

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 · 3rd Edition)
July 10, 2026



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.

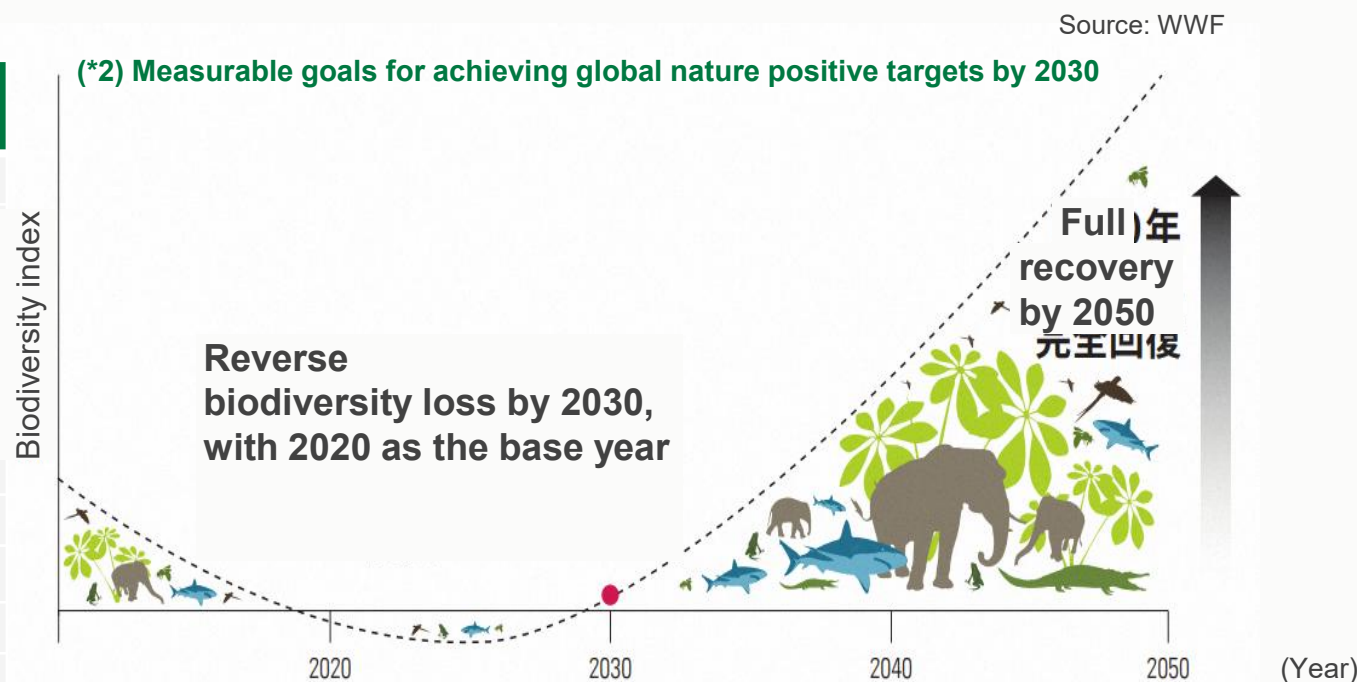
Accordingly, our Group is steadily adopting business initiatives to meet the global “net zero” and “nature positive” goals, while proactively identifying and disclosing important climate- and nature-related concerns.

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

Ranking of risks according to severity over next decade

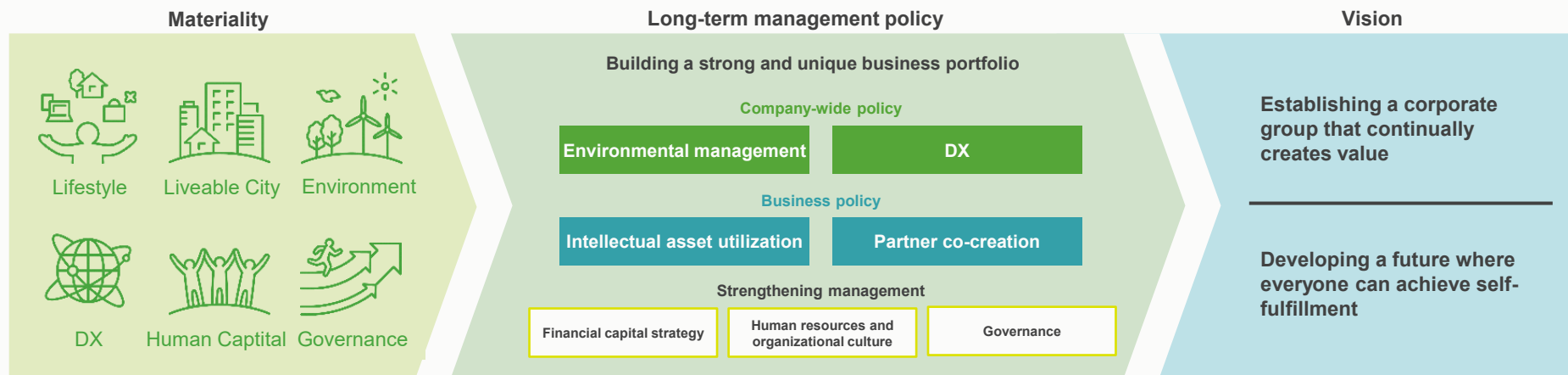
1	Extreme weather events
2	Biodiversity loss and ecosystem collapse
3	Critical changes to Earth systems
4	Misinformation and disinformation
5	Adverse outcomes of AI technologies
6	Natural resource shortages
7	Inequality
8	Cyber insecurity
9	Societal polarization
10	Pollution

(*2) Measurable goals for achieving global nature positive targets by 2030



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.

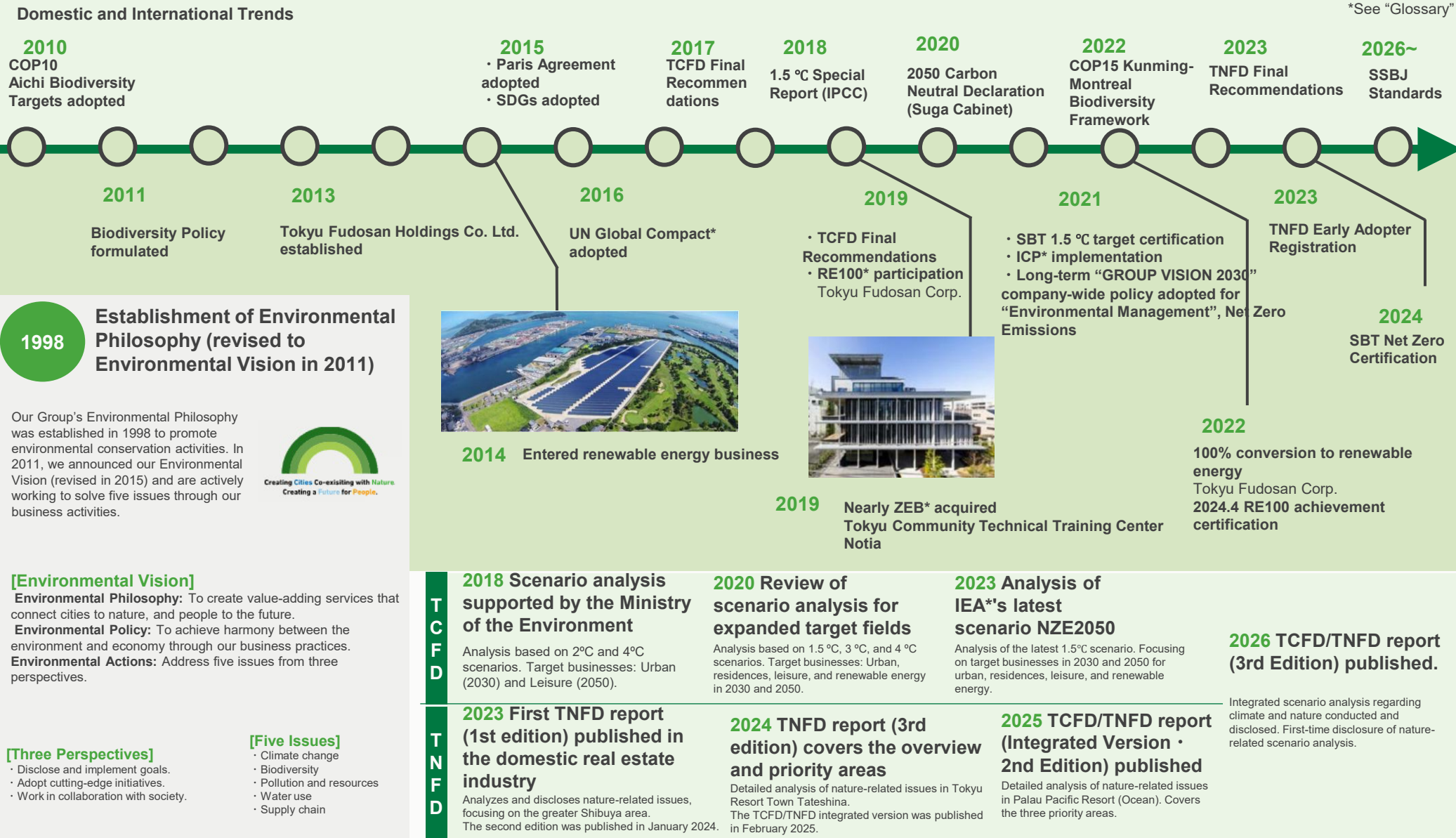


- Since its founding, we have been working to develop a sustainable society and address environmental issues through various business activities. In May 2021, we formulated the long-term materiality-based “GROUP VISION 2030” that endeavors to create lifestyles that protect the environment.
- Our long-term 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**. In addition, with a view to proceeding with disclosures in compliance with the SSBJ standards*, we have also incorporated some of the disclosure requirements set forth in those standards. 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 “Glossary”

Our Group's environmental management history

*See "Glossary"



Highlights in numbers for decarbonization and nature positive

*See "Glossary"

Decarbonization achievements

Scope1,2 *1
77% reduction in emissions
(FY2025)
(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.)
97.3% (FY2025)

ZEB/ZEH* level*4
100% (FY2024/2025)



CDP "A List"
6 consecutive years
(FY2025)
Climate change/water security

Environmentally friendly business initiatives
Total of 132 cases (FY2025)



Renewable energy business
• Total number of businesses: **301** (2026.3)
• Rated capacity*5: **2,693 MW** (2026.3)

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
TCFD/TNFD Integrated report disclosure
(FY2024)



Forest conservation area
(Green Connecting Project) **2,425 ha**
(FY2025)



Sustainable procurement
(formwork timber) **18.8%** (FY2025)



Building greening *6
(rooftops, walls, etc.) **100%** (FY2024)
(No eligible properties for the FY2025)



30 by 30 Nationally Certified Sustainability Managed Natural Site
2 resort, 3 office buildings
(Total up to FY 2025)



*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 Tatehina
Disclosure contents	- Climate-related governance - Strategy implementation (climate-related risks and opportunities, scenario analysis, etc.) - Climate-related risk management - Climate change targets, KPIs	- Governance - Roadmap for realizing a decarbonized society - Key measures and initiatives - Funding policy - Stakeholder engagement - Skills and human resources development	- 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

- February 2025: TCFD/TNFD Report Edition 1 published
- December 2025: TCFD/TNFD Report Edition 2 published
(Addition of analysis results for Palau Pacific Resort)
- July 2026 : TCFD/TNFD Report Edition 3 published
(integrated climate and nature scenario analysis results)

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 TCFD/TNFD Recommendations for disclosures.

Pillars of disclosure	Main recommendations for disclosure	Climate-related disclosure	Nature-related disclosure
<u>Governance</u>	- 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	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>	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	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.	Based on the TNFD's LEAP* approach, we identified nature-related issues (dependencies, impacts, risks, and opportunities) as follows: - 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" and "Palau Pacific Resort" - Considering material nature-related issues in the "Greater Shibuya Area", "Tokyu Resort Town Tateshina" and "Palau Pacific Resort"
<u>Risk and impact management</u>	Identifying, assessing, and managing climate- and nature-related issues - Integration into the company-wide risk management initiative	- 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>	Metrics, targets, and performance in the assessment and management of climate- and nature-related issues	Management performance for each item. For details, please refer to the "Metrics and Targets" section.	

*See "Glossary"

*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] Overview of climate- and nature-related scenarios

We conducted an **integrated climate and nature scenario analysis encompassing our Group's businesses, identified material risks and opportunities based on their financial impacts, and incorporated the findings into our strategy.**

Magnitude of positive and negative financial impacts on the Company's overall business performance, strategy, and business model

High Medium Low

Society advances toward nature positive

Consistency of drivers, such as markets and policies (Affecting transition risks and opportunities)

Society's transition toward nature positive-stalls

1 1.5 °C and Nature-Positive Scenario
Climate action succeeds in achieving the 1.5 °C target, while society steadily shifts toward nature-positive practices.

	Particularly significant risks and opportunities	Medium term	Long term
Risks	- Stronger decarbonization regulations, including ZEB and ZEH - Tighter regulations on development and resource extraction for the conservation of nature	High	Medium
Opportunities	- Expansion of the renewable energy market - Rising demand for ZEB, ZEH, and other decarbonized properties - Growing demand for real estate and services that are in harmony with nature	High	High

2 3 °C and Nature Loss-Driven Accelerated Transition Scenario
Nature-related transition measures advance as the deterioration of nature, including climate change, becomes increasingly severe. Climate change measures also progress at the level assumed under the 3 °C scenario.

	Particularly significant risks and opportunities	Medium term	Long term
Risks	- Stronger decarbonization regulations, including ZEB and ZEH - Tighter regulations on development and resource extraction for the conservation of nature	Medium	Medium
Opportunities	- Expansion of the renewable energy market - Rising demand for ZEB, ZEH, and other decarbonized properties - Growing demand for real estate and services that are in harmony with nature	High	High

4 Business-as-Usual Scenario
The impacts arising from natural capital loss remain limited; thus, neither nature-related initiatives nor society's transition make any meaningful progress.

No material nature-related risks or opportunities are anticipated under this scenario; thus, it is excluded from detailed assessment

3 4 °C and Severe Nature-Loss Scenario
The impacts of climate change and loss of nature intensify dramatically but neither climate- and nature-related measures nor society's transition make progress.

Risks	Physical risks, such as natural disasters, are anticipated but their impact during the assessment period remains moderate owing to risk-based countermeasures and the diversification of the business portfolio and real estate assets
Opportunities	Business opportunities arising from the transition do not materialize

Mild

Degradation of natural capital and ecosystem services (affecting physical risks)

Severe

[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
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.

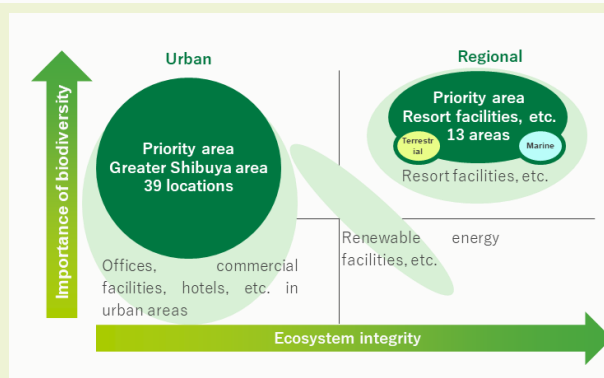


Business scale (Sales volume)



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)
- 3. Palau Pacific Resort**
(Disclosed in FY2025)

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

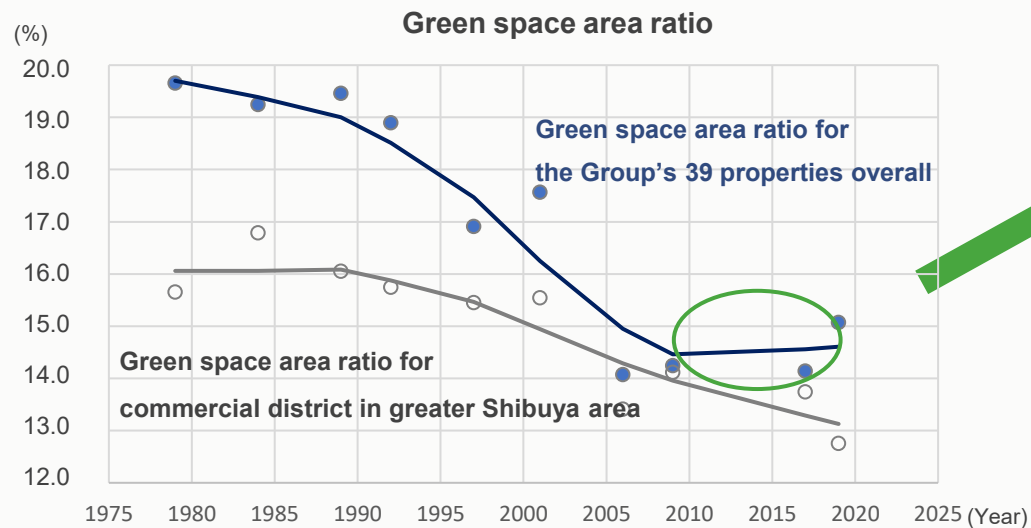
Dependencies and impacts of Greater Shibuya area

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.

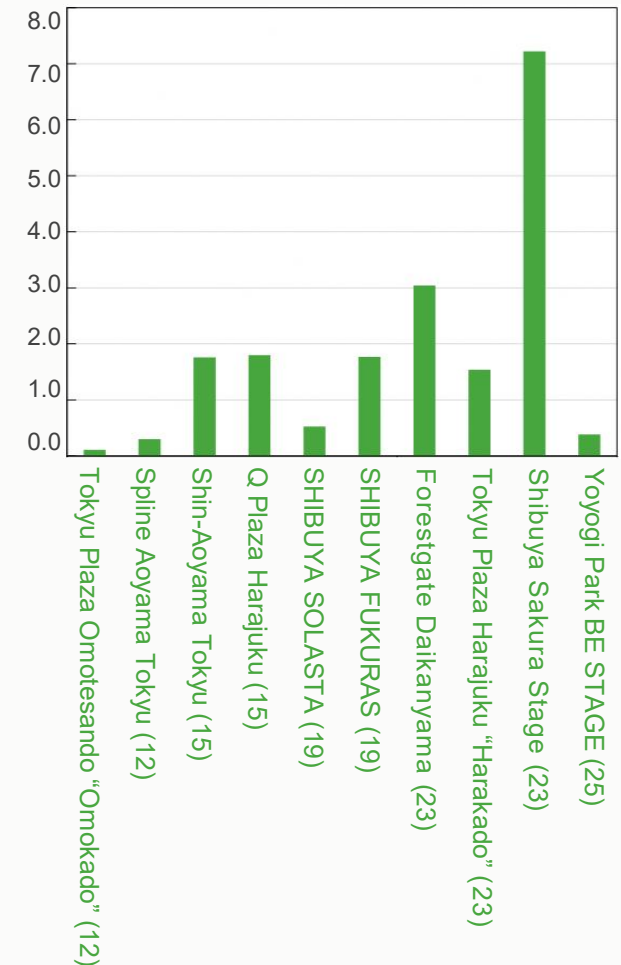
Of these, the impacts of land use and building greening on nature were quantitatively analyzed using the analysis tools of Think Nature Inc.

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 Tateshina

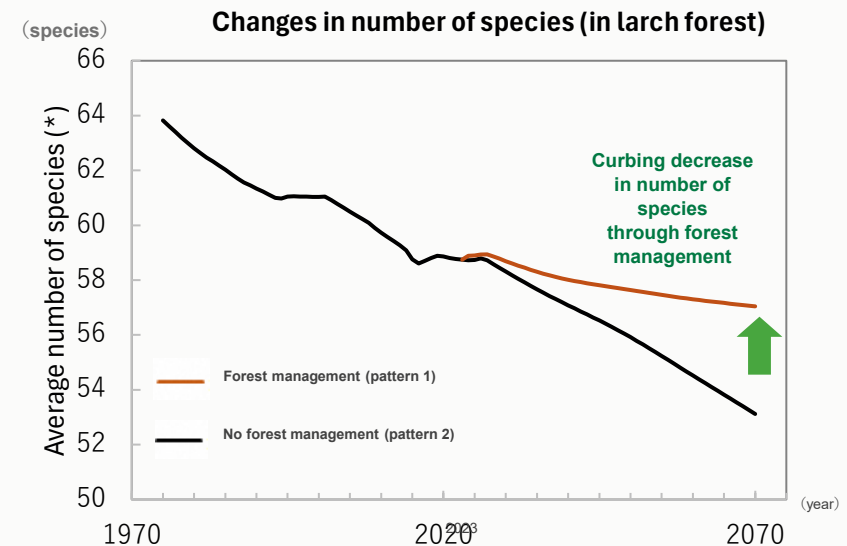
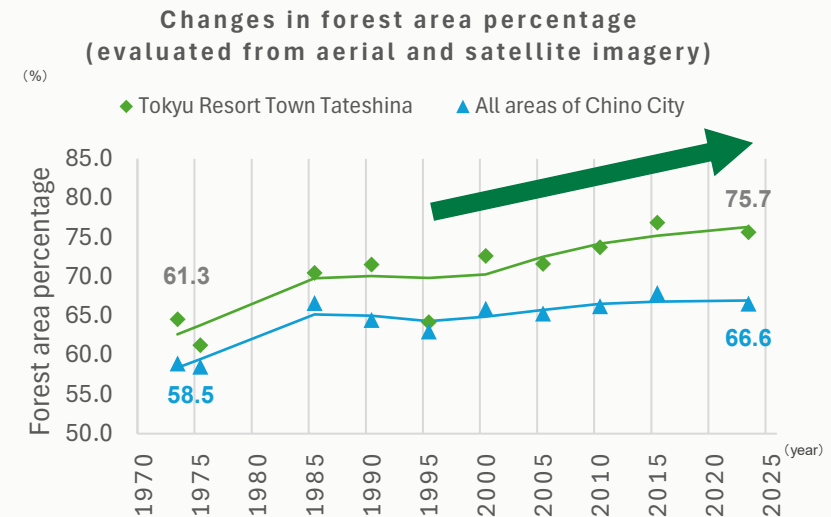
Dependencies and impacts in Tokyu Resort Town Tateshina

Our businesses at "Tokyu Resort Town Tateshina", 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 Tateshina" 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 reforestation 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.



[Summary] Contributions to nature positive in Palau Pacific Resort

Dependency on and impact to nature at Palau Pacific Resort

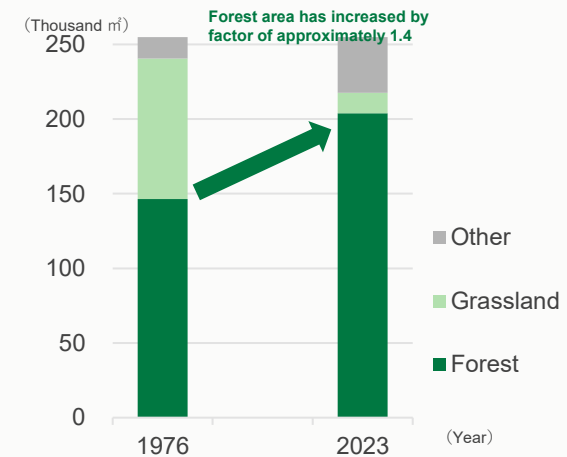
Palau Pacific Resort (PPR), a priority area, both relies on and affects natural ecosystems in multiple ways.

An environmental impact assessment found that **PPR has had a nature-positive contribution by conducting its business while preserving both terrestrial and marine ecosystems**, following its guiding principles of balancing nature conservation with development and contributing to the local community.

A green space assessment at the resort showed that **restored and maintained natural forests** now cover an area far larger than the built-up area [Figure 1].

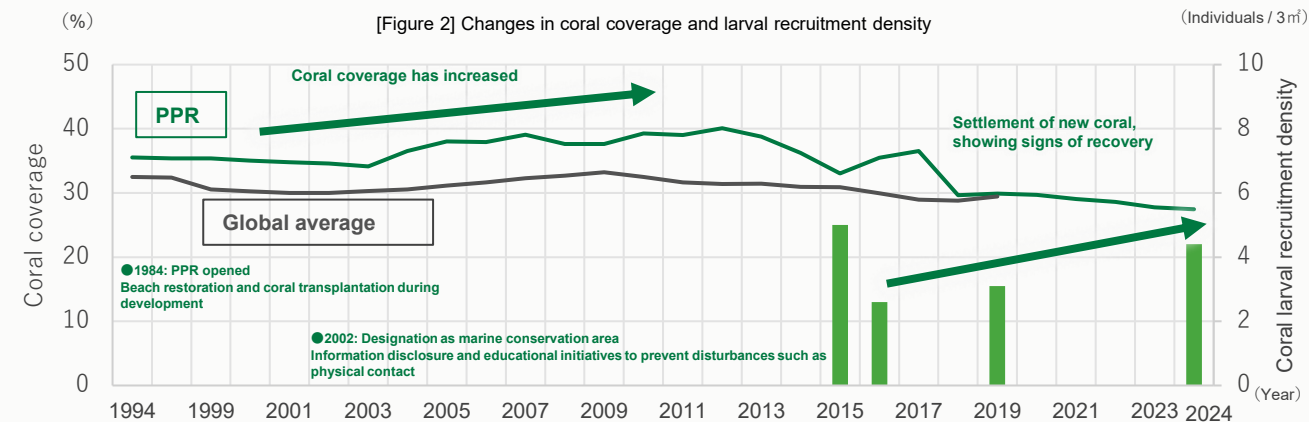
Coral reef assessments indicated that measures, such as establishing a marine protected area, have **steadily increased coral coverage** in the seas in front of the resort. Despite recent environmental pressures from typhoons and predation by marine organisms, **new coral growth continues to expand** [Figure 2]. Furthermore, there has been an **increase in populations of large invertebrates**, including the endangered *Tridacna gigas*, confirming the effectiveness of PPR's conservation and restoration efforts [Figure 3].

[Figure 1] Changes in forest area within resort site



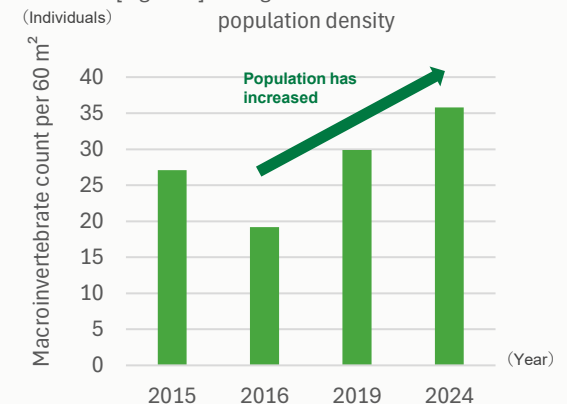
Source) Think Nature Co., Ltd.

[Figure 2] Changes in coral coverage and larval recruitment density



*See text for sources and detailed terminology.

[Figure 3] Changes in macroinvertebrate population density



Source) Reference⁹⁾

[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, Marine Conservation, etc.
	Other	Invasive species removal, pollution and waste reduction, resource circulation, water use reduction

Toward the future

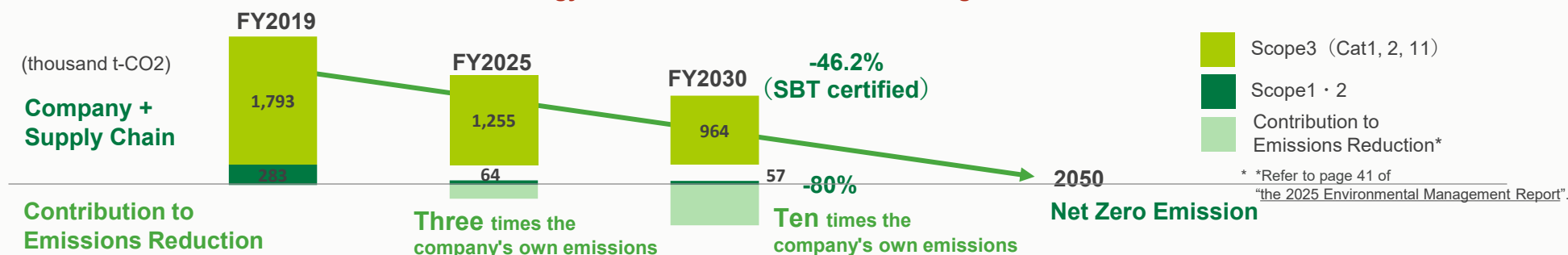
We plan to continue deepening our analysis of the Group’s dependencies and impacts—as well as risks and opportunities—related to climate and nature, while taking into account international trends regarding nature-related metrics and targets. Furthermore, with a view toward aligning our reporting with SSBJ standards*, we have already incorporated some of the disclosure elements required by those standards and will continue to enhance our disclosures to ensure full compliance.

[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 - Remuneration and incentives	20
	Skills, abilities, and training	125
Roadmap and measures	Roadmap, measures, and financing policy	117-120
Risks and opportunities	Scenario analysis, risks and opportunities	33-40
Metrics and targets	Climate-related metrics and targets	112-114
Stakeholder engagement	Stakeholder engagement regarding the transition plan	21-22, 121-124

Disclosure policy (general requirements)

General Requirements	Our Group Policy
Application of Materiality	This report considers the impacts on stakeholders and society, as well as the Group's management.
Scope of disclosure/areas with nature-related issues	- 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”, “Tokyu Resort Town Tateshina” and “Palau Pacific Resort.” - Of the recommended items for nature-related disclosures, the “scenario analysis” is not included. - We conducted a scenario analysis regarding both climate and nature-related issues across our Group's four business segments: Urban Development, Strategic Investment, Property Management & Operation, and Real Estate Agents.
Integration with other sustainability-related disclosures	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	We examined risks and opportunities in the short, medium, and long term. [Short term] 1–2 years [Medium term] 3–9 years [Long term] 10–25 years
Engagement with indigenous and local communities and affected stakeholders	- 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.

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Disclosure of climate- and nature-related information

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Priority area: Palau Pacific Resort		Nature	88
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Metrics and targets	Climate	Nature	115
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Governance

Governance

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/targets

Here, we explain the board's oversight and management roles in relation to climate- and nature-related dependencies and impacts, risks and opportunities, and stakeholder engagement in nature-related issues.

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

—Members of the Board of Directors require expertise in “environment and sustainability.”

—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.

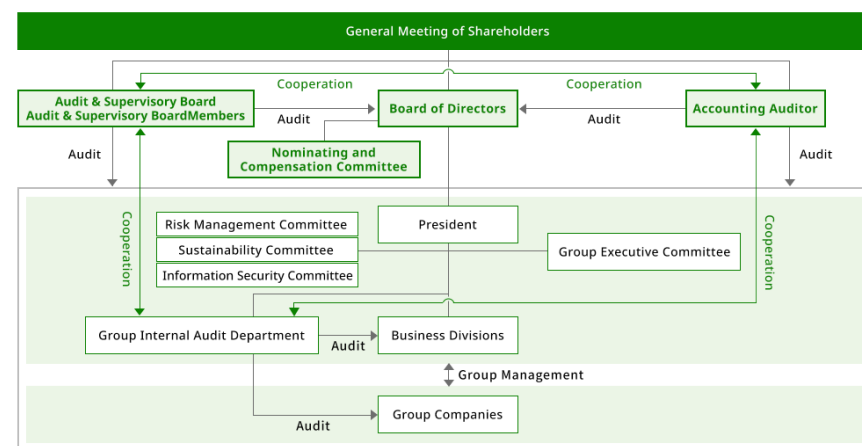
- We have made “environmental management” a company-wide long-term management policy and have set three medium-term priorities to address in our businesses.

Environmental management Decarbonized society Circular society 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.

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 Supplier Engagement Leader for the sixth 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 FY2025, we assessed 123 companies through self-assessment surveys, which is conducted annually primarily among construction companies. Of these, we **held individual engagement meetings with three 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]

- PEFC-certified timber is used for concrete formwork plywood at “BRANZ Chiyoda Fujimi” (completed in January 2025). The place of origin and legality of wood products not derived from certified timber used in interior materials and similar applications have also been verified through interviews with manufacturers of building materials. “Comforia Shibaura MOKU” (completed in October 2024) also adopts a timber hybrid structure that incorporates sustainable timber, either domestic or PEFC-certified wood, into an RC structure, using such timber not only for formwork but also as part of the building structure.



BRANZ Chiyoda Fujimi



Comforia Shibaura MOKU Lounge

[Examples in office buildings and commercial facilities]

- COERU SHIBUYA (completed June 2022), located in Greater Shibuya area, used SGEK-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).
- COERU Shibuya Dogenzaka (completed in June 2024) is a mixed-use building created through adaptive reuse. Thinned timber from the company’s managed forest in Chino City, Nagano Prefecture, has been used for office interiors and furnishings; timber is also used for fixtures in elevator halls and office floors, and recycled materials are used for floor carpeting.
- 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.



COERU Shibuya
Dogenzaka



TENOHA Daikanyama

Stakeholder engagement in local 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)

Stakeholder engagement in local community

Engagement in rural areas

- Tokyu Fudosan Corp. signed the “Agreement on Cooperation between Offshore Wind Power and Fisheries” with Matsumae Town, Hokkaido, where the seas have been designated as a preparatory areas for wind power generation, and the Matsumae Sakura Fisheries Cooperative (“Cooperative”). We developed and operated wind power plants in Matsumae Town. Based on local expertise, we supported the town’s vision for the fishing industry and assisted with the implementation of selected measures.
- As one specific measure, through joint research with Matsumae Town and the Cooperative on sea cucumber aquaculture, we supported improvements to sea cucumber habitats by installing fishing reefs and transplanting seaweed.



Fishing reef installation

Overseas engagement

- Palau Pacific Resort (PPR), operated in the Republic of Palau by Tokyu Fudosan Corp. and its subsidiary Pacific Islands Development Corporation, celebrated its 40th anniversary in December 2024 with a commemorative reception.
- The reception was attended by Palau’s Vice President Raynold Oilouch and other officials, who commended the resort for its long-term contributions to the Palauan economy, efforts in employment and human resource development, and its leadership in the country’s tourism industry through environmentally balanced development and operations, thereby promoting national awareness.



Certificate of appreciation presented by Palau Senate and House of Delegates

Strategy

Strategy

**-Climate and Nature-Related
Scenario Analysis-**

Process for climate- and nature-related scenario analysis

Since FY2018, the group has conducted scenario analyses while progressively expanding the scope of businesses covered in accordance with the materiality of climate change risks and opportunities. Currently, we have recognized the close relationship between climate change and nature and conducted an integrated scenario analysis that addresses both climate- and nature-related issues.

Climate-Related Scenario Analysis (FY2018 onward)

- FY2018: As part of a support program by the Ministry of the Environment, climate change scenario analysis based on the 2- and 4-°C scenarios was conducted for the “Urban” and “Leisure” businesses.
- FY2020: The scope was expanded to include the “Urban,” “Residential,” “Leisure,” and “Renewable Energy” business sectors.
- FY2023: The IEA NZE2050 scenario (the 1.5 °C scenario) was incorporated.

Integrated Climate and Nature Scenario Analysis (current analysis)

Development of Climate- and Nature-Related Scenarios

- We considered recent developments and updated our future climate change scenarios, and, based on TNFD guidance, we established new future scenarios related to nature.
- Three integrated scenarios were established, each assuming different future changes in climate and nature, as well as different degrees of climate- and nature-related transition.

