

A family of three, a man, a woman, and a young child, are walking away from the camera on a lush green grassy hill. The man is on the left, wearing a blue long-sleeved shirt and white pants. The woman is on the right, wearing a light blue long-sleeved shirt and white pants. The child is in the middle, wearing a blue jacket and light-colored pants. They are all holding hands. In the background, there is a line of trees under a clear blue sky.

05 Value Creation Foundation

Strengthening important management bases

Sustainability Vision

We solve issues in society through our business activities and work with stakeholders to realize a sustainable society and growth.

Sustainability Policy

We strive for environmental and economic harmony through our business activities. We endeavor to collaborate closely with stakeholders and maintain and strengthen relationships with them.

We pursue sound and highly transparent management and actively disclose sustainability information.

Sustainability Promotion Framework

We have established the Tokyu Fudosan Holdings Sustainability Committee with the President and CEO serving as chair and executive officers as members. The results of deliberations by the committee are reported to the Board of Directors. (➡ [p.86](#))

A Sustainability Council comprised of members from each Group company and the Group Human Capital Council (➡ [p.79](#)) also hold meetings and matters such as the issues discussed and progress on KPI targets are reported to the Sustainability Committee.

Accelerating the response to three priority issues as an environmentally advanced company

Environmental Vision

Environmental philosophy

We will create value that connects cities and nature, and people with the future.

Environmental policy

We will make efforts to realize harmony between the environment and the economy through our business activities.

Environmental action

We will tackle five environmental issues through three approaches.

• Three approaches

- Publicize goals and implement action
- Endeavor to implement progressive activities
- Conduct community-based activities in collaboration with local people

• Five environmental issues

- Climate change · Biodiversity
- Pollution and resources · Water use
- Supply chains



An environmental pioneer for over 100 years

“Do not construct buildings taller than the palm trees”
— that was the only instruction

We started addressing environmental issues at an early stage by making greenery an important focus of our urban development efforts. The quote above is by Noboru Goto, the first president of Tokyu Land Corporation and an advocate of environmental consideration, during the development of the Palau Pacific Resort.



Provided by: Tokyu Corporation

Under our Environmental Vision, which was formulated in 1998 as a basic philosophy for environmental activities, we are promoting environmental management as a Group-wide policy. We have set decarbonized society, circular society, and biodiversity as three priority issues and we are leveraging our entire value chain to create environmental value together with stakeholders.

In the wide range of business areas we engage in, which includes real estate development, building management and operation, and logistics, and at our business sites in each region, we are working to solve environmental issues through Group collaboration in a way that nurtures and strengthens regional environments.

Environmental management is one of the Group policies in the medium-term management plan 2030 and under this policy, we are strengthening initiatives that contribute to the creation of environmental premiums in a way that links to solutions to social issues. (→ p.45)

Decarbonized society

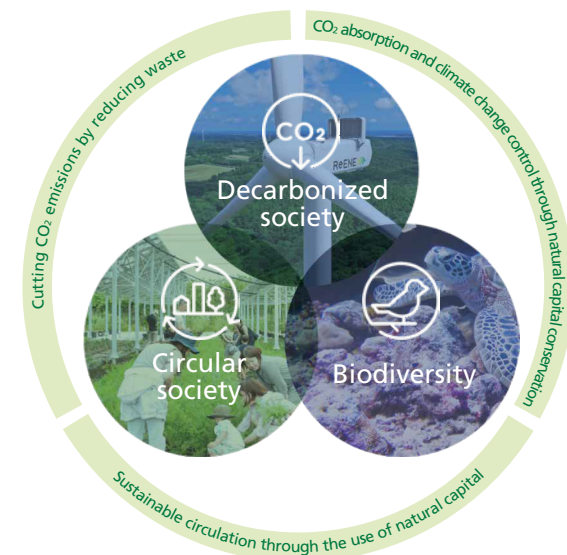
We will contribute to global decarbonization by leveraging our renewable energy business as a strength and through environmentally friendly real estate development and operation. At the same time, we will brighten the lives of people across Japan by revitalizing local industries and supporting community formation.

Circular society

We will advance business activities predicated on utilizing existing stock with maximum effectiveness and conserving and reusing resources to promote the creation of a circular economy. We will also work to form local recycling-based communities in each area to support safe, secure, and long-term operations that are unique to each region.

Biodiversity

We will collaborate with communities in each region to engage in activities that protect the local ecosystems of each municipality and region. Also, by reflecting local natural characteristics in our services, we will broadly communicate a social approach that supports the coexistence and abundance of all life.



Response to the TCFD and TNFD recommendations

As part of our efforts to promote environmental management, we are carrying out integrated disclosure of initiatives related to climate and nature.



Integrated disclosure concerning the TCFD and TNFD

In order to raise corporate value through environmental engagement, we have positioned environmental management as a Group policy and we are working to achieve environmental and economic harmony through our business activities. We understand that nature-related issues such as climate change and biodiversity present risks to the Group's business activities, but we also believe that they contain business opportunities.

In regard to climate change, in recognition of the importance of disclosing climate change-related financial information, we endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in March 2019 and began practicing disclosure accordingly. We also joined the TCFD Consortium, an organization in Japan that discusses matters related to TCFD engagement.

In regard to nature-related issues, in June 2023, we joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum in order to clearly disclose the dependencies, impacts, risks, and opportunities related to natural capital in our business. In August 2023, we became the first entity in the Japanese real estate industry to carry out disclosure based on TNFD recommendations, starting with our real estate business in Japan.

In February 2025, we issued the TCFD/TNFD Report, an integrated document combining our TCFD Disclosure, Transition Plan toward Decarbonized Society, and TNFD Report (3rd Edition).

