Since our founding in 1896, the goal of the Tokyo Tatemono Group as a comprehensive real estate company has been to create a rich and comfortable urban environment. Boasting more than a century's worth of positive contributions, we aim to create a sustainable society and improve our corporate value as a member of society by finding solutions to various social issues.

Corporate Philosophy

**Trust beyond the era.**

We aim to grow the company and to create a prosperous society, taking pride in the trust placed in us that extends over a century.

Corporate Stance

We support affluent and dream-filled living.
We aim to create comfortable urban environments.
We create worthwhile spaces offering peace of mind.

Group Profile

**Corporate Data**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Tokyo Tatemono Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>1-9-9 Yaesu, Chuo-ku, Tokyo 103-8285</td>
</tr>
<tr>
<td>Established</td>
<td>October 1, 1896</td>
</tr>
<tr>
<td>Capital</td>
<td>92.4 billion yen (As of December 31, 2019)</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>655 (As of December 31, 2019)</td>
</tr>
<tr>
<td>Number of Consolidated Employees</td>
<td>5,396 (As of December 31, 2019)</td>
</tr>
</tbody>
</table>

**Main Businesses of the Tokyo Tatemono Group**

The Tokyo Tatemono Group meets its role as a developer by creating rich, comfortable urban environments, reaching to even greater heights in solving social issues and growing as a company.

<table>
<thead>
<tr>
<th>Office Buildings</th>
<th>Urban Development/ Office Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residences</td>
<td>Condominium and Rental Housing</td>
</tr>
<tr>
<td>Commercial Facilities</td>
<td>Commercial Facilities, Urban-type Hotels and Logistics Facilities</td>
</tr>
<tr>
<td>Child Care</td>
<td>Nursery Schools and School-Aged Childcare Facilities</td>
</tr>
<tr>
<td>Real Estate Solutions</td>
<td>CRE Strategy Support, Brokerage and Property Management, Asset Solutions, and Real Estate Appraisal</td>
</tr>
<tr>
<td>Real Estate Fund</td>
<td>Real Estate Investment Products</td>
</tr>
<tr>
<td>Parking Lots</td>
<td>Pay-by-the-Hour and Pay-by-the-Month Parking</td>
</tr>
<tr>
<td>Overseas Business</td>
<td>Real Estate Development in China and Emerging Countries in Asia</td>
</tr>
<tr>
<td>Senior</td>
<td>Residences for Elderly People and Nursing Care Services</td>
</tr>
<tr>
<td>Leisure</td>
<td>Pet-friendly Hotels, Hot Spring Facilities, and Golf Courses</td>
</tr>
</tbody>
</table>

Group Companies

- Tokyo Tatemono Real Estate Sales Co., Ltd.
- Tokyo Fudosan Kanri Co., Ltd.
- Tokyo Building Service Co., Ltd.
- Shinjuku Center Building Management Co., Ltd.
- PRIME PLACE Co., Ltd.
- Seishin Service Co., Ltd.
- Tokyo Tatemono Amenity Support Co., Ltd.
- E-State Online Co., Ltd.
- Japan Rental Guaranty Co., Ltd.
- Nihon Parking Corporation
- Parking Support Center Corporation
- Tokyo Tatemono Senior Life Support Co., Ltd.
- Tokyo Tatemono Staffing Co., Ltd.
- Tokyo Tatemono Resort Co., Ltd.
- Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.
- Tokyo Tatemono Asia Pte. Ltd.
- Tokyo Tatemono Investment Advisors Co., Ltd.
- Tokyo Realty Investment Management, Inc.
- Tokyo Tatemono Kids Co., Ltd.
Editorial Policy
The Tokyo Tatemono Group disclosed information related to sustainability for public viewing. In so doing, we fulfill our roll in helping create a sustainable society and communicate related initiatives to our stakeholders.

We publish our sustainability-related initiatives, including relevant data, on our corporate sustainability website. Every year, we publish a sustainability report highlighting our sustainability efforts and an ESG data book, which consists of our sustainability data. These publications are available in PDF format.

This report features topics the Tokyo Tatemono Group considers to be important to society and our customers, ensuring greater stakeholder understanding of our concerns for sustainability. We focus on examples of our most recent efforts in addressing this subject.

Special features in this report address particular programs that we want to convey to our stakeholders.

To ensure the accuracy of information contained in this report, we received assurances from third-party entities regarding historical performance data. We have also provided a GRI standards reference table in this report.

Publication Data
July 2020
(Issued annually. Previous report published in May 2019 and revised in June 2019 for environmental and social data, GRI standards reference table.)

Reporting Period
The period covered by this report addresses our activities in FY2019 (January 1, 2019 to December 31, 2019). Some of the information included in this report may be applicable to other fiscal years.

Environmental data corresponds to the period between April and March of the following fiscal year.

Report Scope
This report primarily focuses on activities of Tokyo Tatemono Co., Ltd. However, some sections cover activities across the entire Tokyo Tatemono Group or group companies. Activities of Tokyo Tatemono Co., Ltd. are referred to as Tokyo Tatemono and activities of the entire group are referred to as the Tokyo Tatemono Group.

Referenced Guidelines
GRI Standards: Referenced items are listed on the content index.

Third-Party Assurance
Tokyo Tatemono underwent a third-party quality assurance evaluation by Lloyd's Register Quality Assurance Limited (LRQA) in connection with certain environmental and social data to ensure the integrity of the data within this report. The type of data and numerical figures subject to this evaluation are indicated with an asterisk.

Inquiries
Corporate Communications Department
Tokyo Tatemono Co., Ltd.
Tokyo Tatemono Yaesu Building 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285
TEL: 03-3274-1984
Creating a Good Company to Serve All Stakeholders Over the Next 100 or 200 Years

Zenjiro Yasuda, the founder of the Tokyo Tatemono Group, stated that the real estate business is a business measured in 100 or 1,000 years for people and society. He also espoused a philosophy (the customer always comes first and enterprising spirit) that became the model upon which the modern real estate business was built. More than 120 years later, our business still embodies those words, inseparable from social issues. I am convinced that we will have an even larger impact on society in the future.

Modern society faces a number of pressing challenges. These challenges include population decline due to a declining birthrate and an aging population, the problem of urban development in response to frequent disasters, climate change, global environment risks, and intense competition among global cities. We never know when unexpected change will occur. In this era, we recognize the significant role we must accomplish through our own businesses for the future benefit of our customers and society. Companies that cannot meet this duty will not survive long in the world to come.

In 2019, we closed the final chapter of a five-year medium-term business plan. We achieved several goals under this plan, including 50 billion yen in operating income. In reaching these achievements, we produced synergies through restructuring our businesses and collaborations, driving greater group unification. We have created a long-term vision to serve as a shared understanding, linking a unified Tokyo Tatemono Group to even higher levels of sustainable growth.

Our long-term vision, Becoming a Next-Generation Developer, looks forward to the year 2030, which is also
the target year of the SDGs. There is a reason we chose to use the word “developer” in the title of our vision. The root word of developer is develop, which not only means to improve land and construct buildings, but also means to evolve and grow in the softer sense of the word. For us, Becoming a Next-Generation Developer means something beyond building tangible structures and growing profits. This ideal also reflects how we strive to create services for lifestyles, work, and rest, building long-term cultures and functions for our communities. In other words, we aim to be a business measured in 100 or 1,000 years, just as our founder proclaimed.

Our long-term vision aims to raise the level at which we solve social problems and achieve sustained growth and greater value as an enterprise. The 17 goals of the SDGs contain many matters having a deep relationship to our businesses. More than any, however, is Goal 11: Sustainable Cities and Communities. This is a goal in which we must make a positive contribution through all of our business activities. We contribute to solutions for a variety of social issues through our businesses. Our contributions include buildings and housing that are resilient in the face of the environment and natural disaster, support for safe and secure communities, and work to help create ideal communities. Our redevelopment work in the Yaesu, Nihonbashi, and Kyobashi areas are several examples. Here, we formed a redevelopment association together with local landowners, engaging in community development that helps solve local issues while adding to the attraction of local culture, festivals, and more. In July 2019, we received ZEB Ready certification for Hareza Tower, the first such certification for a multi-use super skyscraper. This large-scale development project in Ikebukuro, Tokyo, reflects our commitment to buildings and housing that achieve both environmental and economic goals. The Brilia condominium series in the Tokyo Tatemono Group residence business developed the Briliaeco concept, which reduces the burden of housing on the environment. Here, the Brilia Tower Seiseki Sakuragaoka Blooming Residence, scheduled for completion in 2022, has already received the ZEH-M (Zechi Mansion) certification, the first super skyscraper in the Tokyo metropolitan area to do so. In 2020, we established the Sustainability Committee to raise the level of group ESG management. Reporting directly to the president and executive directors, this committee engages in cross-organization sustainability initiatives.

We have taken the helm decisively in sustainability management because we recognize that we cannot survive unless we become a truly Good Company in a time in which the structural weaknesses of capitalism have become clear and global-scale social issues pile one on top of the other. The subtitle of our long-term vision is Being a Good Company for All Stakeholders. And I believe that the Tokyo Tatemono Group is the best Good company in Japan. As we state in our corporate philosophy, we believe trust is the most important asset for a business, and trust is what creates the future. It is upon this belief that we have built relationships with customers and business partners. Of course, this was not something we accomplished quickly. Tokyo Tatemono employees are outstanding people. Many employees have said that they trust Tokyo Tatemono and hope to work here over a long career. This reputation is our greatest strength and how we should always be as a company. In some ways, shareholders, customers, business partners, employees, and others have conflicting interests. Even so, I believe it is possible to be a balanced Good Company in all aspects, as long as we are committed now and in the future to this vision of an ideal future. To be a company trusted by society over the next 100 and 200 years, the Tokyo Tatemono Group will come together, united in our aim to be a better Good Company.
Tokyo Tatemono Sustainability

Sustainability Promotion Framework

Overview of Sustainability Management at Tokyo Tatemono

The Tokyo Tatemono Group engages actively in sustainability measures, taking an evolved approach to ESG management. Our objective is to raise our corporate value and social value to a new level.

Changes in the business environment are happening at a faster pace in recent years, while ESG management is growing ever-more important. To achieve sustained growth beyond the year 2020 in this environment, the group has come together under a Long-Term Vision and established a sustainability promotion framework.

Our Long-Term Vision covers the period from our current large-scale redevelopment projects to the year 2030, in which the completion of these projects overlaps our targets for SDGs. The Tokyo Tatemono Group aims to help solve social problems and achieve sustained growth and greater value as an enterprise.

Focus Factors in the External Environment

- Intensified competition between cities internationally
- Changes in the financial environment
- Decrease in population and working-age citizens in Japan
- Diversification of work styles and lifestyles
- Intensification of competition to recruit human resources
- Acceleration of digital technology advances and globalization
- Rising ESG awareness
- Greater geopolitical risks and natural disaster risks

Approach to Long-Term Vision

Corporate Philosophy

- Our unchanging values and mission

Long-Term Vision

- Group Vision for 2030

Medium-Term Business Plan

- A strategy for achieving our Long-Term Vision

Fiscal Year Business Plan

- Specific initiatives for achieving our Medium-Term Business Plan

Long-Term Vision

Becoming a Next-Generation Developer

We live in a time of profound change.

We are experiencing shifting demographics, growing diversity among personal values, ever-accelerating technological development, and more.

Amidst these uncertainties, a broad range of challenges to achieving social sustainability have emerged.

The Tokyo Tatemono Group understands that the role of developers must also change in fundamental ways.

We are committed to using our business to offer better solutions to society’s problems and bring our own growth as an enterprise to a higher level.

By doing so, we aim to be a good company for all our stakeholders.
Sustainability Promotion Framework

Tokyo Tatemono established the Sustainability Committee, chaired by our president and CEO, to pursue ESG management across the entire Group.

The Sustainability Committee, like the Group Management Meeting and Internal Control Committee, is under the direct control of the president. The Sustainability secretariat, which is the Sustainability Promotion Group in the Corporate Communications Department, advances sustainability measures by working with business units to set ESG targets, monitor progress, and evaluate our achievements.

Stakeholder Engagement

The Tokyo Tatemono Group identifies and actively communicates with stakeholders who are also involved in the great impact we have on society as a developer.

We are committed to creating new value and pursuing urban development that contributes to the future of community development by listening to our stakeholders.

Stance On and Approach to Dialogue With Our Core Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Stance on Dialogue</th>
<th>Approach to Dialogue</th>
</tr>
</thead>
</table>
| Customers (building tenants, home buyers, users of services) | We established various systems to incorporate customer feedback in our business activities. We use these systems to provide valuable products and services that offer safety and peace of mind, while improving customer satisfaction continuously. | • Customer satisfaction surveys  
• Brillia Owners Hotline (contact for home buyers)  
• Various questionnaires  
• Online inquiry forms  |
| Local community (local community around properties, local governments, etc.) | We work to increase local value and contribute to the local community through efforts that include community development, community revitalization, and various community activities. | • Dialogue with local residents and government bodies in the planning, development, and management of properties  
• Volunteer activities, including clean-ups activities  
• Participation in local events and festivals  
• Support for education and the arts  
• Disaster reconstruction support |
| Employees                                 | We work to create a satisfying workplace in which employees can experience personal growth. We strive to develop human resources who are trusted and capable of building the future. | • Various training and reward systems  
• Regular personnel interviews  
• Dialogue with labor unions and co-hosting of events  
• Individual consultation on child-rearing and nursing care support, etc. |
| Shareholders and investors                | We aim to build long-term fiduciary relationships with our shareholders and investors and earn appropriate recognition through sincere and fair information disclosure and active communication. | • IR information on our corporate website  
• General meeting of shareholders  
• Seminars for private investors  
• IR meetings (Japan/overseas) |
| Partners (business operators related to planning, development, and property management, and service provision, etc.) | We conduct fair and equal business dealings with our partners and strive for close communications to build even better relationships with these partners. | • Verification of second- and third-tier subcontractors  
• Verification via internal check sheet  
• Regular meetings |
Tokyo Tatemono Materialities (Critical Issues)

The Tokyo Tatemono Group has identified nine materialities (critical issues) as social issues to be solved through our businesses. We provide three desirable social values through solving these issues.

To move forward with our sustainability measures across the group, we are also engaged in raising the level of ESG management and have set key themes for E (Environment), S (Society), and G (Governance).

Materiality Identification Process

To meet society's needs and achieve sustained development, the Tokyo Tatemono Group believes we must create value for society continually through our businesses. Of all the social issues we solve through our businesses, we have identified those of particular focus as materialities (critical issues). In the process of identifying materialities, we repeatedly examine various social issues in light of related information resources, scrutinizing issues based on internal and external opinions.

Information Resources Related to Social Issues

SDGs:
International goals for the years 2016-2030 as listed in the 2030 Agenda for Sustainable Development (adopted at the United Nations Summit in September 2015)

Future Investment Strategy:
Future Investment Strategy 2018: Transforming into Society 5.0 and a Data-Driven Society. A summary of the strategic fields and measures on which the Japanese government will focus its efforts

Basic Policy on Urban Renaissance:
A summary of the Japanese government’s basic policy for revitalizing cities

National Strategic Special Zones Policy:
A summary of the Japanese government’s zoning policy for national strategic special zones
We mapped the issues to narrow them down to those of relatively great importance. We organized these issues into three categories based on their content and identified them as Tokyo Tatemono materialities.

We evaluated 35 social issues and measured their relative importance. In making this evaluation, we incorporated two perspectives: the scale of the social need (whether the issue requires a solution) and the affinity of the issue with our business (whether the issue is closely concerned with our current business or something we may wish to deal with as a business in the future). To further clarify the relative importance of issues, we assigned points based on four aspects.

We established KPIs to evaluate results and make concrete progress, ensuring we engage with and achieve our materialities going forward. We also plan to review materialities every three to five years to respond to changes in the business environment, etc.
### Tokyo Tatemono Group Materialities

<table>
<thead>
<tr>
<th>Critical Issues (Materialities)</th>
<th>Target Social Value</th>
<th>Contribution to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community development</strong> that contributes to Tokyo as an international city attractive to all</td>
<td><strong>Strengthen and enhance city functions</strong>&lt;br&gt;• Promote urban redevelopment, establish facilities for the public good, create lively scenes through area management</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Respond to globalization</strong>&lt;br&gt;• Attract global enterprises, establish an environment that is welcoming to foreign visitors in Japan</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Promote innovation</strong>&lt;br&gt;• Promote open innovation, use data and information technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Urban development</strong> so all can live the lives they please</td>
<td><strong>Use and rebuild real estate stock</strong>&lt;br&gt;• Promote reconstruction/redevelopment projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Respond to a growing diversity of values and lifestyles</strong>&lt;br&gt;• Create and offer spaces that keep pace with changing times (changes in work styles, family structure, etc.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Respond to declining birthrate and aging population</strong>&lt;br&gt;• Establish an environment that facilitates child rearing and environments suitable for seniors</td>
</tr>
<tr>
<td></td>
<td><strong>Sustainable community development</strong> considerate of nature and the environment</td>
<td><strong>Harmonize with nature</strong>&lt;br&gt;• Establish environments with greenery, maintain and protect ecosystems</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Reduce environmental impact</strong>&lt;br&gt;• Use resources such as energy and water efficiently, reduce waste, promote recycling</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Engage in natural disaster emergency response</strong>&lt;br&gt;• Respond to natural disasters stemming from climate change, engage in earthquake countermeasures</td>
</tr>
</tbody>
</table>

#### Key themes to be addressed to raise ESG management

<table>
<thead>
<tr>
<th>E: Environment</th>
<th>S: Society</th>
<th>G: Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen environmental measures through our business</strong>&lt;br&gt;• Reduce emissions of greenhouse gases&lt;br&gt;• Strengthen response to climate change&lt;br&gt;• Promote development of eco-friendly real estate</td>
<td><strong>Secure and develop human resources to support sustained growth</strong>&lt;br&gt;• Raise productivity by promoting work style reform&lt;br&gt;• Promote diversity&lt;br&gt;• Actively invest in and develop human resources to expand the scope of our business</td>
<td><strong>Increase profitability and management transparency by strengthening governance</strong>&lt;br&gt;• Strengthen risk management framework&lt;br&gt;• Strengthen supply chain management&lt;br&gt;• Bolster group synergies&lt;br&gt;• Review cross-shareholdings policy&lt;br&gt;• Increase transparency and effectiveness of management</td>
</tr>
</tbody>
</table>

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*Contents* Environment Sustainability Governance Message from the President Social Feature
Building Sustainable Communities in Yaesu, Nihonbashi, and Kyobashi

Tokyo is the capital of Japan and the world’s largest megacity.

Yaesu, Nihonbashi, and Kyobashi are three central areas in Tokyo, notable for the Tokyo Station, a central hub of Japan’s railway network. Tokyo Tatemono has called this close-knit area its home headquarters since 1896.

As a next-generation developer aiming to create a sustainable society, Tokyo Tatemono promotes sustainable community building in the Yaesu, Nihonbashi, and Kyobashi districts.

Creating an innovation ecosystem is one theme on which Tokyo Tatemono focuses to promote sustainable community building. An innovation ecosystem is a business environment analogous to a natural ecosystem. Here, collections and collaborations of various players in industry, academia, and government (startups, large corporations, investors, and research institutes, etc.) create a virtuous cycle that cultivates new industry and generates economic growth leading to innovation.

The Yaesu, Nihonbashi, and Kyobashi districts are leading global business centers. The sustainable development of these districts requires the presence of innovation that creates new industry and the support of an ecosystem.

Since an innovation ecosystem is formed through the collection and collaboration of a diverse range of players, we could say that the most critical core requirement is a transportation infrastructure to attract these players.

With the establishment of Edo (Tokyo) as the capital of Japan, the Tokugawa shogunate developed the Edo Five Routes. These were five trunk highways for the nation, all originating from Nihonbashi. This led to a tremendous influx of people, goods, and culture from rural areas, and the city developed into a place for the creation of new industry and culture.

At Edo Castle, craftsmen from all over Japan gathered to produce the materials used in samurai residences: tatami mats, fusuma wall panels, armor, and more. Since paintings were often drawn on these fusuma panels, the Kanō school was established in Edo and would become the largest faction in the history of Japanese painting. A number of famed ukiyo-e woodblock artists, including Utagawa Hiroshige, would also reside there, contributing to a flourishing art culture. Other business-minded people created quick and easy dishes to satisfy the hunger of people who came alone to Tokyo to work in these industries. These dishes, including stall-based soba noodles, sushi, and more, resulted in a burgeoning Edo food culture.

The original company building, located in what was then called Nihonbashi Gofukucho (pictured right), took severe damage in the Great Kanto Earthquake. Later, our headquarters building (pictured left), which was completed in 1929, was equipped with the most up-to-date earthquake and fire resistance technology of the time.
Transportation Infrastructure Supporting Innovation

Improvements in transportation infrastructures have significant influence on the creation and cultivation of new industry and culture, or in other words, the promotion of innovation.

From the Edo period to the present day, the Yaesu, Nihonbashi, and Kyobashi districts have benefited from an overwhelmingly ample transportation infrastructure compared to other cities. These districts are the hub of the national railway network (especially given the presence of Tokyo Station), long-distance bus network terminals, subway networks, highway networks, and so on. Future enhancements are also planned, including BRT networks and new subway lines.

The development of transportation infrastructure requires a great deal of time and investment of social capital. Only a limited number of districts can host this infrastructure, and these districts remain central hubs over a long period of time. The Yaesu, Nihonbashi, and Kyobashi areas boast a significant advantage in that they already have a transportation infrastructure, the core requirement for innovation, in place.

The flow of people, goods, and money brought by this transportation infrastructure has resulted in an economic benefit stemming from the concentration of businesses. This history has made the Yaesu, Nihonbashi, and Kyobashi area the greatest urban economic zone in Japan. This centralization is unparalleled in scale, and the gathering of such a great number of talented people and the resulting collective knowledge brought together is a source of valuable innovation that cannot be found elsewhere.

Richness in Culture That Attracts the Creative Class

Another strength of the Yaesu, Nihonbashi, and Kyobashi areas is their rich cultures.

As indicated by urban economist Richard Florida in his Creative Capital theory, people from the creative class, those who drive innovation, tend to prefer traditional, firmly rooted cultures. In other words, the more an area possesses a rich, unique culture, the easier it is to attract the creative class.

The Yaesu, Nihonbashi, and Kyobashi areas are districts rich in art and art culture. Paintings and other crafts have been nurtured here since the Edo period. Even today, this area is home to Japan’s densest collection of antique art, galleries, and museums. These districts are also home to a food culture that brings a richness to daily life. As Japan’s unique food culture developed here (sushi, soba, grilled eel, and so on) so, too, did storefronts. Even today, these districts are home to a number of shops whose genealogies can be traced back to the Edo period. Development as a business district led to further concentration and development of the food and beverage industry. Now, a number of diverse, high-quality restaurants are utilized for business meetings and private soirées.

The concentration of various food-related industries, from food manufacturing to wholesale, formed the foundation of an ecosystem that integrates culture and economy.
Toward Developing an Innovation Ecosystem

The Yaesu, Nihonbashi, and Kyobashi areas feature a number of factors critical for an innovation ecosystem. These factors include a strong transportation infrastructure, large-scale business clusters, and rich cultural characteristics. As any of these factors require considerable time to form, these areas possess great competitive advantages over other districts. Today, Tokyo Tatemono works to develop this innovation ecosystem further by infusing this already solid foundation with new elements.