Identification of Risks and Opportunities Based on the Scenarios

- The Group Sustainability Promotion Department served as the secretariat, and a long list of climate- and nature-related risks and opportunities that could affect the business and its financial performance was prepared based on the scenarios.
- Risks and opportunities were examined using the results of the climate-scenario and nature-related LEAP analyses that were previously conducted as a foundation. During the assessment, disclosure topics contained in the ISSB industry-based guidance for Real Estate, Solar Technology and Project Developers, Wind Technology and Project Developers, Hotels and Lodging, and Leisure Facilities were considered.

Assessment of the Materiality of Risks and Opportunities Through Discussions with Business Divisions

- Following consultations with each business division, the appropriateness of the identified risk and opportunity items was confirmed, resulting in the identification of a total of 155 risks and opportunities.
- The significance of their financial impact was also evaluated through discussions with each division, leading to the identification of the most material items.

Quantitative Assessment of Financial Impacts from Risks and Opportunities

- Quantitative financial impact assessments were conducted for risks and opportunities considered sufficiently material using available internal data and external scenarios. The assumptions and calculation results were similarly reviewed through discussions with each business division.
- When assessing the financial impacts of risks and opportunities, the group conducts quantitative evaluations for items that can be measured, using the current profit structure as a baseline. The group applies certain assumptions regarding future costs and revenue fluctuations and incorporates data, such as change rates derived from external publications and internal materials, while also conducting comprehensive qualitative assessments at both the group-wide and individual-business levels.

Confirmation of Response Strategies

- Strategies for addressing the identified risks and opportunities are approved by the Sustainability Committee and subsequently reported to the Board of Directors.

Assumptions for climate- and nature-related scenario analysis

The assumptions applied in the climate- and nature-related scenario analysis are as follows.

Businesses Covered by the Scenario Analysis

Scenario analysis was conducted for the following businesses.

Segment	Businesses Covered
Urban Development Business	Office and Commercial Facilities Business / Residential Business
Strategic Investment Business	Renewable Energy Business / Industry Business
Property Management and Operations Business	Property Management Business / Wellness Business / Environmental Greening Business
Real Estate Distribution Business	Brokerage and Rental Housing Services Business

(However, the evaluation found no risk or opportunity items with significant impacts in the Property Management, Environmental Greening, or Brokerage and Rental Housing Services Businesses; thus, the disclosures of business-specific risks and opportunities for these businesses have been omitted.)

Time Horizons Assumed

For the climate change and nature-related scenario analysis, assessment of risks and opportunities, and formulation of strategies, the short-, medium-, and long-term time horizons shown on the right have been established.

Short term	1 - 2 years
Medium term	3 - 9 years
Long term	10 - 25 years

Criteria for Likelihood and Impact

Criteria used to assess the likelihood and impact of risks and opportunities are defined as follows.

[Likelihood]

High	- A high probability exists that the event will materialize - Occurs several times per year
Medium	- A certain probability exists that the event will occur or materialize - Occurs approximately once per year
Low	- The probability of occurrence or materialization is low - Occurs less than once per year

[Impact]

High	Has a significant positive or negative effect on the group's overall or relevant business performance, strategy, or business model (impact of 10% or more on operating profit)
Medium	Has a moderate positive or negative effect on the group's overall or relevant business performance, strategy, or business model (impact of 5 to 10% on operating profit)
Low	Has only a limited effect on the group's overall or relevant business performance, strategy, or business model (impact below 5% on operating profit)

Approach for Evaluation and Disclosure

The likelihood and impact of anticipated risks and opportunities are assessed for both the group as a whole and each business, and items with high ratings in both categories are selected for disclosure. Therefore, the disclosure items differ depending on the business.

Qualitative assessments are also conducted for items in which establishing assumptions for quantitatively measuring the impact is difficult.

Assumptions for climate-related scenarios

Both the transition toward a decarbonized society and increasing severity of climate change can affect the company's future businesses; thus, scenario analysis was conducted using the following three scenarios, namely, the 1.5 °C scenario, which assumes the fastest transition toward a decarbonized society; the 4 °C scenario, under which the impacts of climate change become the most severe; and the 3°C scenario, which represents an intermediate scenario combining the elements of both of the aforementioned scenarios.

*: See "Glossary"

Scenario	Overview	Reference Scenario (Transition Scenario)	Reference Scenario (Physical Scenario)
1.5 °C Scenario	A scenario in which policies, technologies, markets, and other factors steadily advance toward a decarbonized society, in line with the international goals of the Paris Agreement, limiting the increase in the Earth's average temperature by the end of the 21st century to 1.5 °C above the pre-industrial level.	- Net Zero Emissions by 2050 (NZE) adopted in the International Energy Agency (IEA) World Energy Outlook: a scenario assuming that global net-zero CO₂ emissions are achieved by 2050, limiting the long-term increase in global average temperature to 1.5 °C. - Assumptions based on Japan's various carbon neutrality policies and plans	The following scenarios, which limit the rise in the Earth's average temperature by the end of the 21st century to approximately 1.5 °C or below 2 °C, are used as references. - Intergovernmental Panel on Climate Change (IPCC*) Fifth Assessment Report: Representative Concentration Pathways (RCP) 2.6 - IPCC Sixth Assessment Report Shared Socio-economic Pathway (SSP) 1-1.9 and SSP1-2.6
3 °C Scenario	A scenario in which countries continue reducing emissions in line with their Nationally Determined Contributions (NDCs) but fall short of achieving the 1.5 °C target, resulting in an increase in the Earth's average temperature by the end of the 21st century by approximately 2.5 to 3 °C above the pre-industrial level.	Stated Policies Scenario (STEPS) adopted in the IEA World Energy Outlook. A scenario reflecting climate-related policies that countries have already announced.	As an intermediate scenario, the following scenarios assuming an increase of approximately 3 °C in temperature are used as references. - IPCC Fifth Assessment Report RCP6.0 - IPCC Sixth Assessment Report SSP2-4.5
4 °C Scenario	A scenario in which policies, technologies, markets, and other factors continue expanding along current trends, causing an increase in the Earth's average temperature of more than 4 °C above the pre-industrial level by the end of the 21st century, thereby increasing the impacts of climate change, including natural disasters.	No transition toward decarbonization is assumed.	The following scenarios, which assume no climate policies are introduced and temperatures rise by more than 4 °C, are used as the references. - IPCC Fifth Assessment Report RCP8.5 - IPCC Sixth Assessment Report SSP5-8.5

Assumptions for nature-related scenarios

Considering nature-related risks and opportunities, the four scenarios presented in the guidance of TNFD scenario analysis were adapted to reflect the group's businesses, and scenario analysis was conducted using the three scenarios shown within the boxed area. Scenario D was excluded from detailed assessment as both nature-related physical risks and transition risks are expected to be limited.

*: See "Glossary"

Society
advances
toward
nature
positive

Consistency of drivers, such as markets and policies
(Affecting transition risks and opportunities)

Society's
transition
toward
nature
positive
stalls

A

Nature-Positive Scenario

A scenario in which the transition toward a nature-positive society moderately controls the loss of natural capital

- In line with the GBF* and National Biodiversity Strategy, policies governing land use, resource use, pollution, and all other forms of impact are strengthened
- Demand from customers and consumers for nature-positive initiatives increases, whereas investors increasingly expect action and information disclosure
- Increase in public awareness, leading to stricter scrutiny of the negative impacts on nature and "nature washing"
- Nature-related technologies continue to advance
- The loss of nature remains moderate after including the effects of climate change

B

Nature Loss-Driven Accelerated Transition Scenario

A scenario in which the worsening impacts of the loss of natural capital drive a rapid societal transition aimed at halting further degradation

- Policies covering land use, resource use, pollution, and all other forms of impact are strengthened in line with the GBF and National Biodiversity Strategy
- Sharp rise in demand from customers and consumers for nature-positive initiatives as well as investor expectations for action and information disclosure
- Increase in public awareness, leading to stricter scrutiny of the negative impacts on nature and "nature washing"
- Nature-related technologies advance rapidly
- Severe loss of nature after including the effects of climate change

D

Business-as-Usual Scenario

A scenario in which limited impacts from the loss of natural capital result in little progress in nature-related measures or society's transition

- Nature-related issues receive lower priority than climate change, and climate change measures remain a higher priority for companies and other organizations
- The loss of nature remains moderate after including the effects of climate change

*No material nature-related risks or opportunities are anticipated under this scenario; thus, it is excluded from the scope of assessment.

C

Nature-Loss Scenario

A scenario in which the impacts of natural capital loss become severe, but no transition related to nature occurs

- Policies promoting nature-positive practices remain unchanged and do not advance
- Demand from customers and consumers for nature-positive initiatives as well as investor expectations regarding initiatives and information disclosure remains limited
- The expansion of nature-related technologies is limited
- Severe loss of nature after including the effects of climate change

Mild

Degradation of natural capital and ecosystem services (affecting physical risks)

Severe

Examination of integrated climate change and nature scenarios

- Climate change and nature are closely interconnected; thus, the group's scenario analysis considered risks and opportunities by integrating the climate- and nature-related scenarios.

Scenario	Scenario 1 1.5 °C + Nature Positive (A)	Scenario 2 3 °C + Accelerated Transition Driven by Nature Loss (B)	Scenario 3 4 °C + Severe Nature Loss (C)
Overview	- Society around the world advances toward achieving both the 1.5 °C climate target and a nature-positive future - The impacts of both climate change and loss of nature are controlled	- The impacts of the loss of nature become more severe, resulting in the development of a rapid societal transition in an effort to halt further degradation - Climate change measures also progress to a certain extent, broadly in line with the 3 °C scenario	The impacts of climate change and nature loss become increasingly severe, but neither fundamental measures nor societal transition advance for either climate or nature
Policies and Regulations	- Renewable energy becomes the dominant source in the power mix and energy supply, whereas the dependence on fossil fuels declines - Policies, such as carbon pricing and the promotion of ZEB and ZEH, are strengthened to achieve carbon neutrality - A wide range of nature-related policies covering land use, resource use, pollution, and other areas are strengthened in line with the GBF and National Biodiversity Strategy	- Policies promoting renewable energy, carbon pricing, and ZEB and ZEH progress, but to a lesser extent than those under Scenario 1 - A wide range of nature-related policies covering land use, resource use, pollution, and other areas are strengthened in line with the GBF and National Biodiversity Strategy	- Neither climate- nor nature-related policies are introduced or strengthened - The power mix and energy supply continue to depend on fossil fuels
Markets and Economy Society and Technology	- Customers, consumers, investors, and citizens place strong importance on decarbonization and nature-positive initiatives, and businesses, products, and services are evaluated on these factors - Climate- and nature-related technologies advance in accordance with the government's roadmap - Japan's real GDP remains broadly unchanged, whereas population decline continues	- Customers, consumers, investors, and citizens place strong importance on nature-positive initiatives, and businesses, products, and services are evaluated on these factors - Nature-related technologies continue to advance - Progress in climate-related technologies is more limited than that under Scenario 1 - Japan's real GDP remains broadly unchanged, whereas population decline continues	- Customers, consumers, investors, and citizens show limited interest in decarbonization and nature-positive initiatives, whereas the demand for adaptation to the impacts of climate change and loss of nature becomes stronger - Japan's real GDP remains broadly unchanged, whereas population decline continues
Climate and Nature Conditions	- Natural disasters and extreme weather caused by climate change continue to occur, but their impacts remain lower than those under the 3 and 4 °C warming scenarios - Nature and ecosystem services, including water resource supply and disaster mitigation, are maintained	- The impacts of climate change, including natural disasters and extreme weather, are less severe than those under the 4 °C scenario, but they remain serious - Loss of nature and ecosystem services, including water resource supply and disaster mitigation, is also severe	- Climate change causes the most severe impacts, including more frequent flooding and increasingly intense typhoons, together with other natural disasters and extreme weather events - Loss of nature and ecosystem services, including water resource supply and disaster mitigation, is also severe

Particularly important risks and opportunities across the group

The following were identified, based on the scenario analysis, as the most important risks and opportunities for the group as a whole, together with their impacts on the group.

Magnitude of positive and negative financial impacts on the Company's overall business performance, strategy, and business model

High

Medium

Low

Society advances toward nature positive

Consistency of drivers, such as markets and policies (Affecting transition risks and opportunities)

Society's transition toward nature positive-stalls

1 1.5 °C and Nature-Positive Scenario
Climate action succeeds in achieving the 1.5 °C target, while society steadily shifts toward nature-positive practices.

	Particularly significant risks and opportunities	Medium term	Long term
Risks	- Stronger decarbonization regulations, including ZEB and ZEH - Tighter regulations on development and resource extraction for the conservation of nature	High	Medium
Opportunities	- Expansion of the renewable energy market - Rising demand for ZEB, ZEH, and other decarbonized properties - Growing demand for real estate and services that are in harmony with nature	High	High

2 3 °C and Nature Loss-Driven Accelerated Transition Scenario
Nature-related transition measures advance as the deterioration of nature, including climate change, becomes increasingly severe. Climate change measures also progress at the level assumed under the 3 °C scenario.

	Particularly significant risks and opportunities	Medium term	Long term
Risks	- Stronger decarbonization regulations, including ZEB and ZEH - Tighter regulations on development and resource extraction for the conservation of nature	Medium	Medium
Opportunities	- Expansion of the renewable energy market - Rising demand for ZEB, ZEH, and other decarbonized properties - Growing demand for real estate and services that are in harmony with nature	High	High

4 Business-as-Usual Scenario
The impacts arising from natural capital loss remain limited; thus, neither nature-related initiatives nor society's transition make any meaningful progress.

No material nature-related risks or opportunities are anticipated under this scenario; thus, it is excluded from detailed assessment

3 4 °C and Severe Nature-Loss Scenario
The impacts of climate change and loss of nature intensify dramatically but neither climate- and nature-related measures nor society's transition make progress.

Risks	Physical risks, such as natural disasters, are anticipated but their impact during the assessment period remains moderate owing to risk-based countermeasures and the diversification of the business portfolio and real estate assets
Opportunities	Business opportunities arising from the transition do not materialize

Mild

Degradation of natural capital and ecosystem services (affecting physical risks)

Severe

Particularly important risks across the group

- The following were identified based on the scenario analysis as the most significant risks for the group as a whole, together with their impacts on the group.
(Please refer to p.155 for an overview of the quantitative assessment methodology used for group-wide and business-specific risks and opportunities.)

Classification	Risk components	Impact on the Business Model and Value Chain	Areas Where the Risk Is Concentrated	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact		
									Short term	Medium term	Long term
Transition Risk	- Higher costs resulting from stricter ZEB and ZEH regulations, tighter energy efficiency standards, stronger building lifecycle emissions reduction requirements, and higher carbon pricing - Declining rents and higher vacancy rates for non-ZEB buildings owing to growing tenant and customer demand for ZEB properties	- Under Scenario 1, tighter ZEB and ZEH standards, together with stronger future emission reduction regulations, including carbon pricing, may increase costs during the construction and renovation of office buildings, commercial facilities, residential properties, and logistics facilities, as well as during the operation of hotels and leisure facilities. - Similarly, future changes in tenant demand regarding the decarbonization performance of buildings may reduce the rents for non-ZEB properties, increase vacancy rates, and consequently lower profits. - Under Scenario 2, these impacts are more moderate, whereas under Scenario 3, they are limited.	- Among the group's assets, the costs associated with achieving ZEB standards are large and concentrated particularly in office buildings and commercial facilities. The additional costs resulting from carbon pricing are concentrated during the construction phase of each facility. - Most of the group's assets are located in Japan; thus, changes in Japan's climate-related policies and market trends may affect the entire portfolio.	●		Medium term onward	High	①	—	High	Medium
								②	—	Medium	Medium
								③	—	—	—
	Stronger regulations on land modification for new developments and resource extraction for nature conservation	- Under Scenarios 1 and 2, stricter future regulations on land modification and development during the development and construction stages may hinder land acquisition, reducing business opportunities and lowering the demand for new development. - Similarly, stronger future nature-related regulations affecting the procurement of minerals and materials, such as iron, aluminum, cement, and timber, may increase the construction costs for office buildings, commercial facilities, and residential properties. - Under Scenario 3, these risks are not anticipated.	Transition risks relating to stricter regulations on land modification may be particularly concentrated in renewable energy and logistics facilities, which may require large areas of land. Most of the group's assets are located in Japan; thus, changes in Japan's nature-related policies may affect the entire portfolio.		●	Medium term onward	Medium	①	—	High	High
								②	—	High	High
								③	—	—	—

*: The magnitude of financial impacts represents the estimated effects of future profit calculated under each scenario to evaluate the risks and opportunities, and should not be interpreted as a forecast of future business performance.

Particularly important opportunities across the group

- The following were identified based on the scenario analysis as the most significant opportunities for the group as a whole, together with their impacts on the group.

Classification	Opportunity components	Impact on the Business Model and Value Chain	Areas Where the Opportunity Is Concentrated	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact*		
									Short term	Medium term	Long term
Opportunities	☐ Increased revenue resulting from the expansion of the renewable energy market	The company's renewable energy business results have already grown as the market for renewable energy grows in support of decarbonization. Under Scenarios 1 and 2, further market expansion in the future may increase the profits from this business, whereas under Scenario 3, opportunities for market growth are expected to be limited.	- Opportunities may arise in the renewable energy business. - Most of the group's assets are located in Japan; thus, stronger renewable energy promotion policies in Japan may create business opportunities.	●		Short term onward	High	①	Low	High	High
								②	Low	High	High
								③	—	—	—
	☐ Higher rents, lower vacancy rates, and increased sales prices driven by growing tenant and customer demand for ZEB, ZEH, and properties with superior decarbonization performance	- Under Scenario 1, future changes in customer demand for buildings with strong decarbonization performance may increase profits through higher rents, lower vacancy rates, and higher sales prices for office buildings, commercial facilities, residential properties, and logistics facilities. - Under Scenario 2, these opportunities are expected to be more moderate, whereas under Scenario 3, they are limited.	Most of the group's assets are located in Japan; thus, stronger climate-related policies and changes in market trends in Japan may improve the performance of the group's overall portfolio.	●		Medium term onward	High	①	—	High	Medium
								②	—	Medium	Medium
								③	—	—	—
	☐ Increased revenue resulting from the growing demand for real estate and services that are in harmony with nature	- Under Scenarios 1 and 2, facilities and services that generate positive impacts on nature may achieve higher profits in the future through higher rents, lower vacancy rates, higher sales prices, and higher service fees. - Under Scenario 3, these opportunities are limited.	Most of the group's assets are located in Japan; thus, changes in the market demand for nature-positive initiatives in Japan may improve the performance of the group's overall portfolio.		●	Medium term onward	Medium	①	—	Low	High
								②	—	Low	High
								③	—	—	—

*: The magnitude of financial impacts represents estimated future profit impacts calculated under each scenario for the purpose of evaluating risks and opportunities and should not be interpreted as a forecast of future business performance.

Responses to particularly important climate- and nature-related risks and opportunities

- The Group addresses the particularly important risks and opportunities as follows.
- Progress on these measures and targets, as well as the acquisition of necessary resources, is explained under “Metrics and Targets” and “Transition Plan Toward a Decarbonized Society.”

Risk / opportunity components	Response to the Risk or Opportunity
□ Increased costs resulting from stricter ZEB and ZEH regulations, tighter energy efficiency standards, stronger building lifecycle emission reduction requirements, and higher carbon pricing (Risk) □ Effects on rents, vacancy rates, and sales prices resulting from growing tenant and customer demand for ZEB and ZEH (Risk / Opportunity)	● As described on the following page, the group has long been committed to improving the energy efficiency of buildings and promoting ZEB and ZEH. We are working together with partner companies to continue advancing initiatives that reduce environmental impacts while maintaining construction costs. We also differentiate our office buildings, commercial facilities, and logistics facilities by utilizing the renewable energy generated through our own businesses. ● We address the impact of carbon pricing during the operational stage by promoting decarbonization through the introduction of internal carbon pricing, while accelerating the early adoption of renewable electricity at owned and operated facilities, as described on the following page. During the construction stage, we work together with general contractors to reduce CO₂ emissions generated during construction. ● Reducing GHG emissions during building operation (operational carbon) through ZEB and ZEH initiatives may create a trade-off by increasing the GHG emissions associated with construction, building materials, and demolition waste (embodied carbon); thus, we pursue these initiatives while ensuring that the total lifecycle GHG emissions do not increase.
□ Stronger regulations governing land modification for new developments and resource extraction for nature conservation (Risk)	● We address potential resource shortages and rising prices resulting from stricter regulations by reducing resource consumption and waste through adaptive reuse and renovation projects. ● We address reduced availability of timber resulting from tighter regulations by collaborating with general contractors to promote sustainable procurement that avoids the destruction of nature, including forest conservation initiatives and the use of certified timber.
□ Increased revenue resulting from the expansion of the renewable energy market (Opportunity)	● Tokyu Land Corp. entered the renewable energy business in 2014 in response to the government's renewable energy promotion policies and views the expansion of its renewable energy business “ReENE” as a climate-related opportunity and continues to invest actively. The company develops and operates solar and wind power generation projects, and its business has grown to one of the largest in Japan. ● The group has recognized that expanding renewable energy to address climate change may create trade-offs that negatively affect local communities and the surrounding natural environment and is protecting the natural environment through appropriate environmental impact assessments, while also contributing to local communities by holding resident information sessions and promoting community development activities. ● For example, in Matsumae Town, Hokkaido, the group conducted an “Agreement on Wind Power and Community Development” program. The group has established collaborations among the public sector, private sector, and local community to support environmental education programs, establish “TENOA Matsumae” as a community interaction space, and promote the local production and consumption of renewable energy to help address issues facing Matsumae Town.
□ Increased revenue resulting from the growing demand for real estate and services that are in harmony with nature (Opportunity)	● The group has long been engaged in initiatives, such as biodiversity-conscious urban greening and resort development, that coexist with nature. Going forward, we will continue promoting biodiversity-conscious greening in office buildings, commercial facilities, and residential properties, while advancing nature conservation through resort development and operations, and strengthening earnings by creating added value as an “environmental premium.”

Impact of climate change risks and opportunities on business strategy

Climate	Governance	Strategy
Nature	Risk and Impact Management	Metrics and Targets

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

Classification	Impact and response
Products and Services	To address climate change risks and opportunities, the group has long worked to improve the energy efficiency of buildings as a mitigation measure and strengthen BCP* at operating facilities and for-sale housing as an adaptation measure. The long-term vision established in 2021 further promotes ZEB/ZEH. Tokyu Land Corp. achieved 100% in FY2024 with respect to its KPI of raising the adoption rate to 100% by FY2030, with the adoption rate defined as the percentage of for-sale condominiums and operating facilities, based on construction starts, that meet ZEB/ZEH-oriented or higher building performance standards. Group companies, including Tokyu Livable, Inc., are also advancing the standardization of ZEH. Tokyu Land Corp. and ReENE Energy Inc. also aim to expand and promote the renewable energy business “ReENE.”
Supply and Value Chains	Upstream, the “Sustainable Procurement Policy” established in 2020 identified climate change as a major issue, and the group began examining ways to reduce carbon emissions from building construction processes in collaboration with general contractors. Downstream, the group promotes GX-ZEH for for-sale housing, ZEH for rental housing, and the introduction of renewable electricity.
Research and Development Investment	Tokyu Community Corp., constructed a technical training center that became the first office building in Tokyo to obtain “Nearly” ZEB certification and has also developed a service that proposes ways to achieve ZEB through repair plans. In addition to new buildings, Tokyu Land Corp. is verifying the ZEB conversion for existing office buildings, reductions in air-conditioning costs through rooftop sweet potato greening, and heat mitigation measures in outdoor urban spaces. It also actively conducts demonstrations of agrivoltaic solar sharing in its renewable energy business.
Facility Operations	Tokyu Fudosan Corp., declared its commitment to “RE100*” in 2019, aiming to use 100% renewable electricity by 2050 through the utilization of renewable electricity generated by its own businesses. In December 2022, it completed the transition to 100% renewable electricity at all its 244 facilities in Japan, and in April 2024, it became the first domestic operating company to receive the RE100 certification. The group’s companies are also working to ensure the use of renewable energy in their business locations, with Tokyu Livable, Inc. and Tokyu Housing Lease Corp., among others, working toward the use of 100% renewable electricity at all locations in Japan.

*: See “Glossary”

Impact of climate change risks and opportunities on financial planning

We address the climate change risks and opportunities through **financial planning** as follows.

Classification	Impact and response
Indirect Costs	Tokyu Fudosan Corp. used the results of scenario analysis as a basis to simulate the maximum achievable reduction in CO₂ emissions at existing operating facilities through medium- and long-term energy-efficiency renovations and operational improvements. The simulation showed that to achieve CO₂ emission reductions at the SBT level, the company must begin purchasing renewable electricity promptly and progressively increase the amount of emissions reduced. Therefore, the company accelerated the introduction of renewable electricity at its operating facilities by using electricity generated through its own renewable energy business and achieved RE100 in FY2023. The group's companies are also working to ensure the use of renewable energy at their business locations, including Tokyu Livable, Inc., which is working toward the use of 100% renewable electricity at all locations in Japan.
Capital Allocation	Tokyu Fudosan Corp. entered the renewable energy business in 2014 in response to the government's renewable energy promotion measures. Following the results of the scenario analysis conducted since FY2018, the company identified the expansion of the renewable energy business as a climate change-related opportunity and has invested actively in this endeavor. It develops and operates solar and wind power plants and has built one of the largest businesses of its kind in Japan. It has also standardized ZEB-level performance for newly constructed office buildings and commercial facilities and is converting existing facilities to ZEB through renovation. It is also actively introducing on-site renewable energy facilities and storage batteries.
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	To manage its business portfolio under the long-term vision, the group uses environmental impact as one of its evaluation criteria and is promoting the conversion of operating facilities to ZEB and active development of renewable energy power plants.

Resilience to climate- and nature-related risks and opportunities

- As described earlier, the group has established strategic responses and secured the resources required to reduce particularly significant climate- and nature-related risks and maximize opportunities, thereby concluding that it possesses resilience to climate- and nature-related risks and opportunities.
- The future remains subject to the uncertainties described below; thus, the scenario analysis incorporated uncertainty to the greatest extent possible by drawing on scenarios published by international organizations, government roadmaps, and other sources. The group will continue reviewing its assessments in response to changes in social trends.

Risk / opportunity components	Uncertainties Considered	Method Used to Account for Uncertainty
▣ Increased costs resulting from stricter ZEB and ZEH regulations, tighter energy efficiency standards, stronger building lifecycle emission reduction requirements, and higher carbon pricing (Risk) ▣ Effects on the rents, vacancy rates, and sales prices resulting from growing tenant and customer demand for ZEB and ZEH (Risk / Opportunity)	▣ Carbon price levels ▣ Degree of change in the market demand for ZEB and ZEH	● The group established 1.5 and 3 °C scenarios with different levels of decarbonization and changed assumptions for parameters, such as carbon price levels, rent premiums for ZEB and ZEH, and vacancy rates under each scenario. It subsequently assessed the impacts of risks and opportunities by quantitatively estimating the financial impacts across multiple scenarios.
▣ Increased revenue resulting from the expansion of the renewable energy market (Opportunity)	▣ Pace of the expansion of the renewable energy market, renewable energy price levels, and other factors	● The group established 1.5 and 3 °C scenarios with different levels of decarbonization. It used IEA scenario data, Japan's Strategic Energy Plan, and other policies as a basis to set multiple patterns for assumptions, such as the growth rates and unit prices of renewable energy, estimated a range of financial impacts, and assessed their magnitude.
▣ Stronger regulations governing land modification for new developments and resource extraction for nature conservation (Risk)	▣ Details and strictness of regulations governing land modification and new development ▣ Degree of change in resource prices	● For certain resource prices, including timber, the group used international scenario data to conduct quantitative estimates incorporating future price fluctuations. The group conducted qualitative assessments on the assumption that uncertainty remained where sufficient quantitative data were unavailable.
▣ Increased revenue resulting from the growing demand for real estate and services that are in harmony with nature (Opportunity)	▣ Degree of change in the market demand for real estate and services that are in harmony with nature	● The group used data from external expert organizations and other sources as a basis for establishing multiple assumptions regarding premiums for real estate and services that are in harmony with nature and assessed the magnitude of their impacts.

Important climate- and nature-related risks and opportunities (Office Buildings and Commercial Facilities) (1)

- The table below presents the key climate- and nature-related risks and opportunities identified based on the scenarios.
- Under Scenarios 1 and 2, transition impacts may become significant, including the risk of higher costs from tighter emission reduction policies involving ZEB regulations, lifecycle carbon, and carbon pricing, the cost of complying with greening regulations aimed at nature-positive initiatives, and risks and opportunities arising from changes in tenant demand for decarbonization and nature-positive performance.
- Under Scenario 3, no transition risks or opportunities are anticipated, but physical risks and opportunities may arise from factors such as changing tenant needs regarding disaster preparedness and BCP.
- However, uncertainty remains regarding the stringency of future regulations, changes in tenant needs, and extent of technological development in society regarding the environmental performance of buildings and low-carbon construction materials.

Classification			Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
										Short term	Medium term	Long term	
Transition	Risks	Policies and Regulations Market	Tighter building energy-efficiency and ZEB standards / Lower demand for non-ZEB, uncertified, and non-renewable-energy properties	☐ Higher costs for new construction and renovation ☐ Lower revenue owing to changes in rents and vacancy rates ☐ Costs incurred to comply with lifecycle carbon calculation requirements ☐ Higher costs for reducing emissions, including the use of low-carbon construction materials	●		Medium term onward	High	①	—	High	Low	☐ Conversion of new buildings to ZEB, promotion of equipment upgrades at existing operating facilities, differentiation of properties through the early introduction of renewable electricity, and acquisition of environmental certifications ☐ Reduction of CO ₂ emissions through the construction stage in collaboration with general contractors ☐ Reduction of the impact of carbon pricing by promoting decarbonization through the introduction of internal carbon pricing
			Introduction of carbon pricing / Introduction of a lifecycle carbon calculation system						②	—	High	High	
									③	—	—	—	
		Policies and Regulations	Tighter regulations requiring higher greening ratios	☐ Lower revenue owing to a reduction in the effective usable area of land		●	Medium term onward	High	①	—	Low	Medium	☐ Utilization of mechanisms, such as floor-area-ratio relaxations and incorporation of rooftop and wall greening
									②	—	Low	Medium	
									③	—	—	—	

Important climate- and nature-related risks and opportunities (Office Buildings and Commercial Facilities) (2)

Climate

Nature

Governance

Risk and Impact
Management

Strategy

Metrics and
Targets

Classification			Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
										Short term	Medium term	Long term	
Transition	Opportunities	Market Products and Services	Increased demand for ZEB, certified, and renewable-energy properties	□ Higher revenue through increased rents and lower vacancy rates	●		Medium term onward	High	①	—	High	Low	□ Conversion of new buildings to ZEB, promotion of equipment upgrades at existing operating facilities, differentiation of properties through the early introduction of renewable electricity, and acquisition of environmental certifications
								②	—	Medium	High		
								③	—	—	—		
			Growing demand for office buildings and commercial facilities that are in harmony with nature	□ Higher revenue through increased rents and lower vacancy rates		●	Medium term onward	Medium	①	—	Medium	High	□ Promotion of biodiversity-conscious urban greening, initiatives, such as the formation of ecological networks*, and the acquisition of environmental certifications
								②	—	Medium	High		
								③	—	—	—		
		Capital Flows Financing	Stronger policy support for the quantity and quality of green spaces during development	□ Receipt of policy incentives		●	Medium term onward	High	①	—	Low	Medium	□ Promotion of biodiversity-conscious greening initiatives
								②	—	Low	Medium		
								③	—	—	—		
		Reputation	Improved reputation through contributions to urban decarbonization and urban development in harmony with nature	□ Higher corporate value, stronger brand power, and increased area value	●	●	Medium term onward	High	①	—	Medium	Medium	□ Conversion of new buildings to ZEB and ZEH, promotion of equipment upgrades at existing operating facilities, and differentiation of properties through the early introduction of renewable electricity □ Promotion of biodiversity-conscious greening
								②	—	Medium	Medium		
								③	—	—	—		
Physical	Risks	Acute	Lower demand for buildings owing to delays in addressing disaster risks	□ Lower revenue owing to changes in rents and vacancy rates	●	●	Medium term onward	High	①	—	Low	Low	□ Consideration of disaster risks when selecting locations □ Strengthening of BCP through tenant collaboration and the development of facilities with superior disaster-prevention measures and BCP
								②	—	Low	Low		
								③	—	Low	Medium		
	Opportunities	Market Products and Services	Increased demand for buildings specifically selected by considering disaster risks, and properties with strong BCP and disaster-prevention performance	□ Higher revenue owing to changes in rents and vacancy rates	●	●	Medium term onward	High	①	—	Low	Low	□ Consideration of disaster risks when selecting locations □ Strengthening of BCP through tenant collaboration and the development of facilities with superior disaster-prevention measures and BCP
								②	—	Low	Low		
								③	—	Low	Medium		

*: See “Glossary”

Important climate- and nature-related risks and opportunities (Residential) (1)

- The table below presents the key climate- and nature-related risks and opportunities identified based on the scenarios.
- Under Scenarios 1 and 2, the impacts may become significant from transition risks, such as tighter emission reduction policies involving ZEH regulations, lifecycle carbon, and carbon pricing, as well as fluctuations in resource prices associated with nature-positive initiatives. Other potentially significant impacts include the risks and opportunities arising from the changes in customer demand for decarbonization and nature-positive initiatives, expansion of the renovation business, and opportunities created by the growing demand for housing that is in harmony with nature through features, such as greening.
- Under Scenario 3, no transition risks or opportunities are anticipated but physical risks and opportunities may arise from factors, such as changes in customer demand for disaster-prevention performance and Life Continuity Plans* (LCPs).
- However, uncertainty remains regarding the stringency of future regulations, changes in the housing market, and extent of technological development in society regarding the environmental performance of buildings and low-carbon construction materials.

