



Sustainability Report  
2022

TOKYO TATEMONO GROUP  
Sustainability Report



Management

Message from the President and CEO

ESG Management

Materiality of the Tokyo Tatemono Group

Participation in Initiatives

Feature

Environment

Environmental Management

Promoting a Decarbonized Society

External Evaluation and Certification for Green Building

Water Resources

Promoting a Recycling-oriented Society

Biodiversity

Sustainability Finance

Responding to Natural Disasters

Social

Respect for Human Rights

Supply Chain Management

Improving Quality and Customer Satisfaction

Revitalizing Housing Complexes

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Since our founding in 1896, the Tokyo Tatemono Group has striven as a comprehensive real estate company to build a prosperous society through urban development. 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.**

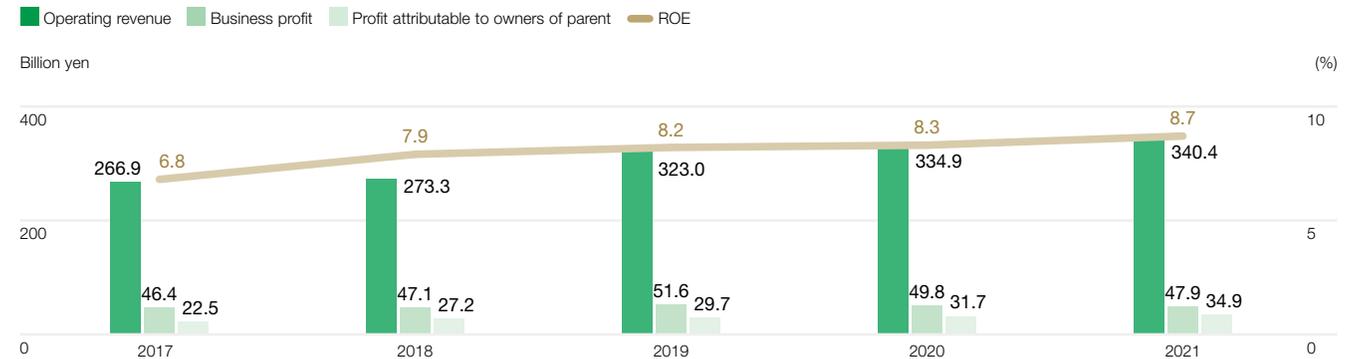
Corporate Data

Company Name	Tokyo Tatemono Co., Ltd.
Head Office	Tokyo Tatemono Yaesu Building, 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285 * The head office location on the commercial registration is 1-9-9

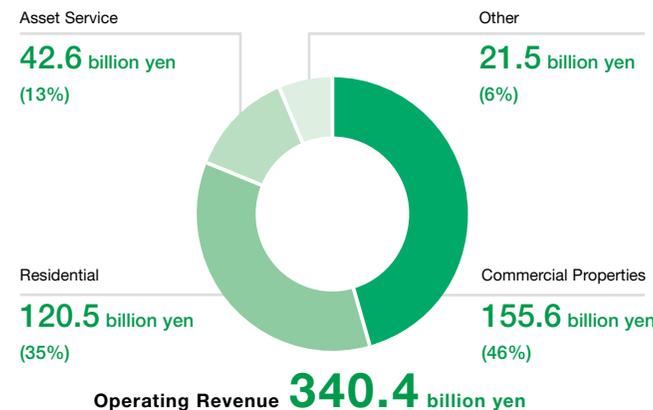
Representative	Hitoshi Nomura, President and Chief Executive Officer
Established	October 1, 1896
Capital	92.4 billion yen (As of December 31, 2021)
Number of Employees	725 (As of December 31, 2021)
Number of Consolidated Employees	5,648 (As of December 31, 2021)

Financial Highlights

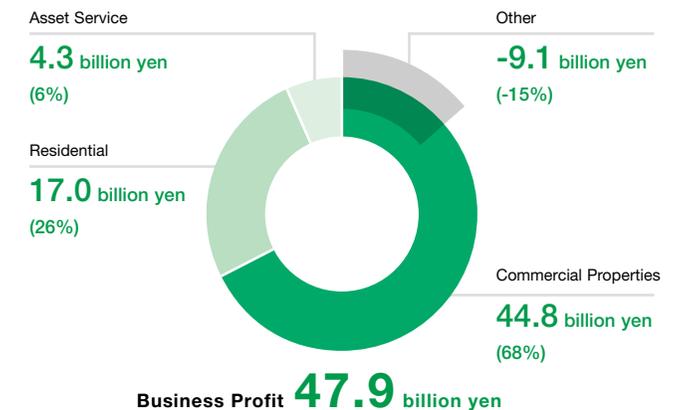
Operating Revenue, Business Profit, Profit Attributable to Owners of Parent, ROE



Operating Revenue per Segment



Business Profit (Loss) per Segment



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### ● Editorial Policy

The Tokyo Tatemono Group publishes sustainability-related information to communicate to all our stakeholders about our role in helping to realize a sustainable society and our initiatives in this area.

All information concerning our sustainability initiatives is posted on our website, which is divided into two sections: the sustainability website, which is designed to provide easy-to-understand information to all stakeholders; and the Sustainability Report, which is our annual report.

We have enhanced the level of quantitative data provided in the Sustainability Report, with the aim of providing comprehensive and detailed information on our initiatives. We have selected themes that the Group considers important to society and our customers and for each theme, reported on our approach, indicators, and results for fiscal 2021. In terms of comprehensiveness of information, we have determined the items for disclosure in accordance with the GRI Standards and by referring to the SASB Standards.

### ● Publication Data

June 2022 (Issued annually, revised in March 2023; fourth version)

### ● Reporting Period

The period covered by this report addresses our activities in FY2021 (January 1, 2021 to December 31, 2021). Some of the information included in this report may be applicable to other fiscal years. Certain items in the Data section correspond 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 described using "Tokyo Tatemono." Activities of the entire group are described using "Tokyo Tatemono Group."

### ● Referenced Guidelines

This report has been prepared by referring to the Core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards. We also referred to the SASB Standards of the Sustainability Accounting Standards Board (SASB).

 GRI Standard Contents Index

 SASB Comparison Table

### ● 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 a dagger (†).

### ● Inquiries

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# Message from the President and CEO



**A corporate group trusted  
over a century  
for its balanced commitment  
to solving social issues  
and growing as a business**

**Hitoshi Nomura**

Representative Director, President and CEO  
Tokyo Tatemono Co., Ltd.

## **Carrying on our founding spirit and taking the balance between ethics and economics to an even higher level**

Tokyo Tatemono was established in 1896 by Zenjiro Yasuda, the founder of the former Yasuda Zaibatsu. It was founded on the principles of always placing the customer first and maintaining an enterprising spirit. Its aim was to enable people to conduct real estate transactions with confidence, in an era when such transactions had not yet been adequately developed. Eiichi Shibusawa, the father of modern Japanese capitalism, was also deeply involved in the establishment of Tokyo Tatemono which has the longest history of business operations in Japan as a comprehensive real estate company. The Tokyo Tatemono Group has inherited the spirit of Yasuda, Shibusawa, and many other entrepreneurs who aspired to find a balance between ethics and economics. Our business history has been guided by the principle of always responding to the needs of the times and contributing to the realization of a safe, secure, and prosperous life for people and society. Such a spirit is needed precisely in times of turmoil such as the current one—as the global challenges and the international situation of recent years have reminded us.

In 2020, the Group set forth its long-term vision, “Becoming a Next-Generation Developer.” In it, we declared that we will further pursue a balance between ethics and economics. We will work to maintain an overarching balance between solving social issues and growing as a company. In this way, we will aim to be a good company that gives balanced consideration to all its stakeholders. The word “developer” conveys the idea that we develop not only in the hard sense, through real estate. We also enrich and enhance communities in the soft sense, through the various real estate services we provide to our customers. We are determined to mobilize the combined strengths of our Group to address both the hard and soft aspects of urban development. On the hard side, we pursue innovative ideas to create spaces where people can enjoy spending time, from places to work or live to places to relax. By supporting the creation of these spaces through the soft

## Message from the President and CEO

aspect of development, we create customer experience value and help enrich people's lives. We see this as our greatest social value and our purpose as a company. We believe that the accumulation of these efforts will create "trust placed in us that extends over a century" which is linked to our corporate philosophy of "Trust beyond the era."

### Targeting the post-pandemic lifestyle and preparing for changing customer needs

Looking back on 2021, I feel that it was a year in which the post-pandemic society gradually came into view, perhaps partly helped by the increased COVID-19 vaccination rate. In fact, some of our office building clients have actually returned their office attendance rates to pre-pandemic levels through an emphasis on communication among employees. Meanwhile, in sales of condominiums, there is a growing need for spaces that can accommodate flexible work styles and diverse lifestyles. We believe that these kinds of customer needs that anticipate the post-pandemic world will take shape in the coming year.

The Group is also pursuing new initiatives in response to the wide-ranging needs of its customers. We expect a continuation and expansion of the work flexibility that emerged from the COVID-19 pandemic. In the Commercial Properties Business, we acquired Expert Office Corporation, a provider of shared and serviced offices, and entered the mid-size office business. We are also deepening communication aimed at ensuring safety and security. For example, we have been asking tenants about their satisfaction with the COVID-19 infection control measures implemented by their buildings. In the Residential Business, we were quick to address customer needs amid changing work styles. We installed a full-fledged co-working space in the common area that is open to the community and has management services. We also installed movable "wall

door" partitions in each unit. These can be arranged to form private rooms for activities such as remote working. Through these and other efforts, we have been able to achieve our initial plan, despite significant impact to certain parts of our business. Looking to the post-pandemic era, we have installed experimental new devices and equipment for measuring intellectual productivity in the office.

### Creating a cycle in which customer trust earned through personal strengths leads to new business

We must respond to changing customer needs, constantly pursue customer satisfaction, continue providing social value, and ensure the sustainability of the company. I believe that what is fundamentally important in all of this is the personal strengths of each employee. We often hear it said that the greatest source of value creation for a company is its talent. For Tokyo Tatemono, it can indeed be said that our greatest strength is our talent—or more precisely, the personal strengths of each of our employees. Earning the trust of customers depends on our employees being naturally motivated to tackle their work and achieve challenging goals.

While enhancing such personal strengths, we must also have an earning mindset. That means maintaining an awareness of our growth as a company with the aim of continuing to provide value to society. I communicate this idea to my employees with the words, "Though you are a zebra, bear in your mind the horn of a unicorn." In other words, as a so-called zebra company, we aim to maintain a balance, emphasizing coexistence and balancing social contribution with corporate profit. But at the same time, I want us to maintain our ambition for profitable growth—like the horn of a unicorn company.

I believe that down through the ages, Tokyo Tatemono

has carried on the enterprising spirit on which it was founded. A recent noteworthy example is Hareza Tower in Ikebukuro in Tokyo's Toshima Ward. On the face of it, this was a challenging project given its location in a non-prime office area. However, we were able to provide advanced environmental performance and by the time construction was completed had attracted full tenant occupancy. This demonstrated the strengths of our employees in taking on a difficult project and executing it properly through to completion. In addition, we will work to earn the trust of stakeholders we engage with in our business and in society, based on the spirit of always placing the customer first. We will repeatedly build opportunities for people to recognize the value of Tokyo Tatemono. We want people to remember us the next time they have some query and to contact us. We must establish a cycle for thoroughly converting such expectations and opportunities into profits. I believe that the Group's business would not be viable without an awareness both of personal strengths and earning power. Based on this shared vision of our talent, we are working as a Group to develop and hire talent and to improve employee engagement.

### Maximizing our efforts to achieve net zero CO<sub>2</sub> emissions

In 2021, one of the areas that the Group discussed most was our medium- to long-term targets for reducing greenhouse gas emissions, which we have introduced in response to climate change. In terms of climate change, it has become clear that global warming is caused by human activities and that, under current circumstances, it will be extremely difficult to achieve the goals of the Paris Agreement. We recognize that we no longer have time to wait for measures to be taken. Japan has declared that its 2030 greenhouse gas reduction target will be a 46% reduction from the fiscal year 2013 level, and that it will

## Message from the President and CEO

continue to strive further toward a 50% reduction. At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), an agreement was adopted to pursue efforts to limit the average temperature increase from pre-industrial times to 1.5°C.

The Group has also moved to keep pace with the rest of the world. In June 2021, we set a medium- to long-term target to achieve, by fiscal 2030, a 40% reduction in CO<sub>2</sub> emissions compared to fiscal 2019; and net zero CO<sub>2</sub> emissions by fiscal 2050. There was some concern and hesitation within the Group about how much we could contribute to the enormous challenge of climate change. But if each employee and each company in the Group works toward the same goal, and if the international community also cooperates to the best of its abilities, we can without a doubt achieve a significant improvement over the current situation. Ambitious, lofty goals have been set. Achieving them will require steady, step-by-step measures. After numerous internal discussions, we have decided to adopt a more proactive approach by obtaining SBT (Science Based Targets) certification for our fiscal 2030 medium-term targets.

### An evolved approach to ESG management, embodying employee-driven initiatives

We have just launched initiatives based on the material issues and KPIs that we have newly identified for 2021. These initiatives are aligned to our strategies for supporting the realization of our long-term vision, “Evolved Approach to ESG Management” and “Contributing to the Achievement of the SDGs.”

In terms of environmental efforts, we have joined RE100, an international initiative that sets process goals for achieving

medium- and long-term targets for reducing greenhouse gas emissions and procuring 100% of the electricity used in operations from renewable energy sources. Development of buildings with high environmental performance, including ZEB and ZEH, is being promoted more strongly. There has also been a shift toward construction of wooden condominiums that use the CLT panel construction method for major structural parts, with a view to enabling carbon capture. Although relatively late in our adoption of wooden construction, we decided to take on the challenge of building a full-scale wooden structure. Recognizing the difficulties involved, we plan to use timber for approximately 85% (approximately 700m<sup>3</sup>) of the main structural components.

As our employees become increasingly aware of the importance of addressing climate change, they too are voluntarily taking concrete steps to address climate change in the businesses in which they are involved.

On the social front, in May 2021, we formulated the Tokyo Tatemono Group Human Rights Policy and Sustainable Procurement Standards. As developers, we cannot accomplish a large project by ourselves. The nature of our business instead requires that we cocreate through collaboration with financial institutions, landowners, general contractors, local residents, designers, and others. With this in mind, the Group believes that in the course of doing business it is our responsibility to respect human rights and the environment throughout the supply chain. To communicate this stance to a wide range of people outside the company, in July 2021, the Group endorsed and expressed its support for the Ten Principles of the UN Global Compact. Under the current international situation, there are many parts of the world where human rights that had previously been respected are suddenly being taken away. One example is Myanmar, where we have temporarily suspended our development projects. The Group’s human rights initiatives have only just begun. As a company, however, we are keenly

aware of the importance of respecting the human rights of all stakeholders involved in our business. We will continue to take this seriously as the basis for all our business activities.

The Group is committed to becoming a company that earns even greater trust from its stakeholders by pursuing solutions to social issues and corporate growth at a higher level, with the ultimate aim of enriching people’s lives. I would like to ask all of you for your continued understanding and support of our Group.

June 2022



Management

# ESG Management

## Overview of ESG Management at the Tokyo Tatemono Group

The Tokyo Tatemono Group pursues an evolved approach to ESG management, proactively implementing sustainability measures throughout its operations. We strive to achieve a balance between solutions to social issues and corporate growth.

ESG management has grown ever-more important in recent years, amid intensifying changes in the business environment. To achieve sustained growth 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 with our targets for Sustainable Development Goals (SDGs).

### Focus Factors in the External Environment

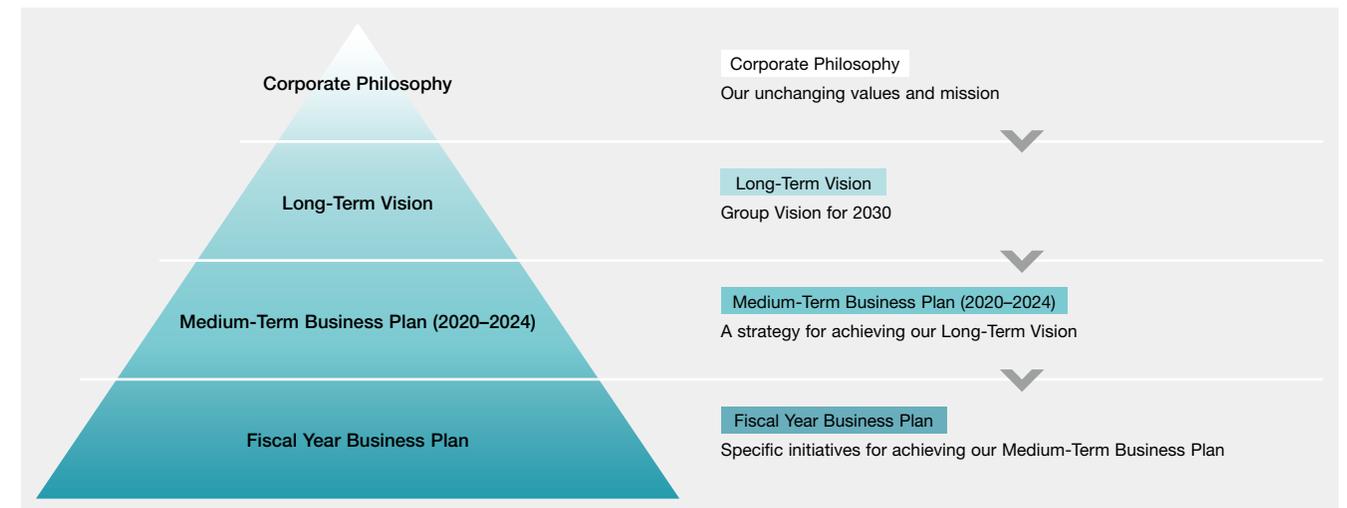
- Intensified competition between cities internationally
- Changes in the financial environment
- Decrease in population and working-age citizens in Japan
- Diversification of work styles and lifestyles
- Intensification of competition to recruit human resources
- Acceleration of digital technology advances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

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.

Long-Term Vision



# ESG Management

## Our Approach to the SDGs

The SDGs are international goals targeting 2030 that were adopted at the United Nations Summit. The SDGs comprise 17 goals in a wide range of fields based on diverse social issues that affect developing and developed countries. Companies are expected to contribute to achieving the goals. Tokyo Tatemono Group takes this demand from society seriously. As such, we have incorporated the SDGs into our long-term vision and medium-term management plan and are actively implementing sustainability measures throughout the Group.

As we operate our business as a developer, we will continue to be guided by the aim of realizing a sustainable society.

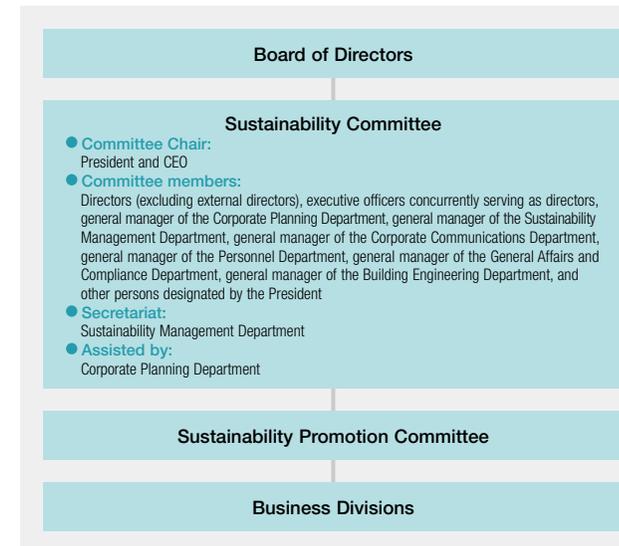


## ESG Management Framework

The Tokyo Tatemono Group established the Sustainability Committee, chaired by our president and CEO, to pursue sustainability measures across the entire Group. We also established the Sustainability Promotion Committee as a subordinate organization responsible for preliminary discussions on matters for inclusion in the agenda.

The Sustainability Committee, like the Executive Committee and Internal Control Committee, is under the direct control of the president and CEO. It meets, in principle, twice a year to discuss important ESG-related issues, set targets, monitor progress, and evaluate achievements. Matters discussed by the Sustainability Committee are reported to and supervised by the Board of Directors as necessary.