Soliciting Startups and Promoting Open Innovation With a Focus on Social Issues

New ideas must be developed and offered in order to stimulate industry. Startups serve society by fulfilling this role. The agility and speed of startups within existing industries can lead to unprecedented innovation.

In 2018, Tokyo Tatemono launched operations at xBridge-Tokyo, a startup studio serving as a hub to for star-level startups in their early phases. Since its launch, xBridge-Tokyo has been home to more than 20 startups, aiding them in growing their various businesses.

Tokyo Tatemono also maintains and operates facilities that serve as hubs for open innovation. At City Lab Tokyo, we help create a decarbonized society by providing a forum and operating programs that encourage cooperation between the various players involved in community development. At TOKYO FOOD LAB, we leverage the food industry hub in the Yaesu, Nihonbashi, and Kyobashi districts to attract new players from Japan and overseas. Here, we strive toward food innovation, including initiatives for resolving food shortages, which is a critical issue facing global society. At Kitchen Studio SUIBA, we use food to promote lively activity and communication, supporting players in the field of cuisine as they take on new challenges. TOKYO IDEA EXCHANGE hosts a wet lab equipped with 3D printers and other machine tools to attract new creators. All of these centers form a distinctive network, sharing a common theme of working to resolve various social issues, from local to global.

These Tokyo Tatemono-led initiatives have received strong praise from the Tokyo Metropolitan Government, and were officially certified for the Regional Council by Authorized Regions (PR Support) in last fiscal year’s innovation ecosystem promotion support project.
Mechanism for Innovation Ecosystem Growth

The Brookings Institute of the United States identifies three critical elements for the formation of innovation ecosystems: various networking programs (networking assets); infrastructure, offices, food and drink establishment, and open innovation bases (physical assets), and a variety of players that act as economic assets.

If we overlay the Yaesu, Nihonbashi, and Kyobashi districts onto the framework of these three elements, we can see that the value of these districts in terms of economic assets can be increased significantly by adding a concentration of startup ventures to the existing cluster of businesses.

As for physical assets, a large-scale aggregation of offices and stores already exists on top of an overwhelmingly superior transportation infrastructure in these districts. The addition of new open innovation bases here and planned future large-scale redevelopment projects will significantly expand the district’s physical assets. Networking assets are also expected to be strengthened, triggered by the programs operated at each open innovation base.

As the innovation ecosystem begins to grow in this way, we will see a self-sustaining, sustainable development cycle in which a variety of players, including large innovation-driven companies, cluster with each other. These conditions are also favorable for large-scale redevelopment projects, such as Tokyo Tatemono’s Type-1 Urban Redevelopment Project in the Yaesu 1-Chome East Area in front of Tokyo Station and the Type-1 Urban Redevelopment Project in the Yaesu 1-Chome North area. Further, these facilities can also contribute as a space for new players to utilize and play an active role.

Tokyo Tatemono aims to realize the sustainable development of both our community and our own businesses through the creation of an innovation ecosystem.

New Innovation Ecosystems Built Through Redevelopment

- **Economic Assets**
  Companies, institutions, and organizations that promote, foster, and support an environment rich in innovation.
- **Physical Assets**
  Public and privately-owned spaces designed and organized to stimulate new and higher levels of connectivity, collaboration and innovation.
- **Networking Assets**
  The relationships between actors, such as individuals, firms and institutions, that have the potential to generate, sharpen, and accelerate the advancement of ideas.

Source: Brookings Institute

Valuing Familiar Comfort, While Creating World-Class Communities

The Yaesu, Nihonbashi, and Kyobashi areas comprise a business hub that drives the Japanese economy. However, there is a very familiar, human face to these districts, including business people who operate long-standing local restaurants. A number of companies have been operating in this district for many years, not only because of the convenience of growth-supporting transportation and advantages stemming from a collection of companies, but also likely due to the comfort of the district that puts those who work here at ease. At Tokyo Tatemono, we promote the development of an attractive, world-class community by cultivating an innovation ecosystem that encourages business growth while valuing the cultural characteristics unique to this district.

Area Management Division
General Manager
Naoki Kumada
Supporting Sustainable Communities Through Disaster Mitigation and Environmental Impact Reduction

Strengthening Disaster Mitigation

Disaster mitigation is an essential element when considering the development of a sustainable community.

Countermeasures against disasters caused by extreme weather driven by climate change, as well as earthquakes and other causes, are important elements of community development. These are also social issues that are attracting more attention due to the increasing frequency of major disasters. Major disasters not only damage office buildings, but also threaten the lives and livelihoods of people who live and work in the community, causing damage to the entire region. At Tokyo Tatemono, we work to create a safer and more secure city by strengthening our disaster mitigation capabilities in cooperation with neighboring companies, local residents, neighborhood associations, and other local organizations. Here, we strive to address disaster mitigation at the regional level.

A major issue in urban areas with high concentrations of large corporate offices is when commuters are unable to return home during a disaster. Disasters can also damage power grids and power supply facilities, potentially leading to large-scale power outages.

Large-scale office buildings built by Tokyo Tatemono have prepared support mechanisms in anticipation of receiving stranded commuters, including resource stockpiles and emergency manuals. For future large-scale redevelopment projects, we are strengthening business continuity functions via emergency-use power generation equipment, co-generation systems*, and networked local air conditioning facilities to make regional energy use more efficient and less impactful on the environment.

*Energy conservation system that effectively uses heat from electric power generation for heating, air conditioning, etc.

Reducing Environmental Impact

Tokyo Tatemono development projects incorporate a variety of environmental measures based on the Group Environmental Policy.

One example is the Tokyo Square Garden, a large-scale complex building with direct access to Kyobashi Station on the Ginza Line. Here, we have installed and currently operate the Kyobashi Environmental Station. This facility aims for environmentally friendly community development to help create a decarbonized society. The station provides advice on energy conservation measures to local small- and medium-sized building owners. We also provide local residents opportunities and forums to learn about and take action related to environmental problems. We also use this facility to present the various environmental technology initiatives employed at Tokyo Square Garden.

Even at the Tokyo Tatemono Yaesu Building, which has served as Tokyo Tatemono’s headquarters since May 2020, we strive to reduce environmental impact through efficient energy management, greening, and other initiatives.

Through these efforts, Tokyo Tatemono aims to create an attractive, sustainable community that appeals to people and companies around the world. We strive for progress, even in the face of major social shifts, such as international competition between cities, a shrinking working-age population, and diversifying work and lifestyles.

Tokyo Square Garden

In partnership with Nature Innovation Group Co., Ltd., the Tokyo Station City Management Council, and other organization and company stakeholders in the Tokyo Station area, Tokyo Tatemono launched the Aikasa umbrella sharing service. Started in December 2019, this is first service of its kind in Japan. Users can borrow stylish umbrellas (decorated with old-style map art) simply by scanning a QR code in mobile app at the more than 700 Aikasa Spots nationwide. This service is aimed at providing hospitality to both area workers and tourists, as well to eliminate the issue of plastic waste related to plastic umbrella trash.
Environment

Greenhouse Gas (GHG) Emissions: 51,470 t-CO₂

Waste Recycling Ratio: 62.8%

Acquisition Rate of DBJ Green Building Certification: 37.7%
Policy and System for Environmental Initiatives

Policy and Concept

The Tokyo Tatemono Group contributes to sustainable societies through environmentally friendly business activities. We formulated the Group Environmental Policy, which is a group-wide shared policy that serves as the foundation of a management structure designed for the business attributes of our Office Buildings Business. This business includes building construction, operation, and management, and our housing development business, which includes the Brillia brand. Other businesses and group companies engage in environmentally friendly business under environmental guidelines established in line with the Group Environmental Policy.

Further, we strive to improve our environmental performance to prevent contributing to climate change and environmental damage. We accomplish this done through measures such as reducing greenhouse gas emissions, strengthening our response to climate change, and promoting the development of environmentally friendly real estate. In this, we work to develop real estate harmoniously with nature. Through these efforts, we reduce our environmental burden and create abundant, comfortable spaces.

Group Environmental Policy

- Creating a pleasant city and living with greenery
  We will create a rich and comfortable environment for earth and people by utilizing the strength of greenery as much as possible with consideration to biodiversity.

- Climate change prevention that leads the community
  We will actively implement environmentally friendly technologies and ideas into our products and services to lead the community in building a low-carbon city.

- Resource-saving activities that are kind to the earth
  We will strive to reduce the use of resources and environmental impact through all available opportunities and contribute to creating a recycling-oriented society.

- Developing employees with high environmental awareness
  We will comply with laws related to the environment and educate and raise the awareness of our employees about the environment.

Established January 2011

Environmental Promotion Structure

- President and CEO
- Group Management Meeting
- Advisor (Appointed from those who have energy management knowledge)
- Energy Management Supervisor (Director in charge of the Corporate Communications Department)
- Energy Management Leader (General Manager of the Building Engineering Department)
- Secretariat (Corporate Communications Department/Office Buildings Business Planning Department)
- Business Departments

Contents

- Environment
- Sustainability
- Governance
- Message from the President
- Social
- Feature
Environmental Management in the Office Buildings Business

Among all Tokyo Tatemono business activities, the Office Buildings Business, which operates and manages commercial office buildings, uses the most energy. The energy usage of this business accounts for 93.9% of all usage within Tokyo Tatemono (calculation based on the Energy Conservation Act*). Therefore, reducing the amount of energy used in the Office Buildings Business results in a significant reduction of Tokyo Tatemono’s total energy consumption.

The Office Buildings Department has formulated an environmental execution plan. This plan is founded on a strong awareness of energy conservation in light of the problem of climate change. With this, we strive to carry out energy-saving activities on a daily basis. When developing new buildings, we adopt environment and energy-saving technologies for environmentally friendly buildings that are well-received by society. For existing buildings, we promote energy savings by strategically renovating buildings using energy-saving equipment. We also make efforts to save energy in operations and reduce environmental impact with the help of our tenants.

Moreover, we have set a quantitative indicator in the form of a power consumption per floor area unit to reduce energy consumption. Here, we target a 1% annual unit reduction averaged over five years as a target in accordance with the Energy Conservation Act (this per-unit basis also applies to GHG emissions).

*Act on the Rational Use of Energy

### Environmental Execution Plan and Guidelines

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<tr>
<th>Area</th>
<th>Environmental Execution Plan</th>
<th>Guideline</th>
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<tbody>
<tr>
<td><strong>Greening</strong></td>
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</table>
| Building rich greenery that helps cities transform and thrive | We promote rich greening that gives people a sense that their city is transforming and thriving. | New construction: We aim for greening of at least 5% of structure area and at least 50% of exterior area. We also promote interior greening.  
New construction and renovation: We promote structure greening for all buildings, creating rich environments for their users. Specifically, we implement layout plans that include considerations for rooftop greening, the cultivation of exterior plants, and plant upkeep and management plans.  
Operations: We create and maintain a plant management plan, and we conduct regular monitoring and proposal of plans for improvement. |
| Rebuilding ecosystems with biodiversity | We rebuild abundant, local natural settings, fostering lush ecosystems created by the competition and coexistence of diverse organisms. | We acquire and renew certifications for the preservation of existing trees and the conservation of ecosystems.  
New construction and renovation: We form planting plans that reflect the particular characteristics of the site in question and the policies of the area. We eliminate intrusive species that damage the ecosystem, devise planting plans that take into account the conservation of native species, and maintain ecosystems by ensuring continuity with surrounding green spaces.  
Operations: We conduct charitable donation and awareness outreach activities. |
| Designing tree placement for comfortable, abundant urban environments that produce enjoyable sunlight | We contribute to the creation of comfortable urban environments by positioning trees for optimal shadows and heat shielding. | We promote efforts to mitigate the heat island phenomenon.  
New construction: We explore placement plans that incorporate exterior wind paths, fluid simulations, and other factors.  
New construction and renovation: In addition to incorporating measures related to roof, exterior, and ground surfaces, we engage in a variety of other measures that include mitigating reflections from buildings, equipment planning for mitigating thermal environment degradation, vacant space planning for wind paths, securing appropriate shade, ensuring green and water coverage ratios, and minimizing pavement area. |
| Using green assets to improve area value | We create rich, lush landscapes and cultivate forums for communication through greening, improving the value of the surrounding area. | New construction and renovation: We plan environments and facilities that give a sense of closeness to nature, promoting the formation of good landscapes by greening roadides, etc.  
Operations: We sponsor events that offer participants a sense of closeness to nature. We also participate in area planting management and other initiatives. |
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<tr>
<td><strong>Energy conservation</strong></td>
<td>We promote the construction and management of buildings, emphasizing environmental performance. We acquire and retain third-party certification for the environmental performance of these buildings and contribute to sustainable low-carbon urban development.</td>
<td><strong>New construction</strong>: We acquire third-party certification and explore implementation of low-CO₂ leadership projects, and so on. <strong>Operations</strong>: We pursue the renewal of third-party certifications and new certification acquisition for buildings without said certifications.</td>
</tr>
<tr>
<td><strong>Acquisition and retention of third-party environmental performance certification</strong></td>
<td><strong>Quantitative Targets</strong>&lt;br&gt;<strong>&lt; Scope &gt;</strong>&lt;br&gt;<strong>New construction</strong>: Long-term retention, value-added class office buildings and standard class office buildings&lt;br&gt;<strong>Existing construction</strong>: Long-term retention, value-added class&lt;br&gt;<strong>&lt; Target &gt;</strong>&lt;br&gt;① 4 or 5 stars in the DBJ Green Building Certification&lt;br&gt;② A or S rank in the CASBEE building assessment (new buildings)&lt;br&gt;③ 4 or 5 stars in the BELS Evaluation Certification</td>
<td><strong>We aim to improve environmental performance.</strong>&lt;br&gt;<strong>New construction</strong>: BPI<em>¹ of no more than 10.90, BEI</em>² of no more than 20.65 (actively work toward ZEB*³ status)&lt;br&gt;<strong>Operations</strong>: Understand and present actual primary energy consumption unit values.&lt;br&gt;Conduct environmentally friendly planning and management. <strong>New construction and renovation</strong>: Use LED lighting and luminaire in dedicated areas of 500lx, energy-saving glass, presence sensors. We consider interior brightness levels and encourage subdivided lighting zones. <strong>Renovation and operations</strong>: We study energy conservation measures, including energy conservation checkups. <strong>Operations</strong>: We carry out appropriate filter cleaning.</td>
</tr>
<tr>
<td><strong>Creating buildings with high environmental performance</strong></td>
<td>Our buildings offer high environmental performance while maintaining the health and comfort of workers.</td>
<td><strong>We proactively incorporate environmentally advanced technologies and initiatives to encourage buildings that lead in environmental advancement in their regions.</strong>&lt;br&gt;<strong>New construction and renovation</strong>: We promote a number of initiatives, including the implementation of solar power generation systems, the exploration of renewable energy use, the use of passive energy-saving technologies (e.g., leveraging natural lighting/ventilation, geothermal energy), the adoption of daylight-harnessing technology, the use of insulation/heat shielding technology, the implementation of CO₂ monitoring systems, and the installation of high-efficiency equipment. <strong>Operations</strong>: We adopt and manage manuals for CO₂ monitoring systems, identifying the amount of renewable energy generated. We are investigating the adoption of energy that lowers the CO₂ emission factor, looking into energy certificate adoption via carbon offsets. <strong>Operations</strong>: We adopt and manage manuals for CO₂ monitoring systems, identifying the amount of renewable energy generated. We are investigating the adoption of energy that lowers the CO₂ emission factor, looking into energy certificate adoption via carbon offsets. <strong>Operations</strong>: We conduct environmentally friendly planning and management. <strong>New construction and renovation</strong>: Use LED lighting and luminaire in dedicated areas of 500lx, energy-saving glass, presence sensors. We consider interior brightness levels and encourage subdivided lighting zones. <strong>Renovation and operations</strong>: We study energy conservation measures, including energy conservation checkups. <strong>Operations</strong>: We carry out appropriate filter cleaning.</td>
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<tr>
<td><strong>Adopting environmentally advanced technology initiatives</strong></td>
<td>We proactively incorporate environmentally advanced technologies and initiatives to encourage buildings that lead in environmental advancement in their regions.</td>
<td><strong>We aim to improve environmental performance.</strong>&lt;br&gt;<strong>New construction</strong>: BPI<em>¹ of no more than 10.90, BEI</em>² of no more than 20.65 (actively work toward ZEB*³ status)&lt;br&gt;<strong>Operations</strong>: Understand and present actual primary energy consumption unit values.&lt;br&gt;Conduct environmentally friendly planning and management. <strong>New construction and renovation</strong>: Use LED lighting and luminaire in dedicated areas of 500lx, energy-saving glass, presence sensors. We consider interior brightness levels and encourage subdivided lighting zones. <strong>Renovation and operations</strong>: We study energy conservation measures, including energy conservation checkups. <strong>Operations</strong>: We carry out appropriate filter cleaning.</td>
</tr>
<tr>
<td><strong>Using energy management to reduce consumption</strong></td>
<td>We pursue environment-friendly building management in cooperation with the various building stakeholders, including customers.</td>
<td><strong>New construction and renovation</strong>: We promote the implementation of BEMS/visualization systems and the setting of quantitative energy consumption targets. <strong>Operations</strong>: We promote the disclosure of environmental data to tenants, the creation of building operation systems and management policies, and the execution of power-saving measures.</td>
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<tr>
<td>Area</td>
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<tr>
<td><strong>Waste and water</strong></td>
<td>We contribute to the creation of a recycling-oriented society by working with our customers to promote the reduction, reuse, and recycling of waste.</td>
<td>New construction and renovation: We conduct a variety of initiatives, including the implementation of trash weighing systems, the appropriate planning for recycling stations, the planning for stock spaces enabling ample waste separation, studies to reduce kitchen waste volume or compost kitchen waste, and the confirmation of recycling rates/waste management policies during construction. <strong>Operations:</strong> Our initiatives include waste separation/reuse, reduction in waste via tenant meetings on separation and recycling, educational activities regarding waste separation, tours of waste treatment plants, contracts that define recycling items, and the implementation/operation of waste volume reduction measures.</td>
</tr>
<tr>
<td>Cooperating with customers to contribute to a recycling-oriented society</td>
<td><strong>[Quantitative Targets]</strong> &quot;Scope&quot; Specified Business Operator Tokyo Tatemono buildings subject to the Act on the Rational Use of Energy and all buildings offered by Tokyo Tatemono &quot;Target&quot; 5% waste unit reduction from FY2017 to FY2022 (equivalent to 1% reduction annually)</td>
<td><strong>[Water Reduction Targets]</strong> Reduce water use 5% by FY2022 (1% per year) compared to FY2017 water consumption intensity</td>
</tr>
<tr>
<td><strong>Reducing environmental impact from water conservation/use of grey water</strong></td>
<td><strong>[Water Reduction Targets]</strong> Reduce water use 5% by FY2022 (1% per year) compared to FY2017 water consumption intensity</td>
<td>New construction and renovation: We engage in measures that include the use of water-saving equipment in wash basins, hot water heaters, etc., the use of water-saving toilets, the implementation of rainwater runoff control measures, the prevention of water leakage, and compliance with discharge standards such as the Water Pollution Prevention Act and Sewerage Act. We are also studying ways to reuse rain water and grey water. <strong>Renovation and operations:</strong> We explore and ascertain the amount of water saved through renovations. <strong>Operations:</strong> We ascertain actual water usage, determine cooling tower water usage, and investigate water conservation related to cooling towers.</td>
</tr>
<tr>
<td><strong>Achieving long building lifespans through development that considers future maintenance and upgrades</strong></td>
<td>We make plans during construction phases to facilitate maintenance and upgrades to ensure an extended building lifespan.</td>
<td><strong>New construction:</strong> We create long-term repair plans, ensure the strength of core structural frames, make plans to separate frames from finishing materials easily, plan rooms and finishes in consideration of upkeep and maintenance, and adopt ducting/piping that ensure long service lives. <strong>New construction and renovation:</strong> We adopt finishing materials that offer long service lives for exterior and interior walls. We include the maintainability of key equipment as part of our planning, and consider the ease of upgrades when planning air conditioning piping, sanitary piping, high voltage wiring, and low voltage wiring. When upgrading facilities, we consider maintainability of structures and backup equipment, etc. <strong>Operations:</strong> We share medium- to long-term repair plans with property/building managers and implement maintenance and repairs based on these plans, calculating planned costs and energy-savings.</td>
</tr>
<tr>
<td><strong>Proactive use of eco-materials and recycled materials</strong></td>
<td>We work to create a cycle of recycling by utilizing eco-materials and recycled materials.</td>
<td><strong>New construction, renovation, and operations:</strong> We engage actively in the use of sustainable wood materials, low-impact eco-materials and recycled materials. We comply with regulations related to ozone depletion factors related to cooling and actively engage in adopting ozone depletion factors and warming factors for other construction materials (insulation, gas extinguishing agents, etc.).</td>
</tr>
<tr>
<td><strong>Environmental awareness</strong></td>
<td>By disseminating/sharing information about the environment, we contribute to the spread and improvement of environmental awareness among the various stakeholders involved in our buildings, such as employees, communities, and customers.</td>
<td>We disclose our sustainability initiatives and conduct energy conservation awareness activities.</td>
</tr>
<tr>
<td><strong>Dissemination of information on the environment and spread/improvement of environmental awareness</strong></td>
<td><strong>[Shared Items]</strong> - Forming Environmental Committee - Establishing an environmental management system (Eco Action 21 external certification, company internal auditing, etc.) - Implementing external systems for environment data collection (for energy, water, etc.)</td>
<td><strong>Environmental Policy</strong></td>
</tr>
<tr>
<td><strong>Forming the Environmental Committee and ongoing PDCA cycles</strong></td>
<td><strong>[Shared Items]</strong> - Forming an Environmental Committee - Establishing an environmental management system (Eco Action 21 external certification, company internal auditing, etc.) - Implementing external systems for environment data collection (for energy, water, etc.)</td>
<td><strong>Environmental Policy</strong></td>
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</table>

*1 BPI: Building Palstar Index. A standard for annual heat load established in accordance with revisions to the Act on the Rational Use of Energy calculated with PAL (Perimeter Annual Load, also called PALSTAR, the annual heat load per unit of perimeter floor space).

*2 BEI: Building Energy Index. The ratio of primary energy consumption of the designed building compared to a standard building. Based on the Energy Consumption Performance Calculation Program.

Environmental Management in the Residence Business

Our Residential Development Department formulated the Brilla Environmentally Conscious Housing Guideline, which provides a unified structure for our environmental measures. This guideline encourages a consideration for the environment in residences and improves the brand value of Brilla. In residential development, we design individual properties based on these guidelines and strive to reduce their environmental impact. We continue to update these guidelines according to ongoing social changes and technological advancements.

Supply Chain Initiatives

Through our developer business, the Tokyo Tatemono Group collaborates with many business partners in promoting environmental initiatives. The Tokyo Tatemono Group actively incorporates environmentally friendly technology and ideas into our products and services in every stage of our business activities in accordance with the Group Environmental Policy. We strive to conserve resources and use materials that reduce environmental impact.