Classification			Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
										Short term	Medium term	Long term	
Transition	Risks	Policies and Regulations Market	Tighter energy-efficiency and ZEH regulations / Lower demand for properties that do not support ZEH, energy generation, energy efficiency, or renewable energy Introduction of carbon pricing / Introduction of a lifecycle carbon calculation system	Higher costs for new construction and renovation Lower revenue owing to price fluctuations Costs incurred to comply with lifecycle carbon calculation requirements Higher costs for reducing emissions, including the use of low-carbon construction materials	●	Medium term onward	High	①	—	Medium	High	Promotion of ZEH and differentiation of properties through the early introduction of renewable electricity Reduction of CO₂ emissions through the construction stage in collaboration with general contractors Reduction of the impact of carbon pricing by promoting decarbonization through the introduction of internal carbon pricing	
								②	—	Low	Medium		
								③	—	—	—		
		Policies and Regulations	Tighter regulations on land modification and resource extraction for new developments Lower demand for new construction owing to the increased renovation demand for nature conservation	Higher procurement costs caused by shortages in construction materials Lower demand for new construction	●	Medium term onward	Medium	①	—	Medium	High	Improvements in the efficiency of resource use during construction in collaboration with general contractors Expansion of the renovation business in response to the demand Promotion of sustainable procurement	
								②	—	Medium	High		
								③	—	—	—		
	Market	Higher prices caused by tight supply and demand for certified timber	Higher procurement costs	●	Medium term onward	High	①	—	Low	Medium	Improvements in the efficiency of resource use during construction in collaboration with general contractors Promotion of sustainable procurement		
							②	—	Low	Medium			
							③	—	—	—			

*: See "Glossary"

Important climate- and nature-related risks and opportunities (Residential) (1)

Climate

Nature

Governance

Risk and Impact
Management

Strategy

Metrics and
Targets

Classification			Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
										Short term	Medium term	Long term	
Transition	Opportunities	Market Products and Services	Growing demand for ZEH, energy-generating, energy-efficient, and renewable energy properties / Provision of energy management services	☐ Higher revenue through increased sales prices and similar factors ☐ Higher revenue from providing energy management services	●		Medium term onward	High	①	—	High	High	☐ Promotion of ZEH and differentiation of properties through the early introduction of renewable electricity ☐ Provision of energy management services
									②	—	—	High	
									③	—	—	—	
			Growing demand for resource conservation to protect nature	☐ Expansion of the renovation business		●	Medium term onward	Medium	①	—	High	High	☐ Improvements in the efficiency of resource use during construction in collaboration with general contractors ☐ Expansion of the renovation business in response to the demand
									②	—	High	High	
									③	—	—	—	
			Stronger competitiveness resulting from the growing demand for housing that is in harmony with nature and greening regulations	☐ Higher revenue through increased sales prices and similar factors		●	Medium term onward	Medium	①	—	Medium	High	☐ Promotion of the GREEN AGENDA (Landscape Management Plan), including biodiversity-conscious greening
									②	—	Medium	High	
									③	—	—	—	
Physical	Risks	Acute	Reduced competitiveness of housing owing to delays in responding to disaster risks	☐ Lower revenue resulting from reduced sales prices and similar factors	●	●	Medium term onward	High	①	—	Medium	High	☐ Consideration of disaster risks when selecting locations ☐ Development of housing with superior disaster-prevention measures and LCPs
									②	—	Medium	High	
									③	—	Medium	High	
		Chronic	Reduced competitiveness of housing owing to delays in responding to rising temperatures	☐ Lower revenue resulting from reduced sales prices and similar factors	●	●	Medium term onward	High	①	—	Low	Medium	☐ Differentiation of properties by promoting ZEH
									②	—	Medium	High	
									③	—	Medium	High	
	Opportunities	Market Products and Services	Increased demand for homes specifically selected by considering disaster risks and buildings with strong LCPs* and disaster-prevention performance	☐ Higher revenue through increased sales prices and similar factors	●	●	Medium term onward	High	①	—	Medium	High	☐ Consideration of disaster risks when selecting locations ☐ Development of housing with superior disaster-prevention measures and LCPs
									②	—	Medium	High	
									③	—	Medium	High	
			Growing demand for high-performance housing designed to address rising temperatures	☐ Higher revenue through increased sales prices and similar factors	●	●	Medium term onward	High	①	—	Low	Medium	☐ Differentiation of properties by promoting ZEH
									②	—	Medium	High	
									③	—	Medium	High	

Important climate- and nature-related risks and opportunities (Renewable Energy)

- The table below presents the key climate- and nature-related risks and opportunities identified based on the scenarios.
- Under Scenarios 1 and 2, opportunities arising from the expansion of the renewable energy market may increase significantly, business risks resulting from regulatory changes are also anticipated.
- Under Scenario 3, impacts, such as lower power generation efficiency caused by rising temperatures and restrictions on outdoor work, may occur.
- However, uncertainty remains regarding the future market expansion, content and stringency of regulations, and extent of the impacts of climate change.

Classification				Risk or Opportunity		Impact on the Business		Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
													Short term	Medium term	Long term	
Transition	Risks	Policies and Regulations	Regulatory revisions and tighter requirements / Increased output curtailment	☐ Higher compliance costs ☐ Revenue fluctuations resulting from output curtailment		●				Short term onward	High	①	Low	Medium	High	☐ Monitoring of policy developments and international rules ☐ Engagement with the government and industry associations ☐ Engagement with local communities and promotion of solutions to local issues
												②	Low	Low	Medium	
												③	—	—	—	
		Market	Stronger land development regulations for new projects, expansion of protected areas, and stricter environmental impact assessments and permitting requirements More advanced consensus-building with local communities	☐ Reduced business opportunities owing to greater difficulty in securing land ☐ Higher costs associated with environmental impact assessments and obtaining permits		●				Medium term onward	Medium	①	—	High	High	
												②	—	High	High	
												③	—	—	—	
	Opportunities	Market	Shortages of maintenance personnel, rising labor costs, and a lack of suitable sites resulting from the increase in renewable energy facilities	☐ Higher maintenance and operating costs ☐ Increased land acquisition and equipment installation costs		●				Short term onward	High	①	Low	Low	Medium	☐ Diversification of installation sites, including rooftop installations and agrivoltaic solar sharing ☐ Utilization of technologies, such as drone monitoring
												②	Low	Low	Low	
												③	—	—	—	
		Market Products and Services Reputation	Expansion of the renewable energy market / Lower equipment and operating costs and improved power-generation efficiency	☐ Higher revenue ☐ Enhanced reputation and corporate value through contributions to the wider adoption of renewable energy		●				Short term onward	High	①	High	High	High	☐ Expansion of businesses in response to market demand ☐ Expansion of businesses by fostering coexistence with local communities through engagement with residents
												②	High	High	High	
												③	—	—	—	
Physical	Risks	Chronic	Higher temperatures affecting solar panels / Restrictions on outdoor work caused by heatwaves	☐ Lower revenue owing to reduced power generation ☐ Higher costs resulting from longer equipment installation and maintenance periods		●	●			Short term onward	High	①	Low	Low	Low	☐ Introduction of equipment with greater heat resistance and consideration of temperature conditions when selecting sites
												②	Low	Low	Medium	
												③	Low	Low	Medium	

Important climate- and nature-related risks and opportunities (Logistics Facilities)

- The table below presents the key climate- and nature-related risks and opportunities identified based on the scenarios.
- Under Scenarios 1 and 2, transition risks may arise, including higher development costs associated with the reduction of GHG emissions and stricter land development regulations aimed at nature-positive initiatives. Opportunities may also be created by changing the customer demand for decarbonization.
- Under Scenario 3, risks and opportunities may emerge as customer needs change in response to more frequent natural disasters and rising temperatures.
- However, uncertainty remains regarding the future stringency of regulations and extent of market changes.

Classification		Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
									Short term	Medium term	Long term	
Transition	Risks	Policies and Regulations Technology	Tighter energy-efficiency standards / Greater need to develop buildings with superior energy efficiency and insulation performance	❑ Higher development and construction costs	●	Medium term onward	High	①	—	Medium	High	❑ Compliance with the highest energy-efficiency standards and differentiation and strengthening of branding through the early introduction of renewable electricity
								②	—	Low	Medium	
								③	—	—	—	
	Opportunities	Policies and Regulations	Stronger land-development regulations for new projects and the expansion of designated protected areas	❑ Reduced business opportunities owing to greater difficulty in securing land		Medium term onward	Medium	①	—	Medium	High	❑ Reuse of previously developed land
								②	—	Medium	High	
								③	—	—	—	
Physical	Risks	Acute Market Products and Services	Declining competitiveness of logistics facilities with inadequate BCP measures as weather-related disasters become more severe	❑ Lower revenue through reduced rents and property sale proceeds	●	Medium term onward	High	①	—	Low	Low	❑ Consideration of disaster risks when selecting locations ❑ Development of logistics facilities with superior disaster-prevention measures and BCP
								②	—	Low	Low	
								③	—	Low	Medium	
	Opportunities	Market Products and Services	Growing demand for logistics facilities with superior GHG emission-reduction performance, including renewable energy adoption and improved logistics efficiency through DX	❑ Higher revenue through increased rents and property sale proceeds	●	Medium term onward	High	①	—	Medium	Medium	❑ Compliance with the highest energy-efficiency standards and differentiation and strengthening of branding through the early introduction of renewable electricity
								②	—	Low	Low	
								③	—	—	—	
		Market Products and Services	Growing demand for logistics facilities with comprehensive BCP measures as weather-related disasters become more severe	❑ Higher revenue through increased rents and property sale proceeds	●	Medium term onward	High	①	—	Low	Low	❑ Consideration of disaster risks when selecting locations ❑ Development of logistics facilities with superior disaster-prevention measures and BCP
								②	—	Low	Low	
								③	—	Low	Medium	
			Growing demand for refrigerated and frozen warehouse businesses owing to rising temperatures / Growing demand for logistics facilities and warehouses driven by the expansion of e-commerce	❑ Higher revenue through business expansion	●	Short term onward	High	①	Low	Low	Medium	
								②	Low	Low	Medium	
								③	Low	Medium	Medium	

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

- The table below presents the key climate- and nature-related risks and opportunities identified based on the scenarios.
- Under Scenarios 1 and 2, transition risks may arise, including higher costs associated with the reduction of GHG emissions and stricter resource circulation regulations aimed at nature-positive initiatives, together with opportunities created by changing the customer demand for decarbonization and nature-positive practices.
- Under Scenario 3, physical risks and opportunities may arise from the impacts of climate change, including changes in snowfall at ski resorts and declining attractiveness of resort destinations.
- However, uncertainty remains regarding the future stringency of regulations, changes in customer demand, and severity of the impacts of climate change.

Classification			Risk or Opportunity	Impact on the Business	Climate	Nature	Time Horizon	Likelihood	Scenario	Financial Impact			Response Strategy
										Short term	Medium term	Long term	
Transition	Risks	Policies and Regulations	Tighter building energy-efficiency standards and ZEB/ZEH standards / Increasing need to reduce GHG emissions / Introduction of carbon pricing	☐ Higher costs for new construction, equipment upgrades, and energy transition ☐ Higher procurement costs for heavy oil and similar fuels owing to carbon pricing	●		Medium term onward	High	①	—	Low	High	☐ Early introduction of renewable electricity ☐ Reduction of the impact of carbon pricing by promoting decarbonization through the introduction of internal carbon pricing ☐ Acquisition of environmental certifications for buildings
									②	—	Low	High	
									③	—	—	—	
	Opportunities	Market Products and Services Reputation	Stronger regulations on waste and resource circulation	☐ Higher costs associated with waste reduction, reuse, and recycling	●	●	Medium term onward	High	①	—	Low	Medium	☐ Switching to alternative materials and improving the efficiency of resource use ☐ Promotion of resource circulation initiatives involving customers ☐ Acquisition of environmental certifications for buildings
									②	—	Low	Medium	
									③	—	—	—	
Physical	Risks	Chronic	Impact on ski resorts resulting from fewer snowfall days and lower snowfall volumes	☐ Lower revenue owing to shorter operating periods for ski resorts ☐ Higher costs from the introduction of artificial snowmaking equipment	●	●	Long term onward	High	①	—	—	Low	☐ Increased off-season use of facilities ☐ Concentration of investment in ski resorts located in areas with abundant snowfall
									②	—	—	Medium	
									③	—	—	High	
			Loss of seasonal scenery and naturally attractive tourism environments caused by rising air and sea temperatures	☐ Lower revenue owing to the declining attractiveness of resort destinations	●	●	Medium term onward	High	①	—	—	Low	☐ Diversification of risk by operating facilities across multiple regions
									②	—	Low	Medium	
									③	—	Low	Medium	
	Opportunities	Market Products and Services	Strengthening the competitiveness of ski resorts equipped with snowmaking systems	☐ Higher revenue through enhanced competitiveness	●	●	Short term onward	High	①	Low	Low	Low	☐ Increased off-season use of facilities ☐ Concentration of investment in ski resorts located in areas with abundant snowfall
									②	Low	Low	Low	
									③	Low	Low	Medium	

Strategy

-Nature-related analysis based on the LEAP approach-

Overview of nature-related “Strategy”

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

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.

This report examines the following aspects of the Group's business operations.

Components of this report		Recommended disclosure
Understanding the dependencies and impacts of all businesses	● 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	● 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” and “Palau Pacific Resort” (hereinafter referred to as the “13 areas including resort facilities”) as priority areas.	Priority areas
LEAP analysis focusing on the “Greater Shibuya Area”	● 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, opportunities, and financial impact
LEAP analysis focusing on “Tokyu Resort Town Tateshina” and “Palau Pacific Resort”	● Dependencies, impacts, risks and opportunities in the hotel and leisure businesses in “Tokyu Resort Town Tateshina” and “Palau Pacific Resort” Of the 13 areas including resort facilities, which are priority areas, we selected Tokyu Resort Town Tateshina and Palau Pacific Resort 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.	
Scenario Analysis	● Climate and Nature-Related Scenario Analysis Based on the assessment of dependencies and impacts mentioned above, we conducted scenario analysis regarding climate and nature; we evaluated significant climate- and nature-related risks and opportunities and determined their financial impacts.	

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 reference¹, 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 "Glossary"

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/marin 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.		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		
			Operation	VH													
	Logistics facilities		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		Management, renovation and construction	VH							H						
			Building and development	VH	VH		M	H	M	H	H		M	L			
	Hotel, golf course, ski resort, etc.		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

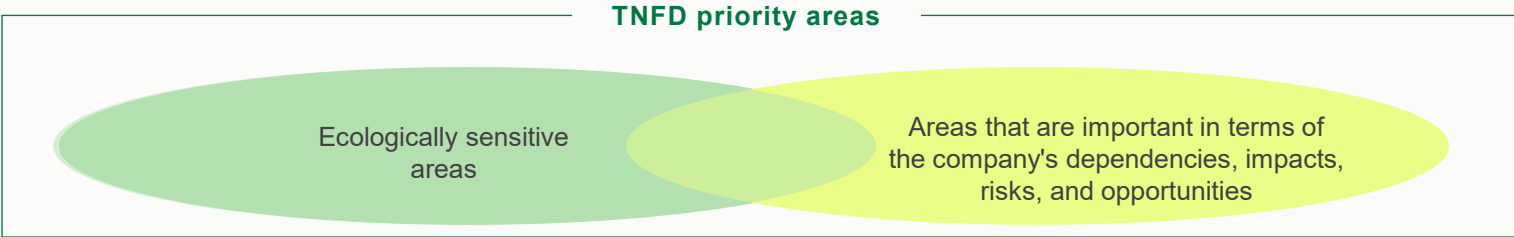
*1: For ratings at the stage of building and development under all businesses and at the stage of operation for properties other than the Renewable Energy and Hotel and Leisure Businesses, we examined importance while making supplements and adjustments as necessary based on "real estate" in each tool.

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 “Glossary”

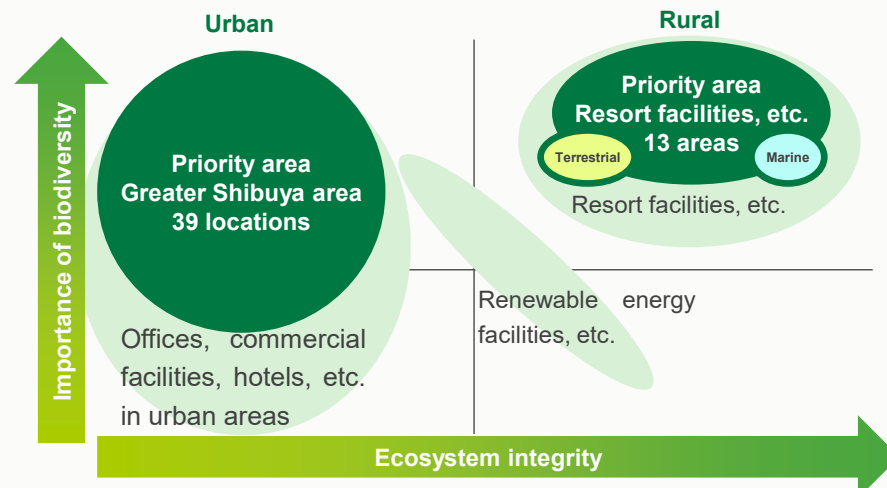
TNFD assessment perspective	Referenced metrics	Overview of results
Ecosystem integrity*	Assessed according to the Biodiversity Intactness Index*	Locations of offices, commercial facilities, and urban hotels in urban areas have low ecosystem integrity, whereas locations of resort hotels, leisure facilities, and renewable energy facilities in rural areas have medium to high ecosystem integrity.
Importance of biodiversity	Assessed based on the following metrics ● 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

The assessment scores for “Biodiversity importance” and “Ecosystem integrity” are represented by the figure on the right.

Considering these results and the Group's overall nature-related dependencies and impacts, we selected priority areas in terms of nature-related risks and opportunities for the Group, as seen in the below table.

We conducted a detailed examination of nature-related dependencies, impacts, risks, and opportunities for the **“Greater Shibuya Area,” an urban development business**; **“Tokyu Resort Town Tateshina” regarding terrestrial aspects** and which represents the **hotel and leisure businesses**; and **“Palau Pacific Resort” regarding marine aspects**, in line with the LEAP approach provided by TNFD. In particular, we regard **PPR** as representing both the **origin and a model for our real estate development and operations in coexistence with nature**.



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

- ✓ Based on the dependency and impact analysis, urban development businesses have a particularly large impact on nature, after considering the scale (sales)
- ✓ **Focus area where many of our company's properties are concentrated**
- ✓ High biodiversity importance even in urban areas
- ✓ Selected as an important area in terms of nature-related risks and opportunities due to **ongoing surveys and ecosystem research**

Priority area (2) 13 areas including resort facilities

- ✓ Relative impact of the businesses is not as high as that of urban development businesses, but 13 areas including resort facilities have been selected as priority areas due to the importance of ecosystem integrity and biodiversity
- ✓ **Following businesses were chosen as representative terrestrial and marine businesses** for detailed assessment
 - Tokyu Resort Town Tateshina is a **large-scale core resort facility** encompassing hotels, golf courses, ski resorts, and vacation homes, and serves as a representative site with high importance to the Group's business as well as its dependency on and impact on nature
 - Palau Pacific Resort is characterized by an exceptionally high level of biodiversity and represents our Group's **origin in the harmonization of environmental conservation and development**, shaping subsequent business activities.

Greater Shibuya area

This area is within a 2.5-km radius of Shibuya Station, and our Group develops and operates various commercial facilities and office buildings, as well as redevelopment 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.

Palau Pacific Resort

This is a comprehensive resort hotel developed in the Republic of Palau with an emphasis on harmony with environmental conservation. The high-end resort features 172 guest rooms, the largest number in Palau, along with a picturesque private beach of white sand.

LEAP approach in Priority areas

For the priority areas of the Greater Shibuya Area, Tokyu Resort Town Tateshina, and Palau Pacific Resort, we performed a more detailed **examination of dependencies and impacts on nature and accompanying nature-related risks and opportunities** based on the LEAP Approach presented by the TNFD. More specifically, we examined the below information.

Locate

Discovery of the interface with nature

- Priority locations (P.50-51)
- 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 Tateshina and **Palau Pacific Resort**
- **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 in Tokyu Resort Town Tateshina and **Palau Pacific Resort**

Prepare

Preparation for response and reporting

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

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



Strategy

-Nature-related analysis based on the LEAP approach-

Priority area: Greater Shibuya Area

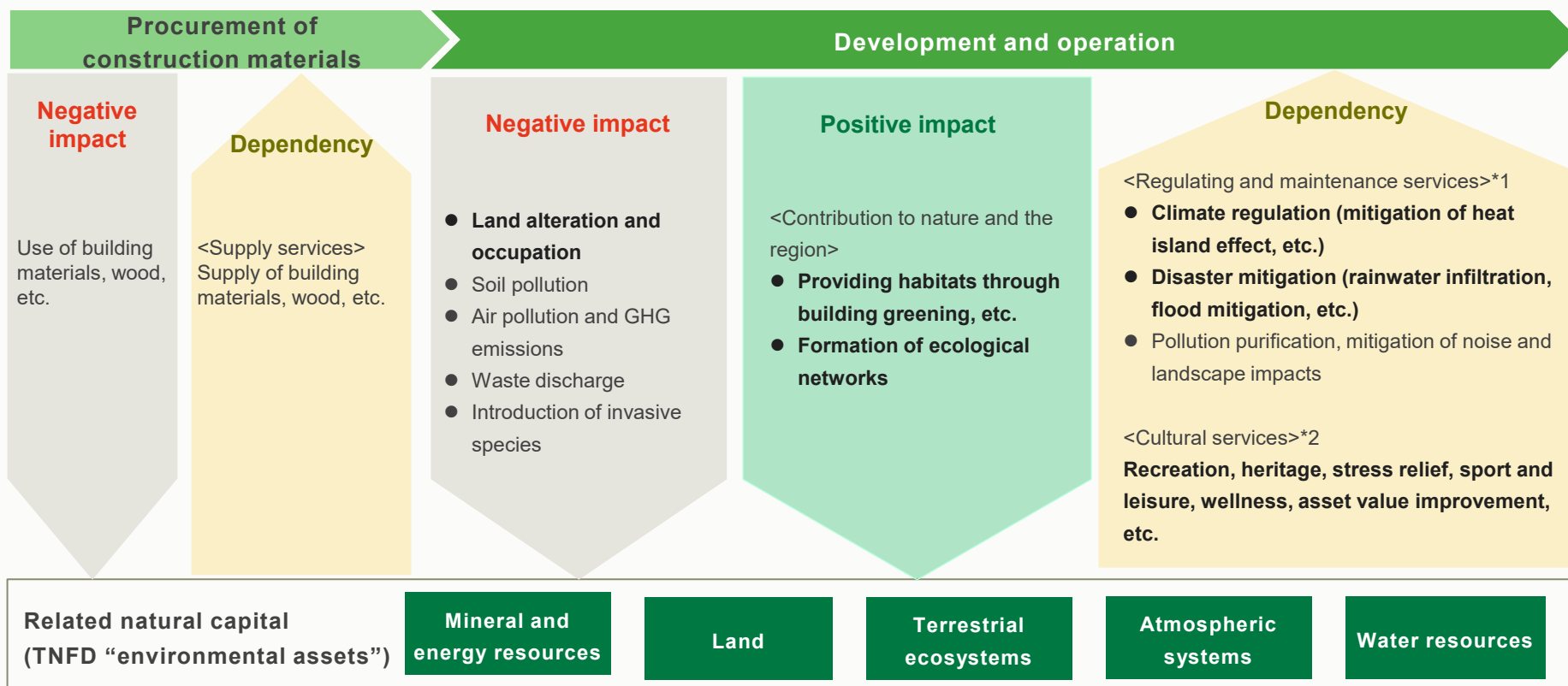
Major dependencies and impacts associated with urban development business in the Greater Shibuya Area

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

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

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.**

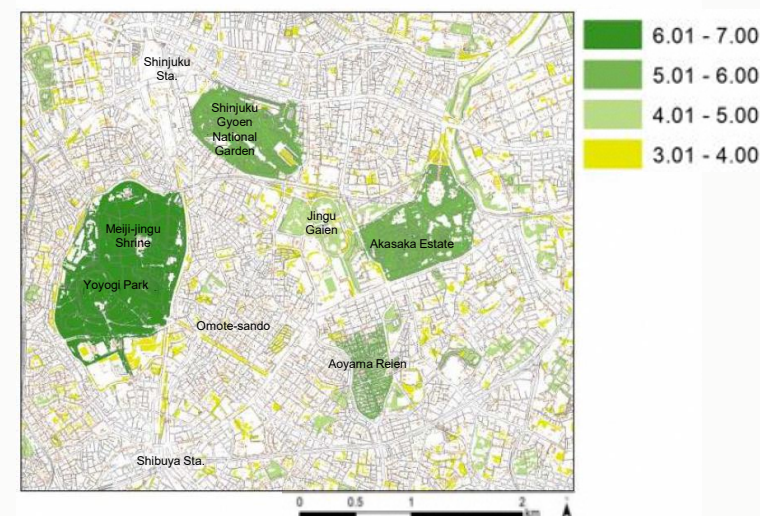
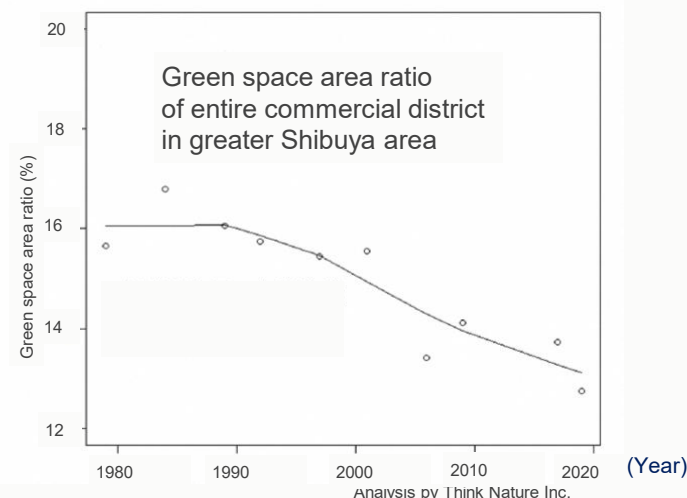
Biodiversity importance

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.



Distribution of green coverage area in greater Shibuya area
(Indicates the logarithmic value (Log 10) of the area of green coverage extracted using a Normalized Difference Vegetation Index (NDVI) of ≥ 0.25)

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>

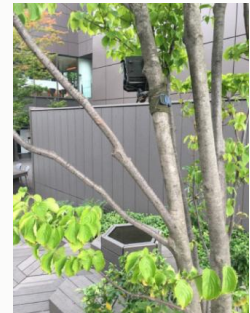
- Bird species study (Observational study/fixed-point photography and filming study)
 - ✓ For a total a three times in June, September and January, the “Omohara Forest” was arbitrarily surveyed, and the species names, population, behavior, etc. of bird species whose presence was verified based on visual 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)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
management

Metrics/
targets

A

P

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 next 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		Shiukara	Shiukara	<i>Parus minor</i>
10		Tsubame	Tsubame	<i>Hirundo rustica</i>
11	Hiyodori	Hiyodori	Hiyodori	<i>Hypsipetes amaurotis</i>
12	Mejiro	Mejiro	Mejiro	<i>Zosterops japonicus</i>
13		Mukudori	Mukudori	<i>Spodiopsar cineraceus</i>
14			Komukudori	<i>Agropsar philippensis</i>
15		Tsugumi	Tsugumi	<i>Turdus naumanni</i>
16		Jobitaki	Jobitaki	<i>Phoenicurus auroreus</i>
17			Ezobitaki	<i>Muscicapa griseisticta</i>
18	Passeriformes	Passeriformes	Passer montanus	<i>Passer montanus</i>
19	Motacillidae	Hakusekirei	Hakusekirei	<i>Motacilla alba</i>
20	Fringillidae	Kawarahiwa	Kawarahiwa	<i>Chloris sinica</i>
21	(Columbidae)	(Columbidae)	Kawarabato (Dobato)	<i>Columba livia</i>
22	Psittaculidae	Psittaculidae	Wakakehonseinko	<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.

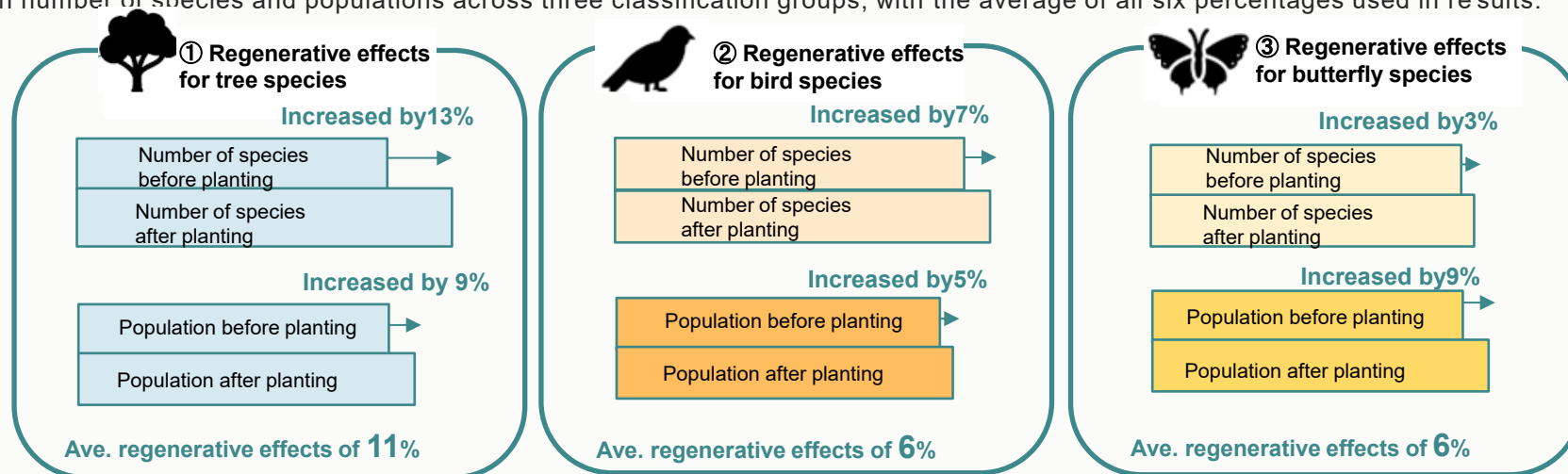


SHIBUYA SOLASTA

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)

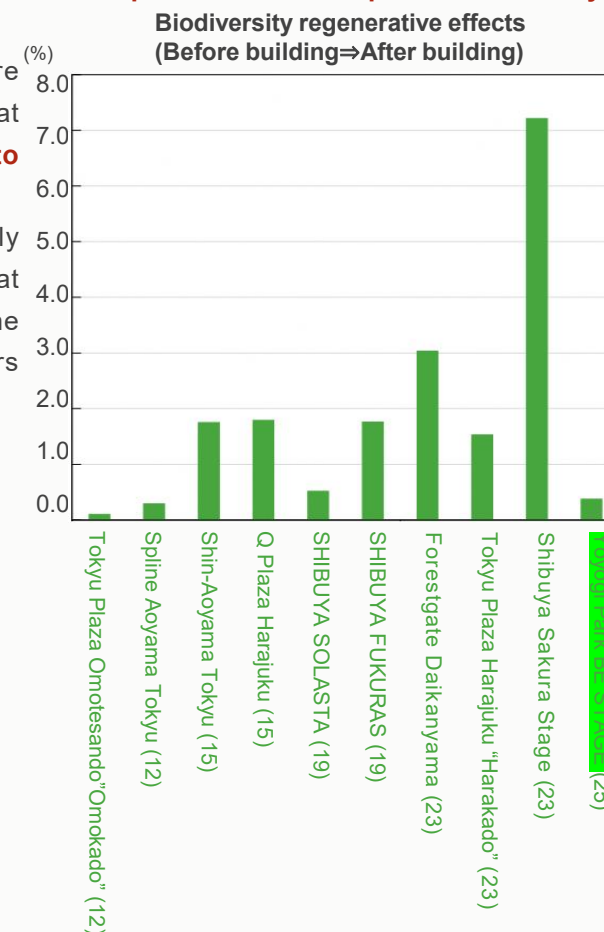
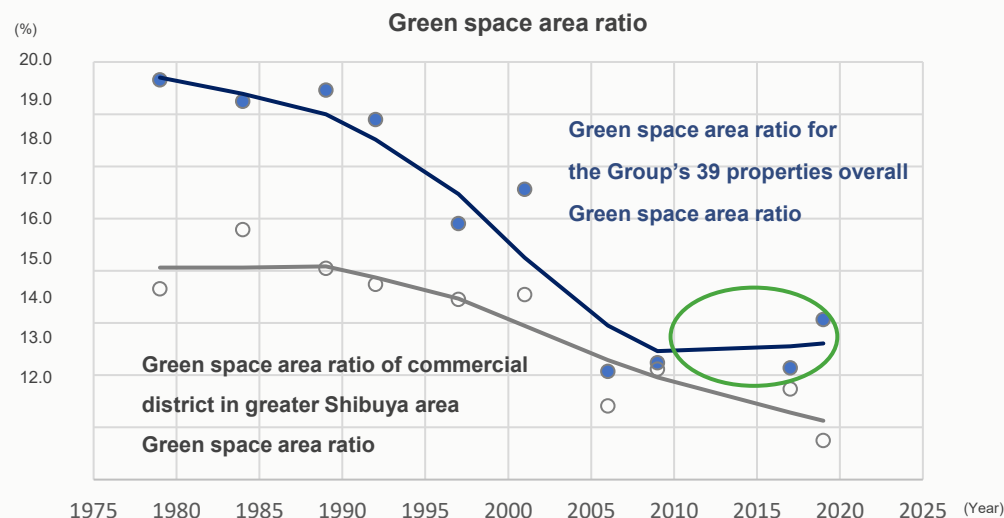
Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

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.



*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
<i>Aucuba japonica</i>	1362	Species native to region	<i>Hiyodori</i>	<i>Polygonia c-aureum</i>
<i>Vaccinium sect.</i>	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>	28		<i>Mejro</i>	<i>Lampides boeticus</i>
<i>Lagerstroemia indica</i>	26		<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>Kawarahiwa</i>	<i>Hestina japonica</i>
<i>Ulmus parvifolia</i>	23	Species native to Japan	<i>Bambusicola thoracicus</i>	<i>Pieris rapae</i>
<i>Ilex buergeri</i> Miq.	17	Species native to region	<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>Bombicilla garrulus</i>	<i>Papilio macilentus</i>
<i>Ilex latifolia</i>	16		<i>Turdus chrysolaus</i>	<i>Lycena phlaea</i>
<i>Stewartia monadelph</i>	16		<i>Garrulus glandarius</i>	<i>Potanthus flavus</i>
<i>Callistemon speciosus</i>	16		<i>Sittiparus varius</i>	<i>Colias 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 philyra</i>
<i>Neolitsea sericea</i>	1	Species native to region	<i>Picus avokera</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		<i>Turdus celsanops</i>	<i>Argynnis paphia</i>
<i>Rhododendron obtusum</i>	1		<i>Turdus cardis</i>	<i>Byasa alcinous</i>
<i>var. sakamotoi</i>	918		<i>Turdus obscurus</i>	<i>Parantica sita</i>
<i>Salvia microphylla</i>	492		<i>Bombicilla</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

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

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.

