

Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

| | |
|---|------------------------------------|
| Issuer name: | Tokyu Fudosan Holdings Corporation |
| Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: | 22nd unsecured bonds |
| Independent External Review provider's name: | Japan Credit Rating Agency, Ltd. |
| Completion date of this form: | November 29, 2019 |
| Publication date of review publication: | November 29, 2019 |

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF Independent External REVIEW PROVIDER

- | | |
|---|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Tokyu Fudosan Holdings Corporation (the "Company") is a pure holding company, established on October 1, 2013, by means of joint transfer of three listed companies' respective shares (Tokyu Land Corporation ("TLC"), Tokyu Community Corp. ("Tokyu Community"), and Tokyu Livable Inc. ("Tokyu Livable")). The Company is an equity-method affiliate of Tokyu Corporation, which is its major shareholder holding 15.89% of total shares of TFHD as of March 31, 2019.

Subsidiaries under the Company's umbrella include TLC, Tokyu Community, Tokyu Livable and affiliates such as Tokyu Hands Inc. ("Tokyu Hands"). The business portfolio currently consists of seven segments: (i) Urban Development which is engaged in development, leasing and management of office buildings and commercial facilities and sales of buildings and other properties, (ii) Residential segment which sells condominiums and detached housings, (iii) Property Management which provides management, maintenance and repairs services for condominiums and buildings, etc.

The Company has established the "Environmental Vision" consisting of the Environmental Philosophy, Environmental Policy and Environmental Action, and promotes the challenge which contributes to the environmental improvement while sharing the concrete objectives with each group company. In the Medium-Term Management Plan, which covers the period from FY2017 to FY2020, the Company has set up KPIs to address issues related to the environment, and disclosed them along with the status of achievements for each fiscal year. Thus, the Company has incorporated a clear awareness of issues into specific activities.

The subject to be evaluated is the 22nd unsecured corporate bonds (the "Bonds") that the Company is planning to issue. 100% of the proceeds from the issuance of the Bonds will be used to finance the construction and development of properties that meet the eligibility criteria of the Green Bond Framework (the "Framework") established by the Company.

The Company set green buildings (Eligibility Criteria: properties that have acquired or are expected to acquire at least one of (i) A rank or higher in CASBEE Certification, (ii) Gold or higher in LEED, (iii) 4 stars or more in BELS Certification, or (iv) 4 stars or more in DBJ Green Building Certification) or renewable energy generation facilities (solar power generation and wind power generation facilities) as the subject of the use of proceeds in the Framework.

Shibuya Solasta, which is one of the subjects to the use of proceeds, has received the top 5 stars in DBJ Green Building Certification and the top S rank in CASBEE Certification. ReENE Matsumae Wind Power Plant, which is also subject to the use of proceeds, is a wind power plant operated in Hokkaido, and is expected to reduce CO2 by more than 69,000 t-CO2 per year. Above this, it can be seen that all of the projects targeted for the use of proceeds are those with high environmental improvement effect.

JCR confirmed that the projects which are subject to the use of proceeds were chosen through an appropriate process involving a specialized department, that management of the proceeds is planned to be conducted appropriately using an internal system, that appropriate indicators are set in the reporting and that necessary matters are scheduled to be disclosed. JCR also confirmed that the management system of the Bonds is established and highly transparent, and that the Company's management positions environmental issues as a high priority issue.

Based on the JCR Green Finance Evaluation Method, JCR assigned "g1" for the preliminary evaluation of the "Greenness Evaluation (use of proceeds)" and "m1" for the preliminary evaluation of the "Management, Operation and Transparency Evaluation." As a result, the JCR assigned "Green 1" for overall "JCR preliminary Green Bond Evaluation."

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

a. On the environmental improvement effects of the project

- i. 100% of the proceeds are allocated to projects that meet Eligibility Criteria in the Framework. In addition, the green building has received the highest level of environmental certification among the targets for the use of proceeds, and is expected to achieve high environmental improvement effect.

- ii. Among the uses of proceeds, green buildings fall under "green buildings that have acquired regional, national or internationally recognized certification" and "energy conservation" as defined in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines, and renewable energy power generation facilities fall under "renewable energy."

b. Negative impact on Environment

The Company examined the negative impact of the projects on the environment and society in the development of projects which are subject to the use of proceeds. JCR confirmed that it is unlikely that the projects will have negative impact on the environment and society. With regard to the wind power plant, in addition to preliminary surveys, a third-party organization conducts a post-survey to investigate the impacts on the surrounding animal and plant to control risks.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Company has established clear environmental objectives, project selection criteria, and processes for the use of proceeds.
Such matters are disclosed in the JCR's evaluation report.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The entire proceeds of the Bonds will be allocated to refinance the funds for the construction of Shibuya Solasta and the development of ReENE Matsumae Wind Power Plant, and will not be used for any other purposes.
The proceeds from the Bonds are expected to be immediately used for refinancing. Above this, JCR confirms that tracking is sufficient at the time of allocation.
The fund management for the Bonds will be conducted by the Treasury Department of the Company using the internal treasury system. The internal control system has been appropriately established because the vouchers related to the issuance of the Bonds are to be stored appropriately.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input checked="" type="checkbox"/> Other (please specify): <i>Allocations only to existing investments</i> |

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

The Company plans to disclose the allocation status of the Bonds and the response in the event of unallocated funds arising prior to the redemption of the Bonds on its website. In the event that a project subject to the use of proceeds ceases to be subject to the use of proceeds due to sell or other reasons before the redemption of the Bonds, the Company intends to use the proceeds to acquire alternative projects that satisfy Eligible Criteria or to refinance funds to acquire them.

b. Impact reporting for environmental benefits

The Company plans to disclose the items predetermined in the Framework on its website once a year as a reporting item on environmental improvement effect.

Use of proceeds reporting:

Project-by-project

Linkage to individual bond(s)

On a project portfolio basis

Other (*please specify*):

Information reported:

Allocated amounts

Other (*please specify*):

Green Bond financed share of total investment

frequency:

Annual

Other (*please specify*):

Semi-annual

Impact reporting:

Project-by-project

Linkage to individual bond(s)

On a project portfolio basis

Other (*please specify*):

frequency:

Annual

Other (*please specify*):

Semi-annual

Information reported (expected or ex-post):

GHG Emissions / Savings

Decrease in water use

Energy Savings

Other ESG indicators (*please specify*):

Acquired valid environmental certification

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Show on the website |
| <input type="checkbox"/> Reporting reviewed | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

| | |
|---|---|
| Sustainability activities by Tokyu Fudosan Holdings Corporation | https://tokyu-fudosan-hd-csr.disclosure.site/en |
| JCR's website about green bond evaluation methodology | https://www.jcr.co.jp/en/greenfinance/ |

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s): Japan Credit Rating Agency, Ltd.

Date of publication: November 29, 2019

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds. 1.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.