

July 30, 2024

To the media and press

Tokyu Fudosan Holdings Corporation

Tokyu Fudosan Holding's Net-Zero targets approved by the SBTi

-“2050 net zero emissions” CO₂ emissions reduction target adopted under long-term vision-

Tokyu Fudosan Holdings Corporation (Headquarters: Shibuya-ku, Tokyo; President & CEO: Hironori Nishikawa; “Tokyu Fudosan Holdings” below) hereby announces that it has acquired SBT Net Zero certification for its greenhouse gas emission reduction targets for realizing net zero emissions by the year 2050.

Having adopted “environmental management” as one of the basic policies under its long-term vision, Tokyu Fudosan Holdings is currently implementing activities aimed at decarbonized society through its businesses. These activities include renewable energy projects and the development and operation of environmentally-friendly buildings such as those that are ZEB/ZEH Oriented.

After having our 2030 targets approved by SBTi in 2021, which is classified as 1.5°C, Tokyu Fudosan Holdings steadily pursued the reduction of CO₂ emissions. With the addition of these Long-Term SBT as well, its net zero targets have been officially approved.



■ Acquisition of SBT Net Zero Approval

SBT (Science Based Targets) are greenhouse gas (GHG) emission reduction targets set by companies in line with the Paris Agreement, which aims to limit global warming to 1.5°C above pre-industrial levels. It intends to reduce GHG emissions not only by the company itself but also by its supply chain as a whole. In May 2021, Tokyu Fudosan Holdings received approval from SBT initiative (SBTi) on its 2030 targets, which is classified as 1.5°C, and at the same time set a target to reach net zero emissions. Receiving SBT Net-Zero approval means that in addition to the "Near-Term SBT", the 2030 target which we previously got approved, the long-term target by 2050 is now also approved as being in line with SBTi's 1.5°C pathway to reach Net-Zero.

Additionally, standards for achieving net zero by 2050 call for the reduction of CO₂*² emissions by at least 90% and the neutralization of the residual emissions.*³

As of July 2024, 628 companies worldwide, including 27 companies in Japan* have been approved as SBT Net-Zero, and Tokyu Fudosan Holdings is now one of those companies.

*1: An international initiative aimed at a decarbonized society established by four organizations: the United Nations Global Compact (UNGC), CDP, the World Resources Institute (WRI) and the World Wildlife Fund (WWF).

*2: CO₂e including HFC (hydrofluorocarbons).

*3: The amount of emissions that cannot be reduced within the company's value chain by 2050 is referred to as "residual emissions," which are to be reduced to net zero by "neutralizing" them through the use of forest-derived absorption and carbon removal technologies etc. outside the value chain.

*4: The number of companies, Tokyu Fudosan Holdings included, featured as data on the SBTi website. Small- and medium-sized enterprises excluded.

■ Progress in targets

As milestones for achieving net zero emissions by 2050, Tokyu Fudosan Holdings has set a target of 46.2% in reductions of Scope 1 & 2 (direct) CO₂ emissions and Scope 3 (supply chain (Subjects of reduction targets: Categories 1, 2 and 11) CO₂ emissions by 2030 with 2019 as the base year (already approved by SBTi), and is managing CO₂ emissions performance.

Tokyu Fudosan Holdings decarbonization targets (2019 base year)

- 2050: Scopes 1, 2 & 3

Realize net zero emissions

- 2030: Reduce Scope 3 emissions by 46.2%

- 2023: Reduce Scope 1 & 2 emissions by 50% (Achieved)

Furthermore, in its Medium-Term Management Plan, while Tokyu Fudosan Holdings had targeted a 50% reduction in Scope 1 & 2 CO₂ emissions by 2023, it ended up achieving a reduction of 50.6% one year ahead of schedule in 2022.

Additionally, in July 2023, Tokyu Fudosan Holdings formulated its "Transition Plan toward Decarbonized Society" as a concrete strategy having reaffirmed that its business strategy and financial strategy were consistent with its roadmap for reduction emissions, and will aim to achieve net zero emissions by 2050 in line with that plan.

For the details of this transition plan, please see [here](#).

Initiatives to reduce Scope 1 & 2 emissions

Tokyu Land Corporation, the core enterprise of Tokyu Fudosan Holdings Group, completed the transition to 100% renewable energy for the electricity used*⁵ in its own offices and owned facilities*⁶ as of December 1, 2022, the company was subsequently certified by the CDP, the RE100 Secretariat, for achieving the RE100. Taking advantage of Tokyu Land Corporation's strength in developing a renewable energy business with over 1.7 GW of renewable energy generation capacity, approximately 98% of annual renewable energy electricity consumption (approximately 300 million kWh) is provided by renewable energy generated at its renewable energy power plants, Tokyu Land is contributing to the early achievement of the Scope 1 & 2 emission reduction targets of Tokyu Fudosan Holdings overall.

*5: Excludes electricity from on-site cogeneration because RE100-approved green gas does not exist in the Japanese market. Note that Tokyu Land conducts decarbonization initiatives using carbon neutral gas supplied by Tokyo Gas.

*6: Excludes properties scheduled to be sold or torn down that are outside the scope of RE100 and certain joint projects for which Tokyu Land does not have energy management authority.

*7: The remaining approximately 2% largely consists of electricity prior to the expiration of the terms of renewable energy retail contracts with other companies.

Initiatives to reduce Scope 3 emissions






For initiatives aimed at the upstream supply chain, Tokyu Fudosan Holdings is improving the precision of its CO₂ emission calculations and examining and implementing measures aimed at emission reductions. It is taking part in the formulation of a manual for calculating emissions upon construction in the Real Estate Companies Association of Japan of its own accord, and is currently engaged in the testing and verification of that manual.






