

———— JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. ————

Japan Credit Rating Agency, Ltd. (JCR) announces following Green Finance Framework Evaluation Results.

JCR Assigns Green 1(F) to the Green Bond Framework of Tokyu Fudosan Holdings Corporation

Subject : Green Bond Framework of Tokyu Fudosan Holdings Corporation

<Green Finance Framework Evaluation Results>

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

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 Midium-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 Green Bond Framework (the “Framework”) of the Company to limit the use of proceeds through the issuance of corporate bonds to projects with environmental improvement effects. JCR evaluates whether the Framework complies with the Green Bond Principles (2018 edition) and the Green Bond Guidelines (2017 edition). While the Green Bond Principles and the Green Bond Guidelines are not binding because they are principles or guidelines voluntarily published by the International Capital Markets Association (ICMA) and the Ministry of the Environment, and they are not regulatory, they are globally unified at this time and JCR evaluates the Framework with reference to these principles and guidelines.

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. JCR considers that the eligibility criteria set by the Company have high environmental improvement effect.

JCR confirmed that the Green Bond management system issued under the Framework has been established and highly transparent, and that the Company's management has positioned environmental issues as a high priority issue. This is because the use of proceeds is to be selected through appropriate processes involving specialized departments, funds management is scheduled to be conducted appropriately using an in-house system, and appropriate indicators are to be set for reporting and necessary matters are to be disclosed.

As a result, based on the JCR Green Finance Evaluation Methodology, JCR assigns “g1 (F)” for the “Greenness Evaluation (Use of Proceeds)” and “m1 (F)” for the “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green 1(F)” for overall “JCR Green Finance Framework Evaluation.” Detailed evaluation results are discussed in the next chapter.

The Framework is considered to meet the standards for items required by the Green Bond Principles and the Green Bond Guidelines of the Ministry of Environment of Japan.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 (F)", the highest grade, to "Evaluation phase 1: Greenness Evaluation".

Rationale: 100% use of proceeds under the Framework 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 set out in the framework are green projects with clear environmental improvement effects. 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

<Framework for Use of Proceeds>

Green Building

The Company and its group companies will use the proceeds from the procurement of green bonds 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 acquired or renewed 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 appropriated for the purchase, design, land development, etc. of facilities related to solar power generation and wind power generation businesses 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. Specifically, the Company is implementing 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
5. The facility is scheduled to start business (commence operations) on or after the issuance date of related green bonds.

<JCR's Evaluation of the Framework>

a. Environmental Improvement Effects of Projects

i. Funds are used for I. the acquisition or refinancing of buildings that have acquired or are scheduled to acquire environmental certification for the top 2 categories of regional, national or internationally recognized certification levels (Green Building) or II. Renewable Energy Power Generation Facilities, and they are expected to have high environmental improvement effect.

I. JCR's Evaluation for Green Building

(1) CASBEE (Comprehensive Environmental Performance Assessment System for Buildings)

This is a method for evaluating and rating the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as a joint project with industry, government, and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, the committee has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market. The evaluation results are divided into five grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), Rank B (Slightly Poor), and Rank C (Poor) (CASBEE for Real Estate scoring has four grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), and Rank B (Satisfaction of mandatory items)).

CASBEE for Real Estate that the Company uses as Eligibility Criteria was developed with the aim of utilizing the results of environmental assessments of buildings in CASBEE for the purpose of assessing real estate. The criteria have been developed with a focus on items that are strongly related to real estate assessments. Evaluation items of CASBEE for Real Estate are (1) energy consumption /GHG emissions, (2) water, (3) material/safety, (4) biodiversity/site and (5) indoor environments. Evaluation methods are as follows: (1) consistency with the weights assigned in other major assessment tools in the world, (2) use of point scoring system, (3) including five required items and 16 additional items for a total of 100 points and (4) evaluation is excluded if the required items are not satisfied.

Buildings with a total of 66 points or more will be eligible for rank A or higher, as determined by the Company as Eligible Criteria. This can be obtained by taking the standard level 3 (3 points) for all the additional items and taking the points above the standard level for some additional items. Accordingly, JCR evaluates that Eligible Criteria set out by the Company is buildings for having high environmental improvement effects.

(2) LEED

The Environmental Performance Assessment System for Construction and Urban Environments developed and operated by the U.S. Green Building Council (USGBC), a non-profit organization. As of 2019, there are buildings certified in more than 160 countries or regions.

