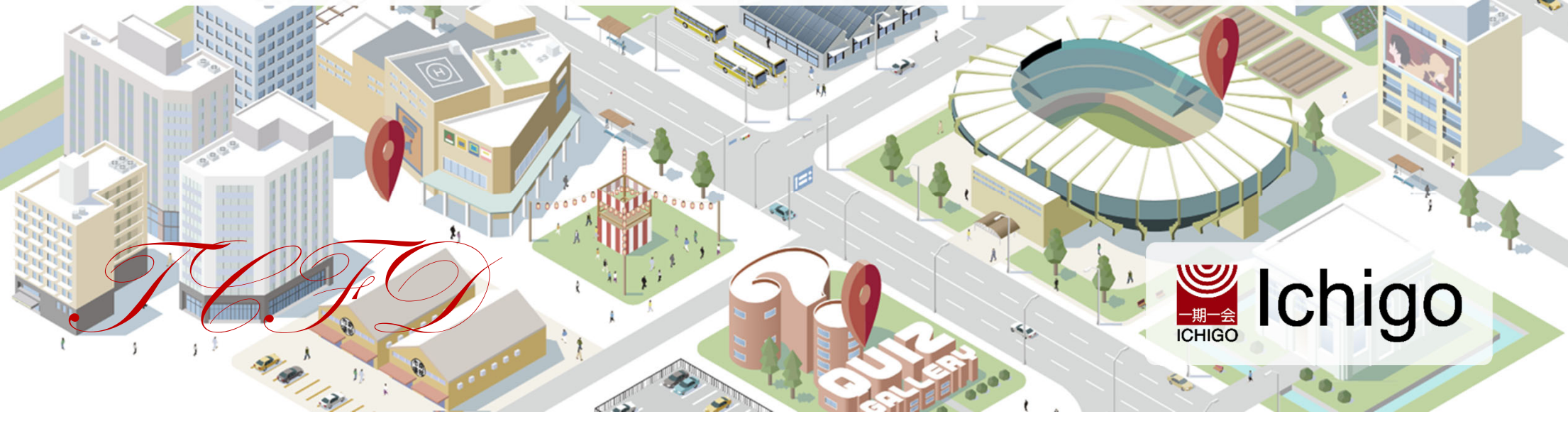
Disclosures Based on TCFD Recommendations

November 25, 2022

Ichigo

(Updated on August 30, 2024)



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ICHIGO
Ichigo

AGENDA

01 | Governance

Ichigo Governance Structure

Senior Management and Committee Roles

02 | Strategy

Scenario Analysis Process

Scenario Analysis Steps

Significant Climate-Related Risks and Opportunities

Notable Risks and Opportunities

Financial Impact and Ichigo's Response

03 | Risk Management

Risk Management Structure

04 | Metrics and Targets

Low-Carbon Transition Roadmap

Ichigo has made sustainability a key business and social priority as a responsible corporate citizen and Ichigo's Code of Corporate Ethics, set by the Board of Directors, establishes that Ichigo will work to preserve our shared global environment and reduce the environmental impact of its operations. Ichigo's Board of Directors oversees the Company's business to promote sustainability based on the Ichigo Sustainability Policy and to further reduce Ichigo's environmental impact.

