



Sun Frontier Fudousan Co., Ltd.

2026 CDP Corporate Questionnaire

Contents

C1. Introduction	8
(1.1) In which language will you submit your response?	8
(1.2) Please select the currency used to disclose financial information throughout your response.....	8
(1.3) Please provide an overview and introductory information about your organization.....	8
(1.4) Please provide the end date of your reporting year. Indicate whether your organization will provide emissions data for previous reporting years.	9
(1.4.1) What is your organization's annual revenue for the reporting period?	10
(1.5) Please confirm that the reporting boundary for CDP matches that used in your financial statements.....	10
(1.6) Does your organization have an ISIN or other unique market identifier (e.g., ticker, CUSIP)?	10
(1.7) Please select all countries/regions in which your organization operates.....	12
(1.15) Which real estate and/or construction activities is your organization involved in?	12
(1.24) Has your organization mapped its value chain?	12
 C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities	 14
(2.1) How does your organization define short-, medium-, and long-term time horizons related to the identification, assessment, and management of environmental dependencies, impacts, risks, and opportunities?	14
(2.2) Does your organization have a process in place to identify, assess, and manage environmental dependencies and impacts?	15
(2.2.1) Does your organization have a process to identify, assess, and manage environmental risks and opportunities?	16
(2.2.2) Please provide details of your organization's processes for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities.	16
(2.2.7) Do you evaluate the interrelationships among environmental dependencies, impacts, risks, and opportunities?	19
(2.3) Have you identified priority locations within your value chain?	20
(2.4) How does your organization define significant impacts?.....	20

C3. The disclosure of risks and opportunities.....	23
(3.1) Has your organization identified any environmental risks that had a substantive effect during the reporting year or are anticipated to have a substantive effect in the future?.....	23
(3.1.1) Please provide details of the environmental risks identified as having had a substantive effect during the reporting year or being anticipated to have a substantive effect in the future.....	23
(3.1.2) Please provide the amount and proportion of financial metrics vulnerable to material impacts from environmental risks in the reporting year.....	45
(3.5) Is your organization regulated by a carbon pricing system (ETS, cap-and-trade, carbon tax)?	47
(3.5.4) Please describe your organization’s strategy for complying with the scheme(s) to which it is subject, or is expected to be subject.	47
(3.6) Have you identified any environmental opportunities that had or are likely to have a substantive impact on your organization during the reporting year?	47
(3.6.1) Provide details of the environmental opportunities that had or are expected to have a substantive impact on your organization.....	48
(3.6.2) Please provide the financial amount and percentage of financial metrics aligned with the identified environmental opportunities during the reporting year.	53
C4. Governance.....	54
(4.1) Does your organization have a board of directors or equivalent governing body?	54
(4.1.1) Does your organization’s board oversee environmental issues?	55
(4.1.2) Identify the board member role(s) or committee accountable for environmental issues and describe how the board oversees them.....	56
(4.2) Does your board have the capacity to address environmental issues?.....	58
Climate Change.....	58
(4.3) Does your executive management take responsibility for environmental issues?	59
(4.3.1) Role or committee holding executive responsibility (no names)	59
(4.5) Do you provide financial incentives (including meeting targets) to management for environmental performance?	62
(4.6) Does your organization have an environmental policy to address environmental issues?.....	63
(4.6.1) Details of your environmental policy	63
(4.10) Is your organization a signatory or member of any environmental collaborative frameworks or initiatives?	66

(4.11) During the reporting year, did your organization engage in activities that could influence (positively or negatively) environmental policies, laws, or regulations?.....	67
(4.11.2) Please provide details of your organization's indirect engagement, through industry associations or other intermediary organizations and individuals, regarding policies, laws, and regulations that may positively or negatively affect the environment during the reporting year.	68
(4.12) Aside from CDP, did your organization disclose information during the reporting year about its environmental response?.....	69
(4.12.1) Provide details and attach documents:	69

C5. Business Strategy 74

(5.1) Does your organization use scenario analysis to identify environmental outcomes?.....	74
Climate change.....	74
(5.1.1) Please provide details of the scenarios used in your organization's scenario analysis.	74
(5.1.2) Please provide details of the results of your organization's scenario analysis.....	76
(5.2) Does your organization's strategy include a climate transition plan?	77
(5.3) Have environmental risks and opportunities influenced your organization's strategy and/or financial planning?	77
(5.3.1) Describe how environmental risks and/or opportunities have influenced the specified area(s) of your strategy.....	78
(5.3.2) Describe how environmental risks and/or opportunities have influenced your organization's financial planning.	79
(5.4) In your financial accounting, do you track expenditures/revenue aligned with your climate transition plan?	82
(5.5) Does your organization invest in R&D of low-carbon products or services relevant to your sector's economic activities?	82
(5.10) Does your organization use an internal price for environmental externalities?	83
(5.11) Does your organization collaborate on environmental issues with actors in your value chain?.....	84
(5.11.1) Do you assess and segment suppliers by environmental dependencies/impacts?	85
Climate change:.....	85
(5.11.2) Do you prioritize which suppliers to collaborate with on environmental issues?	85
(5.11.5) Do suppliers need to meet specific environmental requirements as part of your procurement?.....	86
(5.11.7) Provide specifics of your suppliers' engagement on environmental issues.....	86
(5.11.9) Provide details of environmental engagement activities with other value chain stakeholders.	88

C6. Environmental Performance - Consolidation Approach	89
(6.1) Please specify the consolidation approach used for calculating environmental performance data.....	89
C7. Environmental Performance - Climate Change.....	89
(7.1) Is this the first year your organization is reporting emissions data to CDP?	89
(7.1.1) Did your organization experience any structural changes during the reporting year, or are any past structural changes included in this emissions disclosure?	89
(7.1.2) Were there any changes in your organization's emissions calculation methodologies, boundaries, and/or definition of the reporting year during the reporting year?	90
(7.1.3) As a result of the changes or corrections reported in 7.1.1 and/or 7.1.2, were your base year emissions and historical emissions recalculated?	91
(7.2) Please select the standards, protocols, or methodologies used to collect activity data and calculate emissions.....	91
(7.3) Describe your organization's approach to reporting Scope 2 emissions.	92
(7.4) Are there any emission sources (e.g., facilities, specific GHGs, activities, geographic locations) within your selected reporting boundary that are not included in your disclosure of Scope 1, Scope 2, or Scope 3 emissions?	92
(7.4.1) Please provide details of Scope 1, Scope 2, or Scope 3 emission sources that fall within your selected reporting boundary but are not included in your disclosure.....	92
(7.5) Please provide your base year and base year emissions.....	94
(7.6) Please provide your organization's total global Scope 1 emissions (in metric tons CO ₂ e).....	102
(7.7) Please provide your organization's total global Scope 2 emissions (in metric tons CO ₂ e).....	103
(7.8) Please provide your organization's total global Scope 3 emissions and disclose and explain any exclusions.	106
(7.8.1) Please disclose or restate your organization's historical Scope 3 emissions data.....	117
(7.9) Please indicate the verification/assurance status for the reported emissions.....	126
(7.10) How did your total reported emissions (Scope 1 + Scope 2) change compared to the previous year?	126
(7.10.1) Please identify the reason(s) for changes in total global emissions (Scope 1 + 2) and quantify the change for each.....	126
(7.10.2) Are the emissions values reported in 7.10 and 7.10.1 based on location-based or market-based Scope 2 emissions?.....	128
(7.12) Are land-sector activities material to your organization's business or value chain?	129

(7.13) Does your organization currently report, or has it previously reported, CO ₂ removals from technological carbon dioxide removal or carbon capture with geological storage?	129
(7.15) Does your organization produce a breakdown of Scope 1 emissions by type of greenhouse gas?	129
(7.15.1) Please report your total global Scope 1 emissions by GHG type and indicate the source of global warming potentials (GWPs) used	130
(7.16) Provide a breakdown of Scope 1 and 2 emissions by country/region.	131
(7.17) Indicate which breakdowns of global Scope 1 emissions your organization can provide.	131
(7.17.1) Provide a breakdown of global Scope 1 emissions by business division.	131
(7.20) Indicate which breakdown(s) of your total global Scope 2 emissions you can provide.	135
(7.20.1) Provide a breakdown of your total global Scope 2 emissions by business division.	135
(7.22) Please provide a breakdown of total Scope 1 and Scope 2 emissions between your consolidated accounting group and any other entities included in your response.	139
(7.23) Can you provide a breakdown of emissions data for subsidiaries included in your CDP response?	140
(7.23.1) Please provide a breakdown of total Scope 1 and Scope 2 emissions by subsidiary.	141
(7.29) What percentage of your organization's operating expenditure in the reporting year was related to energy use?	151
(7.30) Select which energy-related activities your organization has undertaken.	151
(7.30.1) Please report your organization's total energy consumption (excluding feedstocks) in MWh.	152
(7.30.14) Please provide a breakdown of electricity, heat, steam, and cooling consumption by country/region for the reporting year.	152
(7.30.15) Please provide details of purchased electricity accounted for using zero-emission or near-zero-emission emission factors during the reporting year.	155
(7.45) Please provide details of your organization's total global Scope 1 and 2 emissions in the reporting year in terms of metric tons CO ₂ e per unit of total revenue and include any additional intensity metrics relevant to your organization's business.	156
(7.52) Provide any additional climate-related metrics relevant to your organization's business.	158
(7.53) Did you have an active emissions reduction target in the reporting year?	159
(7.53.1) Provide details of your emissions reduction targets and progress against those targets.	159
(7.54) Did you have any other active climate-related targets in the reporting year? Select all that apply	163
(7.55) Did you have any active emissions reduction initiatives during the reporting year? This includes both those in planning and implementation stages.	163

(7.55.1) Please indicate the total number of initiatives by stage, and provide estimated emissions reductions (metric tons CO ₂ e) for those in implementation.	164
(7.55.2) Please provide details of initiatives implemented during the reporting year.	164
(7.55.3) What methods does your organization use to drive investment in emissions reduction activities?	166
(7.72) Does your organization assess the life cycle emissions of new construction or major renovation projects?	166
(7.72.1) Please describe how your organization assesses the life cycle emissions of new construction or major renovation projects.	167
(7.72.2) Can your organization disclose embodied carbon emissions data from any new construction or major renovation projects completed in the past three years?	168
(7.74) Does your organization classify its products or services as low-carbon products?	168
(7.76) Does your organization manage any net-zero carbon buildings?	168
(7.77) In the past three years, has your organization completed any new construction or major renovation projects that were designed as net-zero carbon?	168
(7.78) Please explain your organization's plans to manage, develop, or construct net-zero carbon buildings, or reasons for not doing so.	168
(7.79) Did your organization retire any project-based carbon credits during the reporting year?	169
(7.79.1) Please provide details on the project-based carbon credits your organization retired during the reporting year.	169
C11. Environmental Performance – Biodiversity	171
(11.2) What actions did your organization take during the reporting year to progress biodiversity-related commitments?	171
(11.3) Does your organization use biodiversity indicators to monitor overall performance on biodiversity-related activities?	172
(11.4) During the reporting year, did your organization have operations in or near areas that are important for biodiversity?	172
(11.4.1) Provide details of your organization's operations in or near areas important for biodiversity during the reporting year.	173
C13. Additional Information and Final Approval	174
(13.1) Please indicate whether any environmental information included in your CDP response (excluding that reported in questions 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) has been verified or assured by a third party.	174
(13.1.1) Which data points reported in your CDP questionnaire response have been verified or assured by a third party, and which standards were used?	175

(13.2) Use this field to provide any additional information or contextual information that you consider relevant to your response. Please note that this field is optional and is not score.....	176
(13.3) Please provide the following information regarding the individual who has final approval of your CDP response.	176

C1. Introduction

(1.1) In which language will you submit your response?

Select:

☒ Japanese

(1.2) Please select the currency used to disclose financial information throughout your response.

Select:

☒ Japanese Yen (JPY)

(1.3) Please provide an overview and introductory information about your organization.

(1.3.2) Type of organization

Select:

☒ Publicly listed organization

(1.3.3) Organization Details

*Sun Frontier Fudousan was established in 1999. Centered on office and retail buildings in Tokyo, one of the world's leading cities, we provide specialized services for the revitalization and effective utilization of real estate. Since our founding, we have expanded and diversified our business by sincerely pursuing customer satisfaction and thoroughly addressing customers' needs. As of March 31, 2026, the Group comprised 39 consolidated subsidiaries engaged in businesses including rent guarantee services, building maintenance, hotel development and operation, and rental conference room operations. In Japan, we operate 34 hotels with a total of 3,690 guest rooms. Since its founding, the Group has placed at the heart of its corporate philosophy the efficient use of finite resources and contribution to the enduring prosperity of humankind and all forms of life on Earth. We have developed our business based on the revitalization and effective utilization of real estate. In our core Real Estate Revitalization Business, which accounts for approximately 65% of consolidated revenue, we estimate the following environmental benefits compared with rebuilding: a 40.9% reduction in resource input, a 49.3% reduction in waste generation, and a 19.1% reduction in life-cycle CO2 emissions. For details of the calculation, please refer to our website:
<https://www.sunfrit.co.jp/sustainability/en/environment/replanning/>*

(1.4) Please provide the end date of your reporting year. Indicate whether your organization will provide emissions data for previous reporting years.

(1.4.1) End date of reporting year

03/31/2026

(1.4.2) Is the reporting period for this disclosure aligned with the period for financial reporting?

Select

☒ Yes

(1.4.3) Will you be disclosing emissions data for previous reporting years?

Select

☒ Yes

(1.4.4) Number of previous years for which Scope 1 emissions data will be disclosed

Select

☒ 5 years

(1.4.5) Number of previous years for which Scope 2 emissions data will be disclosed

Select

☒ 5 years

(1.4.6) Number of previous years for which Scope 3 emissions data will be disclosed

Select

☒ 5 years

(1.4.1) What is your organization's annual revenue for the reporting period?

116,083,000,000

(1.5) Please confirm that the reporting boundary for CDP matches that used in your financial statements.

	Is the reporting boundary used for your CDP response the same as that used in your financial statements?
	Select ☒ Yes

(1.6) Does your organization have an ISIN or other unique market identifier (e.g., ticker, CUSIP)?

ISIN Code – Bond

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

ISIN Code – Stock

(1.6.1) Are you using this unique market identifier?

Select

☒ Yes

(1.6.2) We provide our organization's unique market identifier.

JP3336950005

CUSIP Number

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

Ticker Symbol

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

SEDOL Code

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

LEI number

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

D-U-N-S Number

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

Other unique market identifier

(1.6.1) Are you using this unique market identifier?

Select:

☒ No

(1.7) Please select all countries/regions in which your organization operates.

Select all that apply

- ☒ Japan
- ☒ Taiwan (China)
- ☒ the U.S.
- ☒ Vietnam

(1.15) Which real estate and/or construction activities is your organization involved in?

Select all that apply

- ☒ New construction or major renovation of buildings
- ☒ Building management
- ☒ Other real estate or construction activities (please specify): Revitalization (value enhancement) of existing properties

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapping

Select:

☒ No, but we plan to do so within the next two years.

(1.24.4) Top tier of suppliers known but not mapped.

