

[Translation for Reference Only]

ENGLISH TRANSLATION OF DOCUMENT IN JAPANESE

This is an English translation of an original document in Japanese and is only provided for convenience. In all cases, the original Japanese version takes precedence.

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For immediate release

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### Seibu Group Sustainability Actions

## Revised and New Environmental Load Reduction Targets Toward Net Zero CO<sub>2</sub> Emissions in FY2050

### - Group-wide initiatives toward the achievement of the targets including introduction of renewable energy -

In accordance with the Group Vision, which is the Group's philosophy, Seibu Group is actively promoting initiatives for the realization of a sustainable society, calling them "Sustainability Actions." With the establishment of "Seibu Group's Environmental Policy," the Group has been forging ahead with various environmental initiatives.

Coping with global warming is foremost among these initiatives, and the Group has set an environmental load reduction target (reducing CO<sub>2</sub> emissions per unit operating revenue by 25% from fiscal 2018 level by fiscal 2030). Even so, as global warming progresses, we need to accelerate our efforts. Considering the fact and the results of qualitative and quantitative analyses performed within the company, such as study of climate risks and opportunities and scenario analyses, and to ensure steady reduction of emissions, we will make revisions and add new targets to the current environmental load reduction target.

#### ✓CO<sub>2</sub> emissions reduction targets (Revised/Some are newly established)

Long-term target: Net zero emissions in FY2050

Medium-term target: 46% reduction from FY2018 level by FY2030

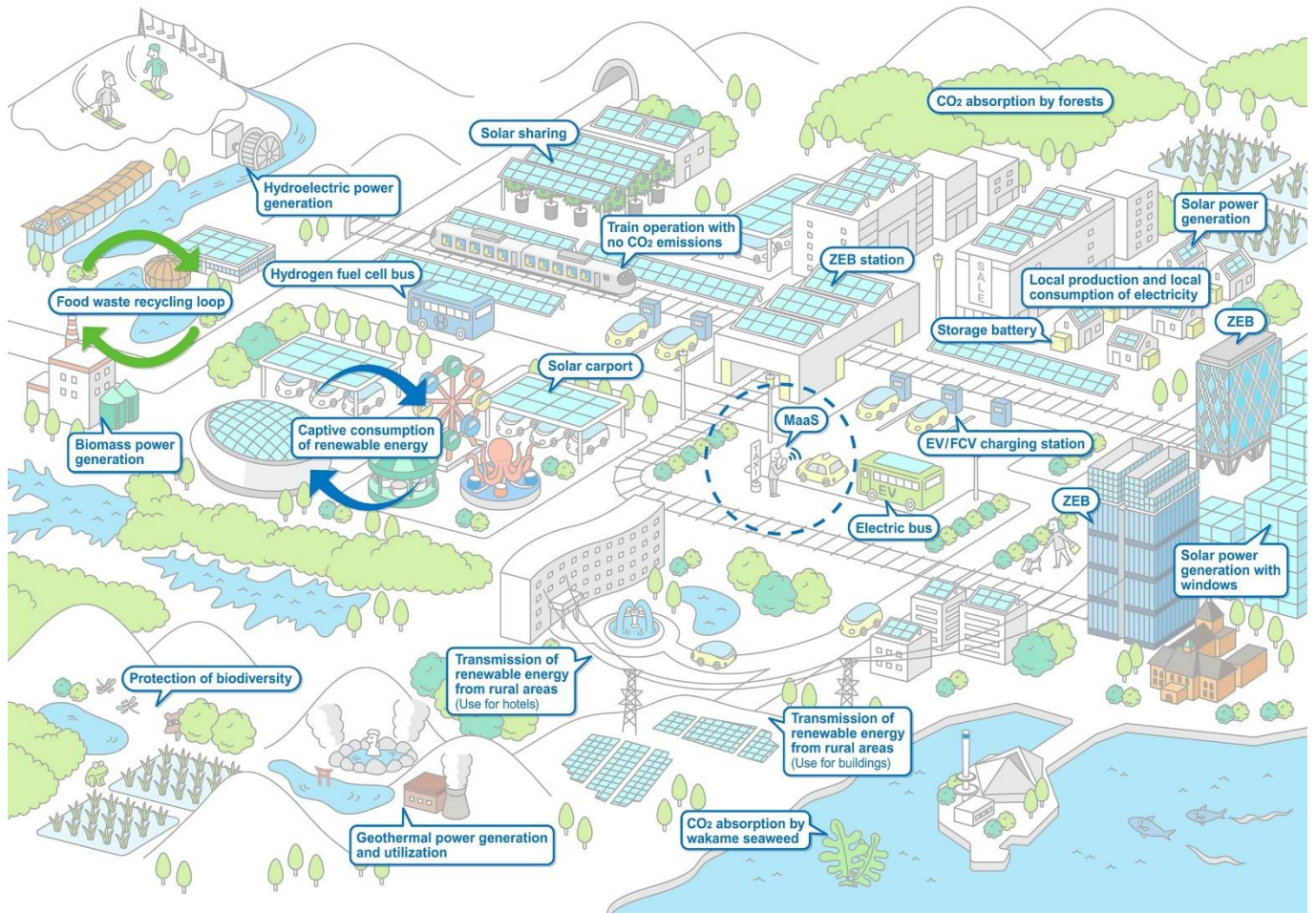
Short-term target: 5% reduction on a year-over-year basis every fiscal year

