

Responding to Nature-Related Issues

| Participation in the Task Force on Nature-related Financial Disclosures (TNFD) Forum and registration for TNFD Adopter

We have joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and registered as a TNFD Adopter in March 2025.

The TNFD Forum supports the discussions of the TNFD, an international organization established in June 2021 to develop a framework for corporate risk management and disclosure related to nature. The Forum is a stakeholder organization made up of companies, financial institutions, research institutions, and other organizations that have joined to support the development of the framework. In addition to our participation in the TNFD Forum, we have also registered with TNFD Adopter, a group of companies and organizations that have expressed their intention to disclose information in line with TNFD recommendations by FY2025. In doing so, we will continue our efforts to disclose information in line with the four pillars of the TNFD recommendations (governance, strategy, risk and impact management, and metrics and targets) by the end of FY 2025.

In our management policy, we state that “As responsible members of society, we work together with society to contribute to solving various issues,” and we are working to resolve social issues through our efforts to conserve biodiversity and the environment. We will actively disclose information about the impact of our group's activities on the natural environment and biodiversity, and we will contribute to the realization of a sustainable society by balancing corporate growth with the protection of biodiversity.

TNFD Forum ([External Link](#))

TNFD Adopter ([External Link](#))

| General requirements

To ensure consistency in disclosed information, TNFD requires the application of six general requirements that apply to all four pillars of the recommendations: governance, strategy, risk and impact management, and metrics and targets. The IINO Group has applied the general requirements for TNFD disclosure as follows:

1. Application of materialities

The IINO Group has identified nine social issues as goals (materialities) that should be addressed from the perspective of their importance to stakeholders, their impact on society and the Group's business, and their importance. Regarding the "environment," one of the issues we address is "biodiversity initiatives" as a response to ecosystem conservation and pollution prevention. Similarly, when identifying nature-related issues (nature-related dependence/impacts, risks/opportunities), we first grasp the Group's dependence and impacts on nature and then identify critical challenges from the perspective of double materiality—namely, the magnitude of risks and opportunities for the Group, stakeholders, and the environment and society.

For our materiality, please refer to the [Identification of Key Sustainability Issues](#).

2. Scope of disclosure

This disclosure concerns the shipping and real estate businesses and their upstream and downstream value chain. The scope of the recommendations addressed in the disclosure covers governance structures for nature-related issues*, an overview of dependencies and impacts on nature in the target value chain, and the currently considered major nature-related risks and opportunities.

In fiscal year 2025, we plan to expand disclosure to cover all four pillars of the TNFD recommendations, including location analysis.

*Nature-related issues: Nature-related dependencies, impacts, risks, and opportunities

3. Location of nature-related issues

In fiscal year 2025, we plan to conduct and disclose location analyses of the waters through which our headquarters and group company vessels pass and the locations of our real estate properties to identify areas with nature-related issues.

4. Integration with other sustainability-related disclosures

This disclosure solely concerns nature-related issues, but we are considering disclosing climate change-related issues in an integrated manner in our disclosure for fiscal year 2025.

5. The time horizons consideration

In identifying risks and opportunities, the IINO Group conducts its investigations within the following timeframes:

- Short term: 0 - 2 years
- Medium term: 3 - 10 years
- Long term: 11 years or more

6. Engagement with Indigenous peoples, Local communities, and affected stakeholders

Engagement with not only nature but also indigenous peoples, local communities, and affected stakeholders is deemed a key element in identifying, assessing, and managing nature-related issues. In conducting its business activities, the IINO Group has established the “IINO Group Human Rights Policy” based on international norms and other pertinent standards. It will respect the human rights of all relevant stakeholders, as described in the “Human Rights Policy and Human Rights Management Process” under the “Governance” section below.

| Governance

The “Governance” section of the TNFD disclosure recommendations calls for describing the role of an organization’s board of directors in overseeing nature-related issues, the role of management in assessing and managing such challenges, and its engagement with and oversight of stakeholders, including indigenous peoples and local communities, in evaluating and responding to nature-related issues. The IINO Group’s governance structure for nature-related issues is as follows:

Roles of the Board of Directors and Management

The IINO Group regards efforts to address environmental issues as a key management challenge. We are examining initiatives and managing their progress across the entire Group. As an organization to discuss environmental issues, we have established the Safety and Environment Committee, which is chaired by the Representative Director and President and whose members include all executive directors and presidents of major group companies. Under the Risk Management Committee, which oversees company-wide risk-management activities, the Safety and Environment Committee is positioned as the committee responsible for formulating and promoting policies related to safety and the environment common to our company and all group companies. Meetings are

convened regularly once a month. Moreover, the Safety and Environment Committee evaluates the environmental aspects of the Group's services and activities (including the aspects of biodiversity), with the Risk-Management Committee, Executive Committee, and Board of Directors monitoring and overseeing sustainability-related issues deemed important. The Representative Director also serves as the person responsible for nature-related issues within the Group. The IINO Group has identified issues such as addressing the environment and human rights and strengthening governance as materialities. It has also set creating social value as a key strategy in our mid-term management plan. All executives in the Group will actively promote ESG management and further strengthen operations that emphasize sustainability.

*For the governance structure diagram, please refer to the [Enhancing Governance](#).

Human Rights Policy and Engagement

Because nature-related issues are closely related to indigenous peoples and local communities, the TNFD calls for disclosure of human rights policies, due diligence, grievance mechanisms, engagement, and other factors concerning stakeholders (including the aforementioned people).

As a global enterprise, the IINO Group recognizes that respecting the human rights of all people is our corporate social responsibility, signing the United Nations Global Compact to express our endorsement in September 2022. Moreover, as our highest-level policy on human rights based on our corporate philosophy, the IINO Group Human Rights Policy was formulated at a resolution passed by the Board of Directors on October 27, 2022. The Group will respect the human rights of all stakeholders involved in its business activities and fulfill its responsibility to respect human rights by addressing any direct or indirect adverse impacts on human rights that any of its business activities may cause.

[IINO Group Human Rights Policy](#)

The Group will engage in dialogue and discussions with relevant stakeholders regarding responses to any actual or potential adverse impacts on human rights in its business activities. It will continually improve and strengthen its efforts to respect human rights.

| Strategy

The "Strategy" section of the TNFD disclosure recommendations calls for the disclosure of an explanation of identified material nature-related issues, measures to address nature-related risks, and priority areas resulting from the assessment.

The Group is currently considering disclosing items, including priority regions. It plans to disclose this information during fiscal year 2025 along with the Group's (including its value chain's) dependencies on and impacts on nature and currently anticipated risks and opportunities.

Nature-related Dependencies and Impacts

The IINO Group recognizes that its business activities depend on nature and its blessings (ecosystem services) and that its business activities may impact nature. We believe that understanding what ecosystem services the Group and its value chain depend on, to what extent, and what impacts they have is critical in realizing a society that coexists with nature.

This disclosure has organized the dependencies and impacts on nature in the shipping and real estate businesses and their upstream and downstream value chain. It has also assessed their importance (materiality) on a 5-point scale from “Very High” to “Very Low.” We used the dependency and impact assessment tool “ENCORE,” operated by UNEP-FI (United Nations Environment Programme) and others, to assess dependencies and impacts. The procedure for assessing dependencies and impacts is as follows:

- ① Identify relevant shipping and real estate business sectors in direct operations and upstream and downstream value chain.
- ② Evaluate the importance of dependencies and impacts on nature in identified sectors using ENCORE.
- ③ For direct operations, adjust the importance, considering the actual situation within the Group.

The below part explains the Group’s substantial dependencies and impacts on nature, as assessed through steps ①—③ above.

*Abbreviations used in each heat map

- VC: Value chain
- VL: Very low
- L: Low
- M: Medium
- H: High
- VH: Very high

[Major dependencies in the shipping business]

Ecosystem services considered important to the shipping business are as indicated below. Direct operations are particularly dependent on the ecosystem’s functions of mitigating water disasters when ships operate or anchor, regulating water flow to provide sufficient water for navigating the canal, and purifying the ocean’s water to protect ships’ hulls from pollution.