Select

☒ Tier 1 suppliers

(1.24.8) Primary reason for not mapping upstream or any part of the value chain

Select

☒ Lack of standardized procedures

(1.24.9) Please explain why your organization does not map upstream or any part of the value chain

The Group places importance on ongoing dialogue with key stakeholders who support its business activities, including partner companies, business partners, customers, and investors. However, we have not yet systematically mapped environmental dependencies, impacts, risks, and opportunities across the entire value chain. As we advance our supply chain management initiatives, we plan to visualize and map the entire value chain within the next two years.

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons related to the identification, assessment, and management of environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) Start year:

0

(2.1.3) End year

1

(2.1.4) How is this time horizon linked to your strategic or financial planning?

The standard project duration for property revitalization is set at one year. Risk management for property revitalization is conducted at the time of property acquisition by the investment committee.

Medium-term

(2.1.1) Start year

1

(2.1.3) End year

5

(2.1.4) How is this time horizon linked to your strategic or financial planning?

The medium-term management plan ending in the fiscal year ending March 2028 is based on the following basic policy: Promote business-linked diversification through client-oriented product development and heartfelt services, and contribute to solving social issues.

Long-term

(2.1.1) Start year

5

(2.1.2) Have you defined an indefinite long-term time horizon?

Select

☒ No

(2.1.3) End year

10

(2.1.4) How is this time horizon linked to your strategic or financial planning?

*In May 2024, we announced our Long-Term Vision for 2035:
Long-Term Vision 2035 – Utilize limited resources to fill the world with smiles and inspiration! Striving to become a corporate group that continuously takes on the challenge of creating future value.*

(2.2) Does your organization have a process in place to identify, assess, and manage environmental dependencies and impacts?

	Existence of a process	Dependencies and impacts assessed through this process
	Select ☒ Yes	Select ☒ Both dependencies and impacts

(2.2.1) Does your organization have a process to identify, assess, and manage environmental risks and opportunities?

	Existence of a process	Risks and opportunities assessed through this process	Does this process take into account the outcomes of the process for assessing dependencies and impacts?
	<i>Select</i> ☒ Yes	<i>Select:</i> ☒ Both risks and opportunities	<i>Select:</i> ☒ Yes

(2.2.2) Please provide details of your organization's processes for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Which elements does the process address?

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations

(2.2.2.4) Scope

Select:

- ☒ All

(2.2.2.7) Type of assessment

Select:

- ☒ Both qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration into risk management

Select:

- ☒ Integrated into cross-functional and enterprise-wide risk management process

(2.2.2.11) Geographic specificity used

Select all that apply

- ☒ Site-specific
- ☒ Local area
- ☒ Subnational

- ☒ National

(2.2.2.12) Tools or methods used

Other

- ☒ Scenario analysis

(2.2.2.15) Types and criteria of risks considered

Acute physical risks

- ☒ Cyclones/hurricanes/typhoons
- ☒ Flooding (coastal, river, rainfall, groundwater)
- ☒ Heavy precipitation (rain, hail, snow/ice)

Chronic physical risks:

- ☒ Changes in precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changes in temperature (air, freshwater, seawater)
- ☒ Increased severity of extreme weather events
- ☒ Sea level rise
- ☒ Temperature variability

Policy:

- ☒ Carbon pricing mechanisms
- ☒ Changes in national legislation
- ☒ Lack of mature certification and sustainability standards
- ☒ Inadequate enforcement of environmental regulations

Market Risks:

- ☒ Availability/cost increase of certified sustainable raw materials
- ☒ Availability/cost increase of raw materials
- ☒ Changes in customer behavior

Technology Risks

- ☒ Transition to low-emission technologies and products

Legal liabilities

- ☒ Litigation issues
- ☒ Regulatory non-compliance

(2.2.2.16) Partners and stakeholders considered

Select all that apply

- ☒ Clients
- ☒ Employees
- ☒ Investors
- ☒ Local communities

(2.2.2.17) Any changes since previous reporting year?

Select:

- ☒ No

(2.2.2.18) Details of the process

Beginning in fiscal 2024 (the fiscal year ended March 31, 2025), the Group expanded the scope of its assessment to all business segments. In accordance with the TCFD recommendations, we examined climate-related transition and physical risks and assessed their potential impact on the Group's businesses. Transition risks considered included policy, legal and regulatory developments and market changes, while physical risks included both acute and chronic risks. After the Sustainability Committee considers response measures for the identified and assessed risks, the relevant business divisions and Group companies implement risk responses. The Board of Directors receives reports from the Risk Management Committee on the status of comprehensive risk management, including climate-related risks, and the related responses

(2.2.7) Do you evaluate the interrelationships among environmental dependencies, impacts, risks, and opportunities?

(2.2.7.1) Assessment of interconnections between dependencies, impacts, risks, and opportunities

Select

- ☒ Yes

(2.2.7.2) Description of how interconnections are assessed

We conducted scenario analysis based on the TCFD recommendations to identify climate-related risks and opportunities. Using scientific evidence and sources including the International Energy Agency (IEA), we defined 1.5°C and 4°C scenarios and assessed the materiality of climate-related risks and opportunities that could affect our business by 2030. The identification and assessment cover all businesses of the Group and include transition risks, such as policy, regulation, and market changes, and acute and chronic physical risks. We will respond particularly to risks and opportunities assessed as having a significant impact on the Company.

(2.3) Have you identified priority locations within your value chain?

	Priority locations identified	Main reason for not identifying priority locations	Please explain why you have not identified priority locations
	Select ☒ No, but we plan to do so within the next two years	Select: ☒ Not a current strategic priority	<i>We plan to identify priority locations within our value chain as part of our future supply chain management strategy, along with efforts to address nature-related issues across the entire value chain.</i>

(2.4) How does your organization define significant impacts?

Risk

(2.4.1) Type(s) of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicators for defining material impacts

Select:

- ☒ Revenue

(2.4.3) Type of change in the metric

Select

☒ Rate of increase

(2.4.4) Rate of change in the metric

Select:

☒ 11~20

(2.4.6) Scales considered when defining significant impact

Select all that apply

☒ Time horizon in which the impact occurs

(2.4.7) Application of the definition

Risks and opportunities are assessed across all businesses of the Group using the following definitions. Impact: High, very significant impact (19% or more of revenue); Medium, significant impact (10% to 19% of revenue); Low, limited impact (less than 10% of revenue). Timing: Short term, within one year; Medium term, within one to five years; Medium to long term, within five to ten years; Long term, more than ten years. Risk-management thresholds are reviewed and updated every three years in conjunction with updates to the medium-term management plan.

Opportunities

(2.4.1) Type(s) of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Metrics used to define significant impacts

Select:

☒ Revenue

(2.4.3) Type of change in the metric

Select:

☒ Rate of increase

(2.4.4) Rate of change in the metric

Select:

☒ 11~20

(2.4.6) Scales considered when defining significant impact

Select all that apply

☒ Time horizon in which the impact occurs

(2.4.7) Application of the definition

Risks and opportunities are assessed across all businesses of the Group using the following definitions. Impact: High, very significant impact (19% or more of revenue); Medium, significant impact (10% to 19% of revenue); Low, limited impact (less than 10% of revenue). Timing: Short term, within one year; Medium term, within one to five years; Medium to long term, within five to ten years; Long term, more than ten years. Risk-management thresholds are reviewed and updated every three years in conjunction with updates to the medium-term management plan.

C3. The disclosure of risks and opportunities

(3.1) Has your organization identified any environmental risks that had a substantive effect during the reporting year or are anticipated to have a substantive effect in the future?

	Climate-risk identification
Climate change	Select ☒ Yes, identified in both direct operations and the upstream/downstream value chain

(3.1.1) Please provide details of the environmental risks identified as having had a substantive effect during the reporting year or being anticipated to have a substantive effect in the future.

Climate Change

(3.1.1.1) Risk Identification ID

Select:
☒ Risk1

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Policy
☒ Carbon pricing mechanism

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Country/Region where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

In Japan, the introduction of a carbon levy is being considered for 2028. The implementation of such a levy could result in additional tax burdens for the Company based on its greenhouse gas emissions, which may negatively impact its profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increase in indirect OPEX

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon:

Select

☒ Likely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

A substantial increase in carbon taxes could increase the Company's tax burden, resulting in higher taxes and public charges within SG&A expenses.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.23) Financial impact amount - minimum (currency)

0

(3.1.1.24) Financial impact amount - maximum (currency)

323000000

(3.1.1.25) Explanation of financial impact amount

The financial impact for 2030 has been estimated based on the Company's CO₂ emissions multiplied by the assumed carbon price per unit of emissions.

(3.1.1.26) Main actions to address the risk

Policy, plan

☒ Development of climate transition plan

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of actions

Implement initiatives to achieve GHG emission reduction targets

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk 2

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Policy

☒ Carbon pricing mechanism

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Upstream value chain

(3.1.1.6) Countries with potential risks

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

In Japan, the introduction of a carbon levy is being considered for 2028. If the costs associated with the levy are passed on to the prices of products purchased or sold by the Company, the Company's profitability may be adversely affected.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increase in indirect OPEX

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Likely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

A significant increase in carbon tax rates could drive up the cost of emissions-intensive raw materials, such as steel and cement. This may result in higher cost of sales in the Company's real estate revitalization business, thereby negatively affecting profitability.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

193000000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the input cost of raw materials used in real estate revitalization projects(), multiplied by the emissions intensity of those materials and the assumed carbon price per unit of emissions.*

() For cement and ready-mixed concrete, which are emissions-intensive materials, input volumes were estimated using an LCA tool based on the gross floor area of properties sold in the base year.*

(3.1.1.26) Primary response to the risk

Diversification

☒ Development of new products, services, or markets

(3.1.1.27) Risk response costs

0

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Introducing environmentally friendly construction materials with low carbon footprint (CFP) values and reducing GHG emissions by reviewing construction methods.

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk3

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Acute physical risk

☒ Heavy precipitation (including rain, hail, snow and ice)

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Climate change may increase the frequency and severity of extreme weather events, such as heavy rainfall. If such events cause temporary disruptions to hotel operations, revenue may decline during the period of business interruption, adversely affecting profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Disruption to production capacity

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Extreme weather events, such as heavy rainfall, could lead to temporary hotel closures and a decrease in guest occupancy. As a result, revenue losses may occur, adversely affecting the revenue of the Group's hotel operations.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

197000000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the daily revenue loss from hotel operations, multiplied by the maximum duration of operational suspension() and the estimated damage ratio(*)*

() The maximum duration of operational suspension and the damage ratio were determined by assessing the expected inundation depth resulting from storm surge events at hotels operated by the Group.*

(3.1.1.26) Primary response to the risk

Policies and plans

☒ Revision of business continuity plans

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Introducing disaster-resilient equipment and strengthening business continuity planning measures.

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk4

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Chronic physical risk:

☒ Sea level rise

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Sea level rise may increase the occurrence and severity of storm surges and other extreme weather events. Such events could temporarily disrupt hotel operations, leading to revenue losses during periods of operational suspension and negatively impacting profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increased production costs

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Sea level rise could increase the frequency and severity of damage to hotels located in low-lying coastal areas, resulting in higher repair and maintenance costs. This may increase the cost of sales in the Group's hotel operations and negatively impact profitability.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

62000000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the repair costs associated with each projected inundation depth level resulting from sea level rise, multiplied by the number of owned hotel properties ().*

() For owned hotels operated by the Group, projected inundation depth levels under storm surge scenarios were assessed and incorporated into the analysis.*

(3.1.1.26) Primary response to the risk

Policies and plans

☒ If there are other relevant responses related to policies and plans, please describe: Conducting risk assessments

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Conducting risk assessments.

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk5

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Reputation risk:

☒ Impacts on human health

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Rising temperatures may lead to reduced outdoor work productivity and increased health risks in property management, building maintenance, and construction operations. This could require the payment of heat-related allowances and other mitigation measures, resulting in higher operating costs and adversely affecting profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increased production costs

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Rising temperatures may necessitate the payment of heat-related allowances to employees involved in property management, building maintenance, and construction operations. This could increase personnel expenses within SG&A in the Company's real estate services and construction businesses, thereby adversely affecting profitability.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the heat-related allowances paid to employees engaged in the property management, building maintenance, and construction businesses, multiplied by the projected number of extremely hot days.

(3.1.1.26) Primary response to the risk**Engagement**

☒ If there are other relevant responses related to engagement, please describe: Strengthening occupational health and safety management.

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Strengthening occupational health and safety management.

Climate Change**(3.1.1.1) Risk Identification ID**

Select:

☒ Risk6

(3.1.1.3) Type of Risk and Main Environmental Risk Factors**Acute physical risk:**

☒ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Natural disasters, such as heavy rainfall and flooding, may damage buildings for which the Company provides property management and building maintenance services. If such damage disrupts the continuation of building management services, management fee revenue may decline, adversely affecting profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Disruption to production capacity

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Flood damage to buildings under management may disrupt the provision of property management and building maintenance services. As a result, revenue losses may occur due to business interruption, adversely affecting revenue in the Company's real estate services business.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.23) Financial impact amount - minimum (currency)

0

(3.1.1.24) Financial impact amount - maximum (currency)

100000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the daily profit loss in the property management and building maintenance businesses, multiplied by the maximum duration of operational suspension and the estimated damage ratio.

(3.1.1.26) Primary response to the risk

Engagement

☒ If there are other relevant responses related to engagement, please describe: Strengthening engagement with stakeholders (building owners).

(3.1.1.27) Risk response costs

0

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Strengthening engagement with stakeholders (building owners)

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk7

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Acute physical risk:

☒ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Flood damage to buildings housing the Company's conference room rental business could lead to operational disruptions or temporary closures. This may result in lost revenue from conference room operations and adversely affect profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Disruption to production capacity

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon:

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Flood damage to buildings housing the Company's conference room rental business could result in operational disruptions or temporary closures. This may lead to revenue losses during periods of business interruption, adversely affecting revenue in the Company's real estate services business.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.23) Financial impact amount - minimum (currency)

0

(3.1.1.24) Financial impact amount - maximum (currency)

40000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the daily profit loss in the rental conference room business, multiplied by the maximum duration of operational suspension and the estimated damage ratio.

(3.1.1.26) Primary response to the risk

Engagement

☒ If there are other relevant responses related to engagement, please describe: Strengthening engagement with stakeholders (building owners).

(3.1.1.27) Risk response costs

0

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Strengthening engagement with stakeholders (building owners)

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk8

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Reputation risk:

☒ Impacts on human health

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Japan

(3.1.1.9) Organization-specific details of the risk

Rising temperatures may reduce productivity at construction sites, requiring the deployment of additional personnel to maintain construction schedules. This could increase labor costs and adversely affect profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increased production costs

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

Rising temperatures may reduce productivity at construction sites, resulting in additional labor costs. This could increase the cost of sales in the Company's construction business and adversely affect profitability.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

200000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated based on the number of additional personnel required to offset productivity losses caused by rising temperatures in the construction business, multiplied by the personnel cost per employee.