([➡ TCFD/TNFD Report](#))

Disclosure Topic	TCFD	TNFD
Governance	• We established the Sustainability Committee comprising the President and CEO (chair) and executive officers. Meetings are held twice a year at the same time as the Risk Management Committee meetings to formulate plans and monitor progress concerning important environmental management and sustainability issues, including climate- and nature-related issues. • The Board of Directors receives reports on these important matters and the results of deliberations from the committees in order to monitor progress and carry out periodic reviews. • We formulated a human rights policy and are engaging with local communities.	
Strategy	• We carried out medium- and long-term scenario analysis for four businesses (Urban Development, Resort, Residential, and Renewable Energy) under the 1.5°C, 3°C, and 4°C scenarios, considering risks and opportunities, assessing financial impacts, and then reflected these in our strategies. • We formulated our long-term vision GROUP VISION 2030 with the aim of achieving net zero emissions by 2050 and set long-term targets for reducing greenhouse gas emissions. We received SBT Net Zero certification in July 2024. • In July 2023, we formulated a transition plan for achieving the above target.	• We identify nature-related issues (dependencies, impacts, risks, and opportunities) concerning the Group's business based on the TNFD's LEAP approach. • We consider an overview of the dependencies and impacts for each business. • Based on an evaluation using indicators, we have identified priority areas for the Group's business as the Greater Shibuya Area and 13 regional areas, including resort facilities. Within these, Tokyu Resort Town Tateshina is a particular focus. • We consider nature-related issues that are material for the Greater Shibuya Area and Tokyu Resort Town Tateshina.
Risk and impact management	• We identify and assess climate-related risks based on scenario analysis. • We identify and assess nature-related dependencies, impacts, risks, and opportunities through comprehensive consideration that covers all businesses and the entire value chain and through detailed assessment of priority areas. • Issues identified are managed under a framework centered around the Sustainability Committee and are also integrated into Group-wide risk management.	
Metrics and targets	• We manage progress on all items. For details, please see the Metrics and Targets section of our Sustainability website.	

[➡ TCFD/TNFD Disclosure](#)

The LEAP Approach

The LEAP approach is a voluntary approach for assessing a company's nature-related dependencies, impacts, risks, and opportunities recommended by the TNFD. With reference to the LEAP approach, we disclose the results of assessments in accordance with general requirements and the TNFD disclosure recommendations.



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

We considered the main transition risks and opportunities through climate-related scenario analysis and analysis of nature-related dependencies and impacts.

Category		Risk and opportunity details	Warming scenario			Nature	Countermeasures		
			1.5°C	3°C	4°C				
Transition	Risks	Policy, legal and regulatory framework, and technology	Increase in cost of new construction and renovation due to the strengthening of the Energy Conservation Act and ZEB and ZEH becoming mandatory	●	●	–	–	· Construct new buildings to ZEB/ZEH standards, renew equipment at existing facilities, and introduce renewable energy as early as possible · Mitigate the impact of carbon prices by collaborating with major construction companies to reduce CO ₂ emissions up to the construction stage · Introduce internal carbon pricing	
			Increase in construction and operational costs due to the introduction of a carbon pricing system	●	●	–	–		
			Weak political support for renewable energy and uncertain market outlook	–	–	●			· Grow business in response to increase in demand
			Shortages of building materials and increase in procurement costs due to tighter regulations on land-use modification and resource extraction Impact of tighter regulations on land-use modification on the development business	–	–	–	●	· Reduce resource use during construction	
			Increase in cost of responding to the introduction and strengthening of regulations requiring the enhancement of the quality of green space, including increasing the ratio of greenery, forming ecological networks, and planting native species	–	–	–	●	· Implement urban greening that considers biodiversity conservation and form ecological networks in the Greater Shibuya Area and other areas	
			Increase in costs due to tighter regulations on plastic use and food loss	–	–	–	●	· Use alternative materials for hotel amenities	
			Increase in costs such as equipment installation in response to tighter regulations on water resource use and wastewater disposal	–	–	–	●	· Manage water resources in accordance with local issues and ensure they are used efficiently	
	Market	Market	Impact on rent and vacancy rates driven by an increase in demand from tenants for ZEB properties	●	●	–	–	· Grow business in response to increase in demand · Differentiate by constructing new buildings to ZEB/ZEH standards, renewing equipment at existing facilities, and introducing renewable energy as early as possible	
			Intensification of competition between products driven by an increase in demand from home buyers for ZEH properties	●	●	–	–		
			Increase in demand from customers and tenants for properties with lower negative impact and greater benefits for nature	–	–	–	●	· Implement urban greening that considers biodiversity conservation and form ecological networks, among other initiatives	
			Increase in procurement costs due to increased demand for certified sustainable products and sustainable alternatives	–	–	–	●	· Use resources more efficiently	
	Reputation	Reputation	Potential for criticism if development, business operations, or procurement activities have a negative impact (such as land alteration, introduction of invasive species, or ecosystem disruption) on local ecosystems or ecosystem services, including scenery and cultural services	–	–	–	●	· Engage with stakeholders during development	
	Opportunities	Markets/ products and services	Increase in demand from tenants for ZEB properties	●	●	–	–	· Construct new buildings to ZEB/ZEH standards, renew equipment at existing facilities, and introduce renewable energy as early as possible · Grow business in response to increase in demand · Use locally-sourced natural energy	
			Increase in demand from home buyers for ZEH properties	●	●	–	–		
			Considerable increase in demand for renewable energy	●	●	–	–		
			Increase in demand for satellite offices despite a decrease in demand for tenant offices due to widespread adoption of telework	–	●	●	–	· Promote new leisure lifestyles, such as workcations, and develop satellite offices in anticipation of widespread use	
			Reduction in energy costs and development of new products driven by the use of thinned wood	–	–	–	●		
			Increase in demand from customers and tenants for properties with lower negative impact and greater benefits for nature	–	–	–	●	· Implement urban greening that considers biodiversity conservation and form ecological networks in the Greater Shibuya Area and other areas · Advance various nature-related initiatives	
		Capital flow/ financing	Increase in political support and incentives for increasing the amount and quality of green spaces during urban development	–	–	–	●		
			Increase in investment in properties with lower negative impact and greater benefits for nature (greening, formation of ecological networks, etc.)	–	–	–	●		
		Reputation	Reputation	Increase in reputation and corporate value and improvement in relationships with the community fostered through business activities with lower negative impact and greater benefits for nature and local communities (such as forest management, biodiversity conservation, lessening of impact during development, sustainable resource use, contribution to regional revitalization)	–	–	–		●
				Improvement in appeal and brand value for entire towns and regions and increase in the population benefiting from these due to business operations that draw out the appeal of nature and use natural resources responsibly	–	–	–	●	