- Upstream value chain: fuel procurement, raw material procurement for ships, shipbuilding, satellite communications, etc.
 - Fuel procurement: water purification, climate regulation, flood mitigation
 - Production of raw materials for ships: supply of water resources, water purification, water flow regulation, climate regulation, flood mitigation, rainfall

pattern regulation

●Direct operations: ship operation, cargo handling, ship maintenance

- Ship operation: water purification, water flow regulation, climate regulation, flood mitigation, storm mitigation, rainfall pattern regulation
- Upkeeping/maintenance: flood mitigation

●Downstream value chain: port services, port logistics, shipbreaking

- Port services: flood mitigation

Shipbreaking: solid waste remediation, rainfall pattern regulation

Main dependencies of our shipping business on nature (heat map)

VC stage	Relevant sectors		Provisioning services	Regulating & maintenance services							Cultural services
			Water supply	Solid waste remediation	Water purification	Water flow regulation	Global climate regulation	Flood mitigation	Storm mitigation	Rainfall pattern regulation	
Upstream	Fuel procurement	Crude oil extraction	M	L	VL	M	H	H	L	-	-
		Crude oil refinement	L	L	H	M	VL	M	M	-	-
		Natural gas extraction	L	L	VL	M	H	H	L	-	-
	Raw material procurement	Metal mining	H	L	VH	H	H	H	M	VH	-
		Steel manufacturing	H	L	M	H	VL	M	M	M	-
	Shipbuilding	Shipbuilding	L	-	-	M	VL	M	M	-	-
		Navigation equipment manufacturing	M	L	M	M	VL	M	M	VL	-
		Engine and turbine manufacturing	M	L	M	M	VL	M	M	VL	-
		Cargo handling equipment manufacturin	M	L	M	M	VL	M	M	VL	-
	Others	Satellite communications business	VL	-	-	L	VL	M	M	VL	-
		Property insurance	VL	-	-	VL	VL	VL	VL	-	-
Direct operations	Ship sailing		L	-	M	M	M	H	H	M	-
	Cargo handling		VL	-	-	VL	VL	VL	L	VL	-
	Upkeeping/maintenance		M	-	-	M	VL	M	M	VL	-
Downstream	Ports	Port services	L	-	-	M	VL	H	M	VL	-
		Port logistics	VL	-	-	VL	VL	VL	L	VL	-
	Shipbreaking	Shipbreaking	L	-	M	L	M	L	L	VH	-
		Shipbreaking (reuse of parts)	M	H	-	L	VL	VL	VL	M	-

[Major impacts in the shipping business]

The impacts that can be considered material in the shipping business are as indicated below. Regarding direct operations, the following impacts were found to be particularly substantial: area of seabed use and GHG emissions owing to ship operations, discharge of air pollutants and waste, pollution from oil spillage and cargo leakage, disruption of ecosystems owing to underwater noise and collisions with large marine organisms, and introduction of invasive alien species through ballast water and attachment to ship hulls.

● Upstream value chain: fuel procurement, raw material procurement for ships, shipbuilding, satellite communications, etc.

- Fuel procurement: area of freshwater use, area of seabed use, emissions of GHG, air polluting, emissions of pollutants to water and soil, disturbance
- Raw material procurement for ships: area of freshwater use, area of seabed use, emissions of GHG, use of abiotic resources (e.g., ores), solid waste discharge, air pollutant emissions, emissions of pollutants to water and soil, disturbance
- Shipbuilding: air pollutant emissions, emissions of pollutants to water and soil, disturbance

● Direct operations: Ship operation, cargo handling, ship upkeeping/maintenance

- Ship operations: area of seabed use, emissions of GHG, solid waste discharge, air pollutant emissions, emissions of pollutants to water and soil, disturbance, introduction of invasive species
- Loading and unloading: emissions of GHG, introduction of invasive species
- Upkeeping/maintenance: water use, air pollutant emissions, emissions of pollutants to water and soil, disturbance

