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Disclosure of climate- and nature-related information

Governance	Climate	Nature	18
Strategy			24
Major risks and opportunities	Climate	Nature	
Climate-related scenario analysis	Climate		
Nature-related analysis based on LEAP approach		Nature	
Risk and impact management	Climate	Nature	82
Metrics and targets	Climate	Nature	85
Transition plan for a decarbonized society	Climate		89
Climate- and nature-related initiatives	Climate	Nature	100
References, terms, and explanations			120

Governance

Our climate- and nature-related governance structure incorporates targets that are approved and reviewed by the Board of Directors.

—We have clarified the roles and responsibilities of management and are working responsibly on addressing important climate- and nature-related issues.

Roles of the main organization

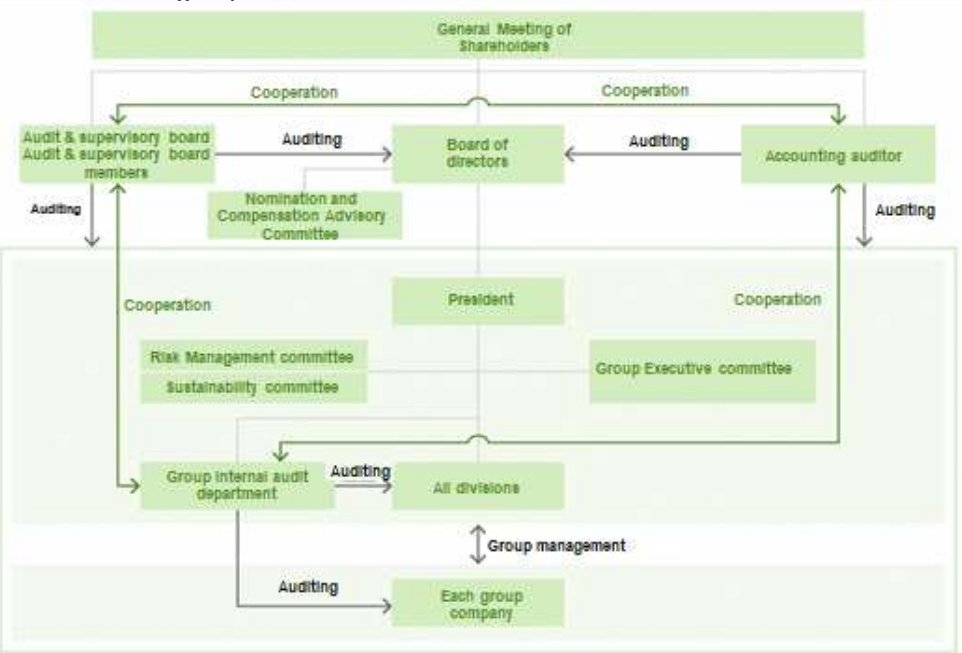
- We established a Sustainability Committee, whose members are the President and CEO (chairman) and executive officers. We hold meetings twice a year with the Risk Management Committee to plan for important environmental management and sustainability issues, including climate change and nature-related issues.
- The Board of Directors receives reports from the Sustainability Committee on the important issues and monitors the progress through regular reviews.

- The diagram consists of four green rectangular boxes arranged horizontally. The first box on the left is labeled "Environmental management". The second box is labeled "Decarbonized society". The third box is labeled "Circular society". The fourth box is labeled "Biodiversity".

- For climate change, in FY2020, we set the goal of “Net Zero Emissions by 2050” based on the instructions of the president and CEO. For the FY2030 goal, we obtained SBT (1.5 ° C level) certification in FY2021. For the long-term goal up to 2050, we obtained SBT Net Zero certification in 2024.
- For nature-related issues, we considered international trends and revised the “Biodiversity Policy” in FY2023 to minimize negative impacts on biodiversity and expand positive impacts.
- ESG initiatives, including climate- and nature-related issues, was considered in executive compensation from FY2021.

Structure

- The Group Executive Committee and Sustainability Committee collaborate to formulate policies, goals (KPIs), and action plans for environmental management, overseen by the Board of Directors.
- The Sustainability Committee monitors progress against KPIs and manages performance.



Human rights and stakeholder engagement

The TNFD prioritizes effective and meaningful engagement with indigenous/local communities and affected stakeholders in assessing and managing nature-related dependencies, impacts, risks, and opportunities, and recommends disclosure under “governance.”

The development of real estate including housing, office buildings, commercial facilities, and leisure facilities requires a long time and involves many stakeholders. Therefore, appropriate decarbonization and nature positive measures must incorporate the concerns of stakeholders (design companies, construction companies, customers, etc.) and be implemented throughout the supply chain.

Below, we introduce key topics on human rights and stakeholder engagement related to our business and supply chain.

Respect for human rights

- We formulated the **“Tokyu Fudosan Holdings Group Human Rights Policy”** based on our belief that respecting the rights of stakeholders is essential for a successful business. We support international human rights standards, such as the Universal Declaration of Human Rights, and apply these when conducting business with our suppliers.
- We identified several important issues related to the rights of local and indigenous communities, as well as forced and child labor in our supply chain, and are working to establish a **human rights due diligence** system to mitigate the associated risks.
- For new projects and existing businesses, we strive to respect the rights of stakeholders and the local community by through continuous risk assessment and management.

Stakeholder engagement

- Our Group has a wide-ranging impact on local communities and shareholders through its business development. Therefore, we believe that close cooperation with various stakeholders is necessary and promote active **dialogue with stakeholders**, such as employees, local communities, business partners, and customers.
- Specific engagement initiatives and examples are introduced on the next page.

Human rights and stakeholder engagement

Responses in procurement and supply chain

- We established not only “Compliance with and respect for international standards on human rights and labor” but also a **Sustainable Procurement Policy** covering various environmental considerations, including “Responding to climate change,” “Preserving biodiversity,” “Effective use of resources,” “Appropriate water use,” and “Appropriate forest resource use.” and are promoting **initiatives to respond to climate change and conserve the natural environment throughout the supply chain.**

Sustainable Procurement Policy

- In terms of decarbonization initiatives, the **Sustainable Procurement Policy** promotes the efficient use of fossil energy and adoption of renewable energy to reduce the impact of GHG emissions on climate change. Owing to these initiatives, we have been selected as a CDP 2023 Supplier Engagement Leader for the fourth consecutive year (see [website](#) for details).
- We have also adopted the following initiatives regarding nature conservation:
 - Reducing the burden on the surrounding environment, biodiversity, and ecosystems when procuring materials and conducting business activities
 - Avoiding the use of raw materials derived from endangered species without taking measures to preserve population resources
 - Making effective use of resources
 - Respecting the conservation of forests with high biodiversity and conservation values; the culture, traditions, and economies of forested regions; complying with the laws and regulations of the countries and regions where forests are harvested; and using sustainably produced forest resources, such as recycled and certified materials



Supply chain due diligence

- When planning construction, we require our construction companies to comply with our Sustainable Procurement Policy, and we regularly conduct due diligence surveys to check the status of each company. We aim to build a responsible supply chain by working with construction companies to address any issues. In FY2023, we assessed 97 companies through regular questionnaire surveys and **held individual meetings with two companies to improve on the issues and share advanced case studies** (see [website](#) for details).



Engagement with suppliers

Human rights and stakeholder engagement

Initiatives toward eliminating deforestation

Many of the concrete formwork plywood panels used in construction are made from tropical timber, which may be produced due to the environmental destruction of native forests and land confiscation from indigenous peoples. Our group has collaborated with construction companies that are the primary suppliers and set the target of achieving a **use rate of sustainable timber (FSC and PEFC-certified timber, domestic timber)** among **raw materials for concrete formwork plywood used in building construction** of **100% by 2030**. The following types of initiatives were advanced to that end:

[Examples in residences]

- In FY2022, PEFC-certified materials were used for formwork plywood in the construction project of one condominium building (BRANZ Chiyoda Fujimi). The origin and legality are also confirmed to the extent possible for non-certified wood products used in interior materials and other parts. Additionally, in June 2023, construction began on "COMFORIA Shibaura 4-chome (tentative name)". This was planned as a wooden hybrid structure building that incorporates formwork wood and sustainable wood (domestic or PEFC-certified material) in the RC structure.
- Tokyu Re-Design is participating in the Carbon Neutral Solid Wood Group and collecting information on wood products used in residences.

[Examples in office buildings and commercial facilities]

- COERU SHIBUYA (completed June 2022), located in Greater Shibuya area, used SGEN-certified Nagano Prefecture-based larch wood as a wood hybrid fire-resistant laminated lumber; legal wood from Finland was used for wood-steel kumiko panels (earthquake-resistance braces).
- The TENOHA building in Forestgate Daikanyama is an activity hub that collaborates with businesses and governments engaged in circular economy activities and connect regions and cities. Consistent with its status as an activity hub, the building uses structural materials made from thinned wood from Nishiawakura Village, Okayama Prefecture, which is a forest under the Group's conservation program.



BRANZ Chiyoda Fujimi

COMFORIA Shibaura 4-chome
(tentative name)

COERU SHIBUYA



TENOHA DAIKANYAMA

Stakeholder engagement in the community

Engagement in urban area

In the Greater Shibuya area, Tokyu Land Corporation, as the secretariat of the Shibuya Area Management Council consisting of the public and private sectors, is engaged in rule-making and community development activities related to community development, including the formulation of local rules for outdoor advertising, disaster and crime prevention measures, information dissemination, and the creation of a lively atmosphere.

In particular, in terms of natural disasters, taking into account the unique characteristics of Shibuya Station, public and private sector stakeholders regularly conduct flooding drills at the underground plaza to guide customers to evacuate and confirm flood countermeasures in case of an emergency. In this way, we are creating a system and rules for peace of mind in the event of a natural disaster.

The company has also concluded a “Comprehensive Collaborative Agreement on Local Disaster Prevention in Shibuya Ward” with Shibuya Ward, and is working to improve the local disaster preparedness in Shibuya Ward. Shibuya Ward, which aims to create a disaster-resistant Shibuya community, and the company, which aims to create a sustainable and diverse community, are working together in a public-private partnership to realize their mutual goals and enhance the value of the Shibuya community.

Engagement in rural areas

Tokyu Land Corporation, Tokyu Resorts & Stays Co., Ltd., Chino City, Nagano and the Suwa Regional Decarbonization Innovation Association entered into a comprehensive cooperation agreement intended to contribute to carbon-neutral community planning through the creation of a sustainable, circular and ecological decarbonized society (Regional Circular and Ecological Sphere), and are implementing associated efforts alongside location communities.

To build long-term relationships with local communities and work together to address local issues, Tokyu Land Corporation serves as the Representative Director and Chairman of The Association for Reciprocal Revitalization of Renewable Energy and Region (FOURE) and actively engages in dialogue by giving lectures at municipal councils, prefectural government-sponsored workshops, and other events.



Flooding drills as a countermeasure against heavy rain disasters



Rule-making in case of disaster (measures to help those who have difficulty going home)



“Comprehensive Collaborative Agreement on Local Disaster Prevention in Shibuya Ward (Shibuya Ward,Tokyo)



“Comprehensive Collaborative Agreement on Regional Circular and Ecological Sphere(Chino City, Nagano)

Strategy

Strategy

-Major risks and opportunities-

Important climate- and nature-related risks and opportunities (transition risks)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

The **main transition risks considered in the climate-related scenario and nature-related dependency and impact analyses** are described below.

Classification			Risk/opportunity components	Climate scenario			Nature	Countermeasures
				1.5°C	3°C	4°C		
Transition	Risk	Policy Legal regulations Technology	Increased costs for new construction and renovation due to the strengthening of the Energy Conservation Act and the mandatory use of ZEB and ZEH	●	●	-	-	<ul style="list-style-type: none"> • ZEB/ZEH conversion of new buildings, renewing equipment of existing facilities, and early introduction of renewable energy
			Increased construction and operation costs due to the introduction of a carbon pricing system	●	●	-	-	<ul style="list-style-type: none"> • Reducing CO₂ emissions up to the construction stage in collaboration with general contractors to mitigate the impact of carbon prices • Introduction of internal carbon pricing
			Policy support for renewable energy is weakened, and market trends are unclear	-	-	●	-	<ul style="list-style-type: none"> • Business expansion in response to demand
			Shortage of building materials and increased procurement costs due to tighter regulations on land-use modification and resource extraction	-	-	-	●	<ul style="list-style-type: none"> • Reduced resource use during construction
			Impact on business development due to tighter regulations on land-use modification	-	-	-	●	<ul style="list-style-type: none"> • Urban greening that considers biodiversity and formation of ecological networks in the Greater Shibuya Area, among others
			Increased response costs due to the introduction and strengthening of regulations promoting high-quality green space development, increasing the greening rate, forming ecological networks*, and planting native species	-	-	-	●	<ul style="list-style-type: none"> • Urban greening that considers biodiversity and formation of ecological networks in the Greater Shibuya Area, among others
			Increased costs due to tighter regulations on plastic and food waste	-	-	-	●	<ul style="list-style-type: none"> • Alternative materials for hotel amenities
			Increased costs for equipment installation, etc. due to tighter regulations on water resource use and wastewater disposal	-	-	-	●	<ul style="list-style-type: none"> • Management and efficient use of water resources in response to local issues
		Market	Increased demand for ZEBs by tenants, impact on rent and vacancy rates	●	●	-	-	<ul style="list-style-type: none"> • Business expansion in response to increased demand
			Increased demand for ZEHs by home buyers, intensifying competition between products	●	●	-	-	<ul style="list-style-type: none"> • ZEB/ZEH conversion of new buildings, renewing equipment of existing facilities, and early introduction of renewable energy
			Increased customer and tenant demand for properties with reduced negative impacts and increased benefits for nature	-	-	-	●	<ul style="list-style-type: none"> • Urban greening initiatives that promote biodiversity, ecological networks, etc.
			Increased procurement costs due to increased demand for certified sustainable products and alternatives	-	-	-	●	<ul style="list-style-type: none"> • More efficient resource use
		Reputation	Criticism when development, business operations, and procurement activities have a negative impact (land alteration, introduction of invasive species, ecosystem disruption, etc.) on local ecosystem structure and services, including landscape composition and cultural services	-	-	-	●	<ul style="list-style-type: none"> • Active engagement during development

*See “Terms and Explanations”

Important climate- and nature-related risks and opportunities (transition opportunities)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

The **main opportunities considered through the climate-related scenario and nature-related dependency and impact analyses** are described below.

Classification			Risk/opportunity components	Climate scenario			Nature	Countermeasures
				1.5°C	3°C	4°C		
Transition	Opportunity	Market Products/services	Increasing demand for ZEBs by tenants	●	●	-	-	<ul style="list-style-type: none"> • ZEB/ZEH conversion of new buildings, renewing equipment of existing facilities, and early introduction of renewable energy • Business expansion in response to increased demand • Utilization of local natural energy
			Increasing demand for ZEHs by home buyers	●	●	-	-	
			Major increase in demand for renewable energy	●	●	-	-	
			Demand for tenant offices shrinks due to the trends in telework, while demand for satellite offices increases	-	●	●	-	<ul style="list-style-type: none"> • Promotion of new leisure lifestyles such as workcations, and development of satellite offices in anticipation of their spread
			Energy costs reduced through the use of thinned wood, development of new products				●	<ul style="list-style-type: none"> • Effective use of thinned wood
			Increasing customer and tenant demands for real estate with reduced negative impacts and increased benefits for nature	-	-	-	●	<ul style="list-style-type: none"> • Measures that consider biodiversity, such as urban greening and ecological network development in the Greater Shibuya Area, among others • Various nature-related initiatives
	Capital/fund raising		Increased policy support and incentives for high-quality green spaces in urban development	-	-	-	●	
			Increasing investment in real estate with reduced negative impacts and increased benefits for nature (greening, ecological connectivity, etc.)	-	-	-	●	
	Reputation		Improve reputation and corporate value/improved relationships with the community through business activities with reduced negative impacts and increased benefits for local nature and communities (e.g., forest management, biodiversity conservation, reducing development impacts, sustainable resource use, contribute to local development)	-	-	-	●	<ul style="list-style-type: none"> • Various nature-related initiatives
			Improve appeal and brand value for the town/region through business operations that promote the value of nature, use its services responsibly, and increase native populations	-	-	-	●	

Important climate- and nature-related risks and opportunities (physical risks)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

The **main physical risks considered through the climate-related scenario and nature-related dependency and impact analyses** are described below.

Classification			Risk/opportunity components	Climate scenario			Nature	Countermeasures
				1.5°C	3°C	4°C		
Physical	Risk	Acute Chronic	Gradual increase (1.5 ° C / 3 ° C)/sudden increase (4 ° C) in damage to facilities due to natural disasters	●	●	●	●	<ul style="list-style-type: none"> Strengthening BCP/LCP through building location selection and collaboration with tenants and residents Strengthening local infrastructure, including the introduction of storage batteries
			Increased demand for BCP for facilities by tenants, impact on rent and vacancy rate	●	●	●	-	
			Increased demand for LCP by home buyers, regional selection and intensified competition between products	●	●	●	-	
			Shortening of ski resort operating period and increased impact of heat on golf courses due to rising temperatures	●	●	●	●	<ul style="list-style-type: none"> Using facilities during the off-season, focusing investment on areas with high snowfall, introducing measures to prevent heatstroke on golf courses, and adopting heat-resistant grass
			Increased construction costs for general contractors due to rising temperatures, and extension of required construction periods	-	-	●	-	<ul style="list-style-type: none"> Improving heat performance of new buildings, renewing equipment of existing facilities, and early introduction of renewable energy Business expansion in response to demand Setting construction schedules that consider the effects of heat and reduce heatstroke risk
			Increased air conditioning costs due to rising temperatures	-	-	●	-	
			Increased air conditioning costs due to worsening heat island effect caused by urban development, including other entities, and deterioration of living and shared urban environments	-	-	●	●	
			Increased demand for high-performance homes by home buyers to handle rising temperatures	-	-	●	-	
			Deterioration of natural scenery, etc., reducing the attractiveness and asset value of towns	-	-	-	●	<ul style="list-style-type: none"> Urban development that considers biodiversity
			Water resource shortages due to river pollution and reduced recharge capacity of water resources	-	-	-	●	<ul style="list-style-type: none"> Forest conservation
			Increased risk of landslides and floods due to deterioration of surrounding natural environment though urban development and insufficient forest management	-	-	-	●	<ul style="list-style-type: none"> Forest conservation, BCP response, disaster prevention training
			Decreased CO ₂ absorption capacity of forests leads to increased carbon dioxide emissions, Impacting the zero-carbon transition plan	-	-	-	●	<ul style="list-style-type: none"> Appropriate forest management such as thinning*
			Deterioration of natural tourism resources, reducing the attractiveness of resort areas and activities	-	-	-	●	<ul style="list-style-type: none"> Implementation of initiatives to conserve the natural environment around resort facilities

*See "Terms and Explanations"

Important climate- and nature-related risks and opportunities (physical opportunities)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

The **main opportunities considered through the climate-related scenario analysis** are described below.

Classification			Risk/opportunity components	Climate scenario			Nature	Countermeasures
				1.5°C	3°C	4°C		
Physical	Opportunity	Market Products/services	Increased demand for high-performance housing by home buyers due to rising temperatures	-	-	●	-	• Business expansion in response to increased demand
			Increased demand for BCP for facilities by tenants	●	●	●	-	• Building location selection and strengthening BCP/LCP in cooperation with tenants and residents • Strengthening local infrastructure, including the introduction of storage batteries
			Increased demand for LCP by home buyers	●	●	●	-	

Strategy

-Climate-related scenario analysis-

Climate-related strategy

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

- Various global environmental issues, including climate change, are becoming more serious every year. Accordingly, our Group recognizes the importance of businesses in environmental conservation.
- In our long-term “GROUP VISION 2030,” we adopted materiality based on “Creating a sustainable environment” to promote ecosystem and biodiversity values and have incorporated environmental management in company-wide policies. The main opportunities and risks for the “environment” are identified below, according to which KPI targets were set.



- We will promote climate change initiatives based on the TCFD recommendations and reduce environmental impacts throughout the supply chain, aiming to achieve quantifiable targets while promoting the efficacy of the unified environmental management system. Simultaneously, we view global environmental issues as business opportunities and strive to create industry-leading businesses for a decarbonized society.

Timeline of climate-related strategies

We divided the climate change strategy into short-term, medium-term, and long-term targets as follows:

[Short-term] 1-2 years based on the fiscal year.

[Medium-term] 3-9 years including the medium-term management plan. In the scenario analysis, the medium term considers 2030, with a SBT of 1.5° C.

[Long-term] 10-30 years, including long-term management policies. In the scenario analysis, the long-term plan considers 2050, with a net zero emissions target.

Businesses subject to climate-related scenario analysis

The scenario analysis considered the impacts upstream and downstream of the value chain, while gradually expanding the target businesses according to climate change risks and opportunities.

Year	Overview	Analysis scenario	Target businesses	
			Medium-term	Long-term
2018	Scenario analysis conducted in support by the Ministry of the Environment	2°C, 4°C	Cities	Leisure
2020	Expansion of target fields Review of scenario analysis	1.5°C, 3°C, 4°C	Cities/Residences Leisure/Renewable energy	
2023	Analyzing Latest IEA scenario NZE2050	1.5°C,(3°C, 4°C)		

Climate-related scenario analysis

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

Scenario analysis implementation

- The Group Sustainability Promotion Department acted as the secretariat for the scenario analysis and, in consultation with the relevant departments, identified risks and opportunities that would impact business and financial strategies. The secretariat utilized the knowledge of external consultants to quantitatively assess the degree of the impacts and shared it within the company. Strategies for anticipated scenarios were also discussed and formulated with the relevant departments, approved by the Sustainability Committee, and reported to the Board of Directors.

Important climate-related issues

- We recognize various important issues relating to climate-related risks and opportunities that may affect our Group.
- The real estate industry emits large amounts of GHGs at the development and operation stages. Therefore, we recognize the tightening of social regulations in response to intensifying climate change, rising energy costs, and changes in customer and investor awareness as transition risks. We also recognize the increasing physical risks of climate change in real estate operations.
- In particular, new regulations and rising construction and renovation costs are expected with the transition to a decarbonized society.
- Meanwhile, we expect increased demand for renewable energy and the expansion of the ESG financial market, which we see as important opportunities. We also believe that changes in customer awareness will lead to increased opportunities for conservation and environmentally friendly companies.

Classification	Type	Major issues	Major impacts
Transition risks	Current regulations	Energy-conserving reporting system and building standards	
	New regulations	Tightening GHG emission regulations, introduction of carbon tax	○
	Technologies	Increased construction and renovation costs for ZEB and ZEH	○
	Legal costs	Credit purchase through Tokyo's cap-and-trade system	
	Market	Price differentiation based on environmental value, increased energy costs	○
	Reputation	Changes in customer and investor awareness	
Physical risks	Acute	Increased severity of extreme weather	
	Chronic	Rising temperatures, rising sea levels	
Opportunities	Resource efficiency	Transition to highly efficient buildings, recycling	
	Energy sources	Adoption of renewable energy, utilization of government support measures	○
	Products and services	Expansion of low-carbon products and services	
	Market	Utilization of ESG finance	○
	Resilience	Energy-conserving renovation of operating assets, BCP response	

Climate-related scenario analysis

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

- The following scenarios were considered in the scenario analysis.

Scenario	Overview	Reference scenario
1.5° C scenario	Policies, technologies, markets, etc. steadily transition toward a decarbonized society and limit the rise in global average temperatures at the end of the 21st century to 1.5 ° C compared to pre-industrial levels.	<ul style="list-style-type: none"> ● Sustainable Development Scenario (SDS) adopted in the World Energy Outlook of the IEA, which assumes that there is a 50% chance that the rise in global average temperatures will be kept within 1.65 ° C. ● Beyond 2 Degrees Scenario (B2DS) adopted in the IEA's Energy Technology Perspectives, which assumes that the rise in global average temperatures will be limited to 1.75 ° C. ● The IEA's Net Zero by 2050 Roadmap for the Global Energy Sector (NZE2050), which assumes that the world achieves net zero by 2050. ● Intergovernmental Panel on Climate Change (IPCC*) Representative Concentration Pathways (RCP) 2.6 scenario, which assumes that, at the end of the 21st century (2081-2100), global average temperatures will rise by 0.9-2.3 ° C (average 1.6 ° C) compared to pre-industrial levels. Referenced when considering physical risks.
3° C scenario	Each country complies with its NDCs, and the rise in the average global temperature by the end of the 21st century is about 3 ° C higher than pre-industrial levels.	<ul style="list-style-type: none"> ● Stated Policies Scenario (STEPS) adopted in the IEA's World Energy Outlook, which reflects the policies declared by each country. ● Reference Technology Scenario (RTS) adopted in the IEA's Energy Technology Perspectives, which considers each country's existing energy and climate-related commitments, including the NDCs of the Paris Agreement. ● IPCC's RCP6.0 scenario, which assumes that global average temperatures will rise by 2.0-3.7 ° C (average 2.8 ° C) compared to pre-industrial levels by the end of the 21st century (2081-2100).
4° C scenario	Policies, technologies, markets, etc. continue to expand at the current rate and the average global temperature rises by >4 ° C by the end of the 21st century compared to pre-industrial levels, increasing the risk of natural disasters due to climate change.	<ul style="list-style-type: none"> ● IPCC's RCP8.5 scenario, which assumes that, at the end of the 21st century (2081-2100), global average temperatures will rise by 3.2-5.4 ° C (average 4.3 ° C) compared to pre-industrial levels.

*See "Terms and Explanations"

Climate-related scenario analysis (1.5°Cscenario)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

- In the medium term, **carbon pricing and ZEB costs will have important financial impacts on urban development businesses**; however, **in the long term (2050)**, ZEB conversion will be completed and **rental income is expected to increase by securing a market advantage**. The **renewable energy business is also expected to expand**. For **physical risks**, natural disasters due to abnormal weather will increase gradually, but the **impact is expected to be low due to strengthened BCP and LCP responses**.

Classification			Risk/opportunity components	Our strategy	Financial impact of risks and opportunities																											
Transition	Risks	Policy Legal regulations Technology	<ul style="list-style-type: none">Increased costs for new construction and renovation due to the strengthening of the Energy Conservation Act and mandatory adoption of ZEB and ZEHIncreased construction and operation costs due to the introduction of a carbon pricing system	<div>ZEB/ZEH conversion of new buildings, renewal of existing facilities, and early introduction of renewable energy</div> <div></div>	<table><tr><td></td><th>Mid term</th><th>Long term</th></tr><tr><td>Urban development</td><td>High</td><td>Somewhat low</td></tr><tr><td colspan="3">In the mid term, the impact of increased building investment is "high"; however, in the long-term, the impact is "somewhat low" and offset by the increased rental income after ZEB completion</td></tr><tr><td>Residential</td><td>Somewhat low</td><td>Low</td></tr><tr><td colspan="3">The impact is "somewhat low" due to accurate responses to market needs</td></tr><tr><td>Leisure</td><td>Somewhat low</td><td>Low</td></tr><tr><td colspan="3">The impact is "somewhat low" due to the introduction of renewable energy</td></tr><tr><td>Renewable energy</td><td>High</td><td>Low</td></tr><tr><td colspan="3">Demand gradually increases, and the positive impacts are "high"</td></tr></table>		Mid term	Long term	Urban development	High	Somewhat low	In the mid term, the impact of increased building investment is "high"; however, in the long-term, the impact is "somewhat low" and offset by the increased rental income after ZEB completion			Residential	Somewhat low	Low	The impact is "somewhat low" due to accurate responses to market needs			Leisure	Somewhat low	Low	The impact is "somewhat low" due to the introduction of renewable energy			Renewable energy	High	Low	Demand gradually increases, and the positive impacts are "high"		
				Mid term		Long term																										
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The impact is "somewhat low" due to the introduction of renewable energy																																
Renewable energy	High	Low																														
Demand gradually increases, and the positive impacts are "high"																																
Risks and opportunities	Market	<ul style="list-style-type: none">Increased demand for ZEBs by tenants, impacting rent and vacancy ratesIncreased demand for ZEHs by home buyers, intensifying competition between products	<div>Introduction of internal carbon pricing to promote low-carbon development and reduce the impact of carbon pricing</div> <div></div>																													
Opportunities	Market	<ul style="list-style-type: none">Greatly increased demand for renewable electricity	<div>Business expansion in response to increased demand</div> <div></div>																													
Physical	Risks	Acute Chronic	<ul style="list-style-type: none">Gradually increasing damage to facilities due to natural disastersShortened ski resort operating periods due to rising temperatures	<div>Utilization of local natural energy</div> <div></div>	<table><tr><td></td><th>Mid term</th><th>Long term</th></tr><tr><td>Urban development</td><td>Low</td><td>Somewhat low</td></tr><tr><td>Residential</td><td>Low</td><td>Somewhat low</td></tr><tr><td>Leisure</td><td>Low</td><td>Somewhat low</td></tr><tr><td>Renewable energy</td><td>Low</td><td>Somewhat low</td></tr><tr><td colspan="3">Investment in building repairs and renovations increases, but the impact is "somewhat low" by securing profits through differentiation (all businesses)</td></tr></table>		Mid term	Long term	Urban development	Low	Somewhat low	Residential	Low	Somewhat low	Leisure	Low	Somewhat low	Renewable energy	Low	Somewhat low	Investment in building repairs and renovations increases, but the impact is "somewhat low" by securing profits through differentiation (all businesses)											
				Mid term		Long term																										
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	Residential	Low	Somewhat low																													
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Renewable energy	Low	Somewhat low																														
Investment in building repairs and renovations increases, but the impact is "somewhat low" by securing profits through differentiation (all businesses)																																
Risks and opportunities	Acute Chronic Market	<ul style="list-style-type: none">Increased demand for business continuity plan (BCP) for facilities by tenants, affecting rent and vacancy ratesIncreased demand for life continuity plan (LCP) by home buyers, leading to regional selection and intensifying competition between products	<div>Selecting the building location and strengthening BCP/LCP in cooperation with tenants and residents</div> <div></div>																													
		<div>Increasing profits for facilities in the off-season</div> <div></div>																														

High: ≥10% of consolidated operating revenue Somewhat high: ≥10% of the operating revenue of the business portfolio Medium: 5-10% of the operating revenue of the business portfolio
Somewhat low: 2-5% of the operating revenue of the business portfolio Low: <2% of the operating revenue of the business portfolio

Climate-related scenario analysis (3°C scenario)

Climate

Governance

Strategy

Nature

Risk/impact
management

Metrics/
targets

- In the medium term, **the shift to ZEB in urban development businesses will be relatively mild**, and the **financial impact will be lower** than in the 1.5 ° C scenario, **but the impact is expected to continue in the long term**. A **certain degree of expansion** is expected in **the renewable energy business**.
- For physical risks, natural disasters will become more severe and temperatures will rise more rapidly than in the 1.5 ° C scenario, and **the impact on leisure businesses will be greater**. However, **certain degree of financial impact may be mitigated by differentiation from competing facilities, such as by selecting locations and using facilities during the off-season**.

Classification			Risk/opportunity components	Our strategy	Financial impact of risks and opportunities		
Transition	Risks	Policy Legal regulations Technology	<ul style="list-style-type: none"> Increased costs for new construction and renovation due to the strengthening of the Energy Conservation Act and mandatory adoption of ZEB and ZEH Increased construction and operation costs due to the introduction of a carbon pricing system 	ZEB/ZEH conversion of new buildings, equipment renewal in existing facilities, and early introduction of renewable energy	Urban development	Mid term	Long term
						Somewhat high	Somewhat high
	Risks and opportunities	Market	<ul style="list-style-type: none"> Increased demand for ZEBs by tenants, impacting rent and vacancy rates Increased demand for ZEHs by home buyers, intensifying competition between products 	Reduction of CO ₂ emissions up to the construction stage and reducing the impact of carbon pricing by working with general contractors	Residential	Somewhat low	Somewhat low
						Due to accurate response to market needs, the impact is "somewhat low"	
Physical	Opportunities	Market	<ul style="list-style-type: none"> Greatly increased demand for renewable energy Shrinking demand for tenant offices with the spread of teleworking, affecting rent and vacancy rates, but increasing demand for satellite offices 	Introduction of internal carbon pricing to promote low-carbonization of each business and reduce the impact of carbon pricing	Leisure	Somewhat low	Somewhat low
						Due to introduction of renewable energy, the impact is "somewhat low"	
	Risks	Acute Chronic	<ul style="list-style-type: none"> Gradually increasing damage to facilities due to natural disasters Shortened ski resort operating periods due to rising temperatures 	Business expansion in response to increased demand	Renewable energy	Somewhat high	Somewhat high
						Demand will increase gradually, and the positive impact is "somewhat high"	
Physical	Risks and opportunities	Acute Chronic Market	<ul style="list-style-type: none"> Increased demand for business continuity plan (BCP) for facilities by tenants, affecting rent and vacancy rates Increased demand for life continuity plan (LCP) by home buyers, leading to regional selection and intensifying competition between products 	Utilization of local natural energy	Urban development	Mid term	Long term
						Low	Somewhat low
				Business development in anticipation of widespread use	Residential	Low	Somewhat low
				Selecting the building location and strengthening BCP/LCP in cooperation with tenants and residents	Leisure	Low	Moderate
Physical					Renewable energy	Low	Somewhat low
						Increased investment in building repairs and renovations, but the impact is "somewhat low" by securing profits through differentiation	
				Using facilities during the off-season, focusing of investment on ski resorts in high-latitude areas with heavy snowfall, and planting of golf courses with heat-resistant grass		Revenues will decrease significantly due to shortened operating periods and reduced areas, but the impact is "moderate" due to location selection and differentiation from competitors (leisure)	








High: ≥10% of consolidated operating revenue Somewhat high: ≥10% of the operating revenue of the business portfolio Medium: 5-10% of the operating revenue of the business portfolio

Somewhat low: 2-5% of the operating revenue of the business portfolio Low: <2% of the operating revenue of the business portfolio

Climate-related scenario analysis (4°C scenario)

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

- In the medium term, **the impact of climate change will be small and the financial impact will be low, but in the long term, the financial impact of intensifying natural disasters and rising temperatures is expected to increase.** Meanwhile, **the financial impact may be reduced to a certain extent** by differentiating from competing facilities, such as by developing satellite offices in urban development businesses, selecting locations in leisure businesses, and using facilities during the off-season. The renewable energy business is also required to expand in line with market trends.