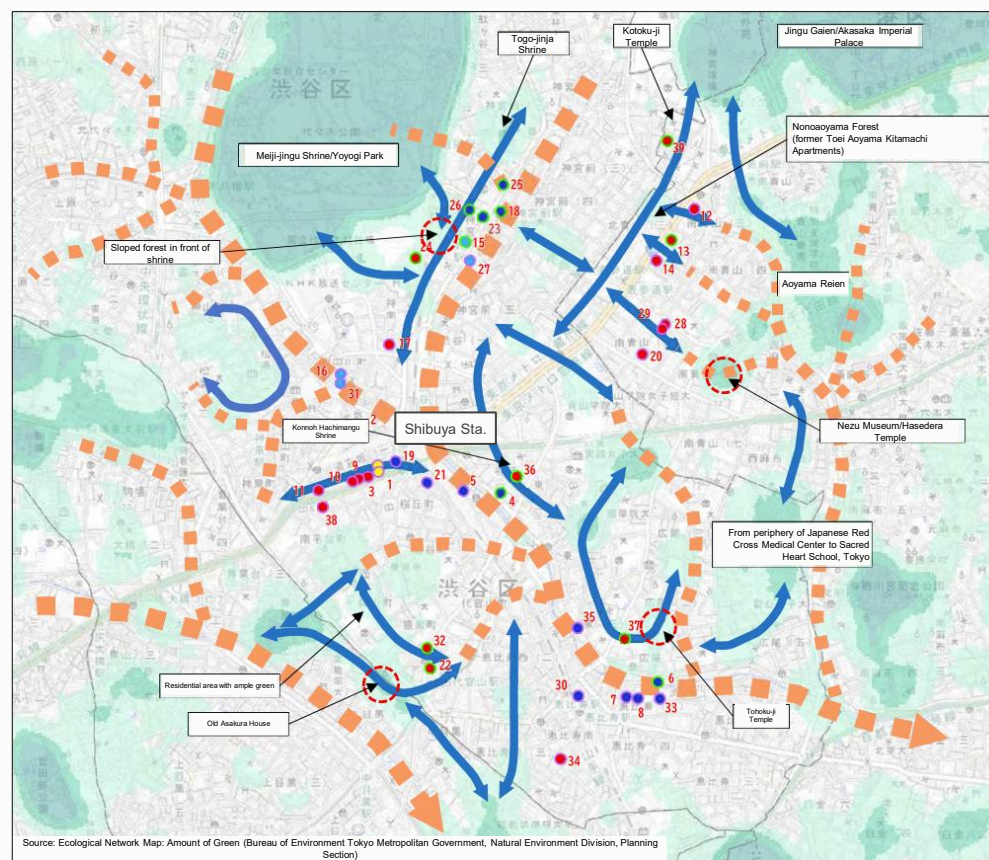
Additionally, the Company's properties are located at the red circles on the map to the right, which also constitute locations where fellow properties of ours are in proximity to each other or are concentrated.

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



- : Main peripheral green spaces located in valley areas and on slopes
- : Axis of connection of valley configuration
- : Axis of reinforcement/enhancement of ecological network

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

Dependencies on regulating and maintenance services

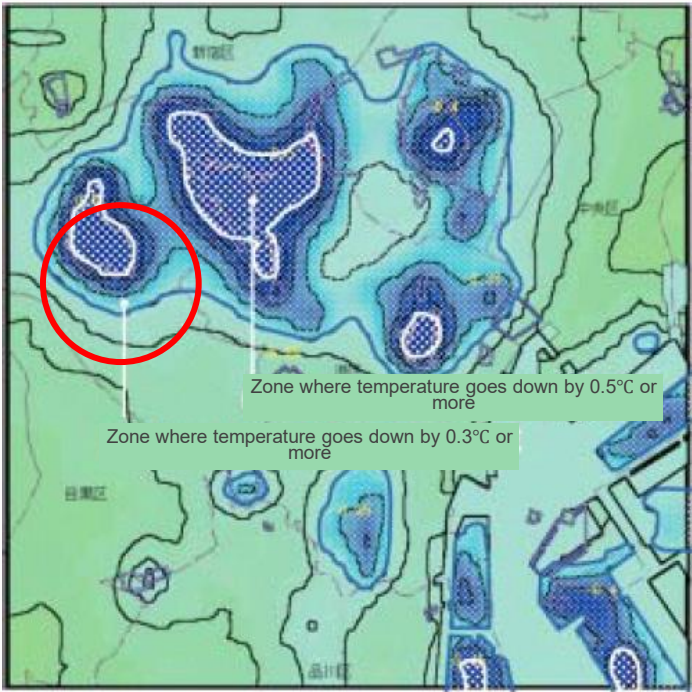
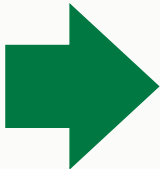
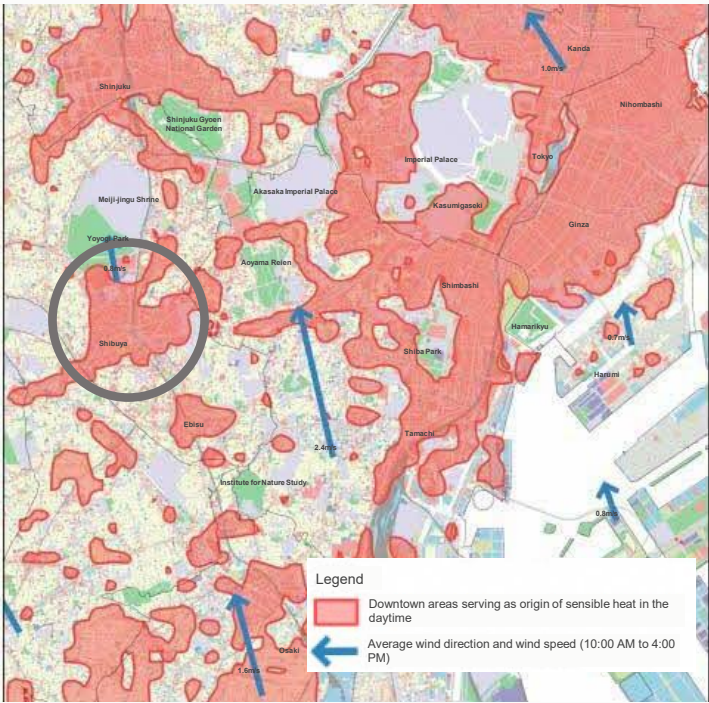
Importance of climate regulation, disaster mitigation, etc. (regulating and maintenance services in cities)

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, Infrastucture 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)

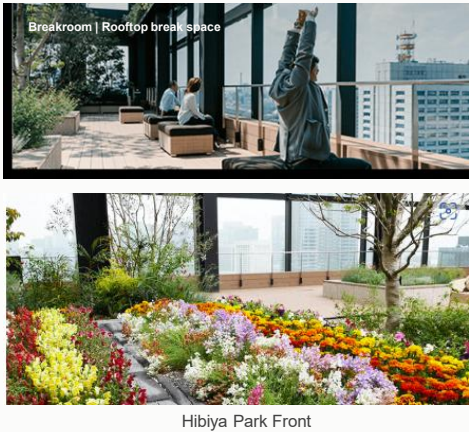
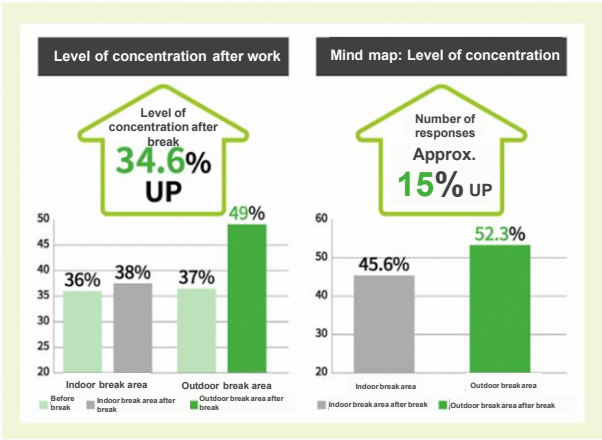
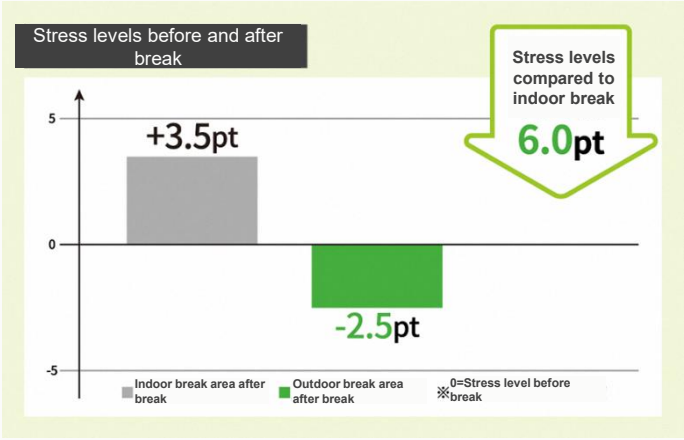
Dependencies on cultural services

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

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	Procurement of building materials, lumber, and other resources (impact nature)	Shortages of construction materials, timber, and other resources, along with higher procurement costs resulting from stronger regulations on land modification and resource extraction for new developments to protect nature
		Policies and regulations	Lower revenue owing to a reduction in the effective usable area of land resulting from stricter greening ratio regulations
		Land alteration and occupation following the development and operation of properties such as offices and commercial facilities (impact terrestrial ecosystems)	Higher compliance costs resulting from the introduction or strengthening of regulations and policies requiring the consideration of ecological networks and improvements in the quality of greenery, including the cultivation of native species
		Market	Reduced competitiveness of office buildings and commercial facilities, where efforts to reduce the negative impacts on nature and increase positive impacts are insufficient (Risk)
		Technology	Increased costs of highly resource- and energy-efficient construction technologies with a low environmental impact
		Reputation	Public criticism and lawsuits against development and operations that have a negative impact on the local ecosystem, landscape, and natural cultural services
	Opportunities	Market Products and Service	Growing demand for office buildings and commercial facilities that are harmonious with nature, with limited negative impacts on nature and positive impacts achieved through greater quantity and quality of greenery, advances in greening technologies, ecological network formation, and similar measures (Opportunity)

Important risks and opportunities in urban development business

Climate

Governance

Strategy

L

E

Nature

Risk/impact
managementMetrics/
targets

A

P

Classification			Major dependencies/impacts	Risks and opportunities in urban development business
Transition	Opportunities	Capital Flows Financing	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	● Receipt of policy incentives resulting from stronger policy support for the quantity and quality of green spaces during development
		Reputation		● Lower negative impacts on nature; increased investment in real estate that benefits nature through improved greenery quality, greening technology advances, ecological network formation, etc.
				● 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
				● 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
				● Higher corporate value, stronger brand power, and increased area value through business operations that highlight the appeal of local nature and land development in harmony with nature
Physical	Risks	Acute/chronic	Mitigation of heat island effect (dependency on regulation/maintenance services)	● 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)	● 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.

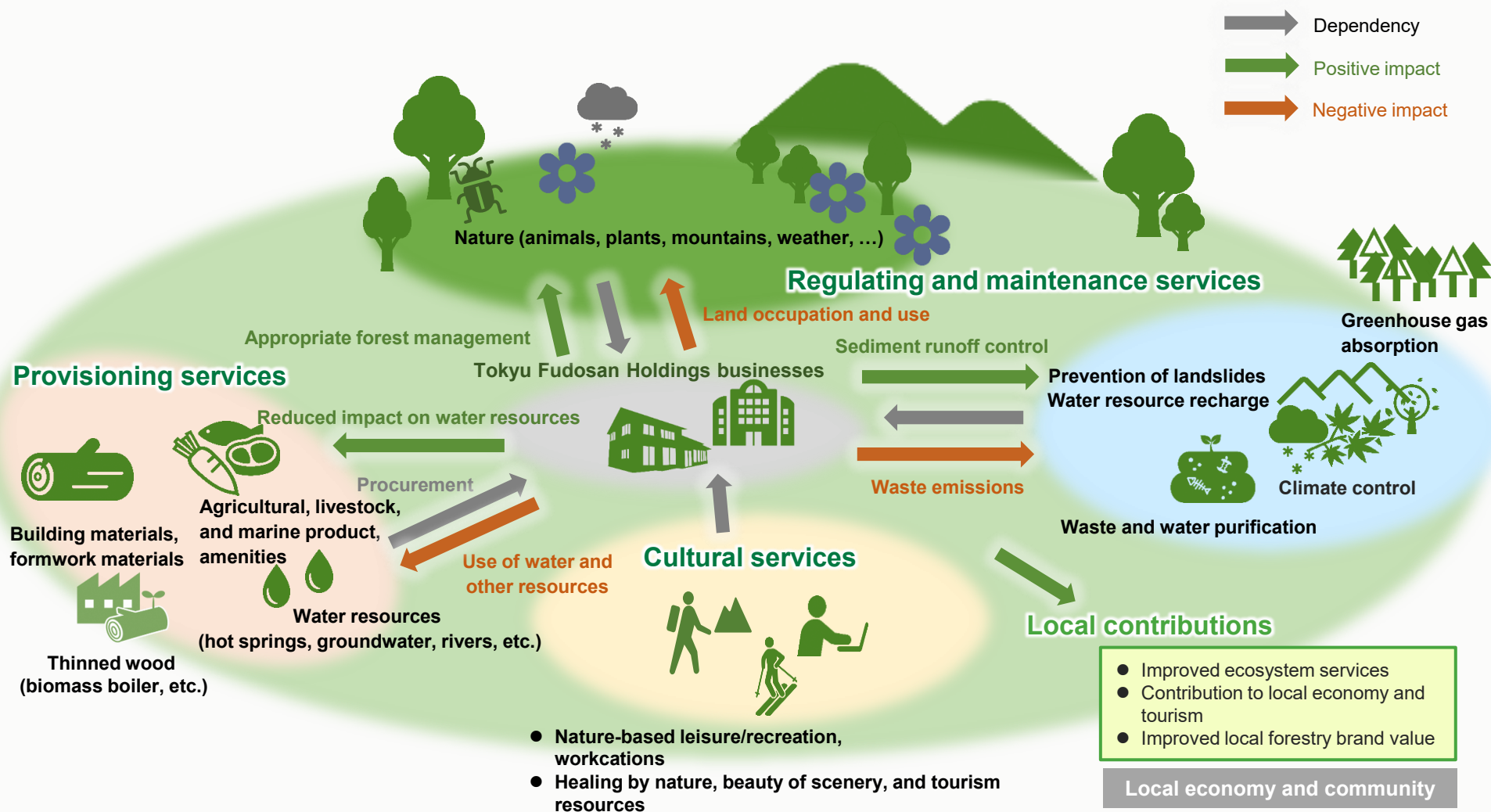


[URL] Tokyu Resort Town Tateshina | Relaxing in and enjoying nature (Tateshina, Nagano) (tateshina-tokyu.com)

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.



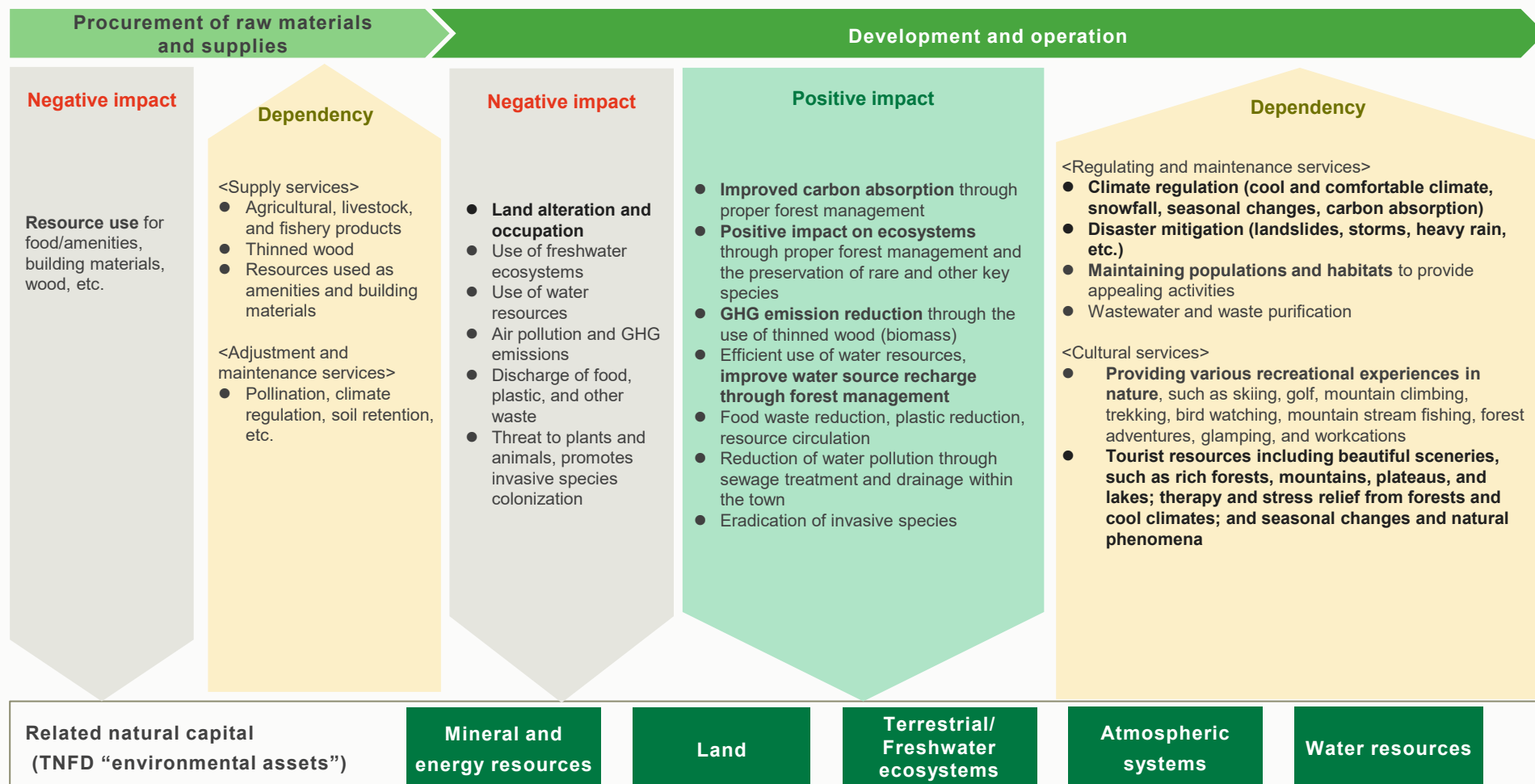
Major dependencies and impacts of business in Tokyu Resort Town Tateшина

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.

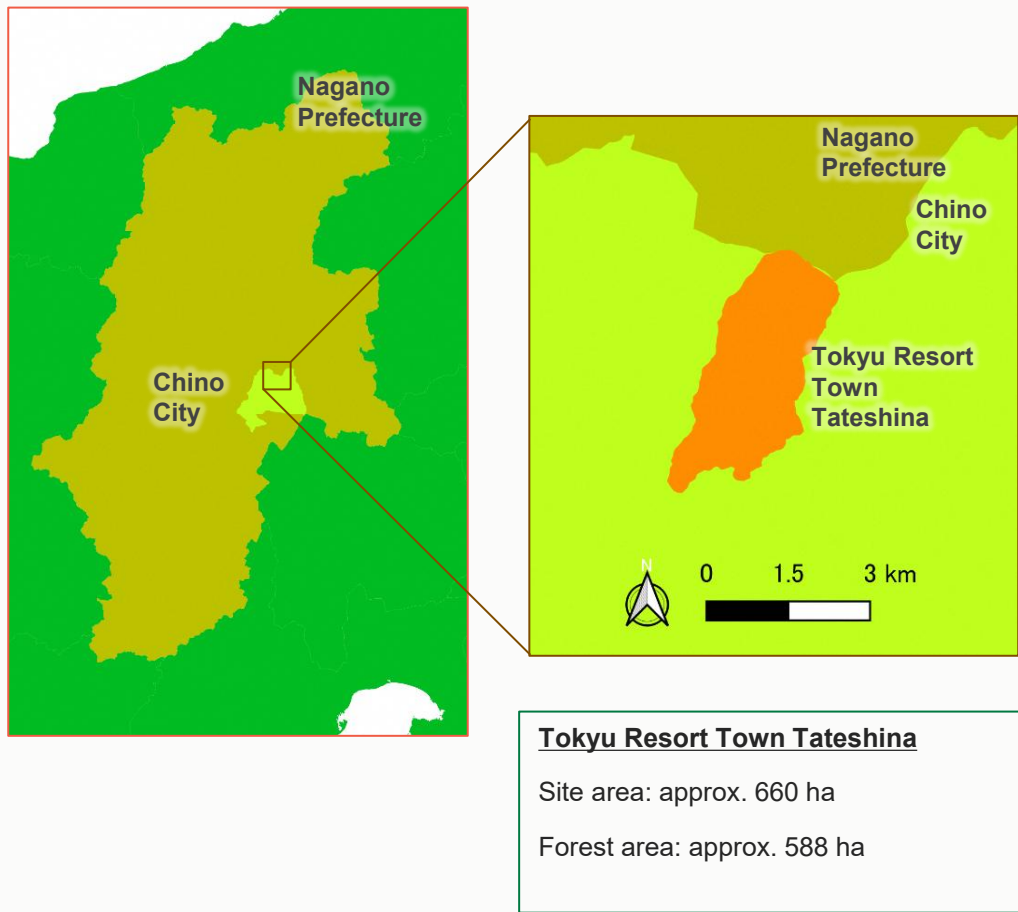
There is the potential for both negative and positive impacts on nature, and we also depend on nature in various ways.

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

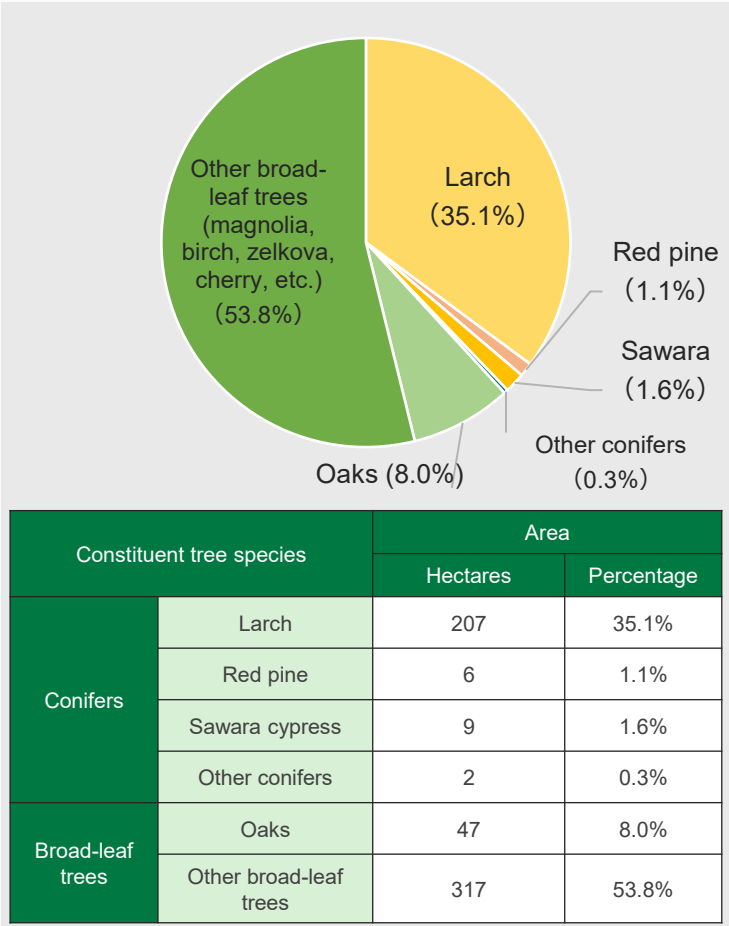


Characteristics of the nature in Tokyu Resort Town Tateshina

"Tokyu Resort Town Tateshina" 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 Tateshina” 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

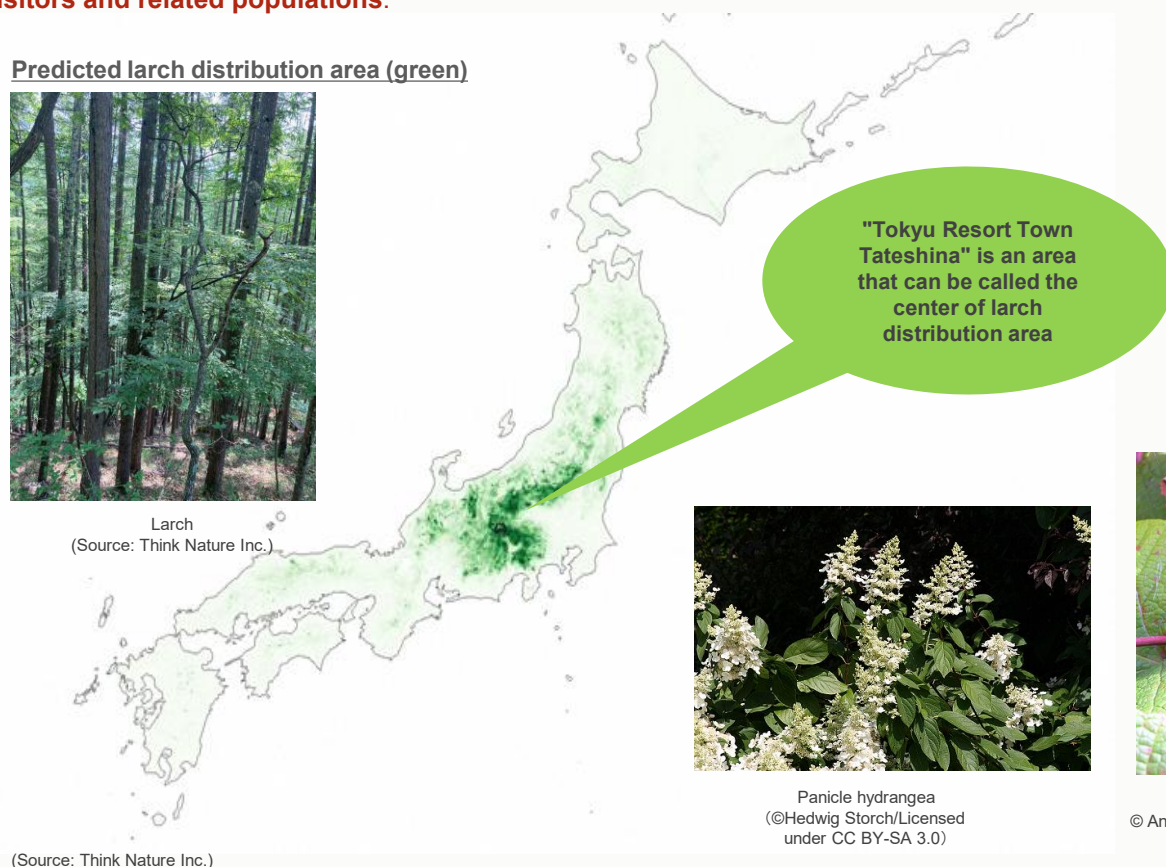
Analysis result : Larch forest

“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.)



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

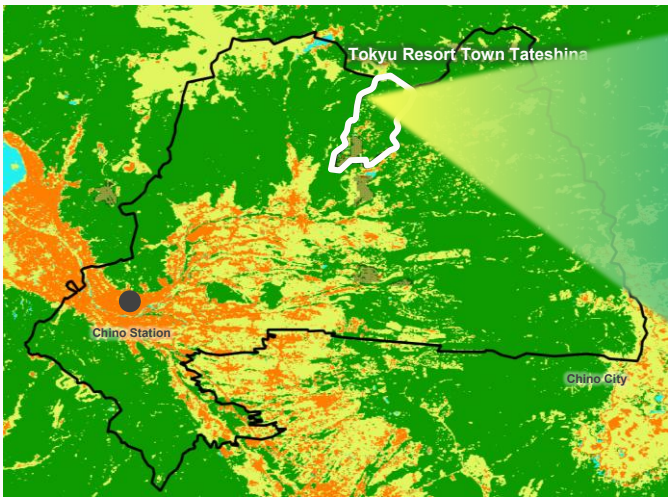
Tokyu Resort Town Tateshina

Method

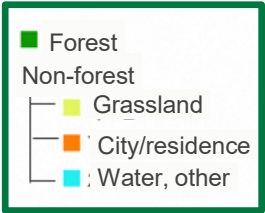
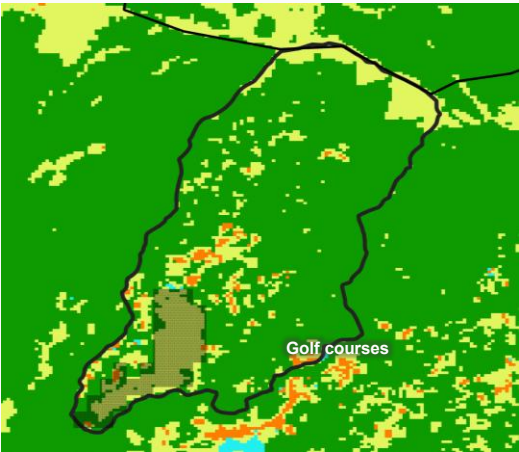
High-accuracy aerial images from 1973 and 1975 and satellite images from 1985 onwards were used alongside machine learning* with AI to **provide an estimated classification of forests and non-forests** and the trends in forest area change were quantitatively analyzed.

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

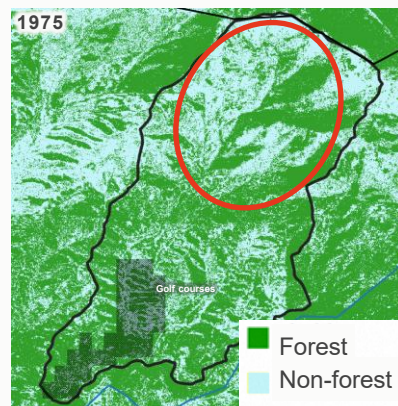
*Machine learning: Method of data analysis where a computer uses a large quantity of data to learn rules and make predictions and decisions based on those results.

Quantitative evaluation of impacts due to land use (results)

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

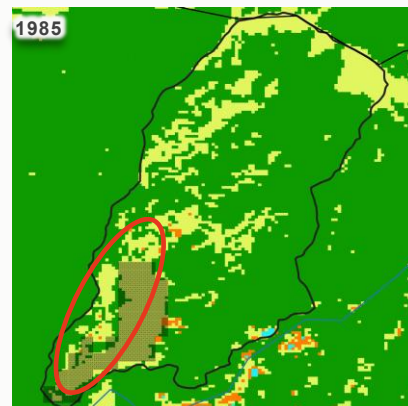
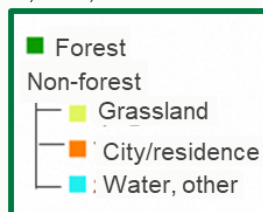
The change in forests over time is as shown in the figures below. **Around 1975, at approximately the time of land acquisition, there were many non-forest areas centered in the north of the site.** The state of the forest **changed due to forest recovery**, as well as **the development of facilities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

Source) Think Nature Inc.

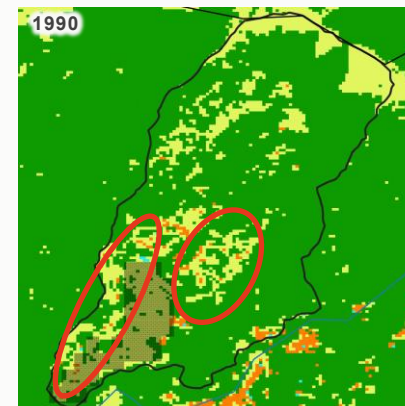


The area was used as a grass-cutting field in the pre-WWII and WWII periods and as a reforestation and afforestation site for timber in the post-WWII period*. Around 1975, at approximately the time of development, non-forest areas were noticeable due to the impact of felling for firewood and charcoal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

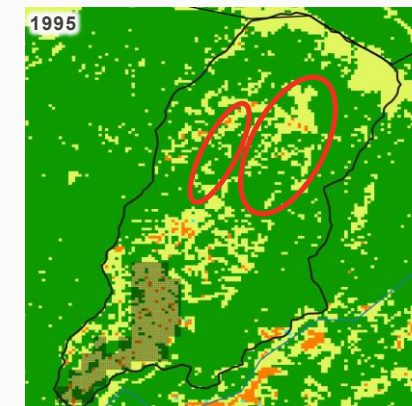
*From references 6) and 7)



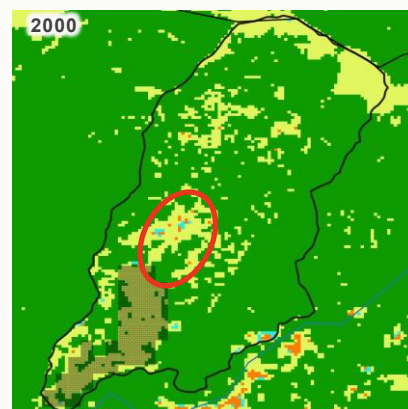
Construction of vacation homes and development around golf courses proceed in the circle, while forest recovery proceeds in the north.



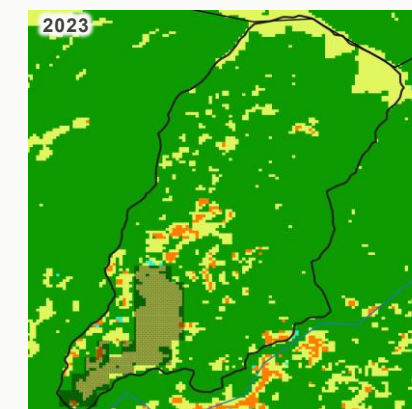
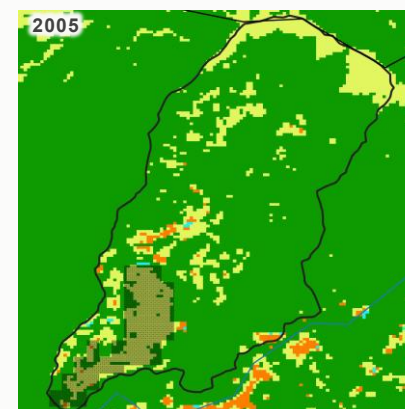
Construction of vacation homes and villa proceeds in the circles, as well as forest recovery in the northwest area and golf courses.



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

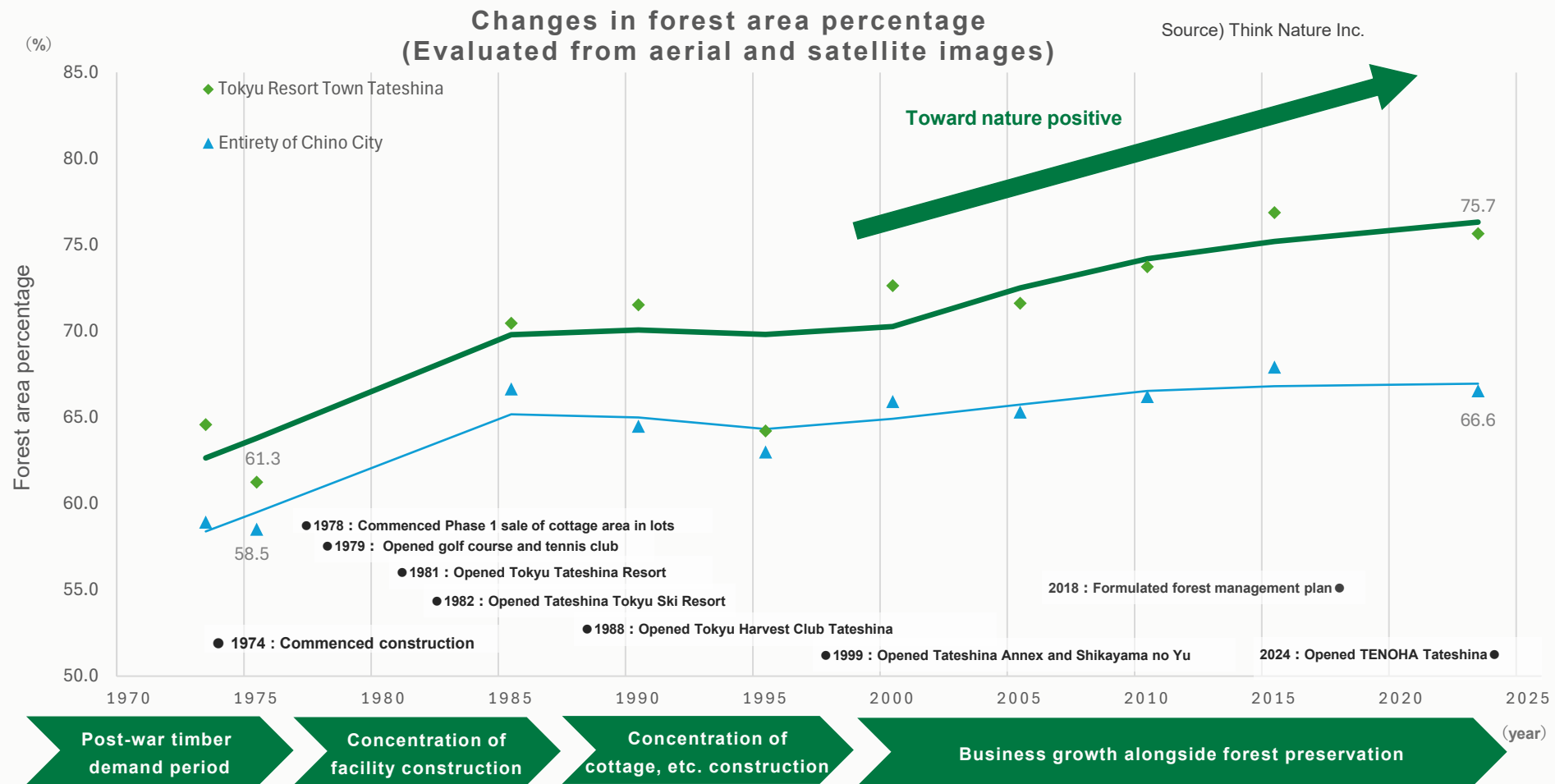


Construction of hotels and other structures continued within the circle in the 2000 image, but a subsequent tendency toward forest area recovery was confirmed.