● Downstream value chain: port services, port logistics, shipbreaking

- Shipbreaking: emissions of pollutants to water and soil, disturbance

Main impacts of our shipping business on nature (heat map)

VC stage	Relevant sectors		Land/ freshwater/ocean use change			Climate change	Resource use/replenishment		Pollution/pollution removal				Invasive alien species
			Area of land use	Area of freshwater use	Area of seabed use	Emissions of GHG	Water use	Other abiotic resources	Solid Waste	Air pollution (excluding GHG)	Emissions of pollutants to water and soil	Disturbance	Introduction of invasive species
Upstream	Fuel procurement	Crude oil extraction	L	VH	VH	H	L	-	L	M	VH	VH	L
		Crude oil refinement	L	-	-	M	L	-	M	H	VH	VH	-
		Natural gas extraction	L	H	H	H	M	-	M	H	H	H	VL
	Raw material procurement	Metal mining	M	H	H	M	L	H	VH	M	H	H	VL
		Steel manufacturing	L	-	-	H	M	-	M	H	VH	VH	-
	Shipbuilding	Shipbuilding	-	-	-	L	L	-	L	L	H	H	-
		Navigation equipment manufacturing	L	-	-	M	M	-	L	H	M	M	-
		Engine and turbine manufacturing	L	-	-	L	M	-	L	M	M	M	-
		Cargo handling equipment manufacturing	L	-	-	L	M	-	L	M	M	M	-
	Others	Satellite communications business	VL	L	-	L	VL	-	VL	VL	-	M	-
		Property insurance	L	-	-	L	VL	-	VL	VL	L	L	-
Direct operations	Ship sailing		-	-	H	VH	L	-	M	H	H	VH	VH
	Cargo handling		L	VL	VL	M	L	-	L	L	L	VL	H
	Upkeeping/maintenance		L	-	L	L	M	-	L	M	M	M	-
Downstream	Ports	Port services	L	VL	M	M	L	-	L	L	M	VL	-
		Port logistics	L	-	-	M	L	-	L	L	-	-	-
	Shipbreaking	Shipbreaking	L	M	M	M	L	-	M	L	H	VH	L
		Shipbreaking (reuse of parts)	M	-	-	M	M	-	M	M	M	H	M

[Major dependencies in the real estate business]

The ecosystem services that are considered material in the real estate business are as indicated below. Most real estate business dependencies are concentrated upstream in the value chain (especially in the production of building materials). The forestry sector, which produces timber, is particularly dependent on biomass, regulating water and soil quality necessary for growth and mitigating landslides and weather disasters. In particular, metal mining and the extraction of stone, sand, and clay depend on the ecosystem's ability to purify water, mitigate water disasters, and regulate rainfall patterns to provide water.

● Upstream value chain: production of building materials, construction, supply of electricity, water, gas, etc.

- Production of building materials: water supply, biomass supply, genetic material, water purification, water flow regulation, climate regulation, flood

mitigation, rainfall pattern regulation, soil and sediment retention, soil quality regulation, Nursery population and habitat maintenance services, biological control

- Construction: rainfall pattern regulation, soil and sediment retention

- Supply of electricity, water, and gas: water supply, solid waste remediation, water purification, water flow regulation, climate regulation, flood mitigation, rainfall pattern regulation, soil and sediment retention

●Direct operations: operation and management of buildings

- Building operation and management: soil and sediment retention, cultural services

●Downstream of the value chain: building demolition

- Building demolition: solid waste remediation, rainfall pattern regulation, soil and sediment retention

Main dependencies of our real estate business on nature (heat map)