Classification			Risk/opportunity components	Our strategy	Financial impact of risks and opportunities		
Transition	Risks and opportunities	Policy Legal regulations Market	<ul style="list-style-type: none"> Weak policy support for renewable energy and unclear market trends 	<div>Improving performance of new buildings, renewing equipment of existing facilities, and early introduction of renewable energy</div> 	Urban development	Mid term	Long term
	Opportunities	Market	<ul style="list-style-type: none"> Shrinking demand for tenant offices with the spread of telework, affecting rent and vacancy rates, but increasing demand for satellite offices 	<div>Business expansion in response to increased demand</div>  <div>Promotion of new leisure lifestyles such as workcations</div> 		Low	Low
Physical	Risks	Acute Chronic	<ul style="list-style-type: none"> Increased impact of sea level rise, and dramatically increased damage to facilities from natural disasters Shortened ski resort operating periods due to rising temperatures Increased construction costs of general contractors and air conditioning due to rising temperatures 	<div>Development of satellite offices in anticipation of their spread</div>  <div>Selecting building locations and strengthening BCP/LCP in cooperation with tenants and residents</div> 	Residential	Low	Somewhat low
	Risks and opportunities	Acute Chronic Market	<ul style="list-style-type: none"> Increased demand for high-performance homes by home buyers to handle rising temperatures Increased demand for business continuity plan (BCP) for facilities by tenants, affecting rent and vacancy rates Increased demand for life continuity plan (LCP) by home buyers, leading to regional selection and intensifying competition between products 	<div>Strengthen local infrastructure, including the introduction of storage batteries</div>  <div>Using facilities during the off-season, focusing investment on ski resorts in high-latitude areas with heavy snowfall and planting golf courses with heat-resistant grass</div> 	Leisure	Low	Moderate
					Renewable energy	Low	Low

	Mid term	Long term
Urban development	Low	Low
Impact is "low" due to appropriate response to market needs		
Residential	Low	Somewhat low
Impact is "somewhat low" due to accurate response to market needs		
Leisure	Low	Moderate
Impact is "moderate" due to the introduction of renewable energy		
Renewable energy	Low	Low
Trend in needs is unclear, thus the positive impact is likely "low"		

	Mid term	Long term
Urban development	Low	Moderate
Residential	Low	Moderate
Leisure	Low	Somewhat high
Renewable energy	Low	Moderate

Increased investment in building repairs and renovations, but the impact is "moderate" by securing profits through differentiation
Impact is "somewhat high" due to the shortening of the operating period and reduction in the leisure area

High: ≥10% of consolidated operating revenue Somewhat high: ≥10% of the operating revenue of the business portfolio Medium: 5-10% of the operating revenue of the business portfolio
Somewhat low: 2-5% of the operating revenue of the business portfolio Low: <2% of the operating revenue of the business portfolio

Impact of climate change risks and opportunities on business strategy

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

In response to climate change risks and opportunities, we have incorporated the below considerations in our **business strategy**.

Classification	Impact and response
Products and services	We have responded to climate change risks and opportunities by working to improve the energy-conserving performance of buildings as a mitigation measure and strengthen the BCP of facilities as an adaptation measure. In the long-term vision formulated in 2021, we aimed to further promote ZEB/ZEH , and set the KPI of the adoption rate (considering the percentage of Tokyu Fudosan Corp.'s condominiums, offices, etc. that have ZEB/ZEH Oriented certification or higher, based on the start of construction) to 100% by FY2030 and approximately 50% by FY2025. We also aimed to expand and promote the renewable energy business, "ReENE" .
Supply chain Value chain	Upstream, the Sustainable Procurement Policy formulated in 2020 addresses climate change issues, and we have begun researching ways to reduce carbon emissions during building construction in collaboration with general contractors . Downstream, the company is promoting the conversion of condominiums and rental housing to ZEH and introducing renewable energy .
R&D investment	Tokyu Community Corp., which is engaged in building management, has built the technical training center "NOTIA" to improve its technical capabilities and has obtained Nearly ZEB certification. Tokyu Fudosan Corp. also aims to standardize ZEB in new construction and has verified the implementation of ZEB in existing office buildings in FY2022.
Facility operation	In 2019, Tokyu Fudosan Corp., which operates various facilities in its city and leisure businesses, set an aim to achieve "RE100*," that is, to use 100% renewable energy, by 2050 by adopting renewable energy in its business practices . By December 2022, the company completed converting all 244 domestic facilities to 100% renewable energy and, in April 2024, it was the first domestic company to be RE100 certified .

*See "Terms and Explanations"

Impact of climate change risks and opportunities on financial planning

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

We considered the below climate change risks and opportunities in our **financial plan**.

Classification	Impact and response
Indirect costs	Tokyu Fudosan Corp. used the scenario analysis to simulate the limit by which CO ₂ emissions can be reduced through medium- and long-term energy-conserving renovations and operational improvements at existing facilities, promptly began purchasing renewable energy infrastructure, and gradually decreased energy use to achieve the SBT CO ₂ emission reduction. Therefore, we considered purchasing power generated by our company's renewable energy business and estimated the associated increase in overhead costs. Based on the results, we quickly promoted the adoption of renewable energy at our facilities while assessing the impact on the budget for each fiscal year, finally achieving RE100 in FY2023.
Capital allocation	Tokyu Fudosan Corp. responded to the government's renewable energy promotion policy through active participation in the mega solar power business since 2014 and, based on the scenario analyses conducted since FY2018, has been actively investing in the expansion of renewable energy businesses as part of climate change-related opportunities . We developed and operate solar, wind, and biomass power generation facilities, among others, and our business scale is among the largest in Japan .
Liabilities	Based on the scenario analysis, we issued 10 billion yen in green bonds in FY2019 to urge investors to participate in our environmental initiatives. In FY2021, we formulated the “WE ARE GREEN” Bond Policy, the first policy for long-term issuance of ESG bonds in Japan , and aim to increase the ESG bond ratio to ≥50% by the end of FY2025 and ≥70% by the end of FY2030.
Assets	Environmental impact was adopted as a key metric in our long-term vision-based management of the business portfolio .

Strategy

-Nature-related analysis based on the LEAP approach-

Overview of nature-related “Strategy”

The “Strategy” of the TNFD recommends characterizing the nature-related dependencies, impacts, risks, and opportunities; their impacts on the company's business, strategy, and financial plan; the resilience of the strategy based on relevant scenarios; and priority areas in business activities and value chains.

We further examined the impact of nature-related risks and opportunities on our business and financial plans, while considering the scenario analysis.

Components of this report		Recommended disclosure
Understanding the dependencies and impacts of all businesses	<ul style="list-style-type: none"> ● Our Group: Overview of the value chain's dependencies and impacts on nature Using tools such as ENCORE,* we have characterized the overall dependencies and impacts of all businesses. 	Nature-related dependencies and impacts
Identifying priority areas	<ul style="list-style-type: none"> ● Priority areas for properties owned and operated by our Group We analyzed the natural integrity, value, and water stress-related metrics of properties owned and operated by our group, and identified the “Greater Shibuya Area” and 13 resort facilities, including Tokyu Resort Town Tateshina (hereinafter referred to as the “13 areas including resort facilities”)” as priority areas. 	Priority areas
LEAP analysis focusing on the “Greater Shibuya Area”	<ul style="list-style-type: none"> ● Dependencies, impacts, risks, and opportunities in urban development projects in the “Greater Shibuya Area” For this priority area, we conducted a detailed study of dependencies, impacts, risks, and opportunities in line with the TNFD LEAP approach, accounting for the characteristics of the location. 	Nature-related dependencies, impacts, risks, and opportunities
LEAP analysis focusing on “Tokyu Resort Town Tateshina”	<ul style="list-style-type: none"> ● Dependencies, impacts, risks and opportunities in the hotel and leisure businesses in “Tokyu Resort Town Tateshina” Of the 13 areas including resort facilities, which are priority areas, we selected Tokyu Resort Town Tateshina as a representative large-scale core resort facility, including hotels, golf courses, ski resorts, and villas. This location is important in terms of our business dependencies and impacts on nature. We then examined the dependencies, impacts, risks, and opportunities in line with the LEAP approach. 	
Other	<ul style="list-style-type: none"> ● Important risks and opportunities in business areas other than those mentioned above 	

Overview of the value chain's dependencies and impacts on nature

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Using TNFD classification as a reference, we examined a summary of the nature of dependencies and impacts according to business and value chain steps and their qualitative importance. Additionally, using the sector-specific ratings in the tools ENCORE, which was developed by the UN Environment Programme (UNEP), and SBTs for Nature* as a reference^{*1}, we sorted out the importance of dependencies and impacts according to four steps between Very High and Low. The results of that analysis are as follows.^{*2}

*See "Terms and Explanations"

Impacts

- "Terrestrial ecosystem utilization" was especially high from aspects such as land modification/occupation, etc. upon real estate development and operation.
- The likes of water use and the introduction of alien species was also high at the stages of GHG emissions, waste emissions and operation.
- In addition to supply services for the likes of water resources and building materials upon operation, cultural services such as landscape improvement and comfort were also high.
- At hotel and leisure facilities, the likes of water supply, pollinator and climate regulation were high at the production stage for ingredients, etc. at the upstream of the value chain.

VH Very High (とても高い) H High (高い) M Medium (中程度) L Low (低い)

Segment	Business activities	Sales volume	Value chain	Impacts on nature								Dependencies on nature					
				Terrestrial ecosystem use	Freshwater/marine ecosystem use	Resource use		GHG emissions	Contamination	Waste	Other	Provisioning services		Regulating and maintenanceservices			Cultural services
						Water	Other resources					Water resources	Other resources	Alleviation of impacts	Climate regulation	Other	
Urban development	Offices and commercial facilities/condominiums and rental housing, etc.	<div></div>	Building and development	VH			M	H	M	H	H		M	L			
			Operation	VH		H		H		H		H		L	L		H
Strategic investment	Renewable energy facilities (Solar power/wind power/ biomass)	<div></div>	Building and development	VH			M	H	M	H	H		M	L			
			Fuel production	H				H	H			VH					
			Operation	VH		H	H	H	H	H	M	M	VH	L	VH		
	Logistics facilities	<div></div>	Building and development	VH			M	H	M	H	H		M	L			
			Operation	VH				H		H	H			L	L		M
Property management and operation	Condominium management Environment and greening management	<div></div>	Management, renovation and construction	VH							H						
	Hotel, golf course, ski resort, etc.	<div></div>	Building and development	VH	VH		M	H	M	H	H		M	L			
			Production of ingredients, etc.	VH	VH	VH		H	H			VH	VH	VH	VH	VH	
			Operation	VH	VH	H	M	H		H	H	H	M	L	M	H	VH
	Healthcare, etc.	<div></div>	Building and development	VH			M	H	M	H	H		M	L			
			Operation and use	VH		H		H		H		H		L	L		H

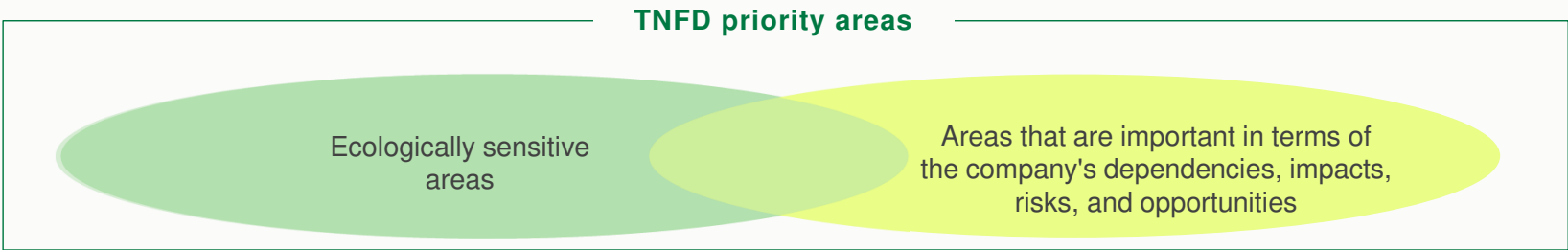
*1: For ratings at the stage of building and development under all businesses and at the stage of operation for properties other than the Renewable Energy and Hotel and Leisure Businesses, we examined importance while making supplements and adjustments as necessary based on "real estate" in each tool.

For ratings at the stage of operation under the Renewable Energy Business, we used "renewable energy" in each tool as the basis. For ratings at the stage of operation of leisure facilities, we used "hotels, resorts and cruises" in each tool as the basis. For ratings at the stage of production of biomass fuel, ingredients, etc., we used subindustries under "forest products" and "agriculture" in each tool as the basis.

*2: With regards to the segment "Real Estate Agents," given that the importance of dependence and impacts at the stage of direct operation is not high and that indirect dependencies and impacts are similar to other real estate businesses, said segment has been omitted from this table.

Priority areas for properties owned and operated by our Group

We believe that the importance of nature from the development to operation stages is particularly high within the value chain. Accordingly, we considered **priority areas based on the 267 major locations owned and operated by our company (offices and commercial facilities, hotels, leisure facilities, renewable energy facilities, etc.; March 2024)**. We considered priority areas based on their ecological sensitivity (see the metrics in the table below), as presented by the TNFD, as well as their importance in terms of our dependencies, impacts, and risks and opportunities.



Metrics used in assessment and overview of results

*See “Terms and Explanations”

TNFD assessment perspective	Referenced metrics	Overview of results
Ecosystem integrity*	Assessed according to the Biodiversity Intactness Index*	Locations of offices, commercial facilities, and urban hotels in urban areas have low ecosystem integrity, whereas locations of resort hotels, leisure facilities, and renewable energy facilities in rural areas have medium to high ecosystem integrity.
Importance of biodiversity	Assessed based on the following metrics <ul style="list-style-type: none"> ● Proximity to protected areas and key biodiversity areas (KBA)* ● STAR metric* ● Conservation priority* 	114 of our total locations (as of March 2024) are adjacent to protected areas. There are many areas with high conservation priority, both in urban and rural areas. Because we have many locations, we scored each based on the metrics and consider their relative priority within our company. (Next page)
Water Stress	Assessed based on baseline water stress*	No properties were located in areas with very high/high water stress.

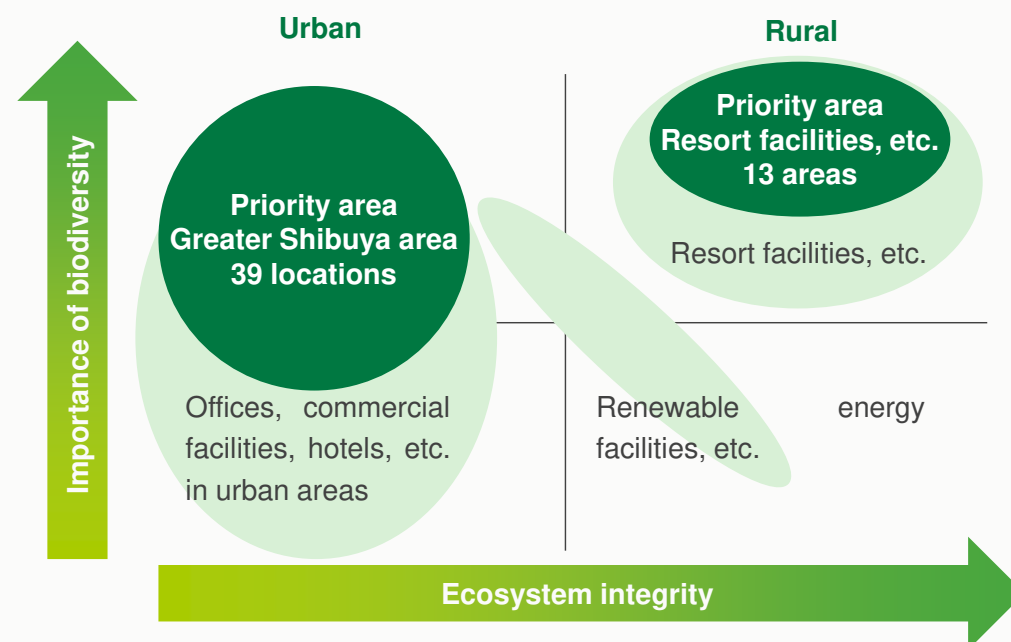
Priority areas for properties owned and operated by our Group

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Our assessment of the “Importance of biodiversity” and “Integrity of ecosystems” generated the distribution shown in the figure on the right.

Considering this assessment and our Group’s overall nature-related dependencies and impacts, we selected priority areas in terms of nature-related risks and opportunities (see the table below).

We conducted a detailed examination of nature-related dependencies, impacts, risks, and opportunities for the “**Greater Shibuya Area,**” which is an urban development business, and “**Tokyu Resort Town Tateshina,**” which represents the hotel and leisure businesses, consistent with the LEAP approach provided by TNFD.



Priority area (1) Greater Shibuya area (number of properties: 39)

- ✓ Based on the dependency and impact analysis, the urban development business **has a particularly large impact on nature**, accounting for the **scale of the business (sales)**
- ✓ Focus area comprises many **company properties**
- ✓ High importance of biodiversity even in urban areas
- ✓ Important in terms of nature-related risks and opportunities due to **ongoing ecosystem surveys and research**

Priority area (2) 13 areas including resort facilities

- ✓ Relative impact is not as high as that of the urban development business, but the 13 areas including resort facilities were selected due to the **importance of ecosystem integrity and biodiversity**
- ✓ **Tokyu Resort Town Tateshina, a large-scale core resort facility including hotels, golf courses, ski resorts, and villas, was selected as a representative location owing to its importance in terms of our business and nature-related dependencies and impacts**

Greater Shibuya area

This area is within a 2.5-km radius of Shibuya Station, where our Group develops and operates various commercial facilities and office buildings, and redevelop businesses to increase mobility around the station.

Tokyu Resort Town Tateshina

A large resort complex located in the northeast of Chino City, Nagano Prefecture, almost in the center of the Tateshina Plateau. The complex includes Tokyu Harvest Club Tateshina, approximately 250 hotel rooms, a golf course, ski resort, approximately 2,300 villa plots, hot spring facilities, restaurants, shops, and community coexistence facilities.

LEAP approach in Greater Shibuya Area and Tokyu Resort Town Tateishina

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Based on the LEAP Approach presented by the TNFD, we performed a more detailed **examination of dependencies and impacts on nature and accompanying nature-related risks and opportunities as they pertain to the greater Shibuya area and Tokyu Resort Town Tateishina, which we established as a priority location.** More specifically, we examined the below information.

Locate

Discovery of the interface with nature

- Priority locations (P.42-43)
- Assessment of **state and importance of nature** with which businesses in the Greater Shibuya area and Hotel and leisure business have points of contact

Evaluate

Evaluation of dependencies and impacts

- Qualitative organization of **dependencies and impacts through the value chain** in urban development in the Greater Shibuya area and Tokyu Resort Town Tateishina
- **Quantitative evaluations** in cooperation with Think Nature Inc.

Assess

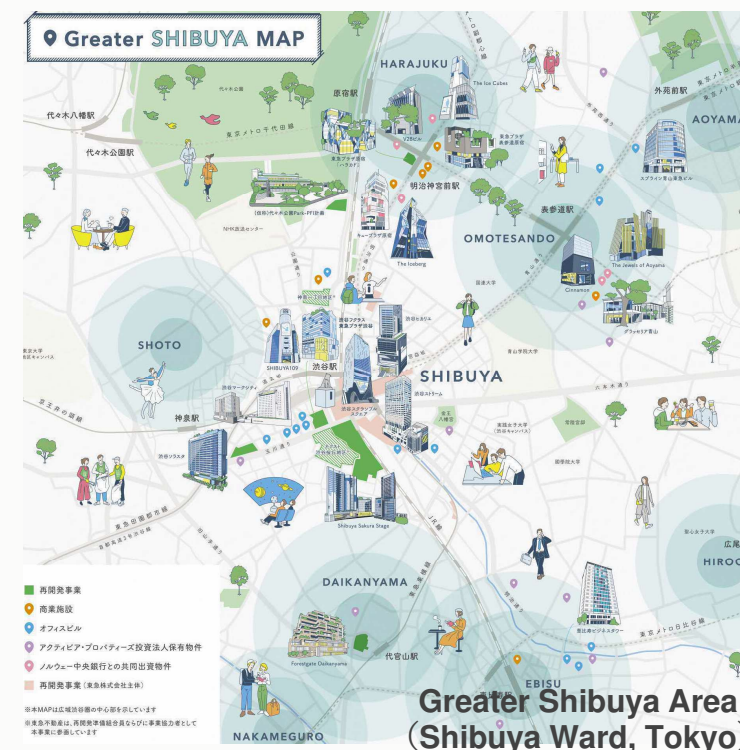
Assessment of risks and opportunities

- Organization of external environmental factors
- **Examination of risks and opportunities** in Urban Development Business centered in the greater Shibuya area and hotel and leisure business

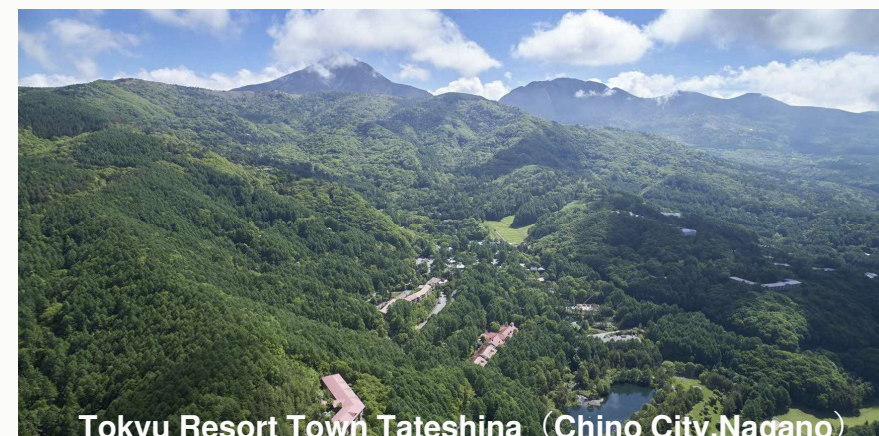
Prepare

Preparation for response and reporting

- **Examination and organization of existing initiatives** for risks and opportunities



Greater Shibuya Area (Shibuya Ward, Tokyo)



Tokyu Resort Town Tateishina (Chino City, Nagano)

Strategy

-Nature-related analysis based on the LEAP approach-

Priority area: Greater Shibuya Area

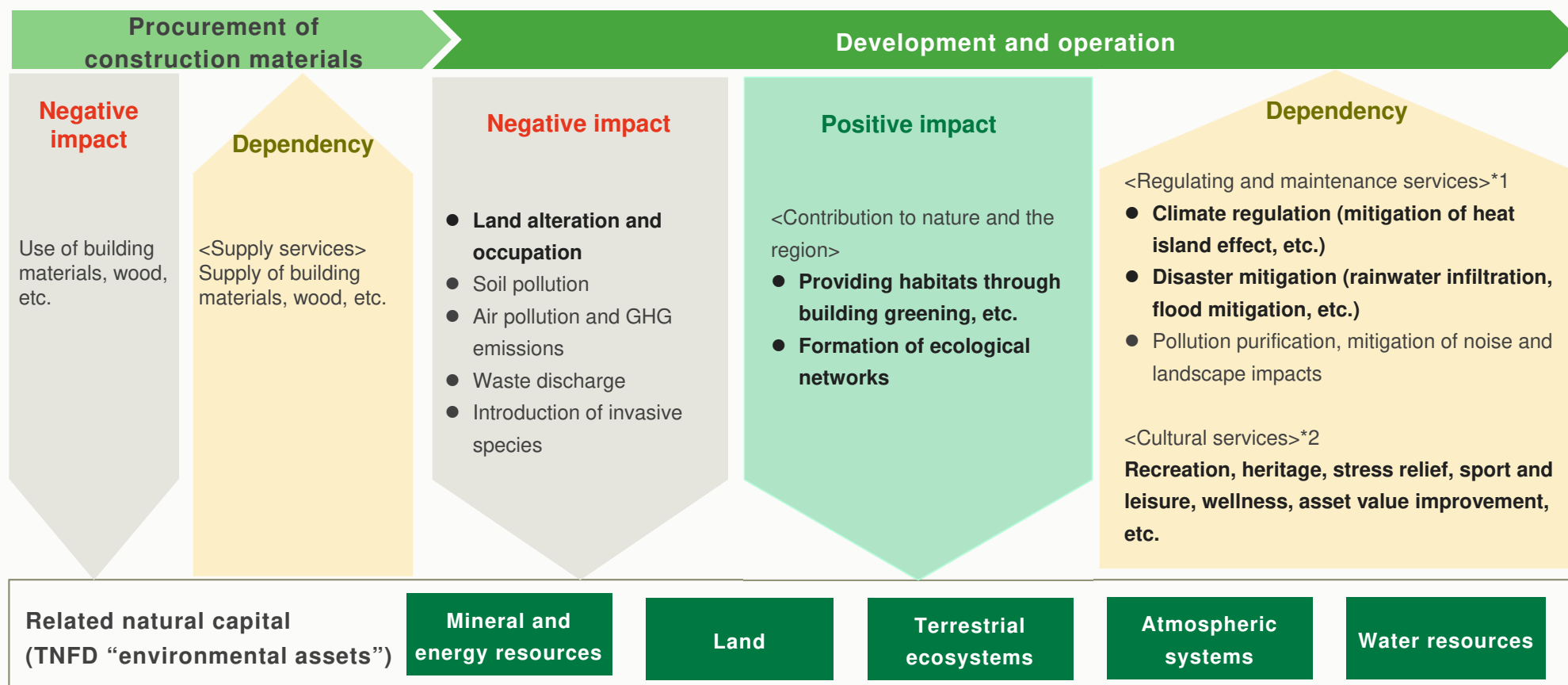
Major dependencies and impacts associated with urban development business in the Greater Shibuya Area

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

We performed a detailed examination of the natural state of the Greater Shibuya Area (described below) to identify the major dependencies and impacts throughout the value chain in urban development businesses, as shown in the figure below.

Nature may experience both negative and positive impacts, and we also depend on it in various ways.

Dependencies and impacts of nature in the value chain *Dependencies and impacts in **bold** are considered particularly important



*1 Regulating and maintenance services: Services that maintain the environment by promoting biodiversity through initiatives focused on climate adjustment, mitigating local disasters, controlling soil runoff, and controlling harmful organisms and diseases within the ecosystem.

*2 Cultural services: Services associated with culture that humans obtain through contact with nature and that are influenced by aesthetic, spiritual, and psychological aspects.

State and importance of nature in Greater Shibuya Area

Ecosystem integrity

The greater Shibuya area is an ecosystem type centered on “the city and industries.” It is not a region with high ecosystem integrity.

At the same time, since the 1980s, the green space area ratio of the entire commercial district in the greater Shibuya area has continued to decrease (as calculated according to aerial photographs). It is likely that the region’s **ecosystem integrity is trending further downwards.**

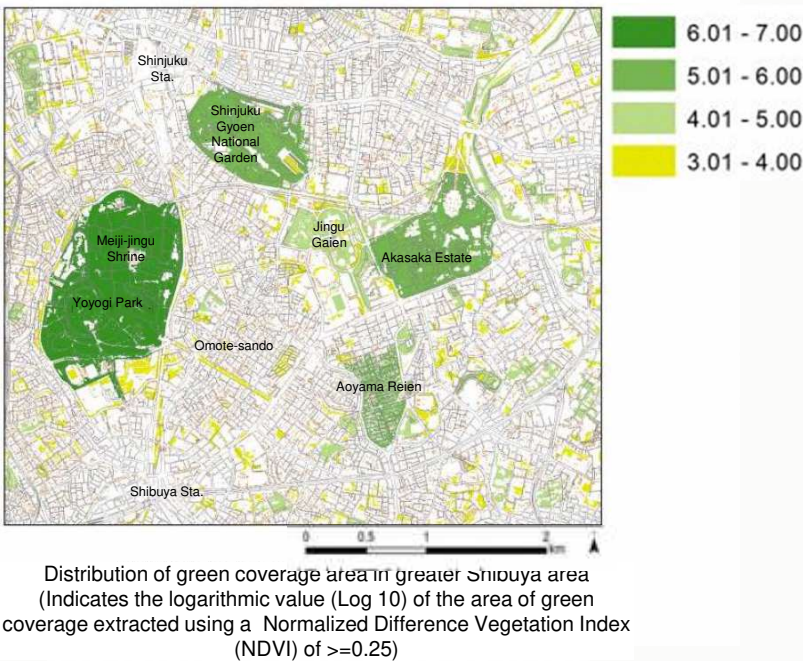
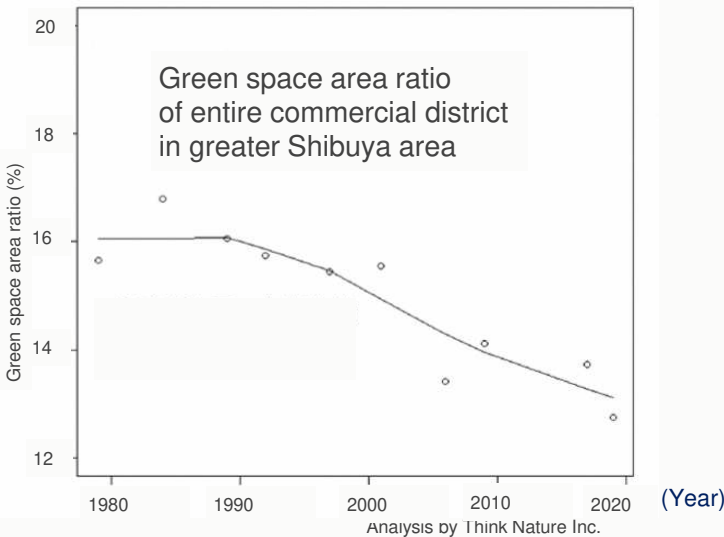
Biodiversity importance

Between FY2016 and FY2018, three parties, TOKYO CITY UNIVERSITY and Group members ISHIKATSU EXTERIOR INC. and Tokyu Fudosan R&D Center Inc., performed a collaborative investigation and research²⁾ on the ecosystem in the greater Shibuya area. The greater Shibuya area is surrounded by large-scale green spaces that include **Meiji-jingu Shrine/Yoyogi Park, Shinjuku Gyoen National Garden and the Akasaka Estate**. Meanwhile, the downtown area that has large-scale green spaces surrounding it is widely dotted with smaller pockets of green. This and other characteristics make it an area that **coexists with nature, a rarity for a city center.**

It is believed that new and endangered species as well as plant and animal species not commonly found in urban areas inhabit those large-scale green spaces. The greater Shibuya area is therefore believed to be a **key region in forming an ecological network that links together such large-scale green spaces.**

● Ecological network

An organic network of regions centered on those that host superior natural conditions. An ecological network yields the following effects: By making it possible to conduct foraging, nesting, breeding and other inhabiting stages within the region, this network contributes to preventing the extinction of populations and drops in genetic diversity. The establishment of relationships among various species also links to a recovery in the diversity of species in the region as a whole.