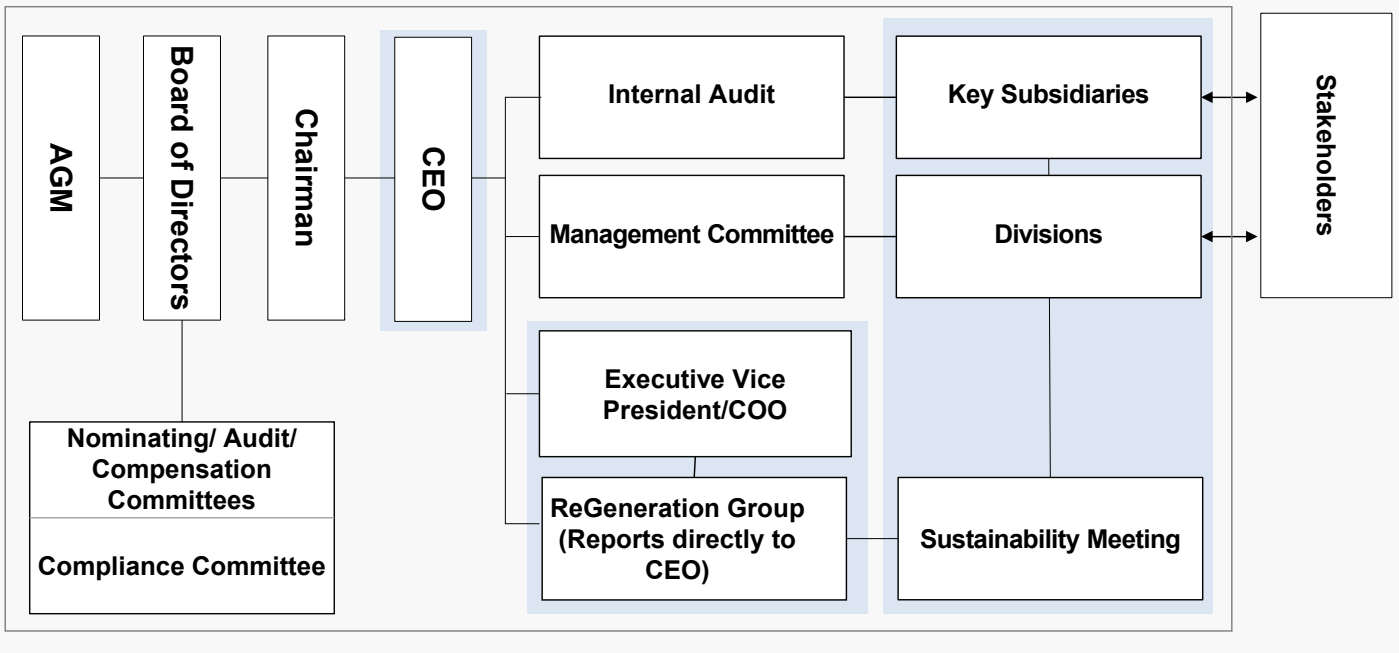
Ichigo has established the ReGeneration Group, directly under the CEO and with the CEO and Executive Vice President/COO as its leaders, to drive activities across the entire Ichigo group aimed at addressing environmental issues. The ReGeneration Group takes on a cross-sectional role to work collaboratively with key subsidiaries to reduce Ichigo group's CO2 gas emissions.

Ichigo Governance Structure

Sustainability Meeting

Led by the ReGeneration Group, the Sustainability Meeting is held quarterly to monitor climate change-related risks, identify & assess opportunities, monitor energy & water consumption and waste output, set the company's sustainability policy and targets, and plan specific measures. The content of these meetings are reported to the CEO and the Board of Directors.

■ **Ichigo Governance Structure to Promote Sustainability Initiatives Including Climate Change**



The Ichigo Group Will Work Towards Addressing Climate Change Issues as a Sustainable Infrastructure Company

Ichigo has made addressing climate change a key business priority, and has established the ReGeneration Group, directly under the CEO and with the CEO and Executive Vice President/COO as its leaders, to drive environmental activities across the entire Ichigo group. Sustainability Meetings are held quarterly to discuss measures aimed at addressing climate change and to monitor progress. Pursuant to “Initiatives to Fight Climate Change” stipulated in Ichigo’s Internal Control Systems, the CEO reports progress to the Board of Directors upon receiving updates from the COO and the ReGeneration Group.

Senior Management and Committee Roles

Board of Directors

The Board oversees management, and resolves on the company’s climate-related initiatives and supervises the execution thereof.

Executive Vice President/COO

The Executive Vice President/COO assists the CEO in overseeing the ReGeneration Group.

ReGeneration Group

The ReGeneration Group is responsible for Ichigo’s group-wide environmental initiatives and takes on the role of leading the Sustainability Meetings.

CEO

The CEO is responsible for the execution of Ichigo’s climate-related initiatives and for reporting progress, in coordination with the COO and the ReGeneration Group, to the Board of Directors.