#### ✓Target rates of renewable energy (Newly created)

Long-term target: 100% in FY 2050, Medium-term target: 50% in FY2030

From now on, with the aim of achieving those targets and coping with associated climate change risks and opportunities, the Group will make unified efforts to actively promote adequate measures for the "reduction of energy consumption," "energy transition," and "absorption of CO<sub>2</sub> emitted."

Seibu Group's vision of society in 2050



**• Revised and new environmental load reduction targets**

**CO<sub>2</sub> emissions reduction targets (Revised/Some are newly added)**

In order to further reduce CO<sub>2</sub> emissions, the target of achieving net zero CO<sub>2</sub> emissions in fiscal 2050 will be set as the new long-term target. In order to attain the long-term target, the current target toward fiscal 2030 will be set and made more stringent as the medium-term target, the milestone toward the long-term target, aiming to achieve a reduction of 46% from fiscal 2018 level by 2030. Furthermore, a 5% reduction on a year-over-year basis every fiscal year will be set as the short-term target. (All group companies are involved)

**[New targets]**

**Long-term target: Net zero emissions in FY2050**

**Medium-term target: 46% reduction from FY2018 level by FY2030**

**Short-term target: 5% reduction on a year-over-year basis every fiscal year**

**Previous target: Reducing CO<sub>2</sub> emissions per unit operating revenue by 25% from fiscal 2018 level by fiscal 2030**

