Risk

	TCFD / TNFD	Direct operation/ Upstream in the supply chain *TNFD only	Risk items		Impacts ●:TCFD ■:TNFD	Period *TCFD only	Exposure *TCFD only	Main measures to be taken *TCFD only
Transition risk	TCFD	---	Policy, laws and regulations	Increase in costs due to the introduction of a carbon tax	●【All segments】 ・Increase in costs related to Scope 1 and 2 direct emissions due to introduction of carbon tax (approx. ¥3.8 billion in 2030)	Medium	Large	・Reduction of energy use through energy saving ・In-house generation or external procurement of renewable energy ・Optimization of capital investment and equipment renewal plans ・Introduction of internal carbon pricing
					●【All segments】 ・Increase in potential costs related to Scope 3 emissions due to introduction of equipment (purchase of capital goods) with high carbon emissions		Large	
				Increase in costs to address stricter carbon emission targets and tightening regulations	●【All segments】 ・Increase in costs due to renewal of equipment to comply with regulations, etc.	Mid-to-long	Large	
					●【Real Estate, and Hotel and Leisure】 ・Increase in costs associated with introduction of a cap-and-trade system	Mid-to-long	Large	
					●【Real Estate, and Hotel and Leisure】 ・Increase in costs associated with acquisition of environment or third-party certifications	Medium	Small	
	TNFD	Direct operation		Stricter regulation of green space and land use	■【Real Estate, and Hotel and Leisure】 ・Increased costs associated with acquiring certification for environmental friendliness and green spaces ・Increase in green space maintenance costs ・Increasing the size of protected areas ahead of 30 by 30 and increasing the difficulty of acquiring new land due to stricter regulations on land use	---	---	---
				Stricter regulation of impact on nature	■【Real Estate, and Hotel and Leisure】 ・Increased costs associated with stricter regulation of water intake, pollution, and other kinds of impact on nature in important conservation areas ・Increased response costs due to reduced food loss and stricter regulation of resource recycling such as plastics	---	---	
		Upstream in the supply chain		Increased cost of sustainable procurement	■【Real Estate, and Hotel and Leisure】 ・Increased procurement costs due to sustainability compliance and traceability of building materials ■【Hotel and Leisure】 ・Increased procurement costs associated with sustainability compliance and traceability of foodstuffs	---	---	---
	TCFD	---	Market	Increase in energy procurement costs	●【All segments】 ・Increase in costs due to change in energy mix	Short	Small	・Long-term fixed contracts for renewable energy
				Increase in material procurement costs	●【All segments】 ・Increase in costs related to production, manufacturing, transportation, and waste disposal	Medium	Small	・Communication and relationship building with supply chains ・Timely procurement and use of demand forecasting
			Reputation	Disengagement of stakeholders due to changing values	●【Real Estate, and Hotel and Leisure】 ・Decline in occupancy rates and unit prices (rents and hotel charges) for properties without environmental certifications or those with high environmental impact ●【Urban Transportation and Regional】 ・Decrease in sales due to the shift of sustainability conscious users to other services	Mid-to-long	Moderate	・Customer acquisition through sustainability initiatives, and promotion of dialogue with stakeholders ・Acquisition of environmental certifications ・Reduction of energy use through energy saving ・In-house generation or external procurement of renewable energy ・Optimization of capital investment and equipment renewal plans
					●【All segments】 ・Difficult to acquire human resources	Medium	Small	