Example countermeasures

ZEB/ZEH standard* targets and results

Tokyu Land Corporation is working to reduce the amount of energy consumed by buildings by introducing ZEB/ZEH standards for the buildings it constructs, including housing and offices currently under construction.

FY2030 target	FY2025 target	FY2024 target
100%	Approx. 50%	100%

* Measured as the percentage of properties, including properties such as condominiums and offices owned by Tokyu Land Corporation, that achieve building performance equivalent to or exceeding ZEB/ZEH Oriented standards (based on start of construction)

Decarbonization initiatives in our hotel operations

We are working to reduce plastic waste and promote resource recycling at hotels operated by Tokyu Resorts & Stays through initiatives including switching to biomass alternatives for the materials used in amenities, reviewing amenity replacement for guests staying multiple nights, and reducing the use of drinks in PET bottles.

Operating membership-based shared offices

Tokyu Land Corporation operates 20 Business-Airport facilities in major business centers (current as of July 2025). These shared offices are contributing to decarbonization by reducing transportation use associated with commuting, decreasing energy consumption through a more efficient use of office space, and introducing renewable energy.

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

We assessed the main physical risks and opportunities through climate-related scenario analysis and analysis of nature-related dependencies and impacts.

Category			Risk and opportunity details	Warming scenario			Nature	Countermeasures
				1.5°C	3°C	4°C		
Physical	Risks	Acute/ Chronic	Gradual increase (1.5°C / 3°C scenarios) or sudden increase (4°C scenario) in damage to facilities caused by natural disasters	●	●	●	●	- Differentiate by strengthening BCP/LCP through building location selection and collaboration with tenants and residents - Differentiate by strengthening community infrastructure, including the introduction of storage batteries
			Increase in tenants' needs for business continuity planning (BCP) at facilities and impact of this on rents and vacancy rates	●	●	●	-	
			Increase in selectivity concerning area and intensification of competition due to an increase in demand from home buyers for life continuity planning (LCP)	●	●	●	-	
			Shortening of ski resort operating periods and increase in impact of heat on golf courses due to rising temperatures	●	●	●	●	Differentiate by using ski facilities during the off-season, concentrating ski resort investment on areas with high snowfall, introducing measures to prevent heatstroke on golf courses, and adopting heat-resistant grass
			Increase in construction costs associated with major construction companies and extension of required construction periods due to rising temperatures	-	-	●	-	- Differentiate by improving the performance of new buildings, upgrading equipment at existing facilities, and introducing renewable energy as early as possible - Grow business in response to increase in demand - Set construction schedules that consider the effects of heat and implement measures to counter heatstroke
			Increase in air conditioning costs due to rising temperatures	-	-	●	-	
			Increase in air conditioning costs and deterioration of living and shared urban environments due to worsening of the heat island effect caused by urban development, including by other entities	-	-	●	●	
			Increase in demand from home buyers for high-performance homes to cope with rising temperatures	-	-	●	-	
			Decrease in the attractiveness and asset value of towns due to factors including the deterioration in scenery caused by the decline of the natural environment	-	-	-	●	Advance urban development that considers biodiversity
			Water resource shortages due to river pollution and decrease in the recharge capacity of water resources	-	-	-	●	Practice forest conservation
			Increase in risk of landslides and floods due to deterioration of surrounding natural environment caused by urban development, including by other entities, and insufficient forest management	-	-	-	●	Practice forest conservation, meet BCP needs, and conduct disaster preparation training
			Impact on zero-carbon transition plan caused by a decrease in the CO ₂ absorption capacity of forests	-	-	-	●	Practice appropriate forest management, such as tree thinning
			Decrease in the attractiveness of resort areas and nature-based activities, such as trekking, due to the decline of the natural environment and ecosystems as important tourism resources	-	-	-	●	Implement initiatives to conserve the natural environment around resort facilities
	Opportunities	Markets/ products and services	Increase in demand from home buyers for high-performance homes due to rising temperatures	-	-	●	-	Grow business in response to increase in demand
			Increase in demand from tenants for BCP at facilities	●	●	●	-	Differentiate by strengthening BCP/LCP through building location selection and collaboration with tenants and residents
			Increase in demand from home buyers for LCP	●	●	●	-	Differentiate by strengthening community infrastructure, including the introduction of storage batteries

Example countermeasures

Forest conservation activities at Tokyu Resort Town Tateshina

Tokyu Resort Town Tateshina is a resort complex spread over a vast 660-hectare site covered with forest. We are utilizing this abundant natural environment as a tourism resource while also advancing forest conservation activities which will ensure it can be enjoyed by future generations. These include building sustainable local cycles that aim to keep the forests healthy, fostering coexistence with the community, and promoting biodiversity conservation. We are also increasing the ability of the forest to absorb CO₂ emissions by practicing appropriate forest management, such as undergrowth cutting and tree thinning, and encouraging forest growth. (➡ p.77)

Additionally, we are contributing to resource recycling by utilizing the wood produced through tree thinning, including for the development of original products like candles, the creation of furniture and fixtures for Group facilities, and for reuse within the local area as woodchips or firewood.



