

August 25, 2023

To the media and press

Tokyu Fudosan Holdings Corporation
Tokyu Land Corporation
ISHIKATSU EXTERIOR INC.

Tokyu Fudosan Holdings publicly releases a “TNFD Report” (a first for a Japanese real estate business) in its first initiative aimed at contributing to nature positive in its businesses

-Nature positive in Tokyu Fudosan Holdings’ Urban Development business in Greater Shibuya area-

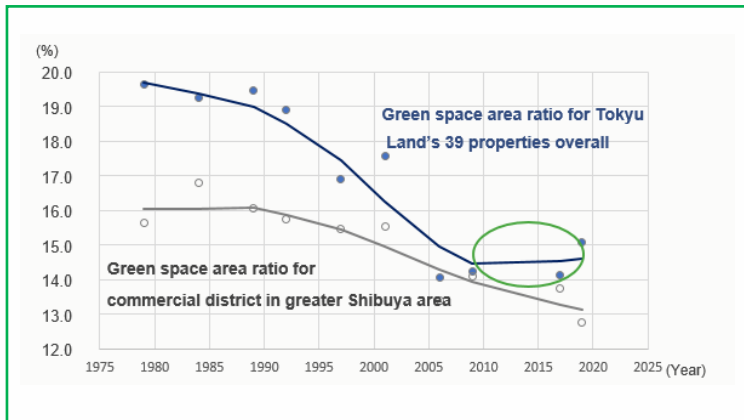
Tokyu Fudosan Holdings Corporation (Headquarters: Shibuya-ku, Tokyo; President & CEO: Hironori Nishikawa; “Tokyu Fudosan Holdings” below) hereby announces that it formulated a TNFD Report (“the Report” below) using the “TNFD Nature-Related Risk & Opportunity Management and Disclosure Framework v0.4 Beta Release” by the Taskforce on Nature-related Financial Disclosures (“TNFD” below)^{*1} as a reference in order to further promote contributions to nature positive based on the domestic and international trend of the increasing importance in the preservation of biodiversity as exemplified by the adoption of the “Kunming-Montreal Global Biodiversity Framework” (GBF) This constitutes the first time a Japanese real estate business has formulated a TNFD Report.

In the Report, Tokyu Fudosan Holdings disclosed a summary of dependencies/impacts and risks/opportunities as they pertain to the natural capital of the Group based on the frameworks of “governance,” “strategies,” “risk and impact management” and “metrics and targets” presented by the TNFD with the “Greater Shibuya area”^{*2} as the priority location to examine and analyze nature-related data for.

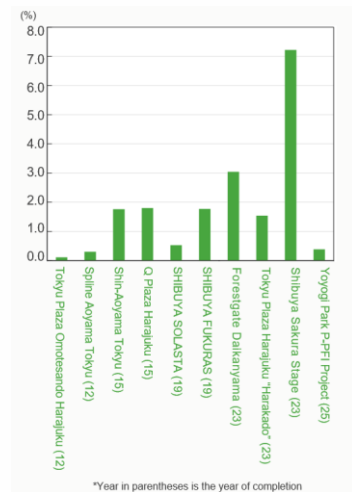
Additionally, following a comparison of offices/commercial facilities and complexes belonging to the Group in Greater Shibuya area before and after they were built based on a recent assessment using the LEAP Approach^{*3} recommended by the TNFD, it was found that while the green area ratio of the whole commercial district in the area, including properties belonging to other companies, continues to fall, since around fiscal 2012, which includes the opening of Tokyu Plaza Omotesando Harajuku, the 39 properties developed by the Group reversed their biodiversity loss to exhibit a recovery trend (become nature positive) when looked at overall. In particular, properties under the Group’s Urban Redevelopment business are experiencing a high trend in the

quality and quantity of green space relative to preexisting facilities. Going forward, Tokyu Fudosan Holdings will continue working towards contributing to nature positive through its businesses.

Green space area ratio

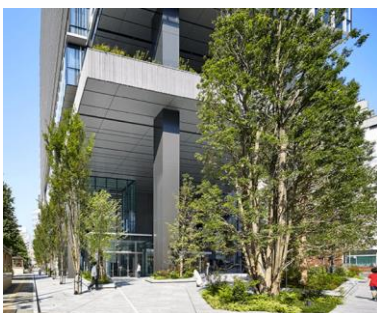


Biodiversity regenerative effects (Before building⇒After building)



Quantitative assessment charts for nature positive in Greater Shibuya area based on LEAP Approach Source: Think Nature Inc.

- *1: The Taskforce on Nature-related Financial Disclosures, or TNFD for short, is an international taskforce inaugurated in 2021 that calls for the adequate assessment and disclosure of nature-related dependencies/impacts and risks/opportunities. The frameworks presented by the TCFD are linked to the Taskforce on Climate-related Financial Disclosures, or TCFD for short.
- *2: Greater Shibuya area refers to the area within a 2.5-km radius from Shibuya Station as set forth in the Group's community development strategy. In the Report, Greater Shibuya area has been set forth as a priority area.
- *3: The LEAP Approach is a approach comprised of the four phases 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).