(3.1.1.26) Primary response to the risk

Engagement

☒ If there are other relevant responses related to engagement, please describe: Strengthening occupational health and safety management

(3.1.1.27) Risk response costs

0

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Strengthening occupational health and safety management

Climate Change

(3.1.1.1) Risk Identification ID

Select:

☒ Risk9

(3.1.1.3) Type of Risk and Main Environmental Risk Factors

Policy:

☒ Carbon pricing mechanism

(3.1.1.4) Value chain stage where the risk occurs

Select:

☒ Direct operations

(3.1.1.6) Countries/regions where the risk occurs

Select all that apply

☒ Vietnam

(3.1.1.9) Organization-specific details of the risk

The transition to a low-carbon economy in Vietnam may lead the Vietnamese government to introduce a carbon tax. If a carbon tax is implemented, the Group's subsidiaries in Vietnam may incur additional tax expenses based on their greenhouse gas emissions, which could adversely affect profitability.

(3.1.1.11) Main financial impact of the risk

Select:

☒ Increased indirect operating costs (OPEX)

(3.1.1.12) Time horizon when the risk is expected to have an impact

Select all that apply

☒ long-term

(3.1.1.13) Likelihood of impact within the expected time horizon

Select

☒ Unlikely

(3.1.1.14) Magnitude of impact

Select

☒ Low

(3.1.1.16) Expected financial, performance, and cash flow impact of the risk in the selected future time horizon

The introduction of a carbon tax could increase the Company's tax burden. As a result, taxes and public charges within selling, general and administrative expenses (SG&A) may increase, adversely affecting profitability.

(3.1.1.17) Can the financial impact of the risk be quantified?

Select:

☒ Yes

(3.1.1.24) Financial impact amount - maximum (currency)

10000

(3.1.1.25) Explanation of financial impact amount

The estimated financial impact for 2030 is calculated by multiplying the Scope 1 and Scope 2 greenhouse gas emissions from the Group's Vietnam operations by the assumed carbon price.

(3.1.1.26) Primary response to the risk

Policies and plans

☒ Development of a climate transition plan

(3.1.1.28) Explanation of cost calculation

No additional costs have been calculated at this time.

(3.1.1.29) Details of response

Implementation of initiatives to achieve GHG emissions reduction target.

(3.1.2) Please provide the amount and proportion of financial metrics vulnerable to material impacts from environmental risks in the reporting year.

Climate Change

(3.1.2.1) Financial metric

Select:

☒ OPEX

(3.1.2.2) Amount of the financial metric vulnerable to transition risks related to this environmental issue (in the same currency selected in Question 1.2)

516010000

(3.1.2.3) Percentage of the total financial metric vulnerable to transition risks related to this environmental issue (%)

Select:

☒ 1-10%

(3.1.2.4) Amount of the financial metric vulnerable to physical risks related to this environmental issue (in the same currency selected in Question 1.2)

63,240,000

(3.1.2.5) Percentage of the total financial metric vulnerable to physical risks related to this environmental issue (%)

Select

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

The reported amounts represent the estimated financial impacts in 2030 for risks identified by the Company for which financial impacts have been quantified.

Climate Change

(3.1.2.1) Financial metric

Select:

☒ Revenue

(3.1.2.3) Percentage of the total financial metric vulnerable to transition risks related to this environmental issue (%)

Select:

☒ Less than 1%

(3.1.2.4) Amount of the financial metric vulnerable to physical risks related to this environmental issue (in the same currency selected in Question 1.2)

0

(3.1.2.5) Percentage of the total financial metric vulnerable to physical risks related to this environmental issue (%)

Select

☒ Less than 1%

(3.1.2.7) Explanation of financial figures

The reported amounts represent the estimated financial impacts in 2030 for risks identified by the Company for which financial impacts have been quantified.

(3.5) Is your organization regulated by a carbon pricing system (ETS, cap-and-trade, carbon tax)?

Select:

☒ No, and we expect to be regulated within the next three years.

(3.5.4) Please describe your organization's strategy for complying with the scheme(s) to which it is subject, or is expected to be subject.

Although the Group is not currently subject to direct regulation under Japan's emissions trading scheme (GX-ETS), we recognize the fossil fuel levy scheduled to be introduced in FY2028 and the potential future expansion of carbon pricing mechanisms as important management issues.

We continuously monitor developments in relevant regulations and policies, including the GX Promotion Act, and assess the potential impacts of rising carbon prices on our business through scenario analyses based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition, we are enhancing our preparedness for future regulatory changes and mitigating related risks through initiatives such as the calculation and disclosure of greenhouse gas (GHG) emissions, the establishment of emissions reduction targets, the promotion of energy conservation measures, and the acquisition of environmental certifications.

Furthermore, in our real estate revitalization business, we monitor CO₂ emissions associated with construction activities and implement carbon offsetting through the use of J-Credits. Through these efforts, we are advancing our transition toward a decarbonized society.

(3.6) Have you identified any environmental opportunities that had or are likely to have a substantive impact on your organization during the reporting year?

	Identified environmental opportunities
Climate Change	<i>Select</i>

	Identified environmental opportunities
	☒ Yes, opportunities have been identified and some/ all are in the process of being realized.

(3.6.1) Provide details of the environmental opportunities that had or are expected to have a substantive impact on your organization.

Climate Change

(3.6.1.1) Opportunity ID

Select:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Market

☒ Increased availability of low environmental impact products (excluding certified products)

(3.6.1.4) Stage of the value chain where the opportunity occurs.

Select:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Japan

(3.6.1.8) Organization-specific details

The Company's core business focuses on the revitalization of small- and medium-sized office buildings in central Tokyo. As environmental awareness and demand for sustainable real estate increase among investors and building owners who purchase our properties, there is an opportunity to enhance the value of environmentally high-performing properties and achieve higher sales prices.

(3.6.1.9) Main financial impact of the opportunity

Select:

☒ Increase in revenue due to price premium

(3.6.1.10) Time horizon for expected impact of this opportunity

Select all that apply

☒ Long-term

(3.6.1.11) Likelihood of the opportunity occurring within the expected time horizon

Select:

☒ Likely (66~100%)

(3.6.1.12) Magnitude of impact

Select:

☒ Low

(3.6.1.14) Expected financial impact on organization's financial position, performance, and cash flow over the selected time horizon

The improved environmental performance of renovated real estate properties is expected to raise sales prices to asset owners and building owners, leading to increased revenue in the real estate revitalization business.

(3.6.1.15) Can the financial impact of the opportunity be quantified?

Select:

☒ Yes

(3.6.1.21) Long-term expected financial impact – minimum (currency)

0

(3.6.1.22) Long-term expected financial impact – maximum (currency)

81000000

(3.6.1.23) Explanation of financial impact

The estimated financial impact for 2030 is calculated by multiplying the total gross floor area of real estate revitalization properties that have obtained BELS certification by the rental premium achieved by BELS-certified properties compared with conventional properties.

(3.6.1.24) Cost to realize the opportunity

0

(3.6.1.25) Explanation of cost calculation

Environmental certifications (BELS) have already been actively promoted, and a cumulative total of 29 properties had obtained certification as of March 31, 2026. As described in the strategy to realize this opportunity, the Company will continue to actively promote the acquisition of environmental certifications. However, no additional costs are expected to be incurred specifically to realize this opportunity.

(3.6.1.26) Strategy to realize the opportunity

We have defined “environmental protection” as one of our material issues, and as a concrete measure, we actively promote the acquisition of environmental certifications for renovated properties. By promoting this initiative, we aim to enhance the value of properties that have obtained environmental certification.

Climate Change

(3.6.1.1) Opportunity ID

Select:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- ☒ Increased revenues from existing products and services

(3.6.1.4) Stage of the value chain where the opportunity occurs.

Select:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ Japan

(3.6.1.8) Organization-specific details

As of March 31, 2026, the Company provides property management services for 559 buildings and building maintenance services for 280 buildings, primarily in central Tokyo. Climate change-related disasters, such as floods and heavy rainfall, may increase demand for building maintenance services, including facility management, cleaning, and restoration work.

(3.6.1.9) Main financial impact of the opportunity

Select:

- ☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon for expected impact of this opportunity

Select all that apply

- ☒ Long-term

(3.6.1.11) Likelihood of the opportunity occurring within the expected time horizon

Select:

- ☒ About as likely as not (33-66%)

(3.6.1.12) Magnitude of impact

Select:

☒ Low

(3.6.1.14) Expected financial impact on organization's financial position, performance, and cash flow over the selected time horizon

Increased demand for building maintenance services is expected to drive revenue growth in the Company's real estate services business.

(3.6.1.15) Can the financial impact of the opportunity be quantified?

Select:

☒ Yes

(3.6.1.21) Long-term expected financial impact – minimum (currency)

0

(3.6.1.22) Long-term expected financial impact – maximum (currency)

656000000

(3.6.1.23) Explanation of financial impact

The estimated financial impact for 2030 is calculated by applying the compound annual growth rate (CAGR) to FY2023 revenue from the building maintenance business and adjusting the resulting revenue by the projected probability of flood occurrence (1 + flood occurrence probability).

(3.6.1.25) Explanation of cost calculation

The increase in demand for outsourced building maintenance services is not expected to require any additional costs to realize this opportunity.

(3.6.1.26) Strategy to realize the opportunity

The Group's building maintenance business operates under the slogan, "Making Tokyo the Most Beautiful City in the World." We provide a wide range of services, including inspections, cleaning, renovation work, and building surveys, to support building operations while addressing customers' needs and contributing to a sustainable society. By continuously delivering solutions to our customers' challenges and building long-term trust, we aim to increase opportunities for additional service contracts and generate further revenue growth.

(3.6.2) Please provide the financial amount and percentage of financial metrics aligned with the identified environmental opportunities during the reporting year.

Climate Change

(3.6.2.1) Financial metric evaluated

Select:

☒ Revenue

(3.6.2.2) Financial amount of the metric aligned with the opportunity (in the same currency as question 1.2)

737000000

(3.6.2.3) Percentage of total metric aligned with the opportunity (%)

Select:

☒ Less than 1%

(3.6.2.4) Explanation of financial figures

The reported amount represents the estimated financial impact in 2030 for opportunities identified by the Company for which financial impacts have been quantified.

C4. Governance

(4.1) Does your organization have a board of directors or equivalent governing body?

(4.1.1) Board of directors or equivalent

Select:

☒ Yes

(4.1.2) Frequency at which the board or equivalent body meets

Select:

☒ At least quarterly

(4.1.3) Board composition – types of board members (directors)

Select all that apply

☒ Executive directors or equivalent

☒ non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Policy on board-level diversity and inclusion

Select:

☒ Yes, a public policy is in place.

(4.1.5) Briefly describe the scope of this policy

The scope of this policy covers the entire Group.

Policy and Procedures for the Nomination of Director Candidates

In selecting all Director candidates, the Group requires that candidates meet the requirements set forth in laws and regulations and in the Articles of Incorporation, do not fall under any of the grounds for disqualification set forth in the Company's regulations governing officers, and have no current or past involvement with antisocial forces. In addition, candidates must satisfy the following requirements:

(1) They must share the Group's philosophy and be willing to contribute to the progress and development of society through the management of the Group's businesses. (2) They must possess excellent character, knowledge, and insight, together with a strong commitment to legal compliance and high ethical standards. (3) They must possess objective judgment, insight, and foresight.

In selecting Outside Director candidates, the Group requires, in addition to the foregoing, that candidates satisfy the following requirements:

(1) They must possess deep insight and substantial practical experience, or experience serving in a leadership role, in one or more fields, including corporate management, internal control, legal compliance, finance and accounting, financial services, legal affairs, public administration, crisis management, and education. (2) They must be able to understand the Group as a whole from a broad perspective and to identify fundamental issues and risks, and they must be expected to contribute to frank, active, and constructive deliberations at meetings of the Board of Directors and other bodies. (3) They must have no direct conflict of interest with the Representative Director or other Directors, and they must be independent, with no risk of a conflict of interest with the Company's general shareholders.

In addition, the Group has established the following requirements according to each candidate's position and role:

(1) They must be able to provide objective supervision and judgment of management, as well as advice and support for the Company's sustainable growth, from a practical perspective based on extensive experience in corporate management or their area of expertise. (2) Full-time Directors must be well versed in industry trends and related regulations affecting the Group, as well as the Group's business model, and must have extensive practical experience in their respective areas of expertise. They must also have the organizational management capabilities to execute their duties from a company-wide perspective. (3) Outside Directors who are Audit and Supervisory Committee Members are appointed to further strengthen the neutrality and independence of the audit system. Accordingly, they must be able to express audit opinions objectively from a neutral standpoint. (4) Full-time Directors who are Audit and Supervisory Committee Members must be well versed in the Group's organization, businesses, and business processes, and must be able to conduct highly effective audits by appropriately gathering information from within the Company.

Based on the above requirements, the Board of Directors deliberates on the proposals to be submitted to the General Meeting of Shareholders and selects suitable persons as Director candidates.

If an individual Director no longer meets, or is at risk of no longer meeting, the above requirements, the Board of Directors will not nominate that Director for reappointment when their term of office expires.

(4.1.6) Attach policy (optional)

20260623_cgr_ja.pdf

(4.1.1) Does your organization’s board oversee environmental issues?

	Board-level oversight
Climate Change	Select: ☒ Yes

	Board-level oversight
Biodiversity	<i>Select:</i> ☒ Yes

(4.1.2) Identify the board member role(s) or committee accountable for environmental issues and describe how the board oversees them.

Climate Change

(4.1.2.1) Role(s) or committee accountable

Select all that apply

☒ President & CEO

(4.1.2.2) Is responsibility defined in board-level policy?

Select:

☒ Yes

(4.1.2.3) Is responsibility defined in board-level policy?

Select all that apply

☒ Other board-level policies: Defined under “Governance” in the TCFD framework. The President & CEO receives reports on climate-related initiatives from advisory bodies such as the Sustainability Committee and Risk Review Committee and holds ultimate responsibility for risk assessment and management including climate risks.

(4.1.2.4) Frequency this topic is scheduled on the board agenda

Select:

☒ On some board meetings – at least annually

(4.1.2.5) Governance mechanisms embedding this issue

Select all that apply

- ☒ Oversight of corporate target-setting
- ☒ Oversight and direction of scenario analysis
- ☒ Oversight and direction of transition plan development
- ☒ Oversight of disclosure, audit, verification processes
- ☒ Approval of company-wide policies and commitments
- ☒ Monitoring implementation of transition plans
- ☒ Monitoring progress toward corporate targets
- ☒ Review and instruction of dependency/impact/risk/opportunity assessment processes
- ☒ Monitoring compliance with company-wide policies and commitments

(4.1.2.7) Explain

Climate and environmental issues are recognized as critical management priorities. The Sustainability Committee collaborates with the Risk Review Committee to consolidate climate-related risks and opportunities, consider responses, and regularly report to the board. The board supervises progress on measures debated and reported by the executive team, and addresses related topics at least once a year. During the reporting year, the Board discussed revisions to specific initiatives, metrics, and targets related to the Company's material issues and approved a target of achieving a 100% environmental certification acquisition rate for newly developed office buildings.

Biodiversity

(4.1.2.1) Role(s) or committee accountable

Select all that apply

- ☒ President & CEO

(4.1.2.2) Is responsibility defined in board-level policy?

Select:

- ☒ Yes

(4.1.2.3) Is responsibility defined in board-level policy?