Sustainability Meeting

Sustainability Meetings are held quarterly to monitor climate change-related risks, identify & assess opportunities, monitor energy & water and waste output, set the company’s sustainability policy and targets, and plan specific climate-related measures.

Scenario Analysis Process

Ichigo Conducts Analysis Under Two Scenarios

Ichigo evaluates the financial and business impacts, and the resilience of Ichigo's strategies with respect to climate-related risks and opportunities under the following two scenarios set for 2030. The steps of the scenario analysis are outlined on the next page.

Scenario	Overview	References
2℃ or Lower Scenario	A scenario under which policies and regulations supporting the realization of a low-carbon society are implemented, and the increase in global average temperature is less than 2℃ vs pre-industrial-revolution levels. Although transition risk is high, physical risk is lower than the 4℃ scenario.	• IEA World Energy Outlook 2020 - Sustainable Development Scenario • IPCC RCP2.6
4℃ Scenario	A scenario assuming that publicly disclosed targets, such as country-specific targets under the Paris Agreement, will be met, but no new policies or regulations are implemented, and global CO_2 emissions continue to rise. Although transition risk is low, physical risk is high.	• IEA World Energy Outlook 2020 - Stated Policies Scenario • IPCC RCP8.5

Scenario Analysis Steps

Ichigo conducts its scenario analysis based on these steps.

1 Identify important climate-related risks and opportunities, and set parameters

- Identify climate-related risks and opportunities
- Assess significant risks and opportunities
- Set parameters related to significant risks and opportunities

2 Set climate-related scenarios

- Identify most relevant scenarios from among existing scenarios based on information from Step 1
- Set climate-related scenarios (social images)

3 Evaluate financial impacts under each scenario

- Analyze the financial impacts under each scenario set under Step 2 based on the significant climate-related risks and opportunities and associated parameters identified under Step 1

4 Evaluate the resilience of Ichigo's strategies with respect to climate-related risks and opportunities, and determine further actions

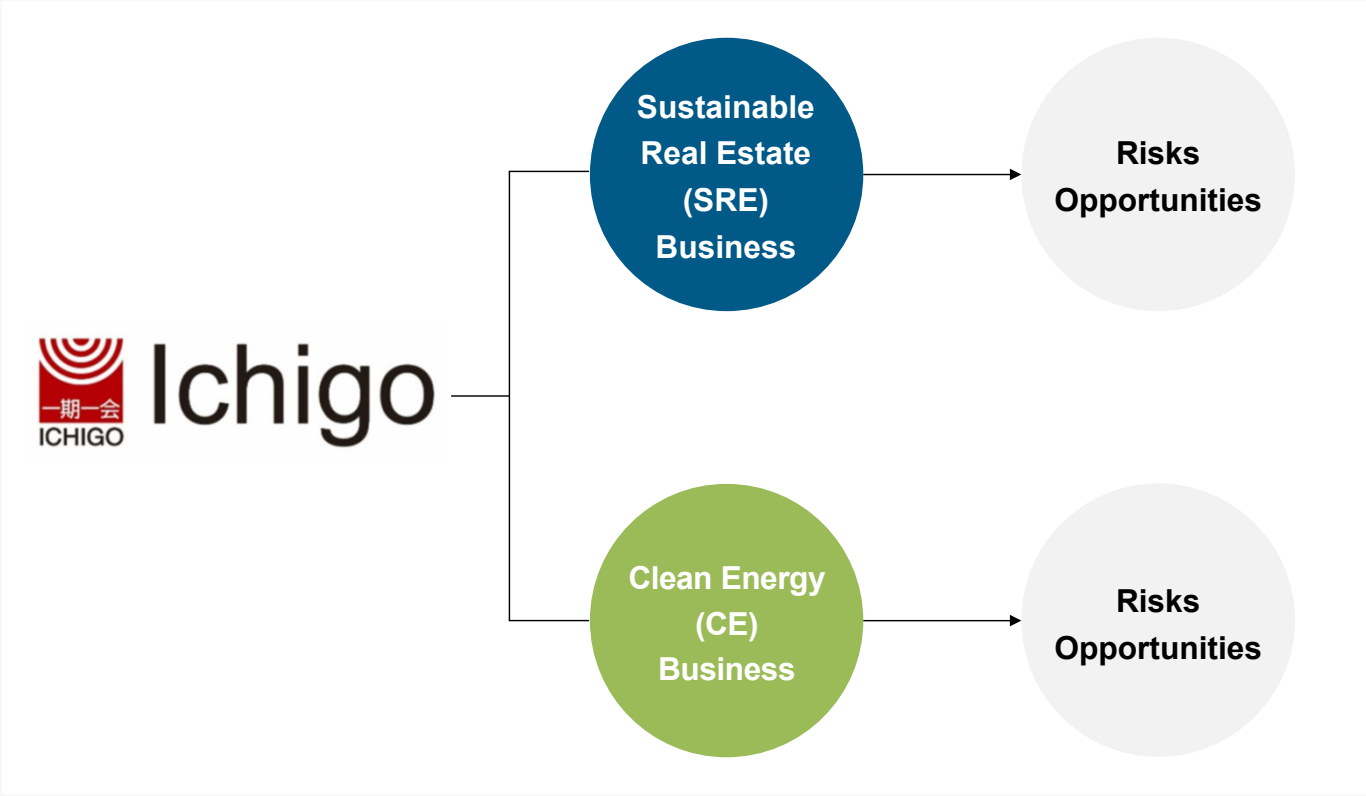
- Evaluate the resilience of Ichigo's strategies with respect to climate-related risks and opportunities
- Determine further actions