For initiatives aimed at the downstream supply chain, Tokyu Fudosan Holdings has set targets of approximately 50% by 2025 and 100% by 2030 for building performance that is equivalent to or exceeds ZEB/ZEH Oriented on a new construction commencement basis. Furthermore, moving up its timetable, it has implemented ZEB standardization for all newly constructed buildings in principle from March 2022 onwards*⁸. In addition, for newly constructed condominiums for sale, Tokyu Fudosan Holdings is targeting ZEH standardization for all condominiums for sale from 2023 onwards and for all urban rental and student residence properties from 2025 onwards.

Going forward, Tokyu Fudosan Holdings will work in concert with both its upstream and downstream stakeholders, including design and construction companies and customers, as it endeavors to contribute to the environment across its entire supply chain.

*8: Targets large non-residential properties owned by Tokyu Fudosan Holdings (with a total floor area of at least 10,000 m²). Certain joint businesses, etc. excluded

Representative ESG investment indices for which Tokyu Fudosan Holdings has been selected for inclusion

FTSE4Good Index Series	FTSE Blossom Japan Index	FTSE Blossom Japan Sector Relative Index	S&P/JPX Carbon Efficient Index	GRESB
 FTSE4Good	 FTSE Blossom Japan Index	 FTSE Blossom Japan Sector Relative Index		 GRESB ★★★★★ 2023
Stock index developed by FTSE Russell, a member company of the London Stock Exchange Group. Tokyu Fudosan Holdings has been selected for inclusion for a total of fourteen straight years* ¹ between 2010 and 2023.	Founded in 2017. Index for Japanese enterprises that take outstanding action with respect to ESG. Tokyu Fudosan Holdings has been selected for inclusion for eight straight years. Adopted by Government Pension Investment Fund (GPIF) as a stock index for ESG investment.	Founded in 2022. Index for which Japanese enterprises with high ESG ratings are selected for inclusion for each sector. Tokyu Fudosan Holdings has been selected for inclusion for three straight years. Adopted by GPIF as a stock index for ESG investment.	Stock index focused on the environment aspect of ESG. A ratio of incorporation into the index is determined for constituent stocks of the Tokyo Stock Price Index (TOPIX) following consideration of their state of disclosure of environmental information and their carbon efficiency (carbon emissions per unit of net sales). Adopted by GPIF as a stock index for ESG investment.	Tokyu Fudosan Holdings acquired the GRESB Real Estate Assessments of “Four Stars” and Green Star” as well as a GRESB Disclosure Assessment of A, the highest grade, for seven consecutive years. In fiscal 2023, Tokyu Fudosan Holdings received a perfect GRESB Score of 100 for the second straight year.

MSCI ESG Leaders	MSCI Japan ESG Select Leaders Index	MSCI Japan Empowering Women (WIN) Select Index	CDP	CDP Supplier Engagement Leader
				
Global MSCI index configured by selecting mid-capital and large-capital stocks whose Environmental, Social and Governance (ESG) aspects have been evaluated relatively highly.	ESG-themed general index developed by MSCI that is configured by selecting enterprises with a relatively high ESG ranking from various business categories. Adopted by GPIF as a stock index for ESG investment.	ESG-themed index developed by MSCI that is configured by selecting enterprises with a high gender diversity score from various business categories based on data regarding female employment disclosed under the Act on the Promotion of Women's Active Engagement in Professional Life. Adopted by GPIF as a stock index for ESG investment.	Tokyu Fudosan Holdings was selected for three consecutive years since fiscal 2021 for inclusion in CDP's A List, the highest ranking given by that international environment NPO for climate change countermeasures according to corporate surveys on climate change conducted by CDP.	Tokyu Fudosan Holdings was selected for four consecutive years since fiscal 2020 to receive the highest grade of A (Leadership) according to surveys on companies' efforts to understand their greenhouse gas Scope 3 (upstream) emissions, set reduction targets, and engage with their suppliers that are conducted by CDP, the international environment NPO for climate change.

For details, please see the [Sustainability Site](#) on Tokyu Fudosan Holdings' corporate website.

■ Initiatives for Environmental Management and Digital Transformation (DX) that Tokyu Fudosan Holdings is striving for under its GROUP VISION 2030 long-term vision

Tokyu Fudosan Holdings Corporation announced its long-term vision, GROUP VISION 2023, in 2021. With “WE ARE GREEN,” an expression of its aim to realize its ideal shape by the year 2030 through diverse green power, as its slogan, the company continues to tackle environmental management and DX as its basic policies.

As the Tokyu Fudosan Holdings Group's core enterprise, Tokyu Land Corporation is actively pursuing a myriad of initiatives with the aim of becoming an environmentally advanced company. In December 2022, it completed the changeover of its offices and facilities held*1 to 100% renewable energy. In April 2024, Tokyu Land Corporation was certified by the CDP, the RE100 Secretariat, for achieving the RE100*2. According to the RE100 Secretariat, this marks the first time a business company that achieved the RE100 in Japan*3 was granted that certification.

Going forward, Tokyu Fudosan Holdings will continue using electricity from renewable energy in house as well as keep on providing environmental value to its customers through supplying such electricity through corporate PPA and other arrangements as it aims to realize a decarbonized society through its businesses.

*1: Certain joint business projects, etc. excluded.

*2: Excludes electricity from on-site cogeneration because RE100-approved green gas does not exist in the Japanese market. Note that Tokyu Land Corporation conducts decarbonization initiatives using carbon neutral gas supplied by Tokyo Gas.

*3: Financial institutions excluded.

SDGs Contributed To



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/ir/mgtpolicy/mid-term-plan/>