VC stage	Relevant sectors		Provisioning services		Regulating & maintenance services											Cultural services
			Water supply	Other supply services	Solid waste remediation	Water purification	Water flow regulation	Global climate regulation	Local climate regulation	Flood mitigation	Rainfall pattern regulation	Soil and sediment retention	Soil quality regulation	Nursery population and habitat maintenance services	Biological control	
Upstream	Building materials	Afforestation and other forestry activities	H	VH	M	VH	M	VH	VH	H	VH	VH	VH	H	H	-
		Manufacturing of building lumbar	L	-	M	-	M	VL	L	M	M	L	-	-	VL	-
		Metal mining	H	VL	L	VH	H	H	L	H	VH	M	-	-	-	-
		Steel manufacturing	H	-	L	M	H	VL	L	M	M	L	-	-	-	-
		Non-ferrous metals manufacturing	M	-	L	M	M	VL	L	M	M	L	-	-	-	-
		Collecting stones, sand, and clay	H	L	-	VH	H	H	L	H	VH	H	-	-	-	-
		Concrete production	M	-	M	M	M	VL	L	M	L	L	-	-	-	-
		Manufacturing clay materials for construction (tiles, glass manufacturing)	M	-	M	M	M	VL	L	M	L	L	-	-	-	-
		Resin manufacturing	M	-	L	M	M	VL	L	M	M	M	-	-	-	-
		Land acquisition, development, and improvement	L	-	-	M	L	M	L	L	VH	M	-	-	-	-
	Construction	Design and construction	M	VL	VL	M	M	M	L	M	VH	H	-	-	-	-
	Electricity/Water/Gas	Wind power generation	VL	-	-	-	M	VH	M	H	-	M	-	-	-	-
		Solar power generation	M	-	-	-	M	VH	M	M	-	M	-	-	-	-
		Hydroelectric power generation	VH	-	L	L	VH	M	L	VH	-	VH	-	-	-	-
		Electricity transmission and distribution	VL	-	L	-	VL	VL	L	M	VL	L	-	-	-	-
		Water supply (water supply and sewerage)	M	VL	VH	VH	M	VL	L	M	VH	M	-	-	VL	-
		Natural gas extraction	L	-	L	VL	M	H	L	H	-	L	-	-	-	-
		Gas supply	VL	-	L	M	VL	VL	L	VL	M	L	-	-	-	-
		Green hydrogen production	M	-	L	M	M	VL	L	M	VL	M	-	-	-	-
	Others	Fire insurance	VL	-	-	-	VL	VL	L	VL	-	VL	-	-	-	-
Direct operations	Building operation and management (including upkeep/maintenance)		L	-	-	-	VL	VL	L	L	-	M	-	-	-	VH
Downstream	Dismantling	Dismantling	L	-	-	M	L	M	L	L	VH	M	-	-	-	-
		Dismantling (reusing parts)	M	-	H	-	L	VL	-	VL	M	VL	-	-	VL	-

[Major impacts in the real estate business]

The impacts that are considered material in the real estate business are as indicated below. As with dependencies, most of the impacts in the real estate business are concentrated upstream in the value chain—especially in the production of building materials. Among these, the most substantial impacts are pollution from land use and the use of fertilizers and pesticides in forestry, waste emissions from metal mining, resource use from the extraction of stone, sand, and clay, emissions of harmful pollutants in the production of building materials, and disruptions to ecosystems from noise and light pollution generated during the manufacturing process. In direct operations, impacts such as land use through real estate and water use for toilets, heating, and cooling are important.

- Upstream value chain: production of building materials, construction, supply of electricity, water, gas, etc.

- Production of building materials: area of land use, area of freshwater use, area of seabed use, emissions of GHG, water use, use of abiotic resources (e.g., ores), solid waste, emissions of air pollutants (excluding GHG), soil and water quality pollution, disturbances (e.g., noise, vibration, light pollution), introduction of invasive species
- Construction: emissions of GHG, soil and water quality pollution, disturbances (e.g., noise, vibration, light pollution)
- Supply of electricity, water, and gas: area of land use, area of freshwater use, area of seabed use, emissions of GHG, emissions of air pollutants (excluding GHG), soil and water quality pollution, disturbances (e.g., noise, vibration, light pollution)

- Direct operations: operation and management of buildings

- Building operation and management: area of land use, water use

- Downstream of the value chain: building demolition

- Building demolition: soil and water quality pollution, disturbances (e.g., noise, vibration, light pollution)

Main impacts of our real estate business on nature (heat map)