Compliance with Environmental Laws and Regulations

Tokyo Tatemono follows the Group Environmental Policy and adheres to all environmental laws and regulations.

When executing new development projects in Japan and overseas, we conduct the environmental impact assessments required in accordance with laws and regulations.

We experienced no environmental incidents or violations of environmental laws or regulations in 2019.

Brilla Environmentally Conscious Housing Guideline

● Three Universal Core Concepts

Condominiums vary in size, service lives, and materials used. These dwellings have a broad impact on the environment and available countermeasures also run across a wide range. Therefore, we have incorporated three core concepts into the Brilla series: Think Green, Think Lifestyle, and Think Future.

I Think Green – Green & Cool residential spaces:
Setting up green spaces acts as a heat island countermeasure and brings about a rich natural environment friendly to the ecosystem.

II Think Lifestyle – Introduction of high-efficiency, green residential equipment:
High-efficiency equipment comfortably saves energy and contributes to disaster prevention in case of an emergency.

III Think Future – Eco Life Cycle Improvement Plan for Energy and Greenery:
Resident participation in operation and management as well as community development will continue in a cycle with concepts I and II, above.

● Ratings for Environmental Performance

In order to objectively judge the level of a condominium’s environmental friendliness, we have established two tiers (Level 1 and Level 2) to describe environmental performance. These levels are equivalent to the Housing Performance Evaluation System. We evaluate our performance based on acquisition of CASBEE and Tokyo Green Labeling System for Condominiums certification. We have also established optional specifications for even greater consideration toward the environment.
Green Finance

Policy, Concept, and System

Signatories to the Paris Agreement agree to keep the global average temperature rise below 2°C compared to the pre-industrial era, requiring efforts to achieve a low-carbon society. The real estate industry as a whole and Tokyo Tatemono specifically must strive to reduce greenhouse gases (GHG) in real estate holdings and business activities.

The term green finance refers to bonds (Green Bonds) and loans (Green Loans) used to procure funds for special use in environmental measures such as global warming countermeasures and renewable energy. As a general rule, funding is secured in accordance with the Green Bond Principles and Green Loan Principles established by the International Capital Market Association, as well as the Green Bond Guidelines established by the Japanese Ministry of the Environment.

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. The group strives to develop real estate that is both superior in environmental performance (e.g. using energy-saving equipment) and resistant to natural disasters, such as those caused by wind and flood damage. This falls under the scope of green finance.

We raise funding through green finance with the aim to further strengthen our sustainability efforts.

→ See Policies and Systems for Environmental Initiatives, P.16

Green Finance Framework

Tokyo Tatemono has established the Green Finance Framework, which complies with the four requirements defined in the Green Bond Principles and Green Loan Principles (use of procured funds, project evaluation and selection process, management of procured funds, and reporting).

[Use of Procured Funds]

Funds will be allocated to acquisition/construction of green buildings that meet eligibility criteria, or for refinancing these funds.

Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (3) below.

① 4 or 5 stars in the DBJ Green Building Certification
② A or S rank in the CASBEE building assessment (new buildings)
③ 4 or 5 stars in the BELS Evaluation Certification

[Project Evaluation and Selection Process]

The Finance and Corporate Communications Departments select projects that meet the eligibility criteria. The final decision is made by the president and CEO or an officer in charge of the Finance Department.

[Management of Procured Funds]

The Finance Department uses internal management systems to track and manage the state of procured fund allocation. The Finance Department’s general manager or an officer in charge monitors and manages results. Until the funding is allocated, funds are managed as cash and cash equivalents.

[Reporting]

- Reporting related to funds allocation
  We report the allocation status of procured funds on our website once a year until all funds classified for allocation reporting are fully allocated

- Reporting on environmental improvement impact
  The following items are disclosed on our corporate website once a year.

During construction period: Progress of certification acquisition procedures
After completion: List of effective environmental certifications, energy usage*, CO₂ emission levels*, water usage*

* Actual levels for all Tokyo Tatemono facilities whose data is covered by the Act on the Rational Use of Energy, including green buildings that meet the eligibility criteria
Indicators and Results

In March 2019, Tokyo Tatemono issued 50 billion yen in publicly offered hybrid corporate bonds (Green Bonds) based on the Green Finance Framework.

These were the first green bonds to be publicly offered in Japan as corporate debt and the largest tranche of green bonds issued in Japan.

All funds procured will be used for refinancing acquisition and construction capital related to Hareza Ikebukuro and Nakano Central Park South, two green buildings that meet the eligibility criteria of the Green Finance Framework.

TOPICS

Awarded the ESG Finance Award Japan (Silver)

The green hybrid bonds issued by Tokyo Tatemono were awarded the Minister of the Environment Award (Silver Award) in the bonds category of the Ministry of the Environment ESG Finance Award Japan.

This award was created to evaluate and commend investors and financial institutions who make outstanding contributions to the environment and society by engaging in ESG finance, green projects, or similar initiatives. Recognition includes corporate initiatives that have a positive impact on corporate value and the environment by incorporating key environment-related opportunities and risks into management strategy for the purpose of increasing corporate value.

【Reasons for Presenting Tokyo Tatemono With the ESG Finance Award Japan】

・Issued Japan’s first hybrid bond for the highest level of green buildings in Japan
・Ensured high transparency by implementing measures in line with CBI (Climate Bonds Initiative) standards
・Acquired target assets of superior rankings in green building certifications
・Large-scale financing on the order of 50 billion yen

Indicators and Results

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22
External Evaluations

Receiving Highest Honors from the World's Benchmark in Real Estate

Tokyo Tatemono has received the Green Star award, the highest from the GRESB* Real Estate Assessment, for the fifth consecutive year. This assessment is a benchmark evaluating ESG (environmental, social, governance) initiatives in the real estate sector. The GRESB has also awarded Tokyo Tatemono with its highest 5 Star Rating for the third consecutive year in the GRESB Rating, a system implemented in 2016 that scores reporting entities relative to global performance.

*GRESB: Global Real Estate Sustainability Benchmark. An ESG benchmark specialized in real estate, established by a European pension fund. www.gresb.com/

Acquisition of DBJ Green Building Certification Certifying Environmental and Social Awareness

As of the date of this report, seven offices and commercial buildings owned and managed by Tokyo Tatemono have received high praise, being awarded the DBJ Green Building Certification Four Stars or Five Stars.

The DBJ Green Building Certification is a system established by the Development Bank of Japan to evaluate initiatives for environmental and social awareness of real estate. This system scores initiatives based on five categories: Environmental performance, tenant comfort, risk management, consideration of the surrounding environment and community, and collaboration with stakeholders. Initiatives are awarded a rank between one and five stars* based on the total score from these categories.

Tokyo Tatemono will continue to develop real estate in response to the societal demands of real estate stakeholders and the diversification of tenant needs, aware of our impact on the environment and society.

* Evaluation by rank—Five Stars: Building with the top class environmental and social awareness in Japan; Four Stars: Buildings with exceptionally high environmental and social awareness; Three Stars: Building with high environmental and social awareness; Two Stars: building with high environmental and social awareness; One Star: Building with satisfactory environmental and social awareness

Certified Properties

<table>
<thead>
<tr>
<th>S Rank</th>
<th>CASBEE* Buildings</th>
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<tr>
<td>Hareza Tower</td>
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<tr>
<th>DBJ Green Building</th>
<th>BELS**</th>
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<tbody>
<tr>
<td>Tokyo Square Garden</td>
<td>★★★</td>
</tr>
<tr>
<td>Otemachi Tower</td>
<td></td>
</tr>
<tr>
<td>Nakano Central Park</td>
<td>★★</td>
</tr>
<tr>
<td>South</td>
<td></td>
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<tr>
<td>SMARK ISESAKI</td>
<td>★★★</td>
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<tr>
<td>Brilla ist Tower</td>
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<tr>
<td>Kachidoki</td>
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<tr>
<td>Tokyo Tatemono</td>
<td>★★★</td>
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<tr>
<td>Nihonbashi Building</td>
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<tr>
<td>Hareza Tower</td>
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<td>Empire Building</td>
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<tr>
<th>ZEB *3</th>
<th>ABINC Certification *4 (Association for Business Innovation in harmony with Nature and Community)</th>
<th>SEGES Certification *5 (Urban Oasis)</th>
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<td>Hareza Tower</td>
<td>Otemachi Tower</td>
<td>Tokyo Square Garden</td>
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*1 CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and grading the environmental performance of structures

*2 BELS (Building-housing Energy-efficiency Labeling System) is a guideline established by the Ministry of Land, Infrastructure, Transport and Tourism to accurately evaluate and display the energy saving performance of non-residential buildings

*3 A ZEB (Net Zero Energy Building) is a building that has targeted a net-zero balance of annual primary energy consumption

*4 ABINC Certification is a third-party evaluation and certification system for biodiversity conservation efforts, using the Japan Business Initiative for Biodiversity-developed Association for Business Innovation in harmony with Nature and Community®, Certification Guideline and the Land Use Score Card® as evaluation standards

*5 SEGES is the Social and Environmental Green Evaluation System

Acquisition Rate of DBJ Green Building Certification

Acquisition Rate of Certifications for the Leasable Area of Office Buildings

- Not Certified: 63.7%
- Certification Acquired: 36.3%

Acquisition Rate of Certifications per Leasable Area of Residential Buildings

- Not Certified: 60.9%
- Certification Acquired: 39.1%
Harmony with Nature
(Biodiversity)

Policy, Concept, and System

Real estate development is closely linked to the local ecosystem of services. The Tokyo Tatemono Group development business must also understand the direct and indirect impact on the surrounding ecosystem and incorporate appropriate considerations.

The Tokyo Tatemono Group contributes to the realization of a sustainable society by conducting environmentally friendly business activities in accordance with our Group Environmental Policy. This policy includes a biodiversity-related call for the creation of a pleasant city and living with greenery, creating a rich and comfortable environment for earth and people by utilizing the strength of greeneries as much as possible with consideration to biodiversity. When creating green spaces at properties developed by the Tokyo Tatemono Group, we select the correct plant species based on the distribution of vegetation and other life native to the region. These efforts have received superior evaluations from impartial third-party evaluation systems for green spaces, such as SEGES and ABINC.

Creating New Greenery in Cities

When greening at a given scale in office districts, which tend to lack greenery in the first place, it is more important to create new greenery than to preserve natural greenery. Though the area surrounding Tokyo Station is a bustling office district encircled by enormous buildings. It is also a biodiverse area, with the Imperial Palace and ocean nearby, as well as many birds, insects, and other life. To preserve this biodiversity, Tokyo Tatemono strives to create new greenery in office districts.

Preservation of Original Local Landscapes

From the perspective of preserving biodiversity, the best option is to preserve existing green spaces as much as possible. This is because preserving existing green spaces also preserves the microorganisms and plant species contained in the soil. The expected result is that the topography-driven relationship with the surrounding environment is passed on to future generations.

Brillia Towers Meguro, completed in November 2017, features a forested space on the property, with approximately 900 trees planted and dredged waterways. This green space was designed with the concept of creating a forest in front of the Meguro Station. The property also interconnects with the surrounding environment, including the Institute for Nature Study of the National Museum of Nature and Science, contributing to the preservation of biodiversity in the area.

Examples of Third-Party Certifications for Biodiversity

EGES Building Green / Urban Oasis / ABINC Certification

TOPICS

Greening at Otemachi Forest (Otemachi Tower) and Tokyo Square Garden

We created approximately 3,600m² of forested space, called the Otemachi Forest, at Otemachi Tower in Chiyoda Ward, Tokyo. This forest was created to mimic a real forest, reproduced by gathering natural trees from the mountains in the Kanto region, which shares the same climate as the Otemachi area. We were able to create a foundation for these trees to take root and grow. In this project, we adopted the pre-forest method by examining plant growth and using appropriate management methods over the span of approximately three years for a forest of about 1,300m² in Kimitsu City, Chiba Prefecture. After our preparations were complete, we transferred the plant life to the main site in Otemachi. Otemachi Forest not only helps mitigate the heat island phenomenon in the city center through tree transpiration and soil water retention, but also forms an ecological network that connects with the green areas of the Imperial Palace and provides a comfortable habitat for living creatures.

Tokyo Square Garden is a new environmentally friendly building complex in Tokyo’s Chuo Ward. Here, we have implemented solar power generation, installed high-efficiency heat equipment, and other eco-friendly facilities. This equipment, installed at Kyobashi Hill, a multilayered green space spanning approximately 3,000m², creates a cool spot in the city center that helps counteract the heat island effect.

Otemachi Forest was the recipient of the 35th Green City Award (Minister of Land, Infrastructure and Transport Award). Tokyo Square Garden was the recipient of the Minister of Land, Infrastructure and Transport Award for the 14th Competition for Specialized Greening Technology for Rooftops, Wall Facings and New Green Spaces. Both buildings have been certified as an Urban Oasis by SEGES (Social and Environmental Green Evaluation System).
Reducing Our Environmental Burden
(Water Resources)

Policy, Concept, and System

As water shortages become even more severe worldwide, developed nations and the rest of the world face demands to improve water use efficiency. The Tokyo Tatemono Group development business uses water resources, which represents an essential element for creating rich and comfortable spaces.

The Group Environmental Policy includes a call for resource-saving activities that are kind to the earth, which includes recognizing the critical importance of water resources. We will strive to reduce the use of resources and environmental impact through all available opportunities and conserve water resources.

→ See Policies and Systems for Environmental Initiatives, P.16

Water Resource Initiatives in the Office Buildings Business

For the office buildings owned and operated by Tokyo Tatemono, we formulate medium- to long-term repair and investment plans in 20-year increments. In addition to planned renovation work, we strive to introduce equipment during renovations that contributes to reducing our environmental impact.

[2019 Water Resource Initiatives]

• Upgraded to water-saving equipment
• Introduced automatic flushing devices
• Confirmed cooling tower reduction levels
• Stopped outdoor fountains during rainy weather
• (For office building development) Introduced equipment to process rainwater and greywater inside buildings (reuse for non-drinking purposes)

Water Resources  Indicators and Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Usage (Potable Water)*</td>
<td>Thousand m³</td>
<td>569</td>
<td>579</td>
<td>584*</td>
<td>654*</td>
<td>622*</td>
<td>—</td>
</tr>
<tr>
<td>Unit Load</td>
<td>m³/m²</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>—</td>
</tr>
<tr>
<td>Area under Reporting Scope</td>
<td>Thousand m²</td>
<td>629</td>
<td>611</td>
<td>645</td>
<td>683</td>
<td>710</td>
<td>—</td>
</tr>
</tbody>
</table>

※ Data Collection Period: April to March each fiscal year
※ Scope of Collection: Facilities subject to the Act on the Rational Use of Energy
※ Data for Collection: Potable water usage, unit load

Data/categories relating to society and the environment marked with an asterisk (*) indicates third-party certification by Lloyd’s Register Quality Assurance Limited (LRQA) to ensure the integrity of data reported by Tokyo Tatemono.

Third-party quality assurances are included in our ESG Data Book.
Reducing Environmental Burden
(Pollution Control and Effective Use of Resources)

Policy, Concept, and System

Tokyo Tatemono uses many resources and chemical substances in our development business, resulting in waste discharge. The waste and hazardous substances that are byproducts of our business activities have the potential to impact our stakeholders and our surrounding environment in significant ways.

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. We take every opportunity to save resources and reduce our environmental impact. We work to prevent pollution and use resources effectively by decreasing the generation of and properly managing waste and harmful substances.

→ See Policies and Systems for Environmental Initiatives, P.16

Waste Reduction and Management Initiatives in our Office Buildings Business

For the office buildings owned and operated by Tokyo Tatemono, we strive to limit waste generation and promote recycling through stronger garbage sorting and recycling. In 2018, we also adopted a centralized waste management system that utilizes an electronic manifest to ascertain the state of and control waste emissions accurately.

[2019 Waste Reduction and Management Initiatives]
- Encouraged our adoption of reused and recycled products in property management manuals
- Improved our rate of recycling via thorough garbage separation and information sharing
- Promoted the recycling of bottle caps
- Used fluorescent tubes/dry cell batteries recycled: 30
- Meetings convened to promote the separation of garbage for tenants: 5

Measures Against Asbestos

Tokyo Tatemono has conducted surveys on the usage status of spraying materials that contain asbestos for all the buildings we own. In buildings where asbestos was found in use, we took appropriate steps in response, including removal or containment and sharing information with the building tenants.

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Waste Emissions*</td>
<td>tons (t)</td>
<td>4,685</td>
<td>4,914</td>
<td>5,173*</td>
<td>4,945*</td>
<td>5,151*</td>
<td>–</td>
</tr>
<tr>
<td>Unit Load</td>
<td>1/ Thousand m²</td>
<td>7.9</td>
<td>8.6</td>
<td>8.6</td>
<td>8.3</td>
<td>8.5</td>
<td>8.3</td>
</tr>
<tr>
<td>Recyclable Waste Emissions*</td>
<td>t</td>
<td>–</td>
<td>–</td>
<td>3,395</td>
<td>3,202*</td>
<td>3,280*</td>
<td>–</td>
</tr>
<tr>
<td>Waste Recycling Ratio</td>
<td>%</td>
<td>–</td>
<td>–</td>
<td>65.6</td>
<td>64.8</td>
<td>63.7</td>
<td>–</td>
</tr>
<tr>
<td>Area of Scope</td>
<td>Thousand m²</td>
<td>590</td>
<td>571</td>
<td>603</td>
<td>593</td>
<td>606</td>
<td>–</td>
</tr>
</tbody>
</table>

◊ Data Collection Period: April to March each fiscal year
◊ Scope of Collection: Of the facilities subject to the Act on the Rational Use of Energy, office buildings and a portion of commercial facilities
◊ Floor area for buildings under reporting scope fluctuates year by year.
◊ Data for Collection: Total waste emissions, unit load

Data/categories relating to society and the environment marked with an asterisk (*) indicates that it has received third-party certification by Lloyd’s Register Quality Assurance Limited (LRQA) to ensure the integrity of Tokyo Tatemono-reported data.
Third-party quality assurances are included in our ESG Data Book.
Proper Processing of Fluorocarbons

Tokyo Tatemono complies with the Act on Rational Use and Proper Management of Fluorocarbons to protect the ozone layer and prevent global warming. We limit the use of controlled fluorocarbons (including CFCs and HCFCs), strive to be rigorous in recovering cooling agents, and check thoroughly for leaks via both basic and regular inspections to limit the release of fluorocarbons into the atmosphere.

When upgrading air conditioning systems or demolishing buildings, we properly dispose of the fluorocarbons retrieved from the air conditioning systems.

Proper Processing of Polychlorinated Biphenyls (PCBs)

Electronic devices (transformers, capacitors, stabilizers) containing PCBs that are no longer in use in Tokyo Tatemono-owned buildings had previously been stored in a building’s designated PCB storage room. However, in the interest of reducing risk of loss, oil leaks, or other incidents, we disposed of these devices appropriately with the cooperation of a specialized waste disposal company.

In the future, we will continue to utilize waste disposal specialists to appropriately dispose of electrical equipment containing PCBs when upgrading assets.

Measures Against Volatile Organic Compounds (VOC) in Construction Materials

Formaldehydes are the primary substances behind sick building syndrome. To maintain the health of its tenants and other building inhabitants, Tokyo Tatemono restricts the use of products emitting formaldehydes in buildings and stipulates standards for action against formaldehydes in conjunction with the regulations of the Building Standards Act. We measure the concentration of formaldehydes in new buildings in accordance with our own standards to verify the safety of indoor environments.

Measures Against Nitrogen Oxide (NOx) and Sulfur Oxide (SOx)

Tokyo Tatemono identifies, measures, and appropriately manages air pollutants emitted from our businesses. Tokyo Tatemono regularly measures the concentration of nitrogen oxide (NOx), sulfur oxide (SOx), and other chemicals emitted from equipment producing smoke and soot, including cooling/heating systems and boilers that are in use in some of our office buildings. We also comply with the environmental standards defined in the Air Pollution Control Act in the operation of these systems.

Valuable Recycling of Waste

Tokyo Fudosan Kanri Co., Ltd. recycles construction industrial waste as valuable materials*, using resources more effectively. The company sells a number of waste items to recyclers as valuable goods, sorting and separating product for reuse. These materials include wires from restoration construction, move-in construction, equipment restoration, etc., air conditioner refrigerant piping, OA floors, fluorescent lamps, flexible aluminum ducts, and other metal and plastic materials.

* By valuable materials, we mean items with a net value of ¥1 after subtracting the cost of recycling from the sales price of the item. These materials include air conditioners, iron products, etc.
Responding to Climate Change

Policy, Concept, and System

Signatories to the Paris Agreement agree to keep the global average temperature rise below 2°C compared to the pre-industrial era, requiring efforts to achieve a low-carbon society. The real estate industry as a whole and Tokyo Tatemono must strive to reduce greenhouse gases (GHG) in real estate holdings and business activities.

In addition, climate change is causing more severe natural disasters, including storms and flooding. These disasters have a severe impact on society, and may also lead to a decline in the value of our real estate holdings. Therefore, it is important that we prepare for the impact of climate change.

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. The group strives to develop real estate that is both superior in environmental performance (e.g., using energy-saving equipment) and resistant to natural disasters, such as those causing wind and flood damage. This falls under the scope of green finance.

→ See Policies and Systems for Environmental Initiatives, P.16

Indicators and Performance

Among all Tokyo Tatemono business activities, the Office Buildings Business, which operates and manages commercial office buildings, uses the most energy. Reducing the amount of energy used in the Office Buildings Business results in a significant reduction of total Tokyo Tatemono greenhouse gas (GHG) emissions.

We have set a quantitative indicator in the form of power consumption per floor area unit to reduce energy consumption. Here, we target a 1% annual unit reduction averaged over five years as a target in accordance with the Energy Conservation Act (this per-unit basis also applies to GHG emissions).

Energy consumption increased in fiscal 2019 due to openings of energy-intensive commercial facilities and hotels. However, overall energy intensity decreased significantly as a result of aggressive adoption of high-efficiency HVAC systems and LED lighting in existing office buildings.

* Greenhouse gases are the collective name for gases that exert a greenhouse effect.