### ESG Management Framework



The Sustainability Promotion Council conducts preliminary discussions on matters for inclusion in the agenda the Sustainability Committee, shares its decisions, and reports on the progress of sustainability measures.

## ESG-related KPIs and Targets; Progress

The Tokyo Tatemono Group believes that advancing ESG management will help to maximize the medium- and long-term benefits for our stakeholders. We have set ESG-related KPIs and targets based on the material issues we identified in 2021.

We have incorporated the action plans for achieving these targets into the business plans of each business division or business unit. The Sustainability Promotion Council monitors the status of these efforts, while the Sustainability Committee evaluates the achievement of the targets and manages progress using the PDCA cycle. Progress is reported to and supervised by the Board of Directors as necessary.

### 2050 Target



# ESG Management

## Material Issue KPIs and Targets

Material issues	Item	KPIs and Targets	Scope	Target year	Target value
Promoting a decarbonized society	Reduction in greenhouse gas emissions	Reduction in CO <sub>2</sub> emissions	Scope 1, 2*1	1) 2030 2) 2050	1) 40% reduction compared to FY2019 2) Net zero
			Scope 3*2	1) 2030 2) 2050	1) 40% reduction compared to FY2019 2) Net zero
	Shift to renewable energy	Rate of shift to renewable energy for electricity consumed in our business activities	(1) Property owned in Commercial Properties Business (2) All business activities	(1) 2030 (2) 2050	(1) 40% (2) 100%
	Promotion of development of ZEB and ZEH*3	Rate of ZEB development in newly developed properties	Office buildings and logistics facilities	2030	In principle, 100%
			Condominiums for sale	2030	In principle, 100%
	Acquisition of Green Building Certification*4	Rate of acquisition of Green Building Certification in newly developed properties	Office buildings and logistics facilities	2030	In principle, 100%
Promoting a recycling-oriented society	Reduction of waste emissions	Reduction rate of waste emissions per unit	Long-term buildings*5	2030	20% reduction compared to FY2019
	Waste recycling promotion	Waste recycling rate	Long-term buildings*5	2030	90%
	Reduction of water consumption	Reduction rate of water consumption per unit	Long-term buildings*6	Each year	Reduction compared with previous fiscal year
	Promotion of use of recycled water	Percentage of newly developed properties with gray water*7 treatment facilities	Office buildings with total floor area exceeding 30,000m <sup>2</sup>	2030	100%

\*1 Scope 1: Direct emissions that occur from the use of fuel by the Group, Scope 2: Indirect emissions that occur from the use of electricity and heat purchased by the Group

\*2 Scope 3: Indirect emissions from other business activities. Scope of coverage is Category 11 (use of products sold).

\*3 Zero Energy Buildings (ZEB) is a building that aims to achieve an annual primary energy consumption balance of zero by maximizing energy independence through the use of advanced technologies that enable significant energy savings and the introduction of renewable energy. Zero Energy Houses (ZEH) reduces total energy consumption through measures such as heat insulation and energy savings as well as generating energy through power generation to balance out the annual primary energy consumption to zero.

\*4 Refers to (but is not limited to) DBJ Green Building certification, CASBEE building and BELS (Building Energy Saving Performance Labeling System) certification.

\*5 The scope is the main long-term buildings and commercial facilities for which we have substantial energy management rights and for which we have submitted plans for the reuse and reduction of waste materials.

\*6 The scope is the main long-term buildings and commercial facilities for which we have substantial energy management rights.

\*7 Recycled water is untreated water from rainwater and miscellaneous wastewater generated in buildings (e.g., wastewater from cooling towers and tenants' kitchens). It is reused for non-potable purposes such as toilet flushing and watering plants.

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Material issues	Item	KPIs and Targets	Scope	Target year	Target value
Promoting a decarbonized society / Promoting a recycling-oriented society	Promotion of use of wood materials	Percentage of newly developed properties in which domestic timber and certified timber is used for common-area interiors and furniture	Long-term buildings* <sup>6</sup> and condominiums for sale or rent	2030	100%
		Adoption of CLT for their core structural parts in newly developed properties	Residential Business	2030	100%
	Collaboration and co-creation with customers	Percentage of tenants with whom we communicate about sustainability at least 4 times a year	Long-term buildings* <sup>6</sup>	Each year	100%
		Plan and implement sustainability measures through communication with residents	Residential Business	Each year	—
Improve employee growth and job satisfaction	Promotion of skills development	Average training time per employee	Tokyo Tatemono	Each year	15 hours or more
		Career training participation rate	Tokyo Tatemono	Each year	100%
	Promotion of health management	Health checkup rate	Tokyo Tatemono	Each year	100%
		Health check reexamination rate	Tokyo Tatemono	Each year	100%
Diversity & Inclusion	Respect for human rights	Dissemination of the Human Rights Policy	Tokyo Tatemono Group	Each year	—
		Work-life balance	Average annual paid leave utilization rate	Tokyo Tatemono	Each year
	Promotion of diversity in our workforce	Ratio of male employees taking parental leave	Tokyo Tatemono	2025	30% or more
		Ratio of women in management positions	Tokyo Tatemono	2030	10% or more
		Employment rate of persons with disabilities	Tokyo Tatemono	Each year	2.3% or more

# ESG Management

## Stakeholder Engagement

The Tokyo Tatemono Group's business activities are supported not only by the customers who use our products and services, but also by many other stakeholders, including local communities, employees, shareholders, investors, and business partners. We believe that building long-term relationships of trust with these stakeholders is essential to our business activities. By incorporating their input in various ways, we are working to create value.

### Stance on and Approach to Dialogue with Our Core Stakeholders

Stakeholders	Stance on Dialogue	Approach to Dialogue
<b>Customers</b> 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 continuously improving customer satisfaction.	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Brillia Owners Hotline (contact for home buyers)</li> <li>Various questionnaires</li> <li>Online inquiry forms, etc.</li> </ul>
<b>Local community</b> 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 and various community activities.	<ul style="list-style-type: none"> <li>Dialogue with local residents and government bodies in the planning, development, and management of properties</li> <li>Volunteer activities, including clean-up activities</li> <li>Participation in local events and festivals</li> <li>Support for education and the arts</li> <li>Post-disaster reconstruction support, etc.</li> </ul>
<b>Employees</b>	We work to create a satisfying workplace in which employees can experience personal growth. We strive to develop people who are trusted and capable of building the future.	<ul style="list-style-type: none"> <li>Various training and reward systems</li> <li>Regular personnel interviews</li> <li>Dialogue with labor unions and co-hosting of events</li> <li>Individual consultation on child-rearing and nursing care support, etc.</li> </ul>
<b>Shareholders and investors</b>	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.	<ul style="list-style-type: none"> <li>IR information on our corporate website</li> <li>General Meeting of Shareholders</li> <li>Seminars for private investors</li> <li>IR meetings (Japan/overseas), etc.</li> </ul>
<b>Business partners</b> 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.	<ul style="list-style-type: none"> <li>Verification of second- and third-tier subcontractors</li> <li>Verification via internal check sheet</li> <li>Regular meetings, etc.</li> </ul>

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# Materiality of the Tokyo Tatemono Group

## Materiality of the Tokyo Tatemono Group

Under our long-term vision, “Becoming a Next-Generation Developer,” the Group aims to achieve a high-level balance between providing solutions to social issues and pursuing growth as a company.

To achieve the long-term vision, we undertook a method of backcasting to reassess the priority issues we should address, with an awareness of the shared value with society we realize through our business. As a result of this process, we identified 14 material issues from the perspective of both creating social value and the infrastructure needed to create such value.

The Group will seek to develop solutions to these priority issues through our business to maximize our positive impact on society while minimizing our negative impact. In this way, we will help bring about a sustainable society while pursuing growth as a company.

### Materiality of the Tokyo Tatemono Group

	Material issues	Shared values with society	Contribution to SDGs		
Social value creation	 <b>Strengthening Tokyo’s competitiveness as an international city</b>	<b>Creating value of place and value of experience</b>	         		
	 <b>Contributing to a safe and secure society</b>				
	 <b>Community building and revitalization</b>				
	 <b>Wellbeing</b>				
	 <b>Addressing the diverse needs of customers and society</b>				
	 <b>Value co-creation and innovation</b>				
	 <b>Social implementation of technology</b>				
	 <b>Revitalizing and utilizing real estate stock</b>				
Value creation platform	 <b>Promoting a decarbonized society</b>	<b>Coexistence with the earth and the environment</b>			
	 <b>Promoting a recycling-oriented society</b>				
	 <b>Improve employee growth and job satisfaction</b>			<b>Value-creating talent</b>	  
	 <b>Diversity &amp; Inclusion</b>				
 <b>Advancement of governance</b>	<b>Realizing sustainability management</b>	  			
 <b>Strengthen risk management framework</b>					

# Materiality of the Tokyo Tatemono Group

## Materiality Identification Process



## 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)
- Action Plan of the Growth Strategy:** A summary of the government's priority policies, including its actions toward a new social vision in the context of COVID-19.
- Green Growth Strategy:** A summary of government policies to achieve carbon neutrality in 2050
- Basic Policies for Urban Renaissance:** A summary of the Japanese government's basic policy for revitalizing cities
- Law on National Strategic Special Zones:** A summary of the Japanese government's zoning policy for national strategic special zones



The 17 Sustainable Development Goals (SDGs)

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# Participation in Initiatives

The Tokyo Tatemono Group participates in various initiatives in Japan and overseas, believing that collaboration between many different entities across countries, regions, and organizations is important for solving social issues.

## Highlights of Participation in Initiatives

### United Nations Global Compact (UNGC)



The United Nations Global Compact (UNGC) is a global framework dedicated to achieving sustainable growth. It focuses on encouraging companies and organizations to act as good corporate citizens by demonstrating responsible, creative leadership. Companies and organizations that endorse the UNGC are required to continue their efforts to realize the Ten Principles, backed by the commitment of the top management of the company. The Ten Principles concern the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and the prevention of corruption.

Tokyo Tatemono is a signatory to the UNGC and registered the Tokyo Tatemono Group as a participating company. By supporting the UNGC, which addresses the four areas of human rights, labor, environment, and anti-corruption, we will help to realize a sustainable society.

### TCFD (Task Force on Climate-related Financial Disclosures)



The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) at the request of the G20. Its purpose is to examine climate-related disclosures and the responses of financial institutions.

The Group endorses and is a signatory to the TCFD recommendations. Going forward, we will strengthen our measures to combat climate change, while expanding the content of our disclosure in line with the information disclosure framework recommended by the TCFD (governance, strategy, risk management, and indicators and targets with respect to climate change risks and opportunities).

Disclosure based on TCFD recommendations P.29

### SBT Initiative (SBTi)



The SBT Initiative (SBTi) is an international climate change initiative established in 2015 by CDP, UNGC, the World Resources Institute (WRI), and the World Wildlife Fund (WWF). SBTi's role as an organization is to assess and certify whether greenhouse gas emission reduction targets set by companies and organizations around the world are consistent with the levels required by the Paris Agreement (for holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels).

The greenhouse gas emission reduction targets set by the Tokyo Tatemono Group for fiscal 2030 have been certified by SBT as being consistent with the levels required by the Paris Agreement.

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# Participation in Initiatives

## ➤ RE100



RE100 is an international initiative that aims to promote 100% procurement of electricity from renewable energy sources for electricity consumed by business activities.

The Tokyo Tatemono Group participates in this initiative with the aim of procuring 100% of the electricity consumed in its business activities from renewable energy sources by 2050.

## ➤ CDP



CDP is a non-profit organization whose main activity is to work with institutional investors and others to require companies to disclose their climate change strategies and greenhouse gas emissions, and to encourage them to take action.

The Tokyo Tatemono Group discloses its environmental information through CDP.

## ➤ GRESB



GRESB is an annual benchmarking and management organization that assesses real estate companies and funds in terms of their commitment to environmental, social, and governance considerations.

Tokyo Tatemono is a participating member of GRESB. The Group also receives assessments from GRESB by participating in its real estate assessment.

### ◆ Results of 2021 GRESB Real Estate Assessment

#### ● Standing Investment Benchmark

The only real estate developer in Japan to receive the highest rating of 5 stars for five consecutive years.

#### ● Development Benchmark

Received the highest 5-star rating for the second year in a row.

In addition, the Tokyo Tatemono Group was selected for the first time as a Global Sector Leader for 2021 in the mixed-use building sector.

 Highest Ranking in ESG Benchmark GRESB P.36

## ➤ Japan Climate Initiative (JCI)



The Japan Climate Initiative (JCI) is a network dedicated to fighting climate change. It aims to strengthen information dissemination and communication among a variety of entities other than the national government, such as Japanese companies, local governments, and NGOs.

Tokyo Tatemono is participating in the JCI, seeing climate change as a social issue that requires global collaboration.

## ➤ Japan Climate Leaders' Partnership (JCLP)



The Japan Climate Leaders' Partnership (JCLP) is a unique Japanese business group that works across the boundaries between companies toward achieving a decarbonized society. It also serves as a contact point for RE100 membership in Japan, in partnership with the Climate Group, an international non-profit organization.

Tokyo Tatemono participates as a full member of the JCLP. Together with the environmentally progressive companies who make up the JCLP, we aim to help realize a sustainable, decarbonized society through co-creation and collaboration across industries and sectors.

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# Participation in Initiatives

## ▶ Keidanren Biodiversity Declaration Initiative

The Keidanren Biodiversity Declaration Initiative consists of companies and organizations that endorse the Keidanren Declaration of Biodiversity and Action Guidelines. Launched by the Keidanren (Japan Business Federation), the initiative publicizes—both within Keidanren and externally—the logos and policies of companies that endorse it, along with examples of their efforts. The Keidanren Declaration on Biodiversity and Action Guidelines aim to build a sustainable society that coexists in harmony with nature. Building a society in harmony with nature is closely tied to measures against climate change and resource recycling. Recognizing this, participating companies promote integrated environmental management. This involves incorporating a wide range of environmental activities into their business activities, such as low-carbon, decarbonization, resource recycling, and biodiversity conservation activities. Participating companies declare that they will promote initiatives that meet regional characteristics while striving to extend those initiatives throughout the supply chain. They also formulate action guidelines for realizing the declaration.

Tokyo Tatemono expresses its endorsement of this Declaration and Action Guidelines and participates in the Initiative.

## ▶ Keidanren Committee on Nature Conservation

Keidanren Committee on Nature Conservation was established in 1992 as an organization to implement the policies of the Keidanren Global Environment Charter in the field of nature conservation. The Committee was established by Keidanren (Japan Business Federation) alongside the Keidanren Nature Conservation Fund. The Committee engages in various activities including supporting nature conservation project by NGOs through the Fund, engages with NGOs; awareness raising activities and sharing information for corporations; and makes recommendations for international targets for biodiversity as well as internal policies in Japan.

Tokyo Tatemono participates in the Committee to acquire latest information and trends related to biodiversity.

## ▶ Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) are a set of investment principles signed by member institutional investors and others as a fundamental commitment for their investment portfolios. The principles are promoted in collaboration with the United Nations Environment Programme (UNEP) and UNGC, the founding partners who launched the PRI. The Principles advocate the integration of environmental, social, and governance factors into investment decisions and active ownership (responsible investing). Their aim is to promote

fiduciary responsibility by enhancing the long-term investment performance of beneficiaries through responsible investment practices.



Tokyo Realty Investment Management, the asset management company of Japan Prime Realty Investment Corporation, has endorses and is a signatory to the PRI's basic principles.

## ▶ Principles for Financial Action Toward a Sustainable Society (Principles for Financial Action in the 21st Century)

The Principles for Financial Action for a Sustainable Society (Principles for Financial Action in the 21st Century) are principles for financial institutions that wish to fulfill their responsibilities and roles as required to build a sustainable society.



Tokyo Realty Investment Management, the asset management company of Japan Prime Realty Investment Corporation, endorses and is a signatory to these principles.

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# Participation in Initiatives

## Collaboration with Industry Associations

Name	Details	Positions held by Tokyo Tatemono officers, etc.
<b>The Real Estate Companies Association of Japan</b>	The organization comprises companies involved in urban development and appealing community development projects. It engages in surveys and research on various real estate-related systems, policy proposals, and social contribution activities with the aim of actively and effectively promoting the supply of high-quality offices and housing, as well as the smooth distribution of housing stock.	Advisor Vice Chair Chair, Environmental Committee Vice Chair, Compliance Committee
<b>Japan Building Owners and Managers Association</b>	As Japan's only national association of office building operators, this organization engages in surveys, research, and educational activities related to building management and administration.	Vice Chair
<b>The Association of Real Estate Agents of Japan</b>	This organization comprises major and medium-sized housing and real estate companies that are involved in real estate distribution. It works to improve various systems related to real estate distribution through surveys, research, and policy proposals.	Director
<b>The Association for Real Estate Securitization</b>	This organization was established for the purpose of ensuring public confidence in real estate securitization products and protecting investors. It makes requests for system improvements and tax system reforms that are necessary to promote the sound development of the real estate investment and securitization market.	Director
<b>Real Estate Fair Trade Council</b>	This is a self-regulatory organization that administers the Fair Competition Code for Real Estate Representation and the Fair Competition Code on Restrictions to Premium Offers in the Real Estate Industry in the Kanto and Koshin-etsu regions. It constantly monitors real estate advertising, working to promote proper labeling and prevent non-compliant advertising.	Chair (Representative Director)

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# Pursuing Sustainable Community Development

Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation



SMARK ISESAKI



Urban Redevelopment Project for Yaesu 1-Chome North Area (Gofukubashi Project)



Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station (Yaesu Project)



T-LOGI Narashino

Six years have passed since the 2015 Paris Agreement, when the world agreed to limit the global average temperature increase to well below 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C. But global warming has yet to be halted, with global average temperatures continuing to rise and CO<sub>2</sub> concentrations in the atmosphere remaining high.

In August 2021, the sixth report of the Intergovernmental Panel on Climate Change (IPCC) stated that global warming was caused by human activity. It indicated that if greenhouse gas (GHG) emissions are not significantly reduced in the coming decades, the global average temperature increase will exceed 2°C during the 21st century. It has become clear that if not tackled now, the consequences will be irreversible. This has spurred the world to accelerate its move toward decarbonization.

The Tokyo Tatemono Group has a long-term vision of becoming a next-generation developer. We aim to achieve an overarching balance between solving social issues and growing as a company. Climate change in particular is one of the most important social issues. We recognize that contributing to the realization of a decarbonized society is our social mission. We have identified the promotion of a decarbonized society as one of our material issues and are working to resolve this issue. In May 2021, seen as a statement of our commitment, we formulated medium- to long-term targets for GHG emissions reductions and a concrete action plan for achieving these targets.

Medium- to Long-Term Targets for Greenhouse Gas Emissions Reductions

CO<sub>2</sub> emissions\*<sup>1</sup>  
**40% reduction by FY2030\*<sup>2</sup> (compared to FY2019)**

**Net zero by FY2050**

\*1 CO<sub>2</sub> emissions: Total emissions from Scopes 1, 2 and 3.

\*2 Received SBT (Science Based Targets) certification from the SBT Initiative (SBTi), an international climate change initiative

Feature

# Pursuing Sustainable Community Development

## Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation

### Actions to Achieve Medium- and Long-Term Targets (1) Shift to Renewable Energy

**Targets:**

- By FY2030, ensure that 40% of the electricity consumed by our Commercial Properties Business real estate holdings is from renewable energy sources.
- By FY2050, ensure that 100% of the electricity consumed in our business activities is from renewable energy sources.

Achieving net zero CO<sub>2</sub> emissions requires not only a reduction in energy used in business activities but also to a switch to renewable energy, which does not emit CO<sub>2</sub> during production, for electricity used.

Ideally, each building should be self-sufficient in terms of its energy needs, generating and consuming its own renewable energy. In urban areas, however, it is difficult to install large-scale power generation facilities due to considerations such as the site footprint and building shape. With this in mind, we are

working to align our CO<sub>2</sub> emissions reductions to the needs of each facility. We apply a range of approaches including in-house generation and consumption of renewable energy, self-consignment of surplus electricity generated from renewable energy to other buildings, and the use of non-fossil certificates.