**Target rates of renewable energy (Newly created)**

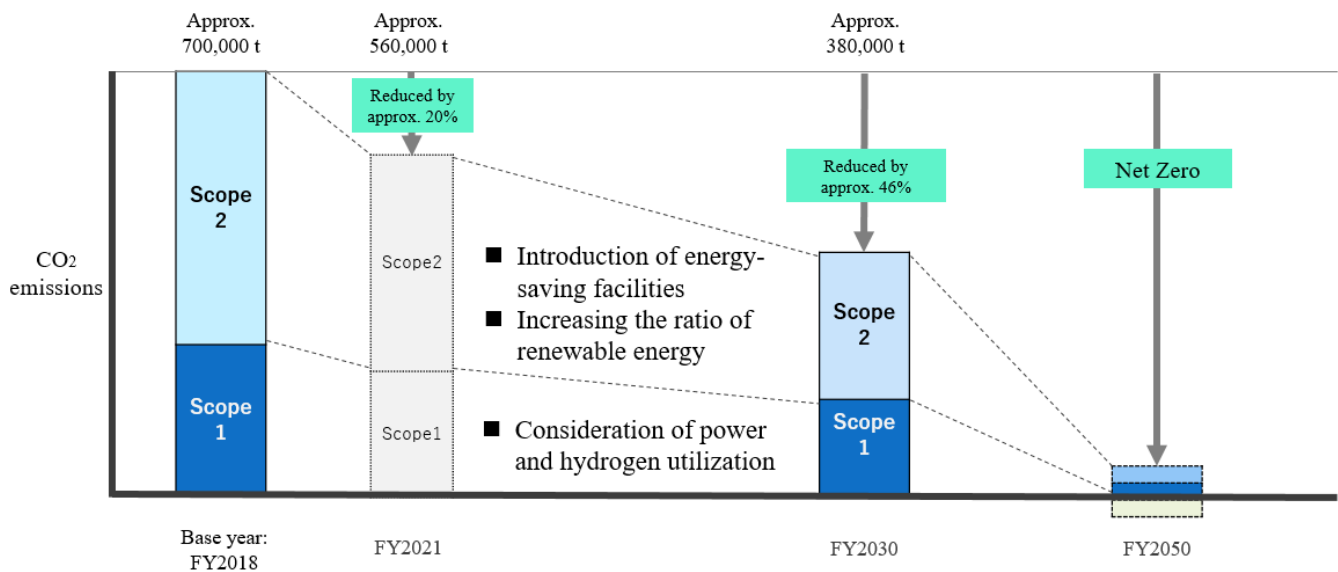
Targets for the introduction of renewable energy, which is necessary for reducing CO<sub>2</sub> emissions, will be set as new targets.

**[New targets]**

**Long-term target: 100% in FY2050**

**Medium-term target: 50% in FY2030**

**(Image toward FY2050)**



## ●Specific measures to achieve the targets

Specifically, “reduction of energy consumption,” “energy transition,” and “absorption of CO<sub>2</sub> emitted” will be promoted to attain the targets. SEIBU REALTY SOLUTIONS INC. will launch the following new initiatives for reducing CO<sub>2</sub> emissions. Going forward, in addition to activities to promote decarbonization of power to be consumed at properties in the Group’s possession and creation of renewable energy, decarbonization of fuel will also be considered.

### (Major measures to be taken)

#### Increase self-consumption of renewable energy (Energy transition)

Solar power generation under the on-site PPA will start at Karuizawa Prince Shopping Plaza in March 2023. (Approximately 4,000 solar panels will be installed. The 1,770kW output will cover approximately 20% of the facility's total power use, and is expected to reduce CO<sub>2</sub> emissions by approximately 870 tons per year.)

Detail :

[https://www.seiburealsol.jp/pdf/news/link/20220901\\_kpsp\\_hp.pdf](https://www.seiburealsol.jp/pdf/news/link/20220901_kpsp_hp.pdf)



#### Increase the ratio of renewable energy to 100% (Energy transition)

Following DaiyaGate Ikebukuro, where an operation on 100% renewable energy has started in April 2022, all of the power to be consumed at Tokyo Garden Terrace Kioicho will be shifted to electricity from renewable energy sources in October 1, 2022, realizing net zero CO<sub>2</sub> emissions in the operation.

Detail :

[https://www.seiburealsol.jp/pdf/news/link/20220901\\_TGT\\_hp.pdf](https://www.seiburealsol.jp/pdf/news/link/20220901_TGT_hp.pdf)



In addition to the initiatives mentioned above, Seibu Group will actively consider and implement further environmental measures, work together with the Group’s customers and local residents to realize the “Seibu Group’s vision of society in 2050,” and thereby work toward the realization of a sustainable society.