VC stage	Relevant sectors		Land/ freshwater/ocean use change			Climate change	Resource use/replenishment			Pollution/pollution removal				Invasive alien species
			Area of land use	Area of freshwater use	Area of seabed use	Emissions of GHG	Water use	Biomass	Other abiotic resources	Solid Waste	Air pollution (excluding GHG)	Soil and water quality pollution	Disturbance	Introduction of invasive species
Upstream	Building materials	Afforestation and other forestry activities	VH	-	-	-	M	-	-	L	VH	H	H	H
		Manufacturing of building lumbar	L	-	-	M	M	-	-	M	M	M	H	-
		Metal mining	M	H	H	M	L	-	H	VH	M	H	H	VL
		Steel manufacturing	L	-	-	H	M	-	-	M	H	VH	VH	-
		Non-ferrous metals manufacturing	L	-	-	M	L	-	-	M	H	VH	VH	-
		Collecting stones, sand, and clay	M	H	H	H	M	-	VH	L	H	H	H	VL
		Concrete production	L	M	-	H	M	-	-	M	H	VH	M	-
		Manufacturing clay materials for construction (tiles, glass manufacturing)	L	M	-	H	M	-	-	M	H	VH	M	-
		Resin manufacturing	L	-	-	M	M	-	-	M	M	-	M	-
		Land acquisition, development, and improvement	L	M	M	M	L	-	-	M	L	H	VH	L
	Construction	Design and construction	L	M	M	H	L	-	-	M	L	H	VH	L
		Wind power generation	H	-	M	-	L	-	-	VL	-	VL	M	-
	Electricity/Water/Gas	Solar power generation	L	-	-	-	L	-	-	VL	-	L	VL	-
		Hydroelectric power generation	M	H	-	L	L	-	-	L	-	-	H	-
		Electricity transmission and distribution	M	L	L	VL	VL	-	-	L	VL	L	L	-
		Water supply (water supply and sewerage)	H	H	-	M	L	-	-	L	M	M	M	-
		Natural gas extraction	L	H	H	H	M	-	-	M	H	H	H	VL
		Gas supply	M	M	-	H	L	-	-	L	M	VH	M	-
		Green hydrogen production	L	-	-	M	M	-	-	M	M	VH	VH	-
	Others	Fire insurance	L	-	-	L	VL	-	-	VL	VL	L	L	-
Direct operations	Building operation and management (including upkeep/maintenance))		M	-	-	VL	M	-	-	L	VL	L	L	-
Downstream	Dismantling	Dismantling	L	M	M	M	L	-	-	M	L	H	VH	L
		Dismantling (reusing parts)	M	-	-	M	M	-	-	M	M	M	H	M

Nature-related Risks and Opportunities

Based on the dependency and impact assessment results, we have inventoried and organized the nature-related risks and opportunities currently considered in the shipping and real estate businesses. When inventorying risks and opportunities, we considered not only the heat map of dependencies and impacts but also external factors such as international policy trends.

The relevant nature-related risks and opportunities of our enterprise are shown in the table below.

[Risks and opportunities in the shipping business]

Currently, important risks relevant to the shipping business include “more frequent and severe extreme weather events,” “water shortages in canals owing to changes in rainfall patterns,” “expansion of marine protected areas and stricter navigation rules in those areas,” and “accidents during operation.”

Conversely, “developing and adopting ships with a lower environmental impact” and “implementing slow sailing” could be opportunities to contribute to sustainability.