Select all that apply

- ☒ Please provide details of any other policies applicable to the Board of Directors.

(4.1.2.4) Frequency this topic is scheduled on the board agenda

Select:

- ☒ On some board meetings – at least annually

(4.1.2.5) Governance mechanisms embedding this issue

Select all that apply

- ☒ Oversight of corporate target-setting
- ☒ Oversight and guidance of climate transition plan development
- ☒ Oversight of disclosure, audit, and assurance processes
- ☒ Approval of company-wide policies and commitments
- ☒ Monitoring implementation of transition plans
- ☒ Monitoring progress toward corporate targets
- ☒ Monitoring compliance with company-wide policies and commitments

(4.1.2.7) Explain

The Group has identified three material issues for its sustainability management: Environmental Protection, Regional Revitalization, and Human Capital Development. Matters related to biodiversity are managed under the same governance framework as climate change.

During the reporting year, the Board of Directors reviewed and approved the revision of the Company's former Environmental Policy into the Policy on Environmental Conservation, Natural Capital and Biodiversity, as well as the establishment of a Human Rights Policy and a Procurement Policy. Following approval by the Board, these policies were implemented and put into operation.

(4.2) Does your board have the capacity to address environmental issues?

Climate Change

(4.2.1) Board-level capacity for this issue

Select:

- ☒ Yes

(4.2.2) Mechanisms to maintain this capacity

Select all that apply

- ☒ Regular advice from an in-house expert working group.
- ☒ Regular engagement with external stakeholders or experts on environmental issues.
- ☒ At least one board member has relevant expertise.

(4.2.3) Board members' environmental expertise

Expertise

- ☒ Director-level experience in environment-focused roles
- ☒ Manager-level experience in environment-focused roles
- ☒ Staff-level experience in environment-focused roles
- ☒ Experience in national or local government environmental departments

(4.3) Does your executive management take responsibility for environmental issues?

	Executive-level responsibility?
Climate Change	Select: ☒ Yes
Biodiversity	Select: ☒ Yes

(4.3.1) Role or committee holding executive responsibility (no names)

Climate Change

(4.3.1.1) Position or committee

Executive-level

- ☒ President & CEO

(4.3.1.2) Environmental responsibilities held by this role

Dependencies, impacts, risks & opportunities:

- ☒ Assess dependencies, impacts, risks & opportunities
- ☒ Evaluate future trends in dependencies, impacts, risks & opportunities
- ☒ Manage dependencies, impacts, risks & opportunities

Engagement:

- ☒ Oversee supplier compliance with environmental requirements
- ☒ Manage value chain engagement on environmental issues

Policies, commitments & goals:

- ☒ Monitor compliance with company-wide environmental policies/commitments
- ☒ Measure progress toward overall environmental targets
- ☒ Develop company-wide environmental policies/commitments
- ☒ Set company-wide environmental targets

Strategy & financial planning:

- ☒ Conduct environmental scenario analysis
- ☒ Develop business strategy considering environmental issues
- ☒ Develop climate transition plan
- ☒ Implement climate transition plan

(4.3.1.4) Reporting line

Select:

- ☒ Directly to the board of directors

(4.3.1.5) Frequency of reporting to the board

Select:

☒ Once per year

(4.3.1.6) Explanation

We recognize climate and environmental response as critical management issues. The Sustainability Committee works with the Risk Review Committee to compile climate risks and opportunities, consider responses, and regularly report to the board. The board supervises the progress of climate-related measures debated and reported by executives and addresses related issues at least once annually.

Biodiversity

(4.3.1.1) Position or committee

Executive-level

☒ President & CEO

(4.3.1.2) Environmental responsibilities held by this role

Dependencies, impacts, risks & opportunities:

- ☒ Assess dependencies, impacts, risks & opportunities
- ☒ Evaluate future trends in dependencies, impacts, risks & opportunities
- ☒ Manage dependencies, impacts, risks & opportunities

Engagement:

- ☒ Oversee supplier compliance with environmental requirements
- ☒ Manage value chain engagement on environmental issues

Policies, commitments & goals:

- ☒ Monitor compliance with company-wide environmental policies/commitments
- ☒ Measure progress toward overall environmental targets
- ☒ Develop company-wide environmental policies/commitments
- ☒ Set company-wide environmental targets

Strategy & financial planning:

- ☒ Conduct environmental scenario analysis
- ☒ Develop business strategy considering environmental issues
- ☒ Develop climate transition plan
- ☒ Implement climate transition plan

(4.3.1.4) Reporting line*Select:*

- ☒ Directly to the board of directors

(4.3.1.5) Frequency of reporting to the board*Select:*

- ☒ Once per year

(4.3.1.6) Explanation

We recognize climate and environmental response as critical management issues. The Sustainability Committee works with the Risk Review Committee to compile climate risks and opportunities, consider responses, and regularly report to the board. The board supervises the progress of climate-related measures debated and reported by executives and addresses related issues at least once annually.

(4.5) Do you provide financial incentives (including meeting targets) to management for environmental performance?

	financial incentives to management for environmental performance	Explain
Climate Change	<i>Select:</i>	<i>We currently do not consider financial incentives for directors related to environmental management.</i>

	financial incentives to management for environmental performance	Explain
	☒ No, and no plans to introduce any within two years.	

(4.6) Does your organization have an environmental policy to address environmental issues?

	Does your organization have an environmental policy to address environmental issues?
	Select: ☒ Yes

(4.6.1) Details of your environmental policy

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Scope level

Select:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Scope description

Sun Frontier Fudousan Group

(4.6.1.5) Policy content—commitments:

Environmental commitments:

☒ Commitment to a circular economic strategy

Climate-specific commitments:

☒ Commitment not to invest in fossil fuel expansion.

(4.6.1.6) Alignment with global environmental treaties or policy goals

Select all that apply

☒ Yes, aligned with the Paris Agreement

(4.6.1.7) Public availability

Select:

☒ Available publicly

(4.6.1.8) Attach policy document

Policy on Environmental Protection, Natural Capital and Biodiversity.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Biodiversity

(4.6.1.2) Scope level

Select:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Scope description

Sun Frontier Fudousan Group

(4.6.1.5) Policy content—commitments:

Environmental commitments:

☒ Commitment to a strategy for the circular economy

☒ Commitment to compliance with regulations and mandatory standards

☒ Commitment to implementing nature-based solutions that support landscape restoration and the long-term conservation of natural ecosystems

☒ Commitment to a no net loss approach

Social commitments

☒ Commitment to adopting the principles of the International Labor Organization (ILO)

☒ Commitment to gender equality and women's empowerment

☒ Commitment to respecting internationally recognized human rights

Additional references/details

☒ Details of environmental requirements for procurement

(4.6.1.6) Alignment with global environmental treaties or policy goals

Select all that apply

☒ Yes, the Company is aligned with other global environmental conventions and policy goals. Please provide details.

(4.6.1.7) Public availability

Select:

☒ Available publicly

(4.6.1.8) Attach policy document

Policy_on_Environmental_Conservation_Natural_Capital_and_Biodiversity_Text_Data.pdf

(4.10) Is your organization a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Is your organization a signatory or member of any environmental collaborative frameworks or initiatives?

☒ Yes

(4.10.3) Please describe your organization's role in each framework or initiative.

- *The Group has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encourage the disclosure of climate-related information with financial implications for companies under the four pillars of governance, strategy, risk management, and metrics and targets. The Group is also a member of the TCFD Consortium (currently the GX Future Design Consortium) and promotes voluntary and proactive disclosure in line with the TCFD recommendations.*
- *In order to further promote the effective use of resources and environmental conservation through its business activities, as well as the conservation of natural capital and biodiversity, the Group has endorsed the Keidanren Declaration on Biodiversity and Action Guidelines and participates in the Keidanren Initiative for Biodiversity Declaration, which consists of supporting companies and organizations.*
- *The Group is a signatory to the United Nations Global Compact (UNGC) and has joined the Global Compact Network Japan (GCNJ), the local network in Japan. Through these commitments, the Group promotes activities aligned with the UN Global Compact's Ten Principles in the areas of human rights, labour, environment, and anti-corruption.*

(4.11) During the reporting year, did your organization engage in activities that could influence (positively or negatively) environmental policies, laws, or regulations?

(4.11.1) Yes, we indirectly engaged via industry bodies or intermediaries whose activities could influence policy/laws/regulations and/or by funding or providing in-kind support to those bodies.

Select all that apply

☒ Yes, we indirectly engaged via industry bodies or intermediaries whose activities could influence policy/laws/regulations and/or by funding or providing in-kind support to those bodies.

(4.11.2) Do you have a public commitment that engagement aligns with global environmental treaties or policy goals?

Select:

☒ Yes, we have a public commitment or position statement aligned with global environmental treaties or policy goals.

(4.11.3) Global environmental conventions or policy goals with which the public commitment(s) or position statement(s) are aligned

Select all that apply :

☒ Yes, aligned with other global environmental conventions or policy goals. Please provide details.

(4.11.4) Please attach the commitment(s) or position statement(s).

Notice Regarding Endorsement of the Keidanren Declaration on Biodiversity and Action Guidelines and Participation in the Keidanren Initiative for Biodiversity Declaration.pdf

(4.11.5) Are you registered in any transparency register?

Select

☒ Unknown

(4.11.8) Describe the process to ensure engagement aligns with your environmental commitments or transition plan:

During the reporting year, the Group expressed its support for the Keidanren Declaration on Biodiversity and Action Guidelines and joined the Keidanren Initiative for Biodiversity Declaration.

Going forward, the Group will continue to gather environmental information through the activities and meetings of both the Japan Business Federation (Keidanren) and the Committee on Corporate Citizenship (CBCC), while strengthening engagement with these organizations. Through such engagement, we will periodically confirm that their activities remain aligned with relevant global environmental conventions and policy goals.

If any inconsistency is identified in the future, the Group intends to request corrective action from the relevant organization. Should adequate improvements not be made within a reasonable period of time, the Group will consider terminating its membership in that organization.

(4.11.2) Please provide details of your organization's indirect engagement, through industry associations or other intermediary organizations and individuals, regarding policies, laws, and regulations that may positively or negatively affect the environment during the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select:

☒ Indirect engagement via industry body

(4.11.2.4) Industry body

Asia Pacific

☒ Keidanren (Japan Business Federation)

(4.11.2.5) Environmental issues related to the policies/laws/regulations

Select all that apply

☒ Climate change

(4.11.2.6) Does your position align with that of the body or individual?

Select all that apply

☒ Consistent

(4.11.2.7) Did your organization seek to influence the body's position?

Select:

☒ Yes, we publicly support the current position of the industry body.

(4.11.2.8) Please describe how your organization's views align with or differ from those of the relevant organization or individual, and whether you have taken any actions to influence the views of that organization or individual.

The Group recognizes that its views are aligned with those of the organization. Accordingly, the Group publicly discloses its participation in the initiative on its sustainability website.

(4.11.2.11) Did you assess whether the engagement aligns with global environmental treaties or policy goals?

Select:

☒ Yes—it is aligned

(4.11.2.12) Global environmental conventions or policy goals with which your organization's engagement on policies, laws, and regulations is aligned

Select all that apply

☒ Paris Agreement

☒ Other global environmental conventions or policy goals: Kunming-Montreal Global Biodiversity Framework (GBF)

(4.12) Aside from CDP, did your organization disclose information during the reporting year about its environmental response?

Select:

☒ Yes

(4.12.1) Provide details and attach documents:

Row 1

(4.12.1.1) Publication

Select:

☒ Mainstream report

(4.12.1.2) Is the publication aligned with a standard or framework?

Select all that apply

☒ Yes

(4.12.1.3) Standards or frameworks with which the publication is aligned

Select all that apply

☒ TCFD

(4.12.1.4) Environmental issue(s) covered in the document

Select

☒ Climate change

(4.12.1.5) Status

Select

☒ Completed

(4.12.1.6) Contents

Select all that apply

☒ Strategy

☒ Governance

☒ Environmental policy

☒ Climate-related targets

☒ Risk & Opportunity

☒ GHG emissions figures

(4.12.1.7) Pages/sections

Pages 11 to 21 describe the Company's sustainability philosophy and initiatives. Within these pages, disclosures are provided in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

(4.12.1.8) Attach document

Securities_Report_27th_ED.pdf

(4.12.1.9) Comments

Securities Report

Row 2

(4.12.1.1) Publication

Select

☒ Voluntary disclosure document

(4.12.1.2) Is the publication aligned with a standard or framework?

Select

☒ Yes

(4.12.1.3) Standards or frameworks with which the publication is aligned

Select all that apply

☒ TCFD

(4.12.1.4) Environmental issue(s) covered in the document *Select all that apply*

☒ Climate change

(4.12.1.5) Status

Select:

☒ Completed

(4.12.1.6) Contents

Select all that apply

☒ Strategy,

☒ Governance

☒ Environmental policy

☒ Climate-related targets

☒ Risk & Opportunity

☒ Dependence & impact

☒ GHG emissions figures

(4.12.1.7) Pages/sections

The Company publishes a standalone disclosure in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

(4.12.1.8) Attach document

Notice Regarding Information Disclosure in Accordance with the TCFD Recommendations.pdf

(4.12.1.9) Comments:

Notice Regarding Information Disclosure in Accordance with the TCFD Recommendations as of June 23, 2026

Row 3

(4.12.1.1) Publication

Select

☒ Through its voluntarily published sustainability report

(4.12.1.2) Is the publication aligned with a standard or framework?

Select

☒ Yes

(4.12.1.3) Standards or frameworks with which the publication is aligned

Select all that apply

☒ GRI

☒ TCFD

☒ Other (please specify): International Integrated Reporting Framework, Guidance for Collaborative Value Creation, ISO 26000, and the Environmental Reporting Guidelines.

(4.12.1.4) Environmental issue(s) covered in the document

Select all that apply

☒ Climate change

(4.12.1.5) Status

Select:

☒ Currently under preparation; the previous year's version is attached.

(4.12.1.6) Contents

Select all that apply

☒ Governance

☒ GHG emissions figures

☒ Environmental policy

☒ Climate-related targets

☒ Risk & Opportunity

☒ Dependence & impact

(4.12.1.7) Pages/sections

Pages 46 onward of the Sustainability Management section describe the Company's initiatives relating to "Environmental Protection," which has been identified as one of the Group's material issues.

(4.12.1.8) Attach document

(4.12.1.9) Comments:

integrated_report_2025

C5. Business Strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select:

☒ Yes

(5.1.2) Frequency of analysis

Select:

☒ Once a year

(5.1.1) Please provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario(s) used

Climate transition scenario

☒ IEA NZE 2050

(5.1.1.3) Scenario approach

Select:

- ☒ Both qualitative and quantitative

(5.1.1.4) Scope of the scenario(s)

Select:

- ☒ Business division

(5.1.1.5) Risk types considered in the scenario

Select all that apply

- | | |
|---|---|
| ☒ Policy | ☒ Acute physical risk |
| ☒ Market risk | ☒ Chronic physical risk |
| ☒ Reputation risk | |
| ☒ Technology risk | |
| ☒ Liability risk | |

(5.1.1.6) Temperature alignment of the scenario

Select:

- ☒ 2.0°C - 2.4°C

(5.1.1.7) Base year

2022

(5.1.1.8) Time horizon covered

Select all that apply

- ☒ 2030

(5.1.1.9) Driving force(s) in the scenario

Interactions, dependencies, and impacts on regional ecosystem assets

- ☒ Climate change (one of the five natural change drivers)

(5.1.1.10) Scenario assumptions, uncertainties, and limitations

1.5 °C scenario: The Japanese government introduces carbon taxes and other stringent climate measures, prompting fundamental societal transformation, including regulations on plastics and climate-related disclosure. At the same time, damages from natural disasters such as floods and inundation remain limited.