LEED is an acronym for Leadership in Energy and Environment Design. The draft was published in 1996 and is updated once every few years.

There are five types of certification: BD+C (Building Design and Construction), ID+C (Interior Design and Construction), O+M (Operation and Maintenance), ND (Neighborhood Development), and HOMES (Home).

The authentication level is represented by the sum of the points earned for each item and is from above Platinum (80 points or more), Gold (60-79 points), Silver (50-59 points), and Certified (40-49 points). As for items related to energy efficiency, it is often a prerequisite for the evaluation that points are high or already achieved, and energy efficiency is high, which is considered necessary in order to obtain a high certification level. Therefore, it is considered appropriate for the Company to set the standard as the certification level for buildings that have achieved high energy efficiency is higher than the Gold that the Company considers eligible.

(3) BELS (Building Energy Saving Performance Indication System)

BELS is a building energy efficiency performance indicator system under which third-party assessment bodies evaluate and accredit the energy efficiency performance of new and existing buildings. The outer skin performance (performance standards and specification standards) and primary energy consumption (performance standards and specification standards) are subject to evaluation, and the evaluation results are expressed in stars according to the achievement values of the energy efficiency standards. High evaluation requires excellent energy-efficiency performance. In BELS, this ranking is based on BEI (Building Energy Index). The number of stars is divided from one to five by BEI. BEI is a measure of energy efficiency performance that uses the designed primary energy consumption as the molecular weight and the standard primary energy consumption as the denominator, and is compared with the standard value. One star is the existing energy saving standard, two stars is the energy saving standard, and three stars are the guiding standard. Buildings that qualify as BELS four stars or higher are based on high energy efficiency performance (non-residential: BEI value of 0.7 or lower) and have energy efficiencies of more than 30% compared to the basic primary energy consumption. Accordingly, JCR evaluates buildings that can be expected to have high environmental improvement effects.

(4) DBJ Green Building certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." It evaluates the three major categories of "Ecology (environment)", "Amenity (comfort) & Risk Management (crime and disaster prevention)" and "Community (community and landscape) and Partnership (cooperation with

stakeholders)". Each is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), and one star (satisfactory). Although the evaluation is not specifically focused on environmental performance, it is highly recognized in Japan and has a certain evaluation item with regard to environmental performance. Therefore, JCR considers this certification to be equivalent to the Green Project Classification of "green buildings which meet regional, national or internationally recognised standards or certifications" defined in the Green Bond Principles. However, since the certification is not limited to environmental performance, JCR believes that it is desirable to confirm the evaluation of environmental performance individually.

DBJ Green Building certification is based not only on the environmental performance of the property, but also on comprehensive evaluations, including the comfort of tenants, risk management such as disaster prevention and crime prevention, consideration for the surrounding environment and communities, and cooperation with stakeholders. The scoring system integrates and designs specific "excellent initiatives" for the environment and society, and there are many properties that do not reach the evaluation target in the real estate market. High evaluation requires that buildings be designed with appropriate consideration not only for the environment but also for all stakeholders involved in buildings.

The level of DBJ Green Building certification is expected to be approximately 20% of all income-generating real estate in Japan in terms of environmental and social considerations. In addition, each evaluation up to 4 stars covers the aggregate of top 10% (5 stars), top 30% (4 of the properties exceeding the certification level). Accordingly, JCR evaluates that the Company's eligible criteria are limited to properties with high environmental performance among the buildings that aim to acquire certification.³

Tokyu Fudosan Holding Corporation has acquired environmental certification for its own development properties, mainly for office buildings. The Company's Midium-Term Management Plan, which covers the period from FY2017 to FY2020, aims to acquire 100% of environmental certification, including CASBEE, DBJ Green Building Certification. As a real estate developer, the Company intends to tackle social issues such as reducing CO₂ emissions by constructing buildings with low environmental impact, and has set the Eligibility Criteria for green buildings from the top to the top 2 in each environmental certification.⁴

II. JCR's Evaluation of Renewable Energy Power Generation Facilities

Renewable energy power generation facilities of the Company are solar power generation facilities and wind power generation facilities operated by the Company and its group companies. TLC operates renewable energy business nationwide under the ReENE brand name. As of September 2019, it had 18 solar power plants and 1 wind power plant in operation. When making investments, companies are selected on the basis of the necessary permits and licenses and those that take into account the negative environmental and social impacts. Therefore, it is unlikely that the negative environmental impacts will exceed the environmental improvement effects. Accordingly, the Company or a renewable energy power plant invested or financed by a group company is judged to have an environmental improvement effect.