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.

*See “Glossary”

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.

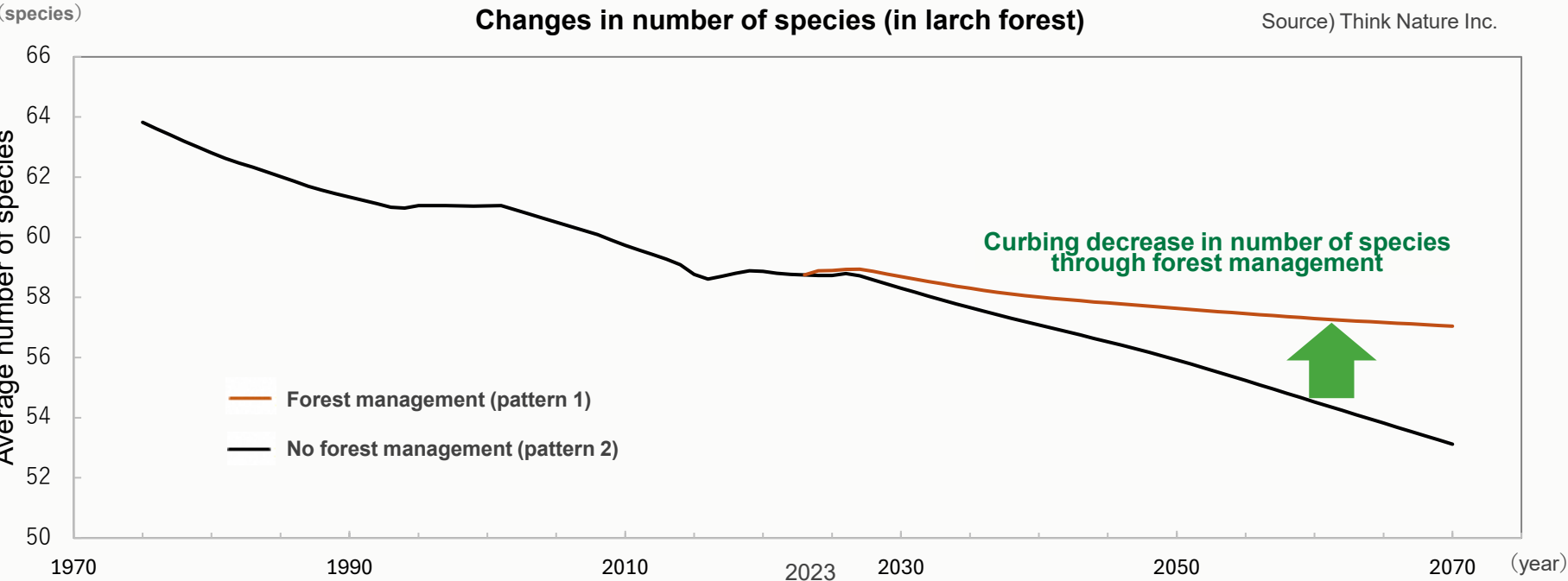
Quantitative evaluation of positive impacts due to forest management (results)

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

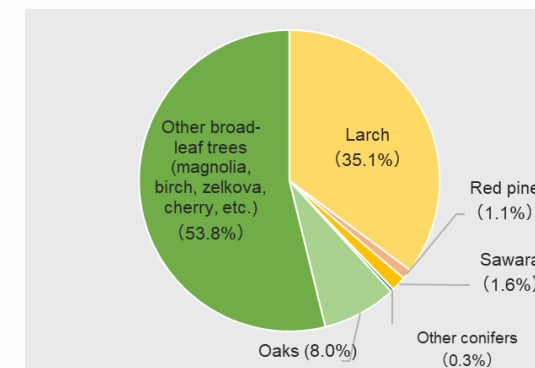
Risk/impact
managementMetrics/
targets

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.

Forest composition



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

Overview of visualization sheet

Item	Details
Creation and disclosure	Forestry Agency
Characteristics	◆ 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)

CO2 absorption amount by forests (single year)

Analysis results showed that, **per year**, the entire forest of “Tokyu Resort Town Tateishina” **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

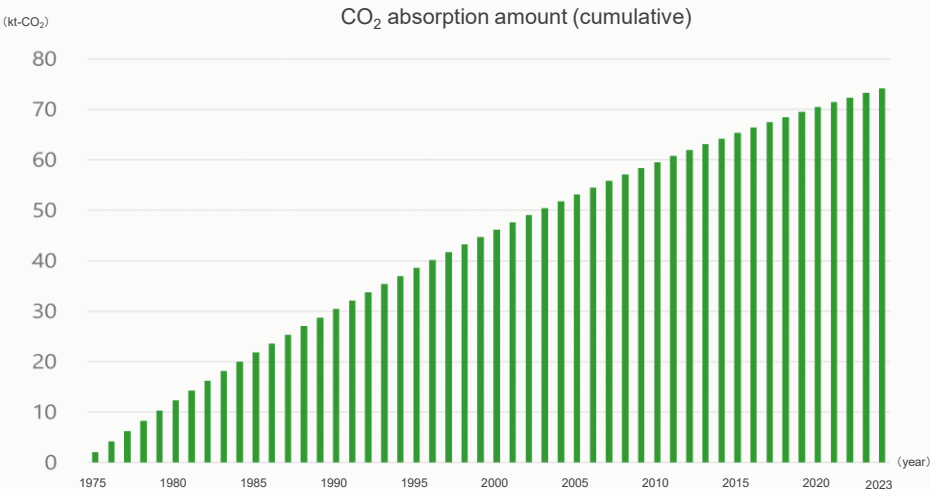
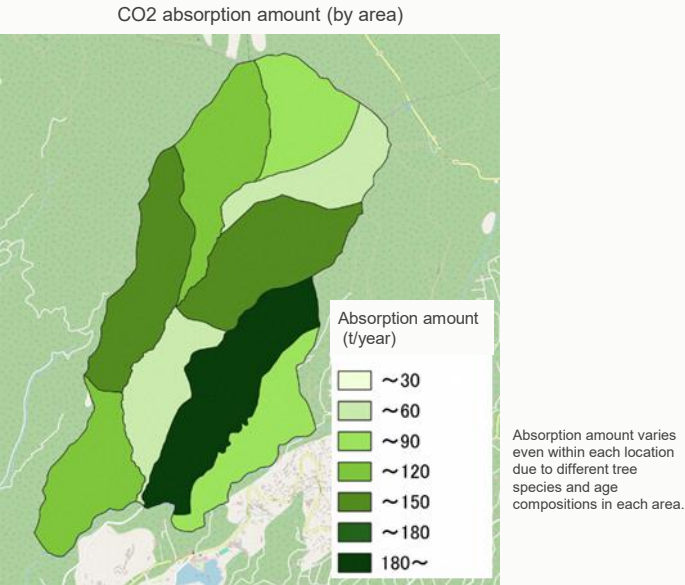
Forest CO2 absorption amount (cumulative)

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 Tateishina.” 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

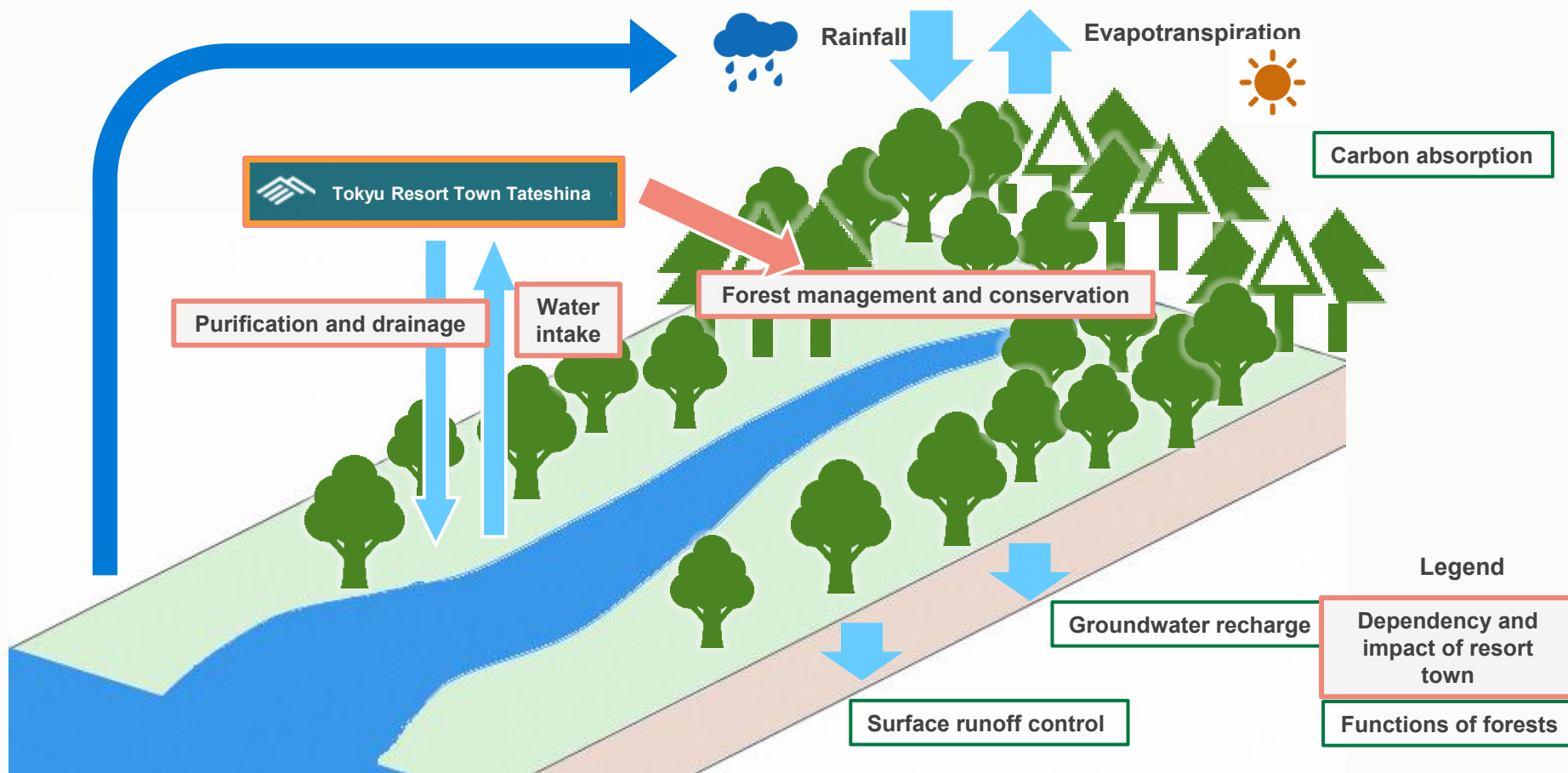
* Calculated from amount of CO₂ emissions per household from “Japan Greenhouse Gas Inventory (FY2021)”



Positive impacts on the multifunctional role of forests (overview)

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

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
management

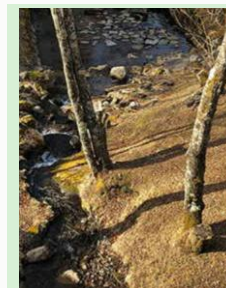
Metrics/
targets

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.



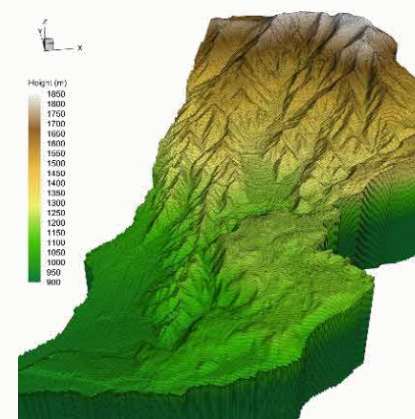
Water source

- ✓ 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).



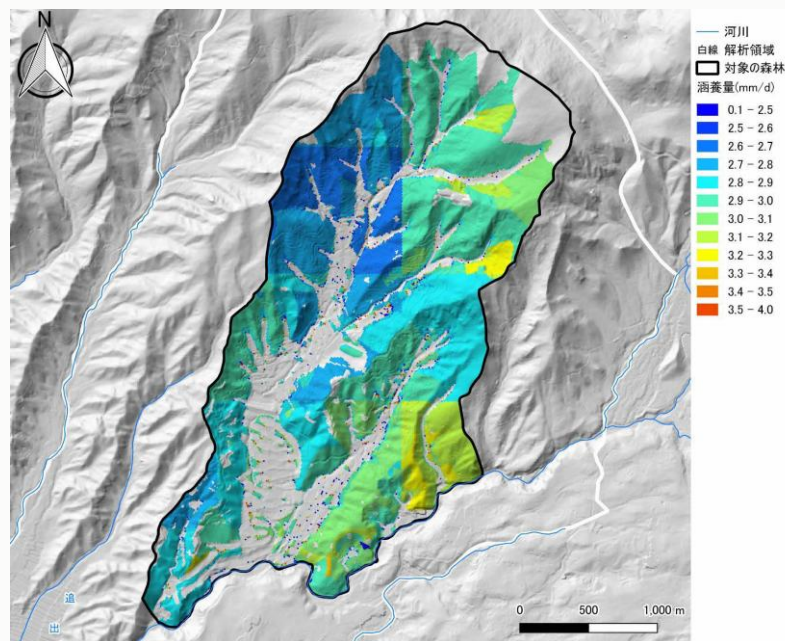
Model of study area (color-coded by altitude)

Positive impact on multifunctional roles of forests (groundwater recharge)

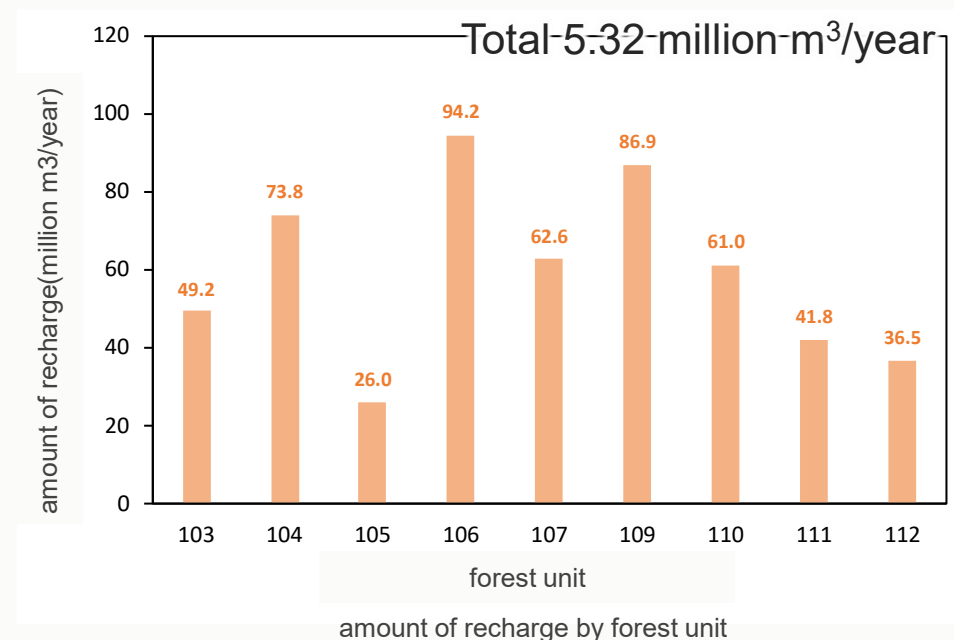
Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/targets	A	P

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)

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

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

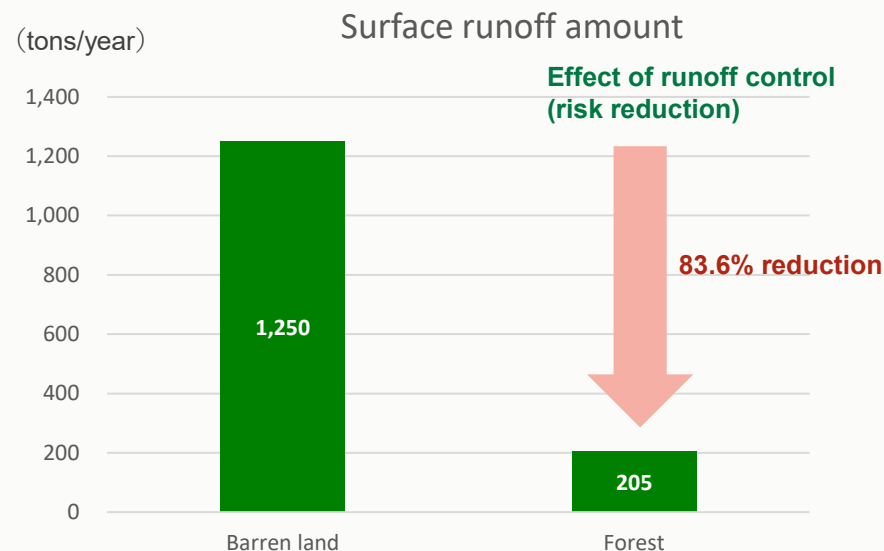
- We used the universal soil loss equation (USLE), a method commonly used to predict surface runoff amounts, to analyze the difference in surface runoff between forests and barren land.

<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 land-based hotel and leisure business (transition risks)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
managementMetrics/
targets

A

P

Based on our analysis of Tokyu Resort Town Tateshina, 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	● Higher costs associated with waste reduction, reuse, and recycling resulting from stricter regulations on waste and resource circulation, including plastics and food loss	
			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 land-based hotel and leisure business (transition opportunities)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
managementMetrics/
targets

A

P

Classification			Major dependencies/impacts	Opportunity components
Transition	Opportunities	Resource efficiency	Reduction of negative impacts such as land alteration and occupation, pollution, resource use, and waste discharge Positive impacts on ecosystems (and ecosystem services) through proper forest management, biological monitoring, and species protection	Reduced CO₂ emissions from biomass boilers using thinned wood, reduced energy costs, and reduced costs associated with water-efficient technologies
		Capital		Acquisition of J-Credits through proper forest management and carbon absorption initiatives
		Products and services		Sale of wood products and native aromatic goods made from larch wood generated during thinning
		Market Products and services Reputation		- 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 and the provision of services that contribute to "nature positive" outcomes (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		- 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 land-based 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	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	- 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	- 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	- Impact on our net zero transition plan due to a decrease in the forest CO₂ absorption capacity - Loss of seasonal naturally attractive tourism environments serving as important tourist attractions due to rising temperatures caused by climate change, and a decrease in resort appeal - Impact on ski resorts resulting from reduced snowfall volume and fewer snowfall days owing to 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-

Priority area: Palau Pacific Resort

Palau Pacific Resort

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

Palau Pacific Resort (PPR) is a full-service resort hotel developed in the Republic of Palau in harmony with environmental conservation.

● Republic of Palau

The Republic of Palau comprises more than 200 islands and is **located at the western edge of the Micronesian region in the Pacific Ocean**. After officially gaining independence from foreign rule in 1994, Palau's primary industries have been tourism, fisheries, and agriculture. **The resort destination is accessible by a direct flight of approximately four and a half hours from Japan, and there is no time difference**. Encircled by stunning coral reefs, the surrounding seas are internationally recognized as one of the world's most dynamic diving destinations, supporting a wide variety of marine species.

● About "PPR" <https://www.palauppr.com/>

Situated in a prime setting overlooking the World Heritage Site known as the Rock Islands Southern Lagoon, this authentic beach resort allows guests to fully experience Palau's natural environment and culture.

PPR **covers roughly 27 hectares, provides 172 guest rooms, the highest number in Palau**, and diverse accommodation options, including five overwater bungalows and seven pool villas.

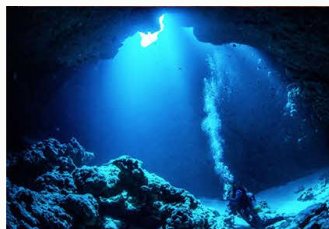
Guests can enjoy activities such as snorkeling, stand-up paddleboarding, kayaking, and others along **the approximately 250-m private beach facing the Pacific Ocean**. The grounds also include forested areas inhabited by more than 35 bird species, including endemic and endangered birds, offering opportunities for birdwatching and nature walks.



Location map



Facility layout



Diving spot



Hotel exterior



Shellfish and wild bird species

Beginning in 1956, when Tokyu Fudosan Corp.'s first president, Noboru Goto, became the first Japanese civilian to visit Palau after the war, we have continuously developed our business in Palau, often called “the last paradise on earth,” while safeguarding its abundant natural environment, history, culture, and local communities.

- 1956 **First President Noboru Goto visits Palau**
- 1973 **Local subsidiary established**
- 1984 **“PPR” commences operations**
- 1994 **Guest room expansion from 100 to 160 rooms**
- 2002 **Arakabesan Sea area in front of resort designated as marine conservation area**
- 2012 **Rock Islands Southern Lagoon registered as World Heritage Site**
- 2015 **Five overwater bungalows added, first such facilities in Micronesia**
- 2019 **“The Pristine Villas and Bungalows” opens, including Palau’s first seven standalone pool villas**
- 2025 **Luuk Nature Center opens as facility for experiencing natural environment**



Overwater bungalows



The Pristine Villas and Bungalows



Luuk Nature Center

Luuk Nature Center (opened December 2025)

In 2025, Luuk Nature Center was launched as a space dedicated to experiencing Palau’s distinctive natural environment, offering a special program that enables visitors to explore the rich ecosystems of interconnected mountains and ocean, following the concept of “Connectivity from Ridge to Reef,” all within the resort grounds. While generating appreciation for Palau’s dynamic natural scenery, this facility creates new value as an educational space that supports future environmental conservation efforts.

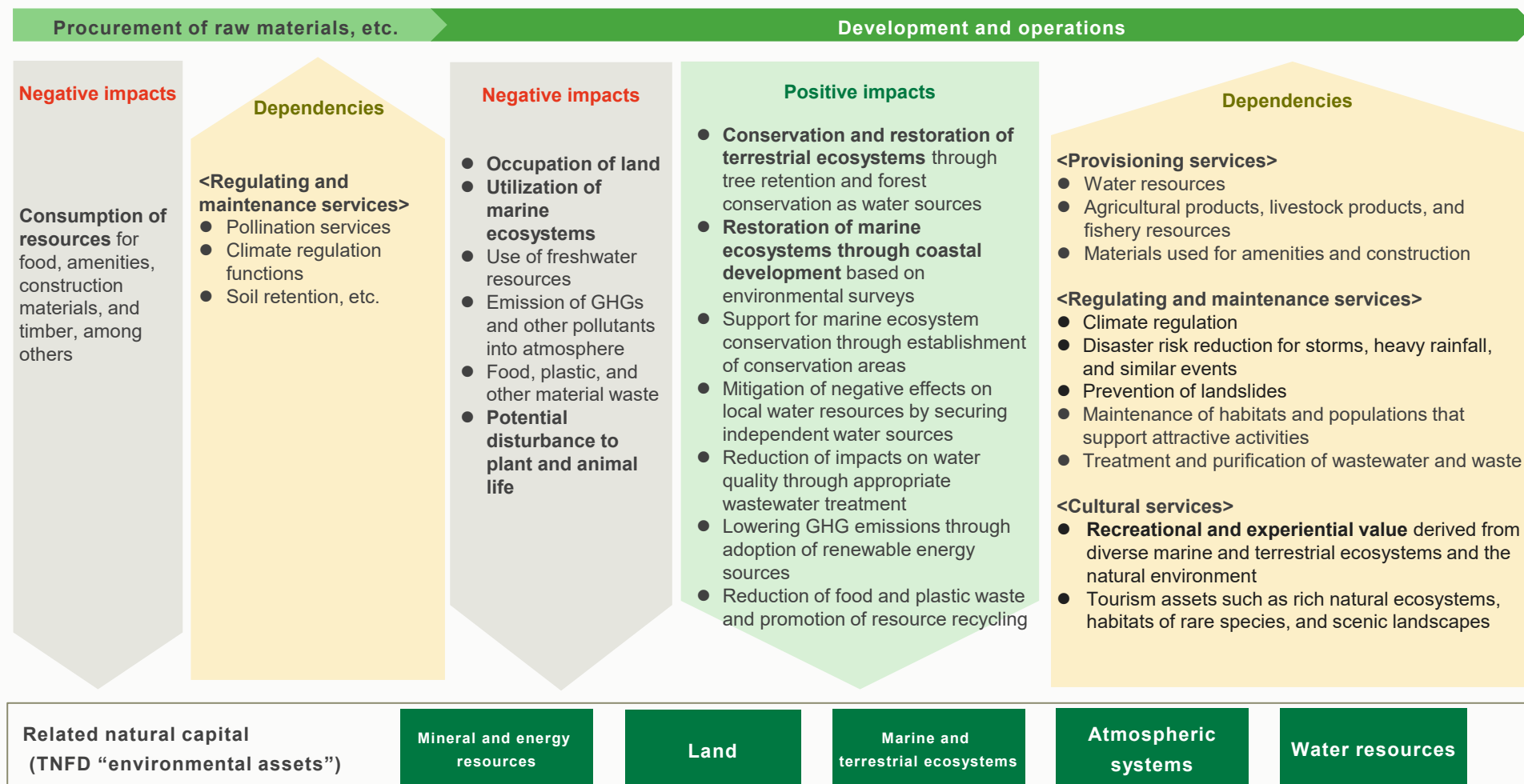
<https://www.palauppr.com/naturecenter/>

Major dependencies and impacts of business at “PPR”

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

The figure below illustrates dependencies and impacts on nature. Although our activities may generate both adverse and beneficial effects on nature, our operations also rely on natural systems in multiple ways.

Dependencies and impacts on nature across value chain *Items shown in bold are regarded as especially significant.



Assessment of dependencies on nature as tourism resource (method)

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

“Biodiversity importance” was assessed to determine the importance of the local area including PPR.

Assessment method

In cooperation with Think Nature Co., Ltd., we analyzed conservation priority as an indicator of biodiversity importance.

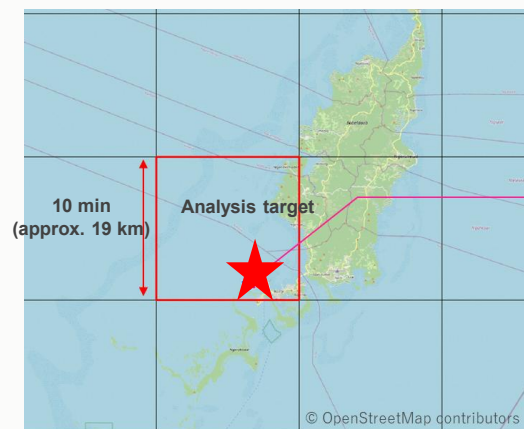
● Conservation priority

The assessment area was divided into grid units; for each grid, the risk of species loss was quantified on a scale from 0 to 1, where 1 represents a rich habitat with the highest risk of loss. **A conservation priority value closer to 1 indicates a greater number/higher presence of species facing extinction.**

This analysis used large-scale species distribution data maintained by Think Nature Co. Ltd.

● Scope of analysis

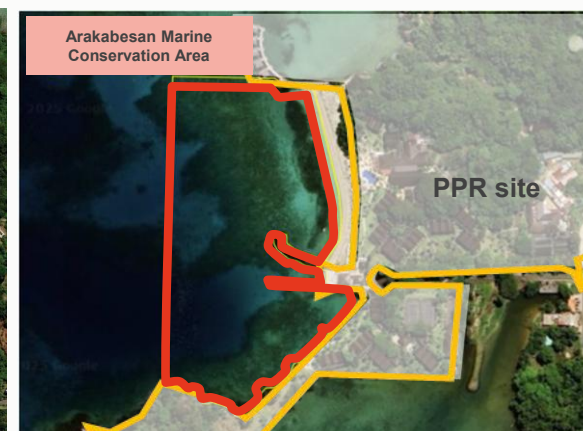
The assessment included the PPR site as well as the adjacent sea area in front of the resort, specifically the Arakabesan Marine Conservation Area.



Analysis target grid



“PPR” site*1



Arakabesan Marine Conservation Area (within red outline)

*1: Refer to p. 153 for the image source.

*The grid divided the target area into square units of a fixed size. Biodiversity assessments were conducted for each of these units.

Source) Think Nature Co., Ltd.

Assessment of dependencies on nature as tourism resource (results)

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

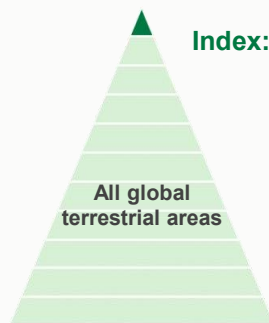
The conservation priority analysis for both land and sea indicated that the **terrestrial and marine areas** possess extremely high biodiversity conservation value, **placing them within the top 1% worldwide in terms of biodiversity importance.**

Relative to the global scale, the area supports a large number of species both on land and in the ocean, including many facing a high risk of extinction.

Importance of terrestrial biodiversity

Top 0.9% of global terrestrial areas

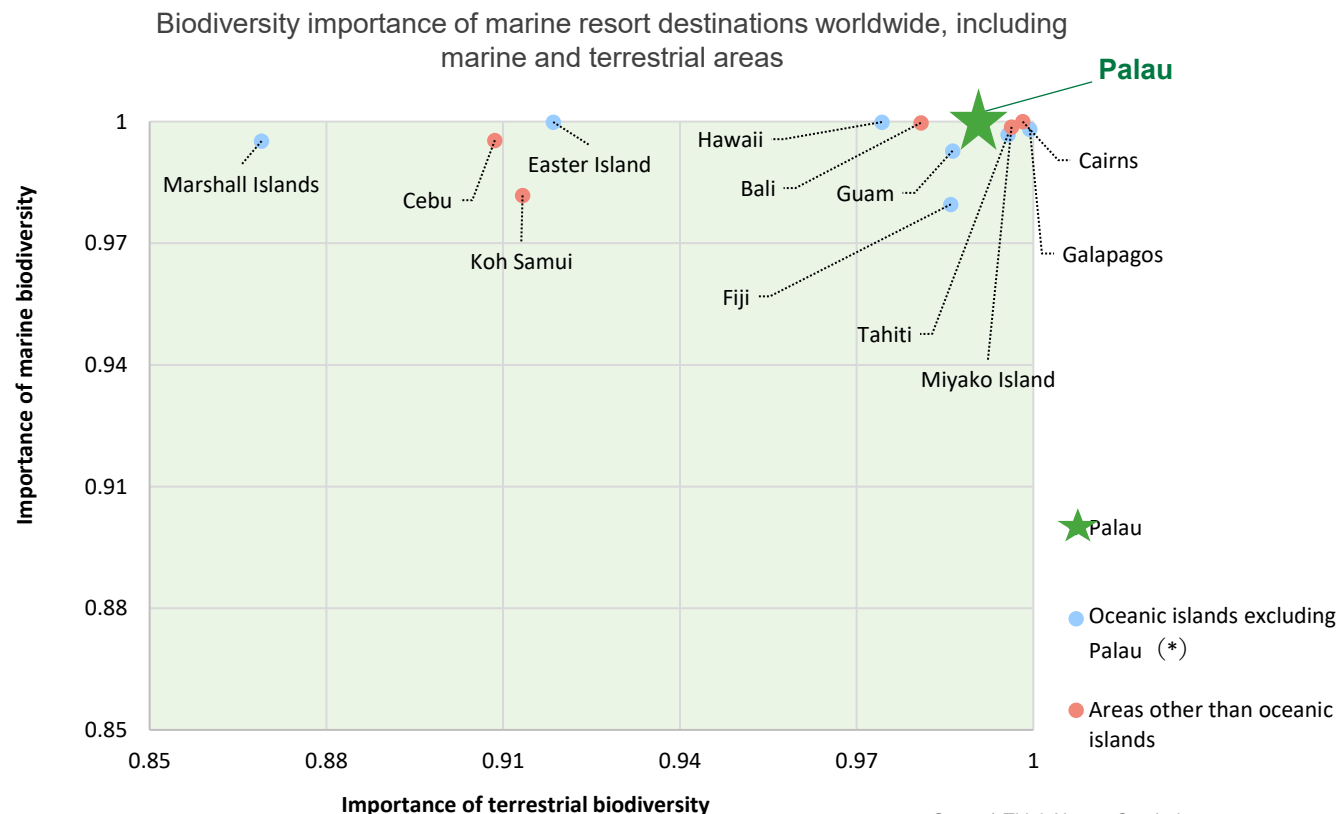
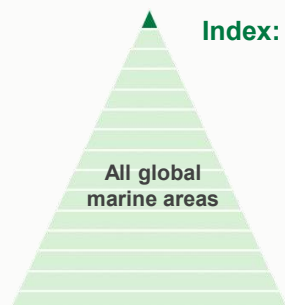
Index: 0.9907



Importance of marine biodiversity

Top 0.1% of global marine areas

Index: 0.9994



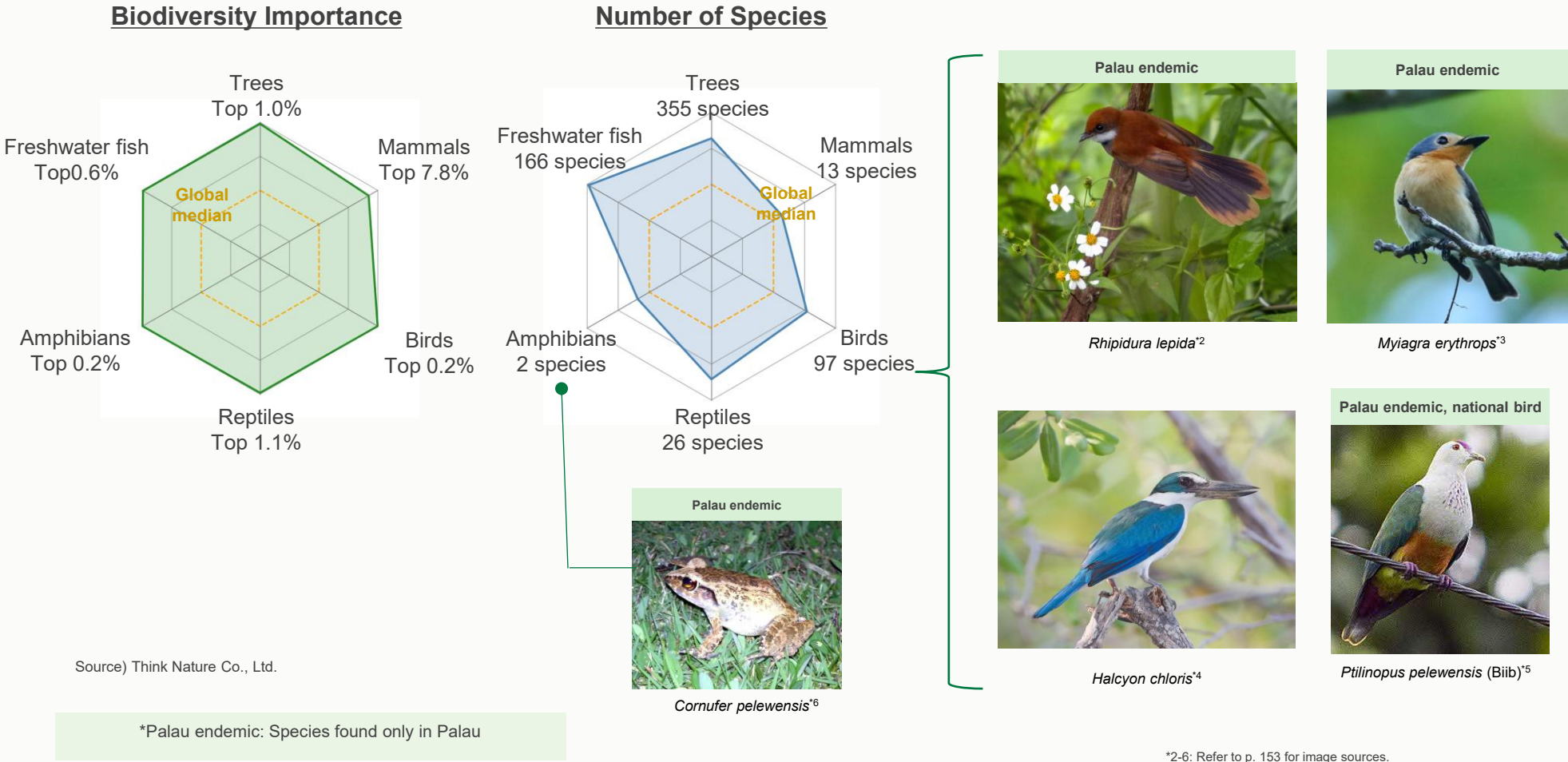
Source) Think Nature Co., Ltd.