Positive impact through provision of habitats (1)

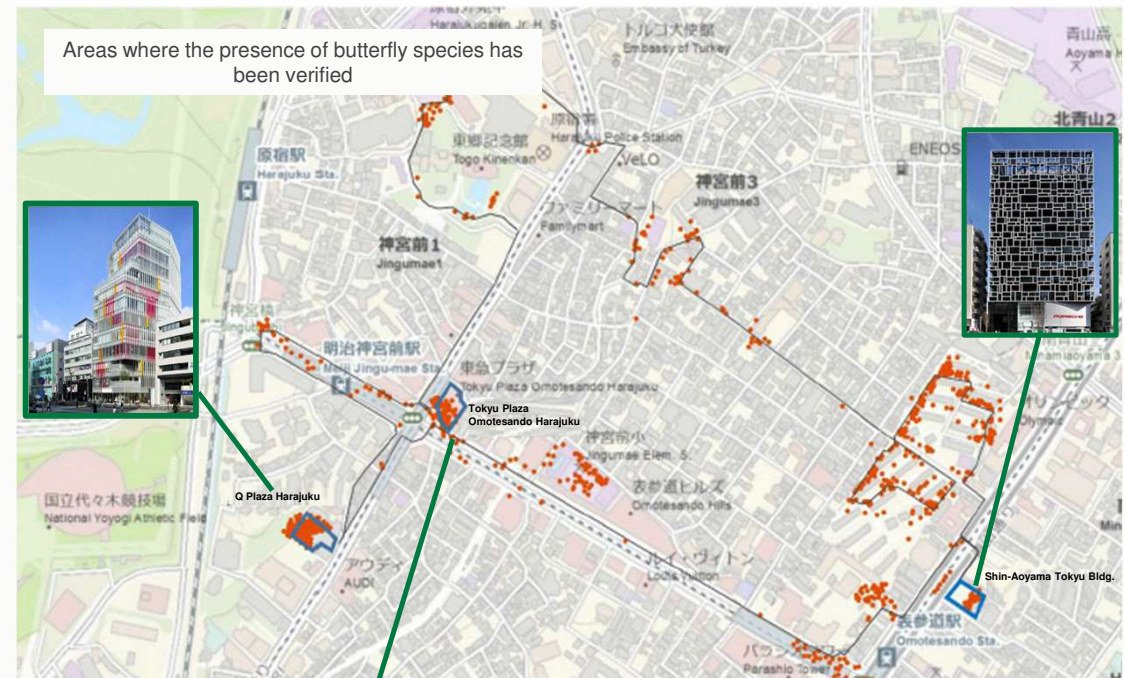
Investigation of growth/habitat services in greater Shibuya area

As part of the collaborative research³⁾ conducted by TOKYO CITY UNIVERSITY, ISHIKATSU EXTERIOR INC. and Tokyu Fudosan R&D Center Inc., an investigation of butterfly species was conducted in the greater Shibuya area that targeted three biodiversity-considerate properties with rooftop gardens placed and their peripheral area. As a result, the presence of butterfly species was verified in the rooftop green spaces of each of those properties. **Of particular note is how it became clear that building greening by the Group may be functioning as part of an ecosystem network connecting Meiji-jingu Shrine to Harajuku and Omote-sando** to exert a positive impact on peripheral ecosystems through providing habitats.

Ongoing implementation of biological monitoring in “Omohara Forest”

<Method of investigation>

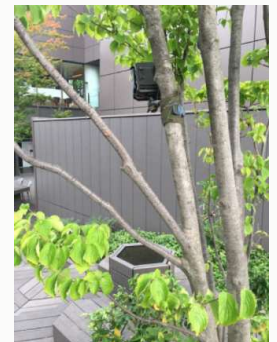
- Bird species study (Observational study/fixed-point photography and filming study)
 - ✓ For a total a three times in June, September and January, the “Omohara Forest” was arbitrarily surveyed, and the species names, population, behavior, etc. of bird species whose presence was verified based on visual observation, bird calls, etc. were recorded.
 - ✓ Using birdbaths use frequently by birds as the focus, birds were automatically photographed and filmed in flight with sensing cameras and video cameras.
- Insect species survey (Arbitrary observational study)
 - ✓ For a total a three times in June, August and September, the “Omohara Forest” was arbitrarily surveyed, and the species names, population, behavior, etc. of insect species whose presence was verified based on visual observation, insect calls, etc. were recorded.



Tokyu Plaza Omotesando “Omohara”



Observational study



Fixed-point photography and filming study of bird species

At “Tokyu Plaza Omotesando “Omokado”,” which is located in the greater Shibuya area, **monitoring studies of bird and insect studies at the “Omohara Forest” rooftop garden** have been conducted yearly since FY2012 (except for certain periods such as the COVID-19 pandemic) to assess changes in the inhabiting and flying situation of living creatures there⁴⁾.

*Continued on next page

Positive impact based on provision of habitats (2)

Ongoing implementation of biological monitoring in greater Shibuya area

Regarding bird species, between FY2012 and FY2019, the presence of 10 to 16 species was verified every year, or 22 species cumulatively.

For example, *Parus minor*, pairs of *Passer montanus* and the like were verified to nest in nest boxes, and various species of bird such as *Turdus naumanni* were verified to drink in birdbaths, feed/forage through planting, rest, and so forth. This made it clear that a number of bird species use “Omohara Forest” as a habitat on a constant basis.

Regarding insect species, between FY2012 and FY2019, the presence of 40 to 64 species was verified every year, or 151 species cumulatively.

In particular, the presence of 9 species that include *Papilio xuthus*, which has superior mobility; *Hyalessa maculaticollis*, whose source of food lies inside rooftop green spaces; and *Graphium sarpedon*, was continuously verified over that 8-year period.

Based on monitoring results as well, it is inferred that **building greening efforts, particularly those in “Omohara Forest,” are exerting a positive impact on the ecosystem through the provision of habitats for living creatures in the greater Shibuya area.**

The Company intends to keep on assessing the condition of nature by continuing monitoring going forward.

List of bird species over time and observation photographs (verification survey)

No.	Order Name	Family Name	Species Name	
			Japanese Name	Scientific Name
1	Columbidae	Columbidae	Kijibato	<i>Streptopelia orientalis</i>
2	Suliformes	Phalacrocoracidae	Kawau	<i>Phalacrocorax carbo</i>
3	Ardeidae	Pelecaniformes	Aosagi	<i>Ardea cinerea</i>
4	Accipitridae	Accipitridae	Ohtaka	<i>Accipiter gentilis</i>
5	Picidae	Picidae	Kogera	<i>Dendrocopos kizuki</i>
6	Passeriformes	Corvidae	Onaga	<i>Cyanopica cyanus</i>
7			Hashibosogarasu	<i>Corvus corone</i>
8			Hashibutogarasu	<i>Corvus macrorhynchos</i>
9			Shijukara	<i>Parus minor</i>
10			Tsubame	<i>Hirundo rustica</i>
11		Hirundinidae	Hiyodori	<i>Hyppipetes amaurotis</i>
12			Mejiro	<i>Zosterops japonicus</i>
13		Mniotiltidae	Mukudori	<i>Spodiopar cineraceus</i>
14			Komukudori	<i>Agropsar philippensis</i>
15		Turdidae	Tsugumi	<i>Turdus naumanni</i>
16			Jobitaki	<i>Phoenicurus auroreus</i>
17			Ezobitaki	<i>Muscicapa griseisticta</i>
18		Passeriformes	Passeriformes	<i>Passer montanus</i>
19		Motacillidae	Hakusekirei	<i>Motacilla alba</i>
20		Fringillidae	Kawarahiwa	<i>Chloris sinica</i>
21	(Columbidae)	(Columbidae)	Kawarabato (Dobato)	<i>Columba livia</i>
22	Psittaculidae	Psittaculidae	Wakakehonselinko	<i>Psittacula krameri manillensis</i>

Note 1: Species names and classifications are in accordance with the “Check-List of Japanese Birds (7th Ed.)” (Ornithological Society of Japan, 2012).

Omohara Forest



Passer montanus (Nesting in pairs)



Hakusekirei



Graphium sarpedon



Shijukara



Turdus naumanni (Birdbath)



Coccinella septempunctata

Quantitative evaluation of impacts based on building greening (methods)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Among the impacts on nature with a high degree of importance, the impacts on the ecosystem based on land occupation and building greening of Group properties were quantitatively analyzed with the cooperation of Think Nature Inc.

Target 39 Group office and commercial facility properties in the greater Shibuya area

Method Quantitatively analyzed biodiversity regenerative effects based on planting before and after the building of the properties based on **Think Nature Inc.'s big data on biodiversity** while factoring in the quantified planting situation before building (tree species and number) and the current planting situation at each property (tree species and number) based on aerial photographs.

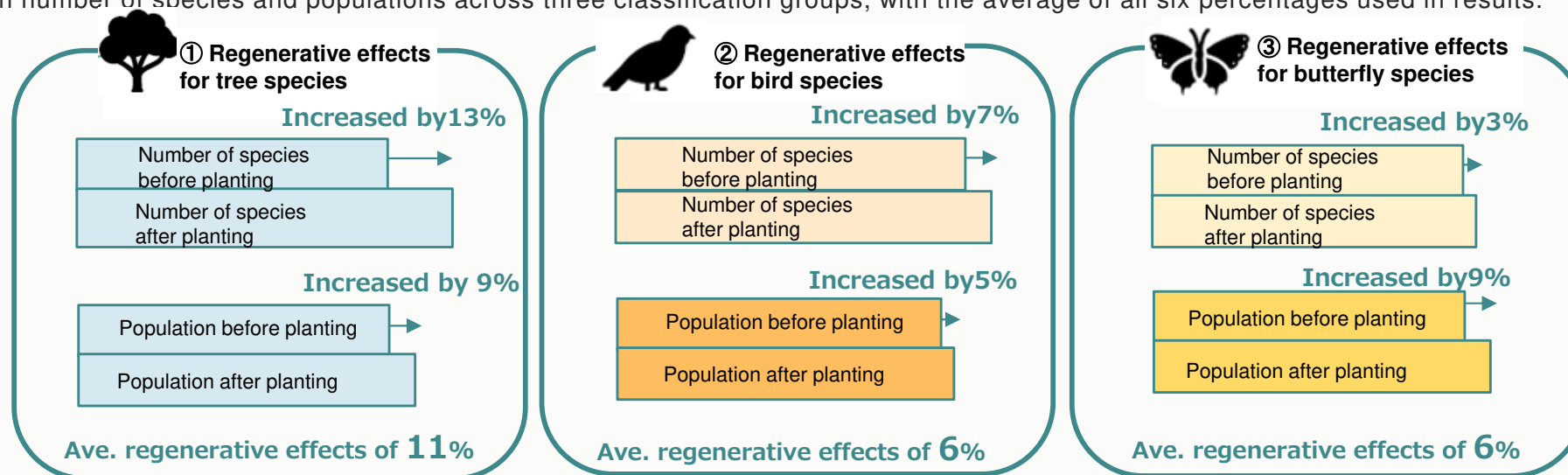


SHIBUYA SOLASTA

Biodiversity regenerative effects

The below diagram indicates the approach behind Think Nature Inc.'s analysis methods.

Based on the **relationship between planted tree species and the birds/butterflies that use them**, the percentage by which living creatures that inhabit the inside of a 1-km grid at the construction site increased or decreased before and after building was calculated for each number of species and populations across three classification groups, with the average of all six percentages used in results.



Averaging ①, ② and ③ comes to **regenerative effects of 7%**

Source: Think Nature Inc.

Quantitative evaluation of impacts based on building greening (results)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

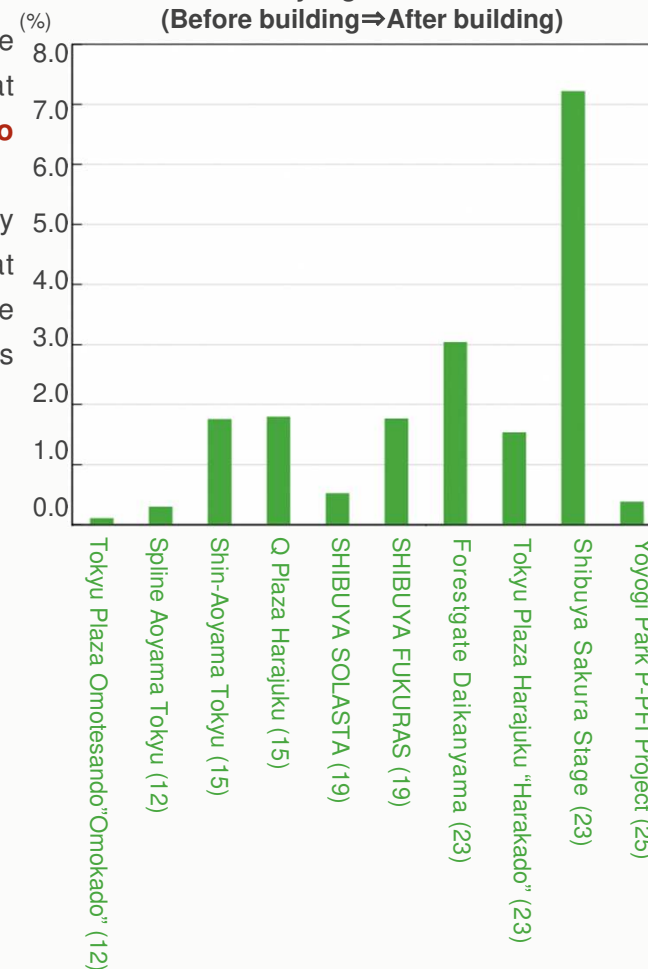
Contributions to nature positive in greater Shibuya area

Since the 1980s and particularly from 1990 up through the 2000s, the green space area ratio had been trending downwards before and after building. However, for the Group's 39 properties overall, the ratio has been **trending above the average for the entire commercial district**. Furthermore, since 2010, which represents a global turning point that included the holding of the 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10), **biodiversity loss was reversed to put nature on a path to recovery (nature positive)**.

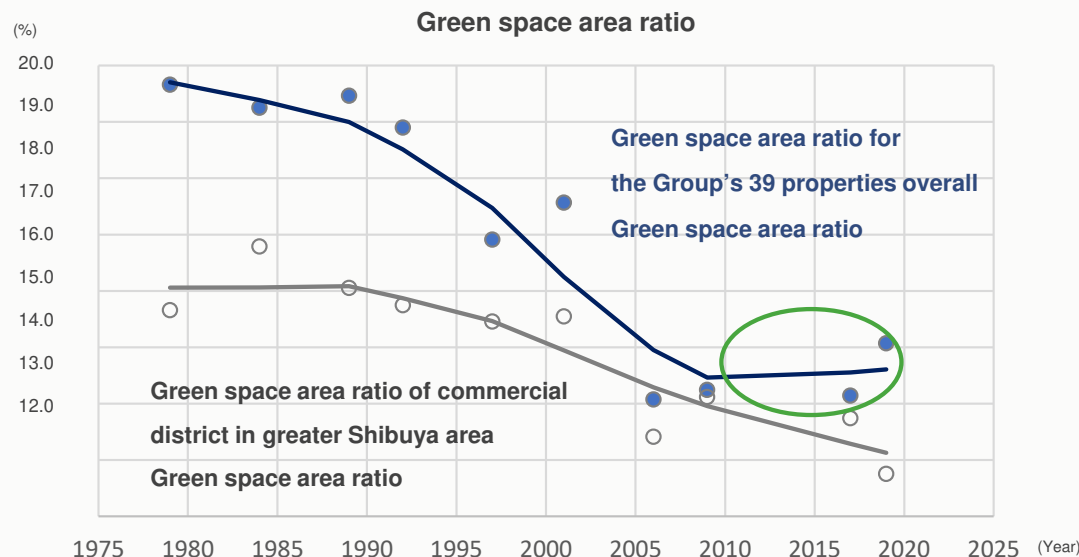
Regarding biodiversity regenerative effects, said effects before and after building were positive at 15 properties out of all 39. In particular, biodiversity regenerative effects at properties completed in FY2012 and beyond are high. We believe these are **contributing to the recovery of biodiversity in the greater Shibuya area as a whole**.

In the Group's forte of planning communities that coexist with local communities, particularly those focused on target facilities under our Urban Development Business, we believe that engaging in development and operation that achieve a harmony between the securing of the quality and quantity of green space and the comfort of community visitors and facility users have linked to the high biodiversity regenerative effects shown in recent years.

Biodiversity regenerative effects
(Before building⇒After building)



*Year in parentheses is the year of completion



Quantitative evaluation of impacts based on building greening (results)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Making the greater Shibuya area an environmentally advanced city from the aspect of biodiversity as well

The results of analysis performed by Think Nature Inc. on the species capture rate through planting at all 39 properties (the percentage of species inhabiting the entire greater Shibuya area that can be called to green spaces at Group properties) showed that planting efforts by those properties were capable of calling approx. 60% of bird species and approx. 90% of butterfly species. In particular, **properties where we conduct planting based on native trees** indicated a high capture rate, **The quality of green there is also contributing to higher biodiversity regenerative effects.**

For example, at “**Shibuya Sakura Stage**,” the planting of numerous tree species in large number, including species native to Tokyo, make it possible to call a large number of bird and butterfly species. This has led to a high species capture rate and **high regenerative effects (7.2%).**

As it is now clear that greening that includes the likes of the planting of native species, particularly that conducted at properties built in recent years, contributes to the regeneration of biodiversity, we believe that it is crucial for us to continue tackling greening that is conscious of the quality of green space as we move forward.

Shibuya Sakura Stage (Completed in Nov. 2023)

At Sakuragaoka located adjacent to Shibuya Station, we are pushing forward with the development of “Shibuya Sakura Stage,” a large-scale complex to serve as a new landmark for Shibuya.

At this property, we have established “HAGUKUMI STAGE” as a richly-green relaxation sport to **promote three-dimensional greening that utilizes the ground, roof, wall surfaces and other elements** and also contributes to heat island countermeasures. In addition, we are also tackling the reduction of our environmental footprint through means such as using solar power generation and other forms of renewable energy and introducing next-generation technology.



Distant view of Shibuya Sakura Stage



Hagukumi STAGE

List of species analyzed by Think Nature Inc.

Planted tree species		Birds that can be called		Butterflies that can be called	
Name of tree species	Number of trees	Determination of kind of native species	Species Name	Species Name	Species Name
<i>Aucuba japonica</i>	1362	Species native to region	<i>Hiyodori</i>	<i>Polygonia c-aureum</i>	
<i>Vaccinium</i> sect.	85		<i>Mukudori</i>	<i>Graphium sarpedon</i>	
<i>Cyanococcus</i>	32	Species native to Japan	<i>Tsugumi</i>	<i>Arhopala japonica</i>	
<i>Acer pycnanthum</i>	32	Species native to Japan	<i>Onaga</i>	<i>Papilio protenor</i>	
<i>Fraxinus griffithii</i>	32		<i>Kijibato</i>	<i>Eurema hecabe</i>	
<i>Cornus kousa</i>	32		<i>Turdus pallidus</i>	<i>Curetis acuta</i>	
<i>Magnolia grandiflora</i>	32		<i>Mejiro</i>	<i>Lampides boeticus</i>	
<i>Lagerstroemia indica</i>	28		<i>Eophona personata</i>	<i>Vanessa indica</i>	
<i>Acca sellowiana</i>	26		<i>Shijukara</i>	<i>Argyreus hyperbius</i>	
<i>Cornus florida</i>	26		<i>Passeriformes</i>	<i>Papilio bianor</i>	
<i>Quercus myrsinifolia</i>	24	Species native to region	<i>Kawarahlwa</i>	<i>Hestina japonica</i>	
<i>Ulmus parvifolia</i>	23	Species native to Japan	<i>Bambusicola thoracicus</i>	<i>Pteris rapae</i>	
<i>Ilex buergeri</i> Miq.	17	Species native to Japan	<i>Phasianus versicolor</i>	<i>Pseudozizeeria maha</i>	
<i>Albizia julibrissin</i>	16	Species native to region	<i>Coccothraustes</i>	<i>Celastrina argiolus</i>	
<i>Distylium racemosum</i>	16	Species native to region	<i>coccothraustes</i>	<i>Papilio machaon</i>	
<i>Fatsia japonica</i>	16	Species native to prefecture	<i>Lanius bucephalus</i>	<i>Parnara guttata</i>	
<i>Machilus thunbergii</i>	16	Species native to Japan	<i>Hashibosogarasu</i>	<i>Anthocharis scolymus</i>	
<i>Fraxinus lanuginosa</i>	16		<i>Bombycilla garrulus</i>	<i>Papilio macilentus</i>	
<i>Ilex latifolia</i>	16		<i>Turdus chrysolaus</i>	<i>Lycæna phlaeas</i>	
<i>Stewartia monadelph</i>	16		<i>Garrulus glandarius</i>	<i>Potanthus flavus</i>	
<i>Callistemon speciosus</i>	16		<i>Sittiparus varius</i>	<i>Collas erate</i>	
<i>Myrtus communis</i>	16		<i>Komukudori</i>	<i>Vanessa cardui</i>	
<i>Viburnum tinus</i>	16		<i>Spinus spinus</i>	<i>Cupido argiades</i>	
<i>Vitex agnus-castus</i>	16		<i>Fringillidae</i>	<i>Pelopidas mathias</i>	
<i>Acer palmatum</i>	16		<i>Emberiza spodocephala</i>	<i>Kaniska canace</i>	
<i>Cinnamomum camphora</i>	6	Species native to region	<i>Jobitaki</i>	<i>Papilio memnon</i>	
<i>Cerasus jamasakura</i>	2	Species native to region	<i>Periparus ater</i>	<i>Neptis philura</i>	
<i>Neolitsea sericea</i>	1	Species native to region	<i>Picus awokera</i>	<i>Antiglus attila</i>	
<i>Zelkova serrata</i>	1	Species native to region	<i>Ficedula narcissina</i>	<i>Ypthima argus</i>	
<i>Lavandula</i>	1	Species native to region	<i>Turdus celaenops</i>	<i>Argynnis paphia</i>	
<i>Rhododendron obtusum</i>	1		<i>Turdus cardis</i>	<i>Byasa alcinous</i>	
var. <i>sakamotoi</i>	918		<i>Turdus obscurus</i>	<i>Parantica sita</i>	
<i>Salvia microphylla</i>	492		<i>Bombycilla</i>	<i>Nymphalis xanthomelas</i>	
<i>Thymus vulgaris</i>	459		<i>japonicaBombycilla</i>	<i>japonica</i>	
<i>Mahonia confusa</i>	459		<i>japonica</i>	<i>Neptis sappho</i>	
<i>Enkianthus perulatus</i>	437			<i>Narathura bazalus</i>	
<i>Westringia fruticosa</i>	328	Species native to Japan			
	10				

Positive impact through the formation of ecological networks

Evaluation of ecological network formation

With the help of Regional Environmental Planning, Inc., an environmental consulting company that assists with biodiversity initiatives, **we analyzed the current situation of the formation of an ecological network in the greater Shibuya area and the direction of that formation.**

Based on analysis of the current situation surrounding topography and green space, it was verified that the topography of the greater Shibuya area has the lowlands of the valleys of the Shibuya River and Meguro River intertwining with the Musashino Plateau, and that much green space remains on slopes facing the valley formation and valley areas.

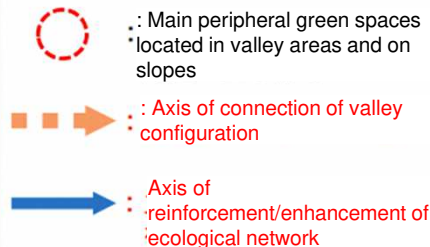
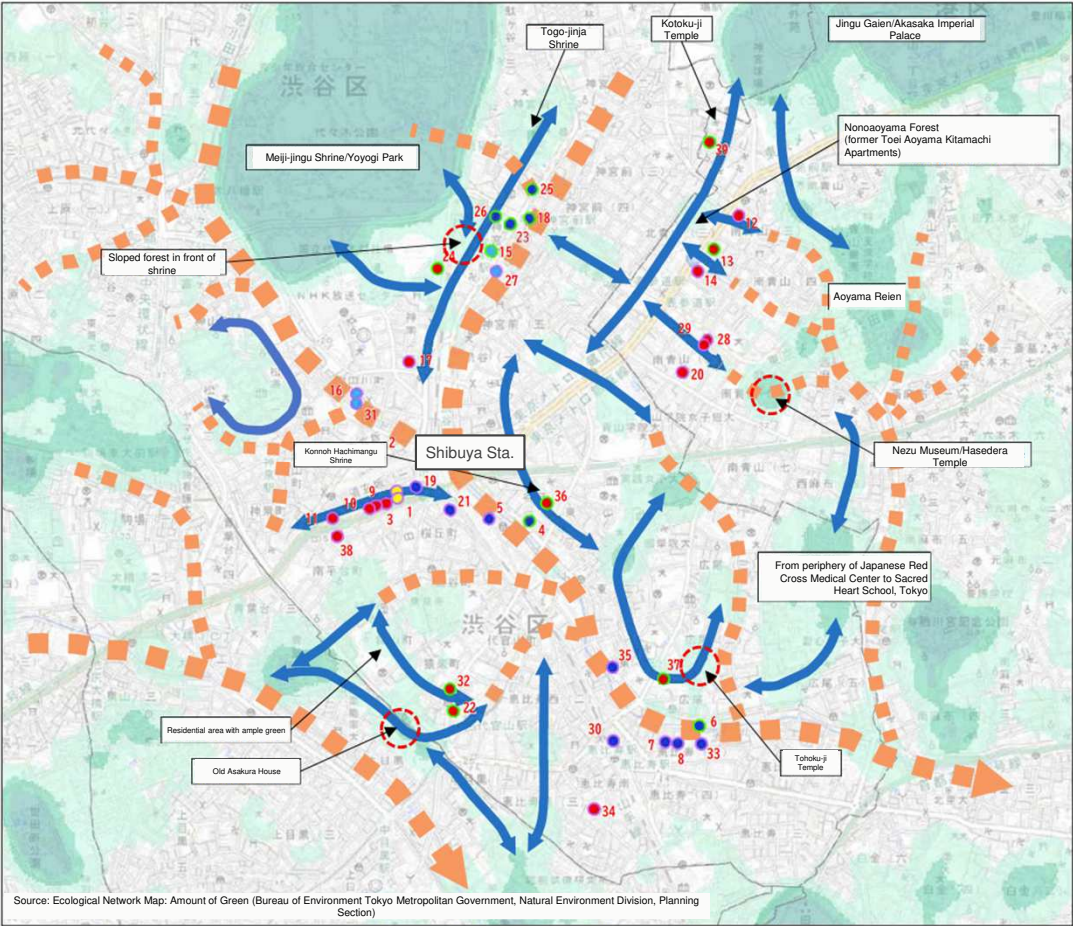
Additionally, the Company’s properties are located at the red circles on the map to the right, which also constitute locations where fellow properties of ours are in proximity to each other or are concentrated.

We have found that focusing on the following three areas will likely prove beneficial for the purpose of further enhancing our future ecological network,

- ① Locations with large amounts of green are in proximity to each other
- ② Valleys, slopes along the valleys, etc. are topographically connected
- ③ Target properties are in proximity to each other/concentrated together

We plan to give consideration to the maintenance of green space according to the characteristics of the site, and will continue to conduct biological monitoring.

Connection of valley configuration in greater Shibuya area and direction of ecological network formation



Source: Regional Environmental Planning, Inc. (2023)
“Survey on Ecological Networks
that Contribute to Biodiversity in Greater Shibuya Area”

Dependencies on regulating and maintenance services

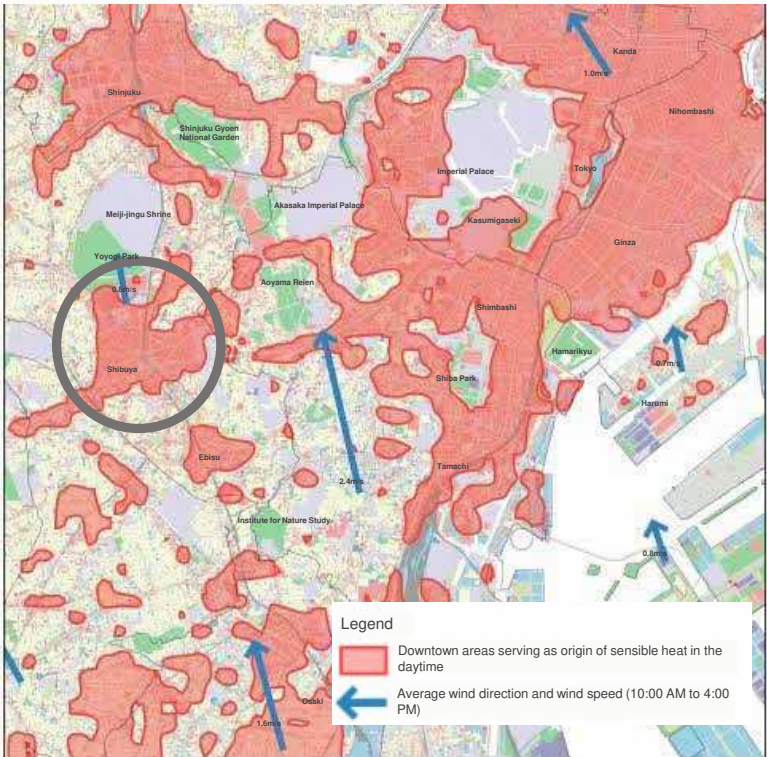
Importance of climate regulation, disaster mitigation, etc. (regulating and maintenance services in cities)

In the National Biodiversity Strategy and Machizukuri (Urban Development) GX Strategy by the Japanese government and the Regional Biodiversity Strategy by the Tokyo Metropolitan Government, functions such as **the mitigation of the heat island effect through nature and the reduction of flood damage** are emphasized as key ecosystem services in cities. From the standpoint of dependencies, these ecosystem services for disaster mitigation and climate regulation are believed to be crucial. According to the Ministry of Land, Infrastructure Transport and Tourism, while the area surrounding the greater Shibuya area (the area circled on the map) is an origin of heat, it is believed to be a region that can be expected to drop in temperature should green space preservation and greening measures be comprehensively taken.

Additionally, under Shibuya City’s “Green Development Policy,” it is established that forming connections with large-scale green areas through building greening and other means contributes to the **creation of cool spots** that serve to mitigate the heat island effect in cities. This is believed to be important from the aspect of exerting a positive aspect on such regulation services as well as the aspect of dependencies.

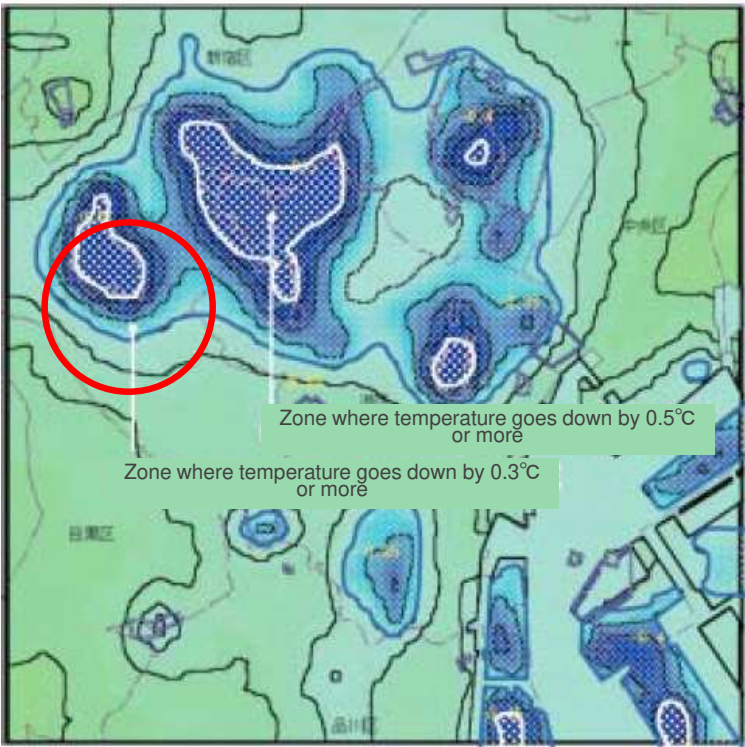
Source of heat in daytime

Lowered temperature difference when green space/greening measures are taken



Source: Ministry of Land, Infrastructure Transport and Tourism
 “Heat Island Effect Mitigation Effects through Promotion of Green Space Preservation and Greening”

(Circles added by the Company)



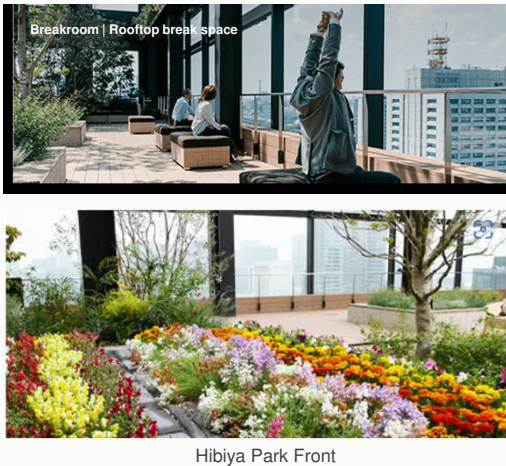
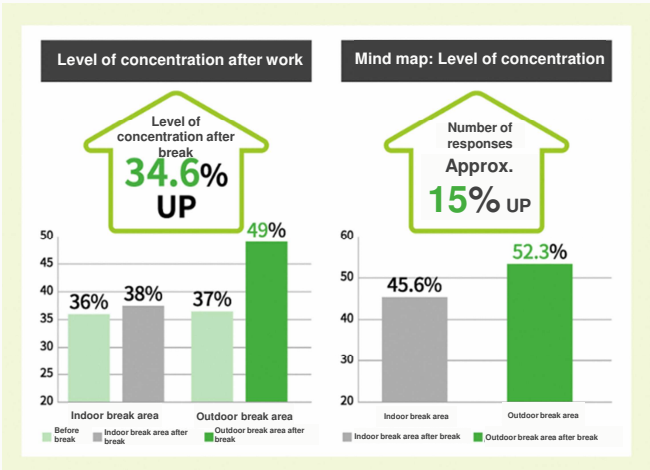
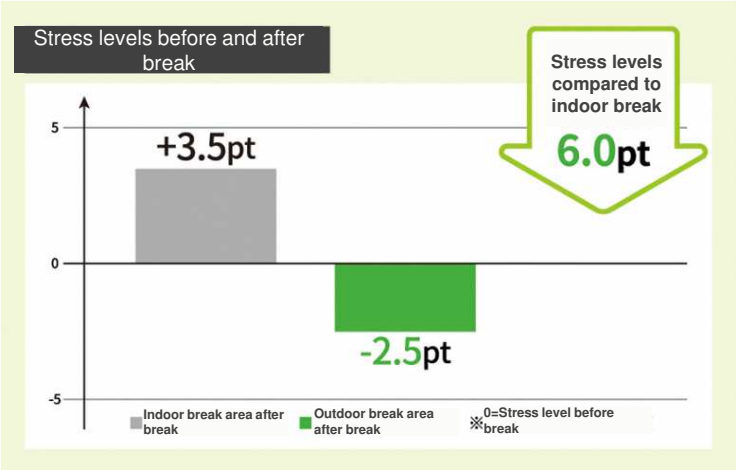
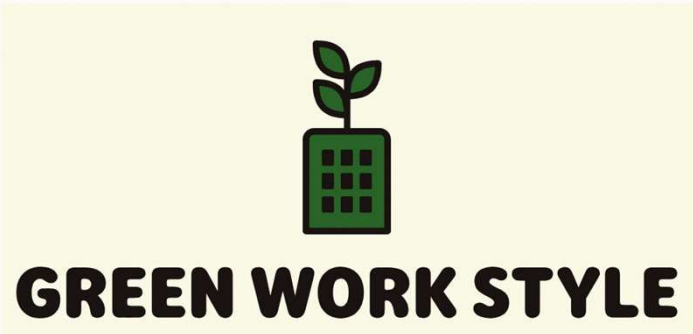
Dependencies on cultural services

Functions for nature-based stress mitigation and comfort (cultural services)

As part of the new “GREEN WORK STYLE” that it is promoting at its office buildings, the Group performed scientific verifications of **the impacts and effects that green (vegetation and nature) have on people**. For example, following a verification of the effects of breaks taken in rooftop spaces containing green, we found that stress levels after taking breaks where green was present were 6.0 points lower than those for indoor locations with no green present, and that levels of concentration rose considerably as well.