In our T-LOGI series of logistics facilities, large-capacity solar panels are installed on the roof of each facility. These generate electricity for in-house consumption at each facility. Using a self-consignment system, surplus power generated is transmitted to SMARK Isesaki, a commercial facility owned, managed, and operated by the Tokyo Tatemono Group. We estimate that the total amount of electricity generated by the three T-LOGI properties in Kuki, Yokohama-Aoba, and Narashino, which were completed by January 2022, will amount to approximately 2,347,000 kWh per year (equivalent to a reduction in CO<sub>2</sub> emissions of approximately 1,030 tons).

In July 2020, the Tokyo Tatemono Yaesu Building, where the Company is headquartered, will use non-fossil certificates with tracking to switch all electricity used in the entire building to renewable energy. (This amounts to approximately 3,030,000

kWh per year in fiscal 2021, equivalent to a reduction in CO<sub>2</sub> emissions of approximately 1,656 tons). In the Commercial Properties business, we will aggressively promote the switch to renewable energy sources for electricity consumed by our real estate holdings. As soon as possible, we aim to reach 100% renewable energy sources for the electricity consumed by our real estate holdings.

### Actions to Achieve Medium- and Long-Term Targets (2) Promotion of Development of ZEB and ZEH

**Target:**

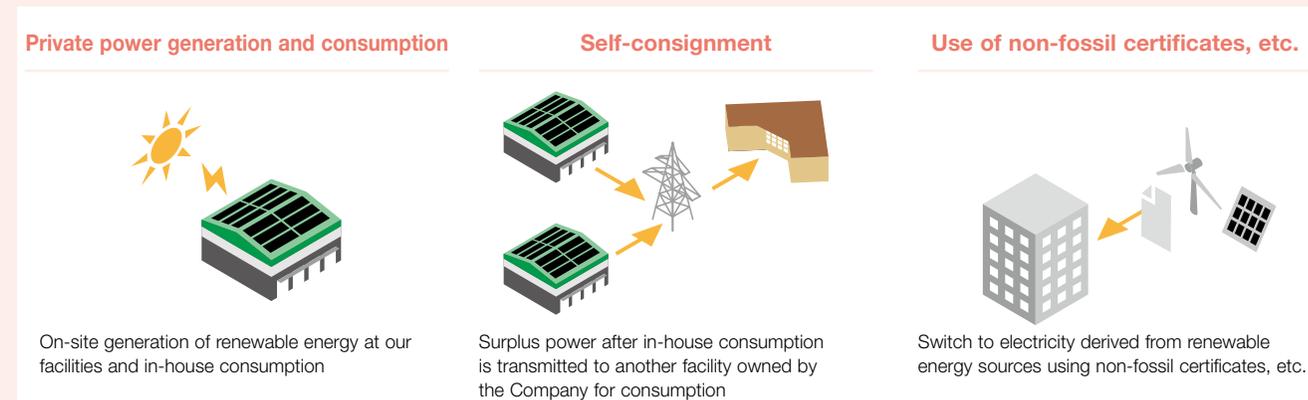
- In principle, develop ZEB and ZEH in all new office buildings, logistics facilities, and condominiums by FY2030.

ZEB and ZEH buildings are designed to achieve a comfortable indoor environment while reducing to zero the annual primary energy balance consumed in the building. ZEB/ZEH is classified into four types according to the degree of energy conservation and energy creation: Oriented, Ready, Nearly, and (100%) ZEB/ZEH.

In Japan, a gradual increase in energy conservation standards is being considered. The aim is to ensure that new buildings constructed after fiscal 2030 have energy conservation performance at the level of ZEB and ZEH standards. We are setting our targets ahead of this trend.

By 2030, we aim for the Group to have achieved not only the level of Oriented, but are pursuing even higher levels of ZEB and ZEH by increasing our levels of energy conservation and energy generation. Completed in May 2020, the 33-story

#### Approach to Renewable Energy Adoption



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# Pursuing Sustainable Community Development

## Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation

Hareza Tower office building is a new landmark in Ikebukuro, located approximately 300 meters from the east exit of Ikebukuro Station in the center of Toshima Ward, Tokyo. The building is equipped with highly versatile facility systems such as LED lighting, brightness and motion sensor control, and high-efficiency air-cooled heat pump packages. It achieves high environmental performance by deploying appropriate design conditions, such as the selection of 500 lx lighting fixtures in the dedicated office area. The building has been certified as ZEB Ready, a level that reduces annual primary energy consumption by 50% compared to a standard building of a similar size. This is the first case certified for partial evaluation

of office use in a high-rise mixed-use building.

In addition, Brillia Tower Seiseki Sakuragaoka Blooming Residence, which is currently under development, was selected by the Ministry of Economy, Trade and Industry as the first high-rise project in the Tokyo metropolitan area for the Fiscal 2019 Super-High-Rise ZEH-M Demonstration Project, following an open submission process. Brillia Tower Seiseki Sakuragaoka Blooming Residence has similar environmental specifications to Brillia Tsurumaki, which was selected for the same project in the previous fiscal year. It acquired ZEH-M Oriented status in recognition of these features, which include improved thermal insulation performance, including that of the exterior walls, highly

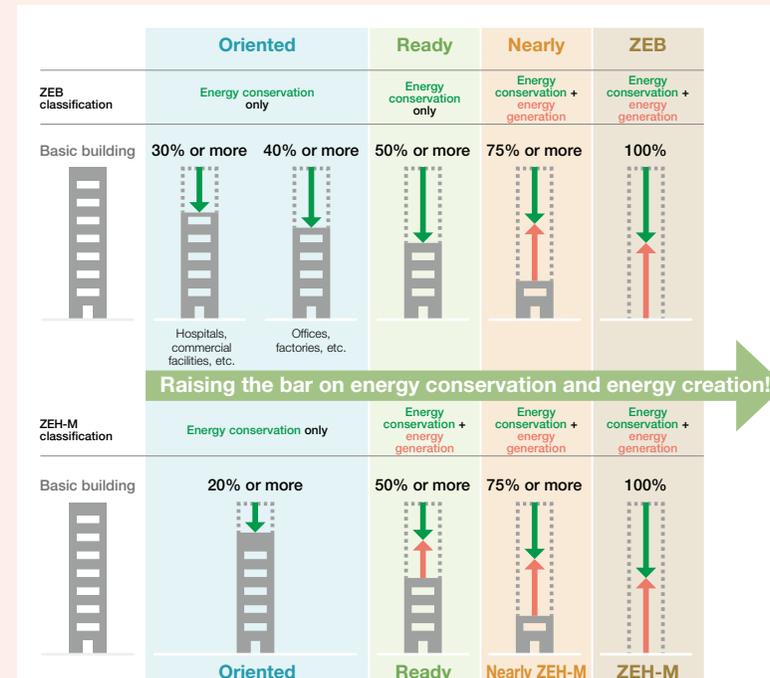
insulated sashes, and high-efficiency hot water supply equipment.

Furthermore, we are developing our T-LOGI series of logistics properties with the aim of acquiring ZEB certification in principle at all of these facilities. We will pursue this by achieving net annual primary energy consumption of zero or minus through the promotion of energy conservation and the use of renewable energy.

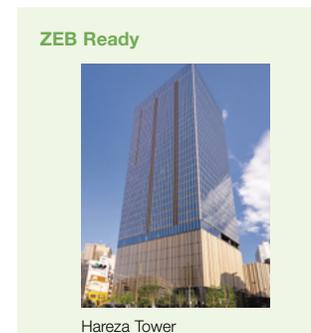
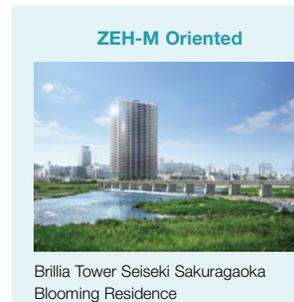
 Development and Promotion of ZEB P.32

 Promote the Development of ZEH-M (ZEH Mansion) P.33

### Levels of ZEB and ZEH to Be Developed by Tokyo Tatemono



### ZEB/ZEH Certified Facilities (examples)



**ZEB certification**

**6 Properties**

**ZEH-M certification**

**2 Properties**

Feature

# Pursuing Sustainable Community Development

## Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation

### Actions to Achieve Medium- and Long-Term Targets (3) Acquisition of Green Building Certification

Target:

**In principle, acquire green building certification for all newly developed office buildings and logistics facilities by FY2030.**

Green building certifications include: the DBJ Green Building Certification, which evaluates the sustainability of real estate from five ESG-based perspectives; CASBEE, which evaluates and rates buildings based on their environmental performance; and BELS, which evaluates the energy conservation performance of nonresidential buildings.

The Tokyo Tatemono Group is committed to achieving its medium- and long-term targets for reducing CO<sub>2</sub> emissions. We believe that it is vital that we develop and operate environmentally and socially conscious buildings through our business. We have set targets as objective indicators expressing this stance.

#### Properties with Green Building Certifications (Example)

- ◆ **Hareza Tower**
  - DBJ Green Building Certification: 5 stars
  - ZEB Ready (BELS certification: 5 stars)
  - CASBEE Building (New Construction): S-rank



Hareza Tower

- ◆ **Shijo-Karasuma FT Square Partial Reconstruction Project**
  - ZEB Ready (BELS certification: 5 stars)
  - CASBEE Building (New Construction): S-rank
  - CASBEE Wellness Office: S-rank



Shijo-Karasuma FT Square Partial Reconstruction Project

It is not a simple task to make energy conservation renovations to an office building that is in operation with its office space in use by tenants. The Group is working to make the most of its past expertise to reduce CO<sub>2</sub> emissions for properties in operation.

Shijo-Karasuma FT Square, which consists of three buildings, acquired a 5-star BELS rating and ZEB Ready certification for the office buildings being newly constructed (Shimogyo-ku, Kyoto; scheduled for completion in August 2022). It also received a 4-star BELS rating for part of the office buildings that are in operation. This was achieved through measures such as switching from a combined electric/gas system to an electric-only system and renovating the air conditioning heat source by installing energy-saving equipment.

We are also promoting the acquisition of green building certifications for our residential properties, including acquiring DBJ Green Building Certification for our Brillia ist Tower Kachidoki rental condominium.

 External Evaluation and Certification for Green Building P.35

### Initiatives for Reducing CO<sub>2</sub> Emissions (1) Promotion of Use of Wood Materials

Targets:

- **By FY2030, use domestic and certified materials for interiors and furnishings of common areas in all new office buildings and for-sale and for-rent condominiums.**
- **By FY2023, develop for-sale and for-rent condominiums that use cross laminated timber (CLT) for their core structural parts.**

Trees absorb and capture atmospheric CO<sub>2</sub> during their growth stage. They are seen as key to decarbonization since the CO<sub>2</sub> remains captured inside even after they are converted to timber. Tokyo Tatemono already makes extensive use of wood in our interior materials and furniture and will continue to do so actively going forward. We have projects underway that use the cross laminated timber (CLT) panel construction method for the main structural components, such as the Senzokuie Project (tentative name).

 Development of Wooden Structures Using Cross Laminated Timber P.32

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# Pursuing Sustainable Community Development

## Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation

### Initiatives for Reducing CO<sub>2</sub> Emissions (2) Collaboration and Co-creation with Customers

Target:

- Communicate with tenants of long-term buildings\* about sustainability at least four times a year.
- Plan and implement sustainability measures through communication with residents of for-sale and for-rent condominiums.

Reducing the amount of energy consumed and waste produced in the use of a building depends on the cooperation of the building's tenants and occupants. We must balance the promotion of energy conservation, recycling, and other initiatives with the need to ensure that the building is comfortable to use. From this perspective also, the Tokyo Tatemono group cannot solve these issues by itself.

As a first step in working together, we communicate with tenants and residents to gain their understanding. This includes informing them of our energy conservation and recycling initiatives and seeking their cooperation.

### Aiming to Build a Sustainable City That Is Conscious of Environmental Impact Reduction and Decarbonization

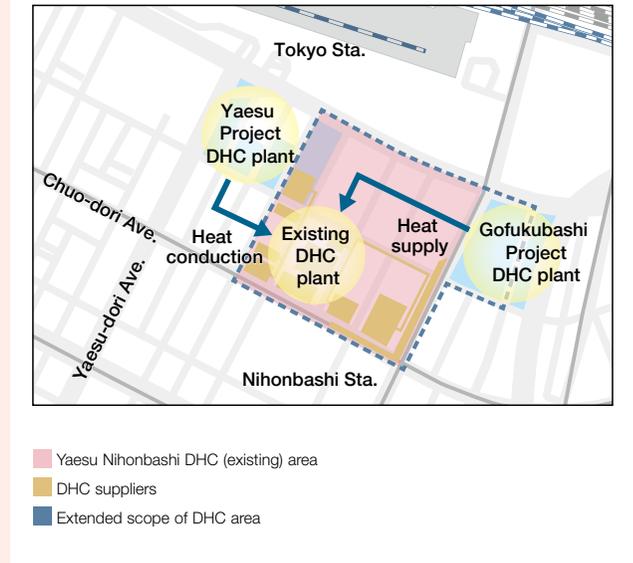
We are currently promoting large-scale redevelopment projects such as the Urban Redevelopment Project for Yaesu 1-chome East Area in front of Tokyo Station (Yaesu Project) and the Urban Redevelopment Project for Yaesu 1-chome North Area (Gofukubashi Project) in the Yaesu-Nihonbashi-Kyobashi area of central Tokyo, a world-class business district with a high concentration of companies. In these projects, our urban development approach focuses on achieving sustainable development for the area. We aim to solve social issues with an awareness of the need for environmental impact reduction and decarbonization.

To ensure efficient energy use, we plan to supply electricity and heat using a highly efficient district heating and cooling (DHC) plant. The plant will combine a large-scale high-efficiency cogeneration system (CGS), direct use of CGS waste heat, CGS waste heat utilization chillers, and heat storage tanks. In addition, through collaboration with the existing Yaesu Nihonbashi DHC (supplying energy to the existing plant), we aim to promote efficient use of energy throughout the area, thereby reducing environmental impact.

In addition, at Tokyo Square Garden, which is located in the Kyobashi area, we are working with the Keio Research Institute at SFC to visualize the contribution to carbon neutrality by comparing CO<sub>2</sub> emissions before and after development in the development area of the building. The research project, which is called M-NexT, will compare and evaluate the effects of various environmental initiatives in the building such as energy conservation and energy generation. Going forward, we will use this method of visual presentation to promote the realization of decarbonization and of sustainable urban development.

 M-NexT Joint Research with Keio University P.32

Image of Energy Use in Area



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# Environment



Waste Recycling Rate

**65.7%**



Acquisition Rate of Green Building Certification

**56.4%**



CO<sub>2</sub> Emissions

**943,489 t-CO<sub>2</sub>**



# Environmental Management



Contributing to a safe and secure society



Wellbeing



Addressing the diverse needs of customers and society



Social implementation of technology



Promoting a decarbonized society



Promoting a recycling-oriented society

## Policy and Concept

The Tokyo Tatemono Group has identified promoting a decarbonized society and promoting a recycling-oriented society as material environmental issues for the Group. To address these issues through our business operations, we will aim to realize coexistence with the earth and the environment, a shared value with society. In addition, the Group aims to contribute to the development of a sustainable society through environmentally friendly business activities in accordance with its Group Environmental Policy.

### Group Environmental Policy

We will help build a sustainable society through environmentally friendly business activities based on the following 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 System

The Tokyo Tatemono Group promotes environmental measures across the entire Group under the Sustainability Committee, chaired by our president, and the Sustainability Promotion Committee, a subordinate organization of the Sustainability Committee.

The Group has established environmental management systems tailored to the characteristics of each of its businesses. In the Commercial Properties Business, which accounts for 95.7% of our business activities (fiscal 2021; facilities subject to the Energy Conservation Act\*), we newly established the Environmental Measures Promotion Group as a specialized department within the division. All departments in the Commercial Properties Business participate in the Environmental Committee, which formulates environmental measures, shares information, and supports, guides and monitors the progress of initiatives. In the Residential Business, we have established an Environmental Measures Project Team, made up of members from across the division. This team formulates specific environmental measures, supports implementation, and manages progress, while coordinating within the Residential Business division on the implementation of various measures.

Other businesses and group companies conduct their business according to environmental guidelines established in line with the Group Environmental Policy.

\* Act on the Rational Use of Energy

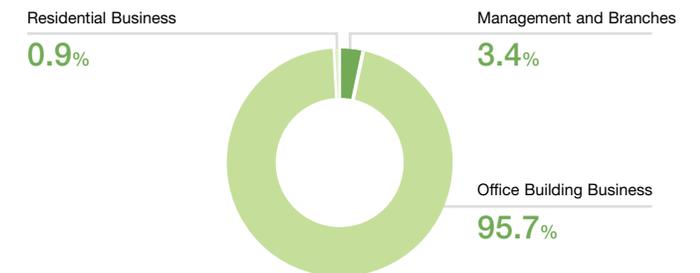
## Compliance with Environmental Laws and Regulations

In accordance with the Group Environmental Policy, we comply with all laws and regulations related to the environment. When executing new development projects in Japan and overseas, we conduct the necessary environmental impact assessments (environmental assessments) in accordance with laws and regulations.

There were no environmental incidents or violations of environmental laws or regulations in 2021.

(Data) Environmental Management Indicators and Performance P.98

### Share of Tokyo Tatemono Energy Consumption by Business (fiscal 2021; facilities subject to the Energy Conservation Act)



# Environmental Management



## Environmental Management in the Commercial Properties Business

In the Commercial Properties Business, we have formulated and implemented an Environmental Action Plan and Guidelines aimed at achieving more robust environmental product planning, improving ESG assessments, and establishing a PDCA cycle. We work with tenants and customers to address a variety of environmental issues, including decarbonization, energy conservation, resource recycling, water resources, and biodiversity. Using less energy in our Commercial Properties Business results in a significant reduction of Tokyo Tatemono's total energy consumption. With this in mind, when developing

new buildings, we strive to adopt environmental 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. From an operating standpoint, we also collaborate with our tenants to conserve energy and reduce environmental impact.

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.

### Environmental Execution Plan and Guidelines for the Commercial Properties Business

Area	Environmental Execution Plan		Guideline
	<b>Greening</b>  <b>Creating rich greenery that helps cities transform and thrive</b>	Promote rich greenery that evokes a sense of urban transformation and vibrancy.	<b>New construction:</b> Aim for greening of at least 5% of the structure area and at least 50% of the exterior area; also promote interior greening. <b>New construction and renovation:</b> Promote structure greening for all buildings, creating rich environments for users. <b>Operations:</b> Create and maintain a plant management plan; conduct regular monitoring and proposal of plans for improvement.
	<b>Regenerating ecosystems with biodiversity</b>	Regenerate abundant, local natural settings that support rich ecosystems in which diverse organisms compete and coexist.	Acquire and renew certifications for the preservation of existing trees and the conservation of ecosystems, such as SEGES and ABIC certifications  <b>New construction and renovation:</b> Devise planting plans that reflect local characteristics and policies. Maintain ecosystems by eliminating intrusive species, devising planting plans that aim to conserve native species, and ensuring continuity with surrounding green spaces. <b>Operations:</b> Conduct charitable donation and awareness outreach activities.
	<b>Designing tree placement to create pleasant urban environments with dappled sunlight and moist air.</b>	Help create comfortable urban environments by positioning trees for optimal shadows and heat shielding.	Promote efforts to mitigate the heat island phenomenon.  <b>New construction:</b> Explore placement plans that incorporate exterior wind paths, fluid simulations, and other factors. <b>New construction and renovation:</b> As well as measures related to roof, exterior, and ground surfaces, implement a range of other measures, including 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.
	<b>Using green assets to improve area value</b>	Increase the value of the area by cultivating public spaces for interaction among lush greenery	<b>New construction and renovation:</b> Plan environments and facilities that evoke a sense of closeness to nature; improve scenery by greening roadsides, etc. <b>Operations:</b> Sponsor events that offer a sense of closeness to nature; also participate in local planting plans and other initiatives.