SHIBUYA SOLASTA



Shibuya Sakura Stage



Forestgate Daikanyama

■Background of contributing to nature positive in Tokyu Fudosan Holdings businesses

1. Initiatives aimed at biodiversity in Group

The Group has established environmental management as one of its group polices in its long-term vision and its Medium-Term Management Plan 2025. Through initiatives aimed at the priority challenges of Decarbonized society, Recycling-oriented society and Biodiversity, the Group is aiming to expand business opportunities with

the environment as their starting point. With respect to biodiversity in particular, as the Group's businesses are founded on the premise of depending on and impacting nature in a variety of aspects that include the utilization of land and a myriad of resources, nature-based recreation and the enhancement of relaxation/comfort and productivity, the Group recognizes biodiversity as a priority challenge, and has continuously implemented initiatives to coexist with nature from an early stage. One of those initiatives is the formulation of its Biodiversity Policy in 2011.

Additionally, having adopted the goal of "contributing to nature positive based on regional characteristics," Tokyu Fudosan Holdings is currently developing, operating and managing real estate with the objectives of promoting people- and nature-conscious greening that connects the green dotting the cities in urban areas and coexisting with ecosystem services in countryside areas.

2. Domestic and overseas trends

In recent years, there has been rapid progression in the decline of ecosystems and biodiversity in numerous locations worldwide, and recognition of how important it is to halt and recover natural loss has been growing internationally. At the 15th Meeting of the Conference of the Parties to the UN Convention on Biological Diversity (COP15) that convened in December 2022, the GBF was adopted as global goals for biodiversity. These included the stipulation of the mission to strive for "living in harmony with nature" (a society that coexists with nature) as a vision to achieve by the year 2050 and "nature positive" in the form of stopping and reversing the loss of biodiversity and taking emergency action to put nature on a recovery trajectory" by the year 2030, among other goals.

Also incorporated in the GBF is the ascertainment and disclosure of dependencies and impacts on biodiversity by corporations in their businesses. Currently, the TNFD, which was established in 2021, is pushing forward the development of international frameworks for corporations and other entities to ascertain and manage their nature-related dependencies/impacts and risks/opportunities and tie those efforts into action and the disclosure of information.

Based on the GBF, Japan's National Biodiversity Strategy, "Machizukuri GX," the TNFD and other domestic and overseas policy trends and frameworks, the Group recently revised its Biodiversity Policy ("Policy" below), and will proceed to contribute to nature positive at a deeper level than before.

■Public release of "TNFD Report," Tokyu Fudosan Holdings' first initiative aimed at contributing to nature positive

As the first of its concrete initiatives for biodiversity, Tokyu Fudosan Holdings publicly released the "TNFD Report" with the recognition of how important it is to ascertain nature-related risks and opportunities, then tie those efforts into strategy and initiatives and the disclosure of information. Ahead of the TNFD's presentation of its final recommendations, which are scheduled for September 2023, through the Report, Tokyu Fudosan Holdings has disclosed the results of its examinations of nature-related risks and opportunities of the Group jointly conducted with MS&AD InterRisk Research & Consulting, Inc. ("MS&AD" below) and Think Nature Inc. ("Think Nature" below) and Group initiatives for natural capital up to this point using the v0.4 Beta Release, which was publicly released in March 2023, as a reference.

1. "TNFD Report:" Overview

Tokyu Fudosan Holdings evaluated its dependencies and impacts in line with LEAP processes and sorted out risks and opportunities in accordance with the TNFD’s disclosure frameworks, namely governance, strategies, risk and impact management, and metrics and targets.

●STEP 1: Established overview and priority locations for dependencies and impacts on nature

As the first step, Tokyu Fudosan Holdings assessed the importance of dependencies and impacts in the Group using tools such as ENCORE^{*4}. This assessment showed that in terms of impacts, the impacts of “terrestrial ecosystem utilization” in aspects such as land modification and occupation upon the development and operation of real estate was especially large. Additionally, in terms of dependencies, dependencies on nature from the standpoints of provisioning services for the likes of resources and cultural services for the likes of nature-based comfort and landscapes and the enhancement of people’s inspiration and productivity were especially large.

