

September 3, 2021

For Media Release

Tokyu Fudosan Holdings Corporation

Japan's First Policy on Issuance of ESG Bonds for the Long Term, "WE ARE GREEN" Bond Policy Formulated A Sustainability-Linked Bond to Be Issued as the First ESG Bond under the Policy

Tokyu Fudosan Holdings Corporation (Headquarters : Shibuya-ku, Tokyo; President: Hironori Nishikawa) announces that it has formulated the "WE ARE GREEN"* Bond Policy ("the Policy") on the issuance of ESG bonds** over the long term as a new financing framework under GROUP VISION 2030, the Company's long-term vision. The Policy indicates that the Company will raise the ratio of ESG bonds to outstanding bonds over the long term. Under the Policy, Tokyu Fudosan Holdings Group("the Group") will promote and disseminate their ESG initiatives through the continual issuance of ESG bonds. Simultaneously, the Group will consistently create investment opportunities for bond investors and strengthen engagement with bond investors. Tokyu Fudosan Holdings Corporation ("the Company") is Japan's first company to adopt a policy on the issuance of ESG bonds for the long term.

Under the policy, the Company plans to issue a sustainability-linked bond ("the Issuance") as the first ESG bond. The Company responded to the Ministry of the Environment's call for examples of 2021 Green Finance Model Creation Projects . The Issuance was deemed to have model qualities and has been selected as the first model example of FY2021.

*"WE ARE GREEN"

The slogan for the Company's long-term vision "GROUP VISION 2030." The slogan expresses the Company's vision for 2030 which the Company strives to achieve through the power of "green," the corporate color.

**The ESG bonds under the Policy are as follows:

- (i) Bonds whose proceeds are used only for the purposes of environmental improvement (purposes related to "green"), for the purposes of contributing to solutions for social issues (purposes related to society), or for the purposes of both of the above
- (ii) Bonds for which the requirements change depending on whether predetermined sustainability/ESG targets are achieved or not (sustainability-linked bonds). The uses of the proceeds are not necessarily limited.

1. Purpose and Background of the Policy

In the Company's long-term vision, "environmental management" is an important challenge that the entire Company is addressing. We believe that financing through ESG bonds is consistent with environmental management. We consider that it is necessary for bond investors and other stakeholders to have an accurate understanding of our company-wide ESG initiatives through our issuance of ESG bonds and to consider investing after evaluating our essential environmental and social contributions.

Hence, by revealing our policy of continually issuing ESG bonds over the long term, we will provide bond investors with comprehensive and continuous understanding of the Group's ESG initiatives, as well as opportunities to invest in ESG bonds in a stable and systematic manner. We will also create opportunities to strengthen engagement with bond investors through mutual communication by calling for their opinions and suggestions regarding the Group's ESG initiatives. The Company aims to earn widespread approval of the Policy from bond investors and achieve sustainable society and growth with bond investors and other stakeholders.

2. Policy on the Continual Issuance of ESG Bonds for the Long Term

On May 11, 2021, the Company published its long-term vision GROUP VISION 2030 and announced the value creation it aims for and its long-term management policy. The Company has made clear six themes (material issues) for value creation, which have been chosen from social issues that we focus on.

The Company will continually issue ESG bonds in line with the themes and will strive to achieve its long-term vision, GROUP VISION 2030.