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# Environmental Management



Area	Environmental Execution Plan		Guideline
<b>Energy conservation</b>   	<b>Acquisition and retention of third-party environmental performance certifications</b>	Promote the construction and management of buildings, emphasizing environmental performance. Acquire and retain third-party certification for the environmental performance of these buildings and contribute to sustainable decarbonized urban development. <b>Quantitative Targets</b> <b>Scope</b> All newly constructed office buildings and logistics facilities developed by the Group <b>Targets</b> By 2030, in principle, secure Green Building Certification and ZEB certification	<b>New construction:</b> Acquire third-party certification and explore implementation of low-CO <sub>2</sub> leadership projects, etc. <b>Operations:</b> Pursue the renewal of third-party certifications and new certification acquisition for buildings without said certifications.
	<b>Creating buildings with high environmental performance</b>	Develop buildings that offer high environmental performance while supporting the health and comfort of workers. <b>Quantitative Targets</b> <b>Scope</b> All Tokyo Tatemono-owned properties and facilities <b>Targets</b> 1% annual unit reduction in crude oil equivalent (moving average over 5 years)	Improve environmental performance. <b>New construction:</b> BPI* <sup>1</sup> of no more than 0.90, BEI* <sup>2</sup> of no more than the target level for acquisition of third-party certification for each property <b>Operations:</b> Understand and present actual primary energy consumption unit values. Conduct environmentally friendly planning and management. <b>New construction and renovation:</b> Use LED lighting and luminance in dedicated areas of 500 lux, energy-saving glass, presence sensors. Consider interior brightness levels and encourage subdivided lighting zones. <b>Renovation and operations:</b> Study energy conservation measures, including energy conservation checkups. <b>Operations:</b> Carry out appropriate filter cleaning.
	<b>Adopting environmentally advanced technology initiatives</b>	<b>Quantitative Targets</b> <b>Targets</b> (1) By FY2030, reduce CO <sub>2</sub> emissions by 40% (compared to FY2019); by FY2050, achieve net zero emissions (2) By 2030, ensure that 40% of the electricity consumed by our Commercial Properties Business real estate holdings is from renewable energy sources; by FY2050, increase this to 100%.	<b>New construction and renovation:</b> Install solar power generation systems; explore use of renewable energy; adopt passive energy-saving technologies (e.g., leveraging natural lighting/ventilation, geothermal energy); adopt daylight-harnessing technology; use insulation/heat shielding technology; install CO <sub>2</sub> monitoring systems and high efficiency equipment. <b>Operations:</b> Adopt and manage manuals for CO <sub>2</sub> monitoring systems, identifying the amount of renewable energy generated. Adopt energy with lower CO <sub>2</sub> emission factor; consider energy certificate adoption via carbon offsets.
	<b>Using energy management to reduce consumption</b>	Pursue environment-friendly building management in cooperation with various building stakeholders, including customers.	<b>New construction and renovation:</b> Promote the implementation of BEMS/visualization systems and the setting of quantitative energy consumption targets. <b>Operations:</b> 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.
<b>Waste and water</b>   	<b>Cooperating with customers to contribute to a recycling-oriented society</b>	Help create a recycling-oriented society by working with customers to promote the reduction, reuse, and recycling of waste. <b>Quantitative Targets</b> <b>Scope</b> Long-term buildings and commercial facilities, excluding real estate for sale, minor ownership, etc. <b>Targets</b> (1) By FY2030, reduce waste emissions per unit of production by 20% compared to FY2019 (2) By FY2030, achieve a waste recycling rate of 90%.	<b>New construction and renovation:</b> Implement trash weighing systems; plan recycling stations; plan stock spaces enabling adequate waste separation; kitchen waste reduction, composting, etc.; check recycling rates/waste management policies at time of construction. <b>Operations:</b> Separate/reuse waste; encourage reuse and reduction of waste through tenant meetings on separation and recycling; conduct educational activities regarding waste separation; hold tours of waste treatment plants; state recycling requirements in contracts; implement/operate waste reduction measures; measures to reduce disposal of unused interior materials when tenants move in and out

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# Environmental Management



Area	Environmental Execution Plan		Guideline
<b>Waste and water</b>   	<b>Reducing environmental impact from water conservation/use of gray water</b>	We will use water conservation and rainwater utilization to help reduce our environmental impact. <b>Quantitative Targets</b> (1) Reducing water consumption <b>Scope</b> All Tokyo Tatemono long-term owned facilities <b>Targets</b> Reduction of water consumption units compared to the previous year (2) Promoting the reuse of water <b>Scope</b> All office buildings with a floor space of 30,000m <sup>2</sup> or more <b>Targets</b> Install 100% gray water treatment facilities in principle in all new office buildings that start construction by 2030.	<b>New construction and renovation:</b> Use water-saving equipment in wash basins, hot water heaters, etc.; use water-saving toilets; implement rainwater runoff control measures; prevent water leakage; comply with discharge standards such as the Water Pollution Prevention Act and Sewerage Act; reuse rainwater and gray water. <b>Renovation and operations:</b> Examine and ascertain the volume of water saved through renovations. <b>Operations:</b> Ascertain actual water consumption and cooling tower water consumption; examine water conservation related to cooling towers.
	<b>Achieving long building lifespans through development that considers future maintenance and upgrades</b>	Make plans during construction phases to facilitate maintenance and upgrades to ensure an extended building lifespan.	<b>New construction:</b> Create long-term repair plans; ensure the strength of core structural frames; plan for easy separation of finishing materials from frames; plan rooms and finishes in consideration of upkeep and maintenance, adopt ducting/piping that ensure long service lives. <b>New construction and renovation:</b> Adopt finishing materials that offer long service lives for exterior and interior walls; include maintainability of key equipment as part of planning; consider ease of upgrades when planning air conditioning piping, sanitary piping, high voltage wiring, and low voltage wiring; ensure maintainability of structures and deploy backup equipment, etc., when upgrading facilities. <b>Operations:</b> Share medium- to long-term repair plans with property/building managers and implement maintenance and repairs based on these plans; calculate planned costs and energy-savings.
	<b>Proactive use of eco-materials and recycled materials</b>	Work to create a cycle of recycling by utilizing eco-materials and recycled materials. <b>Quantitative Targets</b> <b>Scope</b> Long-term buildings <b>Targets</b> Strive to use domestic timber and certified timber for common-area interiors and furniture, etc.; achieve this in principle in all new office buildings that start construction by 2030.	<b>New construction, renovation and operations:</b> Proactively use domestic timber and certified timber, low-impact eco-materials and recycled materials. Comply with regulations related to ozone depletion factors related to cooling; actively engage in adopting ozone depletion factors and warming factors for other construction materials (insulation, gas extinguishing agents, etc.).
	<b>Environmental awareness</b>   	<b>Dissemination of information on the environment and spread/improvement of environmental awareness</b>	Share information about the environment to promote environmental awareness among stakeholders such as employees, communities, and customers. <b>Quantitative Targets</b> <b>Scope</b> Long-term buildings <b>Targets</b> At least four times a year, engage tenants in communication about sustainability
	<b>Forming the Environmental Committee and ongoing PDCA cycles</b>	Run environmental organizations; engage in high-impact environmental activities; set, execute, and monitor environmental goals; engage in ongoing improvement activities.	Conduct regular surveys related to energy and environmental conservation; sponsor on-site cleanup activities; hold energy conservation meetings; promote green leasing; conduct energy conservation efforts in cooperation with tenants; formulate and manage properties based on environmental policy; determine environmental data and confirm certification status upon the purchase of properties.

\*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.

\*3 ZEB (Net Zero Energy Building): A building targeting a net-zero balance of annual primary energy consumption.

# Environmental Management



Contributing to a safe and secure society



Wellbeing



Addressing the diverse needs of customers and society



Social implementation of technology



Promoting a decarbonized society



Promoting a recycling-oriented society

## Environmental Management in the Residential Business

In the Residential Business, we have established the Brillia Environmental Guidelines for the purpose of ensuring that environmental initiatives under the Brillia brand are aligned to changing social conditions and communicated clearly to customers and society. Two concepts guide our creative approach to the development of condominiums: creating a lush green living environment; and creating residences with reduced environmental impact.

The guidelines define a set of environmental performance ratings with four levels of environmental friendliness. In addition to the specifications required to meet each level, at each stage of the project from planning stage to design, we also check details such as the environmental certification rankings (CASBEE, etc.) and CO<sub>2</sub> emission reduction for each level. We revise the Brillia Environmental Guidelines periodically in response to social changes and technological advancements, and in this way continue to increase the value of the Brillia brand.

### Brillia Environmental Guidelines

#### ◆ Overview of Guidelines

##### 1 Creating a lush green living environment

- Create a rich sense of familiarity with nature and seasonal changes, a comfortable living space, a landscape for the entire region; use greening to reduce the heat inside and around the building (heat island phenomenon)
- Plant trees that match local vegetation to cultivate a rich natural environment that sustains biodiversity
- Provide environmental education programs to residents to help raise awareness in local communities

##### 2 Creating residences with reduced environmental impact

- Aim to achieve low-carbon residential buildings by proactively adopting equipment and services that contribute to global warming prevention and resource conservation.
- Actively develop ZEH-M (Zech Mansion), which reduces energy consumption by making the building itself highly insulated and by using renewable energy.
- Help reduce environmental impact throughout a building's life cycle by using visual displays of energy consumption to raise awareness among tenants.

#### ◆ Brillia Environmental Guidelines environmental performance ratings (e.g., level set for energy conservation performance) (as of March 2022)

Level			Standard		High level	
			Level 1	Level 2	Level 3	Level 4
			Energy conservation criteria	Criteria for adoption	ZEH-M Oriented	ZEH-M Ready
Energy conservation	Exclusive area BEI (Building Energy Index)	Standard value (excluding renewable energy)	1.0 or less	0.9 or less	0.8 or less	←
		Design target value (excluding renewable energy)	0.97 or less	0.87 or less	0.77 or less	—
	Common area BEI	Standard value	1.0 or less	←	—	—
		Design target value	Abbreviated	←	0.8 or less	←
	Residential building BEI	Standard value (excluding renewable energy)	1.0 or less	0.9 or less	0.8 or less	←
Residential building energy consumption reduction (including renewable energy)			—	—	—	50% or more
Housing Performance Evaluation		Insulation performance grade	Grade 4	←	←	←
		Primary energy consumption grade	Grade 4	Grade 5	←	←

# Promoting a Decarbonized Society



Addressing the diverse needs of customers and society



Social implementation of technology



Promoting a decarbonized society

## Policy and Concept

The Paris Agreement adopted in 2015 at the United Nations Framework Convention on Climate Change (COP21) agreed to hold the average global temperature increase to well below 2°C above pre-industrial levels, and to pursue efforts to limit the increase to 1.5°C. At COP26 in 2021, an agreement was adopted to pursue efforts to limit the temperature increase to 1.5°C, and many countries are accelerating their efforts toward decarbonization. In April 2021, the Japanese government also declared its commitment to reduce GHG emissions by 46% from the fiscal 2013 level by fiscal 2030, and to pursue efforts toward achieving a higher reduction of 50%.

Realizing a decarbonized society is an issue that calls for global cooperation. The real estate industry must also strive to reduce GHG emissions deriving from real estate holdings and business activities. The Tokyo Tatemono Group further believes that the intensification of wind, flooding, and other natural disasters owing to GHG emissions could have a significant impact on the assets it owns. From this perspective as well, we recognize the need to prioritize this issue.

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. In addition, we have identified promoting a decarbonized society as a material issue for the Group, and are addressing this issue through our business. We have set medium- and long-term targets for reduction in GHG emissions, aiming to achieve a 40% reduction in our CO<sub>2</sub> emissions by fiscal 2030 compared to fiscal 2019\*1 and net-zero CO<sub>2</sub> emissions by fiscal 2050. Based on these, we are advancing our efforts to realize a decarbonized society. In addition, our fiscal 2030 GHG reduction target set based on the above target has obtained SBT certification from the SBT Initiative, an international climate change initiative in September 2021.

In addition, we have set the shift to renewable energy\*2, promotion of development of ZEB\*3 and ZEH\*4, and acquisition of green building certification as process targets for achieving our medium- and long-term targets. We develop real estate that offers superior environmental performance and work with building management companies and tenants on operational initiatives toward achieving a decarbonized society. In August 2021, with the aim of more actively promoting the shift to renewable energy, we joined RE100, a global initiative for companies committed to 100% renewable energy use for their business.

At the same time, in response to climate change risks, we are developing resilient real estate (resistant to wind, flooding, and other natural disasters).

\*1 CO<sub>2</sub> emissions: Total emissions from Scopes 1, 2 and 3. Scope 1: Direct emissions that occur from the use of fuel by the Group, Scope 2: Indirect emissions that occur from the use of electricity and heat purchased by the Group, Scope 3: Indirect emissions that occur from other business activities. Scope of application is category 11 (use of sold real estate)

\*2 Includes consumption of non-fossil fuel certificates categorized as renewable energy.

\*3 A Zero Energy Building (ZEB) is a building that aims to achieve an annual primary energy consumption balance of zero by maximizing energy independence through the use of advanced technologies that enable significant energy savings and the introduction of renewable energy. ZEB consists of Nearly ZEB (energy savings of at least 75%), ZEB Ready (energy savings of at least 50%) and ZEB Oriented (energy savings of at least 40% in office buildings and 30% in hotels with a floor space of 10,000m<sup>2</sup> or more), each of which will be included in the Group's initiatives.

\*4 A Zero Energy House (ZEH) reduces total energy consumption through measures such as heat insulation and energy savings as well as generating energy through power generation to balance out the annual primary energy consumption to zero. ZEH-M, the zero energy housing standard for condominiums, consists of Nearly ZEH-M (energy savings of at least 75%), ZEH-M Ready (energy savings of at least 50%) and ZEH-M Oriented (energy savings of at least 20%), each of which will be included in the Group's initiatives.

### Group Targets

Quantitative target	
Reduction in greenhouse gas emissions	<b>Long-term target (FY2050)</b> Net zero CO <sub>2</sub> emissions
	<b>Medium-term target (FY2030)</b> A 40% reduction in CO <sub>2</sub> emissions compared to fiscal 2019.

Process target	
Shift to renewable energy	◆ Ensure that 100% of the electricity consumed in our business activities is from renewable energy sources. (FY2050)
	◆ Ensure that 40% of the electricity consumed by our Commercial Properties Business real estate holdings is from renewable energy sources. (FY2030)
Promotion of development of ZEB and ZEH	◆ In principle, develop ZEB and ZEH in all new office buildings, logistics facilities, and condominiums. (FY2030)
Acquisition of Green Building Certification	◆ In principle, acquire green building certification in all newly developed office buildings and logistics facilities. (FY2030)

Participation in Initiatives P.13

Feature: Pursuing Sustainable Community Development  
*Promoting the Decarbonization of Cities through Energy Conservation and Energy Generation P.17*

Environmental Management P.23

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# Promoting a Decarbonized Society



Addressing the diverse needs of customers and society



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Promoting a decarbonized society

## Disclosure based on TCFD recommendations

### Governance

At Tokyo Tatemono Group, the Sustainability Committee discusses the formulation of policies for addressing risks and opportunities linked to climate change as well as important matters such as our GHG emissions reduction efforts and progress against our reduction targets. Chaired by the president, the Committee reports its findings to the Board of Directors for discussion. The Sustainability Committee proposes and formulates policies and strategies for important matters related to the promotion of sustainability, such as GHG emissions reduction targets and studies toward expanding the use of renewable energy. In addition, the Sustainability Promotion Committee, a subordinate organization of the Sustainability Committee, examines specific measures for implementing these policies.

### Strategy (scenario analysis)

Drawing from multiple scenarios published by the IPCC<sup>\*1</sup> and the IEA<sup>\*2</sup>, the Tokyo Tatemono Group based its analysis on two scenarios: the current scenario (4°C scenario), in which the average temperature rises by 4°C or more compared to pre-industrial levels by 2100, and the transition scenario (<2°C scenario), in which the average temperature rise is limited to less than 2°C. The scope of the analysis was to identify the main risks and opportunities—primarily for the Group’s core businesses, the Commercial Properties Business and Residential Business—and to assess their materiality in terms of their expected degree of impact on the Group’s finances. The period of impact was categorized in to short-term (1-5 years), medium-term (5-10 years), and long-term (>10 years).

Based on the results of this analysis, the Group set its targets for realizing a decarbonized society.

\*1 IPCC (Intergovernmental Panel on Climate Change): an institution that provides clear scientific opinions of the status of climate change and its socioeconomic impact.

\*2 IEA (International Energy Agency): an independent body within the OECD that facilitates policy cooperation on energy security and energy.

### Scenario analysis results

#### Current scenario (4°C scenario)

In terms of physical risks, a short-term response was found to be highly important with respect to two areas with high impact and incidence: (1) prolonged construction periods of properties under development and higher construction costs due to frequent and intense heavy rainfall; and (2) mechanical equipment failures in owned properties due to solar radiation and high heat caused by rising temperatures.

### The Two Scenarios Used in the Analysis

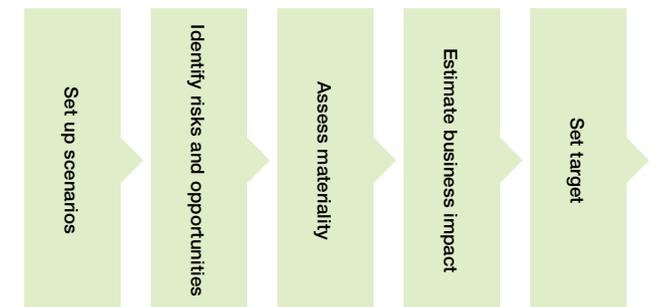
<b>Current scenario (4°C scenario)</b>	A scenario in which the average temperature rises by about 4°C compared to pre-industrial levels as a result of failure to introduce stricter government policies and strengthen regulations, such as regulations to curb GHG emissions, and of failure by businesses to take effective action in response to climate change. Acute effects include more frequent extreme weather events and more intense heavy rainfall, while chronic effects include rising sea levels.
<b>Transitional scenario (2°C scenario)</b>	A scenario in which the average temperature rise compared to the pre-industrial levels is kept below 2°C by improving low-carbon technologies, expanding renewable energy, and promoting energy conservation. In this scenario, companies around the world are strongly required to respond to climate change by introducing carbon taxes and strengthening policies to regulate emissions in order to curb GHG emissions.

### Transitional scenario (below 2°C scenario)

In terms of transitional risks, a medium-term response was found to be highly important with respect to three areas with high impact and incidence: (1) an increase in material procurement prices due to the introduction of carbon pricing; (2) an increase in energy costs; and (3) the cost of complying with standards due to the strengthening of environmental certification standards.

On the other hand, we believe that there will be an opportunity to make a significant impact over the medium term with respect to: (1) increased demand for green buildings, ZEB, ZEH, etc., due to heightened environmental awareness among customers; (2) decreased costs related to the supply of green buildings, ZEB, ZEH, etc., due to the promotion of energy conservation and efficiency and the spread of renewable energy; and (3) improved evaluation of our own environmentally friendly buildings due to the strengthening of environmental laws and regulations.

### Risk Analysis Review Process



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Addressing the diverse needs of customers and society



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## ◆ Future response policy

We will take the following actions to mitigate risks and seize opportunities for highly important risks and highly important opportunities identified in the scenario analysis.

- Establishing a schedule that incorporates the risk of interruption to the construction period due to heavy rainfall
- Implementation of flood prevention measures, such as the installation of seawalls, in anticipation of flood damage to owned properties; relocation of electrical equipment to the second floor or higher of existing buildings; and consideration of installing machinery rooms on the second floor or higher of newly developed buildings

- Consideration of procurement of low-carbon construction materials (cement, steel, etc.)
- Renewal of electricity for in-house use
- Continued promotion of existing green buildings and developments that meet ZEB and ZEH standards

## ➤ Risk Management

Climate change risk is recognized as one of the most important risks that could have a significant impact on the management of the Tokyo Tatemono Group, and is managed within a company-wide risk management framework. The Sustainability Committee (chaired by the president) examines each policy and strategy for minimizing risk and targeting opportunities

associated with climate change risks. These are reported to the Board of Directors and included in its agenda as necessary, providing a system supervised by the Board of Directors, under the ultimate responsibility of the president, who is the representative director.

Through the Sustainability Promotion Committee, we will continue to monitor our climate change-related measures. Using a PDCA cycle, we will explore better approaches while also reviewing risks and opportunities.

