

JCR Green Bond Evaluation by Japan Credit Rating Agency, Ltd.

Japan Credit Rating Agency, Ltd. (JCR) announces the following Green Bond Evaluation Results.

JCR Assigned Green 1 to Bonds of Tokyu Fudosan Holdings Corporation

Subject	:	Tokyu Real Estate Holdings, Inc. 22nd Unsecured Bonds (limited inter-bond pari passu rider) (Green Bond)
Type	:	Straight bonds
Issue Amount	:	JPY10 billion
Interest Rate	:	0.190%
Issue Date	:	January 23, 2020
Redemption Date	:	January 23, 2025
Method of Repayment	:	Bullet
Use of Proceeds (Scheduled)	:	Refinancing of funds to acquire green buildings and renewable energy power generation facilities

< Green Bond Evaluation Results >

Overall Evaluation	Green 1
Greenness Evaluation (Use of Proceeds)	g1
Management, Operation and Transparency Evaluation	m1

Chapter 1: Evaluation Overview

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 "Greenness Evaluation (use of proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." As a result, the JCR assigned "Green 1" for overall "JCR Green Bond Evaluation." The evaluation results are discussed in detail in the next chapter.

The Bonds meet the criteria for items required by the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.¹²

¹ ICMA(International Capital Market Association) Green Bond Principles 2018 Edition
<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² Ministry of the Environment Green Bond Guideline 2017 http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf

Chapter 2: Current Status of the Project on Each Evaluation Factor and JCR's Evaluation

Evaluation Phase 1: Evaluation of Greenness

JCR assigns "g1", the highest grade, to "Evaluation phase 1: Greenness Evaluation".

Rationale: 100% use of proceeds from the Bonds will be allocated to green projects, considering the factors described below.

(1) JCR's Key Consideration in This Factor

In this section, JCR first assesses whether the use of proceeds is green projects with clear environmental improvement effect. Next, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on the use of proceeds has negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Environmental Improvement Effects of Projects

- 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.**

The Company has set the use of proceeds through the Framework as follows.

Green Building

The Company and its group companies will use the proceeds to fund expenditures (such as land acquisition costs, planning and development costs, construction costs, repair costs, etc.) or investments related to new or existing assets that meet the following Eligibility Criteria 1.

[Eligibility Criteria 1]

1. Properties that acquired or renewed any of the environmental certification listed below within 36 months of the date of payment of green bonds
2. Properties that will be acquired or renewed in the future for any of the following third-party certifications
3. Properties for which any of the following certification is in effect and which have been completed within 36 months of the date of payment of green bonds.
 - S or A rank of CASBEE-Building or CASBEE-Real Estate
 - Platinum or Gold in LEED-BD + C, LEED-O + M Certification
 - 5 or 4 stars in BELS Certification
 - 5 or 4 stars in DBJ Green Building Certification

(Continued to the next page)

Renewable energy

The funds will be allocated for the purchase, design, land development, etc. of facilities related to solar power generation and wind power generation projects that meet the following Eligibility Criteria 2, in which the Company or its group companies invests.

[Eligibility Criteria 2]

1. To be undertaken in Japan
2. Approvals (METI) and permits have been obtained for the applicable equipment and projects, and the environmental assessment (applicable only) has been properly completed.
3. Consideration of potential negative environmental and social impacts have been made appropriately. Specifically, the Company implements the risk mitigation measures described below.
4. Beginning of operation (commencement of business) within 36 months of the date of issuance of related green bonds, or the facility is scheduled to start business (commence operations) on or after the issuance date of related green bonds.

The proceeds of the Bonds will be fully allocated to refinance the fund for the construction fee of Shibuya Solasta and the development fee of ReENE Matsumae Wind Power Plant.

<Projects subject to the use of proceeds>

Property name	Shibuya Solasta
Location	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Main Uses	Offices, venues (incubation offices, etc.), stores, parking lots, etc.
Site Area	Approx. 4,128m ²
Total Floor Space	Approx. 46,954 m ²
Number of Floors	21 floors and 1 basement floor
Completion	March 29, 2019
Environmental Certification	S rank in CASBEE Certification 5 stars in DBJ Green Building Certification
Features and Environmental Performance	<ul style="list-style-type: none"> • The building reduces environmental impact by installing shields on the exterior of buildings, double skin on the exterior walls, electric blinds, and LED lighting with a natural light control sensor. • "Green Work Style" (a joint project with Design Association NPO) has been introduced to design a new way of working by utilizing the power of plants. Plantations such as the planting of an approach, Green Terrace (open space with green space on each floor), and Sky Terrace, a greenery space on the rooftop floor, will be incorporated into a work place, and the work efficiency and productivity of office workers will be improved, and communication will be revitalized. • The plant planting and other activities that have been introduced into the buildings have been highly evaluated, and the Ikimono Symbiotic Works® Certification (ABINC) has been obtained. It is also registered with the "Edo Midori Registered Green Zone" (Excellent Green Zone), which is a system for registering native species plantations.