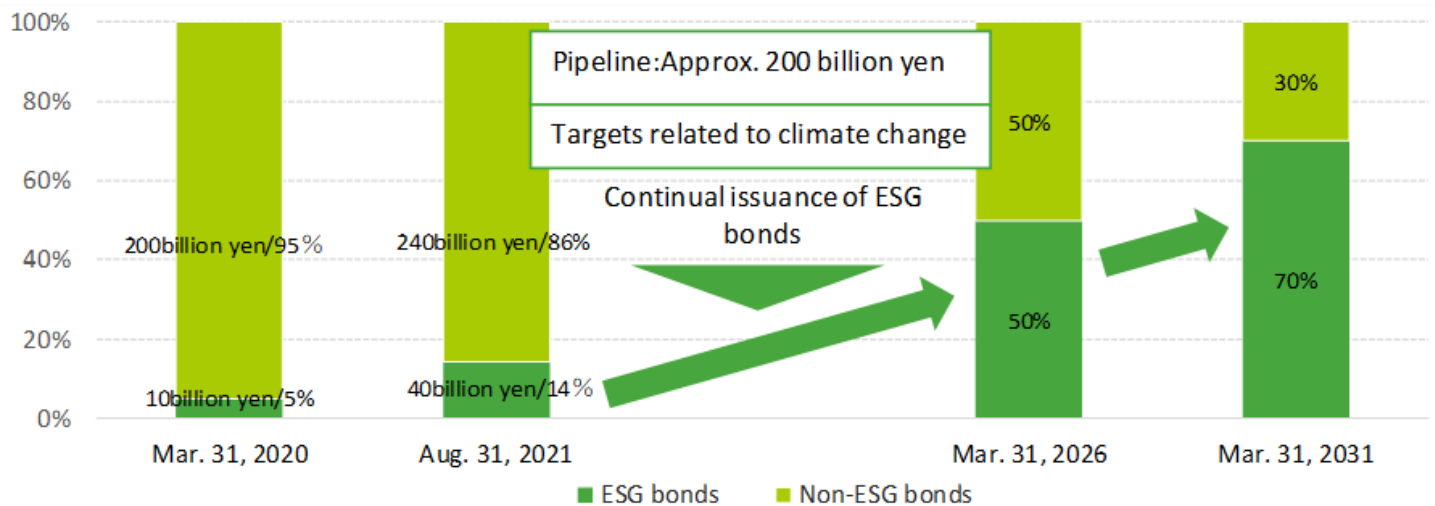


Our SDGs



The Group has pipelines worth approximately 200 billion yen (as of March 31, 2021), primarily the Renewable Energy Business and the green buildings and senior housing businesses, where the Group will invest proceeds from ESG bonds in accordance with the themes (material issues) for value creation. We can also issue sustainability-linked bonds, setting targets related to climate change.

The Group will replace a certain amount of bonds with ESG bonds that will be evaluated by outside rating agencies, aiming to raise the ratio of ESG bonds to outstanding bonds from over 10%, to 50% or more -by the end of FY2025 and to 70% or more by the end of FY2030.



ESG bonds issued

Type	Date of issuance	Amount	Use of Proceeds
Green Bond	Jan. 2020	10 billion yen	"SHIBUYA SOLASTA" and "ReENE Matsumae Wind Farm"
Sustainability Bond	Dec. 2020	30 billion yen	The "Kudanminami 1-chome Project (tentative name)" and Senior Housing Business etc

Reference: ESG loans

Type	Date of issuance	Amount	Use of proceeds
Sustainability loan (Borrower: Albero Grande Co., Ltd.)	Dec. 2020	90 billion yen	"TOKYO PORTCITY TAKESHIBA"
Positive impact finance	Apr. 2021	5 billion yen	—

Major projects for which funds are used

"SHIBUYA SOLASTA"



Senior Housing Business



"ReENE Matsumae Wind Farm"



"TOKYO PORTCITY TAKESHIBA"



3. Outline of the Policy

Name	"WE ARE GREEN" Bond Policy
Purpose	The Company will continually issue ESG bonds for the following purposes: - We will obtain the comprehensive and continual understanding and approval of the Group's ESG initiatives from bond investors and other stakeholders. - We will consistently provide bond investors with opportunities to invest in ESG bonds and will expand our financing base through ESG bonds.
Target	The ratio of ESG bonds to the outstanding bonds of the Company End of FY2025: 50% or more End of FY2030: 70% or more
Deepening engagement	- We will hold "WE ARE GREEN" Bond Policy Meetings (tentative) to disseminate the Group's ESG initiatives and the progress/status of ESG bonds. - We will collect opinions and suggestions from participants, particularly investors, and will make the most of them for the Group's ESG initiatives.
Use of ESG bond proceeds	The Company will use the bond proceeds in line with the themes for value creation (material issues) set out in the long-term vision "GROUP VISION 2030."
Types of ESG bonds	Green bonds, social bonds, sustainability bonds, sustainability-linked bonds When ESG bonds are issued, they need to be evaluated by a third-party rating agency. ESG bonds may be added or eliminated due to changes in principles that are assumptions on which evaluation is based.

4. Outline of Issuance of Sustainability-Linked Bonds

The Company plans to issue sustainability-linked bonds as the first ESG bonds issued under the Policy. The following is an outline of the issuance. The Ministry of the Environment and its contractors (Rating and Investment Information, Inc. and Green Pacific Co., Ltd.) have confirmed that the framework of the Issuance aligned with Green Loan and Sustainability Linked Loan Guidelines 2020 and Sustainability-Linked Bond Principles 2020 (ICMA). The Company responded to the Ministry of the Environment's call for examples of 2021 Green Finance Model Creation Projects. The Issuance was deemed to have model qualities and has been selected as the first model example of FY2021.