Important Climate-Related Risks and Opportunities

*Ichigo's Asset Management business manages two J-REITs, Ichigo Office and Ichigo Hotel, a listed solar power producer, Ichigo Green, and private equity real estate funds for institutional investors.

Ichigo Categorizes Operations Into Two Businesses and Identifies Detailed Risks and Opportunities for Each

Ichigo categorized its three business segments – Sustainable Real Estate, Clean Energy, and Asset Management – into the two categories of Sustainable Real Estate and Clean Energy and analyzed climate-related risks and opportunities for each category. The risks and opportunities for the Asset Management* business have been identified on a per asset basis and are included in the analysis of the two categories. Detailed risks and opportunities were identified based on discussing business environments and specific business characteristics with respective departments, and then assessing their relevance, both quantitative and qualitative, to Ichigo and its stakeholders.



Notable Risks and Opportunities

Identified risks and opportunities based on the most significant impact to Ichigo

Fully leased assets for which Ichigo holds no management rights, real estate for sale, and assets managed under private equity funds are excluded

Notable Risks & Opportunities

	Type	SRE	CE	Details
Transition Risk	Policy and Legal	●	●	Increase in costs associated with new regulations such as carbon taxes, and higher operating and construction material costs Increase in new plant construction costs, operation costs (reinforcement costs for existing power plants), and fuel costs (biomass)
	Technology	●		Relative decrease in value of assets without energy efficient equipment
Physical Risk	Acute	●	●	Increase in building damage and business suspension risk due to increased severity of wind and flood damage Earnings deterioration and higher repair costs caused by increased severity of natural disasters
	Chronic	●	●	Decrease in rent and value of assets located in areas subject to higher flood risk resulting from rises in sea levels
Opportunities	Resource Efficiency	●		Increase in value of real estate assets with long useful lives and that flexibly respond to efficiency, environmental certifications, and tenant needs
	Resource Efficiency		●	Cost reduction and revenue increase due to increased power generation efficiency as a result of technological advancements in power generation facilities such as solar panels, batteries, and power transmission equipment
	Energy Source	●		Decrease in operating costs due to renewable energy and energy efficient technology (Assumption: Decreases in renewable energy prices and energy consumption)
	Products & Services		●	Increase in earnings due to diversification of services (changes in regulations, higher demand) as a result of increase in renewable energy demand
	Markets	●	●	Increase in financing opportunities, business opportunities, and government incentives by receiving high ESG evaluations from stakeholders
	Markets	●		Increase in asset value from higher investments into cities and regions that may be alternatives to cities impacted by a rise in sea levels

Financial Impacts and Ichigo's Response

Business/Financial Impact Assessment

Ichigo determines the quantitative and qualitative financial impacts (low/medium/high) of each scenario based on internal discussions. Ichigo will continue to update its analysis based on regular reviews of new external and internal factors as well as other quantitative data.