Project Name	ReENE Matsumae Wind Power Plant
Location	Matsumae-cho, Matsumae-gun, Hokkaido
Capacity *	40.8MW
Estimated Annual Power Generation	Approx. 105,900 MWh
Assumed Annual CO ₂ ** Emission Reductions	Approx. 69,047t-CO ₂
Date of Operation	April 3, 2019
Features	<ul style="list-style-type: none"> • A power plant development by TLC with Japan Wind Development Co., Ltd. • It is the first project power plant in Hokkaido with storage batteries, and it was the first wind power plant to start operation as a wind power plant that satisfies the "technical requirements for mitigation of output fluctuation of wind power generation facilities" of Hokkaido Electric Power Co., Inc. • The wind turbine manufactured by Siemens Gamesa Renewable Energy Co., Ltd. (rated output: 34,000kW) is adopted. The tower is 94m high and the total height including the blade is 148m, which is the largest wind turbine in Japan operating as of April 2019.

* : The amount of electricity on a wind turbine basis is shown.

** Methodology of calculating CO₂ reductions = Assumed annual power generation × Adjusted emission factor (latest figures) for FY2017

Adjusted emission coefficients are published by the Ministry of the Environment for each electric utility and each fiscal year.

The above table assumes that Hokkaido Electric Power is the power buyer.

Both Shibuya Solasta and ReENE Matsumae Wind Power Plants have been selected to meet Eligibility Criteria. JCR assigned "Green 1(F)" to the Green Bond framework of the Company.

Shibuya Solasta was completed in March 2019 as an office building. This project was promoted as the Nanpeidai project by TLC, and it constitutes an important part of "the Greater Shibuya Area Concept" taken up by Tokyu Group. The Company's headquarters and major group companies are also tenants. Recognizing that the property is a flagship property for the Company, it not only reduces the environmental impact of designing the structure of the building, but also incorporates various specifications that can lead to a reduction in the stress and productivity of people working in Solasta through initiatives such as greening inside and outside the building and the introduction of IoT. For the Tokyu Fudosan Holdings Group, which is working to resolve social issues through its business activities, Shibuya Solasta is thought to be a project that can tackle a variety of issues that it recognizes to be important from both the environmental and social perspectives.³

As of the end of September 2019, the Group had 37 solar power generation projects (18 projects under development and 19 projects under development), 6 wind power generation projects (1 project under development and 5 projects under development), and 1 biomass power generation facility (under development) under the Group's ReENE brand. The Company considers that conducting a renewable energy business will lead to a reduction in environmental impact and the provision of value to society, such as stable social infrastructure, and it will continue its efforts in the future.

Recently, ReENE Matsumae Wind Power Plant, the first wind power plant in the Group, is the subject to the use of proceed. JCR evaluates that the annual CO₂ reductions are 69,047t-CO₂ and that environmental improvements are highly effective.

³ Tokyu Group has designated the area around Shibuya Station as the "the Greater Shibuya Area" and has positioned it as a priority hub for urban development. The area is a complex link between the area around Shibuya Station and the areas with rich individuality, such as Aoyama, Omotesando, Harajuku, Ebisu, and Daikanyama.

Accordingly, JCR evaluated that the use of proceeds for the Bonds has 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 the 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. JCR also confirmed that possible negative environmental and social impact of the projects which are subject to the use of proceeds is appropriately considered.

c. Consistency with SDGs Goals and Targets

The eligible green projects fall under the projects in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines and are classified as "energy efficiency," "green buildings which meet regional, national or internationally recognised standards and certifications," or "renewable energy."

With reference to ICMA's SDGs mappings, JCR assessed that they would contribute to the following SDGs goals and targets:



Goal 3: Ensure healthy lives and promote well-being for all at all ages

Target 3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.

Target 7.3. By 2030, double the global rate of improvement in energy efficiency.