▶ Energy Consumption and Greenhouse Gas (GHG) Emissions

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Consumption (Crude Oil Equivalent)*</td>
<td>kl</td>
<td>22,822</td>
<td>21,592</td>
<td>22,083</td>
<td>23,895</td>
<td>24,165</td>
<td>–</td>
</tr>
<tr>
<td>Unit Load</td>
<td>kl/Thousand m²</td>
<td>36.3</td>
<td>35.4</td>
<td>34.2</td>
<td>35.0</td>
<td>34.0</td>
<td>34.6</td>
</tr>
<tr>
<td>Greenhouse Gas (GHG) Emissions*</td>
<td>t-CO₂</td>
<td>45,059</td>
<td>44,629</td>
<td>42,147</td>
<td>48,888</td>
<td>51,465</td>
<td>–</td>
</tr>
<tr>
<td>Scope 1 (Fuel-Derived)*</td>
<td>t-CO₂</td>
<td>3,243</td>
<td>2,553</td>
<td>2,402*</td>
<td>3,300*</td>
<td>2,871*</td>
<td>–</td>
</tr>
<tr>
<td>Scope 2*</td>
<td>t-CO₂</td>
<td>41,816</td>
<td>42,076</td>
<td>39,745</td>
<td>41,259</td>
<td>41,392</td>
<td>–</td>
</tr>
<tr>
<td>Scope 3*</td>
<td>t-CO₂</td>
<td>4,329</td>
<td>7,202*</td>
<td></td>
<td></td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>Unit Load (ex-Scope 3)</td>
<td>t-CO₂/Thousand m²</td>
<td>71.6</td>
<td>73.1</td>
<td>65.3</td>
<td>65.2</td>
<td>62.3</td>
<td>67.8</td>
</tr>
<tr>
<td>Floor Area in Scope</td>
<td>Thousand m²</td>
<td>629</td>
<td>611</td>
<td>645</td>
<td>683</td>
<td>710</td>
<td>–</td>
</tr>
</tbody>
</table>

Data Collection Period: April to March each fiscal year
Scope of Collection: Facilities subject to the Act on the Rational Use of Energy *Floor area for buildings under reporting scope fluctuates year by year.
Data for Collection: Energy consumption/unit load, greenhouse gas (GHG) emissions/unit load

Data/categories relating to society and the environment for FY2019 marked with an asterisk (*) indicates that it has received third-party certification by Lloyd’s Register Quality Assurance Limited (LRQA) to ensure the integrity of Tokyo Tatemono-reported data.
The third-party quality assurance is included in the ESG Data Book.
Climate Change Initiatives in the Office Buildings Business

Office buildings owned and operated by Tokyo Tatemono have incorporated a variety of initiatives related to reducing greenhouse gas emissions. These initiatives include installing energy-saving equipment and improving operation methods. In particular, we are actively encouraging the use of LED lighting. As of the end of FY2019, 89% of our buildings have already completed or are in the process of converting to LEDs. Below are the actual results of climate change initiatives conducted in FY2019, including LED conversion.

*Data below is from January to December 2019

[Energy-Saving Equipment Adoption and Upgrade Initiatives]
- Conversion to LED lighting, private & common areas: 23%
- Conversion to LED lighting, common areas only: 6%
- Conversion to LED lighting in progress: 60%
- Implementations of high-efficiency air conditioning systems: 3
- Implementations of auto-off air conditioning and lighting functions linked to security: 4

[Initiatives for Operational Method Improvements]
- Comprehensive management of air conditioning temperature in common areas: 21
- Use of BEMS at offices that have introduced BEMS: 6
- Information sharing to enable management maximizing design performance: 2
- Energy diagnostics conducted by external institutions: 2
- Reduced use/density of service area lighting

[Cooperative Initiatives with Tenants (Existing Properties)]
- Distributed informational pamphlets about energy saving
- Power-saving initiatives during the winter and summer seasons: 35
- Annual energy-saving promotion conferences held at offices under scope of total reduction policy: 2
- Inclusion of green lease* provisions in lease agreement
  * Building owners and tenants work together to implement voluntary provisions per contracts and memoranda of understanding for energy savings in specific areas and other measures to reduce environmental impact, as well as other working environment improvements.

For more information about the Tokyo Carbon Reduction Reporting Program, see:
https://www8.kankyo.metro.tokyo.lg.jp/ondanka/  
(Available in Japanese only)

Tokyo Tatemono has submitted Tokyo Carbon Reduction Reports in accordance with the Tokyo Metropolitan Environmental Security Ordinance each year since FY2009, when we submitted data on our actual carbon reduction for that year.

Climate Change Initiatives in the Residence Business

Tokyo Tatemono has set a target for the broader realization of ZEHs (Net Zero Energy Houses) in accordance with the ZEH Roadmap announced by the Ministry of Economy, Trade and Industry. Our aim here is to help build a low energy-consumption society. Tokyo Tatemono was registered under the ZEH Developer Registration Program in May 2018. Since then, we have worked as a ZEH Developer to aid the spread of ZEH-M apartments.

* A Net Zero Energy House, or ZEH, is a residence with a ± 0 balance of annual primary energy consumption (from air conditioning, hot water supply, lighting, ventilation) versus energy generated and energy savings (from insulation and power-saving measures).

Topics

Super-High-Rise ZEH-M: Brillia Tower Seiseki Sakuragaoka Blooming Residence (provisional name)

The provisionally-named Brillia Tower Seiseki Sakuragaoka Blooming Residence has been selected as the first, and so far only, project in the Tokyo metropolitan area for the fiscal 2019 Super-High-Rise ZEH-M Demonstration Project*, chosen by the Ministry of Economy, Trade and Industry after an open submission process.

This condominium meets the ZEH-M Oriented standard for high-rise apartments with six or more floors due to its improvement in outer wall insulation performance, the adoption of high-insulation doors, the use of high-efficiency hot water supply equipment, etc., as well as its improved air conditioning insulation, the adoption of high-insulation doors, the use of high-efficiency hot water supply equipment, etc.

* The unofficial English translation of the official Japanese name of this METI project is the “Super-High-Rise ZEH-M Demonstration Project of the 2019 Support Subsidy for Promoting Energy-Saving Investment (Project for Promotion of Innovative Energy-Saving Investment Implementation in Housing/Buildings) (Net Zero Energy House Support Project)*. This is a key demonstration project necessary to formulate design guidelines for promoting ZEH for multiple-dwelling residences. The project partially subsidizes expenses for ZEH conversion of shared dwellings incurred by operators who provide design specifications and energy performance-related data.
Conversion to Renewable Energy Sources Through Renewable Energy Certificates

Since May 2016, power used at Tokyo Tatemono Brilla condominium showrooms has been sourced 100% from renewable energy under the renewable energy certificate framework. In 2019, we used renewable energy certificates for approximately 610,000 kWh of power.

Using Solar Power in our Energy Creation Business

Building management company Tokyo Real Estate Management offers energy-saving proposals from the perspective of building management. This company also engages in an energy creation business, using solar power generation facilities in conjunction with the launch of a fixed-price purchasing system for renewable energy. We are expanding our solar power generation, primarily in the northern Kanto region. As of the end of December 2019, we have a total generation capacity of 12,382 kW across eight sites.

Raising Awareness About the Issue of Climate Change

SMARK Isesaki, Kishiwada CanCan Bayside Mall, ABIKO Shopping Plaza, and MALera Gifu, four commercial complexes operated by PRIME PLACE Co., Ltd., held Global Environment Festivals for Parents and Children (sponsored by the New Energy Foundation) to bring awareness to the issue of climate change.

Children and their guardians were entertained and educated on the environment as presenters put on a puppet show, showed participants how to build a solar car, hosted a quiz show, and more.

Solar Power Generation Sites

<table>
<thead>
<tr>
<th>Name (Location)</th>
<th>Electricity Generated</th>
<th>Operation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oyama Solar Power Plant (Oyama City, Tochigi Prefecture)</td>
<td>785kW</td>
<td>January 2013</td>
</tr>
<tr>
<td>Iwaki Solar Power Plant (Iwaki City, Fukushima Prefecture)</td>
<td>2,454kW</td>
<td>November 2013</td>
</tr>
<tr>
<td>Joso Solar Power Plant (Joso City, Ibaraki Prefecture)</td>
<td>672kW</td>
<td>September 2014</td>
</tr>
<tr>
<td>Hatoyama Solar Power Plant (Hatoyama Town, Hiki-Gun, Saitama Prefecture)</td>
<td>1,908kW</td>
<td>March 2015</td>
</tr>
<tr>
<td>Tochigi Hirai Solar Power Plant (Tochigi City, Tochigi Prefecture)</td>
<td>1,559kW</td>
<td>March 2015</td>
</tr>
<tr>
<td>Tochigi Nishikata Solar Power Plant (Tochigi City, Tochigi Prefecture)</td>
<td>1,884kW</td>
<td>June 2015</td>
</tr>
<tr>
<td>Shirakawa Solar Power Plant (Tanagura Town, Shirakawa-Gun, Fukushima Prefecture)</td>
<td>2,034kW</td>
<td>November 2015</td>
</tr>
<tr>
<td>Higashi Hiroshima Power Plant (Higashi Hiroshima City, Hiroshima Prefecture)</td>
<td>1,086kW</td>
<td>December 2015</td>
</tr>
</tbody>
</table>

Developing Resilient Real Estate

Climate change and other factors have been causing greater wind and flood damage in recent years. The Tokyo Tatemono Group has applied designs and adopted equipment in our office buildings and residences in preparation for presumed future disasters, including typhoons, floods, and major earthquakes.

[Disaster Mitigation Measures at the Tokyo Tatemono Nihonbashi Building (Completed February 2015)]:
- Adopted seismic isolation structure (B1F column base seismic isolation)
- Installed emergency power generators that can operate for up to 72 hours
- Installed tide prevention plates beyond normal flooding expectations to guard against possible flash flooding and/or collapse of the Arakawa embankment
- Established a disaster prevention center on the second floor; the disaster prevention center provides a core building function
- Installed rooftop transformers and emergency power generators (providing uninterrupted power supply enabling ongoing operation even in the event of flooding inside the building)

[Measures Against Major Earthquakes in Existing Buildings]:
- Installed new rooftop emergency power generation equipment for stronger BCP and equipment capable of supplying power to common tenant areas (Tokyo Tatemono Yaesu Building)
- Installed additional oil tanks in locations physically capable of housing tanks to extend length of emergency generator use (primarily for large and medium-sized buildings)
- As part of services for tenant employees and building management, we installed basic saltwater batteries to be used for charging mobile phones; saltwater batteries generate power from stored water and salt

See Safety & Security Initiatives/Disaster Prevention P.38
Social

- Turnover Rate: 2.1%
- Percent of Employees Taking Health Checkups: 100%
- Avg. Number of Paid Leave Days Taken: 10.6 days
Safety & Security Initiatives

Improving Quality and Customer Satisfaction

Policy and Concept

The Tokyo Tatemono Group strives to offer services and mechanisms improving quality and customer satisfaction, using our role as a developer to promote safety and security in urban development.

We believe that our attention to quality both in hard (finished products, e.g., buildings) and soft (services offered) aspects of our business, as well as our ongoing work to improve customer satisfaction, are the source of our corporate competitiveness.

Therefore, the Tokyo Tatemono Group has adopted a barrier-free, universal design for the offices and residences we develop. Our purpose here is to achieve usability for a diverse range of customers, including the elderly and persons with disabilities. Moreover, in response to customer feedback, we have implemented a number of varied mechanisms in our business activities, striving to further enhance quality from the customer's perspective to improve satisfaction.

Improving Quality and Customer Satisfaction in the Office Buildings Business

The Human Building Philosophy

In our Office Buildings Business, we engage in a wide range of initiatives under the internal concept, Human Building—People are always in the middle. Under this concept, the people using the buildings we develop, i.e., our customers, can feel safe, secure, and comfortable across both hard and soft aspects of our services.

We instill this concept deeply in all employees who work in the Office Buildings Business. We have also formulated Ideals (Targets) that we seek to embody in the Human Building philosophy and the Five Actions (Code of Conduct) that must a central focus in our everyday tasks to further drive our efforts.

Refining our Work with Customer Satisfaction Surveys

The Office Buildings Business conducts customer satisfaction surveys once every year for office building tenants. Our surveys gather direct, unfiltered customer perspectives addressing safety, security, and comfort. We use these perspectives to refine our work based on tenant needs.

Moreover, we share these refinements with other relevant departments to improve customer satisfaction further. Moreover, we share these refinements with other relevant departments to improve customer satisfaction further.

For example, we have improved PC screen operability and detailed zoning during construction for air conditioning equipment in buildings, offering greater control. We have also worked to install e-cigarette smoking rooms and adopt measures related to blind zones for mobile phones.

Office Building Customer Satisfaction Survey Results

Customer Satisfaction Survey, Response Ranking (FY2019)

<table>
<thead>
<tr>
<th>Satisfied</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Tokyo Tatemono staff support</td>
<td>#1 A/C temperature and humidity</td>
</tr>
<tr>
<td>#2 Disaster prevention center emergency support</td>
<td>#2 Divided smoking/non-smoking environments</td>
</tr>
<tr>
<td>#3 Parking lot staff support</td>
<td>#3 Cellular signal reception</td>
</tr>
</tbody>
</table>
Examples of Satisfaction Improvement Measures Enacted

We implement a variety of initiatives to reflect the opinions of our customers received through customer satisfaction surveys.

[Examples of FY2019 Initiatives]

● Building Portal Websites
  Through Tokyo Tatemono-operated building portal websites, tenants can access and make various applications, check the status of those applications, and learn more about their building, disaster prevention, and other topics.
  In addition, by establishing a notification function, we have facilitated more seamless communications of building events, improving work efficiency.
  After a trial implementation in FY2019, we began a full-scale launch in May 2020.

● Osaki Center Building Recreation Room
  Our Osaki Center Building customer survey revealed numerous requests for an expanded recreation room on the second floor and lunchtime access, as well as responses asking for more building tenant interaction. In response, we renovated the recreation room, adding kitchen facilities, a projector, and a whiteboard to reflect the idea of creating a freely accessible living and dining room for office workers. In this way, we created a comfortable, multi-function space.


The Tokyo Tatemono Group holds the Human Building Competition annually as an event to facilitate informational sharing and communication. Members of each company involved with our Office Buildings Business participate in this annual competition. Roughly 420 people participated in the ninth annual competition, held in February 2019. Five projects received the Division Director’s Award.

Through this competition, we not only communicate the management policies of the Office Buildings Business, but also achieve safety, security, and comfort for our customers. Further, we introduce and celebrate examples of outstanding implementations of our Human Building philosophy. By sharing these positive examples and cultivating interaction among group employees, we expect to see more improvements leading to safety, security, and comfort for our customers.
The Good Job Idea Competition: Strengthening On-Site Capabilities

In 2015, building management firm Tokyo Real Estate Management introduced the Good Job Idea Award commendation system. We use this campaign to improve our activities at each work site. These activities include detailed refinements (kaizen) such as improved safety, security, and comfort, or proposals for energy-saving measures.

Every six months, we select and award examples of good practices provided by each of our locations with the Good Job Idea Award. We received 214 submissions in FY2019, of which 172 received awards.

In addition, we hold the Good Job Idea Competition each November. Here, we present and award especially superior examples that happened during that year.

Through these efforts, we raise awareness of kaizen-style refinement at each work site, sharing improvement actions throughout the company to improve quality and service levels.

Renovation of Commercial Complexes Incorporating Feedback From Mothers Raising Children

Looking ahead to the ten-year anniversary in November 2018, we renovated the SMARK Iseasaki commercial complex to improve the environment of the facility. When considering how and what to renovate, we launched the Hapimama PLUS project to listen to and implement ideas from mothers raising children, the core customer base for SMARK.

We spoke directly with these mothers to get a sense of their ideas and desires. Then, we incorporated this feedback into our renovations to create a place where mothers could spend time in comfort and safety.

Sample Actions Taken Through the Hapimama PLUS Project

Food Court
- Booth seating enabling easy use of strollers
- Spaces with raised floors for visitors to take off their shoes and relax
- Stroller-specific parking spaces
- Monitors showing DVD content

Baby Rooms
- Trash cans at each diaper changing table
- Milk preparation stations

Kids Spaces
- Play areas separated by age for safety considerations
- Ample benches for guardians

TFK Training Center for Building Management Improvement

Building management firm Tokyo Real Estate Management established the TFK Training Center in Tokyo's Nihonbashi area to improve work quality and cultivate talent. The center was expanded and renovated in January 2018.

We installed equipment and devices at the TFK Training Center that are in actual use in building management (electricity, air conditioning, hygiene, etc.). This allows trainees to practice an original curriculum that mixes practical skills training and lectures.

We conduct hands-on training about topics such as fundamental knowledge, operation methods, handling, repair, and parts replacement for equipment and systems. We also provide various seminars for all employees (including new graduate hires).
Improving Quality and Customer Satisfaction in the Residence Business

The Brilla Concept

The Residence Business is engaged in two major businesses. One is the residential condominium business, focused on the Brilla series and the Brilla brand of refinement and comfort. The second is the residential management business, focused on the Brilla ist series of rental condominiums for those seeking unique lifestyles. The underlying concept of both is the Tokyo Tatemono Group’s unique disposition toward Brilla Quality, a constant aim for achieving and maintaining the elusively exquisite comfort that comes from high-quality products and services. We have built a unique system to consistently provide functions that lead to a more comfortable life for our customers. This system, which spans planning and development, management, repair, renovation, and brokerage, is what allows us to deliver Brilla Quality.

Steadfast in Comprehensive Quality Management

Our Brilla residential condominium business maintains design guidelines for refinement and rigorous standards and management systems to offer comfort to our customers.

- Use of housing performance display systems
- Quality checklists including approx. 1,000 items
  We have established detailed regulations for architecture, construction, and facilities, and we operate in accordance with related checklists.
- Quality discussion groups double-check quality throughout construction
  We conduct two stages of quality checks before actual construction is complete: the Quality Pre-Review and the Quality Review. Here, management and design companies exchange opinions and work to improve quality.
- Inspections at various stages (on-site test pile inspections, building frame inspections, etc.)
- Reports to customers (building reports)
  As an initiative for comfort, we report the status of a given building to customers who have purchased property within it.

Brilla Construction Site Tour

Brilla offers construction site tours, embracing the idea that providing information to customers leads to greater peace of mind.

We ensure customers have visibility to as many stages of the construction as possible in areas that will not be available after the completion of the building. Staff serve as guides to explain the construction. Customers have told us that tours were easy to understand, with specific examples and plain language.

Quality Management Through Completion of Construction

Design
- Land environment measures / ground survey / noise measurement
  Prior Quality Discussion
  (Tokyo Tatemono / design company / management company)

Breaking ground
- Structural inspection
  (on-site inspection with test pile, bar arrangement inspection, building frame inspection, etc.)
  Interim inspection
  Framework inspection
  Equipment inspection
  (Equipment Subcommittee, function inspection, etc.)
  Brilla Construction Site Tour

Construction
- Online building and construction status reports

Completion
- Pamphlet collation inspection
- Completion inspection
Brillia Aftercare Support

With the Brillia series, we offer a variety of both hard and soft services for customers to live comfortably from the day they move in until the day they sell their property. This is the Comfort from Day One theme of the Brillia brand.

● Aftercare Support
In addition to regular repairs through the second year of residence, we provide unique regular checkups with our residents at the 10-, 15-, and 20-year marks. We have also established an industry-leading five-year aftercare service for issues with equipment in residential facilities.

For more information about our aftercare services, see: https://brillia.com/brillia/promise/management/ (Available in Japanese only)

● Brillia Owner’s Hotline
The Brillia Owner’s Dial is a comprehensive help desk where customers can inquire about their residence and lifestyle via a single telephone number available 24/7/365. Operators connect customers to the appropriate contact point based on the content of their inquiry.

● Value-Up Service
This service helps customers sell their property by providing any one of the following services free of charge: house cleaning, repairs, waste collection and disposal, unofficial property measurements, or acquiring earthquake resistance standard compliance certification. By offering these services, we raise the value of the customer’s property, which aids in the selling process.

For more information about the Value Up Service: sumikae.ttfuhan.co.jp/sell/valueup/ (Available in Japanese only)

Brillia Condominium Management Quality

Property managers and management companies support the daily lives of customers living in condominiums under their care. Tokyo Tatemono Amenity Support has been entrusted with condominium management for the Tokyo Tatemono Group. The company formulated Brillia Life Support to fully support the lives of the group’s condominium residents. Brillia Life Support makes six promises to residents ensuring a refined and peaceful life, which are the core concepts of the Brillia brand. The service offers appropriate upkeep and maintenance of condominiums, works to improve customer services and support by property managers, properly sustains condominium value (a key financial asset for our customers), and supports a comfortable, peaceful life.

● Brillia-Certified Used Condominium Program
A third-party agency inspects the Brillia condominiums for sale in advance and issues a certificate to properties that satisfy the specified criteria. Both purchaser and seller can enter transactions with greater confidence under this system, which guarantees against issues for up to five years after transaction.

For more information about the Brillia-Certified Used Condominium Program: brillia.com/brillia/promise/chuko (Available in Japanese only)

Brillia Life Support

The Six Promises of Brillia Life Support

<table>
<thead>
<tr>
<th>Refined living</th>
<th>Peaceful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living With the Future in Mind</td>
<td>Management as Lifestyle Partner</td>
</tr>
<tr>
<td>Maintain and improve residence asset value</td>
<td>Making actual condominium management visible to residents</td>
</tr>
<tr>
<td>• Regular free unit inspection</td>
<td>• Visual exterior inspections</td>
</tr>
<tr>
<td>• Management company-conducted, comfort-focused repairs</td>
<td>• Submission of account and operational audit reports</td>
</tr>
<tr>
<td>• Development of long-term repair plans</td>
<td>• Monthly property manager reports</td>
</tr>
<tr>
<td>Smart Living</td>
<td>Living With Joy for Each Day</td>
</tr>
<tr>
<td>Services for private areas</td>
<td>Property manager support and meticulous cleaning</td>
</tr>
<tr>
<td>• Housekeeping services</td>
<td>• Brillia Training Center-hosted training programs (accredited vocational training school)</td>
</tr>
<tr>
<td>• House cleaning</td>
<td>• Cleaning checks by supervisors</td>
</tr>
<tr>
<td>• House renovations</td>
<td>Secure Living</td>
</tr>
<tr>
<td>Living More Abundant Lifestyles</td>
<td>Preparation for and prevention of emergencies, disasters, and crime</td>
</tr>
<tr>
<td>Support for communication events</td>
<td>• Emergency response service</td>
</tr>
<tr>
<td>• Support of Tanabata festival/Christmas events</td>
<td>• Fire drill support</td>
</tr>
<tr>
<td>• Brillia owner’s club</td>
<td>• Emergency supplies</td>
</tr>
<tr>
<td>• Hosting management association seminars</td>
<td></td>
</tr>
</tbody>
</table>

● Aftercare Support

<table>
<thead>
<tr>
<th>Regular Repairs</th>
<th>3 Months</th>
<th>1 Year</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Warranty</td>
<td>5 Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brillia Home Regular Checkups</td>
<td>10-Year Inspection</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15-Year Inspection</td>
<td></td>
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<tr>
<td></td>
<td>20-Year Inspection</td>
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</tr>
</tbody>
</table>

* Brillia home regular checkups and visual building inspections are limited to customers who have outsourced management to Tokyo Tatemono Amenity Support.
Living Room After Renovation

Brillia Utsukushigaoka was awarded first prize at the Brillia Design Award 2019 (for properties completed in calendar 2019). This property was highly commended for overcoming the challenges of a small, sloped site lot, offering detailed design and striking a good balance between effective planting and overall planning. Second prize was awarded to Brillia Tower Ueno Ikenohata, which won top marks for its approach and entrance. Third prize was awarded to Brillia Shonan Tsujido Seaside Park, highly rated for its overall plan, including its rooftop tsunami evacuation facility.

Brillia Training Center for Education of and Exchange in Condominium Management

Condominium management company Tokyo Tatemono Amenity Support operates the Brillia Training Center to improve skills and educate managers on condominium management operations.