Based on these results, we can also conclude that in cities, the greater Shibuya area included, the importance of cultural services is high from the aspects of the effects on wellness in the form of **better landscapes, stress mitigation and comfort; improved productivity** coming from the likes of inspiration, invigorated communication and boosts in motivation for working individuals; and the appeal and higher asset value of office, commercial and other facilities.

- **Overview of demonstration experiment**
Purpose: To verify the impacts that taking breaks in spaces with vegetation have on stress and intellectual productivity following breaks
Subjects: 14 individuals (4 males in their 30s/3 males in their 40s; 4 females in their 30s/3 females in their 40s)/Date and time: Saturday, June 2, 2018
Location of implementation: Hibiya Park Front (Conference Room/Rooftop Terrace)
Data gathered: Brain waves, EEG, number of responses and correct answer rate for tasks for work purposes, and subjective evaluations
Equipment used: KANSEI Analyzer (© Dentsu Science Jam)
Details: After performing tasks for work purposes, subjects were asked to take a break in
① <Space with vegetation> or ② <Space with no vegetation>.
After taking a break, subjects were asked to perform tasks for work purposes once more, and a verification was performed to see if there were visible differences in the stress values obtained from the KANSEI Analyzer and the impacts of work on task efficiency between ① and ②.



Important risks and opportunities in urban development business

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Based on our nature-related dependencies and impacts, we examined the risks and opportunities related to our urban development business, while also referring to external information such as social trends and policy directions. We anticipate **physical risks such as deterioration of the scenery and decreased comfort due to the decline in important ecosystem services**, and **transition risks due to changes in regulations and market environments**. However, we also identified **many nature-related opportunities**.

Classification		Major dependencies/impacts		Risks and opportunities in urban development business
Transition	Risks	Policies and regulations	Procurement of building materials, lumber, and other resources (impact nature)	<ul style="list-style-type: none"> Shortage of building materials, lumber, etc., and increased procurement costs due to land conversion for nature conservation and tightened regulations related to resource extraction
			Land alteration and occupation following the development and operation of properties such as offices and commercial facilities (impact terrestrial ecosystems)	<ul style="list-style-type: none"> Increased compliance costs due to tightened regulations calling for an increase in the greening rate of properties Increased compliance costs due to the introduction and strengthening of regulations/policies calling for the improvement of greenery quality, considering the formation of ecological networks and planting of native species
		Market		<ul style="list-style-type: none"> Lower negative impact on nature/Increased preference of customers and tenants for properties that benefit nature through improved greenery quantity and quality, ecological network formation, etc. (risk)
		Technology	Use of water and building materials, etc. (impact resource availability)	<ul style="list-style-type: none"> Increased costs of highly resource- and energy-efficient construction technologies with a low environmental impact
		Reputation	Negative impacts associated with land alteration/occupation, pollution, waste discharge, introduction of invasive species, etc.	<ul style="list-style-type: none"> Public criticism and lawsuits against development and operations that have a negative impact on the local ecosystem, landscape, and natural cultural services
	Opportunities	Market	Reduction in negative impacts such as land alteration/occupation, pollution, and waste discharge, with positive impacts on ecosystems (and ecosystem services) associated with increased habitat availability in green spaces and formation of ecological networks	<ul style="list-style-type: none"> Lower negative impacts on nature; increasing preference among customers and tenants for properties that benefit nature through improved greenery quantity and quality, greening technology advances, ecological network formation, etc.

Important risks and opportunities in urban development business

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Classification			Major dependencies/impacts	Risks and opportunities in urban development business
Transition	Opportunities	Policies and regulations	Reduction of negative impacts such as land alteration/occupation, pollution, waste discharge, etc. Positive impacts on ecosystems (and ecosystem services) associated with increased habitat availability in green spaces and formation of ecological networks	<ul style="list-style-type: none">● Policy support and incentives for developing high-quality urban green spaces
		Capital Capital funding		<ul style="list-style-type: none">● Lower negative impacts on nature; increased investment in real estate that benefits nature through improved greenery quality, greening technology advances, ecological network formation, etc.
		Reputation		<ul style="list-style-type: none">● Reduced negative impacts on nature through ecosystem-conscious real estate development, sustainable resource procurement, pollution reduction, etc., and improvement in reputation and corporate value through business activities that reduce environmental impacts
				<ul style="list-style-type: none">● Improvement of relationships with local community through developments and operations that benefit nature through improved greenery quantity and quality, greening technology advances, and ecological network formation
				<ul style="list-style-type: none">● Improvement in overall appeal, brand value, and asset value of the town through business operations that improve local natural ecosystem services
Physical	Risks	Acute/chronic	Mitigation of heat island effect (dependency on regulation/maintenance services)	<ul style="list-style-type: none">● Increase in air conditioning costs, etc., and deterioration of urban living and shared environments due to worsening of the heat island effect caused by land development by our company and other stakeholders
			Recreation, aesthetic amenities (dependency on cultural services)	<ul style="list-style-type: none">● Deterioration of the natural landscape caused by land development by our company and other stakeholders, etc., decreasing the appeal of the town and decreasing asset value

Strategy

-Nature-related analysis based on the LEAP approach-

Priority area: Tokyu Resort Town Tateshina

About Tokyu Resort Town Tateshina

"Tokyu Resort Town Tateшина" is a large-scale resort complex located almost in the center of Tateшина Plateau in the northeastern part of Chino City, Nagano Prefecture, at an elevation of 1,100–1,800 m and a total site area of approximately 660 ha (approximately 140 Tokyo Domes' worth). The complex includes Tokyu Harvest Club Tateшина, a members-only resort hotel, as well as a hotel with 250 rooms, golf courses (18 holes), ski areas, vacation homes (detached houses, resorts, villas), approximately 2,300 plots, a hot springs facility, restaurants, and shops. It was constructed in 1974, with the opening of the Tateшина Tokyu golf course and the first phase of sales of vacation homes starting in 1978, after which the ski area, tennis courts, and hotels were opened. There are several facilities and services where customers can enjoy abundant nature, including a diverse array of activity, healing, and workcation options.

Visitors can see the Yatsugatake mountain range from within the town. Summers are comfortable, with minimum temperatures sometimes even dipping below 10 °C from July to August. The refreshing, low-humidity climate provides a natural environment suited to avoiding the heat.

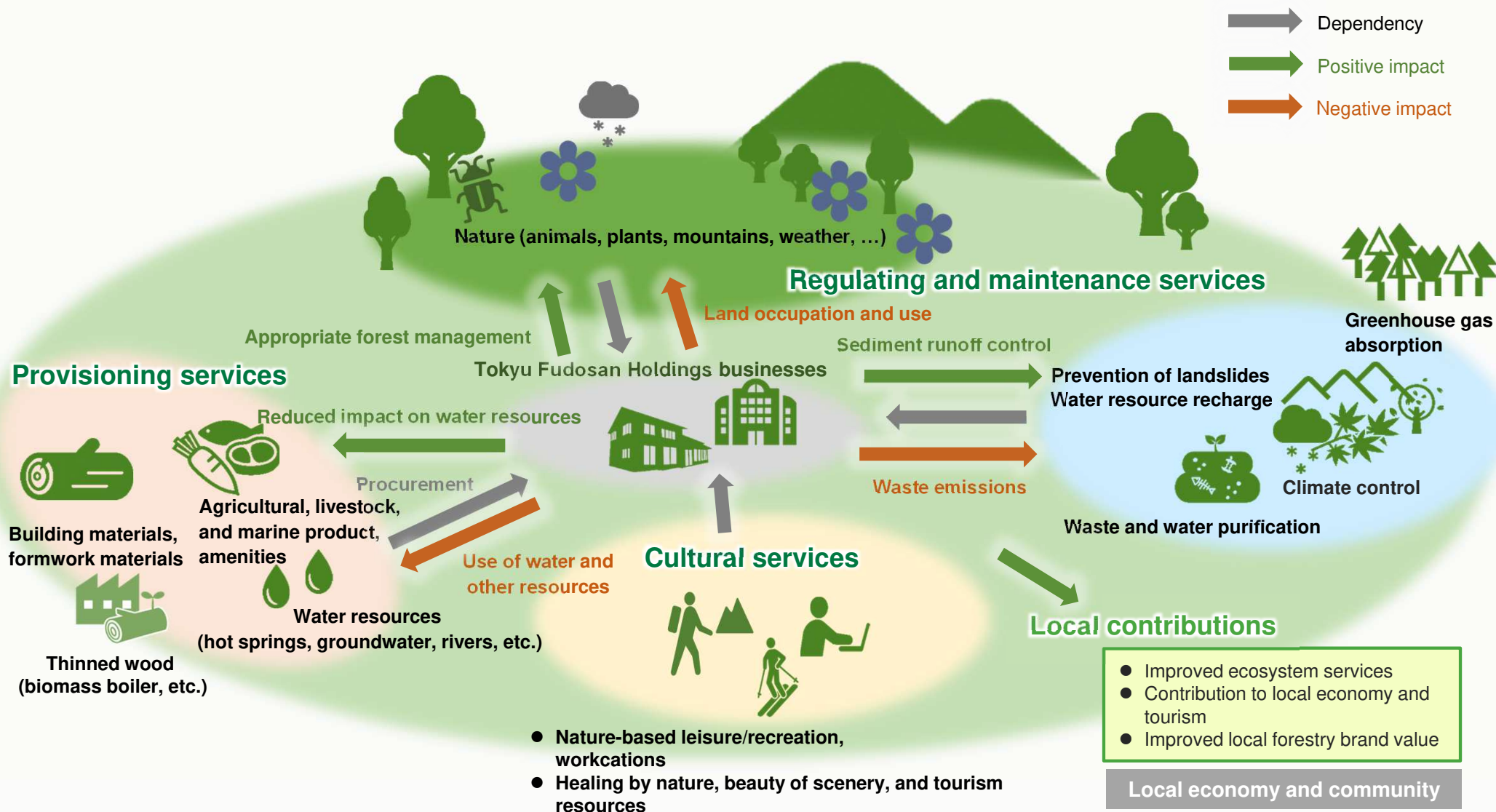


[URL] [Tokyu Resort Town Tateshina | Relaxing in and enjoying nature \(Tateshina, Nagano\) \(tateshina-tokyu.com\)](https://www.tateshina-tokyu.com/)

Major dependencies and impacts of business in Tokyu Resort Town Tateшина

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

As shown in the figure below, business at “Tokyu Resort Town Tateшина” **has various nature and ecosystem service dependencies. Nature and its bounties are particularly important in terms of operation. Both negative and positive nature impacts** are given.



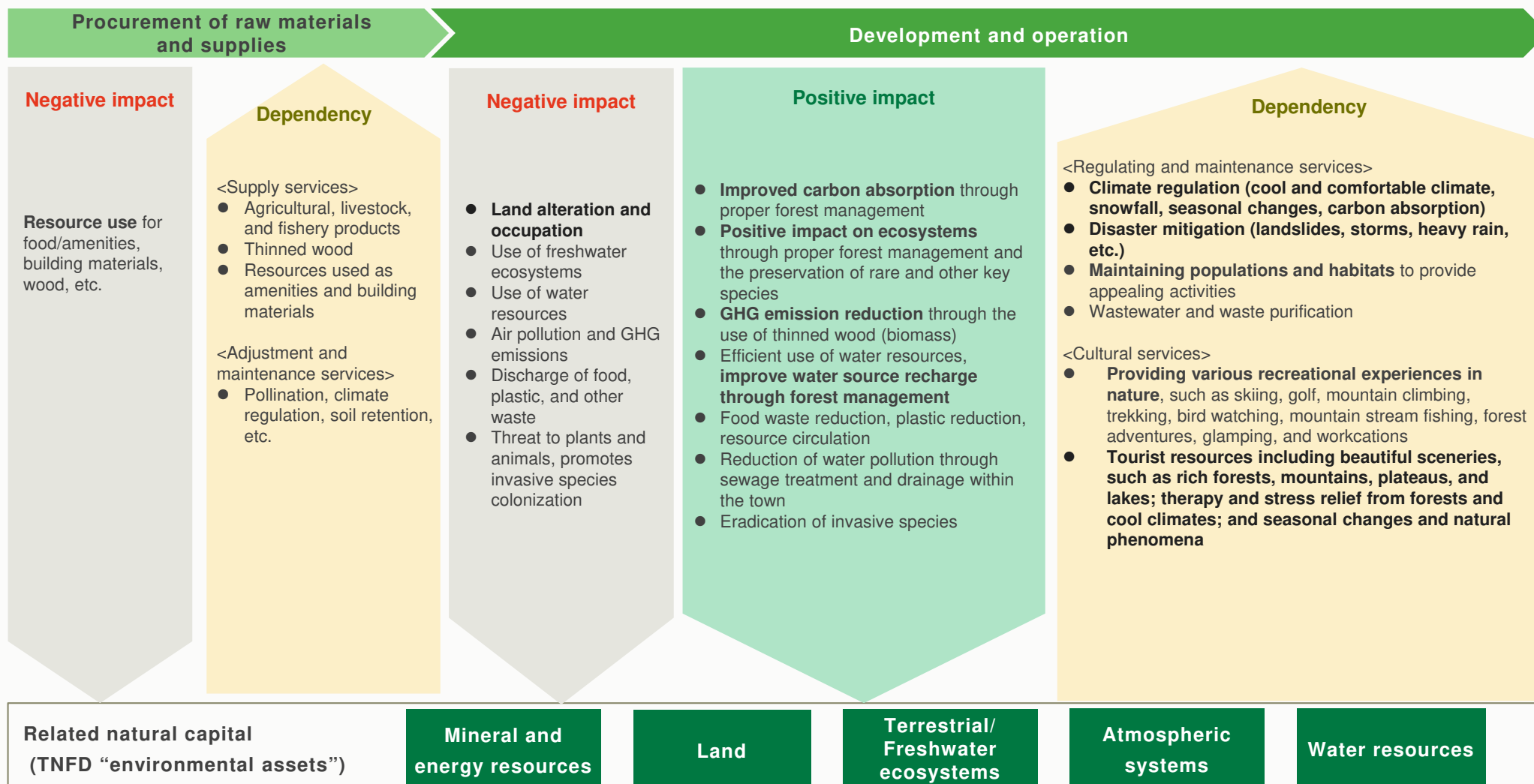
Major dependencies and impacts of business in Tokyu Resort Town Tateшина

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Based on the natural state of Tokyu Resort Town Tateшина, described later, we identified the major dependencies and impacts throughout our business and value chain, as shown in the figure below.

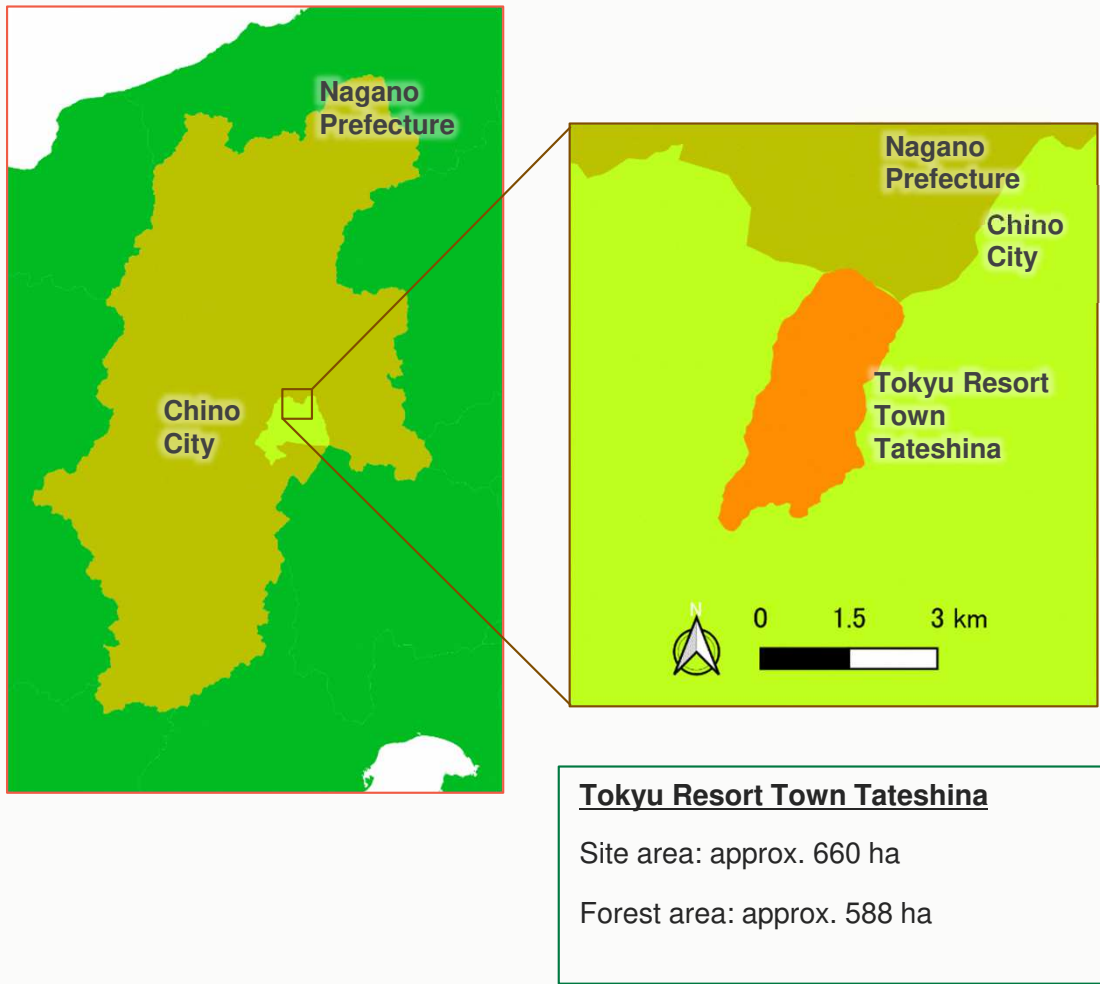
There is the potential for both negative and positive impacts on nature, and we also depend on nature in various ways.

Dependencies and impacts on nature in the value chain *Dependencies and impacts in bold are considered to be particularly important

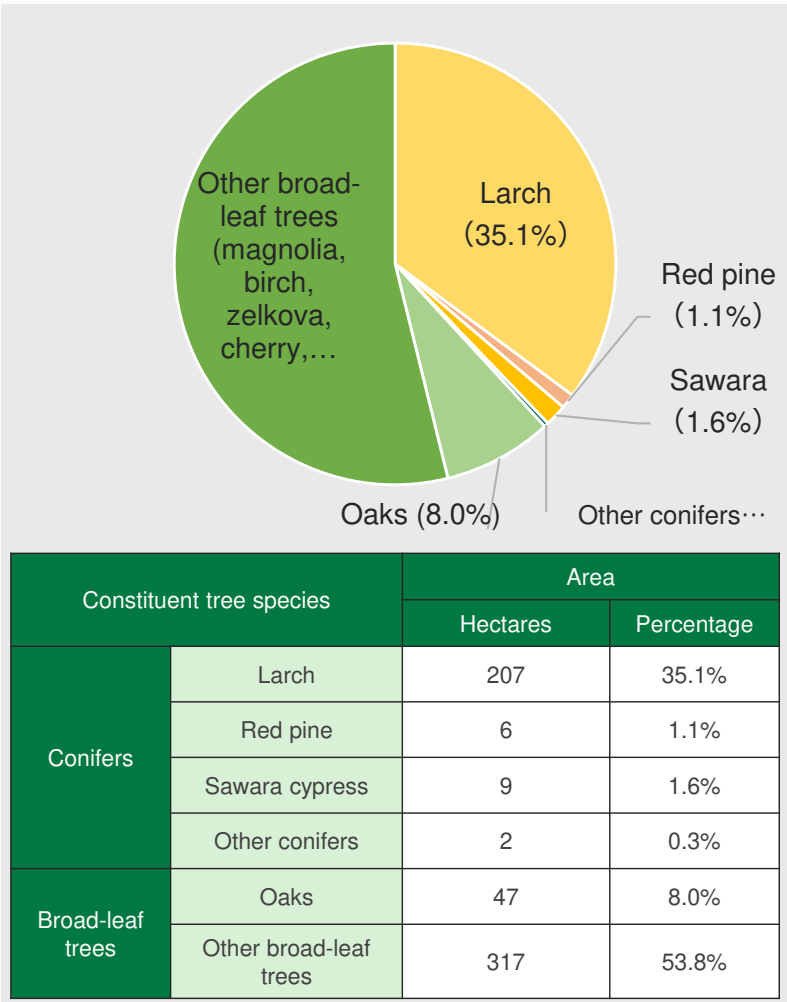


Characteristics of the nature in Tokyu Resort Town Tateшина

"Tokyu Resort Town Tateшина" is a large-scale resort complex that includes a hotel, golf courses, ski areas, and vacation homes. This site also includes a **vast forest spanning approximately 588 ha**, of which **over 30% are larch forests planted for lumber in the post-war period**. The large presence of **oaks, such as water oak**, is a characteristic of the forest.



“Tokyu Resort Town Tateшина” forest composition



*Forest area and composition tabulated from forest registers owned by our company or published by Nagano Prefecture.

Evaluation of nature dependencies as tourism resource (methods)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

“Tokyu Resort Town Tateshina”, which is surrounded by abundant nature, **has various natural resource dependencies as a tourism attraction.**

Therefore, a detailed analysis on the nature dependencies of “Tokyu Resort Town Tateshina” as a tourism resource was conducted **in collaboration with Think nature Inc. and centering on an analysis of species.**

Source: Think Nature Inc.

● Characteristics as tourism resources:

- ✓ Many visitors who enjoy the **fall foliage, which represents the golden fall foliage of the larch species**, that are abundant in the forest in the town, as well as **fresh greenery** in the spring and early summer.
- ✓ Many visitors year-round with the aim to **mountain climb or trek**, taking advantage of the site location at the foot of the Yasugatake mountain range.

● Distinctive vegetation

- ✓ **Larch forest**: Distinctive vegetation in the area, and is highly regarded as “Larch Gold” for its beautiful fall foliage.
- ✓ **Water oak community**: Common vegetation in the area and includes many species with excellent fall foliage.
- ✓ **Lingonberry-Pumila pine community**: Common alpine vegetation in the area and meets the needs of mountain climbers.

● Quantitative evaluation of dependencies

- ✓ Whether this distinctive vegetation is abundant even at a national scale is quantitatively determined by analyzing the **characteristic (i.e., abundant) species**, mainly the above vegetation, in and around Tokyu Resort Town Tateshina, based on the organism distribution big data of Think Nature Inc.. Specifically, the "lift values" on the right were calculated.

● Determination of characteristic species due to lift value

- ✓ Value that shows how many times the population of the species in the analyzed area (“Tokyu Resort Town Tateshina” and Chino City) is larger than the population of the species in all of Japan.
- ✓ **A Value > 1 indicates many areas that are suited as habitats compared to all of Japan.**

Name	Tokyu Resort Town Tateshina	Chino City
Larch	14.2	11.2
Panicle hydrangea	4.1	4.0
Wild vine	3.7	3.0
Goldenrod	3.4	3.2
Water oak	1.5	0.8
Redvein maple	4.2	3.8
Pumila pine	10.2	9.7
Lingonberry	9.8	10.1
Rowan	12.6	11.8
Erman’s birch	5.7	4.6

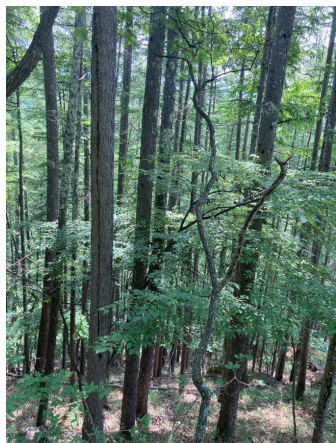
Evaluation of nature dependencies as tourism resource (results)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Analysis result : Larch forest

“Tokyu Resort Town Tateshina” has **abundant larch**, even at a national level, **to the extent that the site could be called the center of the larch distribution area**. Larch is an **endemic species in Japan** and is the only deciduous conifer; hence, fresh greenery can be enjoyed in the spring, and fall foliage can be enjoyed in the autumn. Characteristic vegetation in larch forests also included plants that bring color to the foothills, such as panicle hydrangea, wild vine, and the beautiful flowering goldenrod. These **abundant vegetation** and their resulting **beautiful scenery increase the appeal of “Tokyu Resort Town Tateshina” as a tourist site** and support the business in terms of the **maintenance and increase of the exchange population of visitors and related populations**.

Predicted larch distribution area (green)



Larch
(Source: Think Nature Inc.)



(Source: Think Nature Inc.)

"Tokyu Resort Town Tateshina" is an area that can be called the center of larch distribution area



Panicle hydrangea
(©Hedwig Storch/Licensed under CC BY-SA 3.0)



Larch fall foliage (Larch Gold)



Wild vine
© Anonymous Powered /Licensed under CC BY-SA 3.0



Goldenrod
(Source: Regional Environmental Planning Inc.)

Evaluation of nature dependencies as tourism resource (results)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

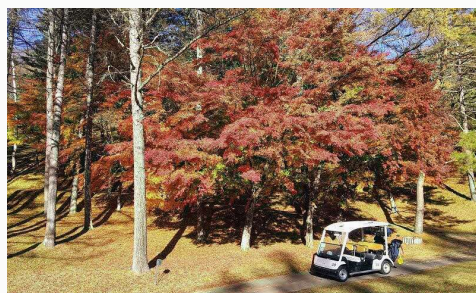
The following characteristics were found for Mizunara (*Quercus crispula*) and Japanese stone pine (*Pinus pumila*). These species are **abundant** and create **beautiful scenery that enhances the tourist appeal** of Tokyu Resort Town Tateshina, and support the business in terms of **maintaining and increasing the number of visitors and related populations**.

Mizunara

Although not particularly abundant in Chino City, Mizunara is abundant in Tokyu Resort Town Tateshina. Mizunara is among a community of **plants with rich autumn foliage**, such as maple trees and oaks.



Mizunara (Source: Think Nature)



Autumn foliage at Tokyu Resort Town Tateshina



Honshū maple

Japanese stone pine

Areas with high habitat suitability are distributed to the east of Tokyu Resort Town Tateshina, consistent with the ridgeline of the Yatsugatake mountain range. Chino City is characterized by an abundance of Japanese stone pine, an alpine vegetation, which occurs nationally. The lingonberry-Japanese stone pine community is rich in lingonberries and other plants with rich autumn foliage, such as Erman's birch. This type of **alpine vegetation is thought to attract climbers**.



Japanese stone pine
(©Σ64/Licensed under CC BY-SA 3.0)



Erman's birch (©Agnes Monkelbaan/Licensed under CC BY-SA 4.0)



Lingonberry (Source: Regional Environmental Plan)



Erman's birch, autumn foliage (©Sten Porse/Licensed under CC BY-SA 3.0)

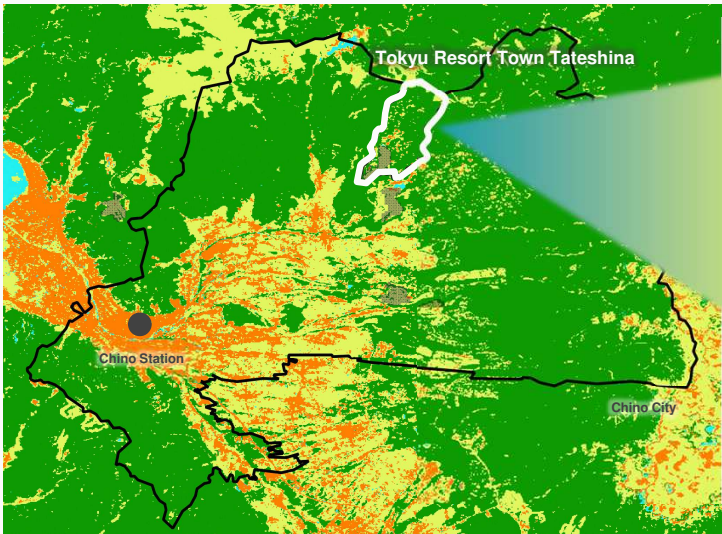
Quantitative evaluation of impacts due to land use (methods)

Among the impacts due to the business, **the impact of land alteration and occupation from facility development and operations** was evaluated as an important impact that may influence ecosystem services and change forest ecosystems and scenery. Specifically, a **quantitative analysis** of the **change in forest areas since the start of development** by our company was conducted in collaboration with Think Nature Inc..

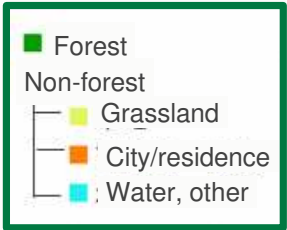
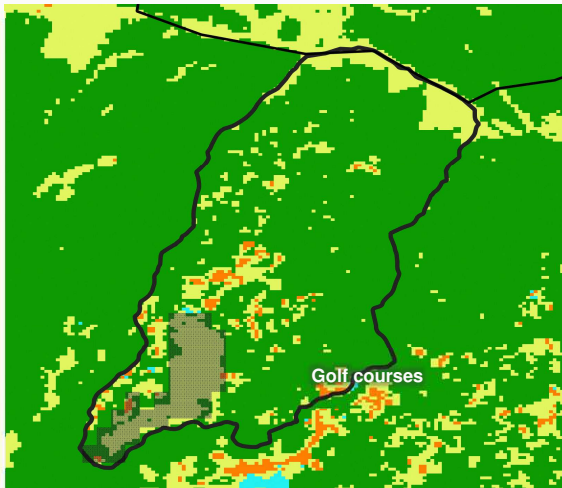
Target	Tokyu Resort Town Tateshina
Method	High-accuracy aerial images from 1973 and 1975 and satellite images from 1985 onwards were used alongside machine learning* with AI to provide an estimated classification of forests and non-forests and the trends in forest area change were quantitatively analyzed.

Source) Think Nature Inc.