List of risks and opportunities in the shipping business

Category			Relevant Dependence on nature	Relevant Impacts on nature	Risk/opportunity triggers	Risks/Opportunities	VC stages where risks/opportunities are
Risk	Physical	Acute	Climate regulation, storm moderation, and rainfall pattern regulation	-	●Increasing frequency and severity of abnormal weather (including high waves and high tides caused by abnormal weather)	<ul style="list-style-type: none"> ●Reduced profits due to increased operating hours and increased costs for repairing and maintaining vessels ●Damage to the company's image due to cargo damage and loss 	- Ship operation - Port services, logistics
		Chronic	Climate regulation	Climate change	●Long-term and chronic changes in ocean conditions, such as winds and ocean currents due to climate change	<ul style="list-style-type: none"> ●Reduced profits due to increased operating hours caused by changes in navigation routes ●Stranded assets of owned port facilities, etc. 	- Ship operation
		Chronic	Water supply, Water flow regulation, and rainfall pattern regulation	-	●Water shortage in canals due to changing rainfall patterns	<ul style="list-style-type: none"> ●Reduced profits due to increased operating hours 	- Ship operation
	Transition	Policy	-	Land-use change (Area of seabed use), Pollution/pollution removal (water pollution, air pollution, disturbance), Introduction of invasive species	<ul style="list-style-type: none"> ●Expansion of marine protected areas and stricter navigation rules in those areas ●Expansion of Marine Protected Areas, Important Marine Mammal Areas (IMMAs), and Particularly Sensitive Sea Areas (PSSAs) ●Expansion of ECA (Emission Control Area) 	<ul style="list-style-type: none"> ●Increased operating hours due to speed restrictions in protected areas, etc., and reduced profits owing to increased operating costs ●(If response is insufficient) Damage to the company's 	- Ship operation
		Reputational Liability	-	Land use change (Area of seabed use), Pollution/pollution removal (water pollution)	<ul style="list-style-type: none"> ●Accidents during sailing (oil pollution, container spills, destruction of coastal ecosystems due to stranding, etc.) 	<ul style="list-style-type: none"> ●Increased response costs (increased crew working hours, information gathering, crew training) 	- Ship operation
						<ul style="list-style-type: none"> ●Damage to the company's image and lawsuits ●Compensation 	- Ship operation
Opportunity	Business/Sustainability	Resource efficiency Products and services Sustainable use of natural resources	-	General	<ul style="list-style-type: none"> ●Development/adoption of ships with a low environmental impact (ships fueled by green hydrogen or green ammonia, ships equipped with underwater noise reduction technology, etc.) ●Improved fuel efficiency by selecting optimal routes using ocean currents, etc. 	<ul style="list-style-type: none"> ●Improved corporate image and investor preference ●Reduced operating costs 	- Ship operation - Ship operation
	Business Performance	Resource efficiency			<ul style="list-style-type: none"> ●Implementation of slow sailing 	<ul style="list-style-type: none"> ●Reduced operating costs owing to reduced fuel consumption ●Improved corporate image through reduced risk of collision with marine life, reduced underwater noise, and 	- Ship operation

*In the Opportunities column, “Business” refers to business performance, and “Sustain.” refers to sustainability performance.

[Risks and opportunities in the real estate business]

Risks in the real estate industry that are currently considered important include “increased frequency and severity of storms and floods due to climate change,” “strengthening regulations and ordinances regarding the withdrawal of water resources such as surface water and groundwater,” and “water and soil contamination owing to improper management.”

Conversely, potential opportunities can be found in “reducing the environmental impact through more efficient use of construction materials such as water, wood, construction waste, and plastics” and “planning and operating real estate that uses low-impact, low-toxicity, resource-recycling materials.”