### (Measures that are currently underway)

#### ( 1 ) Reduction of energy consumption

In the railway business, as transportation with a low environmental load, the introduction of energy-saving railway vehicles and high-efficiency station facilities are being promoted. In the bus and taxi business, the introduction of hybrid vehicles and the use of fuel with less environmental loads are being promoted. Going forward, the renewal of facilities for reduced energy consumption and transition of Seibu Holding’s buildings to ZEBs will be continued as measures contributing to the reduction of energy consumption.

※ZEB (Net Zero Energy Building) : <https://www.env.go.jp/earth/zeb/>

#### SEIBU Railway

- Introduction of 40000 series with high energy-saving performance  
(Three 10 railcars are planned to be introduced in fiscal 2022. Annual power consumption will be reduced by 60% compared to our old railway vehicles)
- Installation of tract energy storage systems and station energy inverters for storing regenerative energy generated when trains brake
- Introduction of LED lighting for the reduction of power consumption

### **SEIBU Bus, SEIBU Hire, etc.**

- Introduction of hybrid buses and taxis

### **SEIBU REALITY SOLUTIONS**

- Replacing real estate facilities with energy-saving ones
- Operation of heating and cooling facilities using geothermal power at Hakone Yunohana Prince Hotel and Manza Prince Hotel

## **( 2 ) Energy transition**

Each group company has been promoting the transition of energy to those that emit no CO<sub>2</sub>, such as electricity from renewable energy sources. They are continuously working to expand the ways of self-consumption of renewable energies and to procure electricity from renewable sources with the aim of further reducing CO<sub>2</sub> emissions.

### **SEIBU Railway**

- Realizing virtually net zero CO<sub>2</sub> emissions in the operation of Seibu Yamaguchi Line (also known as the “Leo Liner”) by covering all electricity to be consumed there with value added eco-friendly power that is generated at the Seibu Takeyama Solar Power Station operated by SEIBU Railway.

### **SEIBU Bus**

- Introduction of fuel cell buses that use hydrogen fuel
- Introduction of buses using Euglena biodiesel fuel, which emits less CO<sub>2</sub>
- Introduction of buses using renewable diesel fuel made from waste cooking oil

### **SEIBU REALITY SOLUTIONS**

- Realizing virtually net zero CO<sub>2</sub> emissions in the operation of DaiyaGate Ikebukuro by covering all electricity to be consumed there with the value added eco-friendly power that is generated at the Seibu Takeyama Solar Power Station operated by SEIBU Railway.

### **Yokohama Hakkeijima**

- Turning Yokohama Hakkeijima Sea Paradise into an aquarium with zero CO<sub>2</sub> emissions by replacing all power to be consumed within the aquarium area with “Hamakko Electricity,” a renewable energy-derived electricity which virtually emits no CO<sub>2</sub>.

## **( 3 ) Absorption of CO<sub>2</sub> emitted**

The forests owned by group companies, which are located nationwide, have been contributing to the reduction of environmental loads by absorbing CO<sub>2</sub>. Management of the forests will be continued to increase the absorption of CO<sub>2</sub>.

### **Group companies**

- Contributing to the absorption of CO<sub>2</sub> through management of company-owned forests and afforestation in cooperation with local governments

### **SEIBU Landscape**

- Contributing to the absorption of CO<sub>2</sub> through special greening technologies such as wall greening and rooftop greening

( 4 ) **Other initiatives to achieve net zero CO2 emissions**

SEIBU HOLDINGS was selected as a participant in the Model Project for Making Investment Decisions Using Internal Carbon Pricing sponsored by the Ministry of the Environment. Introduction of internal carbon pricing will also be considered.

For reference : Regarding the Selection on Participants in the Model Project for Making Investment Decisions Using Internal Carbon Pricing (Website of the Ministry of the Environment)

We will continue to work on the reduction of CO2 emissions to fulfill our social responsibility as a corporation that is responsible for public transportation, to manage risks associated with the transition to decarbonized societies, and to seize business opportunities.




