4 °C scenario: The government does not implement climate measures beyond current levels, and climate action is not required. However, extreme weather impacts such as droughts and floods emerge due to temperature rise, affecting operations and incurring response and recovery costs.

(5.1.1.11) Rationale for scenario selection

We use IEA NZE 2050 because it is a highly reliable data source. Based on TCFD recommendations, we conducted scenario analysis to understand climate risks and opportunities. We defined a 1.5 °C scenario and a 4 °C scenario using scientifically grounded scenarios from sources such as the International Energy Agency (IEA), then assessed the significance of climate-related risks and opportunities that may impact our business by 2030

(5.1.2) Please provide details of the results of your organization's scenario analysis.

Climate change

(5.1.2.1) Business process(es) affected by reported scenario analysis results

Select all that apply

- ☒ Identification, assessment, and management of risks and opportunities

(5.1.2.2) Scope of analysis

Select:

- ☒ Organization-wide

(5.1.2.3) Summary of scenario analysis results and implications for other environmental issues

We analyzed the potential impacts of climate change on our business and financial performance using a 1.5°C scenario (IEA NZE 2050) and a 4°C scenario (IPCC AR6 SSP5-8.5). This analysis covers all business operations and considers short-term (within 1 year), medium-term (1-5 years), and long-term (more than 10 years) time horizons. Under the 1.5°C scenario, transition risks associated with strengthened climate-related policies and regulations are expected to increase capital expenditure and operating costs in our real estate revitalization and hotel businesses. At the same time, changes in market preferences toward environmentally responsible properties are expected to create business opportunities, potentially increasing demand for high-value-added assets with superior environmental performance.

Under the 4°C scenario, physical risks include potential facility damage and operational disruptions caused by extreme weather events such as floods and droughts. To mitigate these risks, we will review facility design and operational practices and implement specific measures to reduce flood-related risks. In the short term, we are mitigating transition risks through prompt responses to policy and regulatory developments while optimizing resource allocation. In the medium term, we aim to strengthen our competitive advantage and enhance asset value by bringing environmentally sustainable properties to the market. In the long term, we are advancing disaster preparedness planning and improving the resilience of our facilities to minimize the impacts of physical climate risks. With respect to the availability of financial resources, we secure the necessary funding through business-generated cash flows while adopting a flexible financial strategy that can respond to policy changes. In addition, when converting or renewing existing assets, we enhance sustainability through the effective introduction of new technologies and appropriate capital allocation.

(5.2) Does your organization's strategy include a climate transition plan?

	Transition plan	Main reason for not having a 1.5 °C-aligned plan	Explain
	Select ☒ No, but we expect to develop one within two years.	Select: ☒ Not a current strategic priority	We actively disclose information in accordance with the four pillars of the TCFD recommendations. We plan to formulate a transition plan within the next two years.

(5.3) Have environmental risks and opportunities influenced your organization's strategy and/or financial planning?

(5.3.1) Have environmental risks and opportunities influenced your organization's strategy and/or financial planning?

Select:

☒ Yes, they have influenced both strategy and financial planning.

(5.3.2) Which parts of your strategy have been influenced by environmental risks and/or opportunities?

Select all that apply

☒ Products and services

(5.3.3) Primary reason why environmental risks or opportunities have not influenced your organization's strategy or financial planning across all business areas

Select

☒ Other (please specify): The Group recognizes that environmental risks and opportunities have implications for both its business strategy and financial planning. Accordingly, the Group assesses their impacts using the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Group has identified "Environmental Protection" as one of its material issues in sustainability management and has established and implemented specific initiatives and KPIs to address this issue.

(5.3.4) Please explain why environmental risks or opportunities have not influenced your organization's strategy or financial planning across all business areas.

The Group recognizes that environmental risks and opportunities have implications for both its business strategy and financial planning. Accordingly, the Group assesses their financial impacts using the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Group has identified "Environmental Protection" as one of its material issues within its sustainability management framework and has established and implemented specific initiatives and KPIs to address this issue.

(5.3.1) Describe how environmental risks and/or opportunities have influenced the specified area(s) of your strategy.

	Type of impact	Environmental issue	Description
Products	Select all that apply ☒ Opportunity	Select all that apply ☒ Climate change	As customer awareness of the environment increases, willingness to purchase environmentally improved real estate regeneration properties may drive higher sales prices for asset and building owners.

(5.3.2) Describe how environmental risks and/or opportunities have influenced your organization's financial planning.

Row 1

(5.3.2.1) Affected financial planning item:

Select all that apply

☒ Indirect costs

(5.3.2.2) Type of impact:

Select all that apply

☒ Transition risk

(5.3.2.3) Environmental issues associated with the risks and/or opportunities that have affected these financial planning items

Select all that apply

☒ Climate change

(5.3.2.4) Please describe how environmental risks and/or opportunities have influenced these financial planning items.

At present, these financial planning items have not been materially affected. However, as the transition to a decarbonized economy progresses, the introduction of a carbon tax by the government could increase the Group's tax burden. In addition, expenditures may rise due to higher costs of raw materials with high emissions intensities, such as steel and cement.

Row 2

(5.3.2.1) Affected financial planning item:

Select all that apply

☒ Direct costs

(5.3.2.2) Type of impact

Select all that apply

☒ Physical risk

(5.3.2.3) Environmental issues associated with the risks and/or opportunities that have affected these financial planning items:

Select all that apply

☒ Climate change

(5.3.2.4) Please describe how environmental risks and/or opportunities have influenced these financial planning items.:

At present, these financial planning items have not been materially affected by physical climate risks. However, physical risks associated with climate change, including storm surges caused by sea level rise and extreme precipitation events, could result in temporary interruptions to hotel operations and higher repair and restoration costs in the future.

Row 3.

(5.3.2.1) Affected financial planning item:

Select all that apply

☒ Revenue

(5.3.2.2) Type of impact

Select all that apply

☒ Opportunity

(5.3.2.3) Environmental issues:

Select all that apply

☒ Climate change

(5.3.2.4) Description of impact:

At present, these financial planning items have not been materially affected. However, as customers become more environmentally conscious and demand for environmentally friendly products increases, improvements in the environmental performance of the Group's real estate revitalization properties may enhance their attractiveness and value. As a result, the Group may be able to achieve higher selling prices when marketing such properties to investors and building owners.

Row4.

(5.3.2.1) Affected financial planning item:

Select all that apply

☒ Direct cost

(5.3.2.2) Type of impact

Select all that apply

☒ Physical risk

(5.3.2.3) Environmental issues:

Select all that apply

☒ Climate change

(5.3.2.4) Description of impact:

At present, these financial planning items have not been materially affected. However, rising temperatures may lead to additional costs in the future, including heat allowance payments for employees engaged in outdoor work and increased labor costs resulting from reduced productivity caused by higher temperatures.

Row 5

(5.3.2.1) Affected financial planning item:

Select all that apply

☒ Revenue

(5.3.2.2) Type of impact

Select all that apply

☒ Opportunity

(5.3.2.3) Environmental issues associated with the risks and/or opportunities that have affected these financial planning items:

Select all that apply

☒ Climate change

(5.3.2.4) Please describe how environmental risks and/or opportunities have influenced these financial planning items.:

At present, these financial planning items have not been materially affected by environmental opportunities. However, by contributing to local communities through initiatives that promote nature conservation and harmonious coexistence with the natural environment in areas where the Group's hotels operate, the Group may enhance its reputation and brand value. This could lead to an increase in the number of hotel guests and higher revenue in the future.

(5.4) In your financial accounting, do you track expenditures/revenue aligned with your climate transition plan?

	Identification of expenditure/revenue items aligned with the organization's climate transition plan
	Select ☒ No, but we plan to do so within two years.

(5.5) Does your organization invest in R&D of low-carbon products or services relevant to your sector's economic activities?

(5.5.1) Low-carbon R&D investment:

Select:

☒ No

(5.5.2) Comment

The Group does not make direct investments in research and development (R&D) of low-carbon technologies. However, with the aim of promoting the adoption of ZEB (Net Zero Energy Buildings) in office buildings and enhancing workplace comfort, the Group has cooperated in demonstration projects by installing space-transmission wireless power transfer solutions in properties under its management. These solutions create wireless power transfer environments using radio-wave technology.

In collaboration with partner companies, the Group is working to promote the widespread adoption of ZEB office buildings and the development of comfortable and productive office environments, thereby contributing to the realization of a carbon-neutral society.

(5.10) Does your organization use an internal price for environmental externalities?

	Internal pricing of environmental externalities:	Main reason	Explanation
Carbon	Select ☒ No, and we have no plans within two years.	Select: ☒ Not a current strategic priority.	<i>We will continue to consider the future need for internal pricing.</i>
Other	Select ☒ No, and we have no plans within two years.		

(5.11) Does your organization collaborate on environmental issues with actors in your value chain?

	Collaborating?	Environmental issues
Suppliers	<i>Select:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Customers	<i>Select:</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Investors	<i>Select</i> ☒ Yes	<i>Select all that apply</i> ☒ Climate change
Other stakeholders in the value chain	<i>Select</i> ☒ Yes	Select all that apply ☒ Climate change

(5.11.1) Do you assess and segment suppliers by environmental dependencies/impacts?

Climate change:

	Assessment of suppliers' environmental dependencies/impact
Climate change	Select ☒ No, we are not currently assessing supplier dependencies and/or impacts, but we plan to do so within the next two years.

(5.11.2) Do you prioritize which suppliers to collaborate with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization:

Select:

☒ Yes, We prioritize suppliers for engagement on this environmental issue.

(5.11.2.2) Criteria for prioritizing suppliers:

Select all that apply

- ☒ Risk mitigation
- ☒ Material sourcing
- ☒ Product life cycle
- ☒ Product safety & compliance

(5.11.2.4) Description:

With respect to collaboration on environmental issues, the Group identifies partner companies involved in value-enhancement and renovation projects for its real estate revitalization properties as priority suppliers for engagement.

(5.11.5) Do suppliers need to meet specific environmental requirements as part of your procurement?

Climate change

(5.11.5.1) Do suppliers need to meet specific environmental requirements as part of your procurement?

Select:

☒ No, but plan to introduce it within two years.

(5.11.5.3) Comment

At present, the Group has not formally established specific environmental requirements for suppliers. Nevertheless, under its Procurement Policy, the Group promotes socially responsible procurement practices across its supply chain. By fostering a shared understanding with business partners regarding sustainability-related expectations, the Group seeks to contribute to the long-term sustainable development of society and the conservation of the natural environment.

Reference: Sustainability Website - <https://www.sunfrit.co.jp/sustainability/en/social/scm/>

(5.11.7) Provide specifics of your suppliers' engagement on environmental issues.

Climate change

(5.11.7.2) Actions driven by supplier engagement on climate change:

Select

☒ Adaptation to climate change

(5.11.7.3) Type and detail of engagement:

Capacity building

- ☒ Provide training, support, and best practices for mitigating environmental impacts.

Innovation & collaboration:

- ☒ Cooperate with suppliers on technologies to reduce environmental impacts through products and services.

(5.11.7.4) Value chain upstream target:

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) Share of procurement from engaged Tier 1 suppliers: (%)

Select:

- ☒ 1~25%

(5.11.7.6) Share of Scope 3 emissions from engaged Tier 1 suppliers: (%)

Select:

- ☒ 1~25%

(5.11.7.9) Please describe your engagement and explain the effectiveness of engagement in relation to the environmental actions selected.

Since its founding, the Group has based its corporate philosophy on avoiding the wasteful use of non-renewable resources and contributing to the sustainable prosperity of humankind and all forms of life on Earth. Guided by this philosophy, the Group has developed its business around the revitalization and effective utilization of real estate. In conducting its business activities, the Group recognizes its partner companies as important stakeholders. For more than ten years, the Group has continuously hosted dialogue and information-sharing meetings with its partner companies to deepen their understanding of the Group's philosophy and values. The Group considers these meetings to be an important opportunity to foster a shared commitment with its partner companies and to promote environmentally conscious and socially responsible business activities together.

(5.11.7.11) Does the engagement encourage Tier 1 suppliers to engage with their own suppliers?

Select:

☒ Yes

(5.11.9) Provide details of environmental engagement activities with other value chain stakeholders.

Climate change

(5.11.9.1) Stakeholder type

Select:

☒ Other value chain stakeholders: employees

(5.11.9.2) Type & detail of engagement:

Education/information sharing:

☒ Education and engagement of stakeholders to understand and measure exposure to environmental risks

☒ Sharing information on environmental initiatives, their progress, and performance against targets

(5.11.9.3) Proportion of stakeholders engaged (%)

Select:

☒ None

(5.11.9.4) Proportion of Scope 3 emissions related to these stakeholders (%)

Select

☒ None

(5.11.9.5) Rationale and scope for engagement

Under our corporate credo of compassion, we promote philosophy-driven management. We value climate-related engagement with employees, a key stakeholder group, and regularly share our mission, vision, and values in a dialogic manner. In our mid-term business plan, we prioritize ESG and communicate top management policies at weekly company-wide morning assemblies and twice-yearly business planning sessions. Moreover, our investment committee, which deliberates property acquisitions, reviews CO₂ emissions from renovation works and offsets them using J-Credits from renewable energy.

(5.11.9.6) Metrics for measuring effectiveness of engagement and success

We do not define specific indicators for employee environmental engagement, but believe that progress on our sustainability materialities—environmental protection, regional revitalization, and human resource development—and their KPIs serve as measures of engagement effectiveness and success.

C6. Environmental Performance - Consolidation Approach

(6.1) Please specify the consolidation approach used for calculating environmental performance data.

	The consolidated approach	Please specify the consolidation approach used for calculating environmental
Climate change	Select: ☒ Financial Control	<i>We calculate greenhouse gas (GHG) emissions based on the same boundary as the consolidated financial statements.</i>
Biodiversity	Select: ☒ Other, please specify: Not implemented	<i>We have not implemented a calculation methodology at this time.</i>

C7. Environmental Performance - Climate Change

(7.1) Is this the first year your organization is reporting emissions data to CDP?

Select:

☒ No

(7.1.1) Did your organization experience any structural changes during the reporting year, or are any past structural changes included in this emissions disclosure?

(7.1.1.1) Did your organization experience any structural changes?

Select all that apply:

☒ Yes, Acquisition

☒ Yes, other structural change: Business acquisition

(7.1.1.2) Name(s) of organizations acquired, sold, or merged

Nagano Linden Plaza Hotel Co., Ltd.; Otake Kenso Holdings Co., Ltd.; Otake Kenso Co., Ltd.; Jonan Kenso Co., Ltd.; Tama Kenso Kogyo Co., Ltd.; and Arrow Co., Ltd. Ryokan Business of Nanaeyae Co., Ltd.