GREEN AGENDA for BRANZ

Tokyu Land Corporation, Tokyu Community, and Ishikatsu Exterior have collaborated to formulate GREEN AGENDA for BRANZ, a long-term landscape management plan for planting greenery within the grounds of BRANZ condominiums. The plan takes a 10-year perspective toward nurturing greenery and biodiversity with the aim of realizing homes filled with greenery and enhancing asset value together with residents.

(➡ GREEN AGENDA for BRANZ)

Impact of climate-change risk and opportunities on main business strategies and financial planning

Impact in terms of business strategy

We have responded to climate change risks and opportunities in our business strategies as follows.

Category	Impact and response
Products and services	We have responded to climate change risks and opportunities by working to improve the energy-conserving performance of buildings as a mitigation measure and strengthen the business continuity planning (BCP) of facilities as an adaptation measure. Under our long-term vision formulated in 2021, we are aiming to further promote the adoption of ZEB/ZEH standards, and we have set the KPI of an adoption rate (the percentage of properties, including condominiums and offices owned by Tokyu Land Corporation, that achieve building performance equivalent to or exceeding ZEB/ZEH Oriented standards, based on the start of construction) of 100% by fiscal 2030 and approximately 50% by fiscal 2025. Tokyu Land Corporation is also aiming to expand and promote the ReENE renewable energy business .
Supply chain Value chain	Upstream: We have incorporated climate change issues into the Sustainable Procurement Policy, formulated in 2020, and started discussions with major construction companies concerning low-carbon construction processes . Downstream: We are ensuring condominiums and rental housing meet ZEH standards and promoting the introduction of renewable energy .
R&D investment	Tokyu Community Corp., which is engaged in building management, has built the NOTIA technical training center to improve its technical proposal capabilities and obtained Nearly ZEB certification. Tokyu Land Corporation is aiming to make ZEB standard in all new construction and in fiscal 2022, it verified the feasibility of achieving ZEB standards in existing office buildings.
Facility operation	In 2019, Tokyu Land Corporation, which operates various facilities in its urban development and resort businesses, made a commitment to achieving RE100, which involves using 100% renewable energy, by 2050 through the adoption of renewable energy in all its businesses . By December 2022, it had switched all 244 domestic facilities to 100% renewable energy and in April 2024, it became the first business company in Japan to be RE100 certified.

Internal carbon pricing (ICP)

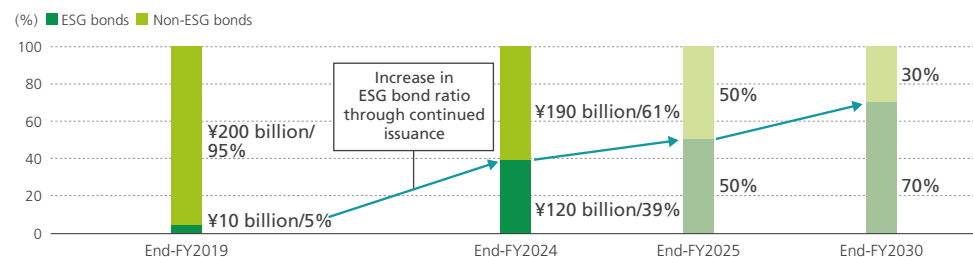
We introduced internal carbon pricing (ICP) in fiscal 2021 and in fiscal 2022, we started providing visualizations of the scheme as a presentation item for Executive Committee meetings. The scheme enables us to assess economic impact in the event that a carbon tax is levied, creating a point of comparison when considering projects.

Impact on financial planning

We have responded to climate change risks and opportunities in our financial planning as follows.

Category	Impact and response
Indirect costs	Tokyu Land Corporation used the results of scenario analysis to simulate the limits to which CO ₂ emissions can be reduced through medium- and long-term energy-conserving renovations and operational improvements at existing facilities. Through this process, it recognized the need to promptly begin purchasing renewable energy infrastructure and incrementally build up reduction in energy consumption in order to achieve the CO ₂ emission reductions at SBT levels. Therefore, it started discussions on purchasing power generated by the Group's renewable energy business and estimated the overhead costs accompanying the purchase of renewable energy. Taking the results into account, it quickly advanced the adoption of renewable energy at its facilities while assessing the impact on the budget for each fiscal year, enabling it to achieve RE100 in fiscal 2023 .
Capital allocation	Tokyu Land Corporation responded to the government's renewable energy promotion policy by entering the mega solar power business in 2014. Furthermore, based on the results of scenario analyses conducted since fiscal 2018, it has positioned the expansion of its renewable energy business as a climate change-related opportunity and is actively investing in this area . The business develops and operates solar, wind, and biomass power stations among other facilities and it is now one of the biggest renewable power businesses in Japan .
Liabilities	Based on the results of scenario analysis, in fiscal 2019, we issued ¥10 billion in green bonds with the goal of raising our reputation among investors in terms of initiatives addressing environmental issues. In fiscal 2021, we formulated the WE ARE GREEN Bond Policy, becoming the first company in Japan to release a policy for the long-term issuance of ESG bonds . This policy aims to increase the ratio of ESG bonds to at least 50% out of all bond issues by the end of fiscal 2025 and 70% by the end of fiscal 2030.
Assets	When carrying out portfolio management based on our long-term vision, we use environmental impact as an evaluation indicator.