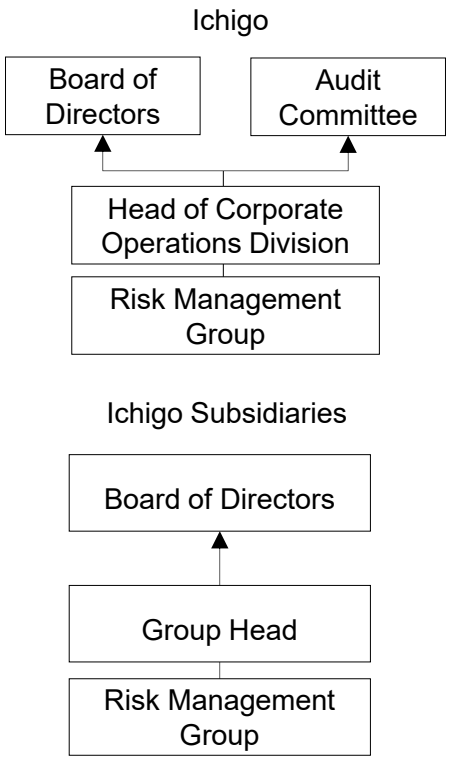
Resilience of Ichigo's Response to the Risks and Opportunities Assumed for 2030

	Type	Details	Financial Impact	SRE	CE	Ichigo's Response/Resilience
Transition Risk	Policy and Legal	Increase in costs associated with new regulations such as carbon taxes, and higher operating and construction material costs	**Low**	●	●	Control costs as a result of greenhouse gas emission reductions due to meeting RE100 target by 2025 and implementing energy efficiency measures Develop new development plans in line with policy trends (CE business)
	Technology	Relative decrease in value of assets without energy efficient facilities	**Low**	●		Convert all lights to LED lights and install energy efficient facilities by 2030 to maintain asset value
Physical Risk	Acute	Increase in building damages and risk of business suspension due to increased severity and frequency of natural disasters	**Medium**	●	● **Low**	Develop mid- to long-term repair plans for all assets, reflect repair expenses in annual budgets, and implement appropriate preventative measures
	Chronic	Decrease in rent and value of assets located in flood risk areas due to sea level rise	**Low**	●	●	Develop flood contingency plan, conduct annual inspections, and consider flood risk when acquiring new assets
Opportunities	Resource Efficiency	Increase in value of real estate assets with long useful lives and that flexibly respond to efficiency, environmental certifications, and tenant needs	**Low**	●		Develop plan to obtain environmental certifications for all assets, and work to deliver on plan (2040)
	Resource Efficiency	Cost reduction and revenue increase due to increased power generation efficiency as a result of technological advancements in power generation facilities such as solar panels, batteries, and power transmission equipment	**Low**		●	Increase in earnings due to the use of new technologies
	Energy Source	Decrease in operating costs due to renewable energy and energy efficient technology (Assumption: Decreases in renewable energy prices and energy use)	**Low**	●		Strategically source renewable energy to meet RE100 target by 2025
	Products & Services	Increase in earnings due to diversification of services (changes in regulations, higher demand) as a result of increase in renewable energy demand	**Low**		●	New development of solar power plants for self consumption, use of renewable energy after the end of FIT
	Markets	Increase in financing opportunities, business opportunities, and government incentives by receiving high ESG evaluations from stakeholders	**Medium**	●	●	Sign UN Global Impact, join RE100, set 2025 target Drive asset value by continuing to capture new business opportunities and supply electricity to group assets (CE business)
	Markets	Increase in asset value from higher investments into cities and regions that may be alternatives to cities impacted by a rise in sea levels	**Low**	●		Review investment and operation policies for new and existing assets located in alternate cities and areas