Estimation of forest area from satellite images (entirety of Chino City) (2023)



Tokyu Resort Town Tateshina site (2023)



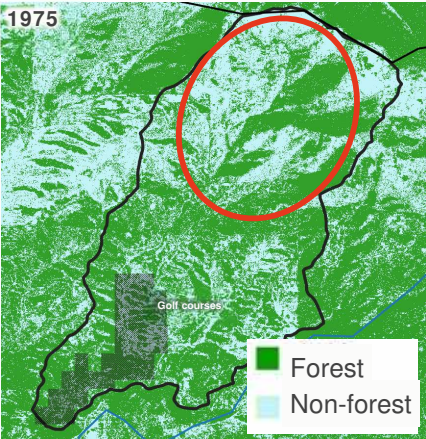
Shaded area: area identified as golf courses on 1991 land use map

*Machine learning: Method of data analysis where a computer uses a large quantity of data to learn rules and make predictions and decisions based on those results.

Quantitative evaluation of impacts due to land use (results)

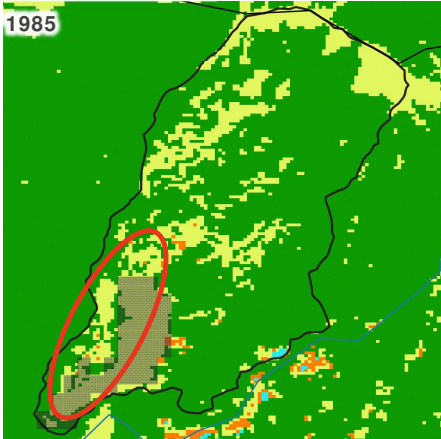
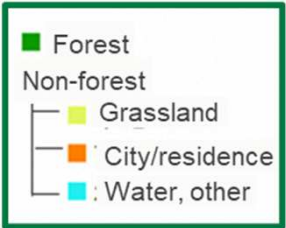
The change in forests over time is as shown in the figures below. **Around 1975, at approximately the time of land acquisition, there were many non-forest areas centered in the north of the site.** The state of the forest **changed due to forest recovery**, as well as **the development of facilities and vacation homes.**

Source) Think Nature Inc.

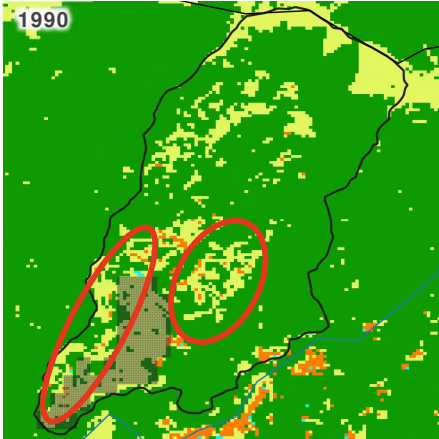


The area was used as a grass-cutting field in the pre-WWII and WWII periods and as a reforestation and afforestation site for timber in the post-WWII period*. Around 1975, at approximately the time of development, non-forest areas were noticeable due to the impact of felling for firewood and charcoal (in the circled area).

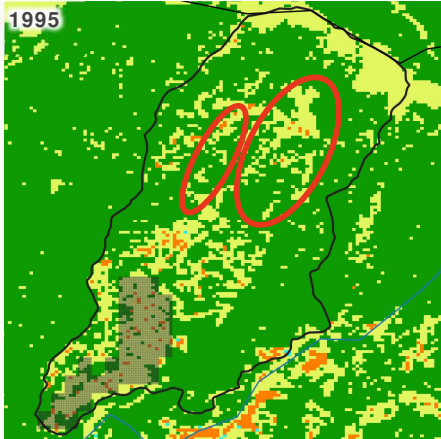
*From references 6) and 7)



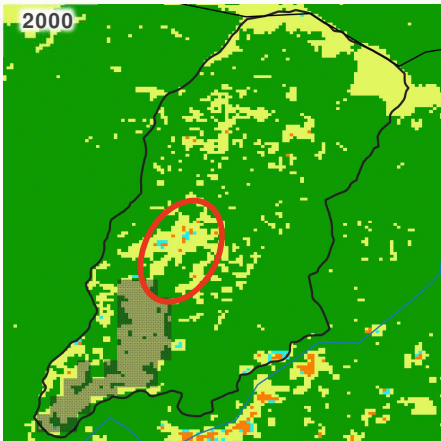
Construction of vacation homes and development around golf courses proceed in the circle, while forest recovery proceeds in the north.



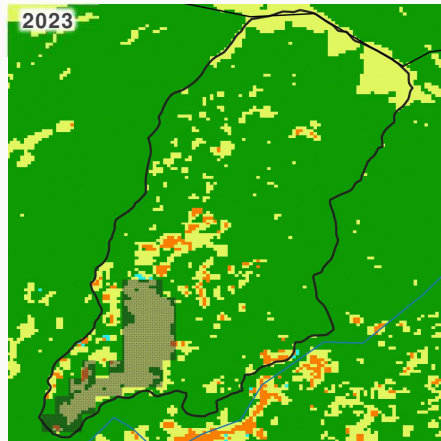
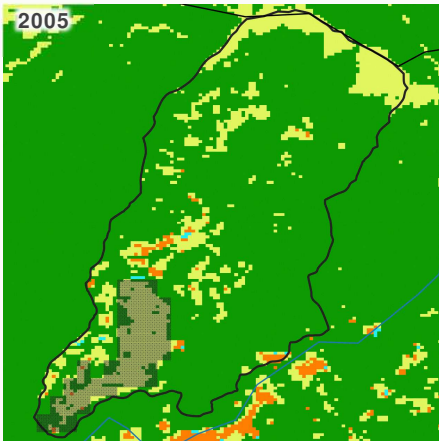
Construction of vacation homes and villa proceeds in the circles, as well as forest recovery in the northwest area and golf courses.



The construction of vacation homes and villas in the circles led to road construction as well as forest decline.

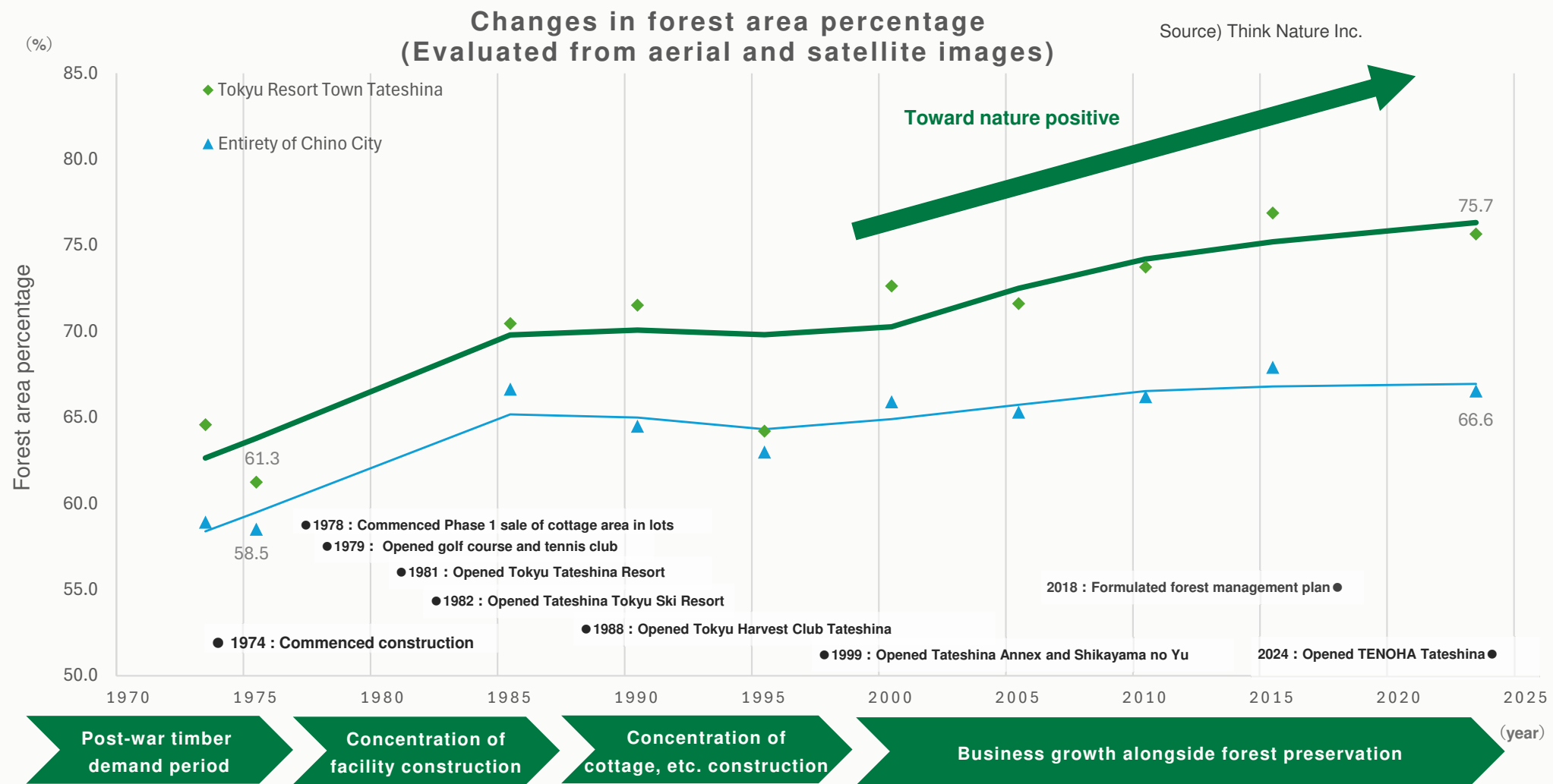


Construction of hotels and other structures continued within the circle in the 2000 image, but a subsequent tendency toward forest area recovery was confirmed.



Quantitative evaluation of impacts due to land use (results)

Results of analyzing the forest state showed that the **change in forest area percentage in Tokyu Resort Town Tateshina** was as follows: although the forest area has declined due to the construction of golf courses and vacation homes, **the overall trend is toward recovery**, and the current status is that the area is in its most recovered state, as well as the fact that the business operations, which have simultaneously maintained and recovered forests, are **contributing to nature positive as a result of our company’s resort development and operations**.



Quantitative evaluation of positive impacts due to forest management (methods)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Our group has **formulated a forest management plan* at Tokyu Resort Town Tateshina in 2018** based on the forest management plan of Chino City and is engaged in **thinning- and reforestation-based forest management**. Meanwhile, given the increasing age of the trees that constitute the forests, our group is considering forest management that incorporates not only thinning and reforestation, but also partial clear-cutting of old-growth larch forests and their reforestation. Therefore, a quantitative evaluation was conducted on the impact of future forest management on biodiversity.

Specifically, a quantitative analysis was conducted in collaboration with Think Nature Inc. of the “number of species”, which is an indicator of the state of forest biodiversity, while considering the forest vegetation and management state to examine shifts from the past and the **impact of forest management on the number of species**.

A comparative analysis was conducted on a pattern of forest preservation activities where 2 ha of old-growth forest is clear-cut every year and reforested, and a pattern of no thinning or clear-cutting and leaving the process to natural transitions, for a larch forest.

Overview of quantitative analysis

- An analysis was conducted on how the number of species changes in the future due to the following two management method patterns in a larch forest based on biodiversity big data of Think Nature Inc. :

Pattern	Assumed future management	What will be learned
1. Forest management: Clear-cutting of some old-growth forests and reforestation, forming a mixed broadleaf forest	Clear-cutting of 2 ha of old-growth forest (at least 80 years old) every year and planting broadleaf trees to slowly transition to mixed forest	Impact of small-scale clear-cutting and reforestation over long-term on biodiversity
2. No forest management: Left to natural transition (left alone)	No forest management (no thinning or clear-cutting) and leaving to natural transition	Impact of absence of human influence and leaving forest as is on biodiversity

*Felling: cutting down unnecessary trees.

*Thinning: felling some trees depending on crowding extent to reduce competition between trees being grown.

*Clear-cutting: felling a certain group of trees that constitute a forest all at once.

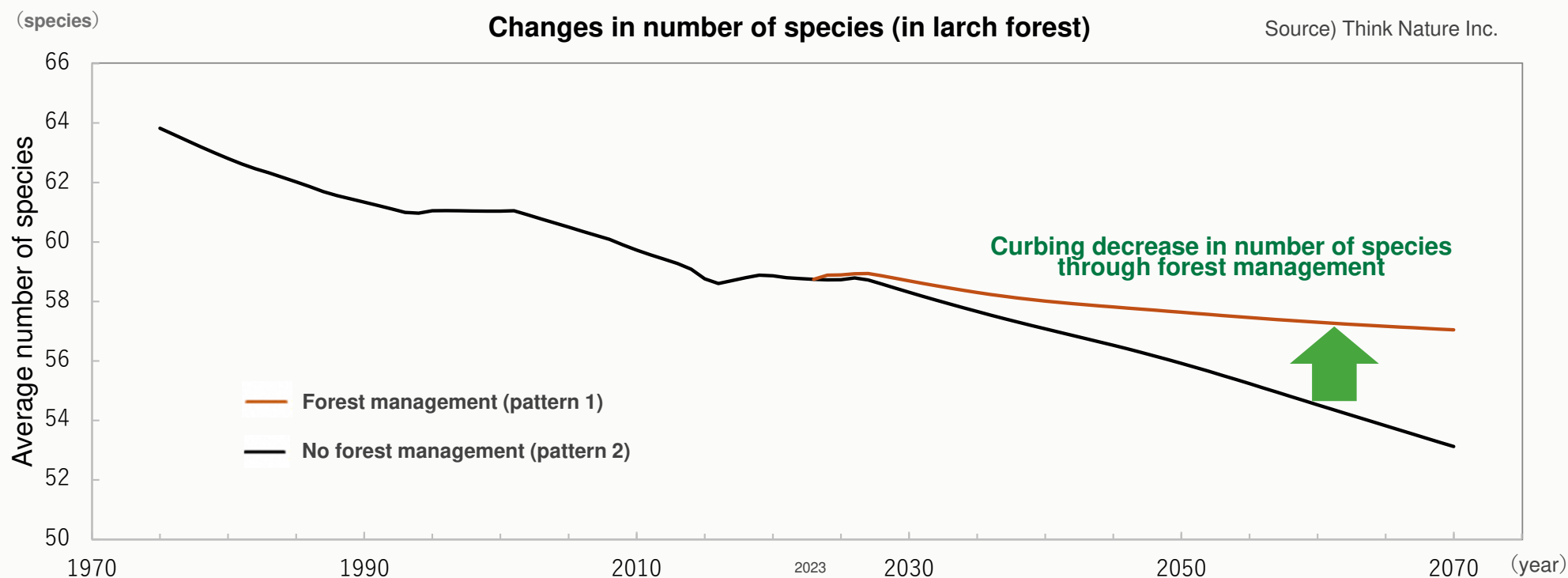
Quantitative evaluation of positive impacts due to forest management (results)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Evaluation of biodiversity impacts through forest management

Normally, the aging of forest trees over time decreases the number of species in a forest. Although **forests have been created with abundant fall foliage and excellent scenery** due to **our company's development that limits deforestation and our planting and preservation of larch forests since the start of development**, there has been progressive aging of forests, with an average age of at least 80 years, entering a **phase of declining number of species** (figure below, until 2023).

Meanwhile, as shown in the figure below, in the larch forest, the management method of **clear-cutting and reforesting some old-growth trees to form a mixed broadleaf forest** (pattern 1) could **suppress the decline in the number of species** more than the method of not conducting forest management and leaving the process to natural transitions (pattern 2) (figure below, from 2023 onwards). These results will also be used as a reference to strive toward the preservation of biodiversity in the future through appropriate forest management, such as the continuation of thinning, but also partial clear-cutting and reforestation.



*Average number of species: value determined by dividing the larch forest into 30 m square grids (frames), analyzing the number of species contained within each grid, and calculating a simple average for all grids.

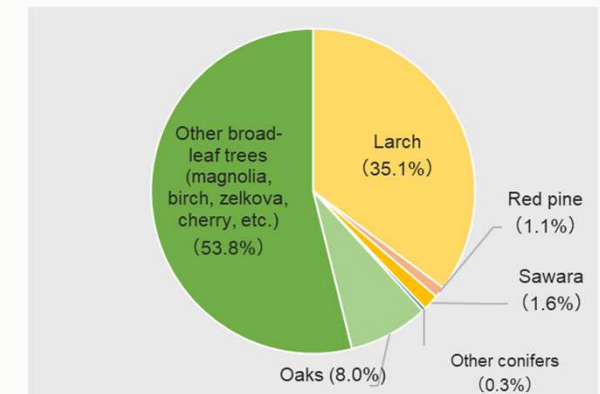
Positive impact on multifunctional roles of forests (carbon absorption function)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

The amount of CO₂ absorption through the forest in “Tokyu Resort Town Tatehina” was calculated to determine the “forest carbon absorption function”, one of the dependent nature functions.

Target	“Tokyu Resort Town Tatehina” forests (forest area: approx. 588 hectares)
Method	Use of Forestry Agency’s “Carbon dioxide absorption and fixation amount ‘visualization’ calculation sheet”
Data sources	Forest registers and forest plans owned by our company or disclosed by Nagano Prefecture

Forest composition



Overview of visualization sheet	
Item	Details
Creation and disclosure	Forestry Agency
Characteristics	<ul style="list-style-type: none"> ◆ Calculate and display CO₂ absorption amount through forest preservation, such as J-Credit system or prefectural certification ◆ Calculate CO₂ absorption amount by inputting site location, tree species, age class (forest age: 5-year units), area, etc.
Formula	Annual CO ₂ absorption amount per hectare = ① Annual trunk growth per hectare × ② Expansion factor × (1 + ③ Underground ratio) × ④ Bulk density × ⑤ Carbon content × ⑥ 44/12
Definitions of factors	① Annual trunk growth per hectare: the volume that tree trunks in one hectare grows per year (m ³ /ha) ② Expansion factor: factor for adding volume of tree branches ③ Underground ratio: ratio of tree root volume to aboveground volume (trunk + branches) ④ Bulk density: factor for converting the volume of wood to weight (t/m ³) ⑤ Carbon content: percentage indicating the amount of carbon per ton of wood weight ⑥ 44/12: factor for converting carbon amount to carbon dioxide amount

Positive impact on multifunctional roles of forests (carbon absorption function)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

CO2 absorption amount by forests (single year)

Analysis results showed that, **per year**, the entire forest of “Tokyu Resort Town Tateashina” **absorbs 892 t of CO₂**, equivalent to the annual household emissions of **approximately 240 general households (*)**.

CO ₂ absorption amount	Absorption amount by species		Total
	Larch	Other species	
Annual estimated value (t-CO ₂ /yr)	340	552	892
Annual estimated value per hectare (t-CO ₂ /ha/yr)	1.6	1.4	1.5

Forest CO2 absorption amount (cumulative)

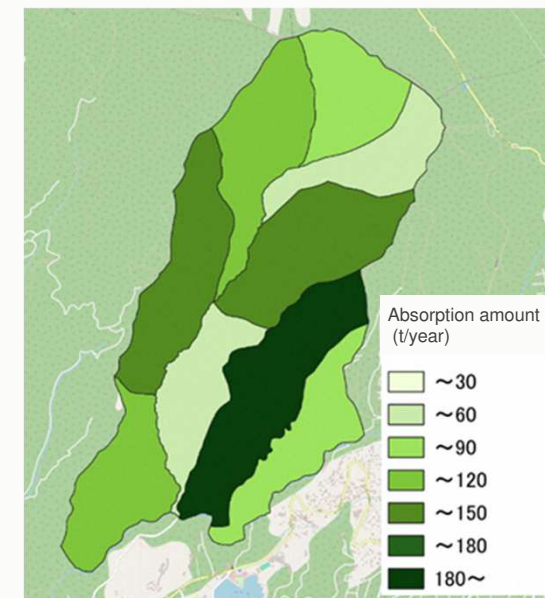
Based on the assumption that the forest area and species composition remain unchanged, with the tree age changing over time, the previous status of the forest was estimated, and the cumulative CO₂ absorption amount from development (around 1974) to 2023 was calculated.

Calculation results showed that **a cumulative total of approximately 74,000 t of CO₂ was absorbed** in the entire forest of “Tokyu Resort Town Tateashina.” This is equivalent to an annual average of approximately 1,480 t of CO₂, which is equivalent to the annual emissions of approximately 400 households.

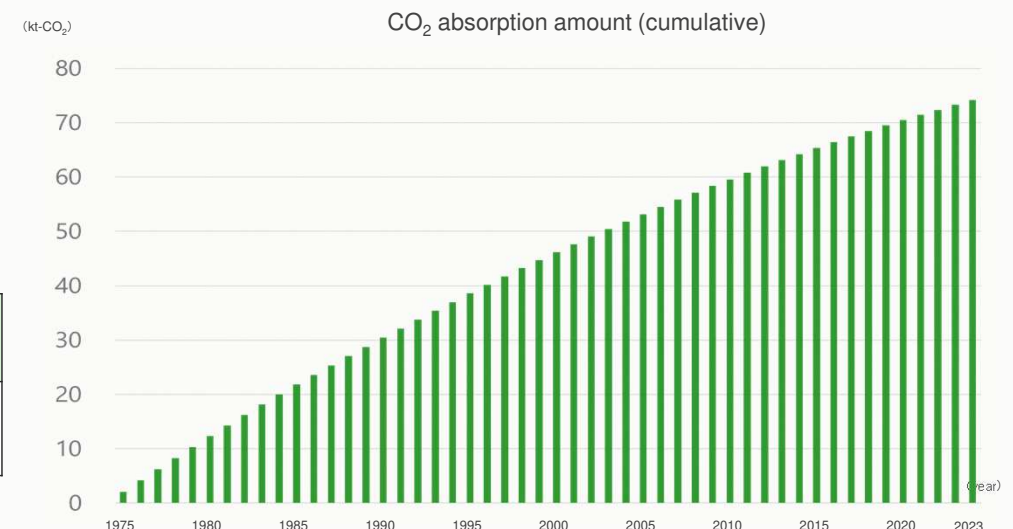
Cumulative CO ₂ absorption amount	Absorption amount by species		Cumulative total
	Larch	Other species	
Estimated cumulative amount from 1974 to 2023 (t-CO ₂)	31 k	43 k	74 k

* Calculated from amount of CO₂ emissions per household from “Japan Greenhouse Gas Inventory (FY2021)”

CO2 absorption amount (by area)

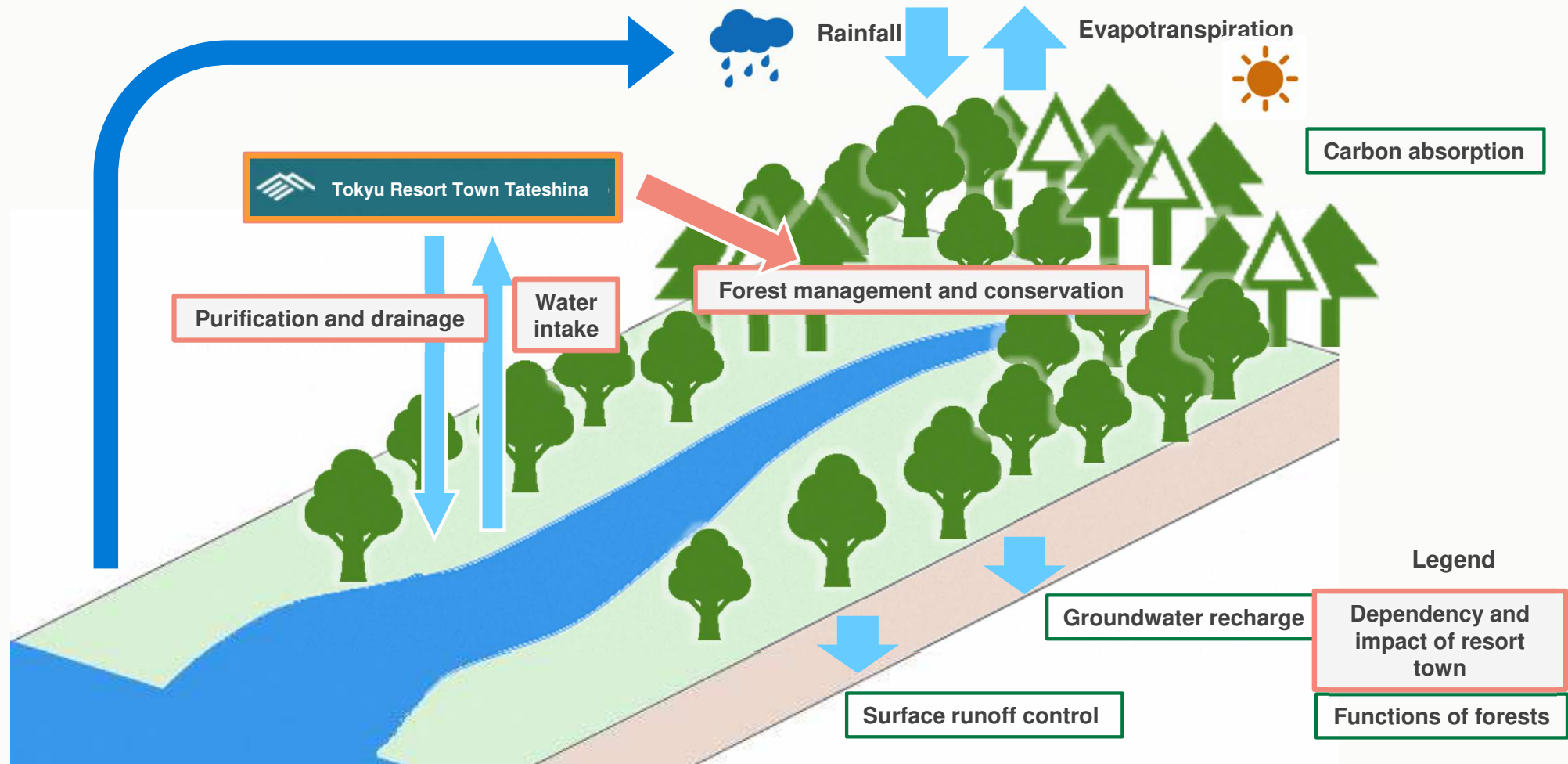


Absorption amount varies even within each location due to different tree species and age compositions in each area.



Positive impacts on the multifunctional role of forests (overview)

Tokyu Resort Town Tateishina receives its water from rivers and groundwater, which is maintained by natural forests. Forests have **multiple functions**, including **carbon absorption**, **groundwater recharge**, and **surface runoff control**, and have been integral to the sustainable development of Tokyu Resort Town Tateishina over the last 50 years. Tokyu Resort Town Tateishina not only purifies the water it uses but also conserves forests and water resources through proper forest management, including thinning. **Owing to its dependency and impact on forests, Tokyu Resort Town Tateishina has important impacts on the water cycle.**



Positive impact on multifunctional roles of forests (groundwater recharge)

Climate

Governance

Strategy

L

E

Nature

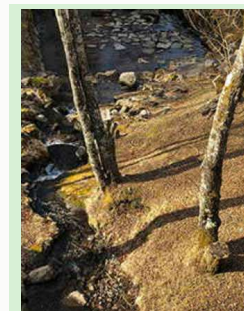
Risk/impact
managementMetrics/
targets

A

P

Tokyu Resort Town Tateshina is a **self-sufficient resort facility that has its own water supply. It draws water from multiple natural water sources within the town to supply the entire town with tap water.** The groundwater recharge function of the town's forests plays an important role in securing and supplying sustainable water resources.

The **relationship between the forest groundwater recharge function and town's overall water intake** was quantitatively assessed using the water cycle simulator "GETFLOWS" for the forests within the town with the cooperation of Geosphere Environmental Technology Corp., a company that performs comprehensive watershed water-cycle analysis and provides scientific solutions to water problems.



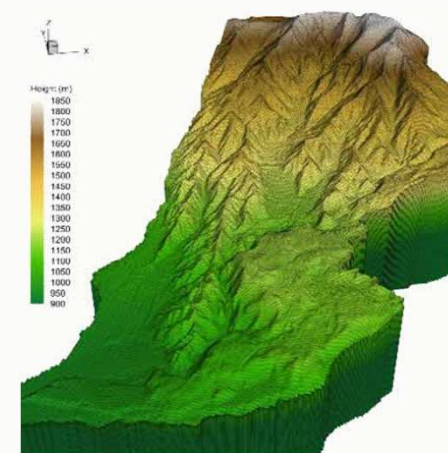
Water source

- ✓ Water is drawn from three springs and surface water sources within the town, filtered, and sterilized, and then supplied at 800-900 tons/d and as much as 2200 tons/d during the peak season.
- ✓ The upstream river and filtration ponds are cleaned three times a year, and six water reservoirs are maintained daily.

***Groundwater recharge:** Rainfall seeps into the ground and is retained by forest soil. Rainfall in forests passes through the forest canopy and soil, is stored in the gaps in the soil, and slowly flows out into rivers, contributing to "flood mitigation" and "water resource storage." Water that passes through the ground is also filtered, which is expected to provide a "water purification" function.

Quantitative analysis

- Geosphere Environmental Technology Corp. constructed a "water circulation model" reflecting the weather conditions (precipitation, etc.), topography, land use, geology, and forest conditions (tree species, height, density, etc.) of the surrounding area including Tokyu Resort Town Tateshina.
- The model quantitatively analyzes the flow paths of surface water and groundwater in the target area and the amount of water recharge (water that seeps into the ground, calculated after considering precipitation, geological conditions, and evapotranspiration for each tree species).



Model of study area (color-coded by altitude)

Positive impact on multifunctional roles of forests (groundwater recharge)

Climate

Governance

Strategy

L

E

Nature

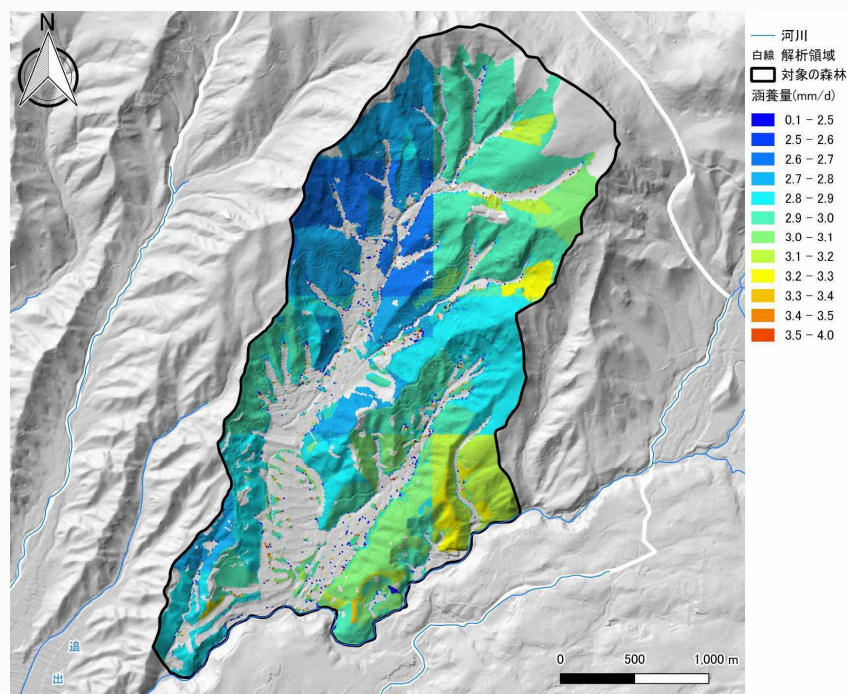
Risk/impact
managementMetrics/
targets

A

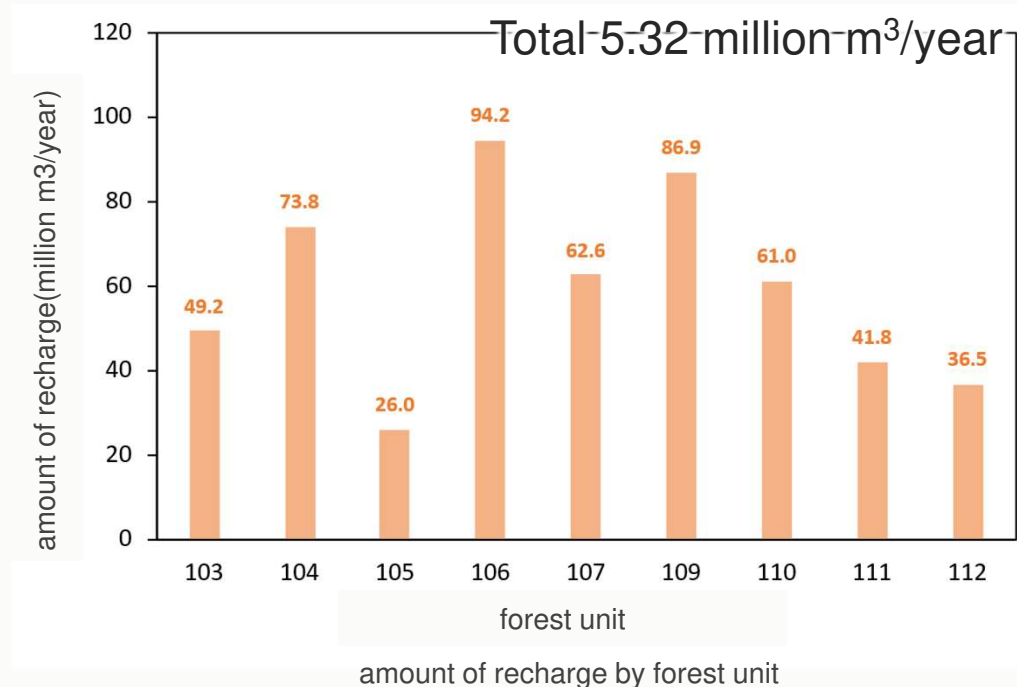
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Analysis results

- The amount of water recharge in the target area varied depending on the topography, precipitation, tree species, and other forest conditions (including evapotranspiration).
- The **total amount of water recharge** was **5.32 million m³/year**. The **annual water usage in Tokyu Resort Town Tateshina** was approximately **160,000 m³** (FY2023 results), which is only 3.1% of the total recharge volume, and all water usage within the town was supplemented through recharge within the town, indicating the high sustainability of the groundwater resources.
- If forest cover decreases, surface runoff will increase and reduce the groundwater recharge (storage capacity). Tree thinning is beneficial to properly maintain the soil and promote rainwater infiltration. These findings suggest that **water recharge and usage within the town can be sustainably used in various business activities while properly managing and protecting the forests**. The groundwater recharge function also contributes to flood mitigation, groundwater storage, and water purification, and is thought to reduce natural risks.



