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# sustainable japan

## Rising climate risks are opening a path to action

### ESG/SDGs

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Severe weather events around the world have helped people realize that climate change is creating financial risks that will grow if not mitigated soon, the head of the organization running the world's largest environmental disclosure system said in a recent interview.

"Unfortunately, I think humankind often needs evidence before acting," said Sherry Madera, the CEO of CDP, a London-based nonprofit promoting disclosures crucial to assessing the private and public sectors' environmental impacts. "The effect of this is that companies, cities, states, regions, countries are starting to ask about the cost of climate impact on physical risk."

### Climate risks intensify

Record recent heat waves, wildfires, storms and floods have hit many parts of the world. Earlier this year, the World Meteorological Organization confirmed that 2024 was the warmest year on record, and temperatures continue to hit historic highs: Japan, Britain and several other countries said this summer was the warmest on record. Caribbean islands were hit by the most powerful hurricane ever in October, while torrential rains

caused heavy floods in Spain.

No one wants natural disasters. "But since we are where we are," Madera said, "the good point of this is that we can start creating a financial plan — what is the financial impact and how are we going to mitigate them."

### Financial impacts emerging

Because global warming exacerbates weather events, the financial community is starting to price it, she said. "If you price it, then you can move capital in order to be able to service it, or capital will move away from where the risk is not being mitigated. And that's actually, I think, what the future brings."

With more companies acknowledging the risks of climate change, the number that disclose sustainability-related data to CDP has increased, including a record number of companies in Japan — in 2024, about 2,200 companies reported to CDP, accounting for over 70% of the Prime market in the Tokyo Stock Exchange.

Madera said 67% of all companies that report to CDP have identified financial risks related to climate change. In Japan, the number is even higher at 82%.

She pointed out that it is much more efficient to take preemptive steps rather than resort to countermeasures later. Last year, companies reported to CDP that they had \$6.5 trillion worth of risks related to climate change, and that it



Sherry Madera JAPAN CLIMATE INITIATIVE

would cost \$1.4 trillion to mitigate them.

Madera said in a speech at the Japan Climate Action Summit on Nov. 7, prior to the interview: "This is a time of transition. Whether we define it that way or not, environmental risks are economic risks. In the decade to come, sustainable business will be the power behind profit and the planet coming together to build enduring business success."

### Transition plans lag

Although many companies have recognized risks due to climate change, not many have taken action yet. "CDP's data shows that more companies are disclosing that they have transition plans, but our data also shows that only 11% of compa-

nies with transition plans put capex (capital expenditures) against their transition plans," Madera said.

To realize transition plans, it is important to shift from fossil fuels to renewable energy, but this is not happening equally across the globe. According to the London-based energy think tank Ember, the growth of solar and wind power exceeded global demand for the first time in the first half of 2025, driven by China and India, but the use of fossil fuels rose in the United States and the European Union.

Japan also faces challenges in boosting renewables. In August, Mitsubishi Corp. and its partner companies announced that they would withdraw from offshore wind farm projects in three areas off the

coasts of Chiba and Akita prefectures, citing price hikes in construction materials.

Madera said the world still consumes too much energy, partly due to the recent growth of artificial intelligence technologies and data centers. "So therefore we should be thinking about how we create and innovate, in order to create ... processes that use less energy and that use less actual natural inputs overall," she said.

### Global policy efforts

Another issue is the recent U.S. reversal under President Donald Trump. In January, the U.S. withdrew from the Paris climate agreement adopted in 2015, which requires signatories to set long-term goals for reducing greenhouse gas emissions and thereby keep the Earth from warming no more than 1.5 degrees Celsius from the level during the Industrial Revolution. The U.S. later rolled back major climate policies, including wind power and cleaner power for cars.

But Madera said such actions also help to keep important climate issues at the top of the agenda and in any case are not likely to change business leaders' sustainability policies because those are based on practicality. "Geopolitical headwinds would say companies are going to stop disclosing," she said. "Why? It is so that they can access capital. It is so that they can actually have their own business efficiencies and because their customers are asking them. And these are business reasons. This is not just a save-the-planet type reason. We don't have a choice anymore: Our customers are asking for this. If I don't disclose it, my customers are not going to buy from me — that's pretty compelling."

For the first time in the history of COP climate summits, the U.S. — the world's largest economy and carbon emitter — did not send a delegation to the talks. COP30 kicked off on Nov. 10 in Belem, Brazil, with the U.S. and only a few other countries absent.



Panel session JCI (JAPAN CLIMATE INITIATIVE)

As for the transition finance that the Japanese government promotes but has faced criticism by some global investors as prolonging the lives of fossil fuel companies, Madera advocated Japan's approach to reaching carbon reduction targets, saying it points the way to a sustainable future: "You've created something that starts describing a direction of travel. ... Actually, without a transition plan, the target means nothing because there's no way to get there, and there's no proof point that the company is executing against the target. So, I think transition finance is actually putting a little bit more methodology around how do you achieve a target."