Ichigo is Working Towards Realizing a Low-Carbon Society via the Following Initiatives

Ichigo manages all possibilities of unexpected losses at Ichigo and any of its subsidiaries in line with the ISO 31000 risk management guidelines.
Ichigo has set risk management rules and has established a risk management structure that spans the entire group.
The Statutory Executive Officer (Corporate Operations) is responsible for risk management, and reports to the Audit Committee and the Board of Directors the results of the Risk Management Group's bi-annual assessment and analysis of major risks identified by each Group Head with respect to new businesses and projects. Risks related to climate change are included in the scope of monitored risks, and the Risk Management Group and the ReGeneration Group manage these risks. As a result of this risk management structure, Ichigo is able to identify climate change risks, conduct annual risk reviews, and implement measures to address risks that impact Ichigo's business.

Climate-Related Risk Management Structure



Roles of Management and Committees

Board of Directors

Ichigo's Board of Directors oversees the activities of Statutory Executive Officers pursuant to laws and regulations, the Articles of Incorporation, shareholder meeting resolutions, Ichigo's corporate mission, Board rules, Ichigo's Code of Corporate Ethics, and Ichigo's Code of Conduct

Audit Committee

Audit the execution of duties by Statutory Executive Officers

Statutory Executive Officer (Corporate Operations)

Conduct periodic risk assessment and analysis for each subsidiary, and report to Ichigo's Audit Committee and Board of Directors

Board of Directors of Each Ichigo Subsidiary

Conduct periodic risk assessment and analysis for each subsidiary, and report to each subsidiary's Board of Directors

Group Heads of Each Ichigo Subsidiary

Assess and analyze risks, and report results to the President and Board of Directors of each subsidiary

Risk Management Group

Conduct bi-annual transition risk assessments for each subsidiary by identifying short- and long-term climate-related risks specific to each company, inclusive of its value chain

Ichigo is committed to achieving its RE100 target by 2025

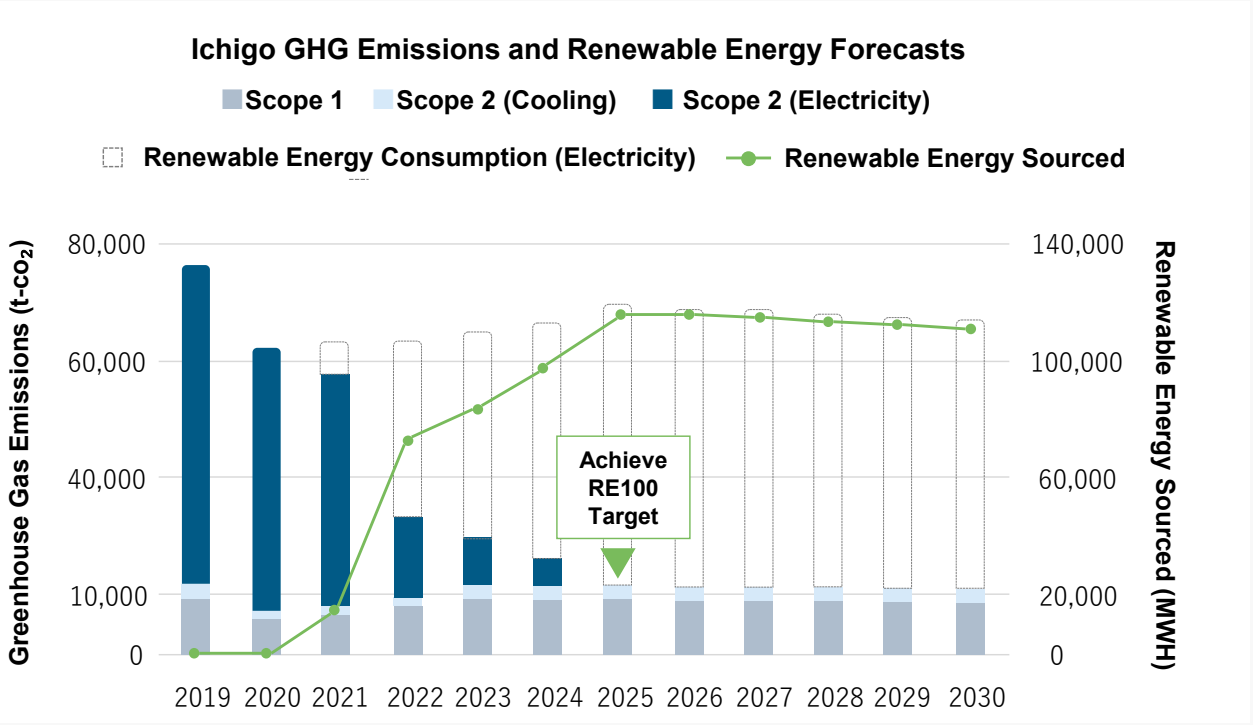
Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable. In keeping with its Ichigo 2030 vision, Ichigo is expanding the scope of its real estate and clean energy businesses to further contribute to a sustainable society and grow long-term value for its shareholders.