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Target 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



Goal 12: Ensure sustainable consumption and production patterns

Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.



Goal 13: Take urgent action to combat climate change and its impacts

Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

i. CASBEE

This is an acronym for Comprehensive Assessment System for Built Environment Efficiency.

This is a method for evaluating and rating the environmental performance of buildings, and since April 2001, the Comprehensive Environmental Evaluation Research Committee for Buildings was established as a joint project among industry, government and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure and Transport, and has been continuously developing and maintaining buildings. Evaluation tools include CASBEE-buildings, CASBEE-districts, and other CASBEE-real estate developed for the real estate market to demonstrate environmental performance in an easy-to-understand manner.

Evaluation results are classified into 5 grades (S rank (excellent), A rank (excellent), B+ rank (excellent), B rank (good), B- rank (slightly inferior), and C rank (inferior). CASBEE-real estate is classified into 4 grades (S rank (excellent), A rank (excellent), B+ rank (excellent), and B rank (good).)

ii. DBJ Green Building certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates real estate with consideration for the environment and society. Evaluation results are expressed by the number of stars, and the evaluation axis is "a building with consideration for the environment and society". They are represented by 5 stars (top-class in the country), 4 stars (exceptional), 3 stars (exceptional), 2 stars (excellent), and 1 star (sufficient). Although it is not a specialized evaluation for environmental performance, it has high recognition in Japan and certain evaluation items regarding environmental performance. Therefore, JCR has assessed that this certification corresponds to "Green Buildings with recognized standards and certifications in regions, countries or internationally" in the green project classification defined in the Green Bond Principles. However, since certification is not limited to environmental performance, it is desirable to verify the evaluation of environmental performance individually.

iii. Creature Symbiosis Office Certification System (City/SC version)

It was created with the purpose of promoting the coexistence of nature and people in corporate activities. Based on the "Creature Symbiosis Office® Promotion Guidelines" and "Land Use Communication Book" made by the Japan Business Initiative for Biodiversity (JBIB) as certification standards, the Association for Business Innovation in harmony with Nature and Community Council (ABINC) evaluates and certifies the initiatives of companies to create, manage, and use biodiversity-friendly green spaces. It consists of evaluation items such as the creation of an environment that contributes to biodiversity, the maintenance and management of the environment, cooperation with stakeholders, and other activities to conserve rare species in the community. There is no specific ranking.

iv. Edo Midori Registration Green Zone

This is Tokyo Metropolitan Government's registration system which is designed to restore the environment suited to living things, including insects, birds and other animals, by planting plants (indigenous species) that are naturally distributed in Tokyo.

The target is private buildings with sites of 1,000 square meters or more (the same as the target of the greening plan under Article 14 of the Tokyo Metropolitan Nature Conservation Act). It is necessary to meet certain requirements regarding the green area and the proportion of indigenous species of trees.

Among registered green spaces, those that are especially outstanding in terms of consideration for the living environment are classified and registered as "excellent green spaces."

Evaluation Phase 2: Management, Operation and Transparency Evaluation

Based on the current status described below and the JCR's evaluation, JCR assessed that the management and operation system is well established, that the transparency is extremely high, and that the implementation of projects as planned and the appropriation of fund is sufficiently expected. JCR assigned "m1" as the top ranking to the evaluation phase 2: Management, Operation and Transparency Evaluation.

1. Appropriateness and Transparency of Selection Criteria and Process for Use of Proceeds

(1) JCR's Key Consideration in This Factor

In this section, JCR confirms the goals to be achieved through green bonds, the selection criteria for green projects and the appropriateness of the process, and whether the process is properly disclosed to investors and others.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Goals

Tokyu Fudosan Holdings Group has set the following goals for the issuance of green bonds.

Tokyu Fudosan Group (the "Group") recognizes that the five environmental issues; (1) climate change, (2) biodiversity, (3) pollution and resources, (4) water consumption, and (5) the supply chain, are important issues that have a major impact on its business activities. The Group is actively working to resolve these issues in the development and management of business bases, office buildings, commercial facilities, and resort facilities. Based on the belief that businesses with outstanding environmental initiatives lead to enhanced competitiveness and the creation of business opportunities, it is continuously addressing environmental issues in cooperation with a variety of stakeholders, including design companies, construction companies, and customers.

The Company believes that issuing green bonds will contribute to ensure the funds necessary for implementing business activities in line with the Environmental Vision, which consists of the following Environmental Philosophy, Environmental Policy and Environmental Actions.