(<http://www.env.go.jp/press/109928.html>)

A third-party opinion that the Company has received from Japan Credit Rating Agency, Ltd. confirmed that the issuance aligned with Green Loan and Sustainability Linked Loan Guidelines 2020 and Sustainability-Linked Bond Principles 2020 (ICMA).

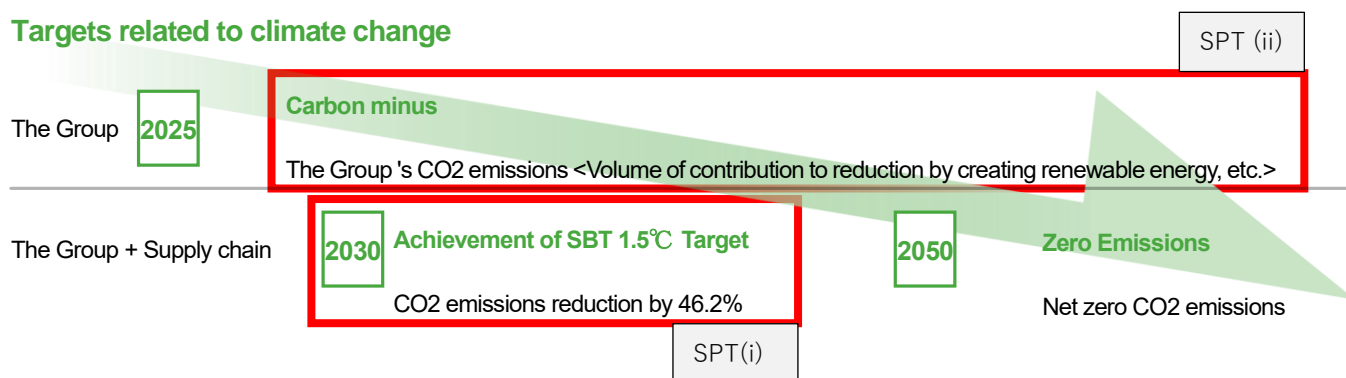
(<https://www.jcr.co.jp/greenfinance/>)

Name	Tokyu Fudosan Holdings Corporation unsecured bonds No.26 (with a pari passu clause) (Sustainability-Linked Bond)
Maturity	10 years
Amount of issuance	10.0 billion yen (scheduled)
Date of issuance	Early October at the earliest (scheduled)
SPTs	SPT1:Reducing greenhouse gas emissions by 46.2% in FY2030 SPT2:Achieving net-negative carbon emissions in FY2025 (The Company's contributions to reductions of CO ₂ emissions, including renewable energy creation, exceeding the Company's CO ₂ emissions)
Attributes of bonds after evaluation	If non-achievement of SPTs is confirmed at the time of evaluation, the Company will pay the amount below to donors related to the Midori wo Tsunagu Project and similar organizations that make environmental contributions on the date of redemption. SPT1:0.25% of the amount issued SPT2:0.25% of the amount issued
Lead underwriters	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd.
Structuring Agent	Mitsubishi UFJ Morgan Stanley Securities Co, Ltd.

Targets and SPTs related to climate change in the Company's environmental management

Targets related to climate change

Targets related to climate change



Midori wo Tsunagu Project

Midori wo Tsunagu Project is an initiative to realize with diverse stakeholders the Tokyu Fudosan Holdings Group's environmental vision: We will create value to connect cities and nature, and people with the future. The Group is pursuing a wide range of "Midori wo Tsunagu (connecting green)" initiatives, including forest conservation activities working together with our customers, greening activities which propose green lifestyles, and laboratory activities which utilize the power of greenery for the future.

The Group started forest conservation activities in 2011 and has contributed to conserving a total of 1,849 hectares of forests in collaboration with local governments.

Midori wo Tsunagu Project website
[\(https://tokyu-midori.com/\)](https://tokyu-midori.com/)



This news release is intended to make the issuance of public corporate bonds known to the public, and no solicitation for investment or similar acts are intended. Forward-looking statements in this press release are based on information available to the Company at present and certain assumptions the Company judges to be rational. Those descriptions do not mean that the Company promises their achievement, and actual results may differ significantly from the descriptions