Distribution of groundwater recharge in Tokyu Resort Town Tateshina



Source) Geosphere Environmental Technology

Positive impact on multifunctional roles of forests (surface runoff control)

Forest soil plays an important role in groundwater recharge and forest ecosystem conservation, while surface runoff has a negative impact on groundwater recharge, water quality, and ecosystem health.

We quantitatively assessed the **extent to which surface runoff is controlled by the forests of Tokyu Resort Town Tateshina**.

Method

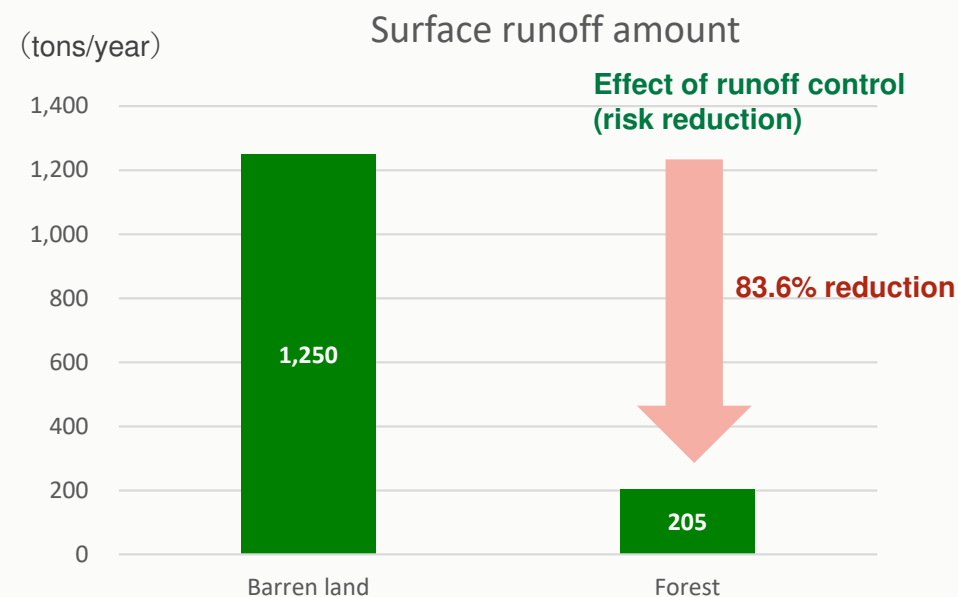
- We used the universal soil loss equation (USLE), a method commonly used to predict surface runoff amounts, to analyze the difference in surface runoff between forests and barren land.

<USLE>

- Developed mainly by the US Department of Agriculture and adopted as the agricultural land conservation standard. It is also included in the “Land Improvement Planning Guidelines” in Japan.
- This equation assesses the average annual amount of surface runoff based on the rainfall, soil characteristics (coefficients related to runoff such as soil permeability), slope length and inclination, and surface vegetation.

Analysis results

- **If the forests are maintained**, the **amount of surface runoff** in Tokyu Resort Town Tateshina would be **205 tons/year**, whereas **surface runoff would increase to 1250 tons/year for barren land**. **Business conducted under the proper maintenance of forests and other environments** reduced the amount of runoff **by 83.6%** compared to the barren land.
- Healthy tree growth maintains the soil through their properly maintained roots, and evapotranspiration regulates the amount of rainfall. Therefore, **maintaining the town's forests can effectively control runoff** and **maintain groundwater recharge while reducing the associated risks of disasters, deterioration of water quality, and destruction of the ecosystem**.



Important risks and opportunities in the hotel and leisure business (transition risks)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Based on our analysis of Tokyu Resort Town Tatehina, we examined the risks and opportunities in the hotel and leisure business. We anticipate **physical risks such as decreased appeal as a resort and tourist destination due to the deterioration of ecosystem services**, and **transition risks due to changes in regulations and market environments**, but we also identified **many nature-related opportunities**.

Classification		Major dependencies/impacts		Risk components	
Transition	Risks	Policies and regulations	Use of other resources, waste	● Increased costs associated with plastic replacement and food waste reduction due to the strengthening of regulations regarding the circulation of plastics and reduction of food waste	
			Use of water resources	● Restrictions on water use rights to protect river water resources	
			Water pollution	● Tightened regulations on wastewater	
			Use of terrestrial ecosystems, use of other resources	● Rising prices of agricultural, livestock, and marine products served at resort facilities and restaurants due to regulations for nature conservation (e.g., restrictions on catches), restrictions on land conversion both domestically and overseas, and increasing demand for sustainable agriculture	
		Technology	CO ₂ emissions, use of water resources	● Increased costs due to the introduction of new equipment and technologies for efficient use of water resources and water conservation, such as energy-efficient small-scale decentralized water circulation systems	
		Market	Resource use	● Increased procurement costs due to increased demand for sustainable certified products and the adoption of sustainably produced food (agricultural, livestock, and marine products) and amenities at hotels and restaurants ● Rising prices due to increased demand for certified products and sustainable alternatives (biomass plastics, etc.)	
		Reputation	Land use modification and water resource use in terrestrial ecosystems	● Deterioration of reputation due to development and occupation of land by facilities and large-scale water resource use	
			Introduction of invasive species, ecosystem disruption	● Deterioration of reputation due to the introduction and spread of invasive species and the associated adverse effects on native flora and fauna	

Important risks and opportunities in the hotel and leisure business (transition opportunities)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Classification		Major dependencies/impacts	Opportunity components
Transition	Opportunities	Resource efficiency	<ul style="list-style-type: none"> Reduced CO₂ emissions from biomass boilers using thinned wood, reduced energy costs, and reduced costs associated with water-efficient technologies
		Capital	<ul style="list-style-type: none"> Acquisition of J-Credits through proper forest management and carbon absorption initiatives
		Products and services	<ul style="list-style-type: none"> Sale of wood products and native aromatic goods made from larch wood generated during thinning
		Reputation	<p>Reduction of negative impacts such as land alteration and occupation, pollution, resource use, and waste discharge</p> <p>Positive impacts on ecosystems (and ecosystem services) through proper forest management, biological monitoring, and species protection</p> <ul style="list-style-type: none"> Positive impacts associated with the preservation and increase in plant and animal species richness through proper forest management, certification as a nature-coexistence site, improved reputation from biopreservation initiatives Improved reputation from resource circulation and sustainable resource use, such as the introduction of compost and use of plant-based materials in amenities Improved relationships and reputation with the local community by reducing the impact on the surrounding natural environment during development Improved relationships with local government by contributing to a circular society and ecologically minded sphere Improved profits and reputation through business activities that utilize the unique regional natural attractions (including increased regional awareness and tourist appeal) Improved reputation through contributions to the brand value and profits of regional forestry services by expanding the uses of thinned larch lumber
		Protection, restoration, and regeneration of nature	<ul style="list-style-type: none"> Contribution to improving ecosystem services, such as groundwater recharge and landslide prevention through proper forest management Protection of nature through invasive plant and animal eradication Indirect positive impact on nature by raising environmental awareness among facility users through various experiences (adventures in the forest, glamping, trekking, bird watching, etc.)

Important risks and opportunities in the hotel and leisure business (physical risks)

Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

Classification			Major dependencies/impacts	Risk components
Physical	Risks	Acute/ chronic	Water resources	<ul style="list-style-type: none"> Water resource shortages due to river pollution caused by development in the surrounding areas; reduced water recharge capacity of local forests
			Water resource supply, pollination, and climate regulation	<ul style="list-style-type: none"> Water shortages in agricultural, livestock, and feed production, among other industries, and rising food prices at hotels and restaurants due to extreme and abnormal weather and disasters Seafood shortages and price increases due to deterioration of marine and river ecosystems and reduced catches
			Soil and sediment retention, storm damage mitigation, and climate regulation	<ul style="list-style-type: none"> Increased risk of landslides and floods due to forest degradation associated with development in the surrounding area Landslide and flood risk due to deterioration of local forests under inadequate forest management Increased risk of damage to facilities and harm to visitors/users due to increased risks of wind and flood disasters caused by climate change
			Climate regulation, natural population and habitat maintenance, and cultural services	<ul style="list-style-type: none"> Impact on our net zero transition plan due to a decrease in the forest CO₂ absorption capacity Loss of seasonal scenery and natural phenomena serving as important tourist attractions due to rising temperatures caused by climate change, and a decrease in resort appeal Impact on ski resort operation due to a decrease in snowfall and shortened snowfall period caused by climate change Decrease in biodiversity of birds, fish, plants, etc. due to anthropogenic impacts such as climate change and development, and insufficient forest management, reducing the appeal of nature-based activities (hiking, bird watching, etc.) Deterioration of landscape aesthetic due to an increase in invasive species and animal damage in the region and facilities, reducing the tourist appeal of the resort for nature-based activities and outdoor therapy Deterioration of the water quality of rivers and lakes due to human activities such as corporate development, resulting in a decline in tourism

Strategy

-Nature-related analysis based on the LEAP approach-

Risks and opportunities in other businesses

Important risks and opportunities in other businesses

We expect the below nature-related risks and opportunities for fields other than urban development and hotel and leisure businesses. There are various risks, but new business opportunities are also expected.

Classification		Risks and opportunities	
Transition	Risks	Policies and laws	<ul style="list-style-type: none"> Tighter regulations on land modification for nature conservation and greening of buildings (strategic investment, management and operation services) Shortage of biomass fuel and price hikes due to forest conservation regulations (strategic investment services) Shortage of building materials and lumber, etc., and increased procurement costs due to the tightening of regulations around land modification and resource extraction (strategic investment, management and operation services)
		Reputation	<ul style="list-style-type: none"> Lawsuits and criticism against development that may negatively impact the local ecosystem and ecosystem services (strategic investment, management and operation services) Criticism against the negative impact of powerplants on the ecosystem (strategic investment services)
	Opportunities	Protection, restoration, and regeneration of nature	<ul style="list-style-type: none"> Increasing customer preference for properties with lower environmental costs and benefits for ecosystem function (strategic investment, management and operation services) Improved relationships with local communities, consensus building during business promotion, and reputation and brand value as a company through environmentally friendly business operations (strategic investment, management and operation services)
Physical	Risks	Acute/chronic	<ul style="list-style-type: none"> Increased risk of disasters such as wind and flood damage and landslides due to environmental deterioration caused by developments by our company and other stakeholders (strategic investment, management and operation services) Shortage of water resources due to ecosystem deterioration (strategic investment, management and operation services) Decreased power generation due to a decline in natural climate regulation ability, shortage of biomass due to ecosystem deterioration, and price hikes (strategic investment services)

Risk and impact management

Identifying and assessing climate- and nature-related issues

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

Identifying and assessing climate-related risks and opportunities

Climate

- An important theme in our long-term vision (materiality) is “Create a sustainable environment,” according to which we have incorporated environmental management in company-wide policies and organized the business opportunities and risks throughout the value chain.

Understanding, integrating, and consolidating social issues

Confirming stakeholder expectations

Identifying high-priority management issues

Identifying materiality, opportunities, and risks

- We recognize the important impacts of climate change and its mitigation on our business activities, the core of which is real estate (see p. 32), and conducted a scenario analysis for our four businesses (urban development, leisure, residential, and renewable energy) to identify and assess medium- to long-term risks and opportunities, and incorporated these in our business strategy.
- The analysis was conducted for the three climate scenarios, 1.5 ° C, 3 ° C, and 4 ° C increases in average global temperatures, based on the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC).

Identifying and assessing nature-related dependencies, impacts, risks, and opportunities

Nature

- We assessed the qualitative importance of the dependencies and impacts for each business and throughout the value chain, after which we conducted a qualitative and quantitative assessment of dependencies and impacts based on regional information for our urban development business in the Greater Shibuya area and hotel and leisure business, including Tokyu Resort Town Tateshina.
- We considered the dependencies, impacts, and external environmental information, such as the National Biodiversity Strategy, and identified nature-related risks and opportunities in our hotel and leisure business, including Tokyu Resort Town Tateshina, an urban development project centered around the Greater Shibuya area. We identified the risks and opportunities that are of particular importance to our business activities. We are also working on a scenario analysis and assessment of the risks and opportunities in future scenarios.

Analysis of dependencies and impacts

- Characterizing dependencies and impacts in all businesses and value chains
- Detailed assessment of dependencies and impacts in the “Greater Shibuya Area” and “Tokyu Resort Town Tateshina”

Collecting information on the external environment

- Collecting information on the external environment, such as policy direction

Identifying risks and opportunities

- Identifying risks and opportunities based on dependencies and impacts
- Identifying factors with high qualitative importance

Management for climate- and nature-related issues

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

Management for dependencies, impacts, risks, and opportunities

Climate Nature

- We established a Sustainability Committee directly under the President and CEO, which plans and assesses company performance on important climate- and nature-related issues, and reports the results to the Board of Directors.
- The Group Sustainability Promotion Department, which serves as the secretariat for the Sustainability Committee, and each business division set their goals, manage their performance, and share information on climate-, nature-, and biodiversity-related issues. The department ensures proper reporting in accordance with relevant laws and regulations to actively reduce GHG emissions, waste emissions, and negative environmental impacts associated with the various business activities, while working to expand their benefits.
- We formulated the Sustainable Procurement Policy in January 2020, and currently focused on mitigating the risks associated with climate change and associated negative environmental impacts in the value chain by collaborating with upstream and downstream stakeholders.

Integration of climate- and nature-related risks into company-wide risk management

Climate Nature

- We identified “important risks” that have important impacts on business management.

● Important risks

- ① Investment ② Financial capital ③ Personnel and labor ④ Legal compliance
⑤ IT and digital strategies ⑥ Information security ⑦ Crisis management response ⑧ Climate change

- We also identified ESG risks, including nature and biodiversity-related issues, in an integrated manner.

● Examples of ESG risks

Climate change, biodiversity conservation, environmental pollution, waste reduction and proper disposal, resource use, water resource conservation, human rights protection, child labor prevention, community and societal contributions, employee health and safety, employee human rights, corruption, bribery, corporate governance, etc.

Metrics and targets

Climate change targets

Climate

Governance

Strategy

Nature

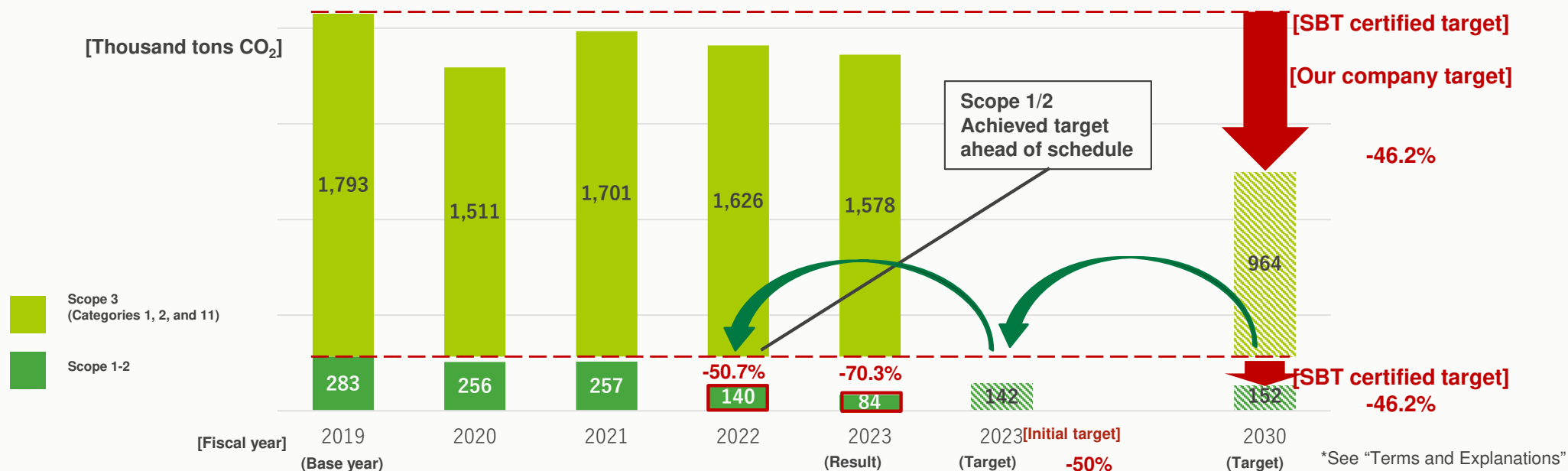
Risk/impact
management

Metrics/
targets

Commitments and goals

- Our group has set a long-term goal of reducing GHG emissions to net zero by 2050 (for which we obtained SBT net zero certification) and promotes business activities consistent with a decarbonized society.
- Important milestones include meeting the targets of Scope 1 and 2 (our company) and Scope 3* (supply chain; reduction targets: Categories 1, 2, and 11) for reducing CO₂ emissions by 46.2% in FY2030 compared to FY2019 [SBT (1.5° C level) certification], and are actively managing our CO₂ emissions.
- In our medium-term management plan, we aimed to reduce Scope-1 and -2 CO₂ emissions by 50% in FY2023, but we achieved this target ahead of schedule in FY2022.
 - The actual emissions have been verified by an independent environmental certification organization.

Emission performance with respect to target



Climate- and nature-related metrics and targets

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/ targets

We have also **established the following metrics and targets** associated with climate- and nature-related issues.

Metric				FY2030 target	FY2025 target	FY2021 result	FY2022 result	FY2023 result	
Financial metric	ROE			≥10%	9%	5.7%	7.3%	9.6%	
	ROA			≥5%	4%	3.2%	4.1%	4.2%	
	D/E ratio			≤2.0x	≤2.2x	2.3x	2.2x	2.1x	
	Operating profit			≥150 billion yen	120 billion yen	83.8 billion yen	110.4 billion yen	120.2 billion yen	
	Net income			≥75 billion yen	65 billion yen	35.1 billion yen	48.2 billion yen	68.5 billion yen	
Environmental metric	General	Environmental certification acquired *1		100%	70%	35%	48.7%	65.0%	
		Environmental initiatives adopted in business activities (cumulative)		≥100 cases	≥50 cases	22 cases	36 cases	70 cases	
	Climate change	RE100 achieved (Tokyu Fudosan Corp.)		Achieved	Achieved	-	Conversion completed	Achieved	
		Renewable energy power usage ratio		≥60%	65%	4.0%	52.9%	84.1%	
		CO ₂ emissions	Scope 1-2 (tons CO ₂)	152.4 (▲46.2%)	— 2023 (▲50%)	257.0 (▲9.3%)	139.8 (▲50.7%)	84.1 (▲70.3%)	
			Target is total amount compared to FY2019	Scope 3	—	—	1,801.7	1,739.0	1,645.3
				Categories 1, 2, and 11	964.4 (▲46.2%)	—	1,700.9 (▲5.1%)	1,626.3 (▲9.3%)	1,578.3 (▲11.9%)
	Nature	Forest conservation target		3,000ha	2,400ha	2,031ha	2,086ha	2,145ha	
		Land-use target: Building greening (rooftop, walls, etc. *2)		100%	100%	100%	100%	100%	

*1 Targets large non-residential properties (with an extension area of ≥10,000 m²). Excludes some joint ventures, etc.

*2 Large new office buildings and commercial facilities owned by Tokyu Fudosan Corp.

Climate- and nature-related metrics and targets

Metrics				FY2030 target	FY2025 target	FY2021 result	FY2022 result	FY2023 result
Environmental metric	—	Water usage (m ³)		—	—	4,866,901	5,101,092	5,386,895
		Intensity (m ³ /m ²) (compared to previous fiscal year)		Reduction from previous fiscal year	Reduction from previous fiscal year	1.4 (+7.3%)	1.7 (+19.0%)	1.8 (+9.1%)
	Pollution/ removal of pollution	Wastewater discharge (TNFD core indicator C2.1)	Total wastewater volume (m ³)	—	—	5,004,959	5,195,749	5,486,100
			Total discharge to surface water (m ³)	—	—	929,748	1,012,969	1,108,319
			Total discharge to sewer system (m ³)	—	—	4,075,211	4,182,780	4,377,781
			Total floor area of target facility (m ²)	—	—	3,444,317	3,034,240	2,936,936
		Waste generation and treatment (C2.2)	Total discharge (tons)	—	—	27,827	21,181	21,120
			Non-recycled waste discharge (tons)	—	—	10,947	13,713	12,553
			Hazardous waste discharge (tons)	—	—	86	1,040	4
			Recycled waste discharge (tons)	—	—	16,880	7,467	8,535
			Floor area of target facility (m ²)	—	—	3,289,418	2,853,448	2,642,814
			Intensity (kg/m ²) (compared to FY2019)	8.5 (FY2019 ▲11%)	—	8.5 (▲11.7%)	7.4 (▲22.5%)	8.0 (▲16.6%)
		Air pollutants other than GHG* (C2.4)	NOx (tons)	—	—	0.229	0.135	0.135
			SOx (tons)	—	—	—	0.007	0.007
	Resource use/reple nishment	Procurement of high- risk natural primary products (C3.1)	Amount of wood procured (m ³)	—	—	—	19,892	7,757
			Sustainable procurement (formwork timber)	100%	30%	0%	2.8%	9.7%

*Annual discharge at Northport Mall (Yokohama City)

*For more detailed data, please refer to the following website: <https://tokyu-fudosan-hd-csr.disclosure.site/ja/esg-data>

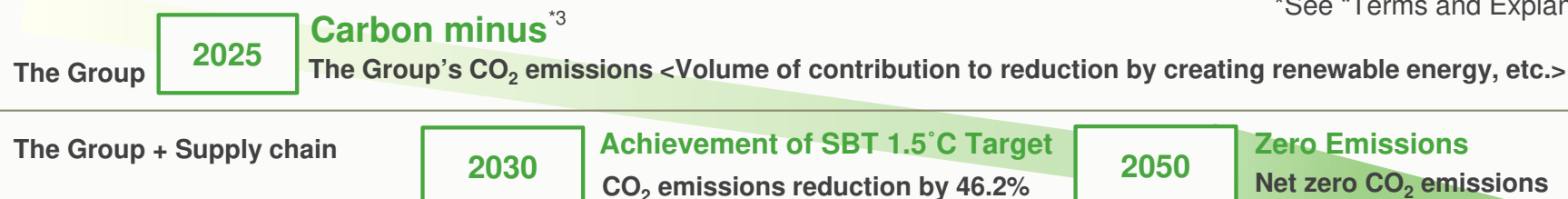
Transition plan for a decarbonized society

Development of a transition plan in line with the framework

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

- We aim to reduce the environmental impact of all our businesses and have committed to achieving net zero emissions by 2050 as toward developing a decarbonized society. We are also participating in the international campaigns “Business Ambition for 1.5 ° C” and “Race To Zero*.” In FY2024, we obtained SBT Net Zero certification.
- As a milestone, we aim to achieve carbon-negative status for our company in FY2025, the final year of our Medium-Term Management Plan 2025. Additionally, we intend to reduce our Scope-1 and -2 CO₂ emissions by 50% by FY2023 compared to FY2019, and reduce Scope-3*1 CO₂ emissions by 46.2% by FY2030 (SBT certified).

*See “Terms and Explanations”



Transition plan components	Disclosure components	Applicable pages
Governance structure	<ul style="list-style-type: none"> Roles of the board of directors and committees regarding the transition plan, management structure Remuneration and incentives 	19-20
	<ul style="list-style-type: none"> Skills, capabilities and training 	99
Roadmap and measures	<ul style="list-style-type: none"> Roadmap, measures and financing policy toward establishing a decarbonized society 	90-94
Risks and opportunities	<ul style="list-style-type: none"> Scenario analysis, risks and opportunities 	30-38
Metrics and targets	<ul style="list-style-type: none"> Climate-related metrics and targets 	86-87
Stakeholder engagement	<ul style="list-style-type: none"> Stakeholder engagement regarding the transition plan 	21, P.95-98

- Under our long-term “GROUP VISION 2030” we aim to achieve these targets while sustaining business growth. This requires the adoption of relevant initiative both within our company and supply chain as well as the development of more efficient technologies. There is also a possibility that climate change will intensify beyond our expectations and regulations will be tightened. Therefore, we will regularly monitor these trends and review our plans.
- We plan to promote our longer-term plan for achieving net zero emissions by 2050 while continuing to research technological developments and industry trends.

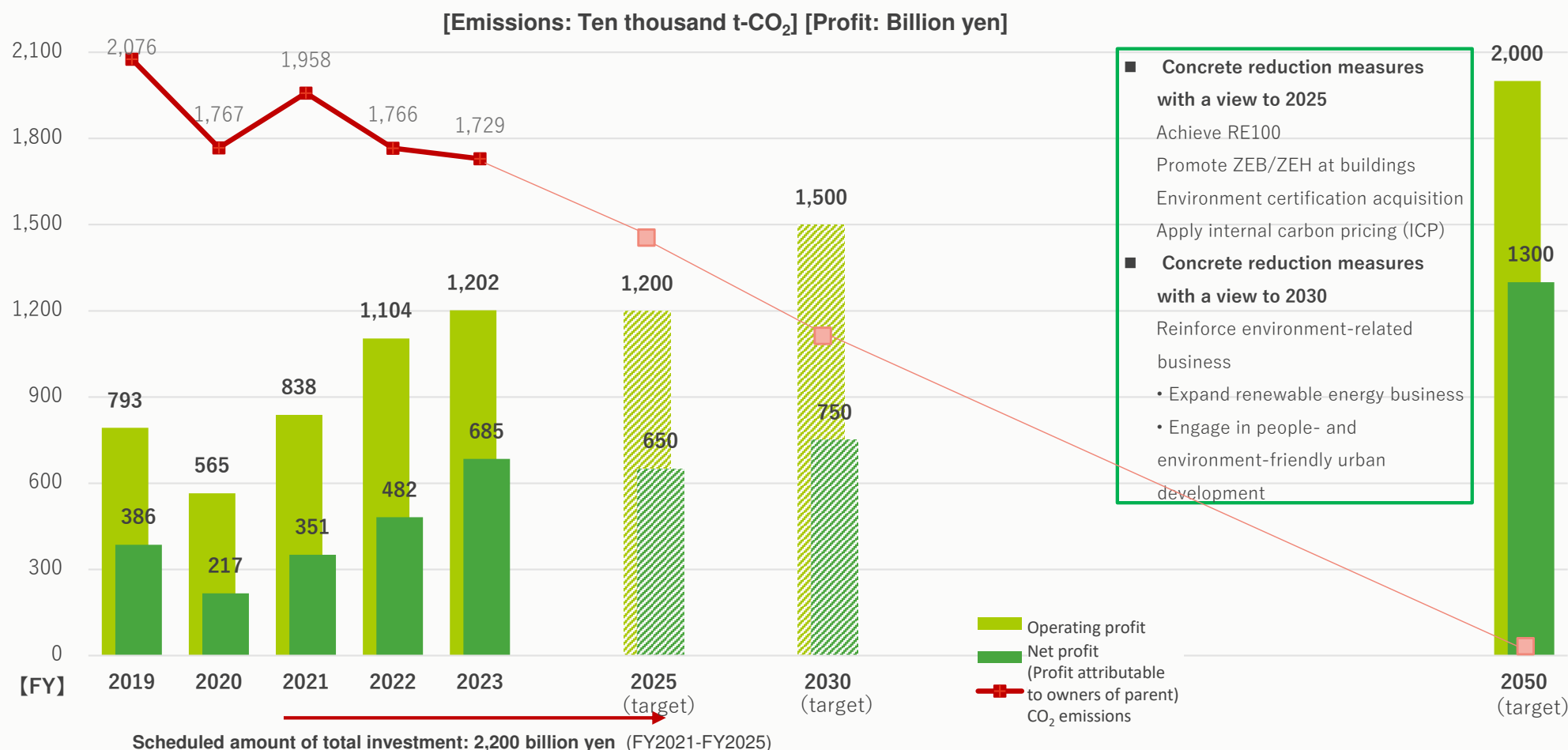
*1 Target categories 1, 2, and 11 (accounting for >90% of CO₂ emissions in Scope 3) *2 For details, see long-term “GROUP VISION 2030”

*3 Renewable energy: hereafter referred to as “RE”

Roadmap towards realization of decarbonized society

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

- The group formulated GROUP VISION 2030, the Group's long-term vision with the aim of realizing net zero emissions by the year 2050. We are already reducing CO2 emissions through efforts such as switching power used at offices of and facilities held by Tokyu Land Corporation, our core company, to 100% renewable energy, setting ZEB standards for new buildings in principle, and promoting ZEH as a standard specification at BRANZ condominiums.
- Gong forward, we will continue to pursue reductions of CO2 emmissions through our businesses and target decarbonization as a business opportunity as we aim to further reduce environmental impact through the growth of the group.



Measures for achieving a decarbonized society

- In our long-term vision, we are taking the following steps to achieve our CO₂ emission targets. The initiatives have been steadily adopted. Tokyu Fudosan Corp. achieved 100% RE use at its offices and facilities in December 2022 (*1), and in April 2024, it became the first domestic company to be RE100 certified.
- We will continue to promote the ZEB/ZEH standardization of our facilities and obtain environmental certification.

Measure	Target	Result	Topic
Scope 1, 2			
RE100	Achieved in 2022 (Tokyu Fudosan Corp.)	100% RE conversion completed in December 2022 RE100 achieved	Utilizing Japan's top-level RE generation capacity Achieved the first conversion*2 among domestic companies
Scope 3			
ZEB/ZEH standard *3	FY2025: Approximately 50% FY2030: 100%	87% achieved (FY2023)	March 2022: All new buildings conformed with the ZEB standard September 2022: All BRANZ conformed with the ZEH standard
Other measures			
Environmental certification acquired*4	FY2025: ~70% FY2030: 100%	65.0% (FY2023)	Certification examples: Properties that have acquired “5stars” in DBJ certification include Tokyo Port City Takeshiba, Shibuya Solasta, and Hibiya Park Front
ICP implementation	Introduced as part of management decisions in FY2023	Already presented at management meetings (FY2022)	*1 Excluding some joint ventures, etc. *2 According to the list at the end of the RE100 annual disclosure report 2022 *3 Percentage of facilities such as condominiums and offices at Tokyu Fudosan Corp. with building performance equivalent to or exceeding ZEB/ZEH Oriented standards (based on start of construction) *4 Covers large non-residential properties (extended floor area of ≥10,000 m2). Some exclusions include joint ventures *See “Terms and Explanations”
GX League support	Agreed with the basic conditions of the GX League* and officially participated		

Measures aimed at realizing a decarbonized society - efforts regarding renewable energy-

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

- The group implements a renewable energy business as a strategic investment business. Further expansion of power generation capacity, which is among the highest in Japan, will be promoted.

Long-term stable power supply initiatives

*See “Terms and Explanations”

Total amount of investment in renewable energy business: Approx. 240 billion yen
(5-year period between FY2021-2025)

Target for FY2025 rated capacity: 2.1 GW*¹
(Equivalent to 2 nuclear power plants*²)

Expanding power generation sources

- Entering new power generation projects such as offshore wind power
- Implementing of solar sharing
- Expanding non-FIT* businesses

Utilizing renewable energy

- Expanding electric power retail business domain
- Promoting local generation and consumption of electric power (building micro-grids, etc.)