(7.1.1.3) Details of structural changes, including completion date(s)"

On August 26, 2025, the Group acquired 100% of the issued shares of Nagano Linden Plaza Hotel Co., Ltd., making it a consolidated subsidiary.

On October 1, 2025, the Group acquired 100% of the issued shares of Otake Kenso Holdings Co., Ltd. (currently Otake Kenso Co., Ltd.), resulting in five affiliated companies becoming consolidated subsidiaries of the Group.

Otake Kenso Holdings Co., Ltd. was subsequently absorbed and merged into Otake Kenso Co., Ltd.

On March 5, 2026, the Group acquired the ryokan business of Nanaeyae Co., Ltd., and Shijaku to Magokoro no Yado Nanaeyae, a long-established ryokan in Kinugawa Onsen, joined the Group.

(7.1.2) Were there any changes in your organization's emissions calculation methodologies, boundaries, and/or definition of the reporting year during the reporting year?

	Were there any changes to your calculation methodologies, boundaries, or definition of the reporting year?"
	Select all that apply ☒ No

(7.1.3) As a result of the changes or corrections reported in 7.1.1 and/or 7.1.2, were your base year emissions and historical emissions recalculated?

(7.1.3.1) Base year recalculation:

Select:

☒ Yes

(7.1.3.2) Recalculated scope(s)

Select all that apply:

☒ Scope 1

☒ Scope 2 (market-based)

(7.1.3.4) Base year emissions recalculation policy, including the materiality threshold

The Group has established a policy whereby, if emissions increase by more than 5% compared with the base-year emissions as a result of business expansion through mergers and acquisitions (M&A) or similar activities, the additional emissions are added to the base-year emissions and the base year is recalculated.

In the fiscal year ended March 31, 2026, emissions increased by more than 5% due to the addition of new sites through M&A. Accordingly, the Group applied this policy and recalculated its base-year emissions by adding the increase to the emissions of the base year, 2022.

(7.1.3.5) Recalculation of historical emissions

Select:

☒ No

(7.2) Please select the standards, protocols, or methodologies used to collect activity data and calculate emissions.

Select all that apply

☒ GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based:	Scope 2, market-based:	Comment
	Select: ☒ Reported	Select: ☒ Reported	<i>The entire Sun Frontier Group is covered in the response.</i>

(7.4) Are there any emission sources (e.g., facilities, specific GHGs, activities, geographic locations) within your selected reporting boundary that are not included in your disclosure of Scope 1, Scope 2, or Scope 3 emissions?

Select:

☒ Yes

(7.4.1) Please provide details of Scope 1, Scope 2, or Scope 3 emission sources that fall within your selected reporting boundary but are not included in your disclosure.

(7.4.1.1) Excluded emission sources:

An office located in a shared office facility.

(7.4.1.2) Scope or Scope 3 categories

Select all that apply

☒ Scope 2 (location base)

☒ Scope 2: (market base)

(7.4.1.4) Relevance of the excluded source to Scope 2 (location-based) emissions

Select

☒ Emissions not evaluated

(7.4.1.5) Relevance of the excluded source to Scope 2 (market-based) emissions

Select

☒ Emissions not evaluated

(7.4.1.10) Please explain why this source is excluded:

This source has been excluded because the office is located within a shared office facility, and therefore its emissions cannot be measured or calculated separately from those of other occupants.

(7.4.1.1) Excluded emission sources:

Companies for which detailed accounting data could not be obtained (Sun Frontier Fudousan Taiwan Co., Ltd.; Sun Frontier NY Co., Ltd.; SUN FRONTIER VIETNAM CO., LTD.; and SUN FRONTIER DANANG CO., LTD.)

(7.4.1.2) Scope or Scope 3 categories

Select all that apply

☒ Scope 3: Purchased goods and services

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select

☒ Emissions not evaluated

(7.4.1.10) Please explain why this source is excluded:

This source has been excluded because the detailed accounting data required to calculate emissions are not available.

(7.4.1.1) Excluded emission sources:

Municipal solid waste

(7.4.1.2) Scope or Scope 3 categories

Select all that apply

☒ Scope 3: Waste generated in operations

(7.4.1.6) Relevance of Scope 3 emissions from this source

Select

☒ Emissions not evaluated

(7.4.1.10) Please explain why this source is excluded:

This source has been excluded because data on general waste generated from business operations are not currently available, and therefore the associated Scope 3 emissions could not be evaluated.

(7.5) Please provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end:

03/31/2023

(7.5.2) Base year emissions (metric tons CO₂e)

3238

(7.5.3) Methodology details:

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 2 (location-based)

(7.5.1) Base year end:

03/31/2023

(7.5.2) Base year emissions (metric tons CO₂e)

6635

(7.5.3) Methodology details:

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 2 (market-based)

(7.5.1) Base year end:

03/31/2023

(7.5.2) Base year emissions (metric tons CO₂e):

7634

(7.5.3) Methodology details:

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 1: Purchased goods and services

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO₂e)

64940

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 2: Capital goods

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

9617

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

1958

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 4: Upstream transportation and distribution

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 5: Waste generated in operations

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

46

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 6: Business travel

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

39

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 7: Employee commuting

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

456

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 8: Upstream leased assets

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 9: Downstream transportation and distribution.

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 10: Processing of sold products.

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the Real Estate Revitalization Business (Replanning) based on the GHG Protocol.

Scope 3 Category 11: Use of products sold.

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

132357

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 12: End-of-life treatment of products sold.

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

17

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 13: Downstream leased assets

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

1127

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 14: Franchises.

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3 Category 15: Investments

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Scope 3: Other (Upstream)

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the Real Estate Revitalization Business (Replanning) based on the GHG Protocol.

Scope 3 Other (Downstream)

(7.5.1) Base year end

03/31/2025

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

(7.6) Please provide your organization’s total global Scope 1 emissions (in metric tons CO2e).

	total global Scope 1 emissions (in metric tons CO2e).	End date	Methodology details
Reporting year	3854		Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.
Previous year 1:	3642	03/31/2025	Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.
Previous year 2:	3392	03/31/2024	Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.
Previous year 3:	3238	03/31/2023	Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.
Previous year 4	4088	03/31/2022	Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

	total global Scope 1 emissions (in metric tons CO2e).	End date	Methodology details
Previous year 5	1758	03/31/2021	Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

(7.7) Please provide your organization's total global Scope 2 emissions (in metric tons CO2e).

Reporting year

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

8901

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

8286

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Previous year 1:

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

8288

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

7608

(7.7.3) End date

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Previous year 2

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

6753

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

7281

(7.7.3) End date

03/31/2024

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Previous year 3

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

6635

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

7634

(7.7.3) End date

03/31/2023

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Previous year 4

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

6240

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

6693

(7.7.3) End date

03/31/2022

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

Previous year 5

(7.7.1) Scope 2, location-based total global emissions (metric tons CO2e)

3627

(7.7.2) Scope 2, market-based total global emissions (metric tons CO2e) (if applicable)

3858

(7.7.3) End date

03/31/2021

(7.7.4) Methodology details

Emissions are calculated for the entire Sun Frontier Group based on the GHG Protocol.

(7.8) Please provide your organization's total global Scope 3 emissions and disclose and explain any exclusions.

Purchased goods and services

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions (tCO₂e)

80179

(7.8.3) Methodology

Select all that apply

☒ Spend-based method.

(7.8.4) % calculated using supplier/value chain data:

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Capital goods

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

19675

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Fuel- and energy-related activities (not included in Scope 1 or Scope 2)

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

1887

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Upstream transportation and distribution

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Waste generated in operations

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

73

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Business travel

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

184

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Employee commuting

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

520

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Upstream leased assets

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Downstream transportation and distribution

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Processing of sold products

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Use of sold products

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

115982

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

End-of-life treatment of products sold

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

28

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Downstream leased assets

(7.8.1) Assessment status

Select:

☒ Relevant, calculated

(7.8.2) Emissions

746

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Franchises

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Investments

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Other (Upstream)

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Other (Downstream)

(7.8.1) Assessment status

Select:

☒ Not relevant, calculated

(7.8.2) Emissions

0

(7.8.3) Calculation method

Select all that apply

☒ Spend-based method

(7.8.4) % calculated using supplier/value chain data

0

(7.8.6) Explanation

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

(7.8.1) Please disclose or restate your organization's historical Scope 3 emissions data.

Previous year 1

(7.8.1.1) End date

03/31/2025

(7.8.1.2) Scope 3: Purchased goods and services (tCO₂e)

64940

(7.8.1.3) Scope 3: Capital goods(tCO₂e)

9617

(7.8.1.4) Scope 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2) (tCO2e)

1958

(7.8.1.5) Scope 3: Upstream transportation and distribution (tCO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (tCO2e)

46

(7.8.1.7) Scope 3: Business travel (tCO2e)

39

(7.8.1.8) Scope 3: Employee commuting (tCO2e)

456

(7.8.1.9) Scope 3: Upstream leased assets (tCO2e)

0

(7.8.1.10) Scope 3: Downstream leased assets (tCO2e)

0

(7.8.1.11) Scope 3: Processing of sold products: (tCO2e)

0

(7.8.1.12) Scope 3: Use of products sold: (tCO2e)

132357

(7.8.1.13) Scope 3: End-of-life treatment of sold product (tCO2e)

(7.8.1.14) Scope 3: Downstream leased assets (tCO₂e)

1127

(7.8.1.15) Scope 3: Franchises (tCO₂e)

0

(7.8.1.16) Scope 3: Investments (tCO₂e)

0

(7.8.1.17) Scope 3: Other (upstream)(tCO₂e)

0

(7.8.1.18) Scope 3: Other (downstream)(tCO₂e)

0

(7.8.1.19) Comment

The Group's greenhouse gas (GHG) emissions are calculated for the entire Sun Frontier Group in accordance with the GHG Protocol.

Previous year 2**(7.8.1.1) End date**

03/31/2024

(7.8.1.2) Scope 3: Purchased goods and services(tCO₂e)

74215

(7.8.1.3) Scope 3: Capital goods(tCO₂e)

4741

(7.8.1.4) Scope 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)(tCO2e)

33

(7.8.1.5) Upstream transportation and distribution (tCO2e)

0

(7.8.1.6) Waste generated in operations (tCO2e)

11

(7.8.1.7) Scope 3: Business travel (tCO2e)

7

(7.8.1.8) Scope 3: Employee commuting (tCO2e)

13

(7.8.1.9) Scope 3: Upstream leased assets (tCO2e)

0

(7.8.1.10) Scope 3: Downstream leased assets (tCO2e)

0

(7.8.1.11) Scope 3: Processing of sold products: (tCO2e)

0

(7.8.1.12) Scope 3: Use of products sold: (tCO2e)

68647

(7.8.1.13) Scope 3: End-of-life treatment of sold product (tCO2e)

15

(7.8.1.14) Scope 3: Downstream leased assets (tCO2e)

958

(7.8.1.15) Scope 3: Franchises (tCO2e)

0

(7.8.1.16) Scope 3: Investments (tCO2e)

0

(7.8.1.17) Scope 3: Other (upstream)(tCO2e)

0

(7.8.1.18) Scope 3: Other (downstream)(tCO2e)

0

(7.8.1.19) Comment

For the fiscal years ended March 2022 through March 2024, greenhouse gas (GHG) emissions were calculated in accordance with the GHG Protocol solely for the Company on a standalone basis and for its real estate revitalization (Replanning) business.

Previous year 3

(7.8.1.1) End date

03/31/2023

(7.8.1.2) Scope 3: Purchased goods and services(tCO2e)

56091

(7.8.1.3) Scope 3: Capital goods(tCO2e)

21890

(7.8.1.4) Scope 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)(tCO2e)

30

(7.8.1.5) Upstream transportation and distribution (tCO2e)

0

(7.8.1.6) Waste generated in operations (tCO2e)

55

(7.8.1.7) Scope 3: Business travel (tCO2e)

6

(7.8.1.8) Scope 3: Employee commuting (tCO2e)

11

(7.8.1.9) Scope 3: Upstream leased assets (tCO2e)

0

(7.8.1.10) Scope 3: Downstream leased assets (tCO2e)

0

(7.8.1.11) Scope 3: Processing of sold products: (tCO2e)

0

(7.8.1.12) Scope 3: Use of products sold: (tCO2e)

74129

(7.8.1.13) Scope 3: End-of-life treatment of sold product (tCO2e)

21

(7.8.1.14) Scope 3: Downstream leased assets (tCO2e)

875

(7.8.1.15) Scope 3: Franchises (tCO2e)

0

(7.8.1.16) Scope 3: Investments (tCO2e)

0

(7.8.1.17) Scope 3: Other (upstream)(tCO2e)

0

(7.8.1.18) Scope 3: Other (downstream)(tCO2e)

0

(7.8.1.19) Comment

For the fiscal years ended March 2022 through March 2024, greenhouse gas (GHG) emissions were calculated in accordance with the GHG Protocol solely for the Company on a standalone basis and for its real estate revitalization (Replanning) business.

Previous year 4

(7.8.1.1) End date

03/31/2022

(7.8.1.2) Scope 3: Purchased goods and services(tCO2e)

50302

(7.8.1.3) Scope 3: Capital goods(tCO2e)

30910

(7.8.1.4) Scope 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)(tCO2e)

30

(7.8.1.5) Upstream transportation and distribution (tCO2e)

0

(7.8.1.6) Waste generated in operations (tCO2e)

24

(7.8.1.7) Scope 3: Business travel (tCO2e)

7

(7.8.1.8) Scope 3: Employee commuting (tCO2e)

12

(7.8.1.9) Scope 3: Upstream leased assets (tCO2e)

0

(7.8.1.10) Scope 3: Downstream leased assets (tCO2e)

0

(7.8.1.11) Scope 3: Processing of sold products: (tCO2e)

0

(7.8.1.12) Scope 3: Use of products sold: (tCO2e)

113253

(7.8.1.13) Scope 3: End-of-life treatment of sold product (tCO2e)

28

(7.8.1.14) Scope 3: Downstream leased assets (tCO2e)

514

(7.8.1.15) Scope 3: Franchises (tCO2e)

0

(7.8.1.16) Scope 3: Investments (tCO2e)

0

(7.8.1.17) Scope 3: Other (upstream)(tCO2e)

0

(7.8.1.18) Scope 3:Other (downstream)(tCO2e)

0

(7.8.1.19) Comment

For the fiscal years ended March 2022 through March 2024, greenhouse gas (GHG) emissions were calculated in accordance with the GHG Protocol solely for the Company on a standalone basis and for its real estate revitalization (Replanning) business.

(7.9) Please indicate the verification/assurance status for the reported emissions.

	Verification/Assurance Status
Scope 1	Select: ☒ No third-party verification or assurance
Scope 2(location-based or market-based)	Select: ☒ No third-party verification or assurance
Scope 3	Select: ☒ No third-party verification or assurance

(7.10) How did your total reported emissions (Scope 1 + Scope 2) change compared to the previous year?

Select:

☒ Increase

(7.10.1) Please identify the reason(s) for changes in total global emissions (Scope 1 + 2) and quantify the change for each.