Ratio of ESG bonds



Climate-related scenario analysis

We carry out scenario analysis for each of our four businesses (Urban Development, Resort, Residential, and Renewable Energy), and the results are reflected in our strategy.

High 10% or more of consolidated operating revenue **Medium-high** 10% or more of operating revenue of a specific business **Medium** 5 to 10% of operating revenue of a specific business

Medium-low 2 to 5% of operating revenue of a specific business **Low** Less than 2% of operating revenue of a specific business

Scenario assumptions		Summary of results	Financial impact		Medium-term	Long-term
1.5°C scenario	The increase in global average temperatures at the end of the 21st century is limited to 1.5°C compared to pre-industrial levels as steady progress is made on a transition to a decarbonized society in areas such as political policy, technology, and markets.	- In the medium term, carbon pricing and ZEB implementation costs will have a significant financial impact on the offices and commercial facilities business. However, in the long term, once the shift to ZEB standards is completed, we will gain a competitive advantage in the market, so rental income is expected to increase. Growth is also anticipated in the renewable energy business. - In terms of physical risk, there will be a gradual increase in natural disasters driven by abnormal weather, but the impact on business is expected to be low due to measures to strengthen BCP and LCP.	Transition	Urban Development	High	Medium-low
				Residential	Medium-low	Low
				Resort	Medium-low	Low
				Renewable Energy	High	Low
			Physical	Urban Development	Low	Medium-low
				Residential	Low	Medium-low
				Resort	Low	Medium-low
				Renewable Energy	Low	Medium-low
3°C scenario	The global average temperature at the end of the 21st century increases to around 3°C compared to pre-industrial levels as each country complies with its Nationally Determined Contributions (NDCs).	- In the medium term, the impact of the shift to ZEB standards in the offices and commercial facilities business is relatively muted and the financial impact is lower than in the 1.5°C scenario, although the effects are expected to continue over the long term. A certain degree of growth is anticipated in the renewable energy business. - In terms of physical risk, natural disasters will become more severe and temperatures will rise faster than in the 1.5°C scenario, so the impact on the resort business will be greater. However, we expect to mitigate the financial impact to a certain extent through measures to differentiate from competing facilities, such as carefully selecting locations and using facilities in the off-season.	Transition	Urban Development	Medium-high	Medium-high
				Residential	Medium-low	Medium-low
				Resort	Medium-low	Medium-low
				Renewable Energy	Medium-high	Medium-high
			Physical	Urban Development	Low	Medium-low
				Residential	Low	Medium-low
				Resort	Low	Medium
				Renewable Energy	Low	Medium-low
4°C scenario	The global average temperature at the end of the 21st century increases to 4°C or higher compared to pre-industrial levels as the rate of growth in areas such as political policy, technology, and markets remains at current levels. This increases the risk of natural disasters caused by climate change.	- In the medium term, the impact of climate change is anticipated to be small and the financial impact will remain low. On the other hand, in the long term, the financial impact will be greater due to intensifying natural disasters and rising temperatures. However, we expect to mitigate the financial impact to a certain extent by developing satellite offices in the offices and commercial facilities business and advancing measures to differentiate from competing facilities in the resort business, such as carefully selecting locations and using facilities in the off-season. - The renewable energy business will be required to grow in accordance with market trends.	Transition	Urban Development	Low	Low
				Residential	Low	Medium-low
				Resort	Low	Medium
				Renewable Energy	Low	Low
			Physical	Urban Development	Low	Medium
				Residential	Low	Medium
				Resort	Low	Medium-high
				Renewable Energy	Low	Medium

Climate change-related results, plans, and priorities

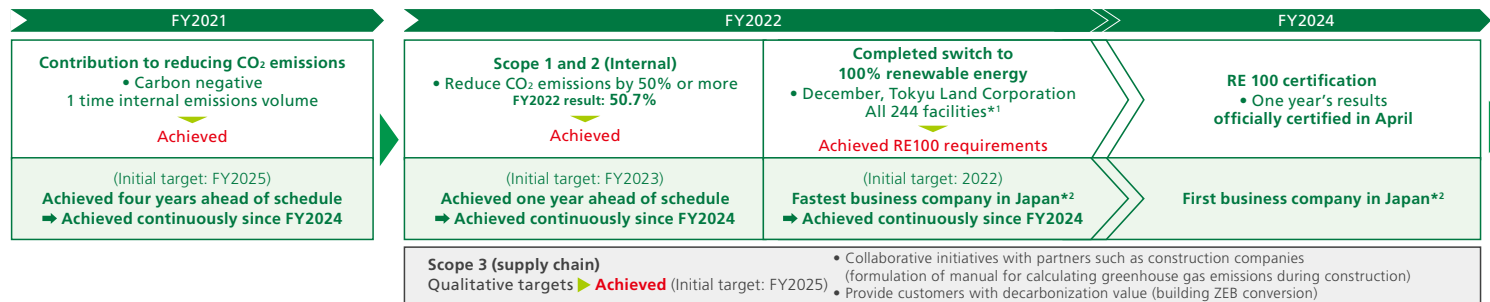
Realizing a decarbonized society: Indicators, targets, and results

We manage progress on results of indicators linked to our response to the climate change-related risks identified through scenario analysis. In the previous medium-term management plan, we targeted a 50% reduction in Scope 1 and 2 CO₂ emissions by fiscal 2023. However, by leveraging the strengths of our renewable energy business, we recorded