	TNFD	Direct operation	Market reputation Liability	Disengagement of stakeholders due to changing values	■【Real Estate, and Hotel and Leisure】 ・Reduced occupancy rates and unit prices at business sites that have not acquired environmental certification, have a high environmental impact, and have a low percentage of green space ・The risks of reputational damage and changes to plans due to development projects impacting important conservation areas ・Reputation risks related to food loss reduction and appropriate use of plastic resources	---	---	---
		Upstream in the supply chain	Technology	Increased costs to address nature-friendly building technologies and methods	■【Real Estate】 ・Increased construction costs due to the use of environmentally friendly construction methods	---	---	---
Physical risk	TCFD/ TNFD	Direct operation *TNFD only	Acute	Impact on business due to extreme weather conditions	●【All segments】 ・Decrease in sales due to closure or decline in occupancy rates caused by typhoons, floods or landslide disaster (approx. ¥400 million in the Urban Transportation and Regional segment, assuming a typhoon or other disaster equivalent to the past one)	Mid-to-long	Small	・Flooding and waterproofing measures at each facility, and identification and response to landslide hazard areas, etc.
					■【Real Estate, and Hotel and Leisure】 ・Decreased sales due to closures and reduced occupancy rates resulting from typhoons, floods, landslides, and reduced snowfall ・Increased repair costs for facilities and equipment due to typhoons, floods, landslides, and reduced snowfall	---	---	
	TCFD	---		Impact on facilities, equipment and buildings due to extreme weather events	●【All segments】 ・Increase in costs due to repairs to facilities and equipment	Mid-to-long	Small	
	TNFD	Upstream in the supply chain		Impact of extreme weather events on procured items	■【Real Estate, and Hotel and Leisure】 ・Shortage and cost increase in procurement of building materials due to typhoons, floods, and landslides ■【Hotel and Leisure】 ・Shortage and cost increase in procurement of agricultural and fishery products due to typhoons, floods, and landslides	---	---	---
	TCFD/ TNFD	Direct operation *TNFD only	Chronic	Impact of global warming on business areas and domains	●【All segments】 ・Decrease in sales as everyone stays indoor in summer ・Increase in occupational accidents due to heatstroke ・Increase in costs due to increased air conditioning operation	Mid-to-long	Small	・Installation of equipment that allows business continuity ・Dispersion of service deployment locations ・Improvement of the work environment, and reduction of outdoor work through labor savings ・Promotion of energy saving
					■【Real Estate, and Hotel and Leisure】 ・Decreased sales due to reduced attendance caused by rising temperatures and the heat island effect, and increased costs due to greater use of air conditioners	---	---	---
	TNFD	Direct operation		Impact of degradation of ecosystem on business	■【Real Estate, and Hotel and Leisure】 ・Decline in property value due to degradation of ecosystems and landscape in the vicinity of development sites resulting from land development by the Company and others ・Degradation of our group-owned forests due to pest and disease outbreaks and feeding damage by wild animals and birds, increased response costs due to lack of appropriate management of our group-owned forests, and stagnation in the use of our group-owned forests ■【Hotel and Leisure】 ・Deterioration of surrounding ecosystem due to temperature rise, land development, animal damage, pests and disease, etc., negatively impacting the nature and scenery that have become tourism resources and locally produced and consumed foodstuffs, making the facilities less attractive and thereby reducing sales	---	---	---
				Reduced water resources due to ecosystem degradation	■【Hotel and Leisure】 ・Difficulty in securing water intake due to destabilization of water circulation caused by ecosystem degradation	---	---	---
		Upstream in the supply chain		Impact of global warming and ecosystem degradation on procured items	■【Hotel and Leisure】 ・Shortage and cost increase in procurement of agricultural and fishery products due to global warming and ecosystem degradation	---	---	---