Divestment:

(7.10.1.1) Emissions change (tCO₂e):

17

(7.10.1.2) Direction of change

Select:

☒ Decrease

(7.10.1.3) Percentage change

0.1

(7.10.1.4) Explanation

Emissions decreased as a result of the sale of one owned property and the closure of two business locations.

Acquisitions

(7.10.1.1) Emissions change (tCO₂e):

458

(7.10.1.2) Direction of change

Select:

☒ Increase

(7.10.1.3) Percentage change

4.1

(7.10.1.4) Explanation of the calculation

GHG emissions increased as a result of the acquisitions of Nagano Linden Plaza Hotel Co., Ltd. and the Otake Kenso Group through M&A transactions.

Change in production output

(7.10.1.1) Emissions change (tCO₂e):

448

(7.10.1.2) Direction of change

Select:

☒ Increase

(7.10.1.3) Percentage change

4

(7.10.1.4) Explanation of the calculation

GHG emissions increased due to the opening of one new branch in the Leasing Management Division, one new conference facility, and three new hotels, as well as overall business growth.

(7.10.2) Are the emissions values reported in 7.10 and 7.10.1 based on location-based or market-based Scope 2 emissions?

Select:

☒ Market-based

(7.12) Are land-sector activities material to your organization's business or value chain?

	Agriculture, forestry or other land-sector activities	Reason why no material activities have been identified
	<i>Select:</i> ☒ No (please explain)	<i>Select:</i> ☒ No relevant activities identified

(7.13) Does your organization currently report, or has it previously reported, CO₂ removals from technological carbon dioxide removal or carbon capture with geological storage?

	Reporting-year technological carbon dioxide removals or carbon capture with geological storage	Please explain why there were no technological carbon dioxide removals or carbon capture with geological storage during the reporting year.	Have you quantified and reported technological carbon dioxide removals or carbon capture with geological storage in previous years?
	<i>Select:</i> ☒ No (explanation provided).	<i>Select:</i> ☒ No relevant activities identified	<i>Select:</i> ☒ No

(7.15) Does your organization produce a breakdown of Scope 1 emissions by type of greenhouse gas?

Select:

☒ Yes, both Scope 1 and Scope 2 emissions

(7.15.1) Please report your total global Scope 1 emissions by GHG type and indicate the source of global warming potentials (GWPs) used

Row 1

(7.15.1.1) GHG

Select:
☒ CO2

(7.15.1.2) Scope 1 emissions (selected greenhouse gas emissions (t))

3854

(7.15.1.3) Scope 1 emissions (metric tons of CO₂e)

3854

(7.15.1.4) Scope 2 location-based emissions (selected greenhouse gas emissions (t))

8901

(7.15.1.5) Scope 2 location-based emissions (metric tons of CO₂e)

8901

(7.15.1.6) Scope 2 market-based emissions (selected greenhouse gas emissions (t))

8286

(7.15.1.7) Scope 2 Scope 2 market-based emissions (metric tons of CO₂e)

8286

(7.15.1.8) Reference for GWP

Select:

☒ IPCC Fourth Assessment Report (AR4 – 100-year values)

(7.16) Provide a breakdown of Scope 1 and 2 emissions by country/region.

	Scope 1 emissions (metric tons CO ₂ e)	Scope 2 emissions, location-based (metric tons CO ₂ e)	Scope 2 emissions, market-based (metric tons CO ₂ e)
Japan	3854	8891	8276
Taiwan (China)	0	3	3
United States of America	0	0	0
Vietnam	0	7	7

(7.17) Indicate which breakdowns of global Scope 1 emissions your organization can provide.

Select all that apply

☒ by business division

(7.17.1) Provide a breakdown of global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division:

Sky Heart Hotel Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

207

Row 2

(7.17.1.1) Business division:

Sun Frontier Fudousan Co., Ltd.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

67

Row 3

(7.17.1.1) Business division:

Sun Frontier Fudousan Taiwan Co., Ltd.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

0

Row 4

(7.17.1.1) Business division:

SF Communication Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

0

Row 5

(7.17.1.1) Business division:

SF Engineering Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

13

Row 6

(7.17.1.1) Business division:

SF Building Maintenance Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

24

Row 7

(7.17.1.1) Business division:

Sun Frontier Hotel Management Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

2387

Row 8

(7.17.1.1) Business division:

SUN FRONTIER VIETNAM CO., LTD

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

0

Row 9

(7.17.1.1) Business division:

Sun Frontier Sado Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

1090

Row 10

(7.17.1.1) Business division:

Sun Frontier Space Management Inc.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

0

Row 11

(7.17.1.1) Business division:

Otake Kenso Co., LTD.

(7.17.1.2) Scope 1 emissions (metric tons CO₂e)

66

(7.20) Indicate which breakdown(s) of your total global Scope 2 emissions you can provide.

Select all that apply

☒ By business division:

(7.20.1) Provide a breakdown of your total global Scope 2 emissions by business division.

Row 1

(7.20.1.1) Business division:

Sun Frontier Space Management Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

1195

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

1197

Row 2

(7.20.1.1) Business division:

Sun Frontier Hotel Management Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

5822

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

5088

Row 3

(7.20.1.1) Business division:

Sun Frontier Fudousan Co., Ltd.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

277

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

198

Row 4

(7.20.1.1) Business division:

Sun Frontier Fudousan Taiwan Co., Ltd.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

3

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

3

Row 5

(7.20.1.1) Business division:

Sky Heart Hotel Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

669

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

936

Row 6

(7.20.1.1) Business division:

SF Engineering Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

13

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

13

Row 7

(7.20.1.1) Business division:

SF Building Maintenance Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

Row 8

(7.20.1.1) Business division:

SF Communication Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

Row 9

(7.20.1.1) Business division:

Sun Frontier Sado Inc.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

Row 10**(7.20.1.1) Business division:**

SUN FRONTIER VIETNAM CO., LTD

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

7

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

7

Row 11**(7.20.1.1) Business division:**

Otake Kenso Co., LTD.

(7.20.1.2) Scope 2, location-based (metric tons CO₂e)

55

(7.20.1.3) Scope 2, market-based (metric tons CO₂e)

37

(7.22) Please provide a breakdown of total Scope 1 and Scope 2 emissions between your consolidated accounting group and any other entities included in your response.

Consolidated Accounting Group**(7.22.1) Scope 1 emissions (metric tons CO₂e)**

3854

(7.22.2) Scope 2 emissions, location-based (metric tons CO₂e)

8901

(7.22.3) Scope 2 emissions, market-based (metric tons CO₂e)

8286

(7.22.4) Explanation

The calculation covers the entire Sun Frontier Group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO₂e)

0

(7.22.2) Scope 2 emissions, location-based (metric tons CO₂e)

0

(7.22.3) Scope 2 emissions, market-based (metric tons CO₂e)

0

(7.22.4) Explanation

All relevant entities are included within the consolidated accounting group.

(7.23) Can you provide a breakdown of emissions data for subsidiaries included in your CDP response?

Select:

☒ Yes

(7.23.1) Please provide a breakdown of total Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Sun Frontier Sado Inc.

(7.23.1.2) Main business activities

Select:

☒ Hotel and accommodation facilities

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

1090

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

839

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

787

(7.23.1.15) Comment

The calculation includes Hotel Oosado Co., Ltd. The company operates hotels and provides transportation infrastructure services such as taxi, bus, and rental car operations.

Row 2

(7.23.1.1) Subsidiary name

SUN FRONTIER VIETNAM CO., LTD

(7.23.1.2) Main business activities

Select:

☒ Real Estate Service

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

0

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

7

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

7

(7.23.1.15) Comment

We are engaged in condominium development and other related businesses in Da Nang, Vietnam.

Row 3

(7.23.1.1) Subsidiary name

SF Communication Inc.

(7.23.1.2) Main business activities

Select:

☒ Telecommunication services

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

0.0

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

11

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

11

(7.23.1.15) Comment

We are engaged in telecommunications infrastructure construction and related services.

Row 4

(7.23.1.1) Subsidiary name

Sun Frontier Hotel Management Inc.

(7.23.1.2) Main business activities

Select:

☒ Hotel and accommodation facilities.

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

2387

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

5822

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

5088

(7.23.1.15) Comment

We operate hotels under our proprietary brands, including HIYORI, Hiyori Hotel, and Tabino Hotel, as well as hotels that have joined the Group through M&A activities. Emissions are calculated on a combined basis with Nihon Toshi Hotel Development Co., Ltd., which also operates hotels.

During the reporting year (fiscal year ended March 31, 2026), the number of hotels operated by the Group increased by a total of four, including one hotel acquired through M&A and three newly opened hotels.

Row 5

(7.23.1.1) Subsidiary name

SF Building Maintenance Inc.

(7.23.1.2) Main business activities

Select:

☒ Real Estate Service

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

24

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

9

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

9

(7.23.1.15) Comment

We are engaged in the building maintenance business

Row 6

(7.23.1.1) Subsidiary name

Sky Heart Hotel Inc.

(7.23.1.2) Main business activities

Select:

☒ Hotel and accommodation facilities

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

207

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

669

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

936

(7.23.1.15) Comment

We operate hotels under the "Sky Heart" brand.

Row 7

(7.23.1.1) Subsidiary name

Sun Frontier Fudousan Taiwan Co., Ltd.

(7.23.1.2) Main business activities

Select:

☒ Real Estate Service

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

0.0

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

3

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

3

(7.23.1.15) Comment

We are engaged in a real estate consulting business in Taiwan.

Row 8

(7.23.1.1) Subsidiary name

SF Building Support Inc.

(7.23.1.2) Main business activities

Select:

☒ Real Estate Service

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

0.0

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

0

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

0

(7.23.1.15) Comment

We are engaged in the rent guarantee business for delinquent payments. From the fiscal year ending March 2024, the data has been consolidated into Sun Frontier Fudousan for calculation purposes.

Row 9

(7.23.1.1) Subsidiary name

SF Engineering Inc.

(7.23.1.2) Main business activities

Select:

☒ Construction and building materials trading and distribution

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

13

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

13

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

(7.23.1.15) Comment

We are engaged in interior construction work for office buildings and condominiums.

Row 10**(7.23.1.1) Subsidiary name**

Sun Frontier Space Management Inc.

(7.23.1.2) Main business activities

Select:

☒ Real Estate Service

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

0.0

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

1195

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

1197

(7.23.1.15) Comment

We are engaged in the conference room rental business. During the reporting year (the fiscal year ended March 31, 2026), the total floor area of conference facilities operated by the Group increased by approximately 1,200 tsubo compared with the previous fiscal year.

Row 11

(7.23.1.1) Subsidiary name

Otake Kenso Co., LTD.

(7.23.1.2) Main business activities

Select:

☒ Construction and building materials trading and distribution

(7.23.1.3) Select any unique ID your organization can provide for this subsidiary

Select all that apply

☒ There is no specific ID

(7.23.1.12) Scope 1 emissions (metric tons CO₂e)

66

(7.23.1.13) Scope 2 emissions, location-based (metric tons CO₂e)

55

(7.23.1.14) Scope 2 emissions, market-based (metric tons CO₂e)

37

(7.23.1.15) Comment

We are engaged in providing construction and installation services for window systems and glass facades, primarily for office buildings and residential condominium developments.

(7.29) What percentage of your organization's operating expenditure in the reporting year was related to energy use?

Select:

☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Please indicate whether your organization carried out the following energy-related activities during the reporting year:
Consumption of fuel (excluding feedstocks)	<i>Select:</i> ☒ No
Consumption of purchased or acquired electricity.	<i>Select:</i> ☒ Yes
Consumption of purchased or acquired heat	<i>Select:</i> ☒ No
Consumption of purchased or acquired steam	<i>Select:</i> ☒ No
Consumption of purchased or acquired cooling	<i>Select:</i> ☒ No
Generation of electricity, heat, steam, or cooling	<i>Select:</i> ☒ No

(7.30.1) Please report your organization's total energy consumption (excluding feedstocks) in MWh.

Consumption of purchased or electricity acquired.

(7.30.1.2) Energy from renewable sources (unit: MWh)

1069.3

(7.30.1.3) Energy from non-renewable sources (unit: MWh)

19627.8

(7.30.1.4) Energy from non-renewable energy sources with zero or near-zero emissions (unit: MWh)

0

(7.30.1.5) Total energy (renewable and non-renewable) (MWh):

20697.10

(7.30.14) Please provide a breakdown of electricity, heat, steam, and cooling consumption by country/region for the reporting year.

Row 1

Japan

(7.30.14.1) Purchased electricity consumption (MWh)

20,679.8

(7.30.14.2) Consumption of self-generated electricity (MWh)

0

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total consumption of electricity, steam, and cooling energy (MWh)

20,679.80

Taiwan

(7.30.14.1) Purchased electricity consumption (MWh)

5.9

(7.30.14.2) Consumption of self-generated electricity (MWh)

0

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total consumption of electricity, steam, and cooling energy (MWh)

5.9

USA

(7.30.14.1) Purchased electricity consumption (MWh)

0

(7.30.14.2) Consumption of self-generated electricity (MWh)

0

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total consumption of electricity, steam, and cooling energy (MWh)

0

Vietnam

(7.30.14.1) Purchased electricity consumption (MWh)

11.5

(7.30.14.2) Consumption of self-generated electricity (MWh)

0

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total consumption of electricity, steam, and cooling energy (MWh)

11.5

(7.30.15) Please provide details of purchased electricity accounted for using zero-emission or near-zero-emission emission factors during the reporting year.

(7.30.15.1) Country/region of electricity consumption

☒ Japan

(7.30.15.2) Procurement method

☒ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.15.3) Low-carbon technology type

☒ Solar

(7.30.15.5) Low-carbon electricity consumed through the selected procurement method during the reporting year (MWh)

1069.3

(7.30.15.6) Energy Attribute Certificate (EAC) tracking system

☒ GEC(Japan)

(7.30.15.7) Country/region of origin of the low-carbon electricity or energy attribute (generation)

☒ Japan

(7.30.15.8) Are you able to report the commissioning year or repowering year of the generation facility?

☒ No

(7.30.15.14) Comment

The Group promotes energy conservation and the use of low-carbon energy while balancing environmental impact reduction with economic efficiency.

Row 2

(7.30.15.1) Country/region of electricity consumption

☒ Taiwan

(7.30.15.2) Procurement method

☒ None (no active purchase of low-carbon electricity)

Row 3

(7.30.15.1) Country/region of electricity consumption

☒ Vietnam

(7.30.15.2) Procurement method

☒ None (no active purchase of low-carbon electricity)

(7.45) Please provide details of your organization's total global Scope 1 and 2 emissions in the reporting year in terms of metric tons CO₂e per unit of total revenue and include any additional intensity metrics relevant to your organization's business.

Row 1

(7.45.1) Intensity figure

1.05e-7

(7.45.2) Numerator (total global Scope 1 and 2 emissions, metric tons CO₂e)

12140

(7.45.3) Denominator

Select:

☒ Total revenue

(7.45.4) Total value of denominator

116083000000

(7.45.5) Scope 2 figure used

Select:

☒ Market-based

(7.45.6) Percentage change from the previous year

4.1

(7.45.7) Direction of change

Select:

☒ Decrease

(7.45.8) Reason for change

Select all that apply

☒ Change in revenue

(7.45.9) Explanation

Although total greenhouse gas emissions increased by 7.9% compared with the previous year, emissions intensity decreased because revenue increased by 12.5% year-on-year.