The center, which was renovated with all-new equipment and other facilities in January 2016, features equipment actually used in facilities (condominium management offices, fire-fighting facilities, plumbing facilities and piping facilities, etc.). Here, a wide range of specialized trainings are conducted for property managers, managers, janitorial staff, and others. The center also holds seminars that aid management association operations, including seminars for newly appointed chairpersons and large-scale repair construction seminars.

Moreover, the Tokyo prefectoral government has certified the center as a vocational training school based on the Human Resources Development Promotion Act. This recognizes the fact that the center nurtures new condominium property managers through high-quality vocational training.

Brillia Renovations

Brillia provides services related to remodeling, repairs, and renovations of living spaces, tailored to changes in the lifestyles of our customers. Brillia Renovations is a series of renovation plans providing safety and comfort to daily lifestyles under Brillia-original equipment specifications and quality standards, even as homes age over time.

Customers choose one of two different renovation plans under a clear pricing system. The basic renovation plan updates the interior and equipment without changing the layout of the residence, improving the quality and functionality of the space. The more complete skeleton renovation plan renovates everything from piping to floor plan, improving even the invisible elements of the property.

Brillia Renovations provides the same long-term warranty (two years for interior, five years for equipment) in its aftercare service as new Brillia constructions. This ensures we maintain Brillia quality and support customer security in their residences.

Brillia Design Award Internal Commendation System

A key facet for continuing to earn high praise for the Brillia brand is consistent and continuous improvement of refinement and comfort, two major brand concepts.

We introduced the Brillia Design Award commendation system to facilitate even greater refinement, recognizing designs that reach customers under a quantitative rubric based on survey responses from relevant stakeholder meetings.

This annual program judges the designs of condominiums completed during the calendar year and recognizes properties deemed outstanding. The judging process evaluates properties based on outstanding achievement in design based on seven categories: (1) overall plan, (2) exterior, (3) plants/landscape, (4) approach and entrance, (5) refinement in daily flow lines, (6) detail, and (7) challenges in the project.

We use this evaluation system to share superior examples and facilitate greater refinement in the Brillia brand. This system also raises awareness and motivation of team members with respect to the Brillia Design.
Disaster Prevention

Policy and Concept

Natural disasters such as major earthquakes and typhoons threaten our way of life. Climate change has resulted in frequent destructive typhoons and extreme weather over recent years. As a result, interest is rising faster than ever in the safety of real estate, which is a foundation of our lives.

As a real estate services provider, the Tokyo Tatemono Group believes that improving resilience against disasters in ordinary times and providing safety and comfort to our customers and other stakeholders are important responsibilities.

Implementing a Disaster Damage Measurement System to Guard Buildings Against Disasters

The Office Buildings Business implements both hard measures (earthquake-proofing of the buildings we own as well as enhancement of emergency power sources, etc.) and soft measures (distribution of disaster stockpile goods to tenants and the installation of batteries for recharging mobile phones, etc.) for disaster response. We are working to enhance these disaster prevention policies, BCP support, and other measures.

When a major earthquake strikes, people must make a decision quickly as to whether to seek refuge indoors or outdoors for their safety. Buildings owned by Tokyo Tatemono are equipped with systems using an array of sensors to rapidly determine building deformation (degree of damage) and confirm the safety of the building after an earthquake. This system allows us to determine the safety and danger of an upcoming earthquake at the foreshock phase, even for a series of major foreshocks and shocks such as those that hit during the 2016 Kumamoto Earthquake.

Buildings managed by Tokyo Tatemono are served by a Disaster Status Monitoring System. Field staff and Tokyo Tatemono personnel can access this system via the internet and share information quickly about the situation on the ground. After information is shared, the system also allows instructions to be provided for actions to take depending on the scenario. Training exercises are also conducted at night with this system, as an earthquake could come at any time, day or night.

Fire Brigade Training and First-Aid Courses

As part of soft-measure initiatives for disaster prevention, the Tokyo Tatemono Group hosts fire-fighting and other training and courses to enhance our ability to respond to disasters. Fire brigade training is conducted once or twice yearly for the purpose of strengthening voluntary disaster prevention systems.

In this training, participants follow the instructions from members of the local fire brigade as they engage in several hands-on exercises for earthquake and fire response. These exercises include initial response, first-line fire-fighting, rescue and lifesaving, transporting injured persons, evacuation drills, and so on.

Further, the Tokyo Tatemono Group company fire squad trains on a daily basis. For many years, the squad has participated in the Self-Defense Fire-Fighting Drill Review Board held by the Nihonbashi Fire Department, earning five wins to date.

As of the end of December 2019, 231 Tokyo Tatemono employees and 587 Tokyo Real Estate Management employees have completed the lifesaving course, which includes first aid. Tokyo Tatemono has been issued a certificate of excellence in first-aid as a business establishment encouraging first-aid from the Tokyo Fire Department.

Disaster Damage Determination System

This system uses data from multiple vibration-detecting sensors to calculate and determine the degree of damage. After installation, this system collects and stores all information from subsequent seismic events, automatically calculating the cumulative damage to the building structure. Even for an earthquake with multiple strong foreshocks and shocks, the system can make a determination of safety level of the earthquake based on foreshocks.
Support for Stranded Commuters During Disasters

When major earthquakes or other disasters strike, public transportation functions may halt, stranding commuters. Large-scale office buildings managed by the Tokyo Tatemono Group have prepared support mechanisms for stranded tenants. We have entered into agreements with local municipalities and developed systems, structures, and resource stockpiles in anticipation of scenarios in which stranded commuters require housing.

Tokyo Square Garden participates in the Council to Support Stranded Commuters in Tokyo's Chuo Ward. We understand that the normal number of people needed for building management will be insufficient when housing stranded commuters. Therefore, we have prepared a manual that anticipates scenarios in which volunteers will be recruited from among these commuters to assist in operating support facilities.

Further, Otemachi Tower (in Chuo Ward, Tokyo) is engaged in measures that include resource stockpiling for potential stranded commuters who would be housed in the plaza, a large, spacious area that connects directly to the Otemachi subway station.

Brillia Disaster Prevention Methods

As part of the Comfort From Day One theme, the Brillia brand offers disaster prevention measures unique to each property. Actions are divided into three phases to ensure appropriate action: normal, disaster, and post-disaster.

In accordance with the Brillia Disaster Prevention Guidelines, we created disaster prevention manuals unique to each property. We also hold disaster prevention seminars, evacuation drills, and life-saving courses for management staff. These daily preparations are lead to stronger awareness of disaster prevention.

We have implemented a number of measures to increase earthquake resistance and mitigate disasters to ensure safety. These include wall bases that prevent furniture from falling, earthquake-resistant unit doors, and emergency lights at floor level during power outages. AED stations are also standard equipment in communal spaces. In addition, we have equipped each residence with Brillia-original chair-style disaster prevention backpacks, packed with key items that will help in critical moments, such as a multi-function radio and portable toilet.

It is also important that community residents help each other in times of disaster. We have set up stock areas for disaster goods and stockpiled items, including manhole toilets, water purifiers, and power generators. These items are placed in common spaces for mutual aid during evacuations.

These guidelines received the Good Design Award in the Service Design Category in 2011, highly commending our efforts in raising awareness about disaster prevention on a daily basis, as well as our improvement of mutual prevention awareness between residents.

Phase 1: Normal Times (Prepare)
- Disaster prevention briefings
- Making original prevention backpacks standard equipment for all units
- Creating original disaster prevention manual

Phase 2: Disaster (Protect)
- Installation of foot lights in corridors
- Installation of elevators with earthquake countermeasure functions
- Installation of wall bases to prevent falling furniture
- Unit doors with quake-resistant frames

Phase 3: Post-Disaster (Preserve)
- Storage of emergency supplies in emergency stock areas
- Installation of AED (Automated External Defibrillator) units
Emergency Bath Facilities

The Ofuro no Osama chain is a chain of Japanese-style bathhouses developed by Tokyo Tatemono Resort. The primary aim of these bathhouses is to offer a soothing space that is an important, integrated part of the local community. As a means to this end, Ofuro no Osama entered into an agreement with the cities of Ayase and Ebina in Kanagawa Prefecture to allow the use of Ofuro no Osama bathing facilities in the event of an emergency.

Thanks to this agreement, anyone affected by an earthquake or other disaster may use bathing facilities at three Ofuro no Osama locations (Ebina, Kozashibuya Ekimae, and Seya) located in and around the two aforementioned cities.
Contributing to Our Communities

Co-Existing With Communities

Policy and Concept

The Tokyo Tatemono Group believes that enriching the value of communities through volunteerism and other activities not only leads to greater community development, but also to sustainable business growth. Therefore, we conduct a variety of activities to help connect people living in urban environments.

In the various regions where our group operates, we recruit employees to drive local revitalization events and participate in community cleanup activities, using these community and volunteer activities to raise the value of our local communities.

As an upstanding member of the communities we serve, we strive to help build stronger community and more abundant societies.

Participating in the Sanno Festival, One of Japan’s Three Major Festivals

The Tokyo Tatemono Group is an active participant in passing down traditional culture through the Sanno Festival, a key event for the neighborhoods located around our headquarter building.

Traditionally called the Tenka Festival, this event is held on even-numbered years, and is one of Japan’s three major festivals, alongside Osaka’s Tenjin Festival and Kyoto’s Gion Festival. At the Tokyo Tatemono Group, we believe it is important for community development that we help in passing down culture and instilling awareness in our employees about the people of our communities. Our employees take what they learn and pass it on to future generations.

A number of group employees participated in the festival by helping to carry some of the 12 portable shrines in a spirited, lively procession through the Yaesu, Nihonbashi, and Kyobashi areas alongside members of local neighborhood associations.

Sustainability Website
Feature: Tokyo Tatemono Urban Development Activities (Published 2017)
www.tatemono.com/csr/special/townplanning.html

> Community Outreach Activities in Yaesu, Nihonbashi, and Kyobashi Neighborhoods

<table>
<thead>
<tr>
<th>Event name</th>
<th>Activities</th>
<th>No. of group employees participating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sakura Festival</td>
<td>Sakura viewing, concert, rugby event (Apr 5-7)</td>
<td>Total 91 over 3 days</td>
</tr>
<tr>
<td>Tokyo Station area clean-up team</td>
<td>Morning clean-up of Yaesu, Nihonbashi, Kyobashi areas (Jan 24, Sep 20)</td>
<td>Total 227 over 2 days</td>
</tr>
<tr>
<td>Chuo-dori Clean Walk (local garbage pickup, flower re-planting initiative)</td>
<td>Picking up garbage, replanting flower beds along the Chuo-dori street (the group also served as office staff) (Mar 19, Jul 24, Dec 11)</td>
<td>Total 53 over 3 days</td>
</tr>
<tr>
<td>La Folle Journée TOKYO2019</td>
<td>Held local concert at Tokyo Square Garden (May 3 and 4)</td>
<td>Total 8 over 2 days</td>
</tr>
<tr>
<td>Tokyo Ekinichi Kirapika Project</td>
<td>Cleaning areas around Tokyo Station (Apr 18, Nov 28)</td>
<td>Total 247 over 2 days</td>
</tr>
<tr>
<td>Nihonbashi/Kyobashi Festival</td>
<td>Special sponsor, executive committee members, rugby team organizers (Oct 27)</td>
<td>Total 9 over 1 day</td>
</tr>
<tr>
<td>Arts &amp; Crafts Market</td>
<td>Held events at Tokyo Square Garden (monthly)</td>
<td>Total 6 over 6 day</td>
</tr>
<tr>
<td>Kyobashi Marche</td>
<td>Held events at Tokyo Square Garden (twice monthly)</td>
<td>—</td>
</tr>
</tbody>
</table>
Clean-Up Activities

Group employees regularly take time before the start of the work day to clean up and beautify neighborhoods around their workplaces. Tokyo Tatemono employees can be seen in areas like Tokyo’s Yaeusu, Nihonbashi, and Kyobashi neighborhoods, where our headquarter office is located, and in other locations as well. These activities have earned a letter of appreciation from the Nihonbashi Clean Business Cooperative.

Partnering with Non-Profit Organizations

Tokyo Tatemono takes care of sidewalk flower beds along the Chuo-dori street as a member of NPO Hana Kaido.

We also work with the Cheering Supporters for Woods of Chuo City using forest tree trimmings to enrich Chuo Ward, where the organization is based.

We produce planter filler from the trimmings, using this filler to beautify the city in various ways through NPO Hana Kaido, including the installation of roughly 100 flower beds on sidewalks around our construction sites.

Encouraging Lively Communities

The Tokyo Tatemono Group holds a number of events to help grow and invigorate communities.

Nakano Central Park, a lush, three-hectare public park nestled between and established by universities and government offices, hosts a variety of events year-round, including flea markets and workshops. This initiative to use open spaces in creating a lively atmosphere received the 2014 Good Design Award in the category of Design of Community Development.

Since August 2018, the Kyobashi Marche market has been held twice monthly at Tokyo Square Garden. The market occupies space in the connecting corridor on the first floor, offering fresh vegetables and prepared food items.

In October 2019, an Autumn Cultural Festival was held in the public space of Brillia Mare Ariake TOWER & GARDEN and Brillia Ariake Sky Tower, developed in the Ariake area near an Olympic venue. This event took place thanks to the cooperation of the management associations from both Brillia properties. In addition to a number of hands-on activities such as balloon art, prosthetic leg experiences, and BMX test rides, we also held a film night screening party. One of the four short works shown was Sing, which won an Academy Award for Best Live Action Short Film in 2017. More than 800 local residents participated in the event.
Developing Communities in Places People Can Call Home

The Tokyo Tatemono Group strives to encourage people living in newly constructed homes to integrate smoothly with their local communities, promoting regional revitalization.

Before the construction of Brilla Shinagawa Minamioi, located in the Shinagawa Ward of Tokyo, we established Loco-cafe oooi on the site, which has become a community gathering spot for home buyers to connect with residents from the local community. To increase the number of interactions between buyers and local residents, we sponsor forums and other events meant to encourage exchanges. We also lease space for social events.

Neighbors Musashi-Nakahara, in Kawasaki City, Kanagawa Prefecture, is a social apartment operated jointly between Tokyo Tatemono Real Estate and GLOBAL AGENTS CO., LTD. Before it was renovated into a social apartment, it was a dormitory for company employees. This social apartment property envisions building a small community of 144 households, offering a variety of communal spaces, a restaurant-themed lounge, a well-equipped theatre, and a lively bar lounge for interchange.

These shared spaces create a forum for exchange between the property’s residents, offering a new kind of lifestyle that facilitates interaction and a sense of community.
Community Revitalization Through Our Leisure Business

Regina Resort

Regina Resort, operated by Tokyo Tatemono Resort, is a special accommodation facility where pets and their owners lodge together.

Nine Regina Resorts are in operation in the Kanto Koshinetsu area. In recent years, pets have become recognized as members of the family and more accommodations are accepting pets. However, in reality, very few facilities create an environment in which people and pets can live together with peace of mind. Other facilities simply allow pets to stay. Regina Resort was planned from the ground up with dogs in mind. Considerations included floors not easily scratched or dirtied, a number of useful amenities, private dog runs for guests, insurance for accidental damage to facilities, and so on.

These resorts offer guests a sense of ease as they stay with their pets, creating new demand for tourism and contributing to the economic development of their regions.

Ofuro no Osama Bathhouses

The Ofuro no Osama chain of bathhouses operated by Tokyo Tatemono Resort is designed to enhance local cohesion, interaction, and communication. These bathhouses serve as a facility for health promotion and preventive medicine as well. Each of these 10 unique hot bath facilities, all located in the southern Kanto area, also feature restaurants and other amenities.

The ofuro, or hot bath, is a leisure activity deeply rooted in Japanese culture. The Tokyo Tatemono Group believes that providing a relaxing space helps to create a more abundant society. In addition, we focus untiringly on hygiene management so customers can use our facilities with confidence. Beyond daily cleaning, sterilization, and water quality inspection, we perform pipe cleaning with hydrogen peroxide three times a year for our baths. For hygiene management at our restaurants, we have created manuals for each location and partner with external specialists who conduct hygiene inspections.

By providing a space where customers feel at ease, we contribute to revitalizing local communication and promoting the health of local residents.
Cultural and Social Contribution Activities

Policy and Concept

The Tokyo Tatemono Group believes that activities contributing to society and culture help create a more abundant society and aid the sustainable growth of our own businesses. Therefore, we engage in a variety of social contribution activities, including cultural and arts activities, educational support, sports promotion, and disaster recovery support.

Artist Support at Brillia LOUNGE’s THE GALLERY

Tokyo Tatemono provides support for a variety of cultural activities, including sports and the arts. As part of these activities, we operate THE GALLERY, an exhibition space setup in one corner of the Brillia LOUNGE, itself located on the first floor of the Tokyo Tatemono Yaesu Building. Since 2017, THE GALLERY has presented up-and-coming artists and their work. In 2019, THE GALLERY featured works by four artists.

In addition, we sponsored the Brillia ART AWARD 2020 to determine which artists’ works would be presented the following year. All artists were welcome to submit their work for consideration in this open recruitment program. Artists were evaluated not on finished pieces, but rather on their production plans. The selected winners were given a production grant of 200,000 yen, with one grand prize winner receiving a separate award of 300,000 yen. Finished works will be presented on a rotating schedule throughout 2020.

For more information about THE GALLERY in Brillia LOUNGE and the Brillia ART AWARD, see the following websites:
brillia.com/brillia/topics/
brillia.com/artaward/
https://brillia.com/artaward/archive.html
(All available in Japanese only)
Supporting Para-Sports for Persons with Disabilities

Tokyo Tatemono has been an official partner of the Japanese Para-sports Association since August 2015 as part of our social contribution activities.

We actively support para-sports through initiatives to raise awareness and other efforts to promote the para-sport philosophy of creating a vibrant society of coexistence.

In 2018, we created opportunities for our employees to watch and support para-sports events by publicizing competitions and tournaments within the group, contributing to the promotion of para-sports.

Moreover, we acquired the naming rights to the Shin-Toyosu Brillia Running Stadium track and field facility that opened in December 2016. We currently assist in facility operations. The Shin-Toyosu Brillia Running Stadium also houses a prosthetic development laboratory where people with disabilities can train side-by-side with those without disabilities.

Earthquake Reconstruction Support Through Rice Planting

The Tokyo Tatemono Group aims to build a more abundant society through reconstruction following the Great East Japan Earthquake and increase interaction between cities and farming villages. Here, we support rice planting activities for Ten-eimai rice, a crop cultivated locally in Fukushima Prefecture’s Ten-ei Village.

These support activities, which boasted 126 volunteer employees in 2019, began because of our relationship with Hatoriko Highland Regina Forest, a camping and accommodation facility in Ten-ei which was owned by the Tokyo Tatemono Group up until 2016.

Volunteer employees and their families experience authentic farming activities, including spring rice-planting, summer weed-cutting, and fall harvest, all while interacting with local farmers.

This activity unifies company and individual as we deepen our understanding of Ten-ei Village and help rebuild Fukushima Prefecture.

Operating a Classic Kyoto Machiya Concept Hotel

In October 2019, Tokyo Tatemono Real Estate Sales opened the doors of a new concept hotel, THE MACHIYA SHINSEN-EN. This hotel utilizes an existing classic Kyoto machiya accommodation building, which was developed jointly with AJ InterBridge, Inc.

In this project, we acquired a vacated machiya accommodation with the intent to conduct a ground-up renovation and rehabilitation of the aging facility. Further, the project included added a new wing incorporating elements of the Kyoto machiya, resulting in a hotel embodying the charm of Kyoto’s history and traditional culture.

The new wing features guest rooms kitchen and washing machines for long-term stays, addressing the needs of visitors from overseas.
Supporting Patients with Incurable Diseases and Their Families

Brilla ist Tower Kachidoki, a Tokyo Tatemono condominium property, is designed to support child-rearing and community coexistence. The building provides accommodation tailored to a generation of parents raising children, including certified childcare, a family house, and a pediatric clinic. The family house, operated by certified NPO Family House*, is a second home for families who travel to urban hospitals from afar to care for children with intractable diseases such as pediatric cancer.

Supporting the mission of Family House, Tokyo Tatemono has provided a 130m² condominium free of charge within Brilla ist Tower Kachidoki, which is located near the National Cancer Center Hospital and St. Luke’s International Hospital. The house is equipped with two Japanese-Western fusion-style rooms and a common room.

* A certified non-profit organization (NPO) is an organization certified for special tax incentives encouraging others to donate to the organization. Though the certification system allows NPOs to be created simply by petition, the organization must have a certain period of activity and pass evaluation by a competent authority to be certified.

Fundraising Through Art

In 2018, SMARK ISESAKI celebrated its 10-year anniversary and a renovation. On this occasion, the facility launched a new social contribution program for the local community. The program incorporates art as social contribution, installing communication art collection boxes called coins on the first floor of the property. The boxes depict the three famous Jyomosanzan mountains of Gunma Prefecture (Mt. Myogi, Mt. Haruna, and Mt. Akagi) as portrayed by artist Jin Hasegawa. Donations collected are provided to environmental organizations in Gunma Prefecture at an annual festival each November.

In 2019, donations were provided to the Oze Preservation Foundation, a conservation organization working to preserve the Oze marshland area, which is one of Gunma Prefecture’s most iconic natural environments.
Responding to Social Change

Responding to an Aging Society

Policy and Concept

Japan’s birthrate is declining, while the ratio of elderly people has been growing. More than 30% of the total population of our nation will be 65 years or older by 2025. Given these circumstances, housing for people to live out their final years, improved nursing care, better medical care, and other services will be important issues for society. The Tokyo Tatemono Group contributes solutions to social issues by offering comfortable, senior-friendly housing and more fulfilled living for seniors.

From the very planning stages, we take care to build good relationships with community residents and strive to create an environment where people can live for a lifetime as a member of the local community.

Housing and Services for Environments That Offer Fulfilled Living

The Tokyo Tatemono Group established subsidiary Tokyo Tatemono Senior Life Support in July 2014 to expand our residence business for the elderly. In this business, we develop and operate senior residences and provide nursing care services. As of 2019, the subsidiary operates 15 senior residence and support service facilities.

Tokyo Tatemono Senior Life Support is developing the Grapes series of senior residences that combine support services. With this series, we offer an environment that pursues the concept of Fulfilled Living, Your Way.

High-Quality Living Only a Developer Could Offer

The Grapes series offers the type of high-quality living we cultivated through our Brilla brand new condominium residence business. Grapes provides additional value in a barrier-free environment. In addition to the one-room units common to senior residences, Grapes offers various room types of up to a 2LDK layout depending on the property in question. This way, we provide a unique, fulfilled living experience suited to each resident. This living environment is designed for ease of use by elderly people. Thoughtful touches include the height of switches and other equipment, as well as the use of easy-to-clean materials and spaces.

Concierge Services

The Grapes series comes with daytime concierge service. Concierges work with in-home long-term care support services and medical institutions as well as provide optimal support tailored to each resident. Even if the level of nursing care required increases, we are able to provide services at the same level as a fee-based senior home. Since there is no expensive admission fee, the properties are accessible to more people. Moreover, residents enjoy peace of mind knowing they can live out their remaining years here, as the lifetime building lease eliminates the need for lease contract renewal.