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 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													
			Operation	VH													
Strategic investment	Renewable energy facilities (Solar power/wind power/biomass)		Building and development	VH													
			Fuel production	H													
	Logistics facilities		Building and development	VH													
			Operation	VH													
Property management and operation	Condominium management Environment and greening management		Management, renovation and construction	VH													
			Building and development	VH	VH												
	Hotel, golf course, ski resort, etc.		Production of ingredients, etc.	VH	VH	VH											
			Operation	VH	VH	H	M	H									
Healthcare, etc.			Building and development	VH													
			Operation and use	VH													

VH: Very High, H: High, M: Medium, L: Low

Dependencies and impacts on nature in businesses of Group overall

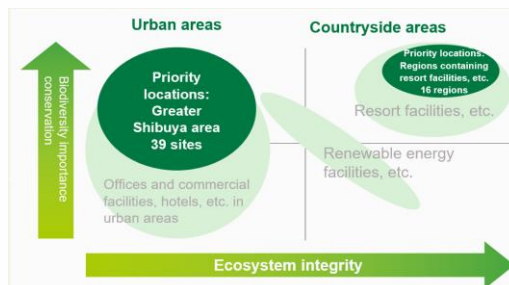
Next, Tokyu Fudosan Holdings performed mapping from the standpoint of business scale in addition to the standpoints of the integrity and importance of nature and examined priority locations. The Urban Development business in Greater Shibuya area and countryside regions where resorts facilities are located were set forth as priority locations from the standpoints of the integrity and importance of nature and the size of latent impacts based on business scale.

*4: ENCORE is a tool for financial institutions developed by the UNEP Natural Capital Finance Alliance, or NCFA for short. It enables the ascertainment of the importance of dependencies and impacts on nature according to business category and the analysis of data such as distributions of ecosystem services.

●STEP 2: Implemented LEAP Approach in Greater Shibuya area



Tokyu Plaza Omotesando Harajuku



TOKYU Harvest Club VIALA Hakone Hisui

For the 39 properties belonging to the Group in Greater Shibuya area, which was established as a priority location, Tokyu Fudosan Holdings performed an assessment using the LEAP Approach recommended by the TNFD. The quantitative results of this assessment are as stated on p. 1. The assessment showed that the 39 properties belonging to the Group reversed their biodiversity loss to exhibit a recovery trend (become nature positive). An example is the post-development green space area ratio at those properties, which has increased over the pre-development ratio since fiscal 2012 despite the green space ratio for the whole commercial district in Greater Shibuya area, which includes properties belonging to other companies, going down year after year.

Tokyu Fudosan Holdings believes that its development and operation efforts that achieve a harmony between the securing of the quality and quantity of green space and the comfort of area visitors and facility users in the Group's development of communities that coexist with local areas, which include the expansion of greening at implementation targets and existing properties under its Urban Redevelopment business, contributed to the results of that assessment.

Please access the TNFD Report here.

https://tokyu-fudosan-hd-csr.disclosure.site/pdf/environment/tnfd_report.pdf

2. Future actions

In addition to Greater Shibuya area that it recently performed analysis for, going forward, Tokyu Fudosan Holdings plans on performing more detailed analysis for dependencies/impacts and risks/opportunities in priority locations as well, including those that contain its resort facilities, and will continue to promote initiatives through its business activities and contribute to nature positive.

3. Cooperation among Group companies, partner enterprises and universities

In addition to efforts at Group companies* starting with greening and planting management at ISHIKATSU EXTERIOR, which handles the Group's environment greening business, Tokyu Fudosan Holdings cooperates with partner enterprises fully versed in biodiversity on efforts such as TNFD Report formulation assistance and supervision by MS&AD InterRisk Research & Consulting, and quantitative analysis by Think Nature, a startup that utilizes the likes of biodiversity big data that includes satellite data. Additionally, Tokyu Fudosan Holdings engages in joint research with TOKYO CITY UNIVERSITY.

Companywide supervision and formulation/disclosure of TNFD Report	Tokyu Fudosan Holdings Corporation*
Development/operation of real estate	Tokyu Land Corporation*
Greening/planting management and ecosystem surveying	ISHIKATSU EXTERIOR INC.*
Ecosystem surveying and research	Tokyu Fudosan R&D Center Inc.*
	TOKYO CITY UNIVERSITY
Assistance with formulating TNFD Report	MS&AD InterRisk Research & Consulting, Inc.
Quantitative analysis for biodiversity	Think Nature Inc.

■Initiatives for environmental management and DX that Tokyu Fudosan Holdings is striving for under its GROUP VISION 2030 long-term vision

Tokyu Fudosan Holdings announced “GROUP VISION 2023,” its long-term vision, in 2021. With “WE ARE GREEN,” an expression of its aim to realize its ideal shape by the year 2023 through diverse green power, as its slogan, the company continues to tackle environmental management and DX as its basic policies.

As Tokyu Fudosan Holdings’ core enterprise, Tokyu Land Corporation is actively pursuing a myriad of initiatives with the aim of becoming an environmentally advanced company. At the end of 2022, it completed the changeover of its offices and facilities held* to 100% renewable energy.

*Certain joint business projects excluded

Tokyu Fudosan Holdings’ “GROUP VISION 2030”

<https://www.tokyu-fudosan-hd.co.jp/english/group-vision-2030/>

Tokyu Fudosan Holdings’ “Medium-Term Management Plan 2025”

<https://www.tokyu-fudosan-hd.co.jp/english/ir/mgtpolicy/mid-term-plan/>