*Oceanic islands: Islands that have never been connected to a continent, including Palau. Generally, land areas with stronger connections to continents support a larger number of species, and thus non-oceanic islands tend to have higher biodiversity importance.

Assessment of dependencies on terrestrial nature (results)

Analysis of Think Nature Co. Ltd.'s biodiversity big data showed that, across all six terrestrial biological groups, **biodiversity importance ranked among the highest globally**, with especially large numbers of freshwater fish and reptile species, as well as many endemic bird species.

The presence of bats and birds listed in the Red List **along with the nature-conscious development at PPR and the restoration of natural forests may contribute to this high level of biodiversity.**



Assessment of dependencies on marine nature (results)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
management

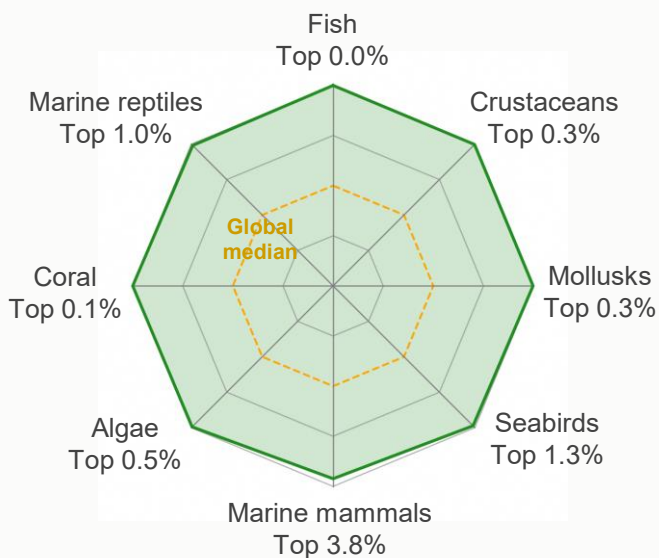
Metrics/
targets

A

P

Analysis of Think Nature Co. Ltd.'s biodiversity big data indicated that the sea area **ranked among the highest worldwide for both biodiversity importance and number of species** across all eight biological groups assessed. Species listed on the Red List include marine mammals such as *Dugong dugon* and *Physeter macrocephalus*, along with *Eretmochelys imbricata* and *Tridacna gigas*. As described later, **efforts under “PPR” to conserve and restore marine and terrestrial ecosystems may contribute to the high level of biodiversity.**

Biodiversity Importance

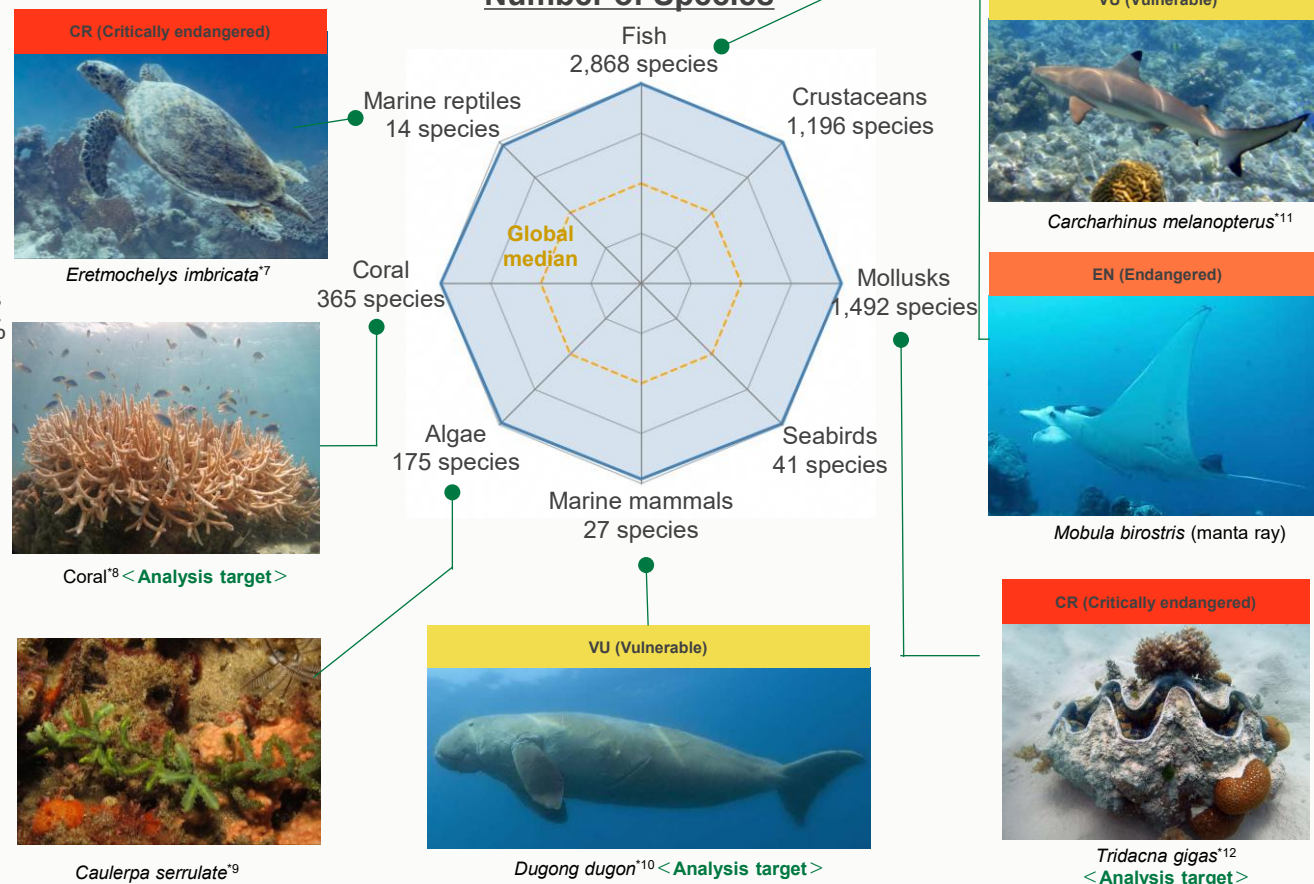


IUCN Red List categories of the International Union for Conservation of Nature (IUCN)

Symbol	Category
CR	Critically endangered
EN	Endangered
VU	Vulnerable
NT	Near threatened

Source) Think Nature Co. Ltd.

Number of Species



*7-12: Refer to p. 153 for image sources.

Reducing negative impacts during development (balancing nature and development)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
management

Metrics/
targets

A

P

Over 40 years ago, long before sustainability became a widely recognized concept, PPR was guided by the principles of “achieving balance between nature and development” and “contributing to the local community while being embraced by local residents.” These ideas are reflected in the words of Tokyu Fudosan Corp.’s first president, Noboru Goto, who said to **“not build anything taller than a palm tree”** and **“engage in work that genuinely benefits local people”**.

Terrestrial Development aligned with nature based on comprehensive environmental surveys

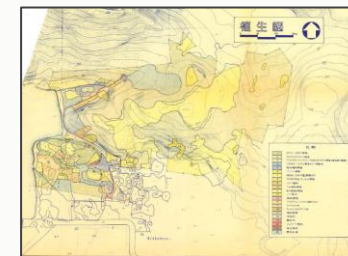
During the war, the PPR site contained military facilities. Instead of clearing forested areas, the current resort was constructed on the former military site, thereby limiting changes to the surrounding natural environment.

Before development began, **detailed environmental surveys focusing on vegetation and terrestrial ecosystems** were conducted. The findings of these surveys guided **extensive preservation of existing trees, along with the cultivation and planting of native plant species**. For instance, a “*Calophyllum inophyllum*/Casuarinaceae community,” unique to sandy coastal areas, was identified on the beach in 1979 and remains intact today. Additionally, **part of the northeastern section of the property has been designated as a water source protection zone** and is also utilized as a trekking area.

Site conditions before and after development



1944 (before development)



Vegetation survey
(Ishikatsu exterior, 1979)



2024 (after development)



Coastal forest

Marine Comprehensive beach restoration, coral transplantation, and initiatives toward marine conservation area designation

Before development, the sea area in front of the resort was affected by sediment runoff from land, creating conditions unsuitable for coral growth.

Guided by environmental surveys, **large-scale beach restoration efforts, including coral transplantation**, were implemented, leading to significant environmental improvements and the successful recovery of coral in the adjacent sea area in front of the resort.

Starting in the late 1990s, **the resort began releasing juvenile endangered *Tridacna gigas* into the sea with guests**, while also carrying out educational programs for both residents and visitors on restrictions against collecting living organisms.

These conservation initiatives enhanced the marine environment and **prompted a request from the state government for marine conservation measures. Consequently, in 2002 the sea area in front of the resort was designated as the Arakabesan Marine Conservation Area, marking the first such designation for a private beach.**



Coral transplantation



Tridacna clam release

Reducing negative impacts during development (contribution to local community)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
managementMetrics/
targets

A

P

Guided by the objectives of contributing to the local community and gaining acceptance from local residents, we focused on **community contributions through designs that are in harmony with local culture and traditions, as well as through employment creation and human resource development.**

Design reflecting local culture, traditions, and natural environment

The buildings are limited to a maximum of two stories, remaining lower than surrounding palm trees, and feature roofs inspired by the traditional Palauan *abai*, or community hall. Existing trees were retained, and the architectural design harmonizes with the surrounding ocean and greenery.

By incorporating **traditional architectural elements along with culturally symbolic buildings and sculptures**, the design **enables guests to experience Palau's culture, traditions, and natural landscapes**. This shared appreciation also **fosters pride among employees**, which contributes to higher-quality service.



Hotel exterior



Traditional building, *abai* (community hall)

Contribution to local community

The western coast of Arakabesan Island, where the hotel is located, is also used by local residents, thus the development initially faced opposition. Through the hiring of local residents and by clearly communicating our commitment to developing an environmentally considerate resort, we earned community understanding and proceeded with development.

Today, **approximately 60% of employees are Palauan. In addition to providing employment opportunities, we support the local community through training and development in the hotel and tourism sectors.**

Consequently, strong relationships have been established with the local community, and PPR's initiatives have been met with appreciation.

PPR employees participate in environmental initiatives through the Green Care Committee, **regularly carry out voluntary cleanup activities, such as collecting driftwood and waste such as plastic bottles from roads, bridges, and surrounding sea areas around Arakabesan Island.** Members have a designated leader, with whom they discuss and plan annual activities, and actively conduct cleanup efforts not only on the property but also in nearby areas.



Hotel staff



Green Care Committee

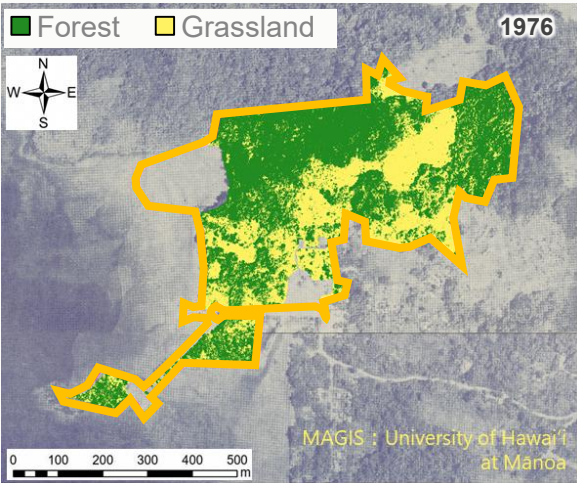
Quantitative evaluation of impacts due to land use (methods)

To assess the project’s environmental impact, we conducted a quantitative analysis of **changes in the proportion of forested areas before and after development**, with the support of Think Nature Co., Ltd., and qualitatively confirmed land use changes using aerial photographs and vegetation survey data from the pre-development period.

Methods

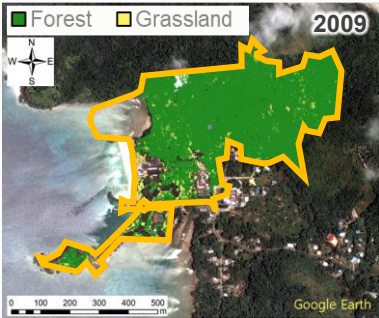
The PPR site was examined for 1976, 2009, and 2023, for which aerial photographs and satellite images were available. Using machine learning, images were classified into forest, grassland, and other land types such as built-up areas, and the extent of forest and grassland coverage was calculated.

Image analysis showed that, before development, natural forest coverage declined and grassland areas were extensive. **Following the development of PPR, land outside the building site was preserved, leading to a transition toward tropical rainforest**, referred to here as “natural forest.” Currently, most of the site comprises natural forest, which is considered to contribute to enhanced forest and marine biodiversity, reduced sediment runoff, and improved watershed protection.

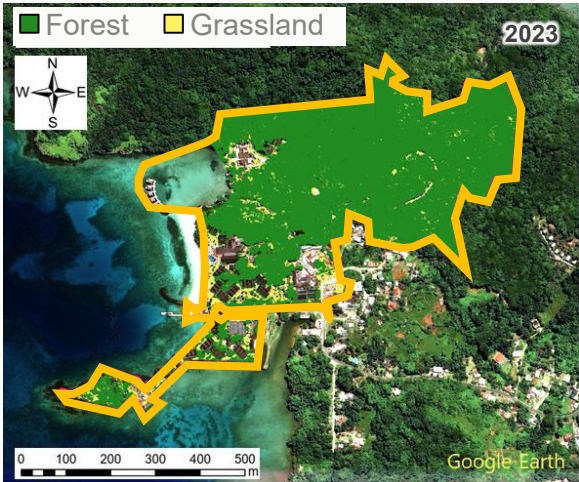


Site contains extensive grassland. Reviewing aerial photographs from 1944 together with vegetation surveys conducted during the development period suggests that areas classified as grassland **had already been cleared and used for military facilities and agricultural land before and during World War II.**

1984: PPR opens



A large portion of the site has since transitioned into dense jungle-like natural forest. Buildings are mainly concentrated along the coastline, but the surrounding areas have been carefully planted with trees and grassland vegetation, maintaining extensive green spaces.

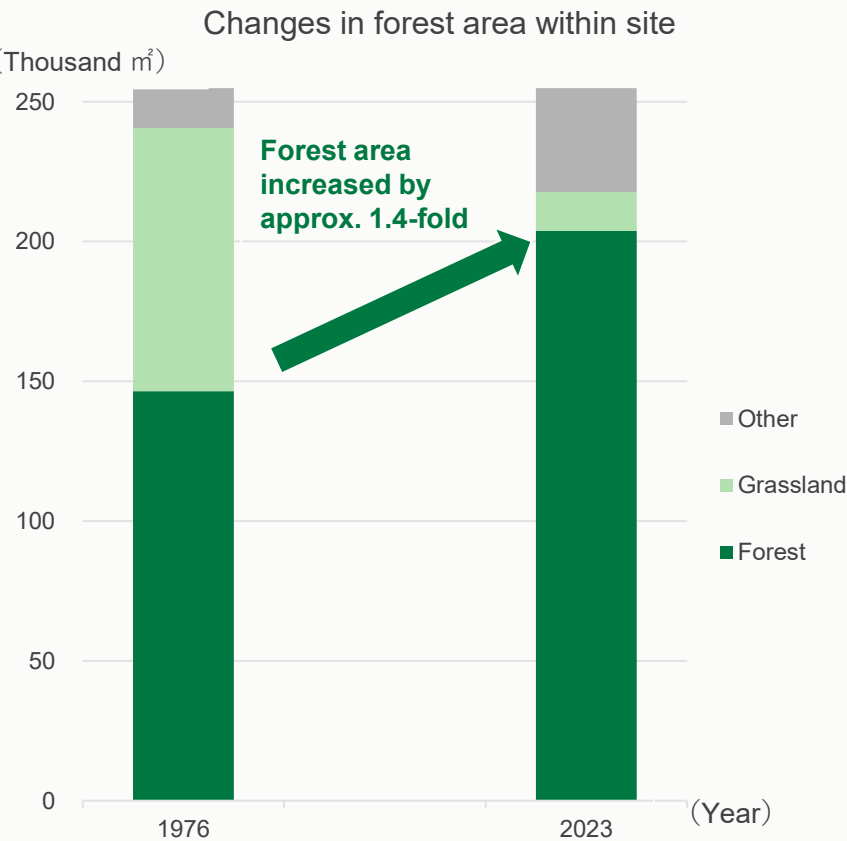


Most of the site is now covered by forest and the proportion of forested land has remained largely unchanged since 2009. **These natural forests help prevent sediment from flowing into the ocean and support the replenishment of water resources.** The forested areas also serve as trekking routes.

Source) Think Nature Co. Ltd.

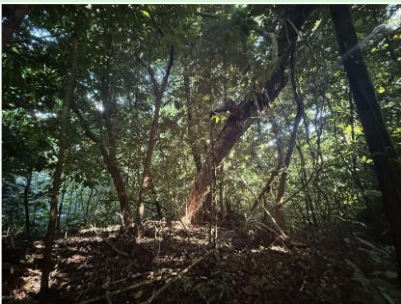
Quantitative evaluation of impacts due to land use (results)

Quantitative analysis showed that, although the area used for buildings increased as development progressed, a far greater area of forest has been restored. **Since the resort opened, the proportion of forested area has grown approximately 1.4-fold.** Development and operations guided by the principle of harmony with nature support the conservation and restoration of natural forests, wildlife habitats, and ecosystem services.



Comparison before and after resort opened in 1984

- Grassland areas declined as they transitioned into natural forest. However, vegetation surveys conducted in 1979 indicated that **these grasslands originated from cleared farmland, and native vegetation is believed to have gradually been restored into tropical rainforest through natural succession.**
- Resort construction increased the area occupied by buildings, **but development took place on the former sites of military facilities, thereby limiting changes to the original natural environment.** Sufficient greenery has been preserved around the facilities, **creating scenery that is in harmony with nature.**



Natural forest



Development in harmony with nature

Source) Think Nature Co. Ltd.

Quantitative evaluation of natural impacts in marine areas

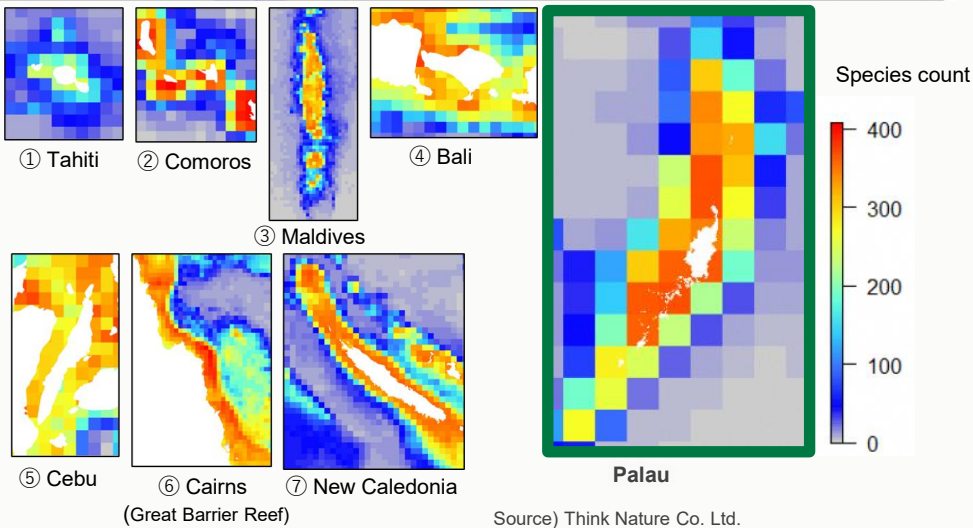
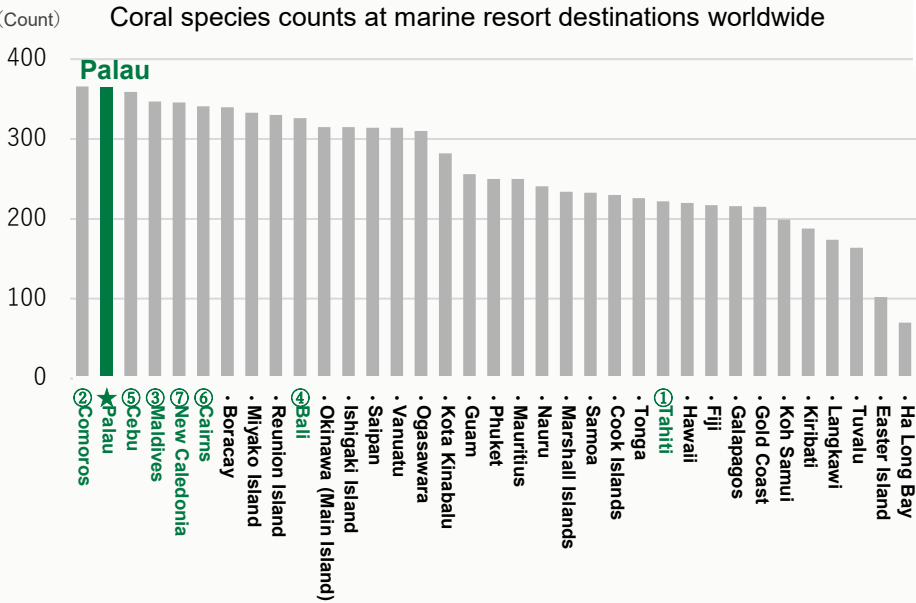
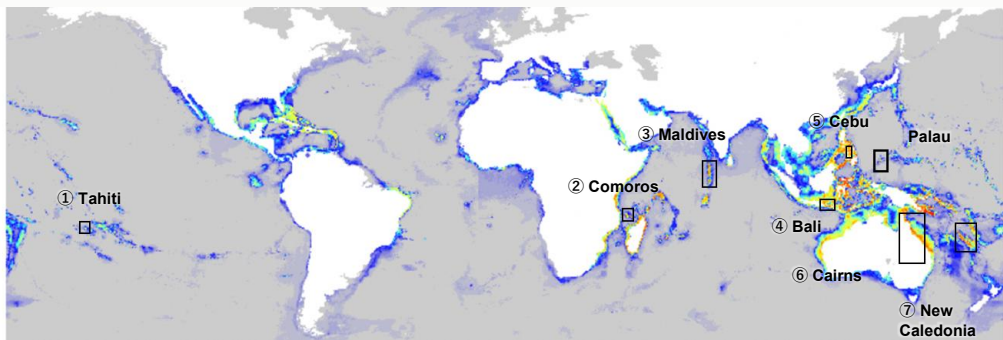
<coral>

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

Palau possesses some of the most abundant coral reef systems in the world, which draw many visitors and represent important tourism resources. Coral reefs function as biodiversity-rich “oases” and have **high biodiversity importance**. They also serve **as important natural assets upon which PPR’s business depends**. Accordingly, we conducted a quantitative assessment of coral reefs using Think Nature Co. Ltd.’s biodiversity big data.

Assessment of coral species counts

Analysis of **coral species counts** showed that Palau supports more than 350 species of reef-building corals out of 722 species assessed, which is a notably high figure for an oceanic island. **Compared with other resort destinations** known for coral reefs, **Palau exhibits a particularly rich diversity**.



Quantitative evaluation of natural impacts in marine areas

<coral>

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

Assessment of coral coverage

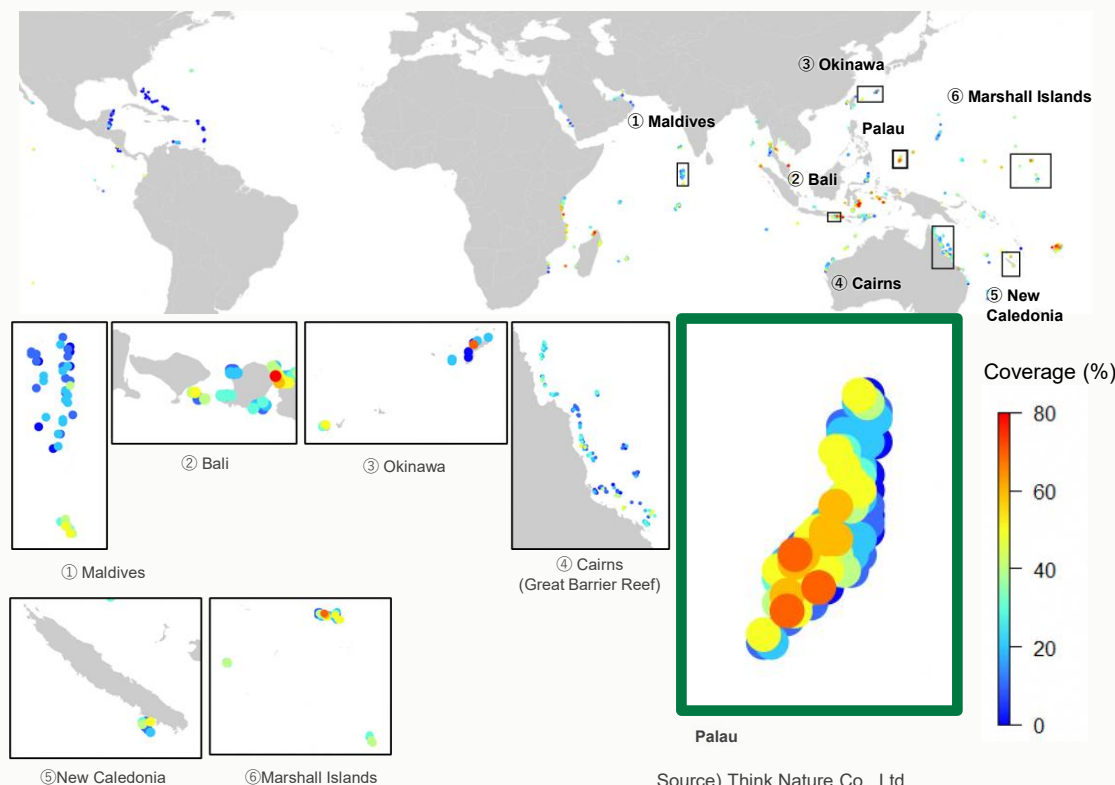
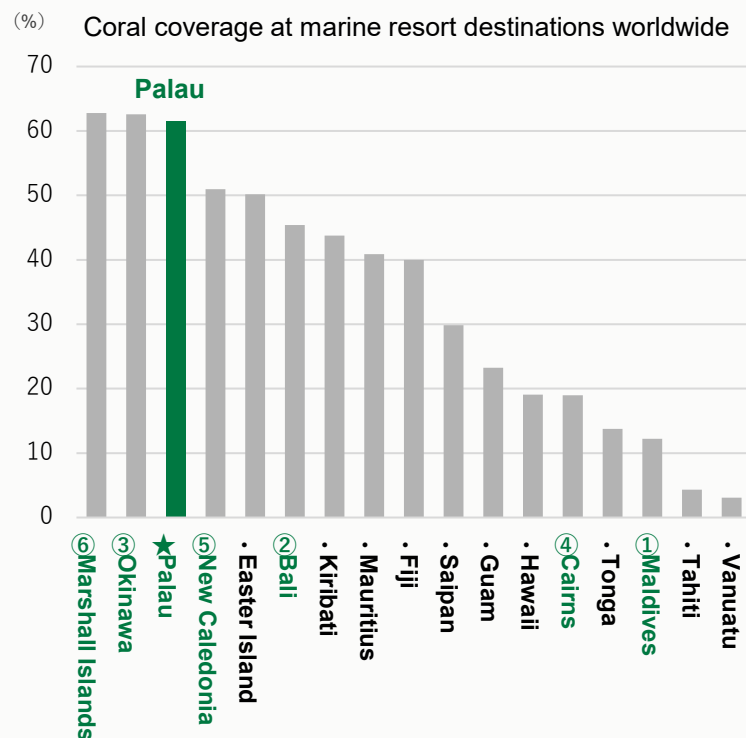
We collected and organized **coral coverage** data from a range of existing studies and visualized the results.

Palau includes sea areas where coral coverage exceeds 60%, placing it within the top 1% worldwide, **surpassing other resort regions known for abundant coral reefs**. In particular, the southwestern seas adjacent to “PPR” exhibit the highest coral coverage levels within Palau.

● Coral coverage

Coral coverage represents the proportion of the seabed area that is covered by living coral.

It is the most fundamental indicator of coral reef ecosystem abundance and health.



Source) Think Nature Co., Ltd.

Quantitative evaluation of natural impacts in marine areas

<coral>

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

As part of assessing the impact of our business activities on nature, we conducted a quantitative analysis of **coral coverage trends** in collaboration with Think Nature Co. Ltd. and reviewed the findings of **on-site monitoring conducted within marine conservation areas**.

Target

Marine conservation area in front of resort (Arakabesan Marine Conservation Area) and surrounding sea areas of Rock Island

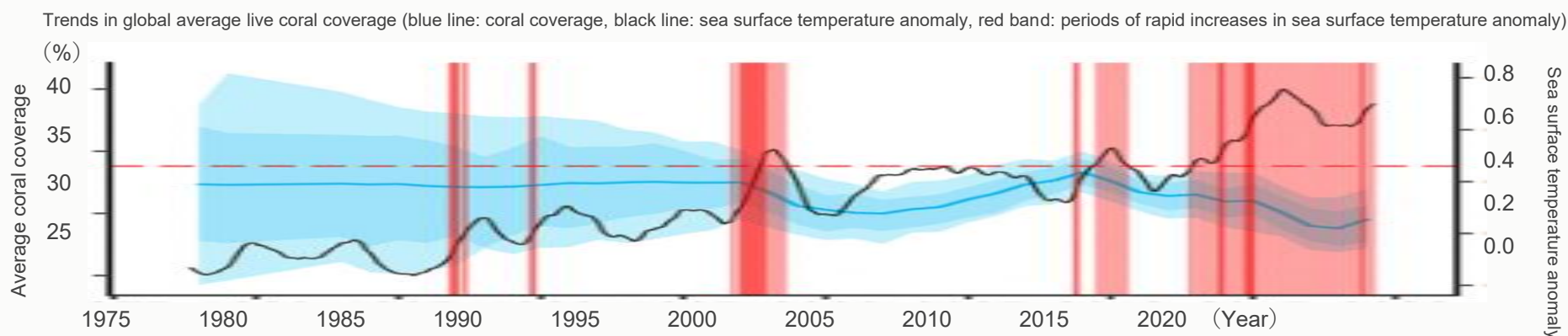
Method

- Quantitative analysis by Think Nature Co. Ltd.: Machine learning techniques were used to estimate changes in coral coverage based on satellite imagery and field survey data collected since 1994
- Verification of coral conditions using survey results from Arakabesan Marine Conservation Area

Reference

Global status of coral reefs

Coral reefs are highly sensitive to environmental changes such as climate change and ocean acidification, as well as human-driven pressures including land-based pollution from agriculture, nutrient and sediment inflows, marine pollution, overfishing, and destructive fishing methods. Consequently, they are considered at risk of global decline. Reports from the United Nations Environment Programme (UNEP) and other organizations indicate that **roughly 14% of the world's coral reefs were lost between 2009 and 2018**, with major contributing factors including large-scale bleaching, excessive coastal development, pollution, and typhoons.



Source) ICRI, GCRMN, Australian Institute of Marine Science, UNEP, "Status of Coral Reefs of the World 2020"

*Coral coverage estimates are derived from data provided by more than 300 institutions worldwide. The blue line indicates the estimated global average coral cover, with 80% confidence intervals shown in dark blue and 95% confidence intervals in light blue.

*Sea surface temperature anomaly refers to the deviation from average sea surface temperatures. The red banded areas indicate periods of rapid increases in the sea surface temperature anomaly.