The Roles of Concierges in Grapes Series

Responding to an Aging Society   Indicators and Results

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of newly established residences for seniors (senior residences with support services and fee-based senior homes)</td>
<td>240</td>
<td>158</td>
<td>482</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total number of residences for seniors (senior residences with support services and fee-based senior homes)</td>
<td>846</td>
<td>1,004</td>
<td>1,486</td>
<td>1,486</td>
<td>1,486</td>
</tr>
</tbody>
</table>
Strengthening Nursing Care Functions

In June 2018, we established Tokyo Tatemono Staffing Co., Ltd. by integrating four Tokyo Tatemono Group companies: Care Like, Frontier, Frontier Western Japan, and Medical Link. These companies performed dispatch and recruiting services primarily for caregiving and nursing care facilities. This merger reinforced our capabilities in employee hiring by both enhancing advertising activity efficiency and raising awareness. The merger also strengthened our ability to offer stable human resources dispatching and professional recruiting that optimizes matches in responding to the chronic staffing shortage in the nursing care field.

Expanding Business in Fee-Based Senior Homes

Some elderly persons prefer fee-based senior homes due to health conditions or other reasons. Fee-based senior homes provide more attentive nursing care and living support than senior residences that combine support services.

Tokyo Tatemono Group company Seiaien Co., Ltd. operated fee-based senior homes until its merger with Tokyo Tatemono Senior Life Support in July 2018. Our business in fee-based senior homes has grown to four facilities as of the end of 2019.

Facilities for Seniors

<table>
<thead>
<tr>
<th>Owned Properties</th>
<th>Properties Managed under Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Residences With Support Services</td>
<td></td>
</tr>
<tr>
<td>•Grapes Asakusa</td>
<td>•Kosha Heim Chitose Karasuyama</td>
</tr>
<tr>
<td>•Grapes Fujimino</td>
<td>•Grapes Garden Nishiarai Daishi</td>
</tr>
<tr>
<td>•Grapes With Omori-Nishi*</td>
<td>•Grapes J Higashi Ikebukuro</td>
</tr>
<tr>
<td>•Grapes Felicity Totsuka</td>
<td>•Kosha Heim Hirao</td>
</tr>
<tr>
<td>•Grapes Kawasaki Shinmachi</td>
<td></td>
</tr>
<tr>
<td>•Grapes Season Totsuka</td>
<td></td>
</tr>
<tr>
<td>•Grapes Tsujido Nishi-Kaigan</td>
<td></td>
</tr>
<tr>
<td>•Grapes Tateishi</td>
<td></td>
</tr>
<tr>
<td>•Grapes Yoga</td>
<td></td>
</tr>
<tr>
<td>•Grapes Shonan Tsujido</td>
<td></td>
</tr>
<tr>
<td>•Grapes Setagaya Chitosedai</td>
<td></td>
</tr>
<tr>
<td>Fee-Based Senior Homes</td>
<td></td>
</tr>
<tr>
<td>•Grapes With Yotsuya</td>
<td>•Adonis Plaza Omiya</td>
</tr>
<tr>
<td>•Sans Souci Kita-Urawa</td>
<td>•Sans Souci Owada</td>
</tr>
</tbody>
</table>

*Grapes With Omori-nishi also operates as a fee-based senior home with combined nursing care services

VOICE

Creating housing in which senior residents to thrive by offering carefully planned physical facilities and extensive nursing care services

In addition to contracting residence concierge services for the Grapes serviced senior housing facilities, the company provides in-home nursing care offices, elderly care offices, and other services inside Grapes locations to provide nursing care to residents and local citizens.

Grapes features outstanding design and livability, offering an experience of the typical Tokyo Tatemono Group commitment to comfortable living. However, higher levels of senior housing also require nursing care services. To improve the quality of nursing care services we offer, we conduct regular interviews with residents and provide instruction to concierges on a daily basis.

Beyond enhancing existing nursing care services, we also strive to develop new services and create industry-academia-public collaborations. In the future, we hope to make use of our mutual strengths to create senior housing in which residents can thrive.

General Manager Sales Department
Corporate Planning Promotion Division
Tsukui Corporation
Ms. Kozue Nakamura
Support for the Empowerment of Women

Policy and Concept

As women become more active in society and ideas related to lifestyle and happiness diversify, this segment of society demands more in the way of support for diverse lifestyles and workstyles in the home and office.

The Tokyo Tatemono Group incorporates women’s perspectives into the development of housing. We believe in facilitating the empowerment of women by supporting their lifestyle through housing development.

In addition, we conduct surveys of group female employees to understand their challenges and incorporate solutions into facility plans for buildings. The aim here is to create comfortable, work-friendly offices for women.

Project Bloomoi: Housing for the Happiness of Working Women

Tokyo Tatemono created the Brilla Bloomoi Project in 2012 to research and gain insights into the mind of the working woman, pursuing housing that responds to diversifying needs.

With this project, we hope to understand and support not only working women, but also women engaged in household work, childcare, nursing care, community work, and learning.

The members of this project, mostly female group employees, value sympathy, dialogue, and co-creation. They consider the best ways to make homes in which working women can live fulfilled lives and enjoy more happiness.

Bloomoi, a word coined by combining "bloom" and "moi" ("me"), evokes an image of many working women smiling and bringing their talents to full bloom.

Under this project, team members consider condominium floor plans, household equipment, and much more. Wide-ranging product development extends to soft aspects, including management and after-sale services. The project produces an ongoing series of products built on the Bloomoi idea.

Topics
Original Room Fragrances Developed by the Bloomoi Project

In September 2019, the Bloomoi Project developed an original room fragrance product. The idea was to appeal to the sense of smell for occupants to enjoy interior spaces with more of their senses.

Three scents were developed using essential oils from the leaves of Sakhalin fir trees growing in the town of Shimokawa in Hokkaido. Each scent is made with a theme closely tied to the daily lives of working women.

Support for the Empowerment of Women  Indicators and Results

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomoi involvement in new properties</td>
<td>2 properties</td>
<td>4 properties</td>
<td>2 properties</td>
<td>9 properties*</td>
<td>4 properties</td>
</tr>
<tr>
<td>Total number of Bloomoi-involved properties</td>
<td>7 properties</td>
<td>11 properties</td>
<td>13 properties</td>
<td>22 properties*</td>
<td>26 properties</td>
</tr>
</tbody>
</table>

*Includes renovations
Working women have a truly wide range of lifestyles. Bloomoi emphasizes thinking together and creating together in housing product development. We believe the most important thing is to engage with others to gain a true understanding of the diversity of values and deep psychologies. Based on this approach, we have established new urban development business schemes through the co-creation process. Through events, dialogue, Facebook, and more, we seek out working women’s insights and incorporate those insights into product planning. As we exchange ideas with working women, we create enhanced floor plans and equipment that were designed based on survey results and feedback.

**Official site:**
www.brillia.com/bloomoi/

**Official Facebook page:**
www.facebook.com/BrilliaBloomoi/

**Official Instagram page:**
www.instagram.com/brillia_bloomoi/

Storage Plan OURHOME SELECT Puts Residents at Ease
Our Brillia Kita-Urawa property offers the newly developed select plan, OURHOME SELECT. This plan was developed jointly with Emi, a professional home organizer who is herself the mother of two children. Entryways, bathrooms, living rooms, and more provide optimal storage that encourages the family to become involved and store goods in a way that makes everyone comfortable.

**Confident Storage Plan**
**The Benefits of OURHOME Select**

1. Separate, wash, and hang dry. Doing the entire laundry in one room eases the burden on busy parents.
2. Open storage lets kids do their part, too
3. A fixed location for shipping boxes and bicycle batteries keeps everything organized
4. Items stored close to where they are used for easy access
Responding to Growing Childcare Wait Lists

Policy and Concept
In Japan’s large cities, increasing population density and a rising number of two-income households have caused a shortage of capacity in childcare facilities. The number of families on wait lists for childcare facilities grows every year. The lack of childcare creates challenges for society, including delays in women returning to work.

The Tokyo Tatemono Group operates our own childcare business to benefit young families and their children, who represent our future.

Expanding Ohayo Child Care Facilities
We established Tokyo Tatemono Kids in August 2016 with the cooperation of Global Group Co., Ltd., a nursery school business operator. We have been operating nursery schools continuously since that time.

We opened four nursery schools* each year over a three-year period (2017–2019). In April 2020, we added two new authorized nursery schools and one schoolchild care facility. Ohayo Child Care Sekimachi-Minami and Sekimachi-Minami After-School (for school-aged children) are co-located with a Brilla series condominium complexes where Tokyo Tatemono sells units.

The philosophy of our childcare business is to nurture a child’s ability to live fully. Accordingly, we offer an environment in which children think for themselves and act proactively.

*One of the four nursery schools opened in 2019 has changed status from certified nursery school to authorized nursery school.

After-School Sekimachi-Minami

Contents

Environment

Message from the President

Sustainability

Social

Feature

Governance
Revitalizing Aging Housing Complexes

Policy and Concept

Housing complexes throughout Japan supported the nation’s rapid growth after World War II. Many are now aged and are in need of reconstruction. In addition, housing complexes were once home to many families raising children. Today, residents have grown older and fewer in number. Frequently, older residents of complexes die alone in these places. Aside from reconstructing buildings, Japan must revitalize communities, rebuilding interpersonal connections.

The Tokyo Tatemono Group is committed to updating our existing stock of housing complexes and office buildings, creating new value for the years to come and revitalizing local communities.

Tokyo Tatemono Condominium Complex Rebuilding Project Results

- Heights Komagome Condominium Complex Rebuilding Project
  (All units sold under the name Briilla Komagome Rikugien)
  - Location: 6-chome, Honkomagome, Bunkyo Ward, Tokyo
  - Units after rebuilding: 49 (previously 25)
  - Completed: July 2014
  - Some 40 years after it was first built, this complex had become outdated and aged. Updating the equipment building would have been expensive, so we decided to reconstruct.
  - We acquired an adjacent construction site and were able to double the number of units.

- Fujisaki Condominium Complex Rebuilding Project
  (All units sold under the name Residence Momochi/joint project)
  - Location: 2-chome, Momochi, Sawara Ward, Fukuoka City, Fukuoka Prefecture
  - Units after rebuilding: 232 (previously 130)
  - Completed: February 2015
  - These condominiums are located conveniently, with excellent access to transportation, schools, and public facilities.
  - We decided to reconstruct the building due to issues of deterioration that had occurred over its 40-year life.

- Senri Tsukumodai A Condominium Complex Rebuilding Project
  (Currently offering for sale as Briilla City Senri Tsukumodai/joint project)
  - Location: 3-chome, Tsukumodai, Suita City, Osaka Prefecture
  - Units after rebuilding: 202 (previously 96)
  - Completed: November 2019
  - We decided to reconstruct the building due to issues of deterioration that had occurred over its 50-year life.
  - Many concerned parties, especially residents, took part in a variety of studies as the project went forward.

Revitalizing Aging Housing Complexes Indicators and Results

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Currently underway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total units before reconstruction</td>
<td>794</td>
<td>874</td>
<td>874</td>
<td>874</td>
<td>874</td>
<td>4,427</td>
</tr>
<tr>
<td>Total units after reconstruction</td>
<td>1,503</td>
<td>1,617</td>
<td>1,617</td>
<td>1,617</td>
<td>1,617</td>
<td>7,984</td>
</tr>
</tbody>
</table>
### Revitalization Case Study

**Brillia Koganei Sakuracho**

**Key Points of Revitalization**

1. We conducted a detailed study comparing large-scale repair and reconstruction.
2. Reconstruction resulted in a major improvement to home performance.
3. We planted vegetation and a public park to green the environment and help prevent crime.

Brillia Koganei Sakuracho (Koganei City, Tokyo) was completed in May 2016. This building is the result of the reconstruction of the former Koganei Apartment Building.

The property was already nearly 50 years old when we began considering reconstruction. By that time, residents were aging and the building had aged as well. Among other functional and crime-prevention issues, the building had no elevators or auto-locks, which were some of the factors leading us to decide in 2013 to reconstruct. An issue that came up later was a rise in construction costs. This issue caused us to reconsider our project plan and entertain ongoing dialogue with residents. The exchange of equivalent rights plan* was approved in 2014 and the project was completed without further issue.

Reconstruction enhanced home performance significantly. New elevators and better crime prevention functions also made the building a more accessible condominium complex for both children and seniors.

*Exchange of equivalent rights: Exchange of sectional rights and site usage rights in the old complex for rights in the new one, along with monetary payments. Agreement must be reached among residents because the appraised value of the old building differs from the new. Exchange of equivalent rights plans need approval by the mayor of the local government.

**Project Overview**

<table>
<thead>
<tr>
<th>(Before Reconstruction)</th>
<th>(After Reconstruction)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Koganei Apartment Building</strong></td>
<td><strong>Brillia Koganei Sakuracho</strong></td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>2-chome, Sakura-cho, Koganei City, Tokyo</td>
</tr>
<tr>
<td><strong>Construction period</strong></td>
<td>Completed 1964/1965</td>
</tr>
<tr>
<td><strong>Completed 2016</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Site area</strong></td>
<td>5,356.35㎡</td>
</tr>
<tr>
<td><strong>5,219.46㎡</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Standard building-to-land ratio</strong></td>
<td>50%</td>
</tr>
<tr>
<td><strong>No change</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Allowable floor space index</strong></td>
<td>50%</td>
</tr>
<tr>
<td><strong>No change</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Floor space</strong></td>
<td>4,914.57㎡</td>
</tr>
<tr>
<td><strong>9,081.48㎡</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Number of buildings</strong></td>
<td>4 buildings/4 floors</td>
</tr>
<tr>
<td><strong>1 building/8 floors</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Number of units</strong></td>
<td>80 units</td>
</tr>
<tr>
<td><strong>114 units (including 61 subdivided units)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Unit floor space</strong></td>
<td>54.24 to 54.44㎡</td>
</tr>
<tr>
<td><strong>46.75 to 84.96㎡</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Floor plans</strong></td>
<td>2DK, 3DK</td>
</tr>
<tr>
<td><strong>1LDK to 4LDK</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Revitalization Case Study

**Brillia Tama New Town**

**Key Points of Revitalization**

1. One of the largest housing complex projects in Japan (Increased from 640 units to 1,249).
2. Community has been revitalized by changes in citizen composition.
3. Preserved greenery to maintain the living environment.

Brillia Tama New Town, completed in October 2013, was born from the reconstruction of Tama New Town Suwa 2-chome Housing, which had been standing for more than 40 years. Beginning in 2007, we worked for six years with property rights holders and other concerned parties on the rebuilding project. Our efforts resulted in a seven-building complex with 1,249 units and the preservation of greenery and open space accessible to the public.

At a time when the aging of housing complexes became a serious social concern, the Brillia Tama New Town reconstruction project garnered plenty of attention. The social significance of this project reflected the fact that it was Japan’s largest reconstruction project at the time and the project revitalized the historic Tama New Town area.

Prior to reconstruction, demographics leaned heavily toward seniors. However, nearly 70% of the buyers of newly subdivided units were in their 20s to 40s. Also, many residents of the old complex moved into the new one. The result of this project was a multi-generational community, something unusual for a suburban condominium complex such as this.

**Web site introducing Brillia Tama New Town**

www.b-tamant.com

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<table>
<thead>
<tr>
<th>Project Overview</th>
<th>(Before Reconstruction)</th>
<th>(After reconstruction)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Koganei Apartment Building</strong></td>
<td><strong>Brillia Koganei Sakuracho</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>Lot numbers 2 and 4, 2-chome, Suwa, Tama City, Tokyo</td>
<td></td>
</tr>
<tr>
<td><strong>Construction period</strong></td>
<td>Completed 1971</td>
<td></td>
</tr>
<tr>
<td><strong>Completed 2013</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Site area</strong></td>
<td>64,399.93㎡</td>
<td></td>
</tr>
<tr>
<td><strong>No change</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Standard building-to-land ratio</strong></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>60%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allowable floor space index</strong></td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td><strong>200% (150% based on district plan)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Floor space</strong></td>
<td>34,037.13㎡</td>
<td></td>
</tr>
<tr>
<td><strong>124,904.05㎡</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of buildings</strong></td>
<td>23 buildings/5 floors</td>
<td></td>
</tr>
<tr>
<td><strong>17 buildings/11 floors, 14 floors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of units</strong></td>
<td>640 units</td>
<td></td>
</tr>
<tr>
<td><strong>1,249 units (including 684 subdivided units), associated facilities in 3 sections</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unit floor space</strong></td>
<td>All units 48.85㎡</td>
<td></td>
</tr>
<tr>
<td><strong>43.17 to 101.44㎡</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Floor plans</strong></td>
<td>All units 3DK</td>
<td></td>
</tr>
<tr>
<td><strong>2DK to 4LDK</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tokyo Tatemono is working with a condominium complex reconstruction association (association under the project collaborator) on a reconstruction project at Hiratsuka Town Housing in 6-chome, Hatanodai, Shinagawa Ward, Tokyo. Almost 60 years have passed since Hiratsuka Town Housing was completed in 1959, and the buildings and equipment have aged considerably. The reconstruction plan is mindful of the quiet surrounding streets and rich greenery of the neighborhood. Therefore, the project calls for a high-grade exterior and a building arrangement that maximizes air movement and light. The new complex is also barrier-free for the convenience of seniors and other residents. Other features include crime prevention measures and earthquake/disaster preparedness equipment and services. This project is Shinagawa Ward's first to operate under a reconstruction association system based on the Act on Facilitation of Reconstruction of Condominiums.

We plan to complete the reconstruction in the autumn of 2020.

Itohpiya Hamarikyu is a 328-unit condominium complex near the JR Hamamatsucho Station. Built four decades ago, the complex has aged and has questionable seismic durability. Therefore, the management association began investigating the potential for reconstruction. However, about 80% of the property rights holders did not even live in the complex. Many lived in far-away regions or even overseas, which made it difficult to reach an agreement for reconstruction.

As the condominium complex reconstruction association chairman, I tried to overcome the lack of communication with property rights holders by holding study meetings and operating an electronic bulletin board. Our efforts received a major push at an extraordinary general meeting in 2018 where the reconstruction was approved. At this meeting, Tokyo Tatemono and a consultant provided statements from the property rights holders' point of view that generated momentum for reconstruction.

Tokyo Tatemono met all the challenging conditions that we established when searching for a builder. They also dealt circumspectly with a lower-than-expected move-out rate and asbestos removal costs that were higher than anticipated. Further, Tokyo Tatemono offered suggestions from many different points of view. I believe we have built a solid relationship of trust as we look ahead to completing this project.

Itohpiya Hamarikyu is a 328-unit condominium complex near the JR Hamamatsucho Station. Built four decades ago, the complex has aged and has questionable seismic durability. Therefore, the management association began investigating the potential for reconstruction. However, about 80% of the property rights holders did not even live in the complex. Many lived in far-away regions or even overseas, which made it difficult to reach an agreement for reconstruction.

As the condominium complex reconstruction association chairman, I tried to overcome the lack of communication with property rights holders by holding study meetings and operating an electronic bulletin board. Our efforts received a major push at an extraordinary general meeting in 2018 where the reconstruction was approved. At this meeting, Tokyo Tatemono and a consultant provided statements from the property rights holders’ point of view that generated momentum for reconstruction.

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Itohpiya Hamarikyu
Condominium Complex Restructuring Association Chairman
Mr. Toshiyuki Hayashi
Diversity & Inclusion

Policy and Concept

With a shrinking workforce due to declining birthrates and aging demographics, it is important now more than ever to effectively utilize an effective workforce that includes women, senior citizens, and others to develop our business and engage in community-building efforts. Organizations with diverse talent will be able to provide broader perspectives and make better decisions in service offerings from many different views.

Tokyo Tatemono established a Human Resource Policy that includes creating a fulfilling, rewarding workplace in which employees can experience growth and feel satisfaction from their work. We pursue the creation of an environment in which diverse human resources are motivated and dedicated in their work, acting freely without obstacle. The successful activities of our diverse talent will drive services that meet the level of sophistication and diversification in demanded by our own customers.

System

The Tokyo Tatemono Personnel Division works with all group company departments, overseeing labor affairs in a group-wide support system. This division engages under measures to ensure a diverse base of human resources can challenge themselves to grow continuously, acting freely without obstacle.

In January 2020, Tokyo Tatemono established the Human Resources Development Group and Health Management and Diversity Promotion Group to respond to the ever-increasing importance of human resource development and the rising social demand for health management and the promotion of diversity.

Diversity & Inclusion Indicators and Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time (FT) Employees (Total)</td>
<td>Persons</td>
<td>576</td>
<td>584</td>
<td>687</td>
<td>719</td>
<td>749</td>
</tr>
<tr>
<td>Men</td>
<td>Persons</td>
<td>458</td>
<td>461</td>
<td>542</td>
<td>548</td>
<td>563</td>
</tr>
<tr>
<td>Women</td>
<td>Persons</td>
<td>118</td>
<td>123</td>
<td>145</td>
<td>171</td>
<td>186</td>
</tr>
<tr>
<td>Ratio of FT Women Employees</td>
<td>%</td>
<td>20.5</td>
<td>21.1</td>
<td>21.1</td>
<td>23.8</td>
<td>24.8</td>
</tr>
<tr>
<td>Ratio of Women Employees</td>
<td>%</td>
<td>24.9</td>
<td>25.8</td>
<td>26.6</td>
<td>27.7</td>
<td>28.9</td>
</tr>
<tr>
<td>Managers</td>
<td>Persons</td>
<td>281</td>
<td>295</td>
<td>339</td>
<td>350</td>
<td>360</td>
</tr>
<tr>
<td>Men</td>
<td>Persons</td>
<td>275</td>
<td>287</td>
<td>328</td>
<td>334</td>
<td>342</td>
</tr>
<tr>
<td>Women</td>
<td>Persons</td>
<td>6</td>
<td>8</td>
<td>11</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of Women Managers</td>
<td>%</td>
<td>2.1</td>
<td>2.7</td>
<td>3.2</td>
<td>4.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Ratio of Women Directors</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Hires (Total)</td>
<td>Persons</td>
<td>15</td>
<td>14</td>
<td>19</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Men</td>
<td>Persons</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Women</td>
<td>Persons</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Ratio of Women New Hires</td>
<td>%</td>
<td>33.3</td>
<td>28.6</td>
<td>21.1</td>
<td>36.4</td>
<td>25.0</td>
</tr>
<tr>
<td>Average Years of Service</td>
<td>Years</td>
<td>10.0</td>
<td>10.5</td>
<td>10.6</td>
<td>10.8</td>
<td>11.3</td>
</tr>
<tr>
<td>Men</td>
<td>Years</td>
<td>10.9</td>
<td>11.7</td>
<td>11.6</td>
<td>12.0</td>
<td>12.5</td>
</tr>
<tr>
<td>Women</td>
<td>Years</td>
<td>8.6</td>
<td>9.1</td>
<td>9.7</td>
<td>9.3</td>
<td>10.4</td>
</tr>
<tr>
<td>Difference in Avg. Length of Service Between Men and Women Employees</td>
<td>Years</td>
<td>3.9</td>
<td>2.6</td>
<td>1.9</td>
<td>2.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Ratio of Disabled Persons* Hired</td>
<td>%</td>
<td>2.06(June)</td>
<td>1.88(June)</td>
<td>1.98*(June)</td>
<td>1.87*(June)</td>
<td>1.81*(June)</td>
</tr>
<tr>
<td>Ratio of Employees Re-hired at Retirement Age</td>
<td>%</td>
<td>66.7</td>
<td>75.0</td>
<td>91.7</td>
<td>87.5</td>
<td>100</td>
</tr>
</tbody>
</table>

- Data Collection Period: January to December each year. Data is as of December of the year in question unless stated otherwise.
- Scope of Collection: Tokyo Tatemono Co., Ltd.
- * Indicates data that has received third-party certification by Lloyd’s Register Quality Assurance Limited (LRQA) to ensure its integrity.
Promoting the Success of Seniors

Tokyo Tatemono has introduced a re-employment policy for retirement-age employees, helping those aged 60 or over to continue to enjoy active, successful careers. Our Personnel Division also holds individual consultations with employees who are approaching the statutory retirement age. These employees have the opportunity to express their wishes about how they want to work based on their individual life plans. These programs let us offer employees the opportunity to be fully active, even after 60 years of age.