In line with this mission, Ichigo joined RE100, a global initiative to accelerate the transition of electricity used by businesses to 100% renewable energy.

Ichigo has committed to sourcing 100% renewable electricity across all of its operations by 2025. By achieving its RE100 target, Ichigo will reduce its Scope 2 greenhouse gas emissions.

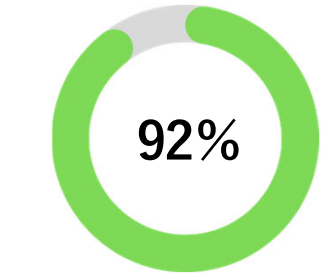
Ichigo will reduce the environmental impact of its operations by making its assets more energy efficient and climate positive.

Ichigo's Science Based Targets ("SBT"), greenhouse gas reduction targets set by companies in line with the Paris Agreement goals, have been certified by the SBT Initiative in May 2025. Ichigo commits to reduce absolute Scope 1 and 2, and Scope 3 GHG emissions 70% and 25%, respectively, by FY2030 from a FY2022 base year.



Ichigo's RE100 progress: renewable energy ratio of 92% as of May 31, 2024.

RE100 | CLIMATE GROUP | CDP



Updated on August 30, 2024

(Note 1) The decrease in Scope 1 and 2 emissions due to Covid is expected to normalize in 2023.
(Note 2) Scope 1 and Scope 2 (electricity) are forecast to decline by 1% p.a. from energy efficiency measures.
(Note 3) Scope 2 (cooling) is not forecast to decline.
(Note 4) Forecasts do not reflect changes in emissions due to asset sales and acquisitions.

Low-Carbon Transition Roadmap

Ichigo is Working Towards Realizing a Low-Carbon Society via the Following Initiatives

2025 Achieve RE100 Target

Ichigo is aiming to source 100% renewable energy across all of its operations, including Ichigo Office (8975) and Ichigo Hotel (3463)

***RE100=Renewable Energy 100%**

A global initiative bringing together the world's most influential businesses committed to 100% renewable energy.

2050 Become Climate Positive

Ichigo is aiming to reduce 100% of its Scope 1 and 2 emissions by 2050.
Climate Positive = Ichigo's reduction of greenhouse gas emissions, including electricity consumption, exceeds its emissions. Ichigo will work towards a positive environmental impact via improving energy efficiency and renewable energy generation.

2012 Launched Clean Energy Business

Ichigo established Ichigo ECO Energy to promote an environmentally friendly clean energy business, making productive use of idle land to develop solar and wind power plants across the country. Ichigo ECO Energy and Ichigo Green (9282) 's solar and wind power plants have a total output of 188.2MW as of August 31, 2024. New plants are in development, and Ichigo will continue to work towards reducing greenhouse gas emissions.

2035 Begin Sourcing Renewable Energy From Ichigo Power Plants

Starting in 2033 when some of its renewable energy plants will reach the end of their FIT contracts, Ichigo will aim to leverage these plants as a source of renewable energy for its operations.