Building co-creation relationships and developing systems

- Policy recommendations [REASP*³]
- Community coexistence [FOURE*⁴]

*1: Before calculation of equity share *2: Power generated per station calculated as 1GW

*3: General Incorporated Association for the Promotion of Long-Term Stable Power Supply from Renewable Energies

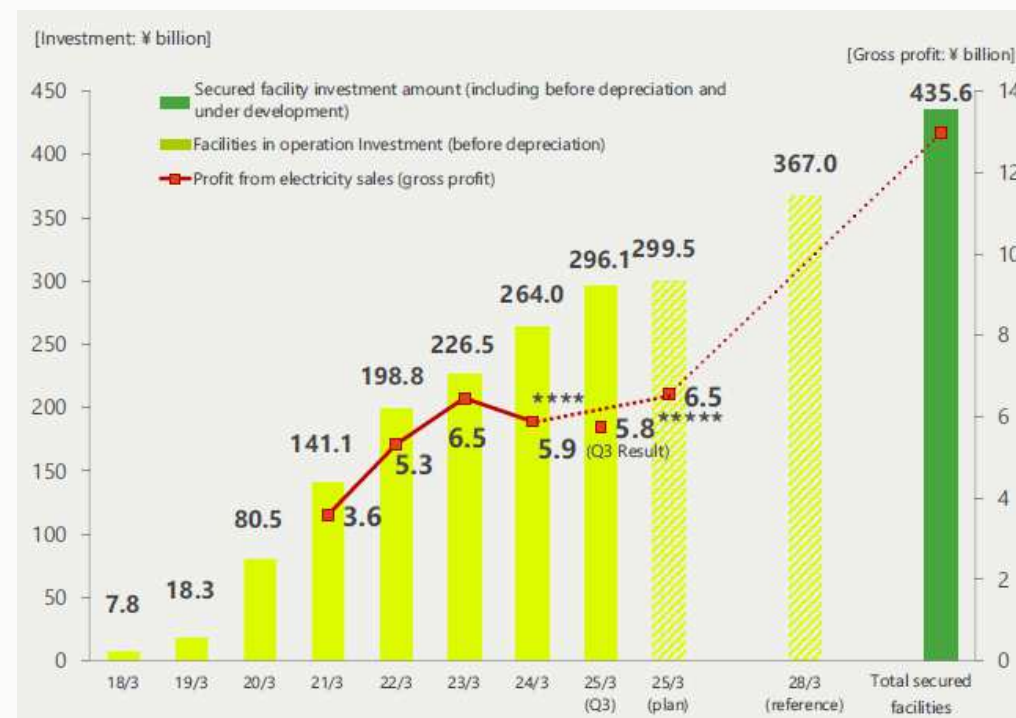
*4: General Incorporated Association for Renewable Energy Community Revitalization

Profit plan based on facilities secured and total amount of investment

[As of end of December 31, 2024] Rated capacity*⁵: 1,884MW

- Facilities in operation: 93 (83 solar power/7 wind power/2 biomass/1 rooftop)
- Facilities in development: 29 (18 solar power/8 wind power/3 biomass, etc.)

*Separate rooftop businesses: 1 (Rooftop solar power aggregated as 1 business)

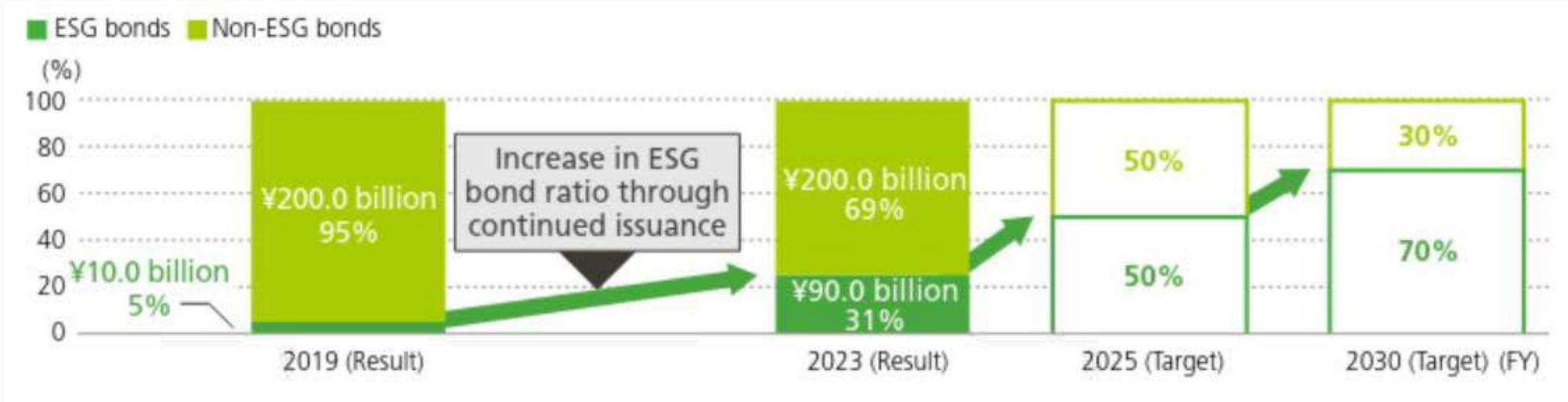


*5: Before calculation of equity share (including projects under development)

Measures aimed at realizing a decarbonized society -policy on financing-

- For us to set our sights on new business opportunities and strive for decarbonization through our businesses, financing from outside the group is imperative. To widely disseminate and promote the group's efforts aimed at climate change and other ESG and bolster both the creation of stable investment opportunities for bond investors and engagement, we **formulated the WE ARE GREEN bond policy as our basic policy for ESG bond issuance** in FY2021.
- The use of funds from ESG bonds is in line with the themes of our efforts to create value (materialities) established in our GROUP VISION 2030, the Group's long-term vision. We aim to elevate the ratio of ESG bonds to our bond issuance balance to 50% or more by the end of FY2025 and to 70% or more by the end of FY2030.

Movements in ratio of ESG bonds



Stakeholder engagement (national government / upstream)

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

Stakeholder engagement -national government-

- We take part in the provision of information and sharing of case studies (SBT, ICP and scenario analysis) through proactive participation in support projects by the Ministry of the Environment as well as in “the GX League*” organized by the Ministry of Economy, Trade and Industry. We also take part in “the ESG-TCFD Practitioner Working Group in the Real Estate Sector” organized by the Ministry of Land, Infrastructure Transport and Tourism as well as “the Scenario and Data-Related Organ Roundtable for the Purpose of Assessing Climate Change Risks and Opportunities”, which straddles multiple ministries and agencies.
- We contribute to the development of TCFD disclosure through the progressive disclosure of information. Examples of these include the selection of TCFD disclosure by the Group for inclusion among collections of case studies in “the Disclosures of Sustainability Information in Annual Securities Reports” publicly released by the Financial Services Agency and “the Guidelines on Climate-Related Financial Information Disclosure 3.0 (*1)” publicly released by the TCFD Consortium.
- Tokyu Land Corporation is active in the Renewable Energy Association for Sustainable Power Supply (REASP) from a neutral standpoint. Alongside presenting the REASP’s thoughts on “the Sixth Strategic Energy Plan” formulated by the Ministry of Economy, Trade and Industry and promoting climate change measures, we give policy recommendations on various renewable energy-related systems to the Japanese government as well as conduct associated investigations and research.



Stakeholder engagement -upstream-

- The Real Estate Companies Association of Japan, of which we are a member, announced the real estate industry’s long-term vision aimed at realizing a decarbonized society. Alongside implementing climate change measures, we give policy recommendations on various real estate-related systems to the Japanese government as well as conduct associated investigations and research.
- In order to achieve emission reduction targets pertaining to the upstream (Scope 3 Categories 1/2), it is necessary to ascertain the current situation by improving the precision of emission calculations as well as to examine and implement measures aimed at reduction. As a member of the Environmental Committee at the Real Estate Companies Association of Japan as well as the Study Group (and Subcommittee) for Manual for Calculating GHG Emissions upon Construction (tentative name), which is established within that committee, we proactively participated in the above formulation of that manual.



*See “Terms and Explanations”

*1 https://tcfd-tcfd-consortium.jp/pdf/news/22100501/TCFD_Guidance_3.0_Case_Examples_j_v2.pdf

*2 https://fdk.or.jp/k_environment/pdf/ghg_press_2306.pdf Manual image from the above release article

Stakeholder engagement (downstream)

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

Efforts for offsite corporate PPA*

- Alongside Takashimaya Co., Ltd. and DIGITAL GRID Corporation, Tokyu Land Corporation and ReENE Co., Ltd. engage in large-scale offsite corporate power purchase agreements (PPA) based on short-term agreements, a first for Japan*¹, with a view to making the swift transition to a decarbonized society and propagating renewable energy in Japan.

*1: Applies to PPA agreement services for which single-year agreements can be entered that are not based on an agreement in which the power plant and the user facility are the same corporation. (According to research by three companies (DIGITAL GRID Corporation, Tokyu Land Corporation and ReENE Co., Ltd.))



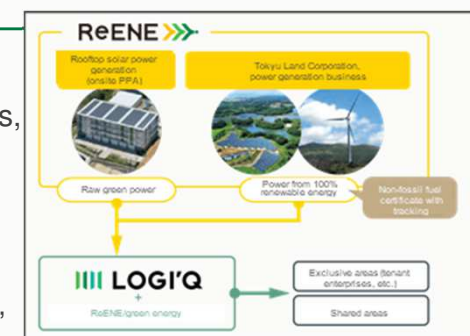
Promotion of ZEH as standard specification at all BRANZ properties to be conducted ahead of schedule in FY2023

- As one of its decarbonization measures, Tokyu Land Corporation moved up the timetable for its initial target of promoting ZEH as a standard specification at approx. 50% of properties on which worked commenced by FY2025 and 100% of properties on which worked commenced by FY2030. Instead, the company will equip all of the BRANZ condominiums that it commences work on in FY2023 and beyond with ZEH-equivalent environmental functions. Also we aim to achieve ZEB-level environmental performance in new non-residential buildings in principle. The same will be done for all buildings at the COMFORIA rental residence and the CAMPUS VILLAGE student residents, on which work will commence in FY2025 and beyond.
- Tokyu Livable, Inc. will equip all of the L'GENTE properties that it commences work on in FY2024 and beyond with ZEH-equivalent environmental functions.

Utilization of green energy at logistics facilities

- At the LOGI'Q logistics facility, we will reduce environmental impact with the use of ReENE Green Energy, which is 100% powered by renewable energy from the group, for tenant enterprises, their shipper companies, etc. In addition to installing solar power generation equipment through an onsite PPA agreement system on the roofs of logistics facilities and utilizing the raw green power generated there at those facilities, we will supply power from 100% renewable energy generated at the renewable energy power plants that we will develop across Japan to both common and exclusive areas.

*See "Terms and Explanations"



Stakeholder engagement (local communities)

Climate

Roadmap

Measures

Nature

Stakeholder
engagement

Skill and human resource
development

Regional coexistence efforts in the town of Matsumae, Hokkaido

- Having entered an agreement on implementation work for corporate cooperation-based community planning and other efforts with the Town of Matsumae in Hokkaido's Matsumae County, Tokyu Land Corporation is leveraging its knowledge and networks in community planning and renewable energy to jointly implement various projects aimed at sustainable community planning in the Town of Matsumae, including the formation of a regional micro grid.
- We took advantage of local assets in the form of one of Japan's strongest winds to develop and operate the ReENE Matsumae Wind Power Plant. In addition, we seek to contribute to regional revitalization that leverages the likes of tuna, Matsumae beef, cherry blossoms and other tourism resources.



Efforts to introduce solar power generation equipment in Yokohama municipal schools

- Tokyu Land Corporation was selected as an operator to introduce PPA-based solar power generation equipment in 53 municipal elementary, junior high, high and special assistance schools in Yokohama City.
- Through this effort, we will aim to reduce CO₂ by approx. 26% over previous levels. By introducing solar power generation and storage cells, in addition to using the generated power at the schools during the daytime, we made it possible to use the surplus power to charge storage cells that can be used to supply power at night, during rainy weather, and so forth.
- We will continue to do our part to improve the renewable energy power ratio in Yokohama City by supplying power to commercial facilities and hotels in the city on holidays.



* The photos are visual representations.

Stakeholder engagement (endorsement of initiatives)

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

Endorsement of various initiatives

- We believe it is vital that we work together with various initiatives as an environmentally advanced company.
- We endorse the below organizations, engaging in the likes of information-gathering and cooperation with fellow industry players.

- In addition to acquiring approval for SBT 1.5°C targets, we are also a party to “Business Ambition for 1.5°C” and “Race to Zero*”, two international campaigns whose aim is carbon neutrality by the year 2050.



- Along with declaring our support for TCFD, we are an active member of the TCFD Consortium, an organization of supporting Japanese enterprises.



RE100



United Nations
Global Compact*



JCI*



PRI*



*See “Terms and Explanations”

Skills and human resource development

- We believe that all employees must collaborate to address climate change and achieve net zero emissions by 2050.
- To this end, we provide programs and training to raise the environmental and sustainability awareness of our employees.

Program provision and training

- In FY2022, we established the Sustainable Action Awards to recognize practitioners developing sustainable initiatives. The total number of applications has increased annually and, in FY2024, 192 applications were received, of which 30 received awards.
- In November 2024, we held Sustainability Month, a month-long experiential event aimed at spreading sustainability awareness among employees.



- We provide programs to raise employee awareness regarding sustainable business practices (including environmental themes).
 - We conduct e-learning for Group employees once every 6 months, covering sustainability themes. Our online in-house newsletter “TFHD GROUP MAGAZINE (T-MAG)” also contains many articles on sustainability.
 - In February 2024, we conducted an interactive e-learning course on circular economies under forest conservation initiatives.

Climate- and nature-related initiatives

Examples of climate-related initiatives

Condominium with 100% RE use

BRANZ Tower Tanimachi 4-chome has introduced 100% RE in all units and common areas, creating an environmentally advanced condominium that promotes decarbonization.



ZEH certification: BRANZ Chiyoda Fujimi

ZEH Oriented certification was obtained for the BRANZ Chiyoda Fujimi. The condominium aims to reduce primary energy consumption by >20% throughout the entire building, including the common areas, while maintaining the quality of the indoor environment.



Utilization of on-site PPA at logistics facility LOGI'Q

“LOGI'Q” provides environmental load reduction services using 100% RE, “ReENE Green Energy,” for tenant companies and their shippers.

Utilization of on-site renewable energy

We use renewable energy such as solar and wind power in various businesses. The facilities of Palau Pacific Resort and Tokyu Harvest Club Atami Izuyama VIALA are powered using solar power generation. The commercial facility Tokyu Plaza Omotesando has also installed two wind power generation devices on the roof to generate natural energy.

Examples of environmental certification (DBJ Green Building-certified properties)

● 5 stars



Tokyo Port City Takeshiba



Shibuya Solasta



Hibiya Park Front

● 4 stars



Shin-Aoyama Tokyu Building



Jinbocho Kita Tokyu Building



Shin-Meguro Tokyu Building

Examples of environmental certifications (CASBEE certification)

In 2019, our head office, Shibuya Solasta, received the highest rank of CASBEE's new certification: CASBEE-Wellness Office, S Rank.



Examples of ZEB-certified properties

● Tokyu Community Technical Training Center NOTIA (completed in 2019)

The first office building in Tokyo to receive Nearly ZEB certification. In FY2020 through a reduction of approximately 87% in primary energy consumption, exceeding the standard.



● COCONO SUSUKINO (completed in 2023)

Received ZEB Ready certification at the largest domestic scale for a commercial/hotel mixed-use building.



Examples of climate-related initiatives

Joint demonstration of BEV/PHEV charging services for apartment buildings

Tokyu Community Co. Ltd. has begun joint demonstrations of charging services for apartment buildings using BEV/PHEV-charging systems developed by DENSO Corp. at an apartment building in the Tokyo metropolitan that it has managed since January 2025.

100% renewable energy data center

Construction began in September 2024 on the first Ishikari RE Data Center, which will be operated on 100% renewable energy, in Ishikari City, Hokkaido. Ishikari Regional Energy LLC, an investment recipient of Tokyu Fudosan Corp., and ReENE Co., Ltd., a wholly owned subsidiary, will collaborate to directly supply RE through an on-site PPA.

Responding to physical risks

- Tokyu Housing Lease Co. Ltd. has received the Resilience Certification from the Resilience Japan Promotion Council, a national certification for organizations promoting resilience, in recognition of its initiatives to continue operations following large-scale disasters.
- Tokyu Fudosan Corp. has received for its Shibuya Minami Tokyu Building the ResREAL (Flood Edition) certification, awarded by the Japan Real Estate Institute, that quantifies the resilience of real estate against natural disasters. (Certification grade: GOLD)
- Tokyu Fudosan Corp. is strengthening its BCP by selecting suitable building locations and working with tenants and residents.



ResiReal

Initiatives regarding nature-related risks and opportunities, dependencies and impacts

Specific initiatives in our group to date regarding risks, opportunities, and impact are presented below. The following are some of the major initiatives we have undertaken.

Urban development:	: Community planning, greening technology and planting management
Hotel and leisure business	: Forest management and marine conservation, nature coexistence in Tateshina
Other:	: Invasive alien species countermeasures, contamination reduction, waste reduction, resource circulation and water utilization reduction, extending lifespan of buildings

(1) Urban development: Community planning

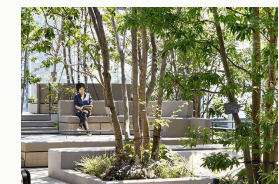
Community planning in greater Shibuya area

In the greater Shibuya area, which has Shibuya Station at its center, we further evolved upon and deepened our “Greater SHIBUYA 1.0” concept for the area to formulate our new community planning strategy “Greater SHIBUYA 2.0.” In addition to bringing together the three elements of workplaces, residences and entertainment, we will promote initiatives for “digital” and “sustainable” as the foundation of that strategy. Regarding “sustainable,” through efforts such as **developing richly-green environments**, promoting decarbonization and reinforcing resilience, we are engaging in the planning of a community in which anyone can spend time in safety, security and comfort, one that has cutting-edge environmental measures in place and will grow on a continuous basis.

GREEN WORK STYLE (previously described)

At our office buildings, we are currently expanding “GREEN WORK STYLE,” through which we seek to realize improved corporate value and the realization of worker well-being from the dual aspects of “the workplace” and “office solutions” through diverse green power while being mindful of health, safety, the environment, and sustainability. By realizing a work style through which workers interact with green, we will alleviate their day-to-day stress and draw out the productivity of each individual member to the fullest while also contributing to the smooth formation of a community.

SHIBUYA SOLASTA: A green terrace for tenants has been placed on every office floor of this facility. By having workers feel green and fresh air, which is normally lacking in an office environment, in their immediate surroundings, we will contribute to reducing their stress and improving their productivity. Additionally, at the top floor of the facility, we have set up a sky terrace and lounge (shown in photo to the right) that takes advantage of the rooftop space to provide “a place to work under the refreshing sky.”



Rooftop sky terrace

Initiatives in urban development : community planning

Formation of ecological network in greater Shibuya area and configuration of KPI for FY2030

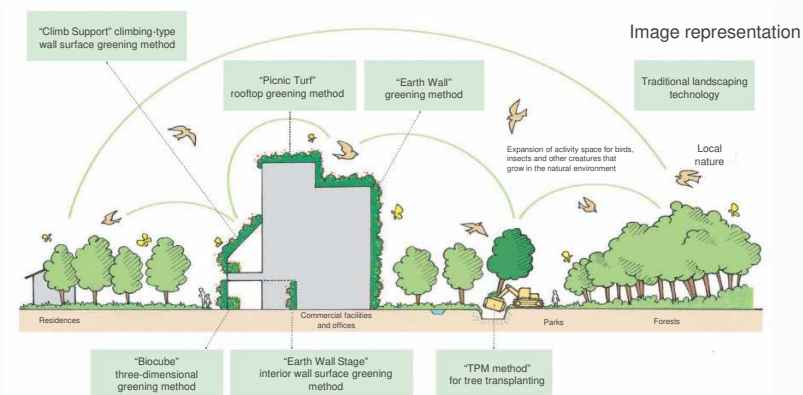
Given the importance of biodiversity-conscious urban greening, in the greater Shibuya area, we are actively promoting the greening of areas such as rooftops and wall surfaces at our business sites in order to preserve the ecosystem. By connecting the green in the vicinity and acting as a relay point for the living creatures that inhabit those areas, we are tackling the formation of an ecological network in the greater Shibuya area.

In particular, when we develop large-scale properties with considerable impact on the local community, we carry out ecosystem studies in the peripheral area at the planning stage, perform greening using vegetation that takes the bird and insect species that inhabit the area into consideration, and pursue biodiversity conservation in that community.



Targets

Building greenery (rooftop, wall surfaces, etc.)* 100% by FY2030
*Newly-built large-scale office building/commercial facility properties



The name of each process is the technique name at ISHIKATSU EXTERIOR INC.

Biological monitoring

At the "Omohara Forest" rooftop terrace at the "Tokyu Plaza Omotesando "Omokado"" commercial facility, with the help of natural environment conservation specialist Regional Environmental Planning, Inc., we perform regular living creature studies throughout the year in order to assess trends in the ecosystem of the green space there. (Previously described)



Scene from living creature study

Participation in biodiversity certification systems

For properties that are especially surrounded by numerous natural environments and also have ample green space secured on site, we encourage the acquisition of certifications such as ABINC to back the securing of biodiversity.



SHIBUYA SOLASTA (ABINC-certified)

Initiatives in urban development: community planning

Planning of community that coexists with nature at TOKYO PORTCITY TAKESHIBA

In the Takeshiba area located in Tokyo's Minato City, which constitutes a national strategic economic growth area, we are pursuing community planning that takes advantage of industry-academia cooperation and technology and are moving forward with **long-term continuous initiatives to enhance the appeal and vitality of the area of the whole**, including its environment (sustainability).

The office town serving as the core piece of the project is a large-scale complex with a total floor area of approx. 180,000m², 40 floors above ground, and two floors below ground. The higher floors consist of an office area, with the lower floors hosting a commercial area. The office lobby on the sixth floor provides a space that incorporates water and green and is in harmony with the local community.

On the southeast side of the second through sixth floors, the spacious "SKIP TERRACE" has been erected in a staircase pattern. There, the **"Eight New Views of Takeshiba"** made up of eight scenes represented by the sky, bees, a rice paddy, a vegetable garden, aromas, water, an island and rain are presented as a **"Satoyama"-like landscape**. By forming an ecological network linked to the Hamarikyu Gardens, the Kyu-Shiba Imperial Gardens and the rich green of the surrounding area, we aim to contribute to the biodiversity of the local community.

At the "Rice Paddy Scene" containing a 145m²-wide rice paddy and the "Vegetable Garden Scene" where vegetables and fruits are grown, students at the nearby preschool, tenant-related individuals and people who reside in the residence tower can take part in rice-planting or harvesting events, which will be tied into **environmental education for stakeholders**.

Additionally, at the "Bees Scene" where beehives are placed and the "Sky Scene" with of nest boxes placed on wall surfaces that are hard for people on the fifth, eighth, tenth and twelfth floors to catch sight of, **habitats for honeybees and raptor species such as falcons and kestrels will be supplied**. Through these, we will contribute to biodiversity in the city center.



TOKYO PORTCITY TAKESHIBA
Office Tower



Office lobby



Takeshiba Shin Hakkei (SKIP TERRACE)



Rice-planting featuring resident
participation (Rice Paddy Scene)

Initiatives in urban development: greening technology, planting management, green infrastructure

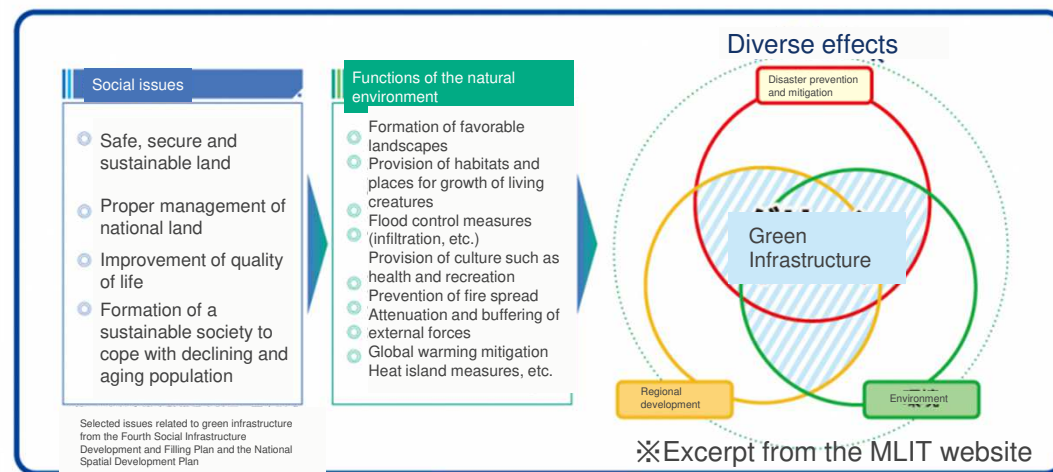
Greening and planting management by diverse technologies based on the concept of green infrastructure

Based on the concept of **green infrastructure** (see note), ISHIKATSU EXTERIOR INC., which handles the Group's Environmental and Greening Management Business, has been engaged in **disaster prevention and mitigation**, protection and preservation of nature and biodiversity, sustainable urban development, and contracted management of various green spaces by utilizing various technologies, including urban greening technologies such as rooftop greening and wall greening.

Note : What is Green Infrastructure?

Green infrastructure is a concept that aims to utilize the various benefits of the natural environment, such as disaster prevention, disaster mitigation, and environmental preservation, to solve various social issues, through its functions of mitigating global warming, providing places for organisms to grow, shaping landscapes, and providing cultural services. The Ministry of Land, Infrastructure, Transport and Tourism's GX Strategy for Urban Development includes a call for public-private partnerships to further promote the quality and

quantity of urban green spaces with diverse functions as green infrastructure, and the importance and attention to this issue is increasing.



About the technology of ISHIKATSU EXTERIOR INC.

The company will reorganize the environmental greening technology and know-how it has promoted in its landscaping and greening business based on the concept of green infrastructure, formulate a green infrastructure menu that can be deployed to customers and various stakeholders, and apply it to all its businesses as "**Greentect**," a system to promote initiatives to realize green infrastructure. The menu visualized by the system lists a wide range of technologies and know-how in landscaping and greening-related fields, and is classified into eight major categories. The system is designed to use the menu at the sales stage of each project to determine the technological items to be adopted and incorporate them into the design, construction, management, and operation of the project.

Ex.: Trans Planting Machine method

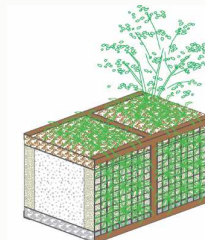
Short for "Trans Planting Machine," TPM is a technique that involves the use of specialized proprietary equipment by ISHIKATSU EXTERIOR, of which only two machines exist in the world, to enable the transplanting of large-diameter trees, which was considered difficult in the past. TPM enhances the degree of freedom of greening plans while protecting large trees as assets of the local community.

Ex: Three-dimensional greening method (Biocube)

This technique is used to perform planting on multiple surfaces in a three-dimensional shape. Involving a box-shaped configuration that makes it easy to handle, Biocube realizes multisided greening while also saving space.



Transplanting work using a TPM machine



Biocube

Initiatives in urban development: greening technology, planting management, green infrastructure

Green infrastructure menu

<p>1 Planned Land Preservation Preservation of precious resources Conserve and incorporate into the planning of the development site's favorable greenery and environment.</p>	<p>Transplanting in the field (trees) Use of relocated in-situ planting bases Utilization of existing objects (landscaping), etc.</p>	<p>2 Disaster Prevention and Mitigation Protecting Lives We propose measures to reduce rising temperatures and flood damage, disaster prevention and disaster preparedness.</p>	<p>Permeable pavement Rain gardens (reservoirs, streams), disaster prevention stoves, etc.</p>
<p>3 Plants and Animals Enriching and Comfortable Living Environments We propose greenery and environments that contribute to biodiversity in the project site space.</p>	<p>Biotope Utilization of native species (compensatory vegetation) Rooftop greening, etc.</p>	<p>4 Earth retaining and other structures We propose gaps of various shapes to provide shelter for animals.</p>	<p>Natural material earth retaining walls, etc.</p>
<p>5 Environmentally friendly materials Environmental preservation, reduction of CO2 We propose the use of environmentally friendly materials (products).</p>	<p>Recycled materials Low-carbon materials, etc.</p>	<p>6 Wellness Proposals for health maintenance and promotion We propose facilities for comfortable spaces in contact with the natural environment that contribute to good health.</p>	<p>Indoor greening Farms, herb gardens, etc. Pergolas, awnings, etc.</p>
<p>7 Management and operation We propose maintenance, cultivation, management, and operation plans to make green spaces pleasant and comfortable.</p>	<p>Biodiversity Improvement Plan Tree and soil diagnosis Management and operation of parks, etc.</p>	<p>8 Other environmental technologies We actively adopt and propose environmentally friendly technologies.</p>	<p>Sheet Pipe Method Re bunker Thermal imaging cameras, etc.</p>

Example of menu

 <p>1.Planned land preservation Transplanting in field</p>	 <p>2.Disaster prevention and mitigation Rain garden</p>	 <p>3.Plants and animals Utilization of native species (compensatory vegetation)</p>
<p>TPM method(*)</p>		
 <p>4.Earth retaining Natural material earth retaining</p>	 <p>6.Wellness Pergolas, awnings</p>	 <p>7.Management and operation Tree and soil diagnosis</p>

GREEN AGENDA : Planting management for planning and cultivating green landscapes

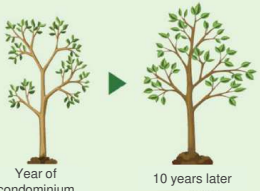

In condominiums, ISHIKATSU EXTERIOR INC. plans and constructs **greenery to realize a living environment that nurtures life**, create planting management plans (agendas) to connect them to the future, and promote **"GREEN AGENDA," which integrates planning and management based on management plans and visualization technology.**

In order to realize greenery for homes that meets the demands of the environmental age, it is committed to "visualizing" planting over the medium to long term, and to promoting its customers' "interest" and "sympathy" toward green. It aim to provide sustainable landscaping support services that contribute to the conservation and restoration of biodiversity in urban development by developing its existing landscaping technologies.

Green create & support
GREEN AGENDA
Trademark registration pending



BRANZ Jiyugaoka Image of future goal

Image representation of standard maintenance, control and management	Image representation of GREEN AGENDA development management
 <p>Year of condominium completion 10 years later</p>	 <p>Year of condominium completion 10 years later</p>
<p>Management method intended to "maintain and control" trees without significantly changing their value or height or horizontal spread from the time condominium construction is complete and with consideration accorded to stable maintenance and management costs</p>	<p>Management method that aims to enhance green services by nurturing green Contributes to biodiversity with improved shade and amounts of green Fixes amount of CO2 for growth purposes Mitigates heat island effects through shade and transpiration Improved biophilia: "Green that you can really feel" Contributes to enhancing image of local community</p>

Initiatives in hotel and leisure business –policy formulation–

FY2030 goals for wellness business

To promote environmental management in our group, the wellness business, which includes hotels and leisure, **is formulating target values in the wellness business area, which includes the hotel and resort business and healthcare business, by FY2030** while considering three key environmental issues.

“Biodiversity”: **conserve 40% of project site area** in wellness business **by F2030**^{*1}

“Circular society”: reduce waste in wellness business by 11% relative to FY2030 levels^{*2}

“Decarbonized society”: reduce CO₂ in wellness business by 46.2% relative to FY2030 levels^{*2}

^{*1}: Conservation areas refer to the following: (1) area of land that is subject to OECM certification or other environmental certification for biodiversity and green space conservation, (2) areas that fall within the boundaries of national parks, quasi-national parks, and natural parks, and (3) areas of forests that are subject to the creation of a forest management plan based on the Forest Act.

^{*2}: Based on target figures of the Tokyu Fudosan Holdings Group.



Thinning



Thinned forest in town

Converting the resort facility to an “experience-based sustainable resort”

To achieve the above-mentioned vision, it is important for visitors to the resort facility and stakeholders to **experience the importance of coexisting with the community and nature and provide opportunities to increase awareness of the environment in daily life**, which are unique to the resort facility, **not only during facility development but also during sales and operation.**



Tokyu Resorts & Stay, which operates the resort facility, has devised the concept of “Morigurashi®,” which incorporates harmony with forests, which are a locally shared resource, and sustainability through forest activities and glamping workcations, and promoted community problem-solving and nature conservation where local residents and employees work in an integrated manner. Furthermore, **in 2024, the new slogan of “Happy ‘encounters’ in the community through the power of resorts”** was devised. The aim is to provide an **“experience-based sustainable resort”** based on the three themes of “fostering biodiversity,” “creating a local future,” and “utilizing local energy” to provide facility visitors with a sustainable space, experience, and activities that are enjoyable and kind to the earth and community.

Event information and value for each resort facility are also sent out with the “ENJOY GREEN GUIDE” website.