In 2019, we launched career design training programs for experienced line managers. These programs help line managers have a positive experience in making career choices on post-retirement-age rehiring.

Promoting the Success of Disabled Persons

Tokyo Tatemono strives to employ persons with disabilities. We have prepared systems that allow disabled persons to enjoy long-term, stable employment. We accomplish this through optimal department assignment based on the individual’s particular qualities, through regular consultations with the Personnel Division, and through working hours set appropriately to the particular circumstances of each disability.

| Re-Employment Status of Employees at Retirement Age |
|------------------|------------------|
| Retirement Age | Re-Employed |
| 2019 | 8 | 8 | 100% |
| 2018 | 8 | 7 | 87.5% |
| 2017 | 12 | 11 | 91.7% |
| 2016 | 4 | 3 | 75.0% |
| 2015 | 6 | 4 | 66.7% |

Ratio of Disabled Persons Hired

![Graph showing the ratio of disabled persons hired from 2015 to 2019. The employment rate is highest in 2016 at 1.88%. There is a slight decrease in 2017 at 1.87%, and a further decrease in 2018 at 1.81%.]
Overview of Childbirth and Child Rearing Support Systems

### During Pregnancy
- **Flextime System**
  - Employees may utilize flextime (work start/stop times can be adjusted)
  - Office admin staff not eligible for flextime.
  - Salary: Same as ordinary flextime system

- **Paid Leave Carryover Policy**
  - Employees may use the paid leave carryover policy.
  - Salary: Paid leave

- **Re-Employment Policy for Employees who Resigned due to Pregnancy, Childbirth, or Child Rearing**
  - Retired employees may petition to be rehired by Tokyo Tatemono.

- **Leave Before/After Childbirth**
  - Employees may take up to six weeks of leave before childbirth/up to eight weeks of leave after childbirth.
  - Salary: Paid leave

- **Child Rearing Leave**
  - Employees may take leave until one month after the first March 31 that falls after their child’s third birthday.
  - Salary: Unpaid (With benefits from employment insurance)

- **Child Rearing Leave Benefits**
  - Employees receive the equivalent of 67% of their salary during child rearing leave (after six months passes, this benefit changes to 50%)
  - Period: Until the child’s first birthday (in special cases, this may be extended to 18-24 months)

- **Exemption from Health Insurance/Employee Pension Insurance Premiums**
  - During child rearing leave, employees are exempt from premiums for health insurance/employee pension insurance.
  - Period: Until the child’s third birthday

- **Special Leave for Childbirth**
  - Employees may take one day of special leave.
  - Salary: Paid leave

- **Celebratory Monetary Gift for Childbirth**
  - Employees may receive 50,000 yen as a celebratory gift for the birth of their child.

- **Lump Sum Gift for Childbirth/Child Rearing**
  - Employees may receive a lump sum payment of 420,000 yen for childbirth/childrearing.
  - This payment scales per child for a multiple live birth.

- **Childbirth Expense Benefits Policy**
  - Employees may borrow up to the (statutory benefit) lump sum for childbirth/child rearing at no interest.

- **Income Tax Exemption for Childbirth Expenses**
  - Employees may write off costs incurred during childbirth as a medical exemption from their income taxes.

### Immediately Before/After Childbirth
- **Policy**
  - **Overview**

### During Child Rearing
- **Policy**
  - **Overview**

### Restriction Systems for Child Rearing
- **Restrictions on Overtime for Child Rearing**
  - Employees are limited to no more than 24 hours of overtime per month and must not exceed 150 hours of overtime per year.
  - Period: Until the conclusion of the child’s third year of elementary school

- **Restrictions on Late Night Work for Child Rearing**
  - Employees may be restricted from working between the hours of 10:00 p.m. to 5:00 a.m.
  - Period: Until the conclusion of the child’s third year of elementary school

- **Exemption from Overtime for Child Rearing**
  - Employees may be exempt from exceeding their prescribed work hours.
  - Period: Until one month after the first March 31 that falls after their child’s third birthday.

- **Nursing Care Leave for a Child**
  - Employees may take up to five days leave for their first child or up to ten days for their second and subsequent children between April 1 and March 31 to care for injured or sick children (leave may be taken in half-day increments).
  - Salary: Paid leave

- **Pediatric Expense Benefits**
  - Employees may receive assistance for expenses incurred for medical care of their child.

- **Child Allowance**
  - Employees may receive a child allowance.

- **Special Babysitter Discount**
  - Employees may receive a special discount on babysitter fees if they use an employee benefit service.
When I gave birth to my daughter, I took about eight months off on maternity and childcare leave. When I returned to work, I took advantage of the short-hour work system. After my child turned one, I was able to use the extended-hours childcare at the nursery school and I began working full time again. I was worried about balancing work and childcare. But, I enjoy work-life balance because of flextime and the trial telework systems, which offer a flexible work-style. It also helps that those around me understand my situation. Sometimes I have to leave work to take my daughter to the hospital or when she comes down with a sudden fever. In these cases, I can use carry over paid leave. Our paid time off system lets me relax and take a refreshing family trip during summer vacation.

In addition, the company offers training for employees who have just returned after child rearing leave. This is a very meaningful program, not only because of the instruction from the lecturers, but also due to the opportunity to exchange information from others who are sharing the same experience.
Work-Life Balance

Policy and Concept

As concern grows over long work-hours and mental health, finding work-life balance and increasing productivity have both become critical issues in the sustainable growth of employees and their companies.

The Tokyo Tatemono Group has implementing initiatives to sustain and improve the health of our employees and executives in line with the Group Health Management Declaration. We strive to limit overtime hours and prevent overwork in accordance with the 36 Agreements and other labor accords.

We also support better work-life balance through extracurricular recreational activities, such as club activities.

System

Tokyo Tatemono established the Health Committee, which consists of representatives from the Personnel Division and each office/location, as well as industrial physicians. The Health Committee generally convenes once a month for the purpose of improving standards of occupational health in the workplace and encouraging employees to maintain and improve their health.

Moreover, we work to maintain and improve health throughout the Tokyo Tatemono Group via exchanges between group companies.

Tokyo Tatemono Group Health Management Declaration

The corporate philosophy of Tokyo Tatemono is "Trust beyond the era," which incorporates our will to strive for the growth of the company and the creation of a prosperous society, taking pride in the trust placed in us that extends over a century.

To embody this corporate philosophy, we believe the health of our executives and employees, as well as their families, is vital.

We see the mental and physical health of our executives and employees as the source of sustainable corporate growth and actively promote activities for every person to maintain and improve their health.

I will strengthen our environment to achieve this as the chief executive officer responsible for health management, and I vow that we will endeavor toward health management as a unified Group.

Hitoshi Nomura
President and Chief Executive Officer
Tokyo Tatemono Co., Ltd.

Work-Life Balance Indicators and Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Rate*1</td>
<td>%</td>
<td>2.2</td>
<td>1.4</td>
<td>1.4</td>
<td>2.6*</td>
<td>2.1*</td>
</tr>
<tr>
<td>Percent of Employees Taking Health Checkups *</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100*</td>
<td>100*</td>
<td>100*</td>
</tr>
<tr>
<td>Avg. Number of Paid Leave Days Taken *2</td>
<td>Days</td>
<td>8.8</td>
<td>8.7</td>
<td>8.8*</td>
<td>9.9*</td>
<td>10.6*</td>
</tr>
<tr>
<td>2020 Target: 30% increase vs. 2015 (11.4 Days)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace Incidents *3</td>
<td>Incidents</td>
<td>2</td>
<td>1</td>
<td>0*</td>
<td>1*</td>
<td>0*</td>
</tr>
<tr>
<td>Total Days Lost Due to Absence *</td>
<td>Days</td>
<td>138</td>
<td>47</td>
<td>81*</td>
<td>137*</td>
<td>122*</td>
</tr>
<tr>
<td>Employee Unionization Rate</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Percent of Paid Leave Taken</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>57.7*</td>
</tr>
</tbody>
</table>

* Data Collection Period: From April to March of each fiscal year (excluding turnover rate, which is from January to December).
* Scope of Collection: Tokyo Tatemono Co., Ltd
* Indicates data that has received third-party certification by Lloyd’s Register Quality Assurance Limited (LRQA) to ensure its integrity.
*1 Resignations due to personal reasons
*2 Other leave systems such as summer leave and national holidays are also provided (days under these systems are not included in the above figures)
*3 Workplace Incidents: Accidents that occur during work that result in one or more days of absence
Health Management Initiatives

Tokyo Tatemono is engaged in various initiatives based on the Group Health Management Declaration.

Third-Party Evaluation of Health Management
In 2014, the Development Bank of Japan, Inc. DBJ Employees Health Management Rating awarded Tokyo Tatemono the highest possible accolade for our earnest efforts toward health. The recognition cited our outstanding initiatives toward the health considerations of our employees.

Further, Tokyo Tatemono and two other group companies were recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, a program in which the Ministry of Economy, Trade and Industry certifies companies practicing excellent health management.

Tokyo Tatemono and nine other Group companies were recognized by the National Federation of Health Insurance Societies (Kenporen) in Tokyo, receiving Silver and Gold certifications as outstanding health organizations under the Health & Productivity Management Outstanding Organizations Recognition Program.

Health Improvement Initiatives
Tokyo Tatemono has set a goal for 100% regular medical checkups for our employees, and we are advancing initiatives to raise greater awareness of health management among all employees. We have achieved this goal every year since 2011.

We coordinate with health insurance associations to conduct a wide range of initiatives for improving health management. We know the particular health risks of our employees and take preventative measures actively against severe illnesses for non-obese and young people not eligible for special screenings. This is for the purpose of improving health through preventative and early-term treatment. Since 2017, we also conduct group dental examinations.

In terms of daily health measures to sustain and improve the health of our employees, we ensure that the costs required for voluntary health management, including physical examinations, cancer screenings, medical treatment, pharmaceuticals, and participation in health management programs, are covered in our Welfare Cafeteria Plan.

Further, we offer subsidies to cover the cost of vaccinations to prevent widespread infection during flu season. Since 2016, we have invited doctors to our facilities to provide vaccinations for better disease prevention.

In 2019, we launched a smoke-free environment in our office. We are striving to lower our current 20% smoking rate to 12% or less by the end of fiscal 2022 (the same level as goal set out in the Basic Plan to Promote Cancer Control (Third Term)).

Mental Health Initiatives
Each Tokyo Tatemono employee has access to an online service for annual stress self-checkups. This simple process provides employees with a clear picture of their own stress conditions.

In addition, we provide mental health counseling via health insurance associations. These counseling services are made available to employees with mental health concerns.

In 2016, we launched a partnership with psychiatric advisors, creating a support structure that includes training to help employees return to work.

We conduct self-care and line care training to promote mental health awareness. This training is mandatory for new managers in particular. Currently, this training boasts a 100% attendance rate. We also invite sports trainers to teach company-wide training for all new employees. We work not only to help all of our employees understand the critical importance of their mental health, but also for early detection and prevention of mental health issues.

Sustainability Website
Feature: Health Management Ensuring Results (Published 2017) www.tatemono.com/csr/special/healthcare.html (Available in Japanese only)

Status of Certification as an Outstanding Health Management Company

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Tatemono</td>
<td>Certified (White 500)</td>
<td>Certified (White 500)</td>
<td>Certified</td>
</tr>
<tr>
<td>E-State Online</td>
<td>—</td>
<td>Certified (White 500)</td>
<td>Certified</td>
</tr>
<tr>
<td>Tokyo Real Estate Management</td>
<td>—</td>
<td>—</td>
<td>Certified (White 500)</td>
</tr>
</tbody>
</table>

* A system in which employees are provided a certain set of points to spend freely on a series of benefit options. This has the advantage of allowing individuals to enjoy a combination of benefits that suit their own circumstances.
Labor-Management Dialogue

Tokyo Tatemono supports the rights of freedom of association and collective bargaining. All employees (except main management) are members of the Tokyo Tatemono Labor Union, organized within the company. The labor union and Tokyo Tatemono have concluded a labor agreement and work to solve a diverse range of challenges through dialogue between labor and management.

Labor-Management Cooperation in Work-Style Innovation

Tokyo Tatemono established the Work-Style Innovation Labor-Management Review Meeting with the labor union in 2017. This body was established for labor and management to deliberate the necessary concrete measures to execute work-style innovation appropriate to Tokyo Tatemono. This meeting aims to further improve productivity and efficiency toward achievement of the group’s medium-term business plan goals and our ongoing growth thereafter.

The body also shares the purpose of and goals to be achieved through work-style innovation, engaging in broad-based discussions between labor and management. Since 2018, we have been conducting telework trials in an effort toward specific measures for enhancing productivity, including use of external satellite offices and improving various ICT tools.

Tokyo Tatemono Work-Style Innovation Concepts

The goal of work-style innovation is to create more time through efficiency and other means, bringing about both corporate and individual growth, as well as the happiness of the individual.

Diagram: Tokyo Tatemono Work-Style Innovation

TIMEWORK, a Space-Sharing Service for Corporations

Tokyo Tatemono has developed a space sharing platform for shared offices in collaboration with companies such as Nippon Steel Kowa Real Estate Co., Ltd. and Nippon Tochi-Tatemono Co., Ltd. We launched the TIMEWORK space-sharing service in November 2019.

As work-style reforms progress, corporate needs for remote work are expanding. Further, a rapidly increasing number of facilities provide shared offices and serviced offices in support of remote work. However, contracts and compliance with specific location usage procedures are generally required to use spaces such as shared offices and conference rooms operated by different entities. This presents an obstacle to improving work environments for companies who want to utilize multiple facilities. To eliminate this obstacle, we have developed and created the TIMEWORK platform.

This platform connects multiple facilities managed by different operators and their client companies under a single unified contract. The aim here is to provide more convenient services for both the client company and the member facility.
**Initiatives to Reduce Overtime Work**

Tokyo Tatemono has been engaged in ongoing measures to prevent overtime since 2008 from the perspective of work-life balance and employee health management.

In 2010, we adopted a system to shut down computers at the standard end of the working day to limit late-night working hours and prevent overwork. Furthermore, in departments where long-working hours occur, we have implemented a framework to address this issue by requiring direct supervisors to report on improvement measures and provide feedback to upper management. Through this PDCA cycle, we strive to reduce overtime (work outside of regular hours).

**Support of Club Activities**

In 2014, Tokyo Tatemono implemented approval and subsidy rules for club activities. We also introduced systems to support employee extracurricular activities.

Currently, we subsidize rental fees for activity venues and competition entry fees for the more than 10 clubs that have been approved. These clubs include members participating from our group companies enjoying activities that cross corporate barriers. Each club participates in athletic competitions and other events held by local public organizations, actively communicating with the local community.

**Occupational Health and Safety**

Tokyo Tatemono works to ensure employee safety by advancing a wide range of initiatives to guarantee a work-friendly environment as stated in our Compliance Manual. Although we have not acquired OHSAS 18001 or other external certification related to occupational health and safety, we work to ensure safety by conducting risk assessments and improvement activities.
**Human Resources Development**

**Policy and Concept**

Tokyo Tatemono strives to develop the skills of employees reflecting our belief that employees are the foundation from which sustainable corporate growth is built.

In 2012, we revised a number of human resources systems to better cultivate talent and create workplaces capable of creating added value. At the same time, we strive to innovate ourselves into a highly optimized organizational culture beyond individual or departmental optimization. As part of our innovation, we formulated our Human Resource Policy, which serves as a foundation upon which to build a human resource development system.

**System (Human Resource Development System)**

Tokyo Tatemono has defined the first five years of a new graduate hire's tenure as a time to focus on development. This development includes a collective training program offering basic business training (covering topics such as logical thinking, marketing, management strategy).

To provide experience and broader knowledge required for employees of a comprehensive real estate company, we rotate new graduate hires among three departments to gain experience in their first ten years of employment. To strengthen the OJT development cycle in the workplace, we have set up training for managers responsible for instructing others, as well as a new employee counselor system. The operation status of these initiatives is monitored through regular interviews by the Personnel Division.

For mid-career employees who have been in the company six years or more, we provide enhanced programs to foster a culture of learning. This includes voluntary in-house training, external dispatch training, and cross-industry exchange training.

Training for managers includes training to enhance daily line management, including training for evaluators, mental health and line care training, as well as dispatch training programs to external training agencies such as business schools to enhance their strategic perspectives and management capabilities.

In addition, we have established self-edification programs and support systems to aid employees in acquiring certifications. These are to help employees enjoy independent learning at all stages of employment. Furthermore, we offer special support for learning the English and Chinese languages, as well as for dispatching employees to overseas training in consideration of global business expansion.

**Human Resource Policy**

1. **Developing ideal human resource**
   Ideal human resource: person that is trusted and that opens new avenue for the future

2. **Realization of a satisfying working place where employees can feel their growth**

---

**Summary 2020 Training Programs**

**Training per Management Level**

- **Executives**
  - Executive Training
    - Coaching: Basics
    - Coaching: Advanced
    - Strategic OJT
    - Leadership
  - Electives
    - Design Thinking
    - Negotiation
    - Action Learning
    - Breakthrough
    - Lectures by Outside Experts

- **General Managers**
  - New General Manager Training

- **Group Leaders**
  - New Group Leader Training

- **Managers**
  - New Manager Training
    - Business Development
    - Data Science

- **Assistant Managers**
  - New Assistant Manager Training
    - Strategic Communication
    - Presentation
    - Accounting
    - Finance
    - Marketing
    - Management Strategy
    - Third-year Group Training

- **Senior Employees**
  - New Employee Training, Basic Practical Real Estate Training, Logical Thinking, IT Training

- **New Employees**
  - New Employee Training
  - Logical Thinking, IT Training

**Global Training**

- Attending language schools
- Overseas on-site observation
- Overseas dispatch training
- Internships with local subsidiaries

**Self-Edification**

- Support for attending business/graduate school
- Single-subject business school training dispatch
- Cross-industry training
- Distance learning
- External seminars

**Support Systems for Acquiring Certifications**

- Real Estate Broker
- The Official Business Skill Test in Bookkeeping
- Japan Business Law Exam
- Certified Building Administrator
- Real Estate Consulting Master Exam
- Real Estate Appraiser Securitization Master Exam
- Urban Renewal Planner First-class Architect
Group-Wide New Employee Workshops for Improving Group Synergy

The Tokyo Tatemono Group is engaged in a variety of businesses that are closely linked to the lives of our customers. We are working to build an organization that allows us to exert group synergies for the benefit of our stakeholders.

To achieve group synergies, we must first develop a shared group awareness in understanding the business of each group company and to build deeper personal relationships. One of our initiatives drive group synergies is workshops for junior employees from all group companies. In 2019, we held a four-day camp-style introductory training program for new graduate hires.

We have also prepared various collective training programs for employees up to their third year of employment. These programs are designed to support building the human relationships that will drive group synergy.

Overseas Training for Global Human Resource Development

Tokyo Tatemono conducts overseas training to foster heightened global mindsets among our employees as we continue our global business expansion.

In 2019, we dispatched employees to Malaysia and conducted training to better understand globally successful talent, local culture, business trends, and other topics. Going forward, we will continue to support the growth of highly motivated people who want to take on the challenge of creating new value globally, both in Japan and overseas.

In February 2019, 34 third-year employees from five Tokyo Tatemono Group companies (Tokyo Tatemono, Tokyo Tatemono Real Estate Sales, Tokyo Tatemono Amenity Support, E-State Online, and Nihon Parking Corporation) gathered for two days of training aimed at building a foundation for group synergies. As the culmination of three years of group training for new employees, this program deepens an understanding of the businesses at each company. At the same time, the training divides employees into teams that discuss the ideal future of the group, our business environment, and other matters. On the last day of the training, each team made a presentation to executives and managers of each company about new businesses and services that could be created in five years by leveraging group synergies.
Governance

Average attendance rate of Board of Directors: 99%

Completion Rate of Compliance Training (E-Learning): 99.8%

Proportion of outside Directors: 33%
Corporate Governance

Policy and Concept
Tokyo Tatemono strives to build optimal corporate governance, aiming to enhance efficiency while ensuring the soundness and transparency of management to increase corporate value. In addition, we actively and appropriately disclose information for shareholders and other stakeholders to understand the company’s business activities accurately. The code of conduct in our corporate philosophy espouses a spirit of compliance with the law. In this light, we have established a system for compliance as we strive to improve compliance awareness and prevent the occurrence of illegal activities and misconduct.

Corporate Governance Report
www.tatemono.com/english/ir/library/governance.html

System
Tokyo Tatemono has selected a Company With Audit and Supervisory Board format as our corporate management system. We have also established a board of directors and an Audit and Supervisory Board. Our executive officer system clarifies the separation of functions between management and business execution. This system strengthens management and supervisory functions and business execution functions at Tokyo Tatemono. Further, we appoint external directors and external Audit and Supervisory Board members who help us operate under stronger management supervision and ensure transparency. We believe that we have established a structure that enables managers and directors to fully exercise their monitoring and supervisory functions.

Tokyo Tatemono has established a Group Management Meeting to facilitate efficient and sound group management.

- Directors (Board of Directors)
Tokyo Tatemono has 12 directors, four of whom are outside directors. As a general rule, Tokyo Tatemono holds regular board of director meetings once a month and other extraordinary meetings as deemed necessary. In these meetings, our directors make decisions about important matters related to business execution and monitor the execution of our business activities by directors.

Audit and Supervisory Board members attend board meetings and offer opinions as necessary. (Numbers are as of January 2020)
Corporate Governance Indicators and Results

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Board Meetings</td>
<td>Meetings</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Number of Directors</td>
<td>Persons</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Number of Executive Officers on Board</td>
<td>Persons</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Number of Non-Executive Officers on Board</td>
<td>Persons</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of Independent External Directors</td>
<td>Persons</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Average Board Meeting Attendance</td>
<td>%</td>
<td>94.6%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>99%</td>
</tr>
<tr>
<td>Average Tenure of Directors</td>
<td>Years</td>
<td>6.7 (March)</td>
<td>5.3 (March)</td>
<td>5.0 (March)</td>
<td>5.8 (March)</td>
<td>3.8 (March)</td>
</tr>
</tbody>
</table>

Data Collection Period: January to December of each year. Unless otherwise specified, figures are as of December each year.