(7.52) Provide any additional climate-related metrics relevant to your organization's business.

Row 1

(7.52.1) Metric detail

Select:
☒ Energy consumption

(7.52.2) Metric value

591034

(7.52.3) Numerator

Electricity consumption is aggregated and monitored across the entire Sun Frontier Group.

(7.52.4) Denominator (for intensity metrics only)

Per revenue 0.000178296

(7.52.5) Percentage change from previous year

4.7

(7.52.6) Direction of change

Select:
☒ Decrease

(7.52.7) Explanation

Electricity consumption increased by 7.2% year-on-year, primarily due to an increase in both the number of hotel rooms in operation and hotel occupancy rates. However, because revenue increased by 12.5% over the same period, electricity consumption intensity decreased by 4.7%.

(7.53) Did you have an active emissions reduction target in the reporting year?

Select all that apply

☒ Absolute target

(7.53.1) Provide details of your emissions reduction targets and progress against those targets.

Row 1

(7.53.1.1) Target reference number

Select:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select:

☒ Yes, we consider this target to be science-based; however, we have not committed to submitting this target for validation by the Science Based Targets initiative (SBTi) within the next two years.

(7.53.1.4) Target ambition

Select:

☒ Aligned with a 2°C pathway

(7.53.1.5) Target year set

04/15/2024

(7.53.1.6) Target coverage

Select:

☒ Organization-wide

(7.53.1.7) Target coverage

Select all that apply:

☒ Carbon dioxide (CO₂)

(7.53.1.8) Target coverage

Select all that apply:

☒ Scope 1

☒ Scope 2

(7.53.1.9) Target coverage

Select:

☒ Market-based

(7.53.1.11) Base year end

03/31/2022

(7.53.1.12) Base year Scope 1 emissions covered by the target (metric tons CO₂e)

3,237.9

(7.53.1.13) Base year Scope 2 emissions covered by the target (metric tons CO₂e)

7,633.7

(7.53.1.31) Base year Scope 3 emissions covered by the target (metric tons CO₂e)

0.000

(7.53.1.32) Total base year emissions covered by the target across all selected scopes (metric tons CO₂e)

10,871.600

(7.53.1.33) Percentage of total base year Scope 1 emissions covered by the target

100%

(7.53.1.34) Percentage of total base year Scope 2 emissions covered by the target

100%

(7.53.1.53) Percentage of total base year emissions across all selected scopes covered by the target

100%

(7.53.1.54) Target end date

03/31/2051

(7.53.1.55) Target reduction from base year (%)

100%

(7.53.1.56) Targeted emissions in the target year across all selected scopes (metric tons CO₂e)

0.000

(7.53.1.57) Reporting year Scope 1 emissions covered by the target (metric tons CO₂e)

3854

(7.53.1.58) Reporting year Scope 2 emissions covered by the target (metric tons CO₂e)

8286

(7.53.1.77) Total reporting year emissions covered by the target across all selected scopes (metric tons CO₂e)

12140.000

(7.53.1.78) Are land-related emissions covered by the target?

Select:

☒ No, land-related emissions are not covered by this target (e.g., non-FLAG SBT).

(7.53.1.79) Percentage of target achieved against the base year

-11.67%

(7.53.1.82) Please explain the target coverage and any exclusions

This target covers the entire Sun Frontier Group.

(7.53.1.83) Target objective

As part of our efforts to realize a decarbonized society, the Group is further advancing various concrete initiatives, including the establishment of greenhouse gas emissions reduction targets. Although total emissions have increased since the base year due to the impacts of M&A activities and the opening of new facilities, emissions from existing operations, excluding these factors, have been reduced by 2% compared with the base year.

(7.53.1.85) Was this target set using a sectoral decarbonization approach?

Select:

☒ No

(7.54) Did you have any other active climate-related targets in the reporting year?

Select all that apply

☒ No other climate-related targets.

(7.55) Did you have any active emissions reduction initiatives during the reporting year? This includes both those in planning and implementation stages.

	Emissions reduction initiatives implemented during the reporting year
	Select: ☒ Yes

(7.55.1) Please indicate the total number of initiatives by stage, and provide estimated emissions reductions (metric tons CO₂e) for those in implementation.

	Number of Initiatives	Estimated Annual CO ₂ e Reduction (metric tons (*Only rows marked with an asterisk))
Under investigation	0	-
Planned	0	0
To be implemented	0	0
Being implemented	1	403
Not implemented	0	

(7.55.2) Please provide details of initiatives implemented during the reporting year.

Row 1

(7.55.2.1) Initiative category and type:

Other:

☒ Other, please specify: To offset emissions generated from renovation and construction work associated with our real estate revitalization business, we retire purchased J-Credits derived from renewable energy equivalent to the amount of CO₂ emissions generated by such activities.

(7.55.2.2) Estimated annual CO₂e reduction (metric tons)

403

(7.55.2.3) Scope or Scope 3 category where the emission reduction occurred

Select all that apply

☒ Scope 3 Category 1: Purchased goods and services

(7.55.2.4) Voluntary/Mandatory:

Select:

☒ Voluntary

(7.55.2.5) Annual cost savings (in currency specified in C0.4)

0

(7.55.2.6) Investment required (in currency specified in C0.4)

1047800

(7.55.2.7) payback period

Select:

☒ Less than 1 year

(7.55.2.8) Estimated lifetime of the initiative

Select:

☒ Less than 1 year

(7.55.2.9) Comment

We retire renewable energy-derived J-Credits that have been purchased in advance to offset CO₂ emissions generated from construction activities associated with our real estate revitalization projects.

(7.55.3) What methods does your organization use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select:

☒ Employee engagement

(7.55.3.2) Comment

Sustainability committee members selected from each department lead discussions and proposals at the Sustainability Committee, which are then promoted within each business division.

(7.72) Does your organization assess the life cycle emissions of new construction or major renovation projects?

(7.72.1) Life cycle emissions assessment

Select:

☒ Yes, both qualitative and quantitative assessments

(7.72.2) Comment

For each property in our real estate revitalization business, we convert and calculate the greenhouse gas emissions generated by the renovation work and offset them with renewable energy-derived credits. The business currently covers existing small- and medium-sized office buildings, but we plan to expand into new construction and large-scale projects. When we do, we plan to calculate life-cycle emissions for those projects as well, as we already do in the real estate revitalization business.

(7.72.1) Please describe how your organization assesses the life cycle emissions of new construction or major renovation projects.

(7.72.1.1) Projects assessed

Select:

☒ Case-by-case

(7.72.1.2) Earliest project stage in which assessment is typically included:

Select:

☒ Pre-design stage

(7.72.1.3) Most commonly assessed life cycle stage

Select:

☒ Other, please specify: Based on 50 years of building operation

(7.72.1.4) Methods/standards/tools applied

Select all that apply

☒ GHG Protocol – Product Life Cycle Accounting and Reporting Standard

☒ Other, please specify: Architectural Institute of Japan “LCA Tool for Buildings Ver. 5.0 – An Evaluation Tool for Climate Change, Resource Consumption, and Waste Measures”

(7.72.1.5) Comment

To evaluate the environmental contribution of our real estate revitalization business, we use the AIJ LCA Tool developed by the Architectural Institute of Japan. Assuming a 50-year building operating life, we estimate resource inputs, waste generation, and the reduction effect of life-cycle CO₂ emissions.

LCCO₂ refers to the total CO₂ emissions generated throughout a building's lifecycle, including the manufacture, transportation, sale, use, disposal, and recycling of products and materials.

(7.72.2) Can your organization disclose embodied carbon emissions data from any new construction or major renovation projects completed in the past three years?

	Disclosure Capability	Comment
	Select: ☒ No	<i>At this stage, we are unable to disclose embodied carbon data for new construction or major renovations, but we are considering data collection and calculation for future disclosure.</i>

(7.74) Does your organization classify its products or services as low-carbon products?

Select:

☒ No

(7.76) Does your organization manage any net-zero carbon buildings?

Select:

☒ No, but we plan to do so in the future.

(7.77) In the past three years, has your organization completed any new construction or major renovation projects that were designed as net-zero carbon?

Select:

☒ No, but we plan to do so in the future.

(7.78) Please explain your organization's plans to manage, develop, or construct net-zero carbon buildings, or reasons for not doing so.

At present, we do not have plans to manage, develop, or construct net-zero carbon buildings. However, as our business develops, we aim to reduce GHG emissions and eventually supply, manage, and operate net-zero carbon buildings.

(7.79) Did your organization retire any project-based carbon credits during the reporting year?

Select:

☒ Yes

(7.79.1) Please provide details on the project-based carbon credits your organization retired during the reporting year.

Row 1

(7.79.1.1) Project type

Select:

☒ Biomass energy

(7.79.1.2) Type of mitigation activity

Select:

☒ Carbon removal

(7.79.1.3) Project description

J-Credits derived from renewable energy generated by switching boiler fuel at a paper mill from oil to biomass fuel made from pruned street trees and construction waste wood chips.

(7.79.1.4) Credits retired in the reporting year (metric tons CO₂e)

403

(7.79.1.5) Purpose of retirement

Select:

☒ Voluntary offset

(7.79.1.6) Can you report the vintage year of the retired credits?

Select:

☒ Yes

(7.79.1.7) Vintage year of retired credits:

2021

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select:

☒ Purchased

(7.79.1.9) Carbon credit program that issued the credits

Select:

☒ J-Credit Scheme (offset)

(7.79.1.10) Methodology used by the program to evaluate additionality

Select all that apply

☒ Standard methodology

(7.79.1.11) Reversal risk approach required by the program

Select all that apply

☒ Time-bound credits

(7.79.1.12) Leakage sources the program requires to be assessed:

Select all that apply

☒ Not assessed

(7.79.1.13) Other issues the program requires the project to address

There are no other issues to report.

(7.79.1.14) Explanation

We retire renewable energy-derived J-Credits that have been purchased in advance to offset CO₂ emissions generated from construction work associated with our real estate revitalization projects.

C11. Environmental Performance – Biodiversity

(11.2) What actions did your organization take during the reporting year to progress biodiversity-related commitments?

(11.2.1) Actions taken during the reporting period to advance biodiversity-related commitments

Select

☒ Yes, we have taken actions to advance our biodiversity-related commitments.

(11.2.2) Type of actions taken to advance biodiversity-related commitments

Select all that apply

☒ Other, please specify: The Group has identified environmental protection as one of the key material issues within its sustainability management framework. In recent years, we revised our Environmental Policy and renamed it the Policy on Environmental Conservation, Natural Capital, and Biodiversity. In addition, we established a Human Rights Policy and a Procurement Policy, thereby clarifying our approach to biodiversity conservation and sustainable procurement. Furthermore, we endorsed the Keidanren Declaration on Biodiversity and Action Guidelines and joined the Keidanren Biodiversity Declaration Initiative

(11.3) Does your organization use biodiversity indicators to monitor overall performance on biodiversity-related activities?

	Does your organization use indicators to monitor biodiversity performance?
	<i>Select:</i> ☒ No, we do not currently use indicators, but we plan to do so within the next two years.

(11.4) During the reporting year, did your organization have operations in or near areas that are important for biodiversity?

	Please indicate whether you had operations in or near these types of areas important for biodiversity.	Comment
Legally protected areas	<i>Select:</i> ☒ No	<i>Not applicable</i>
UNESCO World Heritage Sites	<i>Select:</i> ☒ Yes	<i>On July 27, 2024, at the 46th session of the World Heritage Committee, "Sado Island Gold Mines" was inscribed as a UNESCO World Cultural Heritage site. Our group is engaged in regional revitalization in Sado City, Niigata Prefecture, centered on hotel and tourism businesses.</i>
UNESCO Man and the Biosphere (MAB) Reserves	<i>Select:</i> ☒ No	<i>Not applicable</i>
Ramsar Convention wetlands	<i>Select:</i> ☒ No	<i>Not applicable</i>

	Please indicate whether you had operations in or near these types of areas important for biodiversity.	Comment
Key biodiversity areas	Select: ☒ No	Not applicable
Other areas important for biodiversity	Select: ☒ No	Not applicable

(11.4.1) Provide details of your organization's operations in or near areas important for biodiversity during the reporting year.

Row 1

(11.4.1.2) Type(s) of biodiversity-important area

Select all that apply

☒ UNESCO World Heritage Site

(11.4.1.4) Country/Region

Select:

☒ Japan

(11.4.1.5) Name of area important for biodiversity

On July 27, 2024, at the 46th session of the World Heritage Committee, "Sado Island Gold Mines" was inscribed as a UNESCO World Cultural Heritage site. Our group is engaged in regional revitalization in Sado City, Niigata Prefecture, centered on hotel and tourism businesses. In the Aikawa area, near the "Sado Island Gold Mines," we operate two hotels.

(11.4.1.6) Proximity

Select:

☒ Adjacent (overlaps)

(11.4.1.7) Area of overlap (hectares)

0

(11.4.1.8) Brief explanation of your organization's operations in or near the selected area during the reporting year

We operate two hotels.

(11.4.1.9) Please indicate whether your organization's activities in or near the selected area could have negative impacts on biodiversity.

Select:

☒ Not assessed

C13. Additional Information and Final Approval

(13.1) Please indicate whether any environmental information included in your CDP response (excluding that reported in questions 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) has been verified or assured by a third party.

Other environmental information included in this CDP response has been verified or assured by a third party.

Select:

☒ Yes.

(13.1.1) Which data points reported in your CDP questionnaire response have been verified or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified/assured.

Select all that apply:

☒ Climate change

(13.1.1.4) Details of the third-party verification/assurance process

A third-party verification was conducted for the Group's FY2024 greenhouse gas (GHG) emissions (Scope 1, Scope 2, and Scope 3) in accordance with the international standard JIS Q 14064-3:2023 (ISO 14064-3:2019). A verification statement was obtained from the Environmental Energy Business Association (EEBA), the independent verification body.

Scope of verification

Sun Frontier Fudousan Co., Ltd. and its consolidated subsidiaries

Verification period

FY2024 (April 1, 2024 to March 31, 2025)

Verified emissions

Scope 1 emissions (energy-related CO₂ emissions)

Scope 2 emissions (location-based and market-based)

Scope 3 emissions (Categories 1, 2, 3, 5, 6, 7, 11, 12, and 13)

The verification process included inquiries regarding the calculation methodologies and internal controls related to the reported indicators, analytical procedures performed on collected data, comparison with evidence obtained through sampling, recalculation procedures, and on-site visits based on a risk assessment. Site visits were conducted at two domestic locations selected through the risk analysis process: Sun Frontier Fudousan Headquarters and Shijo Kawaramachi Onsen Sora Niwa Terrace Kyoto. Following these procedures, an assurance statement was issued.

(13.2) Use this field to provide any additional information or contextual information that you consider relevant to your response. Please note that this field is optional and is not score.

	Additional information
	There is no additional information.

(13.3) Please provide the following information regarding the individual who has final approval of your CDP response.

(13.3.1) Job title

President & CEO

(13.3.2) Job function

Select:
☒ Chief Executive Officer (CEO)