List of risks and opportunities in the real estate business

Category			Relevant Dependence on nature	Relevant Impacts on nature	Risk/opportunity triggers	Risks/Opportunities	VC stages where risks/opportunities are
Risk	Physical	Acute	Flood and storm mitigation, soil and sediment retention	Land/ freshwater/ocean use change, Pollution/pollution removal	●Deterioration of ecosystem services such as flood and storm mitigation and soil retention due to land conversion	●Damage to real estate caused by wind and flood damage, repair and maintenance costs, and increased insurance premiums resulting in reduced profits	- Building operation and management
		Acute	Climate regulation, flood mitigation, storm mitigation, rainfall pattern regulation	Climate change	●Increased frequency and severity of storms and floods due to climate change		
	Transition	Policy	-	Land/ freshwater/ocean use change	●Introduction and enforcement of land development regulations for nature conservation	●New real estate development and planning becoming more difficult	- Construction - Building operation and management
		Policy	Soil and water quality regulation	Pollution/pollution removal	●Introduction and enforcement of regulations on emissions of soil pollutants, etc.	●Incurring costs for pollution control measures, etc. ●Costs for introducing facilities to reduce pollution	- General
		Market	-	Land/ freshwater/ocean use change	●Increasing market demand for on-site and off-site greening and regeneration, as well as neighborhood green urban regeneration	●(If not addressed) Reduced revenue owing to tenants moving to properties operated by other companies	- Building operation and management
		Market	-	Climate change, resource use/replenishment	●Changing customer preferences for energy-efficient properties and ZEBs	●(If not addressed) Reduced revenue owing to customers moving out of energy-inefficient properties	- Building operation and management
		Technology	-	Climate change, resource use/replenishment	●Introduction of energy-efficient and resource-efficient materials and equipment	●Costs for introducing and replacing new materials and equipment	- Building operation and management
Opportunity	Business	Liability	-	General	●Fines and compensation orders for damage to Indigenous peoples and residents owing to damage to nature and ecosystems	●Incurring compensation costs	- General
		Capital flow and financing	-	Resource use/replenishment	●Reducing the environmental impact through efficient use of water, wood, construction waste, plastics, and other construction materials	●Improving the reputation of the real estate business ●Increased fundraising owing to increased investor preference	- Building operation and management
		Products and services	-	General	●Planning and management of real estate using low-impact, low-toxicity, and resource-recycling materials	●Improved customer preference and brand image	- Building operation and management

*In the Opportunity column, “Business” refers to business performance.

Future Initiatives

The IINO Group was registered as a TNFD Adopter in March 2025. As we advance, we will continue deliberating ways to expand disclosure in line with the four pillars of the TNFD (governance, strategy, risk and impact management, and metrics and targets). Disclosure along the four pillars is scheduled to be published during fiscal year 2025.

Because nature-related issues have regional characteristics, evaluating where a business comes into contact with nature and ecosystems and what activities it conducts there is essential. In fiscal year 2025, we will focus on the IINO Group's main businesses—shipping and real estate. We will assess the contact of our operations with nature and the scope of marine or regional areas requiring ecological caution. We will also continue preparing for disclosure, including refining nature-related risks and opportunities based on regional characteristics and organizing disclosure indicators in the TNFD (global core disclosure indicators).

The indicators that can be disclosed at this time are as shown below. Please also refer to the [data list](#) on our sustainability site.

Metric number	Factors for natural changes	Index	Metrics	FY2023 results
-	Climate change	GHG emissions	Refer to ISSB's IFRS-S2 Climate-related Disclosures Standard	[Shipping business] Scope 1: 862,635 t-CO2 Scope 2: 0 t-CO2 Scope 3: 144,561 t-CO2 (*combined with the real estate business) [Real estate business] Scope 1: 1,228 t-CO2 Scope 2: 5,412 t-CO2 Scope 3: 144,561 t-CO2 (*combined with the shipping business)
C2.1	Pollution/pollution removal	Wastewater discharged	● Displacement volume (total, freshwater, other) (Concentrations of major pollutants in the wastewater, including water temperature if relevant)	[Real estate business] Total freshwater volume: 81,000 m3 *Water quality complies with the standards outlined in the Water Supply Act and the Act on Ensuring Sanitary Environments in Buildings
C2.2		Waste generation and disposal	● Weight of waste and hazardous waste generated (by type) (t) ● Amount of waste and hazardous waste classified as follows: - Waste incinerated - Waste sent to landfill - Others ● Amount diverted from landfill - Reused - Recycled - Other recovery Operations	● Waste Total: 485 t (general: 365 t, industrial: 120 t) ● Shipboard household waste Plastics: 604 m3 Bottles, cans, etc.: 455 m3 Food waste: 174 m3 *The recycling rate for waste is 73%.
C2.4		Non-GHG air pollutants	● Total amount of non-GHG air pollutants by type (t) - PM - NOx - VOCs - SOx - Ammonia	NOx: 24,000t SOx: 11,000 t