Risk Management P.91

## ➤ Indicators and Targets

The Tokyo Tatemono Group has for some time been conducting quantitative monitoring of GHG emissions and announcing the results of this monitoring. In addition, in May 2021, we have also set medium- and long-term targets for reducing GHG emissions with the aim of addressing climate change and realizing a decarbonized society.

In addition, Tokyo Tatemono has been certified as an S-class operator (a business with excellent energy conservation)—the highest level in the business classification evaluation system of the Energy Conservation Law—for seven consecutive years since fiscal 2016, when the system began operating. Going forward, we will continue to work as an S-class operator to further conserve energy and reduce our environmental impact, with the short-term target of reducing our energy consumption and greenhouse gas emissions per unit of production by 1% each year on a five-year moving average basis.

Group Targets P.28

## Identify Risks and Opportunities; Assess Materiality

	Type		Contents	Period of impact
Risk	Physical	Acute	<p>◆ Frequent and intense heavy rains</p> <p><b>Development and Sales:</b> Longer construction periods and higher construction costs for real estate under development</p> <p><b>Operation and management:</b> Facility failure and suspension of lifeline functions due to flooding at owned properties</p>	Short-term
		Chronic	<p>◆ Temperature rise</p> <p><b>Operation and management:</b> Failure of machinery and equipment at owned properties due to solar radiation and high heat</p>	Short-term
	Transition	Policies and regulations	<p>◆ Carbon pricing</p> <p><b>Development and Sales:</b> Increase in procurement prices of materials such as steel and cement</p> <p><b>Operation and management:</b> Increase in energy costs including electricity</p>	Medium-term
		Policies and regulations	<p>◆ Strengthen environment-related certification standards</p> <p><b>Development, operation, and management:</b> Procurement of materials and installation of equipment necessary to meet the standards</p>	Medium-term
Opportunity	Transition	Products & Services	<p>◆ Promote energy conservation and efficiency / Spread renewable energy / Raise environmental awareness among customers</p> <p><b>Development, operation, and management:</b></p> <ul style="list-style-type: none"> <li>● Increase in demand for green buildings, ZEB and ZEH, etc., and decrease in costs related to supply</li> <li>● Increased opportunities to acquire tenants due to strengthened measures to create energy and conserve energy</li> </ul>	Medium-term
		Products & Services	<p>◆ Improved reputation due to strengthening of environmental laws and regulations</p> <p><b>Development, operation, and management:</b> Improving the reputation of our own environmentally friendly buildings</p>	Medium-term

# Promoting a Decarbonized Society



Addressing the diverse needs of customers and society

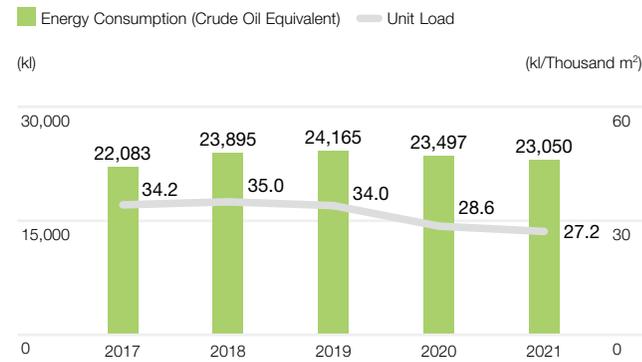


Social implementation of technology



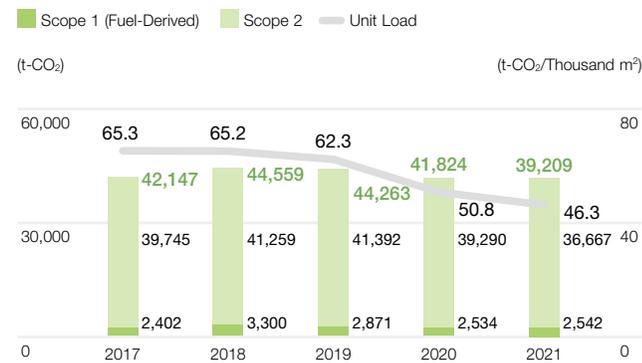
Promoting a decarbonized society

## Energy Consumption (Facilities subject to the Act on the Rational Use of Energy)



(Data) Energy Consumption and CO<sub>2</sub> Emissions P.97

## GHG Emissions (Facilities subject to the Act on the Rational Use of Energy)



(Data) Energy Consumption and CO<sub>2</sub> Emissions P.97

## Participation in Industry Organization

The Group believes that it is important for the real estate industry as a whole to address climate change, and as a member of the Real Estate Companies Association of Japan, we participate in the activities of the organization, which comprises from companies involved in the real estate business.

Our involvement in the formulation of policies on climate change in the real estate industry includes participation by the Company's Chairman of the Board as Vice President of the Real Estate Companies Association of Japan. We are also a member of the working group established within the Association to develop its Long-Term Vision for the Real Estate Industry for the Realization of a Decarbonized Society (Vision for 2050), issued by the Association in April 2021. Based on these policies, the Group has set proactive goals and policies, and is promoting various initiatives, such as reducing energy use in development projects and in our buildings.

## Decarbonization Initiatives in the Commercial Properties Business

### Adoption and Upgrading of Energy-saving Equipment and Devices

In the buildings that we own, we are actively adopting and upgrading energy-saving equipment and devices, and in particular, we are systematically promoting the use of LED lighting. As of the end of FY2021, we had already completed or were in the process of converting to LEDs at all of our long-term buildings.

### Switching to Electricity from Renewable Energy Sources (Tokyo Tatemono Yaesu Building)

In July 2020, we began using non-fossil fuel certificates to switch all of our electricity consumption at the Tokyo Tatemono Yaesu Building (Chuo-ku, Tokyo, completed in November 2011), which serves as our headquarters building, to renewable energy. This initiative involves the supply of electricity using Non-Fossil Fuel Certificates with Tracking, which certify the environmental value of solar power generation or biomass power generation. This resulted in a reduction of annual CO<sub>2</sub> emissions of approximately 1,656 tons in fiscal 2021.

### Generation and Use of Renewable Energy

In December 2020, we signed a basic agreement with Tokyo Gas Co., Ltd. aimed at implementing environmentally friendly initiatives using renewable energy.

One initiative being implemented under this agreement focuses on the renewable energy generated by large-capacity solar panels installed at the logistics facilities T-LOGI Kuki, T-LOGI Narashino, and T-LOGI Yokohama-Aoba. Any surplus electricity not fully consumed onsite at these facilities is self-consigned to SMARK ISESAKI, a commercial facility owned by Tokyo Tatemono.

We expect the T-LOGI series of logistics facilities to generate an increasing volume of renewable electricity, and will expand our self-consignment power grid accordingly to include other Tokyo Tatemono facilities, accelerating our initiatives to promote a decarbonized society.



T-LOGI (Only available in Japanese)

# Promoting a Decarbonized Society



## Development and Promotion of ZEB

As a registered ZEB Leading Owner with the Strategic open Innovation Initiative (SII), Tokyo Tatemono is aiming to contribute to the promotion of ZEB.

We are also actively working to obtain environmental certification for real estate we develop. In July 2019, following a partial assessment of the office area of the property, Hareza Tower (Toshima-ku, Tokyo; completed in May 2020) became the first high-rise mixed-use building in Japan to be certified as ZEB Ready.



ZEB Leading Owner Mark

## ZEB Ready Certification Label



Hareza Tower



New building at Shijo-Karasuma FT Square

## ZEB Certification Label



T-LOGI Kuki



T-LOGI Narashino



T-LOGI Yokohama-Aoba



T-LOGI Fukuoka

In December 2021, a new office building\* (scheduled for completion in August 2022) to be constructed by partially rebuilding Shijo-Karasuma FT Square (Kyoto City, Kyoto Prefecture; completed in October 1998) was certified as ZEB Ready. In January 2022, the following properties were certified as ZEB: T-LOGI Kuki (Kuki City, Saitama Prefecture; completed in June 2020), T-LOGI Narashino (Narashino City, Chiba Prefecture; completed in January 2022), T-LOGI Yokohama-Aoba (Yokohama City, Kanagawa Prefecture; completed in January 2022), and T-LOGI Fukuoka (Fukuoka City, Fukuoka Prefecture; completed in April 2022), all of which are developed logistics facilities. In principle, we will promote the development of environmentally friendly logistics (ZEB logistics) in our T-LOGI series facilities, aiming to have all facilities certified as ZEB by promoting energy conservation and using renewable energy.

\* A project that involves extension of an entire building. Three buildings are deemed a single structure under the Building Standard Law because they meet conditions such as having a common area that spans the entire structure. One of the three buildings will be demolished, and a new building with a larger floor area will be built using an adjacent site.

## M-NexT Joint Research with Keio University

Since July 2021, Tokyo Tatemono has been engaging in a joint research project, called M-NexT, with Professor Wanglin Yan of the Keio Research Institute at the Shonan Fujisawa campus of Keio University. The project, which focuses on decarbonized sustainable urban development in the Yaesu, Nihonbashi, and Kyobashi areas of central Tokyo, was launched in response to the Regional Decarbonization Roadmap\*<sup>1</sup> indicated by the Council for National and Local Decarbonization. The project name is a reference to the M-NEX\*<sup>2</sup> platform developed by Professor Yan.

The first phase of the project involved applying the M-NEX platform to Tokyo Square Garden (Chuo-ku, Tokyo; completed in 2013), which incorporates a range of environmental technologies, to examine various environmental initiatives in the building, including energy conservation and energy generation.

We will continue to compare and evaluate the effects of

various environmental initiatives using this and other visualization methods to promote sustainable urban development in the Yaesu-Nihonbashi-Kyobashi area.

\*1 A report describing processes and measures for regional decarbonization, including a policy for creating 100 leading decarbonized regions by fiscal 2030.

\*2 A platform supporting decarbonization and sustainable urban development. M-NEX takes a composite view of a city from the three perspectives of food (F), energy (E), and water (W), quantifying the results using a unique assessment tool called FEWprint.



## Cooperative Initiatives with Tenants

### Hold Energy Conservation Promotion Meetings

Tokyo Tatemono holds an Energy Conservation Promotion Council every year in cooperation with tenants at offices subject to the Tokyo Metropolitan Government's Total Volume Reduction System.

At other sites, we also share information and discuss general sustainability issues such as energy conservation, renewable energy, and waste.

We explain our energy-saving activities and reduction targets, and introduce tenants' energy-saving efforts. Through this council, we aim to enhance the energy-saving activities of both our company and tenants.

# Promoting a Decarbonized Society



Addressing the diverse needs of customers and society



Social implementation of technology



Promoting a decarbonized society

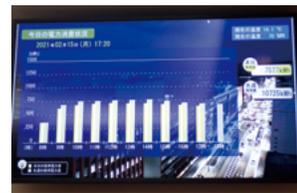
## Introduction of Green Lease Provisions

In buildings owned by our company, we are working with tenants to introduce green lease clauses into the template of lease contracts in order to reduce the environmental impact of energy conservation and other measures and to improve the working environment even in dedicated areas.

As of December 31, 2021, the percentage of our long-term buildings that have green lease clauses was approximately 17%. One example of a green lease initiative is an agreement in which LED lighting was incorporated in exclusive areas and both Tokyo Tatemono and the tenant benefit from the effect of lower electricity fees from the resulting electricity conservation.

## Monitor Displaying Energy Consumption

At Shijo-Karasuma FT Square, in conjunction with the replacement of the central monitoring system in 2019, monitors were installed on the first basement floor and first floor that display the amount of each utility (electricity, gas, and water) being used in the building each day. Visually displaying energy consumption in this way enables Tokyo Tatemono as building manager to work together with our tenants to be environmentally conscious.



Monitor displaying energy consumption

## Decarbonization Initiatives in the Residential Business

### Use of Green Power Certificates

Since May 2016, we have been using the framework of Green Power Certificates to switch to 100% renewable energy sources for the electricity used in our Brillia brand condominium model rooms. In 2021, we utilized Green Power Certificates for approximately 570,000 kWh of electricity.

### Promote the Development of ZEH-M (ZEH Mansion)

Tokyo Tatemono applied to the ZEH Developer Registration Program in the initial round of entries when it was established in May 2018. Since then, we have worked as a ZEH Developer to aid the spread of ZEH-M\*1 apartments.

In May 2018, following the first open submission process for multiple-dwelling residences by the Ministry of Economy, Trade and Industry (METI), Brillia Tsurumaki (Setagaya-ku, Tokyo; completed December 2019) was selected by METI as the only project in the Tokyo metropolitan area for the fiscal 2018 High-rise ZEH-M (Zeh Mansion) Demonstration Project\*2 (for buildings with 6-20 residential use-floors).

Following another open submission process, Brillia Tower Seiseki Sakuragaoka Blooming Residence (Tama City, Tokyo; scheduled for completion September 2022) was selected by METI as the first and only project in the Tokyo metropolitan area for the fiscal 2019 Super-High-Rise ZEH-M Demonstration Project\*2.

Both Brillia Tsurumaki and Brillia Tower Seiseki Sakuragaoka Blooming Residence have obtained ZEH-M Oriented certification, the standard for high-rise apartments with six or

more floors, due to their improvement in outer wall insulation performance, the adoption of high-insulation doors, the use of high-efficiency hot water supply equipment, etc.

\*1 Structures which reduce total energy consumption through measures such as heat insulation and energy savings as well as generating energy through power generation to balance out the annual primary energy consumption to zero.

\*2 The official Japanese name for these METI projects translates as: the High-Rise ZEH-M (ZEH-M Condominium) Demonstration Project of the Fiscal 2018 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); and the Super-High-Rise ZEH-M Demonstration Project of the Fiscal 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.



Brillia Tower Seiseki Sakuragaoka Blooming Residence

### ZEH-M Oriented Certification Label



Brillia Tsurumaki



Brillia Tower Seiseki Sakuragaoka Blooming Residence

# Promoting a Decarbonized Society



Addressing the diverse needs of customers and society



Social implementation of technology



Promoting a decarbonized society

## Development of Wooden Structures Using Cross Laminated Timber

The Senzokuike Project (tentative name), a for-rent condominium we are developing, is using a cross laminated timber (CLT) panel construction method for the main structural components. The method involves using thick wooden panels made by gluing wood boards together so that their fiber directions intersect at right angles in alternating directions. Approximately 700 m<sup>3</sup>\*1 of wood is projected to be used for the main structural components, resulting in a CO<sub>2</sub> equivalent carbon storage capacity of approximately 450 tons.\*2 The six-story wooden building was selected by the Ministry of Land, Infrastructure and Transport as a Leading Project for Sustainable Buildings (Wooden Construction Type) for fiscal 2021,\*3 following an open submission. The selection recognizes the project's structural innovations, including improved fire resistance and durability.

Compared to steel and reinforced concrete, wood requires less energy for manufacturing, processing, and construction, contributing to lower CO<sub>2</sub> emissions. Wood also provides a carbon capture effect and can be reused after demolition. In addition, CLT construction uses a greater amount of wood than conventional wood construction, supporting the effective use of forest resources in Japan.

\*1 Indicates current planned quantity; subject to change.

\*2 Calculated based on the Guidelines for Labeling Carbon Storage of Wood Used in Buildings of Japan's Ministry of Agriculture, Forestry and Fisheries.

\*3 A Japanese government initiative aimed at promoting the development and widespread use of technologies for wooden buildings and other sustainable construction projects. The government publicly solicits proposals for project plans for wooden buildings which incorporate leading design and construction technologies. The government implementation office subsidizes part of the costs required to implement selected projects within its budgetary scope.

## Development of Mega Solar Business

Tokyo Fudosan Kanri has been involved in the mega solar business since 2012. Through this company, we are developing solar power plants mainly in the northern Kanto region. As of the end of December 2021, we had eight plants with a total power generation capacity of approximately 13MW.



Oyama Solar Power Plant



Iwaki Solar Power Plant



Hatoyama Solar Power Plant

### List of Solar Power Plants

Name (Location)	Power generation capacity	Date of operation
Oyama Solar Power Plant (Oyama City, Tochigi Prefecture)	785kW	February 2013
Iwaki Solar Power Plant (Iwaki City, Fukushima Prefecture)	2,454kW	November 2013
Joso Solar Power Plant (Joso City, Ibaraki Prefecture)	672kW	September 2014
Hatoyama Solar Power Plant (Hatoyama-machi, Hiki-gun, Saitama Prefecture)	1,908kW	March 2015
Tochigi Hirai Solar Power Plant (Tochigi City, Tochigi Prefecture)	1,559kW	March 2015
Tochigi Nishikata Solar Power Plant (Tochigi City, Tochigi Prefecture)	1,884kW	June 2015
Shirakawa Solar Power Plant (Tanakura-machi, Higashishirakawa-gun, Fukushima Prefecture)	2,034kW	November 2015
Higashihiroshima Solar Power Plant (Higashihiroshima City, Hiroshima Prefecture)	1,086kW	December 2015

# External Evaluation and Certification for Green Building



## Policy and Concept

The Tokyo Tatemono Group recognizes that, to meet the expectations and demands of our tenants, investors, and other stakeholders, it is essential both to develop and operate real estate with high environmental and social awareness and to make open disclosure of our performance and initiatives related to such real estate.

We have identified promoting a decarbonized society as a material issue for the Group. To address this issue through our business operations, we have established the acquisition of green building certification for all newly developed office buildings and logistics facilities by fiscal 2030 in principle as a KPI and target. We also have a policy of acquiring environmental certification as far as possible for existing office buildings we retain over the long term and for new and existing for-rent condominiums.

ESG-related KPIs and targets; progress P.7

### Certified Properties

DBJ Green Building Certification	
★★★★★	Hareza Tower
	Otemachi Tower
	Tokyo Square Garden
	Nakano Central Park South
	SMARK ISESAKI
★★★★	Brillia ist Tower Kachidoki (Residence)
	Tokyo Tatemono Nihonbashi Building
	Tokyo Tatemono Yaesu Building
	Osaki Center Building
	Empire Building
★★★	Tokyo Tatemono Sendai Building
	Shinjuku Center Building
	Yokohama First Building
	Nihonbashi TI Building

BELS*1	
★★★★★	Hareza Tower
	Shijo-Karasuma FT Square Partial Reconstruction Project*6
	T-LOGI Kuki
	T-LOGI Yokohama-Aoba
★★★★	T-LOGI Narashino
	Shijo-Karasuma FT Square (Office Space)
★★★	Otemachi Tower
★★	Empire Building

ZEB*2	
ZEB	T-LOGI Kuki
	T-LOGI Yokohama-Aoba
	T-LOGI Narashino
	T-LOGI Fukuoka
ZEB Ready	Hareza Tower (Office Section) Shijo-Karasuma FT Square Partial Reconstruction Project

CASBEE*3 Building (New)	
S rank	Hareza Tower (New Construction) Shijo-Karasuma FT Square Partial Reconstruction Project
A rank	T-LOGI Yokohama-Aoba (CASBEE Yokohama) T-LOGI Narashino

CASBEE*3 Real Estate	
S rank	Nagoya Prime Central Tower

CASBEE*3 Wellness Office	
S rank	Tokyo Tatemono Yaesu Building Shijo-Karasuma FT Square Partial Reconstruction Project*6

ABINC Certification*4 (Association for Business Innovation in harmony with Nature and Community® Certification)	
	Otemachi Tower / Tokyo Square Garden

SEGES certification*5 (Urban Oasis)	
	Otemachi Tower / Tokyo Square Garden

\*1 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 nonresidential buildings.

\*2 ZEB (Net Zero Energy Building) is a building that has targeted a net-zero balance of annual primary energy consumption.

\*3 CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and grading the environmental performance of structures

\*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

\*6 A project that involves extension of an entire building. Three buildings are deemed a single structure under the Building Standard Law because they meet conditions such as having a common area that spans the entire structure. One of the three buildings will be demolished, and a new building with a larger floor area will be built using an adjacent site.

## External Evaluation and Certification for Green Building

### Highest Ranking in ESG Benchmark GRESB

Tokyo Tatemono has received the highest rating of 5 Stars in the GRESB<sup>\*1</sup> Real Estate Evaluation, a benchmark that evaluates ESG (environment, society, and governance) initiatives in the real estate sector. This assessment is the Real Estate Standing Investments Benchmark based on an evaluation of the real estate management portfolio. We are the only real estate developer in Japan to receive the highest rating of 5 stars for five consecutive years.