(Period column: Short term: 1 to 3 years, Medium term: 4 to 10 years, Long term: 10 years or longer)／(Exposure column: Small: less than ¥500 million, Moderate: ¥500 million to ¥1 billion, Large: ¥1 billion or more)

Opportunity

	TCFD / TNFD	Direct operation/ Upstream in the supply chain *TNFD only	Opportunity items	Impacts (●:TCFD ■:TNFD)	Period *TCFD only	Exposure *TCFD only	Main measures to be taken *TCFD only
Opportunity	TCFD	–	Decrease in power and utility costs due to energy efficiency improvements	●【All segments】 ・Decreases in electricity consumption and costs due to improved efficiency, and prevention of possible future increase in energy costs	Medium	Large	・Reduction of energy consumption through appropriate equipment upgrades ・Introduction of renewable energy
			Expansion of renewable energy	●【All segments】 ・Increase in sales through expansion of renewable energy business ・Reduction of CO_2 emissions through on-site consumption	Medium	Large	・Promotion of renewable energy projects, biomass power generation projects, etc., aiming at effective use of group-owned land and forests ・Expansion of forest business
	TCFD/ TNFD	Direct operation	Effective use of group-owned forests	●【All segments】 ・Increase in sales by use of forest assets	Mid-to-long	Moderate	
				●【All segments】 ・Increase in sales through expansion of biomass power generation business			
				■【Real Estate, and Hotel and Leisure】 ・Biomass power generation business using our group-owned forests, utilization of thinned wood, promotion of forest business and green infrastructure, etc.	---	---	---
			Preference for services and facilities with low environmental impact	●【Real Estate】 ・Increase in occupancy rates and rents for properties with environmental certifications or those with low environmental impact ●【Urban Transportation and Regional】 ・Increase in sales through improved transportation efficiency and preferences for less environmentally burdensome modes of transportation	Mid-to-long	Moderate	・Customer acquisition through sustainability initiatives ・Promotion of dialogue and cooperation with stakeholders ・Acquisition of environmental certifications ・Reduction of energy use through energy saving ・In-house generation or external procurement of renewable energy ・Optimization of capital investment and equipment renewal plans ・Issuance of sustainability-linked loans
				■【Real Estate, and Hotel and Leisure】 ・Increased occupancy rates and unit prices for real estate that has already acquired environmental certification, has a low environmental impact, and has a high percentage of green space ・Utilization of green infrastructure etc. in on-site green areas to lower disaster risk and costs by reducing the operation of air conditioners ・Improvement of the Group's reputation and enhancement of brand value and land prices throughout the region through urban development that utilizes nature	---	---	
			Investor preference	●【All segments】 ・Decrease in financing costs due to recognition of sustainability initiatives, and positive impact on stock price	Medium	Small	
				■【Real Estate, and Hotel and Leisure】 ・Decrease in financing costs due to recognition of sustainability initiatives, and positive impact on stock price	---	---	---
	TCFD	---	Preference for facilities and services with high disaster prevention functions	●【All segments】 ・Increase in sales as disaster-conscious users use our facilities and services	Medium	Small	・Promotion of disaster prevention measures at each facility ・Disaster supplies stockpiled at each facility
	TNFD	Direct operation	Conservation of water resources	■【Real Estate, and Hotel and Leisure】 ・Reduced costs and improved resilience associated with reduced use of water resources through reuse of wastewater, rainwater, etc.	–	–	–
				■【Hotel and Leisure】 ・Reduced waste disposal costs and creation of new value through waste reduction and resource recycling initiatives	–	–	–
			Growing need for greening technology	■【Real Estate】 ・Increased sales through provision of knowledge on landscaping methods, such as special greening and wall greening technologies, and designs that consider biodiversity and natural capital	–	–	–
			Promotion of biodiversity conservation activities	■【Real Estate, and Hotel and Leisure】 ・Implementation of nature conservation activities in cooperation with local communities in "Seibu no mori" as well as business sites and their surrounding areas, in order to improve reputation and relationships with local communities and facilitate business activities	–	–	–
			Growing need for ecotourism and naturefriendly hotels	■【Hotel and Leisure】 ・Increased sales through ecotourism that makes the most of local nature and hotel management that harmonizes with the rich natural environment of the surrounding area	–	–	–
				■【Real Estate, and Hotel and Leisure】 ・Benefiting from policy support and incentives for greening and natural capital protection	–	–	–
			Use of amenities made from environmentally friendly materials	■【Hotel and Leisure】 ・Improved reputation through use of amenities made from environmentally friendly materials and reduction of disposable plastic amenities	–	–	–
		Upstream in the supply chain	Sustainable use of building materials	■【Real Estate, and Hotel and Leisure】 ・Increased property value due to the use of building materials produced in an environmentally friendly manner	–	–	–
			Sustainable use of agricultural and fishery products	■【Hotel and Leisure】 ・Increased brand value due to the use of foodstuffs produced in an environmentally friendly manner	–	–	–

(Period column: Short term: 1 to 3 years, Medium term: 4 to 10 years, Long term: 10 years or longer)／(Exposure column: Small: less than ¥500 million, Moderate: ¥500 million to ¥1 billion, Large: ¥1 billion or more)