Based on the above, JCR believes that the use of proceeds in the Framework has 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

³ Revision and Disclosure of DBJ Green Building Certification Evaluation Items (DBJ Green Building Certification Website, February 2019)

⁴ Targeting large-scale newly constructed office buildings and commercial facilities developed by Tokyu Real Estate Co., Ltd.

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

When the Company acquires or selects a project, it examines the negative impact that the project may have on the environment and society, and confirms that the likelihood of such negative impact is low. In addition to the above, procedures such as necessary approvals and environmental assessments for renewable energy are subject to confirm. From this, JCR confirmed that the Company appropriately considers the negative impact on the environment of the projects which are subject to the use of proceeds.

c. Consistency with SDGs Goals and Targets

Projects eligible for the use of proceeds are green projects defined in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines that are classified as "energy efficiency," "green buildings which meet regional, national or internationally recognised standards or 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.

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 was well established, that the transparency was extremely high, and that the implementation of projects as planned and the appropriation of funding is sufficiently expected. JCR assigned "m1 (F)" 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

<The Framework for the Goals of Green Bond Issuance>

Tokyu Fudosan Group (the "Group") recognizes that the five environmental issues of climate change, biodiversity, pollution and resources, water consumption, and 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 the procurement of funds necessary for business activities under 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

<JCR's Evaluation of the Framework>

The above "Environmental Vision" is appropriately disclosed on the Company's website. JCR evaluates that the issuance of green bonds is consistent with the goals.

b. Selection Criteria

The Company's criteria for selecting the subject of the use of proceeds for green bonds are already described in Evaluation Phase 1, and JCR evaluates that these criteria can be highly effective in improving the environment.

The Sustainability Promotion Office, which specializes in sustainability at the Company, is involved in the selection process, therefore JCR considers that green projects are selected with expertise and consistency in environmental initiatives.

c. Process

<The Framework for the Selection Process>

The projects to be funded will be selected by the person in charge in the Finance Department and the person in charge in the Sustainability Promotion Division, and will be finalized after approval by the Director in charge in the Finance Division and the Sustainability Promotion Division.

<JCR's Evaluation of the Framework>

The use of proceeds selected in accordance with the criteria of b. above are determined with the approval of management. From the above, JCR evaluated that the selection process has been properly established.

The Company's goals, selection criteria, and processes for implementing green bonds are expected to be disclosed to investors in statutory disclosure documents such as the shelf registration supplement. JCR considers that transparency to investors is ensured.

2. Appropriateness and Transparency of Fund Management

(1) JCR's Key Consideration in This Factor

It is generally assumed that the methods of fund management will vary widely among issuers, but it is necessary to ensure that the funds procured by the framework are appropriated for green projects and to confirm that mechanisms and internal systems are in place to facilitate the tracking and management of funding appropriations.

JCR also emphasizes whether the funds raised through the framework are expected to be appropriated for green projects at an early stage, and evaluates the management and operation of unallocated funds.

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

<The Framework for Fund Management>

- The allocation and management of the proceeds are carried out by the Finance Department. The Finance Department has an internal management system that tracks the allocated amount and unallocated amount of funds procured by the green bonds. The funds raised are scheduled to be disbursed within 18 months of issuance.
- Until the entire amount of the funding is allocated to the project that meets Eligible Criteria, the amount allocated to the eligible project (by project category) and the unallocated amount will be disclosed annually on the Company's website. In addition, in the event that there is a significant change in the status of appropriation after the allocation of all funds, the Company plans to disclose the information in the same manner as necessary.
- At the time of issuance of green bonds, the Company plans to disclose in the statutory documents, such as the supplementary documents for the registration that it will manage the unallocated funds in the form of cash or cash equivalents until full amount of the funds is appropriated.

<JCR's Evaluation of the Framework>

The Company plans to manage the funds procured by green bonds through an internal financial management system, and it is assumed that the records of deposits and withdrawals will be appropriately kept.

Funds may be used for new projects, and thus the funds raised are to be allocated within 18 months of issuance. However, the funds to be raised are to be managed in cash or cash equivalents until the funds are to be appropriated. If the project ceases to be eligible for the use of proceeds due to the sale, the Company will use the funds to alternative projects that satisfy Eligibility Criteria. The green bond-related documents are to be stored until the green bonds are redeemed and an appropriate system is in place.

From the above, JCR evaluates that the Company's fund management is appropriate and transparent.