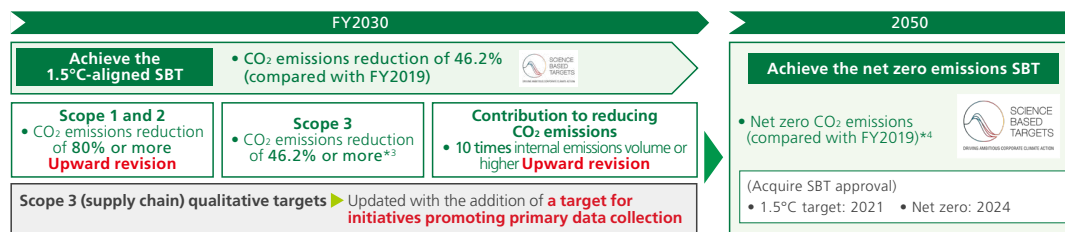
a 50.7% reduction in fiscal 2022, thereby achieving our target one year ahead of schedule.

In fiscal 2024, we made further progress with a reduction of 77.4% and revised our fiscal 2030 target upward to 80% or more. We also achieved a 30% reduction in Scope 3 emissions.

Previous medium-term management plan results



New medium-term management plan results



*1 Excludes properties scheduled to be sold or torn down that are outside the scope of RE100 and certain joint projects for which Tokyu Land Corporation does not have energy management authority. Also excludes electricity from on-site cogeneration because RE100-approved green gas does not exist on the Japanese market

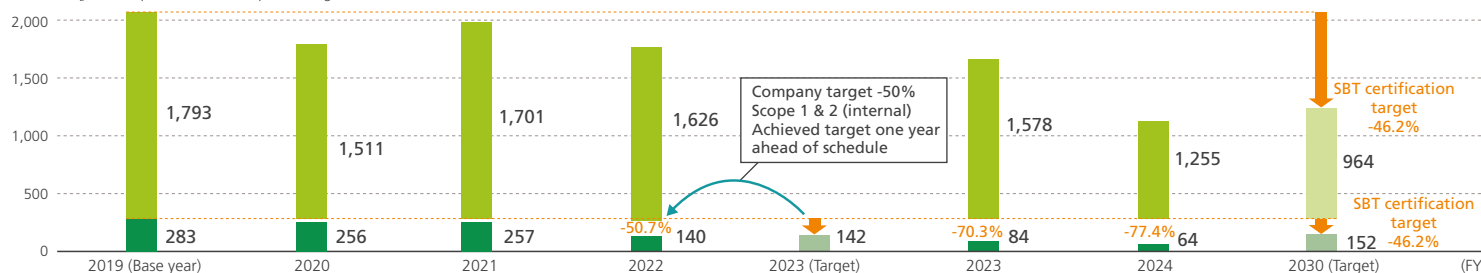
*2 Excludes financial institutions

*3 Our SBT-certified reduction targets cover Categories 1, 2, and 11

*4 Reduce CO₂ emissions by 90% or more and neutralize residual emissions

CO₂ emissions-related results and targets

(1,000 t-CO₂) ■ Scope 1 and 2 ■ Scope 3 (Categories 1, 2, and 11)



Priority climate-related issues

We recognize the following climate-related issues as being particularly material to the Group.

Category	Type	Material issues	Major impact
Transition risks	Current regulation	Energy conservation reporting requirement, energy efficient building standards	
	Emerging regulation	More stringent GHG emission reduction regulations, carbon taxation	○
	Technology	Increase in cost for ZEB / ZEH construction / renovation	○
	Legal cost	Credit purchase under the Tokyo Cap-and-Trade Program	
	Market	Delayed response to price trends reflecting environmental value, increasing energy costs	○
	Reputation	Changing customer / investor behavior	
Physical risks	Acute	Intensified extreme weather events	
	Chronic	Rising temperatures / sea levels	
Opportunities	Resource efficiency	Transition to high-efficiency buildings, recycling	
	Energy source	Wider use of renewable energy sources, government subsidies	○
	Products / services	Expansion of low carbon products / services	
	Market	Utilization of ESG finance	○
	Resilience	Energy efficient renovations of operating assets, BCP compliance	

Contributing to becoming nature positive

Locate

Evaluate

Overview of dependencies and impact on nature and setting of priority areas

Using TNFD classifications as a reference, we examined an overview 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 ENCORE, a tool developed by the UN Environment Programme (UNEP), and the SBTs for Nature as a reference*, we sorted out the dependencies and impacts in order of importance according to four steps between Very High and Low. The results of that analysis are in the table to the right.

Impacts

Terrestrial ecosystem use, including land modification and occupation during real estate development and operation

Dependencies

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



Business scale (Sales volume)



Priority areas
Detailed analysis implemented
(1) Greater Shibuya Area
(2) Tokyu Resort Town Tateshina

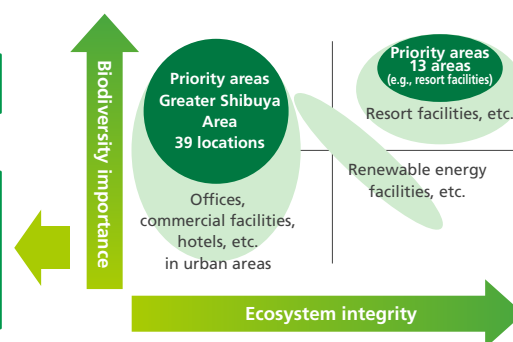
Assess dependencies/impacts on nature for Group overall

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

VH Very High H High M Medium L Low

Urban areas

Rural areas



Assessing priority areas in terms of risks and opportunities

We believe that relationships with nature are of especially high importance within our value chains, from development through to operation. Therefore, we analyzed 267 major properties owned or operated by the Group (including offices, commercial facilities, hotels, resort facilities, and renewable energy facilities)

in accordance with various indicators related to ecosystem integrity, biodiversity importance, and water stress. Based on the results, we have set the Greater Shibuya area and 13 regional areas, including resort facilities, one of which is Tokyu Resort Town Tateshina, as priority areas.