In January, Madera was appointed to the Global Advisory Council of Japan's new GX Acceleration Agency, set up to advance the government's "green transformation" (GX) policy by investing in projects to reduce carbon emissions and boost renewable energy. After her appointment, CDP quoted her as saying, "As we face mounting environmental challenges, the work of organizations like the GX Acceleration Agency is crucial in driving the change we need."

The Sustainable Japan section highlights issues related to the environment and a sustainable society. For more information, see <https://sustainable.japantimes.com>



## Tottori's Matsuba-gani crab, sake offered at New Otani Tokyo event

### ESG/SDGs

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The Hotel New Otani Tokyo is holding a special event featuring Tottori Prefecture's Matsuba-gani crab until Dec. 29. Tottori Gov. Shinji Hirai, hotel Executive Chef Shinsuke Nakajima, and restaurant manager and Executive Chef Sommelier Nobuhide Tani talked about the charm of the Tottori foods and sake offered during the event.

Annual events highlighting Tottori Wagyu-brand beef have been held at the hotel's restaurants since 2018, but this is the first event featuring Matsuba-gani, one of the prefecture's signature winter delicacies.

Matsuba-gani are fully grown male zuwai-gani (snow crabs) landed in the Sanin region. The first catch of the season arrived in Tottori on Nov. 7, just three days before the beginning of this event. Their greatest appeal is the firm texture of the meat packed tightly in the shell and how its refined, rich sweetness spreads across the palate.

Hirai, who has sampled some of the dishes offered at this event, remarked that they are artistic creations showcasing the quality of the ingredients by incorporating innovative ideas.

He particularly praised a dish served at the Japanese restaurant Kato's Dining and Bar: crab meat and crab miso (a creamy paste of boiled innards) grilled on the shell with Tottori's Hakushu Bijin white leeks, calling it a stunningly delicious creation



Key ingredients featured in the hotel's Matsuba-gani fair: Tottori sake, Matsuba-gani crab, and Hakushu Bijin white leeks. COSUFI

achieved by adding subtle arrangements to ingredients that are already deeply flavorful on their own.

Hakushu Bijin leeks, used alongside Matsuba-gani in several other dishes as well, were developed from a traditional leek grown in western Tottori and are characterized by thick, tender white sections rich in sweetness and umami. They are a precious variety that is difficult to cultivate, Hirai explained.

"Cooking it brings out its characteristic rich, mellow flavor," he said, adding that he was particularly impressed how the leek, "which is usually a supporting player in a dish, co-stars with the crab in this grilled dish."

Hirai also enjoyed the vinegar-marinated appetizer served in the Matsuba-gani course meal at the Japanese restaurant Senbazuru. He commented that the dish was beautifully finished, highlighting the contrast between its white crab meat and glossy black caviar. He also noted that the kanitama (crab omelet) served at the Chinese restaurant Taikan En features the combination of the flavorful crab and rich, creamy egg.

Nakajima explained that in developing menus using Matsuba-gani, the chefs at the Hotel New Otani Tokyo shared the consensus that they should focus on "creating a harmonious balance of sourness, saltiness and sweetness in each dish." Nakajima said, "The sweetness of Hakushu Bijin matches exceptionally well with Matsuba-gani."

The a la carte and course menus featuring Matsuba-gani at these three restaurants during the event have been "extremely well received by customers," Nakajima said. "We have received a surprising number of reservations, as well as many repeat customers."

Sake from Tottori is also being served at the fair. Hirai described Tottori's sake as hojuri umakuchi (rich and mellow with deep umami) and explained that sake made from Tottori's water and rice brings out the aroma and flavor of the rice cleanly, adding that this pairs well with the rich flavor of the crab.



Tottori Gov. Shinji Hirai (center) joins sommelier Nobuhide Tani (left) and Executive Chef Shinsuke Nakajima. COSUFI

He also noted that this year, Tottori obtained internationally recognized Geographical Indication (GI) certification for its sake.

He noted that sake produced in Tottori is mostly junmai-shu (pure rice sake), which is made only from rice and water without added alcohol. "It is valued as a distinctive sake, crafted slowly in small batches and by hand," he said.

Tani agreed, saying, "The rich umami of the locally produced rice and the softness derived from the region's soft water can be felt in the junmai-shu made in Tottori." During the fair, the three restaurants serving Matsuba-gani dishes each offer a different junmai daiginjo-shu, made from rice polished to the highest degree: Marobashi Goriki from Yamane Shuzojo, Takaisami Goriki from Otani Shuzo and Chiyomusubi Goriki 30 from Chiyomusubi Shuzo. Goriki is the name of a Tottori rice brand.