<Environmental Philosophy>

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

<Environmental Policy>

We strive to achieve harmony between the environment and the economy through our business activities.

<Environmental Action>

We address five issues from three perspectives.

■ 3 Perspectives

- We disclose and implement our objectives.
- We will take on the challenge of cutting-edge initiatives.
- We will work in collaboration with society.

■ 5 Issues

Climate Change, Biodiversity, Pollution and Resources, Water Use and Supply Chain

Since the issuance of the Bonds is thought to correspond to the "climate change" which is listed as the five environmental issues in the "Environmental Action", JCR judged that the goals for the issuance of green bonds are appropriate.

b. Selection Criteria

The Company's Eligibility Criteria for the uses of proceeds for the Bonds are assessed in Phase 1. JCR evaluates that Eligibility Criteria are highly effective in environment improvement effect.

JCR confirmed that the Company's Finance Department and the Sustainability Promotion Department, which specializes in sustainability, confirmed that the projects meet Eligibility Criteria.

c. Process

The projects which are subject for the use of proceeds will be selected by the person in charge of the Finance Department and the Sustainability Promotion Department and approved by the officers in charge of the Finance Department and the Sustainability Promotion Department of the Company. JCR evaluates that management is involved in the selection process and that the decision-making process is clear.

2. Appropriateness and Transparency of Management of Proceeds

(1) JCR's Key Consideration in This Factor

Although it is generally assumed that cash management methods vary widely among issuers, JCR confirms whether funds procured from the Bonds are securely allocated to green projects and whether mechanisms and internal systems are in place to enable easy tracking and management of the allocation of funds.

In addition, JCR also emphasizes evaluating whether proceeds are scheduled to be used for green projects at an early stage, and the management and operation methods of unallocated funds.

(2) Current Status of Evaluation Targets and JCR's Evaluation

As assessed in Phase 1, 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.

JCR evaluates that the appropriateness and transparency of fund management at the Company are high.

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section JCR assesses whether a detailed and effective system for disclosing information to investors before and after the implementation of green finance has been planned.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Reporting on the status of appropriation of funds

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. Reporting on environmental improvement effects

In the Framework, the Company plans to disclose the following items on its website once a year as a reporting item on environmental improvement effect.

Green Building

- Properties or projects for which the proceeds were allocated
- Type and the level of environmental certification acquired by the eligible project
- Energy Consumption (GJ)
- CO₂ Reduction(t-CO₂)
- CO₂ reductions per square meter (kg-CO₂/m²)
- Water consumption (m³)

Renewable energy

- Nominated Project name
- Power generation output (kWh)
- CO₂ reductions (t-CO₂)

JCR evaluates that disclosure items and frequency are appropriate and in line with the Green Bond Principles.

4. The Organization's Environmental Initiatives

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the issuer's management positions environmental issues as a high priority issue for management, and whether the green bond procurement policy and processes, green project selection criteria, etc. are clearly positioned by establishing a department that specializes in the environmental field or by cooperating with external organizations.

(2) Current Status of Evaluation Targets and JCR's Evaluation

Tokyu Fudosan Holding Corporation is striving to create and propose lifestyles that go beyond the bounds of physical structure, with the aim of "To become a Corporate Group that Continues to Create Value." This means that TLC, the origins of the Company, and its predecessor, Denen Toshi Co., Ltd., have evolved into a form that is in line with the times while continuing to take on the "Challenge-Oriented DNA," a stance that has been tackling social issues through business activities since its founding in 1918.

The Company has identified SDGs that it will be working through its business activities and specified seven materialities. It refers "Changes in the natural environment" as one of the materiality, and as a company responsible for urban development, it raises the awareness that changes in infrastructure and investor concerns due to the worsening of climate change will have a major impact on business opportunities and continuity.

Furthermore, the Company has formulated its Mid-Term Management Plan 2017-2020 based on the materiality. In this Plan, ESG is positioned as an important management issue, and ESG Management has been introduced and initiatives are being promoted. ESG Management means to set KPI targets for FY2020 for each of the 4 themes of "work style reform," "social needs," "environment," and "corporate governance" from the viewpoint of ESG, and refers to the Group's efforts to achieve these targets. With regard to the environment, the Company has set the following items, and it has already achieved some of the KPIs in FY2018.