Data Collection Scope: Tokyo Tatemono
Support System for External Directors and Members of the Audit and Supervisory Board

Tokyo Tatemono provides explanations and information as necessary through the Planning Division to support external directors and members of the Audit and Supervisory Board. The Planning Division serves as a secretariat for the board of directors.

At the request of the Audit and Supervisory Board, we assign personnel to serve as audit staff to encourage the smooth execution of audit procedures.

Full-time members of the Audit and Supervisory Board attend important corporate meetings, including board meetings and Group Management Meetings. These members also receive reports from our financial statement auditors, directors, and employees of various departments as necessary, facilitating a structure for exchanging opinions with these parties at any time.

Evaluation of the Effectiveness of the Board of Directors

Once yearly, Tokyo Tatemono conducts a survey on the composition, agenda items, and operation of the board of directors. All directors and members of the Audit and Supervisory Board respond to this survey, the results of which are discussed at a meeting of the board of directors.

The survey of board effectiveness for fiscal 2019 was conducted in February 2020. As a result of our investigations, we confirmed that the Tokyo Tatemono board of directors operates with sufficient effectiveness.

Policy on Remuneration and Remuneration Calculation

Fixed remuneration for directors is capped at ¥35 million per month (¥420 million per year) *. Performance-based compensation (excluding external directors) is capped at 1% of consolidated recurring income and 2% of net income attributable to owners of parent for the year prior to the fiscal year in question**.

In March 2018, we introduced a stock remuneration system via stock benefit trust. The goal of this system is to create a clear link between director compensation and the value of our corporate stock and to encourage awareness of contributions to increasing corporate value over the medium and long term. With the introduction of this system, directors receive compensation in three ways: fixed remuneration, performance-linked remuneration, and stock-based remuneration. Stock remuneration (excluding external directors) consists of a maximum 40,000 points per fiscal year (equivalent to 40,000 shares).

Remuneration for members of the Audit and Supervisory Board consists of basic remuneration according to status as full- or part-time. The amount of remuneration is capped at ¥8 million per month (¥96 million per year).

*1 Based on a resolution of the 190th Ordinary General Meeting of Shareholders held on March 28, 2008
*2 Based on a resolution of the 195th Ordinary General Meeting of Shareholders held on March 28, 2013

Items Evaluated to Determine Board of Director Effectiveness

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>Ratio, number, and diversity of external directors</td>
</tr>
<tr>
<td>Content</td>
<td>Number, content, and financial amount of proposals</td>
</tr>
<tr>
<td>Operations</td>
<td>Number of meetings, length of meeting, format of pre-meeting explanations, explanatory materials, explanation time, deliberation time, content of matters reported</td>
</tr>
<tr>
<td>Other</td>
<td>Support system, training format</td>
</tr>
</tbody>
</table>

Remuneration of Directors and Members of the Audit and Supervisory Board (Fiscal Year Ended December 2019)

<table>
<thead>
<tr>
<th>Executive Class</th>
<th>Number of Eligible Individuals</th>
<th>Total Amount by Type of Remuneration</th>
<th>Total Remuneration (Million Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fixed Remuneration (Million Yen)</td>
<td>Performance-Linked Remuneration (Million Yen)</td>
</tr>
<tr>
<td>Internal Directors</td>
<td>10</td>
<td>258</td>
<td>183</td>
</tr>
<tr>
<td>Members of the Audit and Supervisory Board (Excluding External Members)</td>
<td>3</td>
<td>52</td>
<td>–</td>
</tr>
<tr>
<td>External Members</td>
<td>9</td>
<td>400</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>351</td>
<td>183</td>
</tr>
</tbody>
</table>
Risk Management

Policy and Concept

The Tokyo Tatemono Group strives to manage risks that affect the group’s business to achieve stable improvement in corporate value. We have established risk management regulations and created a risk management system, by means of which we monitor and control risks constantly to ensure consistent risk management.

In developing our risk management system, we referenced ISO 31000 (international standard for risk management) and JIS Q 31010 (Japanese standard for risk management).

Internal Control Report
www.tatemono.com/ir/library/control.html

System

We have identified and classified risks (and integrated risks that are combinations thereof) that may have a significant impact on the Tokyo Tatemono Group business: investment risk, financial risk, business risk, and internal control risk.

Integrated risks are managed by the Corporate Planning Division, which is the division in charge of risk management. The Internal Control Committee, chaired by our president and CEO, deliberates and enacts measures related to internal control risk (internal management risk and compliance risk) as a subset of integrated risks.

The Group Management Meeting considers policies related to general business risk.

Important matters related to these risks are reported to the board of directors as necessary. The Audit and Supervisory Board is responsible for conducting audits related to these risks.

We engage in detailed risk management through a series of processes that include monitoring and improving the status of risk management operations.
Joint Training for Earthquake Disaster Response (Including Group Companies)

The Tokyo Tatemono Group has established a basic policy for earthquake response, called the Basic Plan for Earthquake Measures. We have prepared manuals for initial response, stockpiling, and employee safety confirmation.

Each October, group companies conduct joint drills on earthquake countermeasures to confirm chain of command, division of responsibilities, information gathering and communications, and employee safety confirmation.

Comprehensive Information Management

The Tokyo Tatemono Group has established information management regulations and rules for handling personal information to manage information collected through our business appropriately. Established regulations include Rules for Handling Personally Identifiable Information. We have also established an information management system coordinated by an individual in charge of information management. We bolster our management of personal and confidential information through information management audits, etc., conducted by the Internal Audit Division.
Compliance

Policy and Concept

The Tokyo Tatemono Group defines compliance as complying not only with laws and regulations, but also with social norms and corporate ethics. This approach builds a long-lasting relationship of trust with society and allows us to continue sound corporate activities. We believe companies must respond sincerely to the needs of people in our surrounding environment, including our customers, business partners, shareholders, investors, local communities, and employees.

In June 2009, the Tokyo Tatemono Group established a shared Compliance Charter for group companies. This charter is our pledge to society to promote corporate activities that are committed to unwavering compliance.

Established June 2009

Compliance Structure

Board of Directors
Audit & Supervisory Board
Internal Control Committee
Chair: President and CEO
Secretariat
General Affairs Division
Corporate Planning Division
Internal Audit Division

Compliance Indicators and Results

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees Taking Compliance Training (E-Learning)</td>
<td>Employees</td>
<td>657</td>
<td>814</td>
<td>847</td>
<td>860</td>
<td>873</td>
</tr>
<tr>
<td>Compliance Training (E-Learning) Completion Rate</td>
<td>%</td>
<td>99.4</td>
<td>98.8</td>
<td>98.5</td>
<td>99.3</td>
<td>99.8</td>
</tr>
<tr>
<td>Compliance Survey Response Rate</td>
<td>%</td>
<td>77.0</td>
<td>71.2</td>
<td>80.5</td>
<td>80.2</td>
<td>75.0</td>
</tr>
<tr>
<td>Number ofHelpline Calls and Consultation Incidents</td>
<td>Cases</td>
<td>28</td>
<td>15</td>
<td>44</td>
<td>59</td>
<td>56</td>
</tr>
<tr>
<td>Number of incidents related to bribery</td>
<td>Cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of incidents related to antitrust or anti-competitive behavior</td>
<td>Cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of incidents related to other compliance violations</td>
<td>Cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Data Collection Period: January to December of each year. Unless otherwise specified, figures are as of December each year.

System

The Tokyo Tatemono Group established an Internal Control Committee as part of our system to promote compliance. This committee discusses internal management risks, including group compliance, fraud, and anti-corruption, overseeing group compliance activities.

The Tokyo Tatemono General Affairs Division supports and guides the compliance-related operations of group companies. This division also aims to improve compliance functions throughout the group through collaboration between and among group companies.
Compliance Manual

The Tokyo Tatemono Group created the Tokyo Tatemono Group Compliance Manual to ensure we put our Compliance Charter into practice.

The Compliance Manual is for all persons engaged in work at group company workplaces, regardless of employee classification, system at location employed, or employment type. The manual provides 15 codes as standards of conduct.

We distribute the Compliance Manual to all employees engaged in work at group companies. We may also post the manual in certain locations on an office-by-office basis.

Tokyo Tatemono has posted a collection of cases that are useful as references for the Compliance Manual on our corporate intranet, categorized by code of conduct. We strive to prevent corruption, bribery, and to prohibit discrimination by sharing case studies related to bribery and LGBT issues.

< Codes of Conduct >
1-1 Comply with laws and regulations
1-2 Maintain proper relationships with partners
1-3 Engage in fair competition
1-4 Maintain proper relationships with governments and administrations
1-5 Reject relationships with anti-social forces
1-6 Engage in proper management of information
1-7 Prohibit dishonest behavior
1-8 Respect corporate assets
2-1 Respond sincerely to customers
3-1 Exercise consideration for the environment
3-2 Engage in timely and appropriate disclosure, conduct appropriate tax reporting
3-3 Practice co-existence with local communities
4-1 Respect human rights and prohibit discrimination
4-2 Prohibit harassment
4-3 Provide a comfortable work environment

Preventing Corruption and Bribery

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. To meet this commitment, we established anti-bribery rules, ensuring we prevent bribery, fraud, or corruption in other forms.

As one specific initiative, we conduct training to publicize and ensure consistent compliance with the rules defined in the Compliance Manual.

The Tokyo Tatemono Group was not assessed any fines related to corruption in fiscal 2019.

< Relevant Compliance Manual Codes of Conduct >
1-1 Comply with laws and regulations
1-2 Maintain proper relationships with partners
1-3 Engage in fair competition
1-4 Maintain proper relationships with governments and administrations

Preventing Anti-Competitive Practices

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. Through training and other measures, we publicize and teach the content of our Compliance Manual, working to prevent anti-competitive practices (monopolies, etc.).

The Tokyo Tatemono Group was not assessed any fines related to anti-competitive practices, etc., in fiscal 2019.

< Relevant Compliance Manual Codes of Conduct >
1-1 Comply with laws and regulations
1-2 Maintain proper relationships with partners
1-3 Engage in fair competition
Compliance Training

Every year, the Tokyo Tatemono Group conducts groupwide joint training via e-learning. During 2019, approximately 4,000 managers and employees across 15 companies completed training or updated their understanding of revised laws. Training topics included the appropriate use of alcohol, information management (including anti-corruption initiatives and prevention of insider trading), and matters related to the Building Lots and Buildings Transaction Business Law and the Act on Prevention of Transfer of Criminal Proceeds (prevention of money laundering, etc.). In addition, we conducted joint training for new group hires, held seminars for harassment prevention training instructors (general manager level), sponsored seminars on the appropriate use of alcohol, conducted training for new Tokyo Tatemono employees, and provided leadership trainings for newly promoted individuals.

To prevent corruption and bribery, we use the Tokyo Tatemono intranet to publish articles on preventing insider trading, moderation in the consumption of alcohol and appropriate management of information as needed, publicizing the availability of these articles throughout our organization.

On the subject of legal and tax matters of high importance to our business, we invite outside experts as lecturers for seminars. These seminars cover the latest examples of trials, tax reforms, and other information related to business activities throughout the group.

Helpline

The Tokyo Tatemono Group established the Tokyo Tatemono Group Helpline, which is a shared group resource for employees to consult and report as a means to prevent legal issues or fraud.

This resource is available to all group employees. The reports and consultations received through this system are reported to the Tokyo Tatemono Internal Audit Division, which reports directly to the president. The Internal Audit Division investigates and conducts fact-checking independently.

We take appropriate measures, implementing prompt corrective actions and preventing the recurrence of any acts in violation of compliance. The Internal Control Committee convenes to consider responses to the most serious cases in the spirit of the Whistleblower Protection Act, we take appropriate measures to ensure the protection of whistleblowers.

| Number of Helpline Calls and Consultations |
|-----------------|--------|--------|--------|--------|--------|
|                | Reports Consultation Category | 2015 | 2016 | 2017 | 2018 | 2019 |
| Report          | Report                                      | 28   | 15   | 39   | 49   | 48   |
| Consultation    | Consultation                                | 1    | 1    | 5    | 10   | 8    |
| Labor Issues    | Labor Issues                                | 11   | 3    | 13   | 11   | 16   |
| Sexual harassment | Sexual harassment                        | 7    | 1    | 3    | 1    | 3    |
| Other harassment | Other harassment                           | 7    | 7    | 26   | 39   | 34   |
| Other           | Other                                       | 4    | 5    | 2    | 8    | 3    |

Response to Anti-Social Forces

The Tokyo Tatemono Group created Exclusion of Anti-Social Forces Rules, which detail our rules to exclude any and all relationships with anti-social forces and establishes specific methods for conducting due diligence on organizations referencing the Anti-Social Forces Check Manual.

We cooperate with outside experts and organizations such as the police and lawyers as part of our resolute response to anti-social forces.
Supply Chain Initiatives

Basic Approach

The basic pattern of business for a real estate developer is land acquisition, followed by property development, and then lease or sale.

In this process, the developer purchases materials and goods associated with land acquisition and lease/sales activities directly. However, property development work is ordered in one total contract from a construction company. This involves a large amount of material procurement and employment associated with the construction company, rather than Tokyo Tatemono.

Given the characteristics of this business, the Tokyo Tatemono Group included certain matters related to human rights and occupational safety in our Compliance Manual. These matters include respect for human rights and the prohibition of discrimination, the prohibition of harassment, and providing comfortable work environments. Other matters relate to procurement and ordering, including appropriate relationships with business partners and consideration for the environment. In so doing, we strive to build an appropriate supply chain that is free of fraud and corruption and that is environmentally conscious. In accordance with the Group Environmental Policy, we incorporate environmentally friendly technologies and ideas into products and services at all stages of our business activities, striving to use materials that contribute to resource conservation and reduced environmental impact.

Respect for Human Rights

Policy and Concept

The Tokyo Building Group supports basic human rights as defined in the Constitution of Japan and the Universal Declaration of Human Rights. We also support international labor standards set by the International Labor Organization (ILO) and respect individuality and personal values as provided in our Compliance Charter.

To ensure we put our Compliance Charter into practice, we created the Tokyo Tatemono Group Compliance Manual. The Compliance Manual helps ensure that all persons engaged in work for the group comply with our code of conduct to respect human rights and prohibit discrimination or harassment based on race, nationality, creed, gender, sexual orientation, age, appearance, disability, education, social status, or background. Our charter also calls for providing a comfortable work environment and prohibiting child or forced labor in any part of our supply chain. Through these policies, we aim to prevent human rights violations.

In addition to the Minimum Wage Act, we also promise to pay employees more than the minimum wage in compliance with various labor laws.

The freedom of association and the right to collective bargaining are described in Work-Life Balance. (See P.60)

→ Compliance Charter P.72
→ Compliance Manual P.73
**System**

The Tokyo Tatemono Group established an Internal Control Committee to promote compliance, including compliance related to respect for human rights. This committee discusses group compliance and internal control risks at large. The Internal Control Committee oversees group compliance activities.

→ Compliance Structure P.72

In January 2019, in consideration of trends toward solving social human rights issues and the Sustainable Development Goals (SDGs), we engaged in a progressive reorganization of our Anti-Discrimination Promotion Committee to establish the Human Rights Education and Promotion Committee. This committee, consisting of members appointed by the president and CEO, plans, implements, and observes educational programs and trainings on human rights issues. In this way, the group ensures that we are a corporation that embraces respect for human rights.

**Responding to Human Rights and Discrimination Issues**

Due to the nature of the real estate business, the Tokyo Tatemono Group is in no small way susceptible to potential discrimination issues. For this reason, we provide ongoing training to ensure a proper understanding of human rights and discrimination issues, as well as to ensure appropriate responses in our activities, to prevent situations that could lead to human rights violations. In 2019, 29 group employees, mainly first-year and second-year employees, participated in a training conducted by lecturers from the Tokyo Metropolitan Human Rights Promotion Center.

We have also appointed a general manager over human resources to promote fair recruitment, selection, and human rights awareness. This individual is responsible for preventing discrimination and other human rights infringements in the recruitment process and overseeing recruitment activities as a whole.

**Human Rights Initiatives**

The Tokyo Tatemono Group established a Compliance Manual that serves as a standard for conduct. This manual defines rules for respecting human rights, prohibiting discrimination, prohibiting harassment, providing a comfortable work environment, and co-existing with local communities. We distribute Compliance Manuals to employees. We also post manuals in offices as another means to publicize compliance and ensure understanding.

We also conduct compliance training, including respect for human rights, for employees and managers as appropriate. The Tokyo Tatemono Group Helpline and Compliance Survey are shared tools through which we prevent, or quickly identify and solve, issues of harassment. We use the results of Helpline consultations and surveys to provide appropriate responses to issues.

Please refer to the following pages for more on specific initiatives.

→ Compliance Training P.74
→ Compliance Survey P.74
→ Helpline P.74
GRI Standard Content Index

This report uses GRI Standards as reference.

Materials used to create this content index.

1. CSR REPORT 2020  
   https://www.tatemono.com/csr/english/reports/

2. ESG DATA BOOK 2020  

3. Annual Review 2019  
   https://www.tatemono.com/english/ir/library/ar.html

4. Corporate Governance Report  
   https://www.tatemono.com/english/ir/library/governance.html

5. 202nd Term Internal Control Report (Japanese only)  
   https://www.tatemono.com/ir/library/control.html

6. Notice of the 202nd Ordinary General Meeting of Shareholders  
   https://www.tatemono.com/english/ir/stock/meeting.html


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<th>Disclosure</th>
<th>Tools and pages referred</th>
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</thead>
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<td>GRI 101: Foundation 2016</td>
<td></td>
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<tr>
<td>General Disclosures</td>
<td></td>
</tr>
<tr>
<td>GRI 102: General Disclosures 2016</td>
<td></td>
</tr>
<tr>
<td>Organizational profile</td>
<td></td>
</tr>
<tr>
<td>102-1 Name of the organization</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-2 Activities, brands, products, and services</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-3 Location of headquarters</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-4 Location of operations</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-5 Ownership and legal form</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-6 Markets served</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-7 Scale of the organization</td>
<td>Group Profile (1)</td>
</tr>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>Group Profile (1), Diversity &amp; Inclusion &gt; Indicators and Performance (56), Work-Life Balance &gt; Indicators and Performance (60), ESG Data Book 2020</td>
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<tr>
<td>102-9 Supply chain</td>
<td>Environmental Initiatives &gt; Supply Chain Initiatives (20), Supply Chain Initiatives (75)</td>
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<tr>
<td>102-10 Significant changes to the organization and its supply chain</td>
<td>Annual Review 2019 (11), Notice of the 202nd Ordinary General Meeting of Shareholders (41)</td>
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<tr>
<td>102-11 Precautionary Principle or approach</td>
<td>—</td>
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<tr>
<td>102-12 External initiatives</td>
<td>Tokyo Tatemono Materialities (Critical Issues) &gt; The 17 SDGs (7), Tokyo Tatemono Group Materialities (9), External Evaluation (23)</td>
</tr>
<tr>
<td>102-13 Membership of associations</td>
<td>—</td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
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<tr>
<td>102-14 Statement from senior decision-maker</td>
<td>Message from the President (3-4)</td>
</tr>
<tr>
<td>102-15 Key impacts, risks, and opportunities</td>
<td>Overview of Sustainability Management at Tokyo Tatemono (5-6), Tokyo Tatemono Materialities (Critical Issues) (7-9), Risk Management (70), Annual Review 2019 (12)</td>
</tr>
</tbody>
</table>
## Ethics and integrity

102-16 Values, principles, standards, and norms of behavior

- Corporate Philosophy (1)
- Long-Term Vision (5)
- Stakeholders & Engagement (6)
- Policy and System for Environmental Initiatives (16)
- Improving Quality and Customer Satisfaction > Policy and Concept (32)
- Improving Quality and Customer Satisfaction in the Office Buildings Business (33)
- The Human Building Philosophy (32)
- Improving Quality and Customer Satisfaction in the Residence Business (34)
- The Birla Concept (35)
- Disaster Prevention > Policy and Concept (38)
- Contributing to Our Communities > Policy and Concept (41)
- Cultural and Social Contribution Activities > Policy and Concept (45)
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LR Independent Assurance Statement
Relating to Tokyo Tatemono Co., Ltd.’s Environmental and Social Data for the fiscal year 2019

This Assurance Statement has been prepared for Tokyo Tatemono Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement
Lloyd’s Register Quality Assurance Limited (LR) was commissioned by Tokyo Tatemono Co., Ltd. (“the Company”) to provide independent assurance on its environmental and social data within its ESG Data Book 2020 and Sustainability Report 2020 (“the report”) for the fiscal year 2019, that is, from 1 April 2019 to 31 March 2020 against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064 - 3 for greenhouse gas (“GHG”) data.

Our assurance engagement covered the Company’s operations and activities in Japan and specifically the following requirements:
- Verifying conformance with the Company’s reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:

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<tr>
<td>Renewable energy amount (kWh) (Solar power system at own building)</td>
<td>Number of lost time injury</td>
</tr>
<tr>
<td>Tap water consumption volume (m³)</td>
<td>Lost Time Injury Frequency Rate</td>
</tr>
<tr>
<td>Recycled water amount (m³)</td>
<td>Total days lost due to absenteeism</td>
</tr>
<tr>
<td>Total waste generated (tonnes)</td>
<td>Ratio of Days Lost Due to Absence</td>
</tr>
<tr>
<td>Recycled waste amount (tonnes)</td>
<td>Turnover rate (Only for Personal Circumstances)</td>
</tr>
<tr>
<td>Ratio of recycled waste (%)</td>
<td></td>
</tr>
</tbody>
</table>

Our assurance engagement excluded the data and information of the Company’s subsidiary companies, suppliers, contractors and any third-parties mentioned in the report.

LR’s responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR’s Opinion
Based on LR’s approach nothing has come to our attention that would cause us to believe that Company has not, in all material respects:
- Met the requirements above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

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1 GHG emissions covers the real estate owned by the Company and subject to reporting obligations under the Act on the Rational Use of Energy.
2 GHG quantification is subject to inherent uncertainty.
3 Scope 1 GHG emissions include only energy-oriented CO₂.
4 Employment rate of persons with disabilities is as of 1 June 2019.
5 Turnover rate covers 1 January to 31 December 2019.
Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR’s approach
LR’s assurance engagements are carried out in accordance with ISAE3000 and ISO 14064 - 3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical Environmental / Social data and records for the fiscal year 2019; and
- Visiting Tokyo Tatemono Daisan Muromachi Building and Tokyo Tatemono Higashi Shibuya Building to assess whether the data management systems have been effectively implemented.

Observations
The company has year-on-year demonstrated improvement in its data management system. However, the Company should maintain the reliability of its future environmental and social data. And, in consideration of the interest of stakeholders, it is expected to expand the reporting boundary that includes the subsidiaries of the Company.

LR’s standards, competence and independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LR for Company and as such does not compromise our independence or impartiality.

Signed                                                                                                                                                                                   Dated: 30 June 2020

Jun Yasumoto
LR Lead Verifier
On behalf of Lloyd’s Register Quality Assurance Limited
10th Floor, Queen’s Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN
LR reference: YKA00000704

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