Since the ingredients used in this event, including Matsuba-gani and Hakushu Bijin, are characterized by a delicate sweetness, Tani said that wines with a strong acidity could potentially overpower them but that "Tottori's local sake, with its softness, is truly the perfect match for Tottori's ingredients."

Hirai expressed hope for future collaborations with the Hotel New Otani Tokyo as a venue where guests can enjoy the diverse products that Tottori takes pride in.



## Smart city forum focuses on communities building the future

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The fourth SSPP (Sustainable Smart City Partner Program) Forum convened in Tokyo's Harajuku district this October at With Harajuku Hall, an open space fostering informal, energetic dialogue.

Launched in 2020, SSPP supports community-building centered on maximizing residents' well-being, with communities as the main players. The program creates spaces where municipal governments, local businesses, educational institutions and residents cooperate across traditional boundaries.

SSPP provides three foundational initiatives: NTT's Sugatami platform, offering data that reflect a community's current state; the Social Designer Training Program, cultivating human capital; and the Co-design Program, working with communities on problem-solving and revitalization. The forum served as a learning space where practitioners shared experiences, insights and challenges.

### From program to practice

Local initiatives have shown how SSPP turns ideas into practice. In Nagasaki, the Social Designer program built cross-sector teams that began reshaping urban management. In Oga in Akita, practitioners reframed the narrative that rural areas have "nothing" showing that vacant or underused places can spark new value. Roundtable discussions deepened dialogue, highlighting SSPP's essential role in fluid, boundary-less community-building.

Three keynote lectures shared a common insight: Data illuminate the past and present, but the future demands multilayered perspectives focused on human well-being.

### Designing change-makers

Miles Pennington, a University of Tokyo professor specializing in design-led innovation, co-director of its DLX Design Lab and the prospective dean of the new UTokyo College of Design, outlined the vision for the college:

a five-year bachelor's and master's program launching in fall 2027 to nurture change-makers under the motto "See the world through design. Then change it."

The program will tackle challenges that no single discipline can solve, such as climate disruption, health care access, food security, urbanization and cultural preservation. Students will approach complex issues through multiple lenses — scientific, economic, ethical, cultural — to synthesize design thinking with interdisciplinary knowledge in order to forge essential solutions. Each student will chart an individual path guided by curiosity. "Some of our students may end up working in jobs that don't even exist yet," Pennington emphasized.

Change Maker Design Projects in years two and three focus on addressing real-world issues by integrating design skills with a wide variety of academic disciplines. Years four and five will demand "capstone" projects with solutions maximizing social impact. Learning is centered around studios where students can interact with industry partners, other external partners and practitioners to deepen the quality of their projects, and such collaboration may offer potential synergy to further innovation. "We want students to push design's boundaries," Pennington said, "to think freely and critically, creating solutions with genuine consequence."

### Data meets passion

Noriyuki Yanagawa, an economics professor at the University of Tokyo, presented "evidence-based policy-making" as essential for moving beyond governance by instinct. EBPM brings transparency to community-building. Digitalization creates opportunities: recruiting diverse talent, executing large projects with small teams and adopting well-being metrics beyond economic indicators.

Yet challenges remain. Vague objectives and ambiguous budgets — the "launch-and-forget" tendency — still plague revitalization efforts. Clear goals and pragmatic data use are essential. Yanagawa's message: "Don't wait for perfect data. Start where you can" to build region-appropriate EBPM frameworks.

Data alone cannot drive change. Individual passion, combined with administrative approaches that channel enthusiasm, becomes the catalyst. When these join EBPM's rigor, regional revitalization gains momentum.

### 'Post-demographic urbanism'

Atsushi Deguchi, a University of Tokyo executive director and vice president, argued that Japan's rapid population decline demands redefining urbanism as "post-demographic urbanism." Rather than fixating on statistics, "we need to ask who is actually engaged in cities today."

"Cities are not machines to be controlled," Deguchi said, "but living entities shaped by fluid populations." His metaphor: "Smart cities are like grafting. You must leverage the trunk and pursue the graft," capturing SSPP's approach of layering new systems onto existing foundations. This grafting requires five transformations: toward stewardship rather than growth, better use of data, adapting to population changes, making urban forms more flexible, and prioritizing well-being. "These transitions describe precisely what SSPP pursues," Deguchi emphasized.

Deguchi also stressed that in a post-demographic era, understanding and anticipating regional dynamics demands perspectives that go beyond traditional population-based frameworks. Communities must be viewed through multiple lenses to identify local challenges and latent value, and decision-making must be supported by a platform that integrates such diverse insights. He noted that Sugatami exemplifies this kind of foundation for regional understanding.

Furthermore, Deguchi highlighted the importance of "gradualism" — the willingness to begin acting even when neither the objectives nor the means are fully clear — as a crucial approach for future community-based development. He concluded by expressing hope that SSPP would continue to embody this spirit of gradualism, fostering new pathways for co-creation and community development.

SSPP

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