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section JCR assesses whether the system for disclosing green bonds to investors before and after issuance is planned in a detailed and effective manner by referring to the framework.

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

<Framework for Reporting>

The status of the appropriation of funds will be disclosed on the Company's website once a year until the full amount of the funds is appropriated.

As for the environmental improvement effect, the following indicators will be disclosed for the projects that have been financed with green bonds until the green bonds are fully redeemed.

Green Building

- Properties or projects for which funds from green bonds have been appropriated
- Type of certification and the level of certification acquired by the appropriated project
- Energy Consumption (GJ)
- CO₂ Reduction(t-CO₂)
- CO₂ reductions per square meter (kg-CO₂/m²)
- Water consumption (m³)

Renewable energy

- Project name financed by funds from green bonds
- Power generation output (kWh)
- CO₂ reductions (t-CO₂)

<JCR's Evaluation of the Framework>

a. Reporting on the status of appropriation of funds

Funding under the Framework includes new green buildings and renewable energy generation facilities. For this reason, funds from green bonds is expected to be available within 18 months of issuance, and the status of green bonds financing will be disclosed on the Company's website until the full amount is appropriated.

If the project ceases to be eligible for the use of proceeds due to the sale, the Company will allocate the funds to alternative projects that satisfy Eligibility Criteria. In this case also, it is assumed that the Company will disclose on its website. Based on this, JCR evaluated that reporting on the appropriation of funds is appropriate.

b. Reporting on environmental improvement effect

The Company plans to report on the effects of environmental improvement in the green building and renewable energy businesses. Disclosure items and disclosure frequency are evaluated as appropriate based

on the Green Bond Principles. Out of the items disclosed, data on climate change, such as energy consumption, GHG emissions, and water consumption on the 2018 Integrated Report and its website, have been independently guaranteed by SGS Japan Co., Ltd., and efforts are being made to increase the reliability of disclosure.

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 Tochi 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 7 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 Med-Term Management Plan 2017-2020 based on the materialities. In the Midium-Term Management 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," "the 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 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 (F)” for the “Greenness Evaluation (Use of Proceeds)” and “m1 (F)” for the "Management, Operation and Transparency Evaluation." Consequently, JCR assigns “Green 1(F)” for overall "JCR Green Finance Framework Evaluation." The Framework is considered to meet the standards for items required by the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.

[JCR Green Finance Framework Evaluation Matrix]

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

■ Subject of Evaluation

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

[Assignment]

Target	Evaluation
Green Bond Framework	JCR Green Finance Framework Evaluation: Green 1 (F) Greenness Evaluation :g1(F) Management, Operation, and Transparency Evaluation : m1(F)

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Important Explanation of the Green Finance Framework Evaluation

1. Assumptions, significance, and limitations of JCR Green Finance Framework Evaluation

JCR Green Finance Framework evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Green Finance Framework, and expresses the overall opinion of JCR at this time regarding the appropriateness of the Green Project as defined by JCR and the extent of management, operation and transparency initiatives related to the use of funds and other matters. Therefore, it is not intended to evaluate the effects of specific environmental improvements, management and operation systems, and transparency of individual bonds and borrowings, etc. to be implemented based on these policies. In the event that an individual bond or individual borrowing based on this framework is subject to a green finance evaluation, it is necessary to conduct a separate evaluation. In addition, the JCR Green Finance Framework evaluation does not demonstrate the environmental improvement effects of individual bonds or borrows implemented under this framework, and does not assume responsibility for environmental improvement effects. In principle, JCR does not directly measure the environmental improvement effects of funds procured under the Green Finance Framework, although JCR confirms the quantitative and qualitative measures by the issuer or a third party requested by the issuer.

2. Methodology used to carry out this assessment

The methodologies used in this assessment are described in "JCR Green Finance Evaluation" on the "Sustainable Finance ESG" section of the JCR website (<https://www.jcr.co.jp/en/>).

3. Relationship with Credit Rating Business

The act of granting and providing an evaluation of JCR Green Finance Framework is conducted by JCR as a related business and differs from the act related to the credit rating business.

4. Relationship with Credit Ratings

This evaluation differs from credit ratings and is not intended to provide or guarantee that a predetermined credit rating will be provided or made available for inspection.

5. Third-Party Evaluation of JCR Green Finance Framework Evaluation

There are no capital relationships or personnel relationships that could cause conflicts of interest between the subject party and JCR.

■Matters of Attention

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