Quantitative evaluation of natural impacts in marine areas

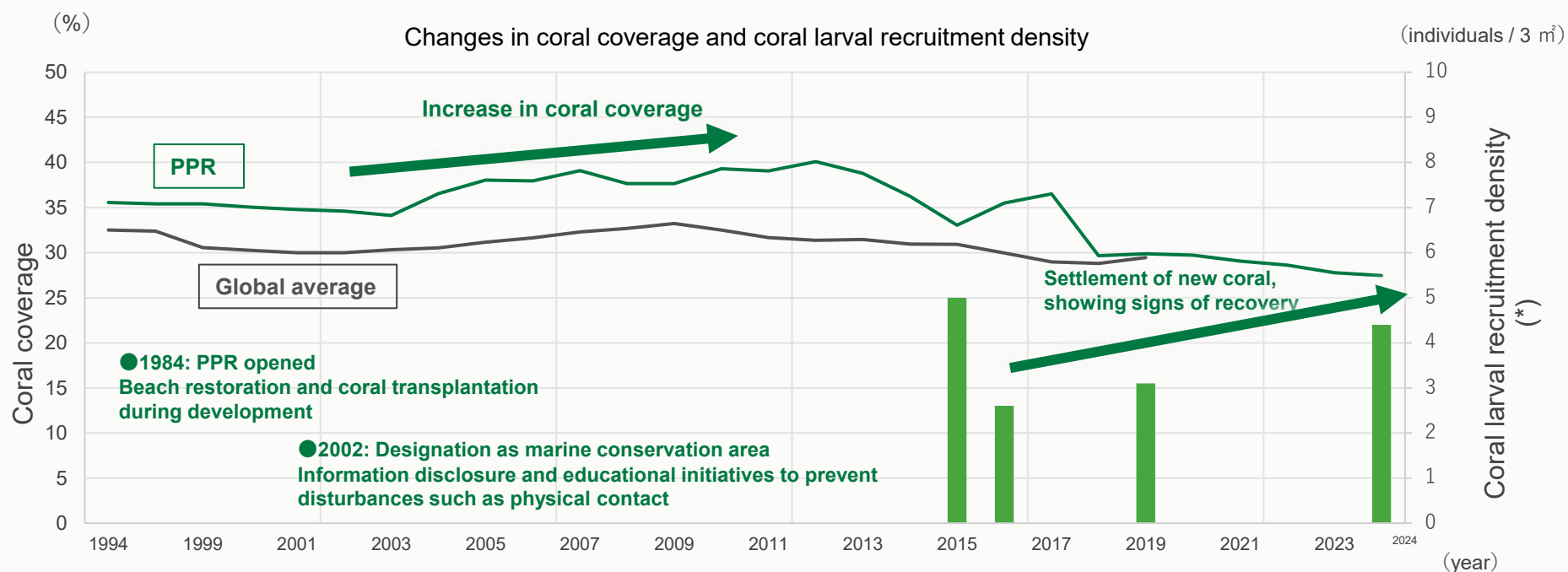
<coral>

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

The **coral coverage trends** are presented below. **Since development began**, PPR has undertaken **initiatives such as beach enhancement, coral transplantation, and the designation of a marine conservation area**. These efforts led to a **steady increase in coral coverage** up to around 2012. However, coral coverage can fluctuate due to multiple factors, and a slight decline has been observed in line with global trends caused by external factors such as rising sea temperatures, the approach of Typhoon Haiyan in 2013, extremely low tide events, and predation by coral-feeding organisms.

Coral coverage remains a high priority, and we have **initiated a large-scale coral reef restoration project** to restore coral abundance, a critical resource supporting our business activities.

Monitoring surveys conducted in the Arakabesan Marine Conservation Area in front of the resort showed an **increase in the settlement of new coral individuals, known as larval recruitment***, indicating that coral coverage may further recover as these larvae grow.



*Settlement of new coral individuals referred to as larval recruitment

Source: Coral coverage trends for the Rock Islands and PPR, Think Nature Co. Ltd.
Global average coverage based on ICRI, GCRMN, Australian Institute of Marine Science, and UNEP, "Status of Coral Reefs of the World 2020"
Coral larval recruitment density: PICRC (2025)⁹

Coral reef coverage is declining worldwide. Recognizing the importance of coral reefs for both biodiversity and PPR's business, we are collaborating with partners to conserve and restore these ecosystems through a range of initiatives.

Past initiatives

Beach improvement and coral transplantation during development

Because sediment runoff had made the sea area in front of the resort unsuitable for coral growth, **large-scale beach restoration works** were undertaken, **including coral transplantation**. These environmental improvement efforts led to the **successful restoration of the reef**.



Beach following restoration

Education and awareness activities to prevent impacts from human activity

To reduce physical damage to coral, such as trampling, warning signs and notices have been installed. In addition, **environmental education programs are provided** to explain basic coral reef ecology and the importance of conservation. Guests who meet safety requirements, such as through snorkeling lessons led by instructors, are also given opportunities to observe coral reefs directly.



Warning sign for hotel guests

New initiatives

Coral reef restoration project in partnership with Asian Development Bank (ADB)

In 2025, a **coral reef restoration initiative was launched in cooperation with ADB** to restore coral coverage and increase coral populations in the sea area in front of the resort, thereby enhancing ecosystem resilience and biodiversity. To encourage coral growth and the propagation of heat-tolerant coral species, **a coral nursery is being installed** using electrical stimulation, also known as mineral addition technology.



Coral nursery facility (aquaculture facility)

Predators of coral such as *Acanthaster planci* are being managed, restoration outcomes are being **monitored** to assess effectiveness, and **capacity-building** efforts are being conducted to ensure long-term sustainability. PPR plays an active role in implementing the project by supporting the installation and management of the local coral nursery and by conducting **education and awareness activities for local residents and guests through the newly established Luuk Nature Center**.

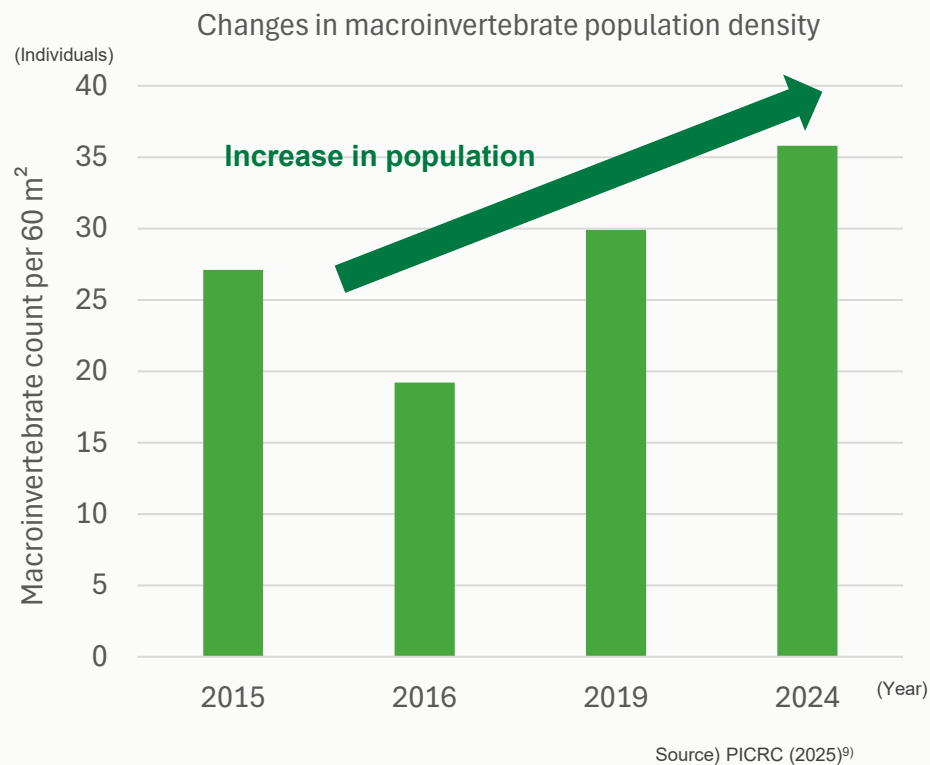
Quantitative evaluation of natural impacts in marine areas

<Tridacna>

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

***Tridacna gigas* inhabit coral reef ecosystems** and are closely associated with corals, as both maintain symbiotic relationships with photosynthetic algae known as zooxanthellae.

Since 1998, PPR has been **releasing juvenile *Tridacna gigas*, an endangered species**. Monitoring surveys conducted in the marine protected area in front of the resort have indicated that **macroinvertebrate populations (*), including *Tridacna gigas*, are increasing**, suggesting that protection and restoration efforts have been effective.



*Macroinvertebrates are large animals that do not have a backbone.

<*Tridacna gigas* transplantation and release initiative>

Since 1998, juvenile *Tridacna gigas*, an endangered species, have been released with the participation of guests, after the individuals reach a certain size in captivity



Juvenile *Tridacna gigas* release



Tridacna gigas release



Tridacna gigas

Quantitative evaluation of natural impacts in marine areas

<Dugong dugon>

Climate

Governance

Strategy

L

E

Nature

Risk/impact
management

Metrics/
targets

A

P

Dugong dugon are globally endangered, and Palau supports the only independent population within Micronesia. The seagrass meadows that form *Dugong dugon* habitats are also critically important for many other marine species. Accordingly, *Dugong dugon* serve as indicator species for the health and biodiversity of coastal environments.

We assessed habitat suitability in terms of the survival of *Dugong dugon* in the surrounding waters.

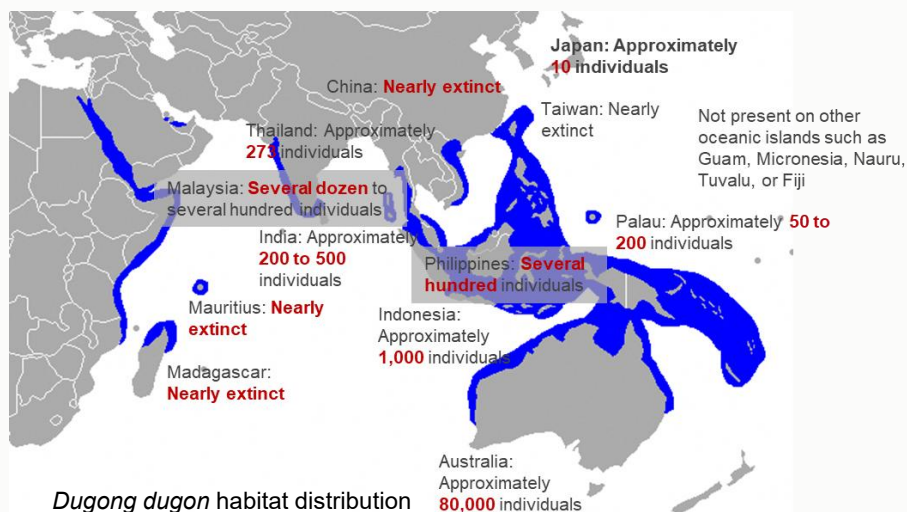
Methods

We used information on *Dugong dugon* distribution, environmental data such as water depth, and satellite imagery to identify suitable *Dugong dugon* habitats and calculate habitat suitability for the sea area surrounding “PPR.”

Dugong dugon in Palau

Dugong dugon inhabit subtropical and tropical coastal seas and are endangered in nearly all parts of their range.

Palau hosts the only isolated *Dugong dugon* population in Micronesia.



Dugong dugon habitat distribution

Source) Think Nature Co. Ltd.

Dugong dugon and seagrass beds

Dugong dugon are obligate herbivores that rely almost entirely on seagrass for food, making seagrass beds their sole feeding grounds. The existence of dense seagrass beds is therefore essential for survival.

Seagrass beds are areas of shallow seafloor where seagrass grows in meadow-like formations. They provide abundant food and habitat for a variety of marine organisms, including *Dugong dugon*, and represent a critical ecosystem for the survival of many species.



Dugong dugon*10



Seagrass beds

*10: See p. 153 for image source.

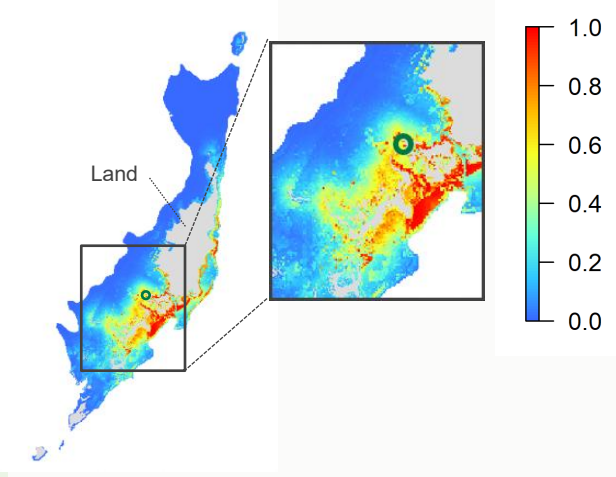
Quantitative evaluation of natural impacts in marine areas

<Dugong dugon>

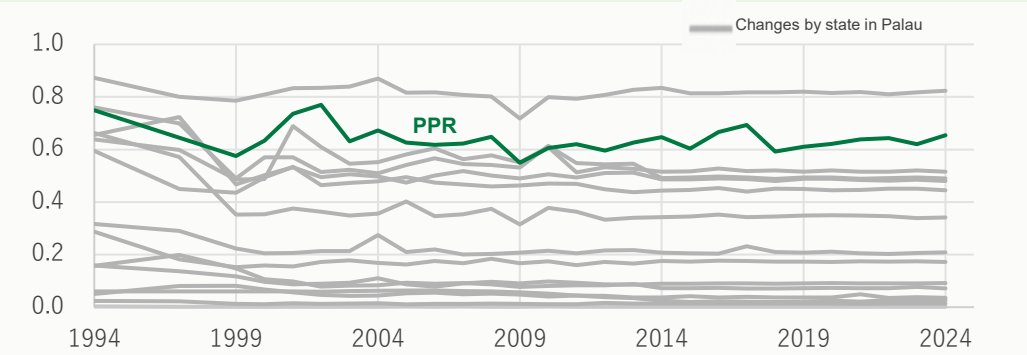
Climate	Governance	Strategy	L	E
Nature	Risk/impact management	Metrics/ targets	A	P

The southeastern region of Palau showed the highest suitability for *Dugong dugon*, with the area surrounding “PPR” ranking among the most consistently suitable locations in the country. These habitats support not only *Dugong dugon* but a variety of marine organisms, including fish and crustaceans, as reflected in the rich and diverse marine ecosystem in the surrounding seas of the resort.

[Figure 1] Comparison of *Dugong dugon* habitat suitability in 2024



[Figure 2] *Dugong dugon* habitat suitability trends in seas in front of “PPR”



- “PPR” is situated in an area of Palau with high *Dugong dugon* habitat suitability [Figure 1].
- The *Dugong dugon* habitat suitability at “PPR” has remained consistently high and transitioned in a stable manner compared to other states, except for Koror State, where “PPR” is located [Figure 2].

Research from literature also shows that Palau has avoided accidental capture by fishing, seagrass bed degradation, and water quality decline due to urbanization, key factors causing *Dugong dugon* population declines elsewhere.

These findings suggest that resort operations, including “PPR,” have contributed to Palau's economic growth, and that the country's tourism-focused development has supported the preservation of natural environments that form the foundation of the country's economy, thereby maintaining rich marine ecosystems suitable for *Dugong dugon* habitats.

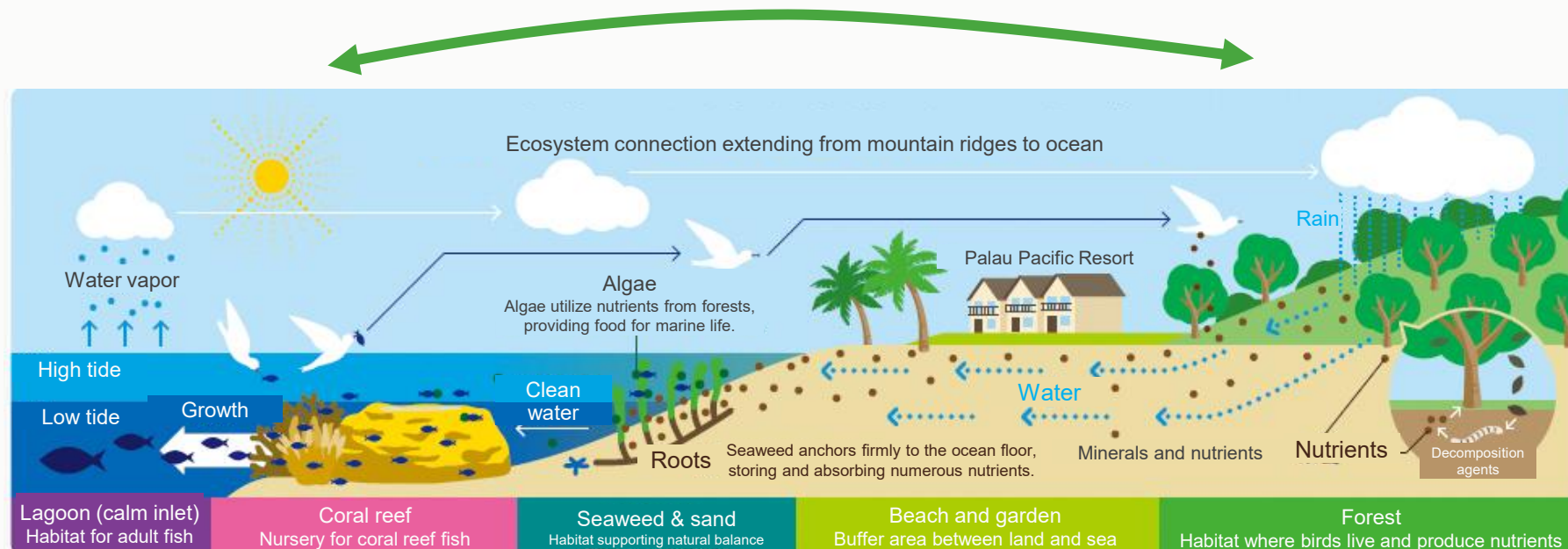
Source) Think Nature Co. Ltd.

Quantitative evaluation of natural impacts (connecting land and ocean)

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

Qualitative and quantitative assessments of terrestrial and marine ecosystems indicated that **PPR's activities positively impact both terrestrial and marine ecosystems**. Preserving terrestrial ecosystems helps enrich marine ecosystems through the ecological connection between land and sea, known as an ecotone.

- Supplying essential nutrients to sea areas through restoration of natural forests
- Supporting healthy material cycles via movement of organisms between land and sea



< Marine conservation >

- Beach restoration
- Coral transplantation
- Designation of marine protected areas
- Awareness programs etc.

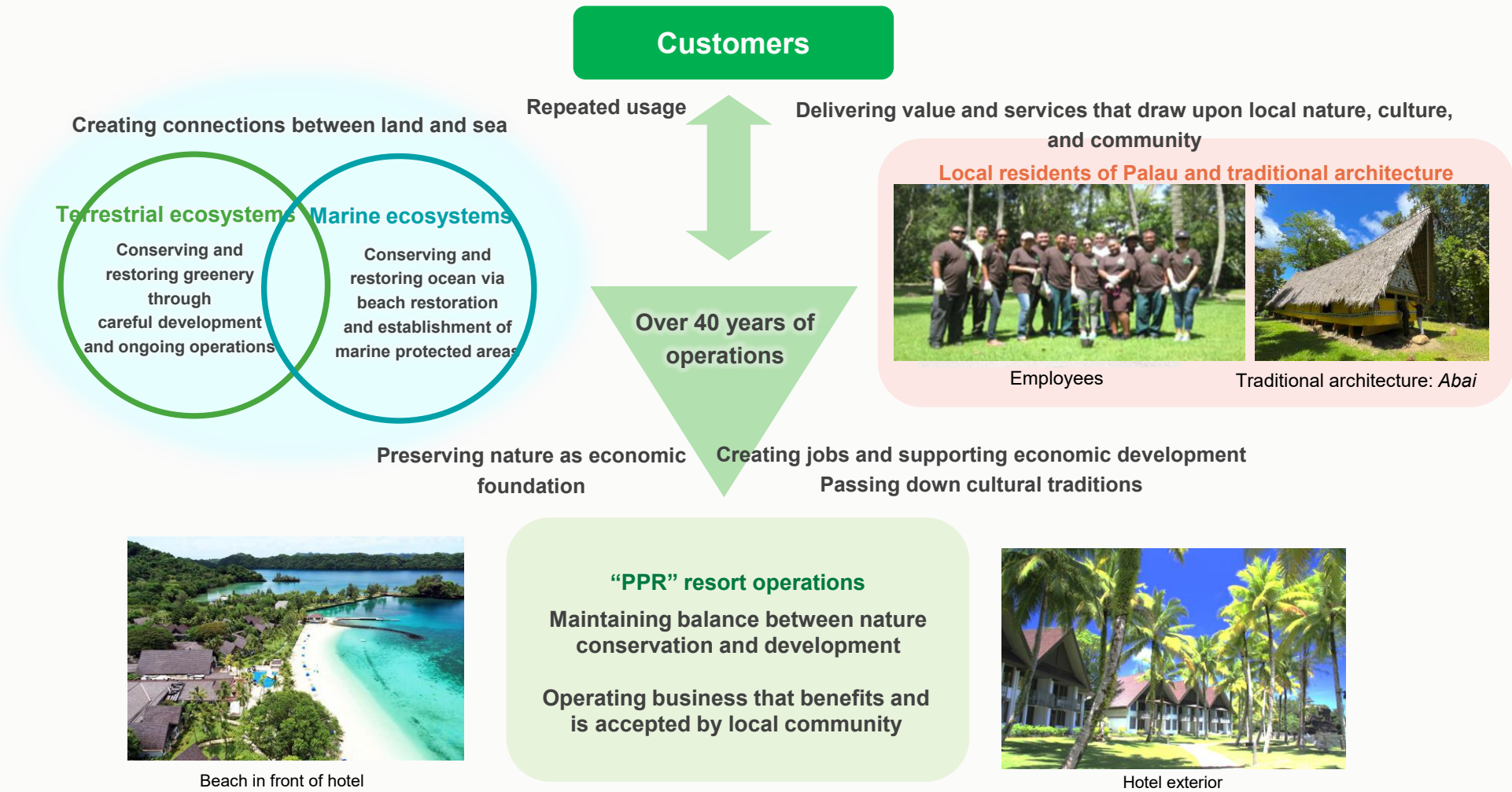
**World-class terrestrial
and marine biodiversity**

< Forest conservation >

- Preservation of trees
- Development in harmony with nature, based on detailed environmental surveys
- Regeneration and restoration of natural forests etc.

Strong connections between nature and stakeholders

Qualitative and quantitative analyses of PPR’s operations and its connection with nature showed that the resort has adhered to its original vision and has operated for more than 40 years while respecting both the environment and local communities, **highlighting its long-term contributions to nature-positive initiatives.**



Important risks and opportunities in marine hotel and leisure sector (transition risks and opportunities)

Climate

Governance

Strategy

L

E

Nature

Risk/impact
managementMetrics/
targets

A

P

An assessment of potential nature-related risks and opportunities in the marine hotel and leisure industry, with a focus on “PPR,” showed that, although there are expected physical risks, such as a reduction in resort attractiveness and tourist appeal due to declining ecosystem services, as well as transition risks arising from regulatory and market changes, numerous nature-related opportunities may emerge.

Classification		Major dependencies/impacts		Risk components
Transition	Risks	Policies and regulations	Other resource consumption and waste	Higher costs associated with waste reduction, reuse, and recycling resulting from stricter regulations on waste and resource circulation, including plastics and food loss
		Technology	CO2 emissions and water resource usage	Higher expenses from implementing new equipment and technologies that enhance efficiency of energy and water usage
		Market	Resource consumption	- Increased procurement costs due to greater demand for sustainably certified products and sustainably produced food, including agricultural, livestock, and seafood items, as well as amenities for hotels and restaurants - Rising prices for certified products and sustainable alternatives due to higher demand for materials such as biomass plastics
		Reputation	General impacts	Possible reputational damage if facility's operations negatively affect surrounding environment
	Opportunities	Resource efficiency	Reduction of negative impacts such as land alteration, pollution, resource use, and waste discharge	Cost savings through adoption of renewable energy
		Capital		Potential to generate biodiversity credits in future
		Products and services		Enhanced business performance by utilizing area's unique natural attractions; boosting Palau's tourism appeal and increasing visitor numbers
		Reputation	Positive contributions to nature and biodiversity	Growing demand for facilities and services that contribute to nature-positive initiatives through the conservation and restoration of marine nature and ecosystems, including coral reefs
		Nature protection, recovery, and restoration		- Strengthened reputation and local community relations through economic and social contributions - Support ecosystem services through development and operations conducted in harmony with nature - Indirect positive effects on nature through heightened environmental awareness among facility users via various educational experiences offered at site

Important physical risks and opportunities in marine hotel and leisure sector (physical risks)

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

Classification			Major dependencies/impacts	Risk components
Physical	Risk	Acute/chronic	Water resources	Water shortages caused by climate change and decreased recharge capacity of forests that provide water
			Water supply, pollination, and climate regulation	- Shortages of water, extreme weather, and natural disasters may result in food supply issues, reduced quality, and price increases for hotels and restaurants - Reduced availability of ocean and river resources, deteriorating ecosystems, and declining seafood catches can cause shortages and higher prices
			Soil retention, storm mitigation, and climate regulation	- Increased physical risk to facilities, guests, and visitors due to more frequent typhoons and rising sea levels driven by climate change - Greater risk of landslides and flooding due to forest degradation
			Climate regulation, population maintenance, habitats, and cultural services	- Declining attractiveness of resort destinations resulting from the loss of natural scenery, such as coral reefs, endemic and rare species, and ecosystems, with high tourism value owing to rising air and sea temperatures associated with climate change - Decline in biodiversity, including marine life, birds, and plants, caused by climate change and human impacts, leading to reduced attractiveness of nature-based activities such as diving and snorkeling

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. In response, the company conducted scenario analysis encompassing its four business segments (Urban Development / Strategic Investment / Property Management & Operation / Real Estate Agents) to identify and assess medium- and long-term risks and opportunities and reflect the findings in its 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 and Palau Pacific Resort.
- 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 and Palau Pacific Resort 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. Furthermore, considering climate change, scenario analysis was conducted to assess the material nature-related risks and opportunities across the four business segments.

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
- Assessment of high material risks and opportunities through scenario analysis

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

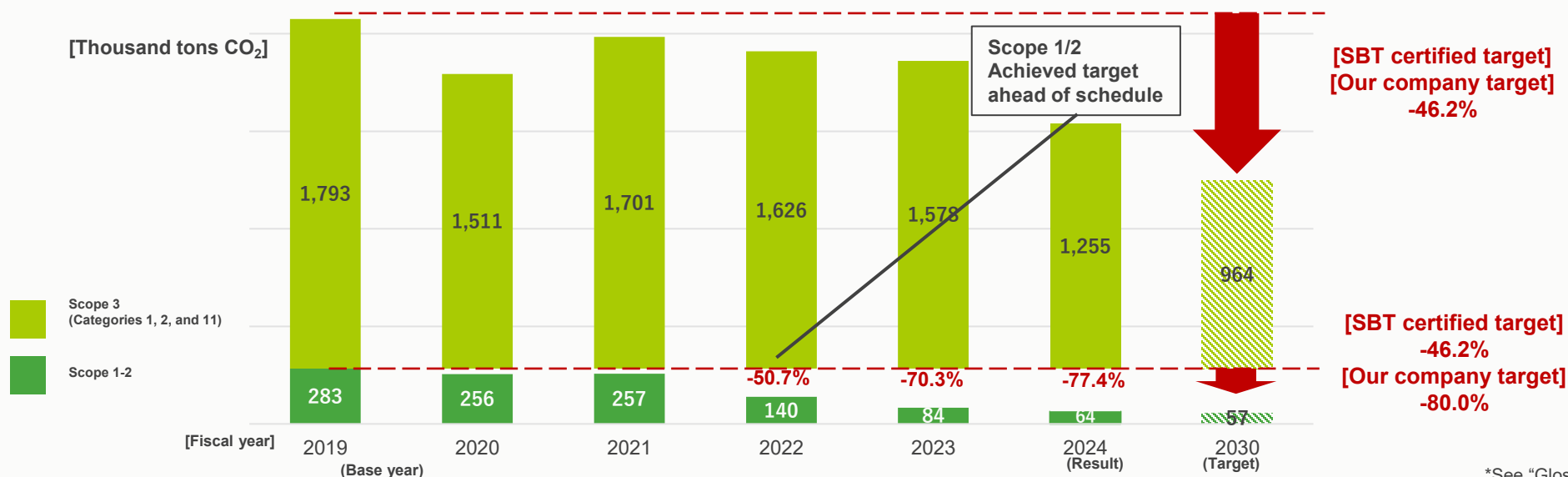
Risk/impact
management

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. Our new goal for FY2025 is to reduce emissions by 80%.
 - The actual emissions have been verified by an independent environmental certification organization.

Emission performance with respect to target



*See "Glossary"

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	FY2024 result
Financial metric	ROE			≥10%	9%	5.7%	7.3%	9.6%	9.9%
	ROA			≥5%	4%	3.2%	4.1%	4.2%	4.5%
	D/E ratio			≤1.8x	≤2.2x	2.3x	2.2x	2.1x	2.1x
	Operating profit			≥220 billion yen	120 billion yen	83.8 billion yen	110.4 billion yen	120.2 billion yen	1,408 billion yen
	Net income			≥120 billion yen	65 billion yen	35.1 billion yen	48.2 billion yen	68.5 billion yen	776 billion yen
Environm ental metric	General	Environmental certification acquired *1		100%	70%	35%	48.7%	65.0%	70.3%
		Environmental initiatives adopted in business activities (cumulative)		≥150 cases	≥50 cases	22 cases	36 cases	70 cases	105 cases
	Climate change	RE100 achieved (Tokyu Fudosan Corp.)		Achieved	Achieved	-	Conversion completed	Achieved	Achieved
		Renewable energy power usage ratio		≥60%	65%	4.0%	52.9%	84.1%	89.3%
		CO ₂ emissions	Scope 1-2 (tons CO ₂)	56.7 (▲80%)	— 2023 (▲50%)	257.0 (▲9.3%)	139.8 (▲50.7%)	84.1 (▲70.3%)	64.1 (▲77.4%)
			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%)	1,254.9 (▲30.0%)
		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%	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

Climate	Governance	Strategy
Nature	Risk/impact management	Metrics/ targets

Metrics				FY2030 target	FY2025 target	FY2021 result	FY2022 result	FY2023 result	FY2024 result
Environmental metric	—	Water usage (m ³)		—	—	4,866,901	5,101,092	5,386,895	4,624,499
		Intensity (m ³ /m ²) (compared to previous fiscal year) (compared to FY2023)		1.7 — ▲7%	— — (—)	1.4 (+7.3%) (—)	1.7 (+19.0%) (—)	1.8 (+9.1%) (—)	1.6 (▲12.7%) (—)
	Pollution /removal of pollution	Total wastewater volume (m ³)	Wastewater discharge	—	—	5,004,959	5,195,749	5,486,100	4,758,939
				—	—	929,748	1,012,969	1,108,319	1,026,144
		(TNFD core indicator C2.1)	Total discharge to surface water (m ³)	—	—	4,075,211	4,182,780	4,377,781	3,732,795
			Total discharge to sewer system (m ³)	—	—	3,444,317	3,034,240	2,936,936	2,896,819
		Waste generation and treatment (C2.2)	Total discharge (tons)	—	—	27,827	21,181	21,120	21,269
			Non-recycled waste discharge (tons)	—	—	10,947	13,713	12,553	13,837
			Hazardous waste discharge (tons)	—	—	86	1,040	4	5
			Recycled waste discharge (tons)	—	—	16,880	7,467	8,535	7,432
			Floor area of target facility (m ²)	—	—	3,289,418	2,853,448	2,642,814	2,517,229
			Intensity (kg/m ²) (compared to FY2019) (compared to FY2023)	7.4 — ▲7%	— — (—)	8.5 (▲11.7%) (—)	7.4 (▲22.5%) (—)	8.0 (▲16.6%) (—)	8.4 (▲11.8%) (—)
		Air pollutants other than GHG* (C2.4)	NOx (tons)	—	—	0.229	0.135	0.135	0.208
			SOx (tons)	—	—	—	0.007	0.007	0.009
	Resource use/replenishment	Procurement of high-risk natural primary products (C3.1)	Amount of wood procured (m ³)	—	—	—	19,892	7,757	11,062
		Sustainable procurement (formwork timber)		100%	30%	0%	2.8%	9.7%	23.3%

*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>

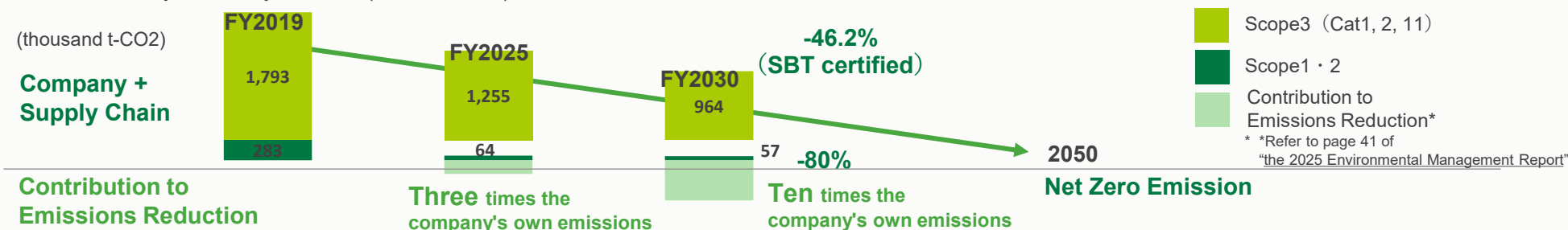
Transition plan for a decarbonized society

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 “Glossary”



Transition plan components	Disclosure components	Applicable pages
Governance structure	- Roles of the board of directors and committees regarding the transition plan, management structure - Remuneration and incentives	20
	Skills, capabilities and training	131
Roadmap and measures	Roadmap, measures and financing policy toward establishing a decarbonized society	121-125
Risks and opportunities	Scenario analysis, risks and opportunities	28-46
Metrics and targets	Climate-related metrics and targets	116-117
Stakeholder engagement	Stakeholder engagement regarding the transition plan	21-25、126-130

- 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.