We have also received the highest 5-Star rating for two consecutive years in the Development Benchmark, a benchmark introduced in 2020 that evaluates new real estate development and large-scale renovation portfolios. This rating recognizes our efforts to ensure ESG-conscious development and heighten energy efficiency, along with our initiatives to acquire green building certification. Furthermore, in the mixed-use building sector, we were selected for the first time as a Global Sector Leader<sup>\*2</sup> in 2021.

\*1 GRESB (Global Real Estate Sustainability Benchmark). An ESG benchmark specializing in real estate, established by a group of European pension funds.

\*2 A designation awarded to participants with the highest overall score and participants with a score differential of 1 point or less in both the regional and property use categories.



### Acquisition of DBJ Green Building Certification

DBJ Green Building Certification is a system established by the Development Bank of Japan Inc. to evaluate real estate projects that are environmentally and socially conscious. The 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.

As of the date of this report, 14 offices and commercial buildings owned and managed by Tokyo Tatemono have acquired DBJ Green Building Certification, of which 12 have received high ratings of four or five stars.

Tokyo Tatemono will continue to develop real estate in response to the social 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: Building with exceptionally high environmental and social awareness; Three Stars: Building with excellent environmental and social awareness; Two Stars: Building with high environmental and social awareness; One Star: Building with satisfactory environmental and social awareness



#### Acquisition Rate of Green Building Certification\* (as of December 31, 2021)

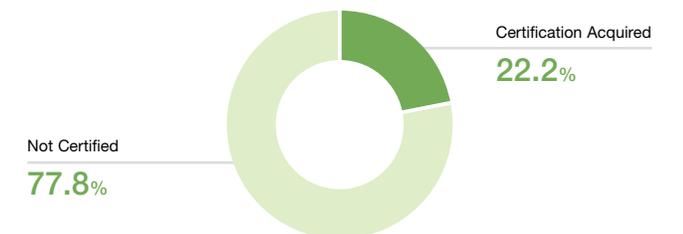
##### Acquisition Rate of Certification for All Properties Owned and Managed by Tokyo Tatemono



##### Acquisition Rate of Certification for the Leasable Area of Office Buildings



##### Acquisition Rate of Certifications per Leasable Area of Residential Buildings



\* DBJ Green Building Certification, CASBEE Building, etc.

(Data) Acquisition Rate of Green Building Certification P.98

# Water Resources



Contributing to a safe and secure society



Promoting a recycling-oriented society

## Policy and Concept

As water shortages become even more severe worldwide, developed nations and the rest of the world face demands to improve water consumption efficiency.

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. We have identified promoting a recycling-oriented society as a material issue for the Group. To address this issue through our business operations, we have established year-on-year water consumption unit load reduction of long-term buildings\* as a KPI and target for reducing water consumption, and established the equipping of all new office buildings with a total floor area of over 30,000m<sup>2</sup> with gray water treatment facilities by fiscal 2030 in principle as a KPI and target for promoting use of recycled water.

As a developer, we recognize that water resources are an essential element for the continued creation of rich and comfortable spaces. We will strive to reduce the use of resources and environmental impact through all available opportunities including conserving the use of water and recycling rainwater and miscellaneous wastewater.

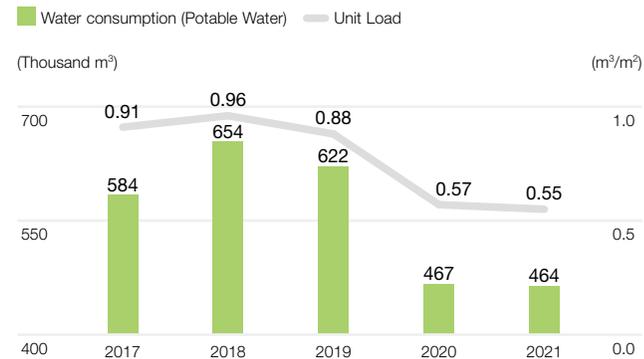
\* 36 major office buildings for which Tokyo Tatemono has energy management authority

ESG-related KPIs and Targets; Progress P.7

Environmental Management P.23

(Data) Water Resources: Indicators and Results P.98

### Portable Water Consumption (Facilities subject to the Act on the Rational Use of Energy)



## Collaborative Efforts with External Parties

The Real Estate Companies Association of Japan implements numerous initiatives aimed at achieving a sustainable society. Among these, it has formulated the “Long-Term Vision for Realizing a Decarbonized Society in the Real Estate Industry” (a vision for 2050) and has formulated and revised the “Real Estate Industry Environmental Action Plan: Towards Sustainable Urban Development” (medium-term goals and plans for 2030). In its capacity as a regular member of the Environmental Committee of the Association, Tokyo Tatemono works not only on its own Group initiatives, but also more broadly on promoting the effective use and conservation of water resources throughout the Japanese real estate industry.

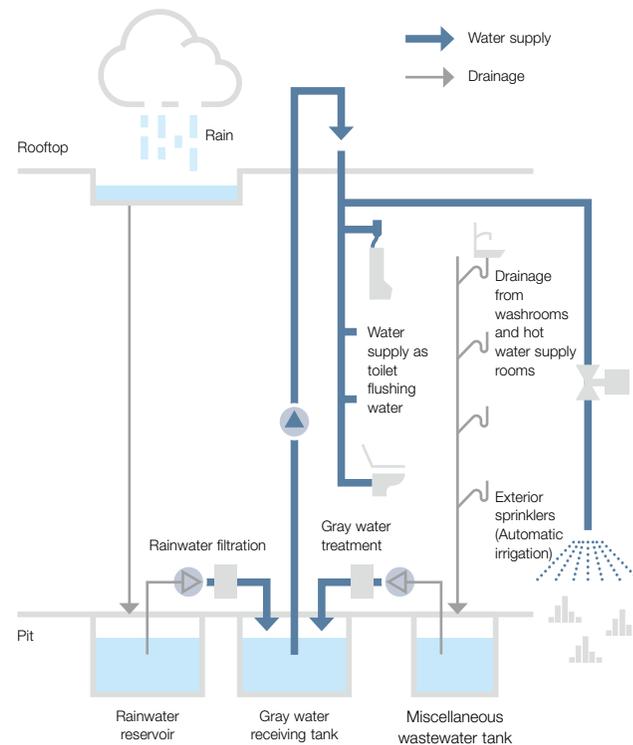
# Water Resources



## Water Resource Initiatives in the Commercial Properties Business

### Effective Use of Rainwater and Miscellaneous Wastewater as Gray Water

In buildings of a certain scale, we are proactively introducing facilities to use rainwater and miscellaneous wastewater generated in the building locally as “gray water.” For example, we are promoting the reduction of water resources by filtering rainwater or treating wastewater from cooling towers or tenant kitchens for non-potable uses such as toilet flushing and sprinkling water for planting in exterior areas.



### Installation of Water-saving Devices

We have established a medium- to long-term repair and investment plan on a 30-year span for new buildings and on a 10-year span for existing buildings. In addition to systematically promoting renovation work, we are switching to water-saving equipment. We also work with our partners and tenants to conserve water in our daily operations and management. At Shijo-Karasuma FT Square, we achieved a significant reduction in water usage in common areas by installing water-saving sanitary equipment and automatic mixed-flush sinks as part of work to renovate the toilets carried out from 2019 to 2021. The toilets used 9,913m<sup>3</sup> of water in 2021 compared to 23,261m<sup>3</sup> in 2018—a reduction of about 57.3%\*.

Beyond the Commercial Properties Business, we are actively moving forward with similar efforts in the Residential Business as well. In private areas of the for-sale and for-rent condominiums we develop, we are actively adopting water-saving furnishings, such as showers and faucets and toilets that flush effectively even with small amounts of water.

\* This figure includes other effects, such as less frequent toilet use due to COVID-19.

### Prevention of Water Pollution

We have installed wastewater treatment facilities in buildings that are subject to water pollution laws and ordinances. We treat wastewater to ensure that it complies with standards before discharging it into public water bodies such as sewers, rivers, and the sea.



Shijo-Karasuma FT Square, restroom renovation work  
Left: Before renovation Right: After renovation

# Promoting a Recycling-oriented Society



Contributing to a safe and secure society



Promoting a decarbonized society



Promoting a recycling-oriented society

## Policy and Concept

Pollution caused by waste and hazardous substances and the depletion of natural resources are issues shared by all of society. Businesses have an obligation to reduce the waste and hazardous substances generated by their activities and use resources effectively.

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. We have also identified promoting a recycling-oriented society as a material issue for the Group. To address this issue through our business operations, we have set KPIs and targets for the reduction of waste emissions and the promotion of waste recycling.

For our long-term buildings\*, we have set the target of a 20% reduction in waste emissions for fiscal 2030 compared to fiscal 2019. We have also set a target for fiscal 2030 of achieving a waste recycling rate of 90%.

The Group recognizes that we must address the prevention of environmental pollution and optimization of our use of resources throughout the entire life cycle of each building, from planning and design to construction, operation and management, as well as demolition. As such, we strive to reduce our environmental impact through these initiatives.

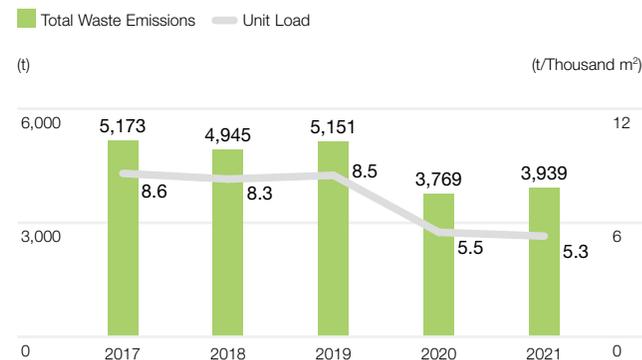
To prevent environmental pollution, in the planning and design of buildings, we consider environmental and life-cycle assessments in order developing environmentally friendly buildings. In operation and management, we work to prevent air and soil pollution through decreased generation and proper management of waste and hazardous substances.

To use resources more efficiently, we are introducing materials at the initial stage of a project that take into consideration later resource recovery, recycling, and waste generation control. For projects underway, we thoroughly sort waste and are working to boost the recycling rate. In these ways, we are helping to create a recycling-oriented society.

\* Our long-term buildings and commercial facilities for which we have substantial energy management authority and for which we have submitted a written plan for waste reuse and reduction.

Environmental Management P.23 (Data) Promoting a Recycling-oriented Society: Indicators and Results P.99

Waste Emissions (Facilities that have submitted reuse plans)



Waste Recycling Amount (Facilities that have submitted reuse plans)



## Waste Reduction and Management Initiatives in our Commercial Properties Business

For the office buildings owned and operated by Tokyo Tatemono, we strive to limit waste generation and promote recycling through a range of measures such as further enhancing garbage sorting and expanding the scope of recycling.

### Introduction of a Centralized Waste Management System

To properly and accurately manage and understand waste, we introduced a centralized waste management system using electronic manifests in 2018.

### Meetings of the Waste Management Committee

We hold regular Waste Committee meetings in cooperation with our tenants to promote the 3Rs (Reduce, Reuse, Recycle) through resource saving and waste reduction, garbage sorting games, and explanations from the government of social trends relating to waste.

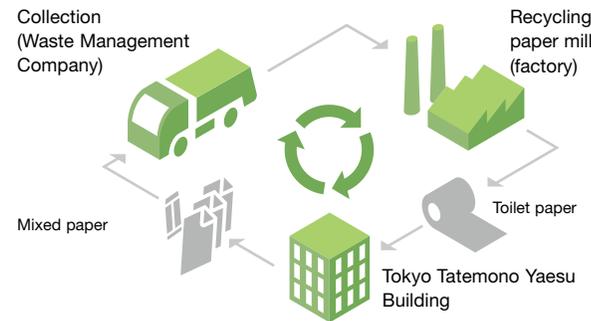
# Promoting a Recycling-oriented Society



## Realization of Recycling of Recovered Paper

We collect and recycle used paper discharged from buildings such as our head office building at Tokyo Tatemono Yaesu Building and reuse it as toilet paper. By putting waste recycling into practice, we plan to foster recycling awareness among our employees and tenants.

### Paper Recycling System



## Initiatives to Reduce Waste Emissions from Tenants

To promote waste separation by tenants, we have created a waste separation chart that can be posted near the waste bins, and are distributing them sequentially to tenants.

We have also distributed to tenants eco-bags that we created to reduce plastic waste, which has become a particular problem in recent years.



Personal shopping bags distributed to tenants



Garbage separation table (non-burnable garbage)

## Generating Electricity from Organic Waste (Shinjuku Center Building)

In December 2021, we began conducting a trial at Shinjuku Center Building (Nishi-Shinjuku, Shinjuku-ku, Tokyo; completed October 1979) as a step toward helping to build a recycling-based society. The trial was conducted jointly with the building's two co-owners, Meiji Yasuda Life Insurance Company and Japan Prime Realty Investment Corporation, as well as Sampo Japan Insurance Inc., TEPCO Energy Partner, Inc., and Sustainable Energy Development Inc.

The aim of the trial is to convert organic waste generated and incinerated at the office building into fuel. With the cooperation of Sampo Japan Insurance and some tenants, the ISOP system\*1 developed by Sustainable Energy Development is being used for subcritical water treatment\*2 to generate solid fuel "bio-coal"\*3 from organic waste.

The amount of electricity generated when the ISOP system is installed is expected to be approximately 2.5 times the amount of electricity consumed when the subcritical water treatment equipment is in operation. The water treatment itself

is powered by renewable energy supplied by TEPCO Energy Partner using non-fossil certificates—an initiative that will also help promote a decarbonized society.

\*1 ISOP system: ISOP (Integrated Subcritical-water-treatment-technology for Organic-waste Power-generation) systems recover energy from organic waste generated in urban areas in the form of methane gas, coal-substitute solid fuels, and hydrogen derivatives.

\*2 A technology that can sterilize and detoxify pathogenic organic matter as well as reduce the molecular weight of organic matter, including plastics, using the strong hydrolysis power of water at high temperatures and pressures below the critical point.

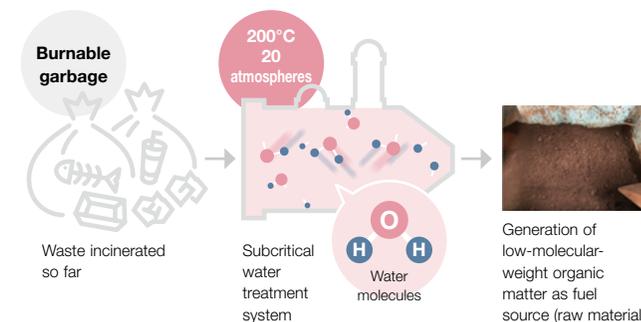
\*3 A solid fuel produced from organic waste for use as a total substitute for coal in facilities such as coal-fired power plants.

## Composting Food Waste (Otemachi Tower)

We introduced an initiative at Otemachi Tower (Otemachi, Chiyoda-ku, Tokyo; completed in April 2014) for recycling food waste as compost on a trial basis in 2021. The initiative uses a local food resource recycling solution provided by NTT Business Solutions Corporation in collaboration with Well Create Co., Ltd. Food waste fermentation and decomposition equipment (FOURSTARS) was installed in the waste disposal area to collect unsold and uneaten leftovers generated by restaurant tenants. The food waste is then fermented and decomposed into compost at the recycling center instead of being disposed of as waste.

A portion of the recycled compost is used in growing recycled agricultural products at the Brillia x My Farm Ichikawa Farm, which we operate in collaboration with MYFARM Inc.

### Trial Image



# Promoting a Recycling-oriented Society



## ➤ Recycling Waste Plastic (Tokyo Square Garden)

From March to May 2021, we collaborated with TBM Co., Ltd. and Bridgestone Corporation to conduct a trial in material recycling\* from waste plastic at Tokyo Square Garden (Chuo-ku, Tokyo; completed in March 2013). Used plastic from Bridgestone's head office is collected and sorted using automatic sorting equipment. The plastic is then processed into pellets, enabling its use as material for new plastic products. The recycled plastic is then turned into office supplies and used again in the building. In this way, we have established a resource recycling scheme for plastics, with the aim of helping to promote material recycling.

\* The recycling of used products and waste from production processes, which are collected and processed into a form that can be used as materials for new products.

### Plastic Resource Recycling



## ➤ Efforts to Reduce Waste by Promoting the Use of Reusable Bottles (Tokyo Tatemono Yaesu Building)

Tokyo Tatemono, Thermos Corporation, Panasonic Corporation, Apex Corporation and Ajinomoto AGF, Inc. conducted a demonstration experiment aimed at reducing waste by promoting the use of reusable bottles. The project involved approximately 300 of our employees who work on the 7th floor of the Tokyo Tatemono Yaesu Building.

Against the backdrop of growing global concern about plastic waste, there is a growing interest in using paper materials to reduce the amount of plastic used. However, the paper cups that are used frequently in office buildings are often disposed of as combustible waste.

Thermos bottles were distributed to each employee, which the employees used to drink coffee from an Apex coffee machine installed in the office. After use, the bottles were washed using a Panasonic high-speed bottle washer also installed in the office and a desktop dishwasher installed in the hot water supply room. This enabled the bottles to be cleaned and used repeatedly.

As a result of the demonstration experiment, the use of reusable bottles for drinking coffee and water became widespread at our head office. We succeeded in reducing the amount of paper cup waste generated from the 7th floor of the Tokyo Tatemono Yaesu Building by approximately 38,800 cups per year.



Demonstration experiment promoting the use of reusable bottles

## 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 to be in use, we took appropriate steps in response, including removal or containment and sharing information with the building tenants.

## 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.

## 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, 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. In order to maintain the health of our tenants and other building occupants, we have established a formaldehyde countermeasure standard that prohibits the use of formaldehyde-emitting products, which are the main cause

# Promoting a Recycling-oriented Society



of sick building syndrome, in buildings in addition to the provisions of the Building Standards Law. We measure the concentration of formaldehydes in new buildings in accordance with our own standards to verify the safety of indoor environments.

## Proper Processing of Polychlorinated Biphenyls (PCBs)

Electronic devices (transformers, capacitors, stabilizers) containing PCBs that are no longer in use pose the risk of loss, oil leaks, or other incidents. To eliminate such risk, we disposed of these devices appropriately with the cooperation of a specialized waste disposal company.

## 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 recycles construction industrial waste as valuable materials\*, using resources more effectively. The company sells a portion of its waste materials to recyclers as valuable goods, sorting and separating products for reuse. These materials, which are used in move-in construction, restoration construction, and equipment restoration, mainly consist of metal materials such as steel partitions, OA floors, fluorescent lamps, air conditioners, electric wiring, cables, piping, and ventilation ducts.

\* "Valuable materials" refers to 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, steel products, etc.

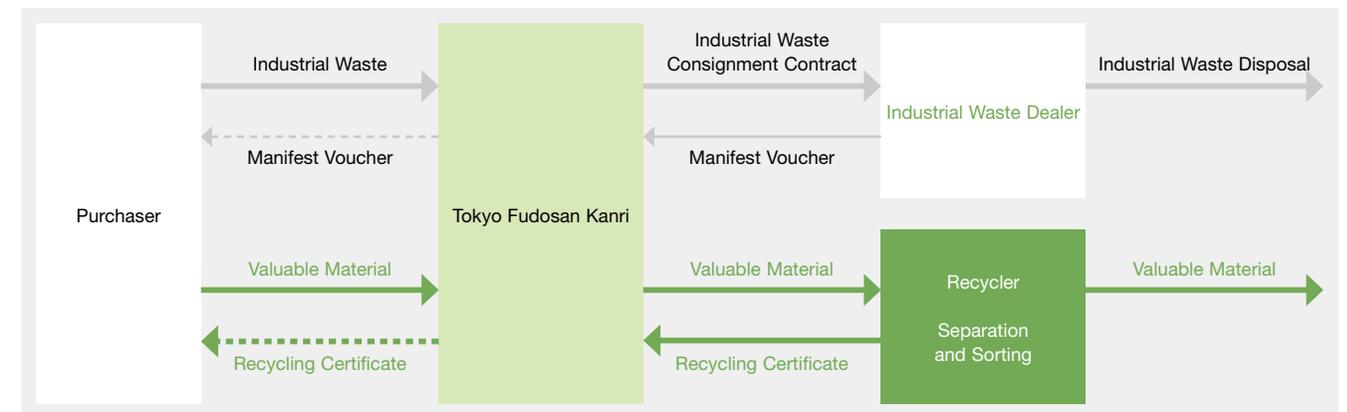
## Promotion of Use of Wood Materials

Tokyo Tatemono believes in the importance of using wood appropriately as a construction material. Wood is not only a resource that can be reused as a building material after a building is demolished, but it also absorbs CO<sub>2</sub> and stores (fixes) carbon. This helps to address our material issues of promoting a recycling-based and decarbonized society.