(URL : <https://www.tokyu-green-resort.com/>)

Initiatives in hotel and leisure business: monitoring and OECM certification

Support for 30 by 30 and Other Effective area-based Conservation Measures (OECM)

Our group **supports 30 by 30**, an international goal with the aim to effectively conserve at least 30% of terrestrial and marine areas as healthy ecosystems by 2030.

At the “Tokyu Resort Town Tatehina”, as part of our efforts to achieve 30 by 30, we have participated in the MoE-certified “Other Effective area-based Conservation Measures” (a system that certifies areas where biodiversity conservation is being implemented through private initiatives) research project in FY2022, **and in February 2024, the resort facility, including the ski area and golf course, received its first “Other Effective area-based Conservation Measures” certification.**

Forest management and **biological monitoring surveys** are being conducted to protect the abundant biodiversity. As of 2023, 1,699 floral and faunal species have been confirmed, with 32 **rare species that are included in the Red Lists** of MoE and Nagano Prefecture being confirmed.

There were 605 floral species confirmed, of which 10 were rare species such as *Corydalis decumbens*. There were 65 bird species, including 4 rare species, such as *Emberiza fucata*, and 1,018 insect, reptile, and amphibian species, including 18 rare species, such as *Ochodaeus maculatus*. The area has been highly regarded for its characteristic and diverse habitats, including those for grassland flora and fauna.



Corydalis decumbens (Red List)



Emberiza fucata (Red List)



Ochodaeus maculatus (Red List)

Biodiversity Action Plan (BAP)

Our group has formulated a BAP for areas of particular conservation importance within our project areas, where biodiversity conservation efforts are being conducted. At “Tokyu Resort Town Tatehina”, **monitoring surveys of floral and faunal habitats and growth environments have been conducted in the vacation home sites and its surrounding forests.** Measures are being considered if threats to the habitats and growth environments of the rare floral and faunal species are present, and there are plans to utilize such measures for green space management plans.

Initiatives in hotel and leisure business: nature coexistence in Tateshina

Forest management initiatives

In “Tokyu Resort Town Tateshina,” **a forest management plan has been established since 2018**, where **conservation thinning** has been conducted. These actions promote forest growth, such as by encouraging undergrowth and strengthening tree roots, and prevent natural disasters, such as landslides, by strengthening the ground. Efforts such as **processing thinned wood into wood chips and utilizing them as fuel for biomass boilers** have also been conducted as efforts to contribute to nature and biodiversity conservation as well as local production and consumption of energy. A **CO₂ absorption/fixation device** **has been introduced** in the biomass boiler, and golf tees, as well as bottles and sleeves, are made from the CO₂ contained in the flue gas, which is then provided to guests.

Appropriate thinning also promotes tree growth and increases CO₂ absorption amount. In 2022, our group became **the first general developer to receive J-Credit certification based on forest management activities** under the J-Credit system, in which the Japanese government certifies the CO₂ reductions made by companies as credits.

Utilization of thinned larch wood

Our group has collaborated with Forest Mori no Kobo Akanesha, a welfare service provider in Suwa City, Nagano Prefecture, and Araki Sewing Co., Ltd. in Shimo-Suwa to sell larch sachets that can be used as a shoe dryer and desiccant, forest candles and wood diffusers that utilize larch scents, and larch outdoor sprays that serve as a naturally-scented insect repellent, which were sold as part of the “ordinary” series. A special craft beer, Larch HAZY IPA, was also sold as part of the “special” series.

Additionally, in the Tokyu Fudosan BRANZ Gallery Omotesando, an integrated condominium gallery of BRANZ, which is our group’s new condominium brand that opened in September 2023, **the thinned wood that was generated as a result of forest conservation activities** in Tokyu Resort Town Tateshina **has been used as flooring and designer furniture**.



Biomass boiler



CO₂ absorption / fixation device

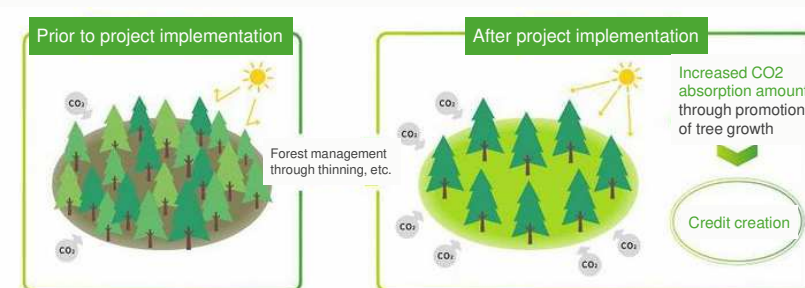


Illustration of credit creation based on forest management activities



Original aroma



Flooring that utilizes thinned wood

Initiatives in hotel and leisure business : nature coexistence in Tateshina

Clean-up and walking activities: “Morikomichi”

“Tokyu Resort Town Tateshina” has a large number of visitors year-round, and invasive plants have naturally infiltrated the area. Morikomichi, which has been held regularly since FY2021, involves people **picking up trash** while enjoying walks along the five “Komichi (trails)” in “Tokyu Resort Town Tateshina,” **weeding invasive species that may damage the ecosystem** of Tateshina, and removing branches and fallen leaves.



Weeding invasive species

Hosting of “Morigurashi Event” through “bushcraft”

This event was held to utilize the Nagano Prefecture subsidized project “Prefectural Citizen Collaboration-based Satoyama Development and Utilization Project,” deepening understanding of forests and the natural environment among locals and bringing forward a beautiful and healthy forest into the future. Under the theme of “bushcraft and tree planting experience,” local children experienced making fires and planting trees, while vacation homeowners and local residents experienced “tree management courses,” where they mainly learned the proper way to use a chainsaw and make firewood.

(Sponsor: Chino City Shikayama District Morigurashi Promotion Regional Council, in collaboration with Yaso Co., Ltd., and Konoha Co., Ltd.)



Children carrying firewood

Working in the forest: “Work Lab Morigurashi”

The “Seseragikan,” which used to be a vacation homeowner’s lounge, was renovated and re-opened as a working facility under the brand name “Work Lab,” which is being developed in Chino City. The town is equipped with a variety of accommodations and outdoor facilities, and users can conduct **workcations while enjoying the resort**, whether they stay overnight or just on a day trip. The furniture in the free space is semi-private sofas and modular sofas so that each user can work while relaxing, and there are also conference rooms and private booths for online meetings, allowing for a variety of working styles.



Workcation free space

Initiatives in hotel and leisure business: nature coexistence in Tateshina

Planning Tateshina Darwin Tour, a customer-participation biological survey event

“Tokyu Resort Town Tateshina” is home to many flora and fauna, including rare species. Our group has **planned Tateshina Darwin Tours, a customer-participation biological survey event**, in collaboration with Biome Co., Ltd., where participants use Biome, an organism collection app developed by the eponymous company that can identify the name of organisms by taking a photograph with a smartphone camera and feel closer to biodiversity initiatives. The use of Biome by customers will allow them to connect to the abundant nature in the area, while the collected data can simultaneously be utilized as town monitoring data, and they will be utilized for promoting initiatives toward nature restoration in Tateshina.



Participants searching for organisms

Turning abandoned farmland into wine vineyards! Grape seedling planting experience event

A wine grape seedling planting experience event was held in the fields of the winery “Oreilles de Chat,” which was opened in 2023 in Chino City, Nagano Prefecture. **This was an initiative to convert abandoned farmland**, which has increased in area across Japan **and is becoming a social issue**, to vineyards, and the utilization of abandoned farmland allows for the addressing of environmental and local issues. Approximately 720 grape seedlings were planted while imagining a bountiful harvest three years from now.

District disaster prevention plan-based drills

The town has previously experienced landslides due to heavy rain, and in March 2015, the town was designated as a “landslide hazard zone and special hazard zone” under the Landslide Disaster Prevention Act. Given these circumstances, our group has prioritized the safety of users above all else and sought to raise awareness of district disaster prevention plans and confirm group-based actions by **conducting drills on information transmission and instructions, patrols and reports, and evacuation guidance in collaboration** with the town center, as well as facilities in the town such as the hotel and golf course.



Disaster prevention drills

Initiatives in hotel and leisure business: nature coexistence in Tateshina

“Edible garden,” where users can learn and experience the food and forest cycle

at “Tokyu Resort Town Tateshina,” had its grand opening in August 2023, where users can **learn and experience the food and forest cycle through the cultivation and harvesting of vegetables, herbs, fruits, and edible flowers.**

In the town, a “composter” (food waste processor) was introduced in March 2023, where food waste from the hotel restaurant in the town is turned into high-quality compost and provided to local farmers, thereby **achieving environmental conservation, food circulation, and local collaboration.**

The “edible garden” is an experience-based spot where customers can experience the cultivation and harvest of foods, such as vegetables, and eat freshly picked produce to learn and experience food and forest cycles while enjoying coexistence with nature.



Edible garden

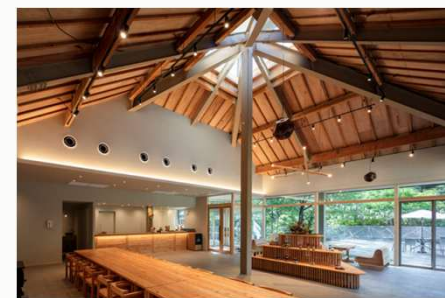
Coexistence between local community and environment through “TENOHATA Tateshina”

In “Tokyu Resort Town Tateshina,” **TENOHATA Tateshina** was opened in July 2024 as a base for creating and transmitting the values of “local collaboration” and “consideration of the environment.” Since the first phase of vacation home sales in 1978, this town has long continued to coexist with nature, where conservation thinning has been conducted to suppress the densification of the forest. All the walls, furniture, and fixtures in TENOHATA Tateshina are made from thinned wood from within the town, and these furniture and fixtures are produced with the cooperation of local sawmills and workshops that share the concept of TENOHATA Tateshina, achieving a form of local collaboration.

Furthermore, the plaza adjacent to TENOHATA Tateshina uses an abundance of Nagano Prefecture-based wood to ensure local production and consumption of the lumber. The plaza entrance gate is made from lumber, local stone, and glass blocks made from upcycled glass waste from construction, serving as the representation of the circle of local circulation. The Town Opening Marche, which is the opening event, marked its first step as a hub for local community creation.



TENOHATA Tateshina
exterior



TENOHATA Tateshina interior

Initiatives in hotel and leisure business: marine conservation and respect for culture

Coexistence with nature and local community at Palau Pacific Resort

The Palau Pacific Resort is a **full-fledged beach resort** opened in the Republic of Palau in 1984, **where visitors can fully experience the nature and culture of Palau**. Users can overlook spectacular sunsets year-round from the approximately 250-m private beach, with the vast grounds including a tropical garden decorated with tropical plants, and in the lush, wooded mountain behind the resort, users can see 89 plant species and 35 bird species, including endemic species of Palau, such as the Biib (Palau fruit dove), which is the national bird and a small, colorful pigeon.

From the start of its development, the resort has been based on the concepts of “balancing environmental conservation and development” and “contributing to the local community and being accepted by the local people.”

Initiatives toward ocean regeneration

The coast in front of the resort, where coral habitats struggled due to mud runoff, was successfully **regenerated to a marine environment with abundant organisms** by conducting beach restoration work involving coral transplantation based on thorough research, and presently, **the resort has been designated as a marine life sanctuary by the state of Koror in the Republic of Palau**. The resort also continues to support environmental protection groups and coral research facilities in the Republic of Palau and has engaged in **initiatives toward marine and community conservation while working with local people**.

Contribution to local society

Approximately 80% of the employees at the Palau Pacific Resort are Palauan, and the resort has contributed to local society by **creating jobs for Palauans** and providing human resource training in hotel and tourism industries.

The development of the resort has also **respected local culture**, with the roof being modeled after a traditional Palauan abai (meeting hall), and the interior incorporating motifs from Palauan culture and legends.



Rock Islands of Palau, designated as wildlife sanctuary



Biib, national bird



Beach in front of hotel



Hotel employees

Other initiatives: reducing water resource use

Reducing negative impact of water resource use

Our group has collaborated with stakeholders such as design companies, construction companies, customers, and local communities to engage in water resource conservation initiatives through appropriate management and efficient water resource use according to the unique water resource issues of each region.

Target

To reduce water resource usage per floor area at project locations and real estate portfolios compared with the previous fiscal year by FY2030

Reduction in water usage by the introduction of water-saving equipment

“Tokyu Harvest Club Atami Izuyama & VIALA,” which opened in 2013 as a resort hotel in harmony with nature, has engaged in **water resource conservation initiatives**, such as reducing tap water usage through the adoption of water-saving toilets. “Tokyu Harvest Club Hakone Koshien” and “Tokyu Harvest Club VIALA Hakone Tateshina” have also promoted efficient water use, such as the use of well water within the premises.



Tokyu Harvest Club VIALA Hakone Tateshina

Water resource conservation at Palau Pacific Resort

Public tap water in the Republic of Palau is not suitable for drinking due to the aging of pipes over the years, and the region also suffers from serious water shortages from January to April. The Palau Pacific Resort has constructed its own water infrastructure system to supply safe water in a stable manner. The resort has installed a **seawater desalination device** as a measure against dry periods as well as other **unique water purification systems** while using **well water and stream water on the premises as its main water source** to **secure drinking water and protect water resources**.



Palau Pacific Resort

Other initiatives: invasive alien species countermeasures and contamination

Invasive alien species countermeasures

Under the Invasive Alien Species Act (Ministry of the Environment), invasive alien species refers to species of plant or animal that do not originally inhabit Japan and entered national borders either with or without intention through human activity. These may harm or otherwise impact the ecosystem of local communities. In its endeavors to preserve the ecosystem of those communities, the Group has established a manual and set forth ways of dealing with highly invasive alien species when they are spotted.



(Invasive plant species) *Erigeron annuus*



(Invasive plant species)
Coreopsis lanceolata



(Invasive alien species) *Parasa lepida*

Reduction of negative impact cause by contamination

Working together with design and construction companies and other stakeholders, the Group endeavors to reduce the effects of contaminants on the environment by preventing their discharge and refraining from using materials that cause that discharge.

Other initiatives: resource circulation

Resource circulation

Recognizing the need to effectively utilize the resources that go into its businesses, in collaboration with design and construction companies, customer users and other stakeholders, the Group endeavors to utilize resources properly and effectively.

The Green Connection Project to form a cycle of circulation in wood resource utilization

The Green Connection Project is an **initiative through which the Group preserves forests alongside its various stakeholders**. Linking up with the forest preservation activities conducted by the Village of Nishiawakura in Okayama Prefecture, which is currently pursuing the “100-Year Forest Concept,” we work to preserve forests in accordance with various forms of stakeholder use, such as a condominium purchase, property management, use of office, hotel or leisure facilities, or use of our real-estate sales agents for existing residences. The Group provides forest preservation funds in accordance with the sales results that it posts. An example would be funds to preserve 10m² worth of forest for each sale of a residential unit. In recent years, the Group is simultaneously purchasing J-Credits generated from the management of forests by the Village of Nishiawakura, thereby helping to popularize forest J-Credits. **Up to this point, the Group has successfully preserved over 2,000 hectares of forest**, and manages its progress yearly in this regard in the form of KPI with the goal of preserving 3,000 hectares of forest by FY2030.

The timber produced by the preserved forests is utilized in a number of Group businesses, then provided to customers to form a cycle of circulation. We are also proactively carrying out other initiatives in the form of purchasing thinned wood generated through the Village of Nishiawakura’s forest preservation activities and utilizing it in building work. In FY2022, we purchase 38m³ of thinned wood from FSC CoC-certified vendors who engage in the processing and sale of FSC-certified timber from the applicable local forests, which we used as interior materials for renovation work on residences and three commercial facility built

Locally-produced timber for local consumption

At Tokyu Harvest Club VIALA Kinugawa Keisui, which opened in December 2022, trees cut down in the development site were used in elements such as furniture in the common areas.



Shin-Aoyama Tokyu Bldg.



Abeno Q's Mall



COMFORIA Takashimadaira



Tokyu Harvest Club VIALA Kinugawa Keisui

Other initiatives : resource circulation

Circular economy initiatives at Forestgate Daikanyama

Our Forestgate Daikanyama property will consist of two buildings: the MAIN Building, which will house rental housing, share offices and a commercial facility, and the TENOHA Building, which will provide a sustainable lifestyle experience. This complex is slated to open in late October 2023.

The TENOHA Building, in turn, will be made up of a cafe and event space. **In addition to providing a sustainable lifestyle experience, it will serve as a site of activity that bridges the local community and the city in cooperation with business operators who conduct circular economy activities and the local government.** While supplying points of contact with sustainable endeavors to consumers, we will link up with various stakeholders to realize a circular economy. The building itself is a **wooden construction** containing **thinned wood from the Village of Nishiawakura in Okayama Prefecture**, which contains one of the forests targeted by Tokyu Fudosan Holdings for preservation, as the building's structural materials.



MAIN Bldg.



TENOHA Bldg.

Promotion of circulatory construction and renovation

Through the implementation of regenerative and conservative construction, reforms and renovations, Tokyu Land Corporation, TOKYU LIVABLE and Tokyu Re · design contribute to the reduction of waste and resource circulation.



Exterior of Kudan-Kaikan Terrace (preserved area)



Banquet room

Other initiatives: extending lifespan of buildings

Reduced use of resources through lengthened cycles of large-scale renovations

Tokyu Community sells a long-term warranty product called CHOICE, which can extend the cycle of large-scale renovation work on condominiums from the conventional 12 years to up to 18 years.

Improvements in the specifications and construction methods used in large-scale renovation work allow for the warranty period for building exterior-related work, such as waterproofing and painting, to be extended by 1.5 to 2 times compared with the conventional period. This has enabled a reduction in the frequency of large-scale renovation work before reaching the second stage of 60 years of building age.

Reducing the frequency of large-scale renovation work also contributes to the reduction of resources used through the life cycle of the condominiums as well as a reduction of total life cycle costs.

EM checkup: utilization of buildings through comprehensive building diagnosis

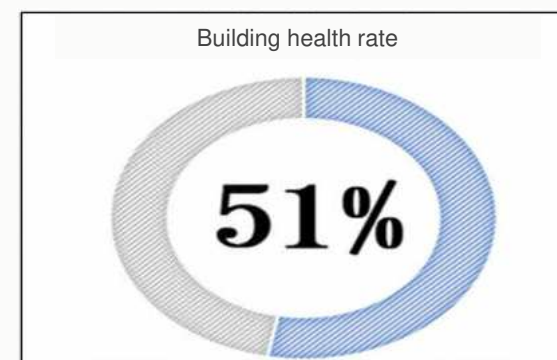
EM checkups are a system that performs analyses and surveys not conducted in normal building and equipment inspections of office buildings, summarizes survey results in an easily visualized and understandable single sheet, and provides these results to customers based on the concept of “Enchanted in 1 minute.”

Diagnosing the energy-saving performance at present through EM checkups allows for the determination of the BELS certification level based on our company’s unique analysis results, and the proposal and support of appropriate management and repair work in the future.

An additional aim is to propose measures to improve building safety and asset value by helping customers understand the multifaceted building management and operation issues and raising their awareness and interest in such topics. The EM checkup will enable the **increased environmental value of building assets without rebuilding, as well as appropriate proposals and support for obtaining ZEB and BELS certification.**



Overview of EM checkup



EM checkup building health rate

Reference materials, terms, and explanations

Appendix: Architecture of the TNFD disclosure framework

The TNFD Framework consists of **14 disclosure recommendations organized into four pillars** and **six "general requirements,"** which are basic concepts that apply across the four pillars, and recommends disclosure on these items.

Overview of TNFD Disclosure Framework

General requirements			
1. Application of materiality 2. Scope of disclosures 3. Location of nature-related issues 4. Integration with other sustainability-related disclosures 5. The time horizons considered 6. Engagement with Indigenous Peoples, Local Communities and affected stakeholders			
Governance	Strategy	Risk & impact management	Metrics & targets
Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
A) Board Oversight of Nature-Related Dependencies, Impacts, Risks, and Opportunities B) Management's role in assessing and managing nature-related dependencies/impacts, risks, and opportunities C) Stakeholder engagement in assessing and responding to nature-related dependencies/impacts, risks, and opportunities	A) Identified nature-related dependencies/impacts, risks, and opportunities B) Effects of dependencies/impacts, risks/opportunities on strategy and financial planning C) Resilience of the strategy to risks/opportunities based on scenarios D) Locations of assets and activities that meet criteria for priority areas	A) Processes for identifying, assessing, and prioritizing dependencies, impacts, risks, and opportunities in the direct operations/upstream and downstream value chains B) Process for managing dependencies, impacts, risks, and opportunities C) Processes for identifying, assessing, and managing nature-related risks integrated into enterprise-wide risk management	A) Metrics used to assess and manage material nature-related risks/opportunities B) Metrics used to assess and manage dependencies/impacts C) Targets used to manage nature-related dependencies/impacts and risks/opportunities and the performance against these.

Appendix: TNFD framework and LEAP approach

The table below summarizes which of the 14 disclosure recommendations shown on the previous page corresponds to each of the LEAP phases of the TNFD. In this report, the results of our review with reference to the LEAP approach are disclosed in accordance with the General Requirements and the TNFD Disclosure Recommendations.

Overview of the LEAP Approach and its relationship to disclosure recommendations

Locate The interface with nature		Evaluate Dependencies & impacts		Assess Risks & opportunities		Prepare To respond & report	
L1	Span of the business model and value chain	E1	Identification of environmental assets, ecosystem services and impact drivers	A1	Risk and opportunity identification	P1	Strategy and resource allocation plans
L2	Dependency and impact screening	E2	Identification of dependencies and impacts	A2	Adjustment of existing risk mitigation and risk and opportunity management	P2	Target setting and performance management
L3	Interface with nature	E3	Dependency and impact measurement	A3	Risk and opportunity measurement and prioritisation	P3	Reporting
L4	Interface with sensitive locations	E4	Impact materiality assessment	A4	Risk and opportunity materiality assessment	P4	Presentation
<ul style="list-style-type: none">Screening of areas in the value chain where dependencies and impacts on nature are importantIdentification of ecosystems with which the company's sites and other locations in the value chain with significant dependencies/impacts have contactIdentification of ecologically sensitive areas		<ul style="list-style-type: none">Identification of the ecosystem services on which the business depends and the impacts it is having at each location in the value chainAssessment of the degree of significant dependencies/impacts using a variety of indicators		<ul style="list-style-type: none">Identification and materiality assessment of nature-related risks/opportunities based on dependencies/impactsIdentification of high priority risks/opportunitiesReview of risk and opportunity management processes		<ul style="list-style-type: none">Consideration of response strategies to be taken based on what has been evaluatedConsideration of targetsConsideration of content of disclosure	
Disclosure recommendations corresponding to LEAP							
<ul style="list-style-type: none">Strategy D)		<ul style="list-style-type: none">Strategy A) D)Risk & Impact management A) B)Metrics & targets B)		<ul style="list-style-type: none">Strategy A) C) D)Risk & Impact management A) B) C)Metrics & targets A) B)		<ul style="list-style-type: none">Governance A) B) C)Strategy B) C)Metrics & targets C)	

Terms and explanations

■ Metrics and information used for location prioritization (p.45-46)

Biodiversity Intactness Index	Metric denoted as a percentage (%) that indicates the extent to which species are remaining relative to cases where the ecosystem has only been subject to the minimum disturbance. (Source : Newbold et al. (2016) "Global map of the Biodiversity Intactness Index, from Newbold et al (2016) ") (For the Biodiversity Intactness Index, 100% is assigned to so-called "untouched nature." Otherwise, this index indicates the degree to which biological species are remaining after the ecosystem of the land in question has been "touched")
Key Biodiversity Area (KBA)	Significant area serving as key to biodiversity conservation as selected according to international standards.
STAR Index	Metric representing a quantification of the possibility that activities to reduce threats to species in that area contribute to the reduction of extinction risk around the world as a whole.
Conservation priority level	Metrix indicating priority level based on the prevention of the extinction of biological species and the conservation of biodiversity in light of information on the distribution of biological species. (Source : Think Nature Inc.)
Baseline water stress	Metric indicating level of stress on water at basins based on percentage of water consumption relative to water supply volumes at the basins. (Source : WRI Aqueduct)

■ Terms

P.4	TCFD	Task Force on Climate-related Financial Disclosures: Established in 2015 by the Financial Stability Board (FSB) at the request of the G20 with Michael Bloomberg as Chair. Publicly released its final report in June 2017. Requests the proactive disclosure of information on what kind of initiatives geared towards climate change are being conducted by corporations and institutions. Revised in 2021. It recommends that companies and institutions proactively disclose the following items on how they are tackling climate change.
P.4	TNFD	Abbreviation for "Taskforce on Nature-related Financial Disclosures." Launched in 2021 by four institutions: the United Nations Development Programme, the World Wildlife Fund, the United Nations Environment Programme - Finance Initiative and Global Canopy. Calls for the adequate assessment and disclosure of nature-related dependencies/impacts and risks/opportunities.
P.5	SBT 1.5°C targets	Science Based Targets: GHG emission reduction targets configured by corporations with 5 to 10 years as the target years. SBT conform with the standards required under the Paris Agreement (rise in global temperature is at a level well below 2°C of that before the Industrial Revolution or kept at 1.5°C).
P.5	RE100	Renewable Energy 100%: An international collaborative initiative, in which companies from around the world participate with the goal of procuring 100% of the electric power consumed by their business activities from renewable energy sources.
P.5	ICP	Internal Carbon Pricing: A method where a company sets carbon prices independently and uses it to visualize the business impact of a carbon tax, or for organizational strategy and decision making. This is one method of carbon pricing which puts a price on CO2 emissions to change the behavior of emitters.
P.5	United Nations Global Compact	UNGC: Initiative through which the UN advocated complying with and practicing ten principles that concern human rights, labor rights, the environment and anti-corruption at the World Economic Forum in 1999.
P.5	IEA	International Energy Agency: Established in 1974 in the aftermath of the first oil crisis as an international agency within the framework of the Organisation for Economic Cooperation and Development (OECD) with the main purpose of improving the energy situation in oil-consuming nations.
P.5-6	ZEB/ZEH	net Zero Energy Building / net Zero Energy House: Buildings with net zero or negative annual primary energy consumption. The amount of reduction is found by summing the amount of energy saving and the amount of energy creation, in comparison with conventional buildings.

Terms and explanations

■ Terms

P.9	LEAP	Abbreviation for “Locate, Evaluate, Assess, Prepare.” Approach recommended by the TNFD to assist corporations and financial institutions with evaluating their nature-related risks/opportunities. Comprised of the four steps of “Locate” (locate the interface with nature), “Evaluate” (evaluate dependencies and impacts), “Assess” (assess material risks and opportunities) and “Prepare” (prepare to respond and report).
P.10	BCP	Business Continuity Plan. A plan that defines the activities that should be carried out under normal circumstances and the methods and means for business continuity in an emergency, in order to enable the continuation and early recovery of core business operations while minimizing damage to assets in the event of a natural disaster or other emergency situation.
P.10	LCP	Life Continuity Plan. A plan to continue living and living while limiting damage to assets in the event of an emergency such as a natural disaster.
P.11	ENCORE	Tool for financial institutions developed by the UNEP Natural Capital Finance Alliance, or NCFA for short. Enables the assessment of the importance of dependencies and impacts on nature according to business category and the analysis of data such as distributions of ecosystem services.
P.11	Cultural services	Cultural services that are aesthetically, spiritually, and psychologically influential that humans obtain from being in contact with nature.
P.11	Ecosystem integrity	Degree to which the composition, structure and functions of the ecosystem are within the scope of natural fluctuation.
P.13	Thinning	Felling some trees depending on crowding extent to reduce competition between trees being grown.
P.13	Clear-cutting	Felling a certain group of trees that constitute a forest all at once.
P.13	Forest management plan	Plans created by forest owners or entities that are entrusted with forest management regarding forest management and conservation for the managed forests.
P.26	Ecological network	The concept of positioning areas with excellent natural conditions as biodiversity bases (core areas) and connecting core areas with ecological corridors to allow for the movement and dispersion of wild animals.
P.33	IPCC	Intergovernmental Panel on Climate Change. Organization established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) in 1988 to comprehensively assess manmade climate change, its effects, and adaptation and mitigation measures from scientific, technological and socioeconomic perspectives.
P.41	SBTs for Nature	Abbreviation for “Science Based Targets for Nature.” Initiative calling for the setting of targets with time limits that can be measured and executed based on the best available science with respect to the setting of nature capital-related goals by corporations.
P.41	Regulating and maintenance services	Services that control and maintain the environment through biodiversity, such as climate control, mitigation of local disasters, suppression of soil erosion, and suppression of harmful organisms and diseases within the ecosystem.

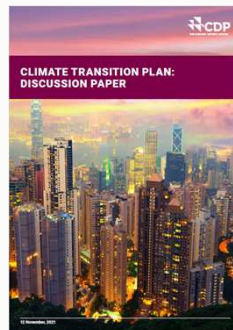
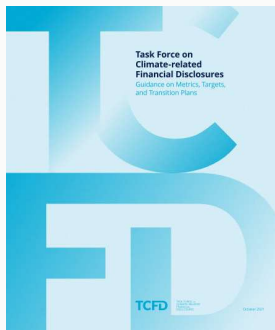
Terms and explanations

P.86	Scope1 ・ 2 ・ 3	Categorizations of greenhouse gasses established as part of the Greenhouse Gas (GHG) Protocol, an international standard of calculating and reporting GHG emissions. Depending on the emitting entity, GHG are categorized into one of the following: Scope 1 (direct emissions), Scope 2 (indirect emissions) or Scope 3 (other emissions). The sum of these is considered to be emissions by the overall supply chain.
P.90	Race To Zero	International campaign calling upon corporations, local autonomous bodies, investors, universities and other non-government actors to take action immediately to achieve the goal of reducing greenhouse gas emissions by essentially half by the year 2030.
P.92	GX League	(GX: Green Transformation): Forum for corporations that seek to realize sustainable growth to work in unison with corporate groups, government agencies and universities that engage in similar initiatives in order to transform socioeconomic systems and practice for creating new markets.
P.93	Micro grid	System for bringing together energy supply sources and consumption facilities within a certain scope and locally producing energy for local consumption. Distributed power sources for the likes of renewable energy such as solar and wind power are used to supply energy.
P.93	FIT	Feed In Tariff: System made compulsory for electric power companies so that electricity generated using renewable energy such as solar power generation is purchased at prices determined by the national government.
P.93	FOURE	Reciprocal and Regional Revitalization with Renewable Energy: Agreement between Tokyu Land Corporation, Osaka Gas, Looop, Tokyo Gas and Renewable Japan to jointly examine reciprocal and regional revitalization through renewable energy with the goal of having renewable energy and regions to develop together while taking into account policy trends of principal ministries and agencies.
P.96	PPA	Power Purchase Agreement: System through which power generated by renewable energy generation systems installed by companies who own and manage renewable energy generation equipment (PPA operators) in sites, on roofs and in other spaces supplied by the facility owner is provided to power users at that facility at a charge. <ul style="list-style-type: none"> ・ Onsite PPA: System through which PPA operators install power generation equipment in user sites and provide electricity. ・ Offsite PPA: System through which PPA operators provide electricity to specific general users through a general power grid.
P.98	JCI	Japan Climate Initiative: Established in 2018 with the participation of 105 organizations as a loose network to reinforce the communication of information and exchange of opinions by corporations, local autonomous bodies, NGOs, etc. that proactively engage in climate change measures.
P.98	PRI	Principles for Responsible Investment: launched through a partnership between the UNEP Finance Initiative and the UN Global Compact based on advocacy by the UN in 2006. Requests investors to engage in investment behavior that takes ESG information into consideration from a long-term perspective after analyzing and evaluating companies.
P.109	Biodiversity Action Plan (BAP)	An action plan for biodiversity conservation by countries, companies, or other organizations. In the case of countries, contracting parties to the Convention on Biological Diversity (CBD) are required to formulate a BAP under Article 6.

Reference materials

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- The following were used as a reference in the preparation of this report.
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 - “Recommendations of the Task Force on Climate-related Financial Disclosures”
 - “Guidance on Metrics, Targets, and Transition Plans”
- CDP
 - “Climate Transition Plan: Discussion Paper”
- Transition Plan Taskforce (TPT)
 - “The Transition Plan Taskforce Disclosure Framework Consultation”
- United Nations’ High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities (UN HLEG)
 - “Integrity Matters: Net Zero commitments by Businesses, Financial Institutions, Cities and Regions”
- Task Force on Nature-related Financial Disclosures (TNFD)
 - “Recommendations of the Taskforce on Nature-related Financial Disclosures”



Disclaimer on Forward-Looking Statements

The forecasts and other forward-looking statements in this report are based on available information and certain assumptions determined as rational as of February 2024. Consequently, any statements herein do not constitute assurances regarding actual results by the company. Actual performance may significantly differ from these forecasts due to various factors in the future.

WE ARE GREEN



Tokyu Fudosan Holdings

WE ARE GREEN — We strive to merge the power of various forms of green deployed by our Group to create a future where everyone can be themselves and shine vigorously.