(Reference)

**Seibu Group Sustainability Actions**

Based on the Group Vision, Seibu's management philosophy, we are promoting efforts to realize a sustainable society, which we call “Sustainability Actions.” In particular, we have established four categories and 12 agendas (important themes) as social values that we create through our business, and are actively working on them.



For details: <https://www.seibuholdings.co.jp/en/sustainability/>

Category	Agenda	Related SDGs
Safety	Ensure safety and reliability	   
Environment	Greenhouse gas reduction	     
	Waste reduction	
	Ensuring water supply	
	Protecting forests and species	
Community engagement	Developing rail corridors and invigorating local communities	   
	Creating accessibility through universal design	
	Aging population and low birthrate	
Corporate culture	Work style reforms	    
	Recruiting a diverse workforce	
	Human resource development and human resource management	
	Compliance	

SEIBU HOLDINGS recognizes the risks associated with climate change as serious risks and is taking proactive measures. In fiscal 2021, SEIBU HOLDINGS expressed its support for TCFD Recommendations and participated in the TCFD Consortium. In accordance with the recommendations, we will actively disclose information in terms of strategy and risk management regarding the risks and opportunities climate change will bring about to our business. In addition, we will maximize corporate value by responding appropriately to the identified risks and opportunities. (Refer to [https://www.seibuholdings.co.jp/en/sustainability/climate\\_change/](https://www.seibuholdings.co.jp/en/sustainability/climate_change/))

(Significant risks and opportunities associated with climate change)

Category		Risk items and impacts	Contents	Impact	Period
Migration risk	Policy, laws and regulations	Increase in costs due to the introduction of a carbon tax	Increase in costs due to introduce of carbon tax (approx. ¥1.8 billion-¥2.5 billion in 2030 approx. ¥2.4 billion-¥4.2 billion in 2050)	↓↓↓	Medium term
		Costs associated with stricter carbon emission targets and ZEB regulations	Increase in costs due to facility upgrades, etc. when response to government targets and strengthen enhancements is required.	↓↓↓	Mid-term~Long-term
	Market	Increase in energy procurement costs due to increased demand, etc.	Increase in costs due to change in energy mix	↓	Short term
	Reputation	Lack of users due to relatively high environmental impact	Decrease in sales due to the shift of environmentally conscious users to services with low environmental impact	↓	Medium term
Physical risk	Impact on business due to extreme weather conditions (suspension of operations, closure of business, reduction in capacity utilization)		Approximately hundreds of millions of yen in damage caused by past typhoons, and increased frequency of typhoons, etc. that cause similar damage	↓	Medium term
	Destruction of facilities and buildings due to extreme weather events (Renovation costs, flooding, increased risk of landslides)		Approximately several billion yen in damage caused by past typhoons, and increase in frequency of typhoons, etc. that cause similar damage	↓↓	Medium term
Opportunity	Decrease in power and utility costs due to energy efficiency improvements		As a result of streamlining, electricity consumption decreased by 20%- by 30% in fiscal 2030, by 30%- by 45% in fiscal 2050	↑↑↑	Medium term
	Expanding the use of company-owned land in line with the expansion of renewable energy and effective use of company-owned forests		Significant increase in supply of both solar and biomass power generation is expected, enabling effective use of our assets	↑↑	Medium term
	Preference for transportation, accommodation, and office buildings with low CO2 emissions		By reducing environmental impact, environmentally conscious users prefer our services and increase sales.	↑	Short to medium term
	Preference for facilities with high disaster prevention functions, investors' investment		By enhancing disaster prevention functions, users and investors with a high level of safety awareness prefer us, and this will have a positive impact on sales growth and stock prices.	↑	Medium term

Short-term: 1 to 3 years, Medium-term: 4 to 10 years, Long-term: 10 years or more