To promote the use of wood materials, we have set targets for our long-term buildings and our for-sale and for-rent condominiums. By 2030, we aim to use domestic and certified materials for interiors and furnishings of common areas in all new office buildings and for-sale and for-rent condominiums. By 2030, we also aim to develop for-sale and for-rent condominiums that use cross laminated timber (CLT) for their core structural parts.

Use of Cross Laminated Timber Construction Method (Senzokuike Project (tentative name)) P.34

Path of Construction Industrial Waste Disposal to Recycling as a Valuable Material



# Biodiversity



## Policy and Concept

Real estate development is intrinsically interlinked with local ecosystems and natural environments. We must grasp and reflect upon how we impact our surroundings, both directly and indirectly.

Tokyo Tatemono Group is working toward a vision of creating a pleasant city and living with greenery, a commitment that is included in our Group Environmental Policy. We are striving to create a rich and comfortable environment that takes biodiversity into consideration, by maximizing the power of greenery, surveying local vegetation and the distribution of organisms, and selecting tree species to plant.

For initiatives of a certain scale in the Commercial Properties Business, our policy is to undergo assessment by impartial third parties. The organizations that assess our initiatives include ABINC, a third-party certification system for biodiversity conservation, and SEGES, a third-party certification system for green space creation.

Participation in Initiatives P.13

Environmental Management P.23

### Examples of Third-party Certification Related to Biodiversity Conservation and Green Space Creation



ABINC certification



SEGES "Creating Green"



Urban Oasis

## New Initiatives to Restore Urban Biodiversity

The Otemachi Forest in Otemachi Tower is a genuine forest that covers about one-third of the entire site (about 3,600m<sup>2</sup>). To develop it, we secured an experimental pre-forest facility of woodland covering 1,300m<sup>2</sup> in Kimitsu City, Chiba Prefecture. Over a three-year period, construction methods, plant growth, and appropriate management methods were verified in the same kind of growth environment as the planned site. After the soil and plants had been cultivated in Kimitsu, they were transplanted to the building site.

About 100 species of trees and ground cover plants were initially planted. A biodiversity monitoring survey conducted in 2021 recorded around 200 species had become part of the local ecosystem as a process of natural selection and competition emerged. A key difference from nearby green areas is the formation of a forest environment, which provides a habitat for many shade-loving plants. Among them are rare species included on the national and metropolitan governments Red List.

While the surrounding area is an office district densely packed with tall buildings, the nearby Imperial Palace is home to a large number of birds and insects. This serves to

contribute to the local ecosystem through a network with the surrounding green spaces. Several bird species have already taken root and migratory birds have been confirmed. Insects include many dragonflies, which appear to have flown in from the Imperial Palace.

The Otemachi Tower has received ABINC certification for biodiversity conservation and SEGES (Social and Environmental Green Evaluation System) certification as an urban oasis.



Sustainability Website

Special Back Number: "Otemachi Tower" – Regeneration of the City and Nature (published in 2016) (Only available in Japanese)



Otemachi Forest

### Examples of Flora and Fauna Observed in Otemachi Forest



Pieris melete



Hawk



Dogtooth violet



Mountain cherry blossom tree



Japanese camellia and warbling white-eye



Raccoon dog



Falcon

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# Biodiversity



## Maintaining and Preserving Ecosystems through the Creation of Urban Greenery

To provide greenery at scale in urban areas where it is scarce requires a stance not of preserving green space, but of creating it.

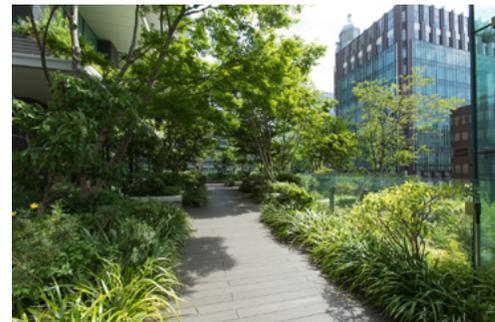
Tokyo Square Garden is a new environmentally friendly building complex that features a 3,000m<sup>2</sup> multi-story green space called Kyobashi-no-oka, along with solar power generation and high-efficiency heat source equipment. The Tokyo Square Garden has received ABINC certification for the use of land with consideration to biodiversity and SEGES (Social and Environmental Green Evaluation System) certification as an urban oasis.

This initiative is not limited to our Commercial Properties Business; we are also actively working on advancing it in our Residential Business. Based on the concept of creating a forest in front of the station, Brillia Towers Meguro (Shinagawa-ku, Tokyo), completed in December 2017, features a forested space on the property, with approximately 900 trees planted and a dredged waterway. In cooperation with the nearby Nature Study of the National Museum of Nature and Science, we aim to contribute to the preservation and growth of the local ecosystem.

Brillia City Nishi-Waseda (Toshima-ku and Shinjuku-ku, Tokyo), completed in May 2022, has an “interior forest” covering approximately 680m<sup>2</sup> on its site, based on the concept of “living with a forest inside the Yamanote Line” (the circular rail line around central Tokyo). A total of 64 medium-height and tall trees were planted. Of these, 30 out of the 39 species used are native species selected based on surveys of plant and animal ecology conducted by Toshima Ward. In this way, we aimed to grow a forest that is in harmony with the local natural environment.



Brillia City Nishi-Waseda Inner Forest



Tokyo Square Garden Kyobashi-no-oka

## Status of Implementation of Risk Assessment for Biodiversity

When developing real estate, we conduct environmental assessments of flora, fauna, and ecosystems in accordance with laws and ordinances related to environmental impact assessments and nature conservation. Based on these assessments, we preserve, transplant, and conserve trees and forests as necessary.

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# Sustainability Finance



## Policy and Concept

Sustainability finance refers to bonds and loans to raise funds specifically for the purpose of promoting sustainability by addressing environmental issues such as climate change or social issues such as poverty, health, and economic disparity.

The Tokyo Tatemono Group promotes urban development that contributes to solving social issues. We strive to improve the attractiveness of the areas in which we develop and to increase the value of our entire portfolio of owned office buildings. We aim to channel these efforts toward our sustainable growth as a company.

In this era of dramatic change and increasing uncertainty, we will accelerate the cycle of allocating the funds we raise to sustainable projects. We will help build a low carbon, sustainable society by balancing, at a high level across our operations, the need to address social issues with the need for business growth

## Sustainability Finance Framework

Tokyo Tatemono has established the Sustainability Finance Framework, which applies the four requirements defined in the Green Bond Principles and Social Bond Principles referred to in the International Capital Markets Association's (ICMA) Sustainability Bond Guidelines: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting.

### Use of Proceeds

Proceeds will be allocated to projects that meet eligibility criteria such as the acquisition or construction of green buildings, social projects addressing social problems, or will be used for refinancing such projects.

### Process for Project Evaluation and Selection

The Finance and Sustainability Management Departments select projects that meet the eligibility criteria. The final decision is made by the president or a director in charge of the Finance Department.

### Management of Proceeds

The status of the allocation of proceeds is tracked and managed by the Finance Department using an internal control system. The results are confirmed by the director in charge of the Finance Department or the head of the Finance Department on a quarterly basis. The proceeds are managed as cash or cash equivalents until they are allocated. For unallocated proceeds, should they arise, projects will be selected from among projects that meet the eligibility criteria. The unallocated proceeds will be managed in cash or cash equivalents until their reallocation is decided.

### Reporting

- We report the allocation status of proceeds on our website once a year until all proceeds classified for allocation reporting are fully allocated.
- We report the allocation status of proceeds on our website once a year until all proceeds classified for allocation reporting are fully allocated.

### Eligibility Criteria

<b>Green Project</b>	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 DEJ 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
<b>Social project</b>	Projects that contribute to any of the following (1) to (3) (1) Basic infrastructure development and access to essential services (2) Socioeconomic improvement and empowerment (3) Food safety

### Environmental Improvement Impact

<b>During construction period</b>	Progress of certification acquisition procedures
<b>After completion</b>	List of effective environmental certifications, energy consumption*, CO <sub>2</sub> emission levels*, water consumption* Environmental Improvement Impact

\* 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. Indicates data that has received third-party certification by Lloyd's Register Quality Assurance Limited (LRQA) to ensure its integrity.

### Social Benefits (Outcomes)

<b>Project maintenance status</b>	<ul style="list-style-type: none"> <li>◆ Project maintenance status (progress for projects under development)</li> <li>Project Description                             <ul style="list-style-type: none"> <li>● Space for receiving stranded commuters</li> <li>● Disaster prevention stockpiling for stranded commuters</li> <li>● Cogeneration system (CGS)</li> <li>● Barrier-free pedestrian network</li> <li>● Comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals</li> </ul> </li> </ul>
<b>Project Usage</b>	<ul style="list-style-type: none"> <li>◆ Number of events held</li> <li>◆ Number of companies using the facility</li> </ul>

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# Sustainability Finance

## Impact

<b>Urban development that contributes to solving social issues</b>	◆ Respecting local history and culture while contributing to addressing issues in a wider area and issues that will affect future generations
	◆ Contributing to the realization of a sustainable society by reducing environmental impact and strengthening countermeasures against natural disasters
	◆ Creating new value through collaboration with diverse partners and through the use of advanced technology
	◆ Providing barrier-free and universal design for ease of use by a variety of customers

## Achievements in Sustainability Finance

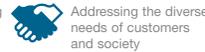
### Issuance of Green Hybrid Bonds

In March 2019, we issued Japan's first (and the world's first for the real estate sector) green hybrid bond with an issue size of 50 billion yen. As the largest green bond issue in Japan and with a record number of investment commitments, it also won the Silver Prize (Minister of the Environment's Prize) in the bond category of the first ESG Finance Awards Japan\* for its environmental improvement effects and high level of transparency in the use of funds.

\* The ESG Finance Awards Japan is an initiative established by the Ministry of the Environment of Japan to evaluate, recognize, and publicize the efforts of investors, financial institutions, and other organizations that have achieved outstanding environmental or social impact through their active involvement in ESG finance and green projects. The awards also recognize companies that have incorporated important environment-related opportunities and risks into their management strategies to enhance their corporate value and create impact on corporate value and the environment.



## Related Material Issues



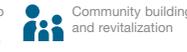
## Overview of Green Bonds

<b>Name</b>	2nd Series Subordinated Bonds (Green Bond)
<b>Pricing date</b>	March 8, 2019
<b>Issue date</b>	March 15, 2019
<b>Redemption date</b>	March 15, 2059
<b>Issue amount</b>	50 billion yen
<b>Use of proceeds</b>	Funding for acquisition, construction and refinancing of Hareza Tower Refinancing of the acquisition and construction of Nakano Central Park South
<b>External evaluation</b>	Green 1 (JCR)

## Green Bond Reporting

<b>Funding Allocation Status</b>		<ul style="list-style-type: none"> <li>◆ Hareza Ikebukuro: 20,000 million yen (fully allocated)</li> <li>◆ Nakano Central Park South: 29,516 million yen (fully allocated)</li> </ul> <p>* as of December 31, 2021</p>
<b>Environmental Improvement Impact</b>	<b>Valid environmental certifications</b>	<p><u>Certifications pending</u></p> <p>None</p> <p><u>Certifications obtained</u></p> <ul style="list-style-type: none"> <li>◆ Hareza Tower                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> <li>● CASBEE-Buildings (New Construction): Class S</li> <li>● ZEB Ready (BELS certification: 5 stars)</li> </ul> </li> <li>◆ Nakano Central Park South:                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> </ul> </li> </ul>
	<b>Energy consumption/CO<sub>2</sub> emissions/Water consumption</b>	<ul style="list-style-type: none"> <li>◆ Energy consumption/CO<sub>2</sub> emissions:                             <ul style="list-style-type: none"> <li>📄 Promoting a Decarbonized Society P.28</li> </ul> </li> <li>◆ Water consumption:                             <ul style="list-style-type: none"> <li>📄 Water Resources P.37</li> </ul> </li> </ul>

# Sustainability Finance



## Issuance of Sustainability Bonds (First Issuance)

In July 2020, in a first for a real estate sector company in Japan, Tokyo Tatemono issued a sustainability bond worth a total of 40 billion yen. The sustainability bond issued this time is not limited to a single building, but instead involves a package of funds to cover the overall urban development of the Yaesu-Nihonbashi-Kyobashi area of central Tokyo. In an initiative that is groundbreaking even by global standards, the proceeds will be allocated to developing this area as a seeding ground for comprehensive solutions to social issues, from combating climate change, strengthening disaster prevention and mitigation, and medical cooperation, to addressing food issues and building an innovation ecosystem. The Company received the Gold Award in the fundraiser category of the 2nd Annual ESG Finance Awards Japan.

Despite a historically high supply of bonds at the time of the issuance, demand for the bond was strong. Many investors were impressed by the significance of the issuance, the issuance scheme, and the expected impact. The bonds have the largest-ever issue amount and gained the largest number of investors as sustainability bonds issued by a Japanese company not operating in finance.



### Overview of Sustainability Bonds (First Issuance)

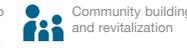
<b>Name</b>	31st and 32nd Unsecured Corporate Bonds (Sustainability Bonds)
<b>Pricing date</b>	July 10, 2020
<b>Issue date</b>	July 16, 2020
<b>Redemption date</b>	July 16, 2025 (31st), July 16, 2030 (32nd)
<b>Issue amount</b>	20 billion yen (31st issue), 20 billion yen (32nd issue)
<b>Use of proceeds (framework)</b>	Urban development of the Yaesu/Nihonbashi/Kyobashi area next to Tokyo station, as a contribution to solving social issues (1) Yaesu 1-chome East District Urban Redevelopment Project in front of Tokyo Station (Yaesu Project) (2) Yaesu 1-chome North District Urban Redevelopment Project (Gofukubashi Project) (3) Tokyo Square Garden (4) Tokyo Tatemono Nihonbashi Building (5) City Lab TOKYO (6) TOKYO FOOD LAB (7) xBridge-Tokyo / xBridge-Tokyo Next (8) Kitchen Studio SUIBA (9) TOKYO IDEA EXCHANGE
<b>External evaluation</b>	SU1 (F) (JCR)

### Sustainability Bonds Reporting (First Issuance)

<b>Status of allocation of proceeds</b> (as of December 31, 2021)		<ul style="list-style-type: none"> <li>◆ Yaesu Project: 15,000 million yen (fully allocated)</li> <li>◆ Tokyo Square Garden: 14,000 million yen (fully allocated)</li> <li>◆ Tokyo Tatemono Nihonbashi Building: 10,000 million yen (fully allocated)</li> <li>◆ Social projects (5) to (9): 798 million yen (fully allocated)</li> </ul>
<b>Environmental Improvement Impact</b>	<b>Valid environmental certifications</b>	<b>Certifications pending</b> None <b>Certifications obtained</b> <ul style="list-style-type: none"> <li>◆ Tokyo Square Garden                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> </ul> </li> <li>◆ Tokyo Tatemono Nihonbashi Building                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 4 stars</li> </ul> </li> </ul>
	<b>Energy consumption/CO<sub>2</sub> emissions/Water consumption</b>	<ul style="list-style-type: none"> <li>◆ Energy consumption/CO<sub>2</sub> emissions:  Promoting a Decarbonized Society P.28</li> <li>◆ Water consumption:  Water Resources P.37</li> </ul>
<b>Social benefit</b>	<b>Status of project development</b> (as of December 31, 2021)	<ul style="list-style-type: none"> <li>◆ Yaesu Project / Demolition in progress</li> <li>◆ Tokyo Square Garden / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals</li> <li>◆ Tokyo Tatemono Nihonbashi Building / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, and barrier-free pedestrian network</li> </ul>
	<b>Project Usage</b> (January – December 2021)	<ul style="list-style-type: none"> <li>◆ Number of events held: 153</li> <li>◆ Number of companies using the facility: 93</li> </ul>

\* Project usage: The sum of usage at City Lab TOKYO, TOKYO FOOD LAB, xBridge-Tokyo, xBridge-Tokyo Next, Kitchen Studio SUIBA, and TOKYO IDEA EXCHANGE.

# Sustainability Finance



## ➤ Sustainability Bond (Second Issuance)

In February 2021, Tokyo Tatemono issued its second sustainability bond, worth a total of 40 billion yen. As with the first issuance, the proceeds of this sustainability bond, which was issued as a new hybrid bond, will be used as a package of funds to cover the overall urban development of the Yaesu-Nihonbashi-Kyobashi area of central Tokyo. We successfully presented our credit situation and sustainability measures, receiving a positive assessment from a wide range of investors. As a result, demand for the bond exceeded the issuance amount by a wide margin. We received 47 investment proposals, the largest number ever received by Tokyo Tatemono.

### Overview of Sustainability Bond (Second Issuance)

<b>Name</b>	3rd Series of Unsecured Corporate Bond with Interest Payment Deferral Clause and Prepayment Clause (Sustainability Bond)
<b>Initial interest</b>	1.13% per year*
<b>Issue date</b>	February 10, 2021
<b>Redemption date</b>	February 10, 2061
<b>Issue amount</b>	40 billion yen
<b>Use of proceeds (framework)</b>	Urban development of the Yaesu/Nihonbashi/Kyobashi area next to Tokyo station, as a contribution to solving social issues (1) Yaesu 1-chome East District Urban Redevelopment Project in front of Tokyo Station (Yaesu Project) (2) Yaesu 1-chome North District Urban Redevelopment Project (Gofukubashi Project) (3) Tokyo Square Garden (4) Tokyo Tatemono Nihonbashi Building (5) City Lab TOKYO (6) TOKYO FOOD LAB (7) xBridge-Tokyo / xBridge-Tokyo Next (8) Kitchen Studio SUIBA (9) TOKYO IDEA EXCHANGE
<b>External evaluation</b>	SU1 (F) (JCR)

\* A fixed interest rate will be applied during the period from February 11, 2021 through February 10, 2031 and a floating interest rate will be applied on or after February 11, 2031 (The coupon rate will step up on February 11, 2031).

### Sustainability Bond Reporting (Second Issuance)

<b>Status of allocation of proceeds</b> (as of December 31, 2021)		<ul style="list-style-type: none"> <li>◆ Tokyo Square Garden: 29,611 million yen (fully allocated)</li> <li>◆ Tokyo Tatemono Nihonbashi Building: 10,000 million yen (fully allocated)</li> </ul>
<b>Environmental Improvement Impact</b>	<b>Valid environmental certifications</b>	<b>Certifications in progress</b> None <b>Certified</b> <ul style="list-style-type: none"> <li>◆ Tokyo Square Garden                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> </ul> </li> <li>◆ Tokyo Tatemono Nihonbashi Building                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 4 stars</li> </ul> </li> </ul>
	<b>Energy consumption/CO<sub>2</sub> emissions/Water consumption</b>	<ul style="list-style-type: none"> <li>◆ Energy consumption/CO<sub>2</sub> emissions:  Promoting a Decarbonized Society P.28</li> <li>◆ Water consumption:  Water Resources P.37</li> </ul>
<b>Social benefit</b>	<b>Status of project development</b> (as of December 31, 2021)	<ul style="list-style-type: none"> <li>◆ Yaesu Project / Demolition in progress</li> <li>◆ Tokyo Square Garden / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals</li> <li>◆ Tokyo Tatemono Nihonbashi Building / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, and barrier-free pedestrian network</li> </ul>
	<b>Project Usage</b> (January – December 2021)	<ul style="list-style-type: none"> <li>◆ Number of events held: 153</li> <li>◆ Number of companies using the facility: 93</li> </ul>

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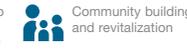
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# Sustainability Finance



## ► Issuance of a Sustainability Bond for Retail Investors

In July 2021, we became the first general business in the real estate sector in Japan to issue a sustainability bond (the Tokyo Tatemono Brillia Sustainability Bond) to retail investors. The bond was worth a total of 10 billion yen.