Note: 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 resort business, 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 examining importance and making supplements and adjustments. For ratings at the stage of operation of resort 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

Contributing to becoming nature positive

(1) Nature-related dependencies and impacts in the Greater Shibuya Area

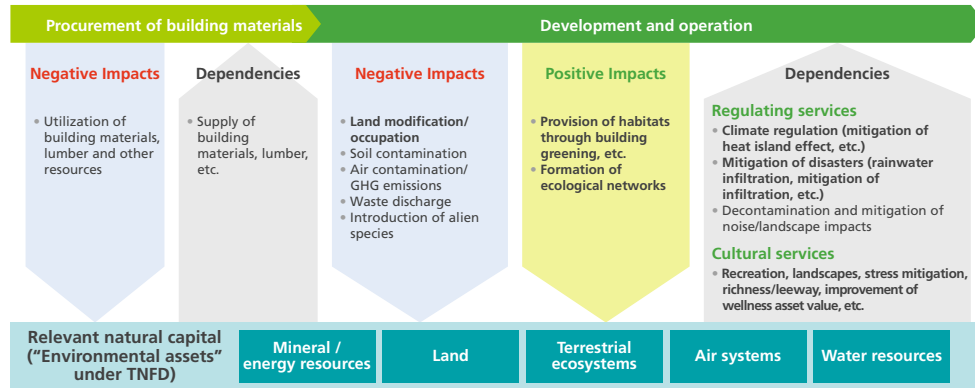
In regard to urban development in the Greater Shibuya Area, we have identified various nature-related dependencies and impacts throughout the value chain.

Of these, the impacts of land use and building

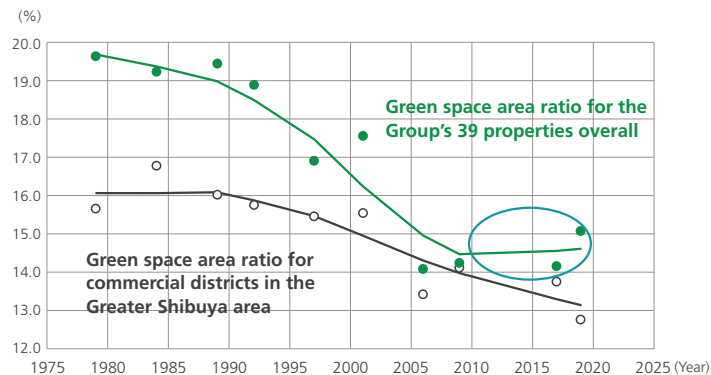
greening on nature were quantitatively analyzed using the analysis tools of Think Nature Inc. As a result, we found that biodiversity regenerative effects before and after the building of Group properties in the Greater Shibuya Area turned positive starting with properties from fiscal 2012 and beyond.

Dependencies and impacts on nature in the value chain

Bolded items are dependencies and impacts that are believed to carry especially high importance

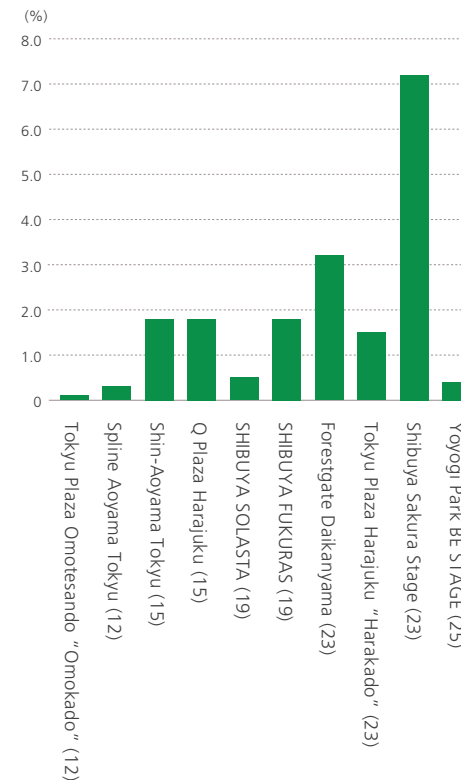


Green space area ratio



Biodiversity regenerative effects (Before building → After building)

Properties completed from fiscal 2012 onward were shown to have a significant effect on the regeneration of biodiversity. Shibuya Sakura Stage had a particularly high regenerative effect (7.2%) due to the planting of a large number and variety of trees, including species native to Japan, the Kanto region, and the Tokyo Metropolitan area.



Note: Year in parentheses is the year of completion

Evaluate

Assess

Prepare

Nature-related risks and opportunities in the Greater Shibuya Area

Based on the analysis of nature-related dependencies and impacts in the value chains of urban development projects, particularly in the Greater Shibuya Area, and other projects, we have identified the physical risks, transition risks, and opportunities we consider to be particularly material to the Group's business at the current time. We found that while various nature-related risks are expected, we also expect to capture many business opportunities. The real estate business that the Group is involved in covers long periods of time from development to operation and involves numerous parties, so we believe that it is necessary to work together with our stakeholders to tackle nature-related issues in our entire supply chain.

We also carried out detailed analysis of dependencies, impacts, risks, and opportunities related to our hotel and resort business, which is another priority area.

In addition to this, we plan to assess the impact of nature-related risks and opportunities on the Group's business and finances based on scenario analysis, and we will review our nature-related indicators and targets in accordance with international trends.