KPI regarding Environment	FY2020 Targets	FY2018 Results
CO2 Emissions	25% reduction compared to FY2005	27.9% reduction compared to FY2005
Water Consumption	25% reduction compared to FY2005	0.9% reduction compared to FY2005
Waste Consumption	25% reduction compared to FY2005	23.6% reduction compared to FY2005
Acquisition of environmental certification such as CASBEE and DBJ*	100%	100%
Green buildings (roofs, walls, etc) *	100%	100%
Area of Forest Protected	2,000ha	1,432ha

*: For TLC's newly constructed, large-scale properties, including office building and commercial facilities

(Source: Tokyu Fudosan Holding Corporation 2019 Integrated Report)

The Company continues to tackle environmental issues, following the Environmental Vision formulated by TLC in 2011. The Company started the renewable energy business in 2014, and since 2019 it has been promoting this business under the brand name "ReENE". As of the end of September 2019, the Company had developed 44 businesses, including solar and wind power, with a total capacity of 862MW (including joint ventures).

The Company joined RE100, an international initiative, in April 2019, with a view to using these renewable energies internally in the future. The Company has declared that it will tackle specific and steady environmental issues with the goal of converting 100% of the electricity it consumes in its business activities into renewable energy by 2050.

The Company employs experts from inside and outside the Company in such environmental and other sustainability initiatives. In formulating materiality, experts from various fields are invited and third-party opinions are incorporated to ensure the fairness. In the survey of projects subject to the use of proceeds, expert evaluation reports are used to verify project eligibility. In-house, the Company and the Presidents of group companies, as well as the Sustainability Committee, which is composed of key management teams, share information on what the entire group should aim for and what each group company should tackle. The Company involves the entire group and promotes initiatives for sustainability from a more bird's-eye view.

Based on the above, JCR evaluates that the Company considers environmental issues to be a top management priority and is vigorously working to curb climate change through the business activities of the Company and its group companies.

■ Evaluation Results

Based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the "Greenness Evaluation (use of proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." As a result, the JCR assigns "Green 1" for overall "JCR Green Bond Evaluation." The Bonds are considered to meet the standards for the items required under the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.

[JCR Green Bond Evaluation Matrix]

		Management, Operation and Transparency Evaluation				
		m1	m2	m3	m4	m5
Greenness Evaluation	g1	Green 1	Green 2	Green 3	Green 4	Green 5
	g2	Green 2	Green 2	Green 3	Green 4	Green 5
	g3	Green 3	Green 3	Green 4	Green 5	Not qualified
	g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
	g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

■ Evaluation target

Issuer: Tokyu Fudosan Holdings Corporation (Security code: 3289)

[Assignment]

Subject	Issue Amount	Issue Date	Redemption Date	Interest Rate	Evaluation
22nd Unsecured Bonds (limited inter-bond pari passu rider) (Green Bond)	JPY10 billion	January 23, 2020	January 23, 2025	0.190%	JCR Green Bond Evaluation:Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1

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Important explanation of this Green Bond Evaluation

1. Assumptions, Significance, and Limitations of JCR Green Bond Evaluation

JCR Green Bond Evaluation, which is granted and provided by the Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the funds procured from the issuance of green bonds, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation system, and transparency of the use of green bonds are ensured. JCR Green Bond Evaluation does not fully indicate the extent to which the funds procured from such green bonds are allocated and the management, operation, and transparency of the use of the funds are ensured.

JCR Green Bond Evaluation assesses the plan or status of the appropriation of funds at the time of the green bond issuance plan or at the time of issuance, and does not guarantee the status of the appropriation of funds in the future. In addition, JCR Green Bond Evaluation does not prove the environmental effects of green bonds and is not responsible for their environmental effects. JCR confirms that the effects of the funds procured from the issuance of green bonds on the environment are measured quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle it does not directly measure the effects.

2. Method used to conduct this evaluation

The methods used in this evaluation are listed on JCR's website (Sustainable Finance & ESG in <https://www.jcr.co.jp/en>) as JCR Green Finance Evaluation Methodology.

3. Relationship with Acts Concerning Credit Rating Business

JCR Green Bond Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

4. Relationship with Credit Ratings

The evaluation differs from the credit rating and does not promise to provide or make available for inspection a predetermined credit rating.

5. Third-Party Evaluation of JCR Green Bond

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

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■Glossary

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- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)
- Members of the Working Group on UNEP FI Positive Impact Finance Principles
- CBI Approved Verifier

■Status of registration as a credit rating agency, etc.

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