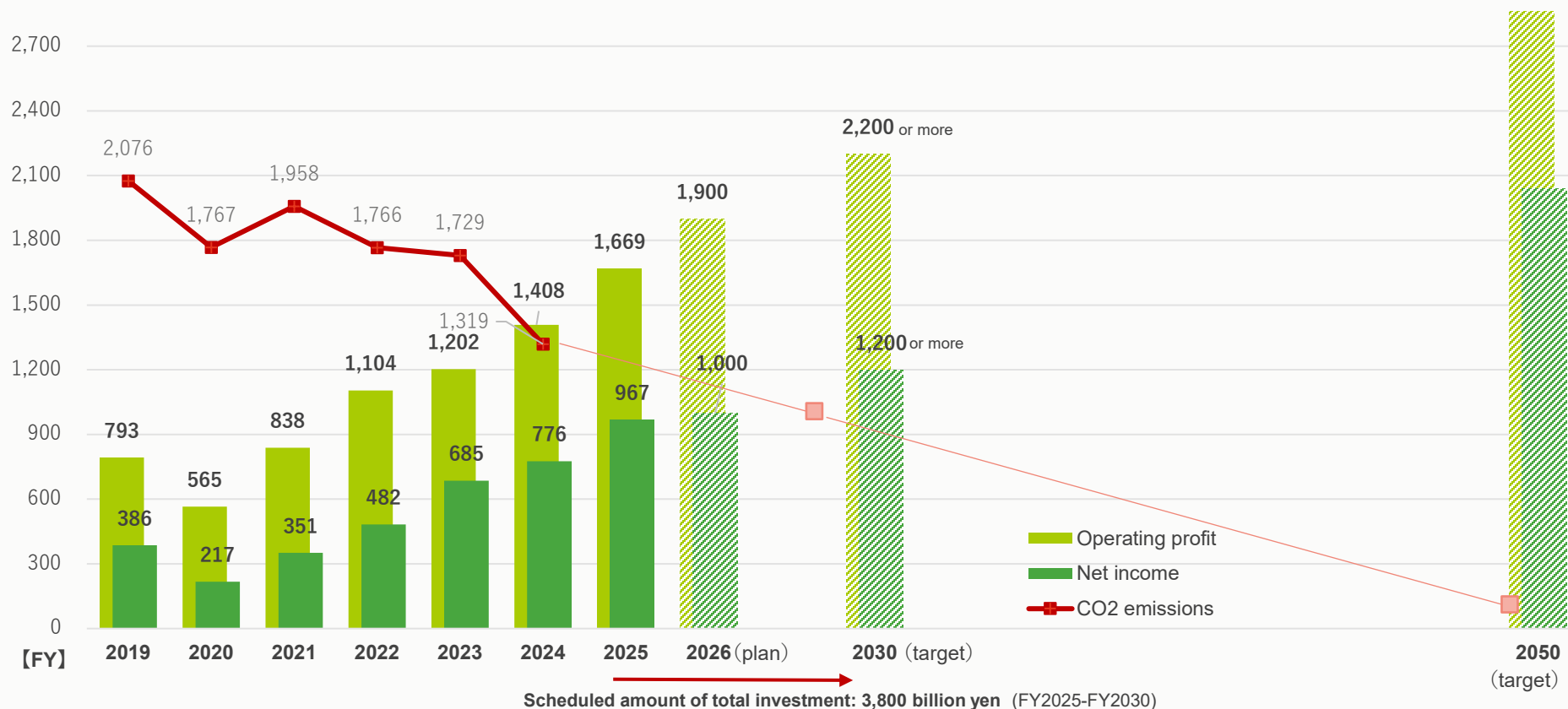
*1 Target categories 1, 2, and 11 (accounting for >90% of CO₂ emissions in Scope 3)

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.

[Emissions: Ten thousand t-CO₂] [Profit: Billion yen]



Overview of initiatives toward achieving a decarbonized society

- The group will work toward a decarbonized society by promoting the following initiatives.

Short- to Medium-Term Initiatives

Medium- to Long-Term Initiatives

Scope 1 and 2

Early introduction of renewable energy

- Utilization of the company's own power generation to convert all electricity used in its businesses to renewable energy (became the first domestic operating company to achieve RE100 in 2024)

Scope 3

Reduction of downstream emissions by providing customers with decarbonization value

- Environmentally responsible real estate development (ZEB/ZEH, environmental certifications), execution of renewable electricity supply agreements, and related initiatives

Reduction of upstream emissions through collaboration with partners, such as construction companies

- Development of GHG-emission calculation tools for the construction sector to identify and reduce emissions from Categories 1 and 2, which account for most of Scope-3 emissions
- Promotion of renovation and adaptive reuse projects that utilize existing buildings

FY2030 Target:
100% ZEB/ZEH
Standard

Technological development across society and its practical application

Decarbonization beyond the electricity sector

- Achievement of additional Scope-1 reductions through the introduction of hydrogen, synthetic methane, synthetic fuels, and similar technologies

Adoption of low-carbon construction materials

- Achievement of additional reductions by adopting innovative low-carbon construction materials as they become available

Absorption and Removal of Residual Emissions

- Addressing residual emissions through absorption and removal measures, including forest carbon sequestration and blue carbon

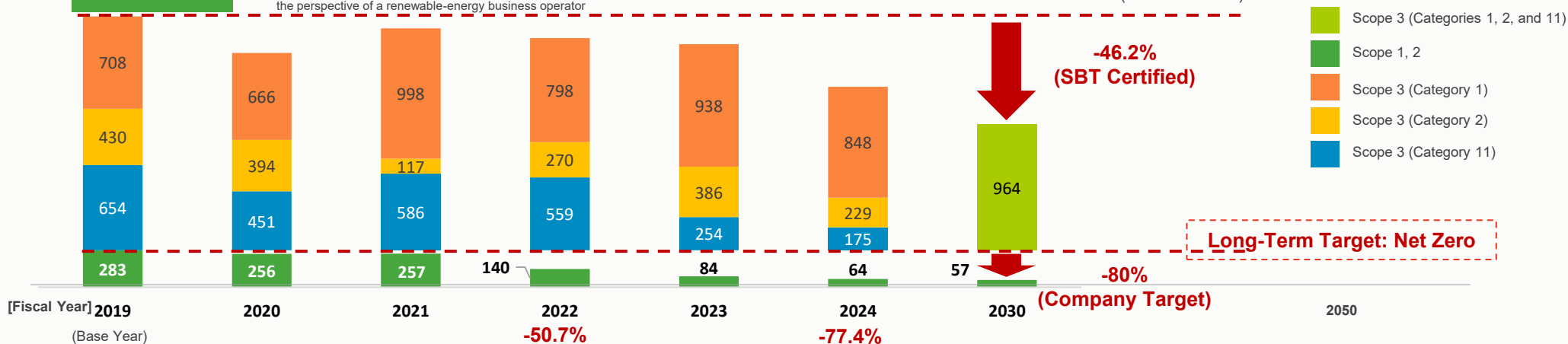
*Medium- to long-term initiatives depend on the technological development, commercialization, and widespread adoption across society, and future conditions remain uncertain.

Contribution to society's decarbonization through the renewable energy business

- Contribution to emission reductions through one of Japan's leading renewable energy businesses
- Contribution to solving local community issues through community development from the perspective of a renewable-energy business operator

FY2030 Target:
More than 10 times
the Company's own
emissions

(thousand t-CO₂)



Measures for achieving a decarbonized society

Climate

Roadmap

Measures

Nature

Stakeholder
engagement

Skill and human resource
development

- 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 Renewable	FY2030: 100%	100% achieved (FY2024)	March 2022: All new buildings conformed with the ZEB standard September 2022: All BRANZ conformed with the ZEH standard November 2025: All BRANZ conformed with the GX ZEH-compliant standard
Other measures			
Environmental certification acquired*4	FY2025: ~70% FY2030: 100%	97.3% (FY2025)	Certification examples: Properties that have acquired “5 Stars” 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 “Glossary”
Collaboration with government authorities	Participation in the GX Future Consortium* (FY2025)		

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

Total amount of investment in renewable energy business: Approx. 530 billion yen (5-year period between FY2025-2030)

Target for FY2030 rated capacity: 4.0 GW^{*1}

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

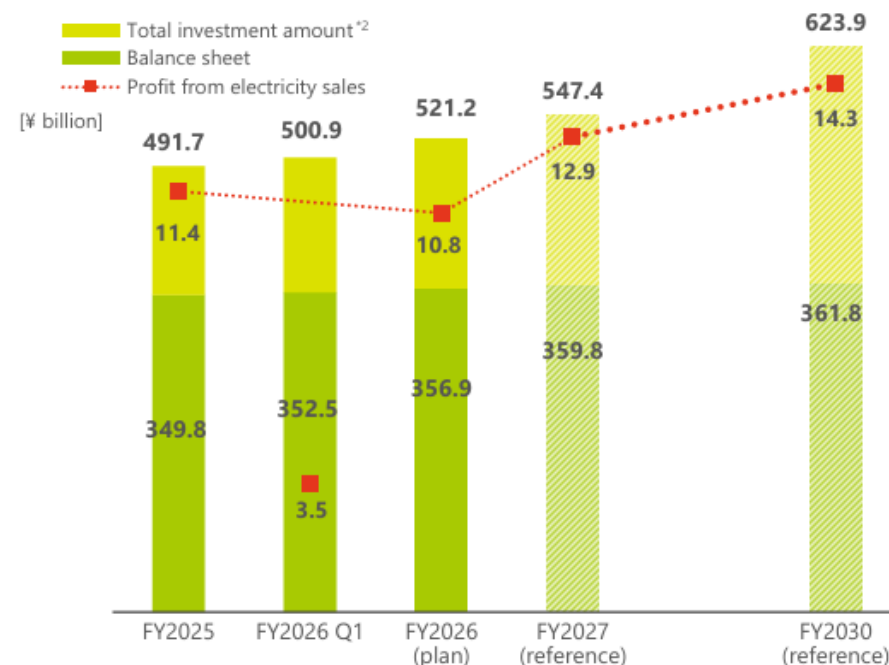
^{*3}: General Incorporated Association for Renewable Energy Community Revitalization

Profit plan based on facilities secured and total amount of investment

[As of end of December 31, 2026] Rated capacity^{*4}: 2,527MW

- Facilities in operation: 223 projects*, 2,077MW (1,814MW solar power/247MW wind power/16MW others)
- Facilities in development: 78 projects, 616MW (354 solar power/207 wind power/54 others.)

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



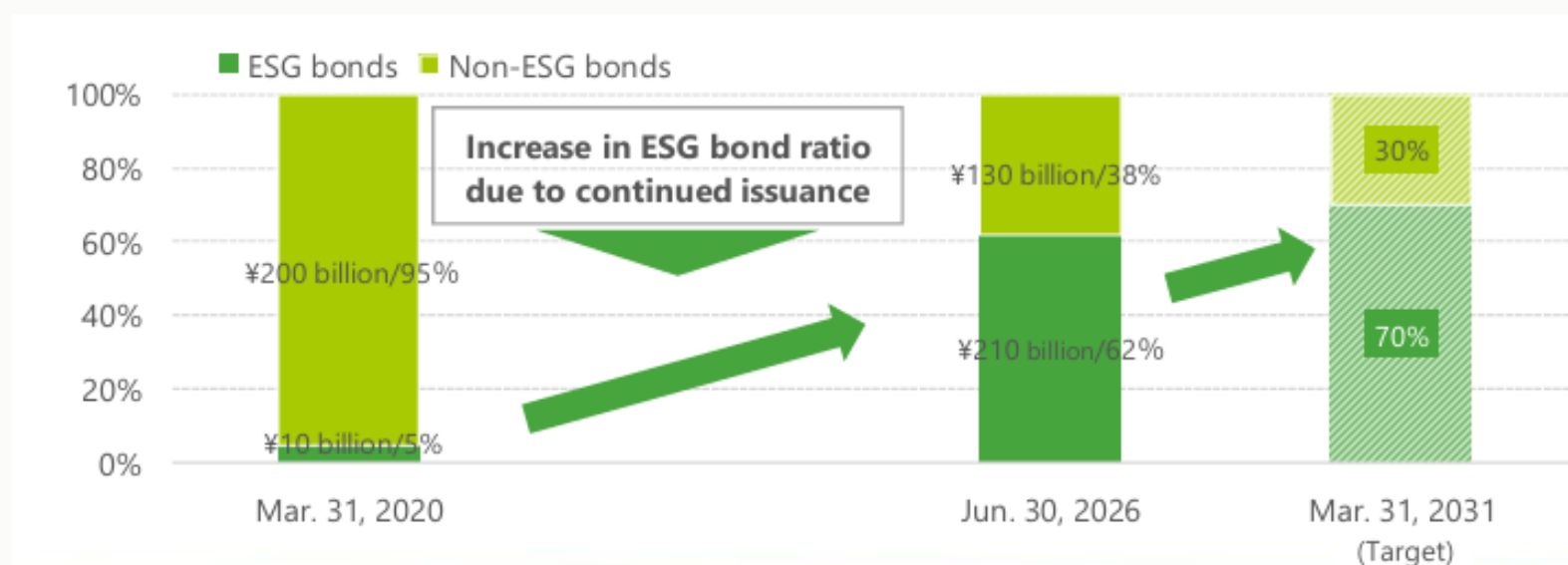
^{*4} : Before calculation of equity share (including projects under development)

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

Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

- 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 (a target already achieved) and to 70% or more by the end of FY2030.

Movements in ratio of ESG bonds



Stakeholder engagement (National government)

Climate

Roadmap

Measures

Nature

Stakeholder
engagement

Skill and human resource
development

- 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 “GX Future Consortium*” 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” 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.
- To promote reductions in LCCO₂ (GX) and improve productivity across the construction industry (DX), the government aims to introduce a system to encourage Building Lifecycle Carbon Assessment (LCA) beginning in FY2028. The company participates in the government’s subsidy program by calculating emissions using the One Click LCA tool and providing the Ministry of Land, Infrastructure, Transport and Tourism with the results as implementation examples, thereby contributing to national initiatives toward mandatory LCA.
- The company is advancing integrated policies for nature-positive initiatives and carbon neutrality promoted by the Ministry of the Environment by participating in the “Demonstration Project for Renewable Energy Technologies Contributing to Nature Positive Through Nature-based Solutions (NbS).” At renewable-energy project sites, the vegetation beneath solar panels is properly managed to lower panel temperatures through plant evapotranspiration while enriching the surrounding natural ecosystems, thereby contributing to NbS.



Guidance 3.0 on Climate-related Financial Disclosures



Solar panels and vegetation management beneath them (ReENE Solar Farm Higashimatsuyama)

*See “Glossary”

Stakeholder engagement (Upstream)

Climate

Roadmap

Measures

Nature

Stakeholder
engagement

Skill and human resource
development

Stakeholder engagement with industry associations

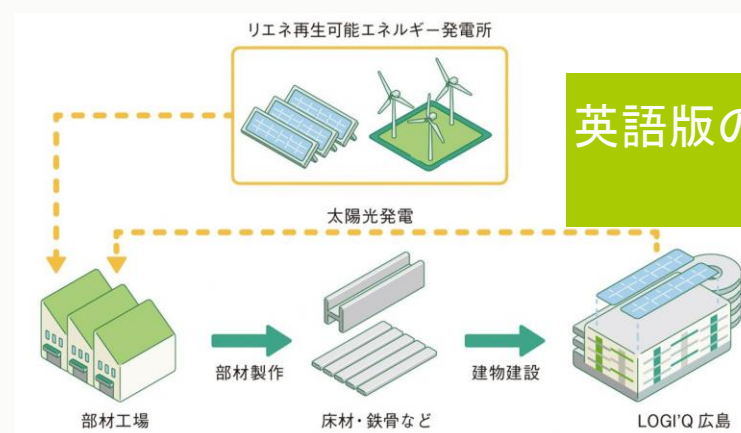
- The Real Estate Companies Association of Japan, of which we are a member, announced the real estate industry's long-term vision aimed at realizing a decarbonized society. Alongside implementing climate change measures, we give policy recommendations on various real estate-related systems to the Japanese 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.



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

Renewable Electricity Supplied to Suppliers for the LOGI'Q Hiroshima Logistics Facility

- LOGI'Q Hiroshima ("Property") is a logistics facility with a total floor area of approximately 23,000 tsubo, including refrigerated and frozen warehouse space in part of the building. At the property, the company manufacturing the floor deck materials signed up for 100% renewable electricity through "ReENE Denki," supplied by ReENE Inc., namely, the group's renewable electricity retail company. Consequently, the materials manufactured using renewable electricity generated by the group's renewable energy power plants were used in constructing the property. In this way, the group promotes decarbonization of the energy used in manufacturing construction materials upstream, creating a circular utilization model linking the LOGI'Q series with the group's renewable energy power plants.



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Stakeholder engagement (Downstream)

Climate

Roadmap

Measures

Nature

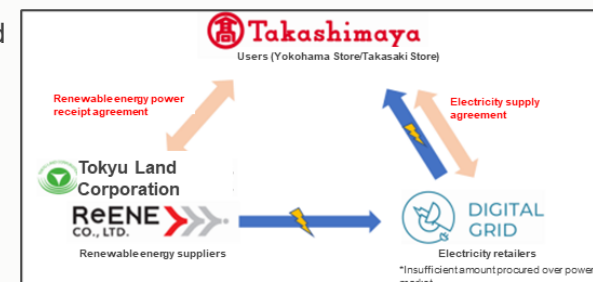
Stakeholder
engagement

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.))



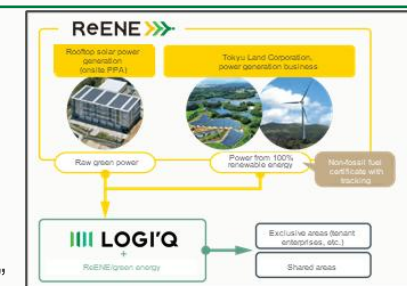
“BRANZ” Adopts the Ministry of Economy, Trade and Industry’s New “GX ZEH” Standard Ahead of Schedule as the Standard Specification

- As part of its decarbonization initiatives, Tokyu Land Corp. is accelerating its original targets for standardizing the ZEB/ZEH specifications, which had been set at approximately 50% of construction starts by FY2025 and 100% by FY2030. Additionally, it will apply the new GX ZEH standard, introduced under the Ministry of Economy, Trade and Industry’s “Housing Energy Efficiency” initiative and featuring higher insulation, energy-saving, and energy-generation performance than the conventional ZEH standard, to all new projects whose design begins from October 2025.
- The group’s companies will also ensure that every urban rental residence under the “COMFORIA” brand and every student residence under the “CAMPUS VILLAGE” brand commencing construction from FY2025 onward achieves environmental performance equivalent to ZEH. Tokyu Livable, Inc. will similarly ensure that every “L'GENTE” project commencing construction from FY2024 onward achieves environmental performance equivalent to ZEH.

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 “Glossary”



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)

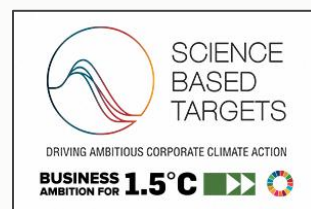
Climate	Roadmap	Measures
Nature	Stakeholder engagement	Skill and human resource development

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.



UN Global Compact*



SBT initiative*



Japan Climate Initiative (JCI) *



Japan Climate Leaders' Partnership (JCLP) *



RE100*



TNFD*



Principles for Responsible Investment (PRI)*



GX Future Consortium*



30by30*

Please refer to the site below for details.

<https://tokyu-fudosan-hd-csr.disclosure.site/ja/sustainability/initiative>

*See "Glossary"

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 FY2025, 203 applications were received, of which 36 received awards.
- In November 2025, we also held "Sustainability Month," featuring a series of experiential events throughout the month aimed at fostering a deeper understanding of sustainability among Group employees.
- We provide programs to raise employee awareness regarding sustainable business practices (including environmental themes).
 - We conduct e-learning annually for Group employee, covering sustainability themes. Our online in-house newsletter "TFHD GROUP MAGAZINE (T-MAG)" also contains many articles on sustainability.
 - We are conducting interactive e-learning for group employees, focusing on the circular economy through forest conservation.



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.

(Completed in 2024)



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. (Completed in 2025)



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
Overseas business Other: : Invasive alien species countermeasures, contamination reduction, waste reduction, resource circulation and water utilization reduction, extending lifespan of buildings

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

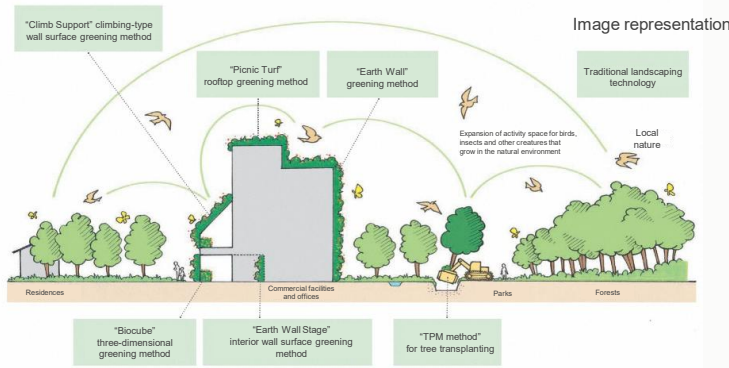
Given the importance of biodiversity-conscious urban greening, in the greater Shibuya area, we are actively promoting the greening of areas such as rooftops and wall surfaces at our business sites in order to preserve the ecosystem. By connecting the green in the vicinity and acting as a relay point 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



Biological monitoring

At the "Omohara Forest" rooftop terrace at the "Tokyu Plaza Omotesando "Omokado"Glossary" 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)

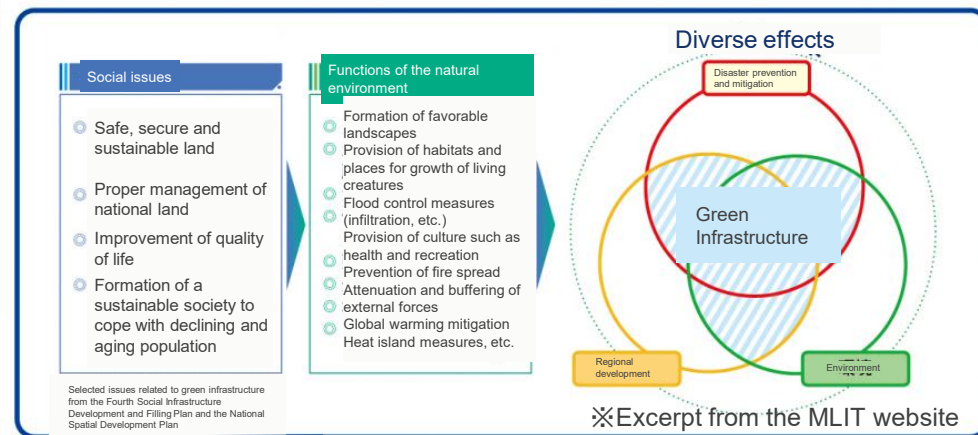
Initiatives in urban development: greening technology, planting management, green infrastructure

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

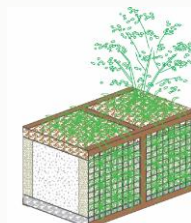
Short for "Trans Planting Machine," TPM is a technique that involves the use of specialized proprietary equipment by ISHIKATSU EXTERIOR, of which only two machines exist in the world, to enable the transplanting of large-diameter trees, which was considered difficult in the past. TPM enhances the degree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

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

Example of menu

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

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.



BRANZ Jiyugaoka Image of future goal

Image representation of standard maintenance, control and management	Image representation of GREEN AGENDA development management
 Year of condominium completion 10 years later	 Year of condominium completion 10 years later
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	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

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 Tateshina”, 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 Tateshina”, **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.

*See “Glossary”

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

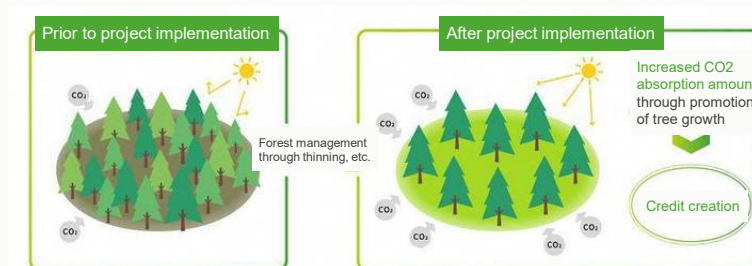
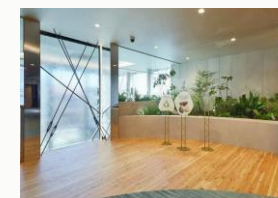


Illustration of credit creation based on forest management activities



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 “TENOKHA Tateshina”

In “Tokyu Resort Town Tateshina,” **TENOKHA 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 TENOKHA 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 TENOKHA Tateshina, achieving a form of local collaboration.

Furthermore, the plaza adjacent to TENOKHA 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.



TENOKHA Tateshina
exterior



TENOKHA Tateshina interior

Initiatives in hotel, leisure and overseas business: marine conservation

Establishment of Katsuura City Seaweed Bed Conservation Council

In August 2025, our group launched the Katsuura City Seaweed Bed Conservation Council in partnership with Katsuura City, Chiba Prefecture, the Shinkatsuura City Fisheries Cooperative Association, and related organizations. Katsuura City sits at the junction of warm and cold currents. Its coast features deep waters and numerous rocky reefs where seaweed thrives, supporting **diverse marine life**. However, recent climate change and the rise in herbivorous fish populations have worsened coastal denudation, causing declines in the quality of seaweed beds. The Council promotes initiatives to **maintain and recover high-quality seaweed beds**, control herbivorous fish populations, and **generate blue carbon credits**.



Katsuura City coast

Collaboration between industry, government, and academia at Hyatt Regency Seragaki Island, Okinawa

The Hyatt Regency Seragaki Island, operated by a company in which we hold an investment, is conducting the **“Seragaki Island Clownfish Cultivation Project”** in **partnership with the Okinawa Institute of Science and Technology (OIST)** in the waters around Seragaki Island in Onna Village, located on the central west coast of Okinawa Island (Main Island). Since 2021, the project has involved **hatching, rearing, and releasing clownfish**, which are sensitive to temperature changes and whose global populations are reportedly declining, **into breeding areas**.

To preserve the coral reef ecosystem that attracts tourists to the resort, we collaborate with Onna Village, designated a “Coral Village” in 2018, and the local fishing cooperative to implement initiatives such as introducing Green Fins, an environmentally friendly diving guideline.



Clownfish

Community contribution activities in Indonesia

Our group has operated in Indonesia since 1975, developing approximately 5,000 single-family homes and around 2,200 mid- to high-rise residential units. Alongside these urban development projects, we have engaged in long-term community initiatives including **coral conservation** in marine tourist areas, **sea turtle conservation**, and tree planting in the suburbs of Jakarta.



Coral planted in cooperation with a nature conservation organization

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 actively pursuing initiatives to purchase and utilize thinned wood—generated through forest conservation activities in Nishiawakura Village—in construction projects; specifically, we source this wood directly from FSC CoC-certified operators who process and sell FSC-certified timber from the local forests in question, and we use it as interior material for the renovation of residential and commercial facilities..

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



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を確認す
ま

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

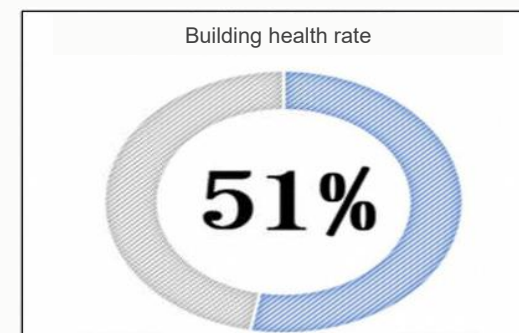
EM checkups are a system that performs analyses and surveys not conducted in normal building and equipment inspections of office buildings, summarizes survey results in an easily visualized and understandable single sheet, and provides these results to customers based on the concept of “Enchanted in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

Appendices and Glossary

Appendix: Structure of the TCFD and TNFD Frameworks

The TCFD and TNFD frameworks consist of **disclosure recommendations organized around four pillars**, and disclosure relating to these items is recommended. The General Requirements are disclosure items required only under TNFD.

Overview of the Disclosure Framework

General Requirements

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Application of materiality 2. Scope of disclosures 3. Location of nature-related issues | <ol style="list-style-type: none"> 4. Integration with other sustainability-related disclosures 5. The time horizons considered 6. Engagement with Indigenous Peoples, Local Communities and affected stakeholders |
|--|---|

Governance

Disclose the organization's governance relating to climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities.

- A) Board oversight of climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities
- B) Management's role in assessing and managing climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities
- C) Stakeholder engagement in assessing and responding to nature-related dependencies, impacts, risks, and opportunities (TNFD only)

Strategy

Disclose the impacts of climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities on the business, strategy, and financial plans, where such information is material.

- A) Identified climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities
- B) Impacts of dependencies, impacts, risks, and opportunities on strategy and financial planning
- C) Resilience of the strategy to risks and opportunities based on scenario analysis
- D) Locations of assets and activities meeting the criteria for priority locations (TNFD only)

Risk and Impact Management

Disclose the processes used to identify, assess, and manage climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities.

- A) Processes for identifying, assessing, and prioritizing dependencies, impacts, risks, and opportunities across direct operations and upstream and downstream value chains
- B) Processes for managing dependencies, impacts, risks, and opportunities
- C) Integration of climate- and nature-related risk identification, assessment, and management processes into enterprise-wide risk management

Metrics and Targets

Disclose the metrics and targets used to assess and manage climate-related risks and opportunities and nature-related dependencies, impacts, risks, and opportunities.

- A) Metrics used to assess and manage material climate- and nature-related risks and opportunities
- B) Metrics used to assess and manage GHG emissions, as well as dependencies and impacts
- C) Targets used to manage climate- and nature-related dependencies, impacts, risks, and opportunities, along with the corresponding performance

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
● Screening of areas in the value chain where dependencies and impacts on nature are important ● Identification of ecosystems with which the company's sites and other locations in the value chain with significant dependencies/impacts have contact ● Identification of ecologically sensitive areas		● Identification of the ecosystem services on which the business depends and the impacts it is having at each location in the value chain ● Assessment of the degree of significant dependencies/impacts using a variety of indicators		● Identification and materiality assessment of nature-related risks/opportunities based on dependencies/impacts ● Identification of high priority risks/opportunities ● Review of risk and opportunity management processes		● Consideration of response strategies to be taken based on what has been evaluated ● Consideration of targets ● Consideration of content of disclosure	
Disclosure recommendations corresponding to LEAP							
● Strategy D)		● Strategy A) D) ● Risk & Impact management A) B) ● Metrics & targets B)		● Strategy A) C) D) ● Risk & Impact management A) B) C) ● Metrics & targets A) B)		● Governance A) B) C) ● Strategy B) C) ● Metrics & targets C)	

Glossary

■ Method for Quantitative Assessment of Financial Impacts

Item	Overview of the Calculation Method	Page
- Higher costs resulting from stricter ZEB and ZEH regulations, tighter energy efficiency standards, stronger building lifecycle emission reduction requirements, and higher carbon pricing - Lower rents and higher vacancy rates for non-ZEB facilities resulting from growing tenant and customer demand for ZEB	Increases in the costs for new construction and renovation resulting from ZEB and ZEH implementation and carbon pricing were estimated using the standard cost increase rates for ZEB and ZEH, along with the IEA's scenario-specific carbon price assumptions. The impact rates for vacancy rates and changes in rent were also established based on external publications to estimate the financial impact of reduced demand. The financial impact of fuel costs for hotels and resort facilities was estimated using the IEA's scenario-specific carbon price assumptions and projected fuel prices.	P.34
Increased revenue resulting from the expansion of the renewable energy market	Increases in business profits were estimated using the IEA's scenario-specific assumptions for renewable electricity expansion and future power generation cost projections from industry organizations, together with certain assumptions regarding the sales prices of electricity.	P.35 P.44
Higher rents, lower vacancy rates, and increased sales prices driven by growing tenant and customer demand for ZEB, ZEH, and properties with superior decarbonization performance	Increases in profit were estimated by applying rent levels, vacancy rates, and sales prices for ZEB and ZEH based on external publications.	P.35
Increased revenue resulting from the growing demand for real estate and services that are in harmony with nature	Increases in profit were estimated by assuming the rent levels, sales prices, and premiums for offices, residential properties, and resort facilities that are in harmony with nature based on external publications.	P.35
- Tighter building energy-efficiency and ZEB standards / Lower demand for non-ZEB, uncertified, and non-renewable-energy properties - Introduction of carbon pricing / Introduction of a lifecycle carbon calculation system	Increases in the costs for new construction and renovation resulting from ZEB implementation, along with those in the construction cost caused by carbon pricing, were estimated using the standard cost increase rates for ZEB implementation together with the IEA's scenario-specific carbon price assumptions. The impact rates for vacancy rates and changes in rent were also established based on external publications to estimate the effects of reduced demand.	P.40
Increased demand for ZEB, certified, and renewable-energy properties	Increases in profit were estimated by assuming the rent levels and vacancy rates for ZEB based on external publications.	P.41
Growing demand for office buildings and commercial facilities that are in harmony with nature	Increases in profit were estimated by assuming rent premiums for offices that are in harmony with nature based on external publications.	P.41
Growing demand for ZEH, energy-generating, energy-efficient, and renewable energy properties / Provision of energy management services	Increases in profit were estimated by assuming sales prices and demand impacts for ZEH based on external publications.	P.43
Growing demand for resource conservation to protect nature	Increases in profit from remodeling and renovation were estimated by assuming the growth rate of the renovation market based on external market research.	P.43
Stronger competitiveness resulting from the growing demand for housing that is in harmony with nature and greening regulations	Increases in profit were estimated by establishing sales price premiums for housing that is in harmony with nature based on external publications.	P.43
Stronger land development regulations, expansion of protected areas, stricter environmental impact assessments and permitting requirements, and more advanced consensus-building with local communities	The amount of profit constrained by the overlap between suitable renewable energy sites in Japan and areas important from the perspective of nature was estimated based on the profits estimated after the renewable energy market expansion assumptions in B).	P.44
Tighter building energy-efficiency standards and ZEB/ZEH standards / Increasing need to reduce GHG emissions / Introduction of carbon pricing	The financial impact of fuel costs for hotels and resort facilities was estimated using the IEA's scenario-specific carbon price assumptions and projected fuel prices.	P.46
Growing demand for facilities and services that contribute to decarbonization and nature-positive initiatives	Increases in profit were estimated by assuming rate premiums for sustainable resort facilities based on external publications.	P.46
Impact on ski resorts resulting from fewer snowfall days and lower snowfall volumes	The impact on profits from the ski business was estimated based on external publications describing future scenario-specific changes in snowfall days.	P.46
Loss of seasonal scenery and naturally attractive tourism environments caused by rising air and sea temperatures	The financial impact for regions where certain resort facilities are located was estimated based on external publications by assuming the effect on visitor numbers if certain tourism resources were degraded.	P.46

Glossary

■ Metrics and information used for location prioritization (p.50-51)

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.4	SSBJ	Sustainability Standards Board of Japan (SSBJ): An organization that develops and formulates sustainability disclosure standards for Japan based on the standards of the ISSB (International Sustainability Standards Board).
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 Organization for Economic Cooperation and Development (OECD) with the main purpose of improving the energy situation in oil-consuming nations.

Glossary

■ Terms

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.
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.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.30	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.31	GBF	Global Biodiversity Framework (abbreviated as GBF): A global goal adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15); it sets forth a 2050 vision and a 2030 mission aimed at achieving a “nature-positive” outcome.
P.37	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.41	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.42	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.49	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.

Glossary

P.49	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.
P.116	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.124	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.124	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.124	FOURE	Reciprocal and Regional Revitalization with Renewable Energy: Agreement between Tokyu Land Corporation, Osaka Gas, Loopp, 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.126	GX Future Consortium	(GX: Green Transformation) A platform where companies aiming to achieve sustainable growth join forces with other like-minded enterprises, government agencies, and universities to take practical action toward transforming economic and social systems and creating new markets.
P.128	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. ・ 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.130	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.130	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.130	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.141	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.

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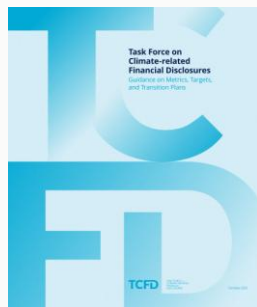
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- The following were used as a reference in the preparation of this report.
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 - “Recommendations of the Task Force on Climate-related Financial Disclosures”
 - “Guidance on Metrics, Targets, and Transition 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 July 2026. 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.