Contributing to becoming nature positive

(2) Nature-related dependencies and impacts in Tokyu Resort Town Tateshina

Of the 13 regional areas, including resort facilities, identified as priority areas, we selected Tokyu Resort Town Tateshina, a large-scale core resort facility containing hotels, golf courses, a ski resort, and villas, as the representative location that is important in terms of our business dependencies and impacts on nature. We then examined its dependencies, impacts, risks, and opportunities in line with the LEAP approach.

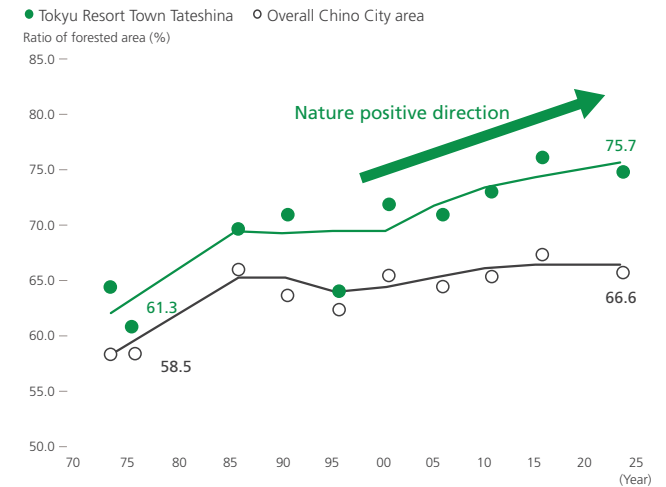
At Tokyu Resort Town Tateshina, we think the natural environment and bounty of nature are particularly important for business operations. We identified the major dependencies and impacts throughout our business and value chain and discovered that there is potential for the resort to have both negative and

positive impacts on nature, while it is also dependent on nature in various ways.

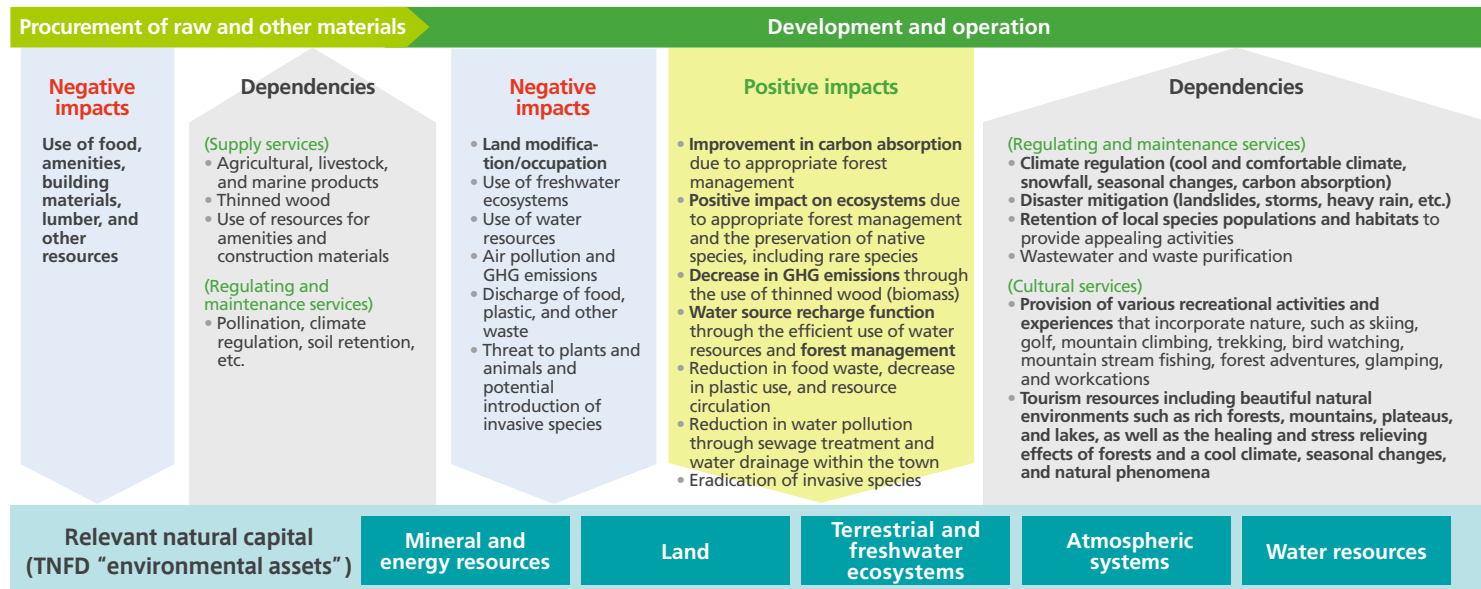
Quantitative evaluation of impact caused by land use

Out of the dependencies and impacts, we quantitatively analyzed the impact on nature exerted by land use and forest management using the analysis tools of Think Nature Inc. Analysis of the forest area carried out using aerial and satellite images showed that, although there was a decline in forested area as a result of the construction of golf courses and villas, the overall trend is toward recovery. Currently, this recovery has reached its highest levels, concluding that the Group's resort development and operation efforts, in which we operate businesses while working to maintain and recover forests, are contributing to nature positivity.

Change in the ratio of forested area (evaluation based on aerial and satellite images)



Nature-related dependencies and impacts in the value chain



Nature-related risks and opportunities at Tokyu Resort Town Tateshina

Major risks and opportunities identified through the analysis include physical risks, such as a decrease in appeal as a resort and tourist destination due to the deterioration of the ecosystem services it depends on, and transition risks accompanying changes in regulations and market environments. However, we also identified many nature-related opportunities.