In issuing this sustainability bond, we newly established a financing framework based on our material issues, which we updated in June 2021. Our new framework is urban development that aims to create value of place and value of experience by meeting the diverse needs of customers and society. As well as large-scale office buildings with excellent environmental performance, we have newly selected childcare support and housing projects for the elderly as eligible projects.

We have targeted retail investors in an attempt to gain wider recognition for our sustainability-conscious urban development.

### Overview of Sustainability Bond for Retail Investors

<b>Name</b>	33rd Unsecured Corporate Bond (Sustainability Bond)
<b>Pricing date</b>	July 13, 2021
<b>Issue date</b>	July 30, 2021
<b>Redemption date</b>	July 28, 2028
<b>Issue amount</b>	10 billion yen
<b>Use of proceeds (framework)</b>	Urban development that creates value of place and value of experience by meeting the diverse needs of customers and society, etc. (1) Hareza Tower (2) Nakano Central Park South (3) Brillia ist Tower Kachidoki (4) Nonoayama Building (residences for the elderly, daycare facilities)
<b>External evaluation</b>	SU1 (F) (JCR)

### Reporting on Sustainability Bond for Retail Investors

<b>Status of allocation of proceeds</b> (as of December 31, 2021)		<ul style="list-style-type: none"> <li>◆ Hareza Tower (Hareza Ikebukuro): 500 million yen (fully allocated)</li> <li>◆ Nakano Central Park South: 7,000 million yen (fully allocated)</li> <li>◆ Brillia ist Tower Kachidoki: 2,000 million yen (fully allocated)</li> <li>◆ Nonoayama Building: 433 million yen (fully allocated)</li> </ul>
<b>Environmental Improvement Impact</b>	<b>Valid environmental certifications</b>	<p><u>Certifications pending</u> None</p> <p><u>Certifications obtained</u></p> <ul style="list-style-type: none"> <li>◆ Hareza Tower (Hareza Ikebukuro)                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> <li>● CASBEE-Buildings (New Construction): Class S</li> <li>● ZEB Ready (BELS certification: 5 stars)</li> </ul> </li> <li>◆ Nakano Central Park South                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> </ul> </li> <li>◆ Brillia ist Tower Kachidoki                             <ul style="list-style-type: none"> <li>● DBJ Green Building Certification: 5 stars</li> </ul> </li> </ul>
	<b>Energy consumption/CO<sub>2</sub> emissions /Water consumption</b>	<ul style="list-style-type: none"> <li>◆ Energy consumption/CO<sub>2</sub> emissions:  Promoting a Decarbonized Society P.28</li> <li>◆ Water consumption:  Water Resources P.37</li> </ul>
<b>Social benefit</b>	<b>Output</b> (as of December 31, 2021)	<ul style="list-style-type: none"> <li>◆ Brillia ist Tower Kachidoki / Provision of medical facilities / Provision of certified nursery schools (childcare facilities) / Provision of family houses (accommodation facilities for patients with incurable pediatric diseases)</li> <li>◆ Nonoayama Building / Provision of housing for the elderly / Provision of childcare facilities</li> </ul>
	<b>Outcome</b> (as of December 31, 2021)	<ul style="list-style-type: none"> <li>◆ Brillia ist Tower Kachidoki / Medical facilities (dentistry, ophthalmology, pediatrics) / Maximum number of children accepted at childcare facilities (114 in total / nursery school 108, kindergarten 6) / Number of rooms in family houses, number of people who can stay overnight (two rooms available, with capacity for two and three people. An additional three people can be accommodated using sofa beds in the living room.)</li> <li>◆ Number of rooms in Nonoayama Building / Housing units for the elderly (49 units in total) / Maximum number of children accepted at childcare facilities (23 children in total)</li> </ul>

# Responding to Natural Disasters



## 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 in 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.

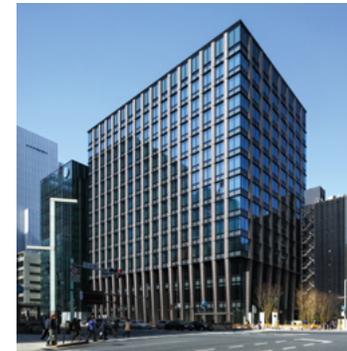
We have identified contributing to a safe and secure society as a material issue for the Group. To address this issue through our business operations, we will continue to further strengthen our measures against natural disasters.

## 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.

### Securing a Power Supply in Emergencies (Tokyo Tatemono Nihonbashi Building)

The Tokyo Tatemono Nihonbashi Building (Chuo-ku, Tokyo; completed in February 2015) has a seismic isolation structure (first basement floor: column-head seismic isolation) to ensure high earthquake resistance. The building is equipped with an emergency generator that can operate for 72 hours, supplying 15 VA/m<sup>2</sup> of power in the event of a power failure. The building also features countermeasures against guerrilla rains and the Arakawa River flooding its banks. The disaster prevention center, its central function, is located on the second floor. The electrical substation and emergency power generator are installed on the roof, enabling continuous operation of the power supply without interruption, even in the event of flooding.



Tokyo Tatemono Nihonbashi Building

### Reducing Wind- and Earthquake-induced Vibrations

Hareza Tower (Toshima Ward, Tokyo; completed in May 2020) features HiDAX-R<sup>®</sup> (Revolution), a new-generation oil damper incorporating the world's first Vibration Energy Recovery System (VERS) in the building frame. The system can handle wind-induced shaking and large earthquakes measuring up to 7 on the Japanese scale of seismic intensity. The system has been demonstrated to be highly effective for earthquakes measuring 4 to 5 and for long-period seismic motion, halving the maximum amplitude of building shaking and significantly shortening the duration of aftershocks.

\* HiDAX-R<sup>®</sup> is a patented technology of Kajima Corporation.



Hareza Tower

# Responding to Natural Disasters



## Tsunami Evacuation Facilities on the Rooftop of a For-sale Condominium (Brillia Shonan Tsujido Seaside Park)

Brillia Shonan Tsujido Seaside Park (Fujisawa City, Kanagawa Prefecture; completed in March 2019) is the first private condominium in Fujisawa City to receive a subsidy for the construction of tsunami evacuation facilities. It features a 400m<sup>2</sup> tsunami evacuation facility that can be used by nearby residents. The rooftop facility will allow not only condominium residents but also members of the local community to evacuate in the event of a tsunami. With capacity for approximately 660 people, the facility provides a safe location to wait until the tsunami recedes.



Brillia Shonan Tsujido Seaside Park

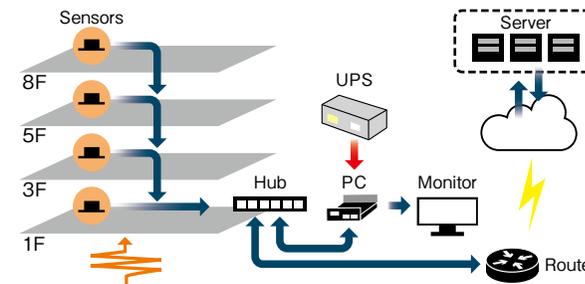
## Implementing a Disaster Damage Measurement System to Guard Buildings Against Disasters

In the Commercial Properties Business, we implement both structural measures for disaster response, such as earthquake-proofing the buildings we own as well as enhancing emergency power sources, and procedural measures, such as installing batteries for recharging mobile phones and distributing stockpile goods. We are working to enhance these disaster prevention policies, support for BCP, and other measures.

Buildings owned by Tokyo Tatemono are equipped with a system using data from multiple vibration-detecting sensors to determine the degree of damage and rapidly confirm safety after an earthquake. After installation, the system collects all information from subsequent seismic events, automatically calculating the cumulative damage to the building structure. In addition, even for earthquakes with multiple, strong foreshocks and main tremor—like the earthquake that occurred in Kumamoto in 2016—the system can determine the safety level anticipating the main tremor at the foreshock stage.

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 a disaster could come at any time, day or night.

### Disaster Damage Determination System



## Support for Stranded Commuters During Disasters

When major earthquakes or other disasters occur, public transportation functions may halt, stranding commuters. At the large-scale office buildings managed by the Tokyo Tatemono Group, we have prepared support mechanisms for 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



Training for accommodating stranded commuters at Tokyo Square Garden

### Facilities with capacity for receiving stranded commuters

- Tokyo Square Garden (Chuo Ward, Tokyo, completed in March 2013)
- Otemachi Tower (Chiyoda-ku, Tokyo, completed in April 2014)
- Hareza Tower (Toshima-ku, Tokyo; completed in May 2020)

# Responding to Natural Disasters



## Strengthening of Disaster Prevention Measures in the Residential Business: Introduction of the Brillia Disaster Prevention Guidelines

The Brillia brand offers disaster prevention measures unique to each property, as part of an emphasis on providing peace of mind from day one. These measures are divided into three phases: 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 leading 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 door frames that prevent doors from becoming jammed due to earthquake damage; and emergency lights at floor level during power outages.

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. Automated external defibrillator (AED) stations are also standard equipment in common spaces.

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 and storage batteries (or power generators). These items are placed in storage sheds 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
- Creating original disaster prevention manual

### Phase 2: Earthquake and Disaster Mitigation Measures (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 door frames
- Installation of automated external defibrillator (AED) units

### Phase 3: Evacuation and Mutual Aid Measures (Preserve)

- Storage of emergency supplies in emergency stock areas
- Making original prevention backpacks standard equipment for all units



Original prevention backpacks

## 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 as well as Wako in Saitama 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 four Ofuro no Osama locations (Ebina, Kozashibuya Ekimae, Seya, or Wako) located in and around the two aforementioned cities.



Ofuro no Osama, Ebina Store



Ofuro no Osama, Kozashibuya Ekimae Store

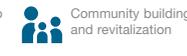


Ofuro no Osama, Seya Store



Ofuro no Osama, Wako Store

# Responding to Natural Disasters



## 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 the ability of our employees 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 and evacuation drills.

The Group's 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. (The competition was cancelled in 2021 due to the coronavirus pandemic.)

In addition, as of the end of December 2021, 229 Tokyo Tatemono employees and 611 Tokyo Fudosan Kanri employees have completed the lifesaving course, which includes first aid. Tokyo Tatemono has received a certificate of excellence from the Tokyo Fire Department, in recognition for promoting first aid training among its employees.



Self-Defense Fire-Fighting Drill Review Board

## Joint Training for Earthquake Disaster Response (Including Group Companies)

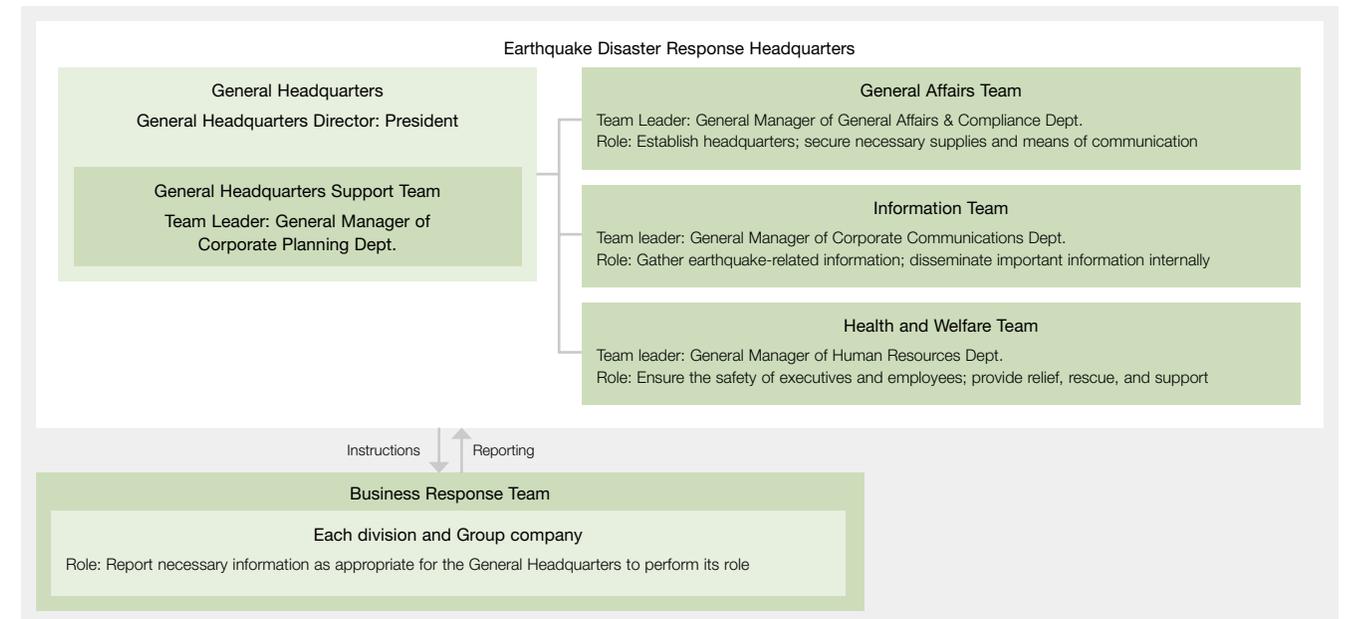
The Tokyo Tatemono Group has established a basic policy for earthquake response, called the Basic Plan for Earthquake Measures. We have prepared manuals for initial response, stockpiling, and employee safety confirmation.

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

In 2021, with the declaration of a state of emergency to prevent the spread of COVID-19, we used online communication tools to remotely set up an earthquake response headquarters. This assumed a scenario in which the number of staff working in the office would be 30% or less.

In recent years, climate change and other factors have been causing greater wind and flood damage. We have therefore been conducting windstorms and floods drills that simulate the flooding of the Arakawa River in order to improve our ability to respond to windstorms and floods.

### Earthquake Disaster Response Headquarters Organization Chart



Corporate Philosophy, Corporate Data,  
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# Social



Average Annual Paid Leave Utilization Rate

**57.5 %**



Office Building Customer Satisfaction Survey Results  
(Total of "Satisfied" and "Somewhat Satisfied")

**98.1 %**



Ratio of Employees Who Underwent a Health Check-up

**100 %**



# Respect for Human Rights



Contributing to a safe and secure society



Diversity & Inclusion



Advancement of governance



Strengthen risk management framework

## Policy and Concept

The Tokyo Tatemono Group supports the Universal Declaration of Human Rights in the International Bill of Human Rights, international labor standards such as the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

The Group has established the Tokyo Tatemono Group Human Rights Policy, which is based on the Guiding Principles on Business and Human Rights. Everyone who works at the Group must adhere to this policy. By publishing this policy, we clearly communicate to our business partners and all other stakeholders our expectation for them to comply with the policy and promote initiatives to respect human rights. For our business partners, we also request them to understand and respect the policy as well as address any issues they may have as necessary. The Group strongly recognizes the importance of respecting the human rights of all stakeholders involved in our business. Based on this policy, we will conduct human rights due diligence to identify, prevent, and mitigate any human rights issues in our business. If it becomes clear that the Group has in fact caused or contributed to a negative impact on human rights, we will take appropriate steps to remedy and correct the situation.

In addition, we have established Sustainable Procurement Standards for our supply chain and notified our business partners requesting them to promote initiatives that support respect for human rights.

The Group has identified Diversity and Inclusion and Strengthening our Risk Management Framework as material issues. We are pursuing initiatives aimed at protecting the human rights of our employees and other stakeholders. We will make every effort to disseminate our policy and standards on respect for human rights, given its critical importance as a foundation for these issues.

Human Rights Policy

Sustainable Procurement Standards

## System

Our Human Resources Department plays a central role in the system we have established for respecting human rights, working with related departments and Group companies while coordinating with outside experts.

In addition, we have put in place a system for identifying issues and risks related to human rights and discussing measures to address these under the supervision of the Board of Directors. This is facilitated by the Sustainability Committee, a meeting body directly under the President, which discusses and shares our actions to address these areas.

ESG Management Framework P.7

## Participation in the UN Global Compact

Tokyo Tatemono is a signatory to the United Nations Global Compact (UNGC) and registered the Tokyo Tatemono Group as a participating company. The UNGC is a global framework dedicated to achieving sustainable growth. It focuses on encouraging companies and organizations to demonstrate responsible and creative leadership as good members of society. Companies and organizations that sign the UNGC are expected to continue their efforts to achieve the Ten Principles. With the commitment of its own top management, each participating company strives to protect human rights, eliminate unfair labor practices, address environmental concerns, and prevent corruption.

The Tokyo Tatemono Group supports the UNGC, which addresses the four areas of human rights, labor, the environment, and anti-corruption. We are committed to contributing to the realization of a sustainable society.

## Exchange of Opinions, Discussions, and Receipt of Advice from External Human Rights Experts

We receive ongoing support from external human rights experts for our human rights initiatives and implement various measures. In the Tokyo Tatemono Group Human Rights Policy formulated and announced in May 2021, the Secretariat received support and advice from participating external experts from the discussion stage to identify the Group's human rights risks and to formulate a policy in line with the Guiding Principles on Business and Human Rights. In addition, external experts participated in a workshop held in November 2021 (attended by all targeted 21 Group companies) as a facilitator and advisor, where we exchanged opinions and discussed the Group's human rights issues and risk assessment.

Based on the discussions at this workshop and advice from external experts, after discussion by the Secretariat, the Sustainability Committee deliberated, identified and disclosed the human rights priority issues in May 2022. We continue to receive advice from external experts on conducting human rights due diligence and disclosing the status of our initiatives, and are utilizing this advice to strengthen our human rights initiatives.

## Initiatives for Human Rights Due Diligence

The Tokyo Tatemono Group is committed to establishing a human rights due diligence in accordance with the Tokyo Tatemono Group Human Rights Policy. In November 2021, we held a workshop on human rights issues with the participation of 21 companies in our Group. The workshop used a human rights risk map created in 2020 with the help of external experts.

The Sustainability Committee discussed human rights issues the Group has to address as priority issues and identified the

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# Respect for Human Rights



following. This list, which focuses on issues that affect the Group, our suppliers, our customers and local communities, is based on the content of the workshop, which included a review of human rights issues, a risk assessment, and a discussion.

Based on the priority issues identified, we are working to understand the current status throughout our business of human rights issues, which vary between business field and country or region. We will take appropriate action should we identify any problems.

- Forced labor and child labor
- Impact on local communities
- Health and safety
- Discrimination and harassment
- Employee working conditions and working environment
- Supplier working conditions and working environment
- Right to privacy

### ➤ Risk Mitigation Initiatives

#### ◆ Forced labor, child labor

Since this is primarily a human rights issue affecting supplier workers, we have decided to request that suppliers make efforts to respect human rights, including the prevention of forced labor and child labor. This request is set forth in our Sustainable Procurement Standards, of which we have already notified the Group's major suppliers. Going forward, we will continue to identify issues and make efforts for improvement by understanding the status of efforts by our suppliers to address these requests.

#### ◆ Impact on local communities

In the course of doing business, the Tokyo Tatemono Group complies with the laws and regulations of the countries and regions in which it operates (including local and international laws of each country), to avoid having a negative impact on local communities. We will also further expand human rights assessments in our overseas businesses. In the event that a conflict arises between

internationally recognized human rights standards and the laws and regulations of each country or region, we will take an approach that ensures maximum respect for internationally recognized human rights.

#### ◆ Health and safety

##### ● Maintaining and Improving the Health of Employees

Under the Tokyo Tatemono Group Declaration of Health Management, the Group promotes activities for maintaining and improving the physical and mental health of our executives and employees.

In addition, Tokyo Tatemono has established a system that enables officers and employees to correctly assess their own stress level. This is done through an annual stress self-check using an online service. In addition, as awareness-raising activities, we conduct line care training for newly appointed group leaders and self-care training for new employees. This encourages an awareness of the importance of mental health, as well as supporting early detection or prevention of mental disorders.

For employees on long-term leave due to mental illness, we have a support system in place. This includes return-to-work support training, in cooperation with a consultant psychiatrist.

 Health Management / Occupational Safety and Health P.78

 Mental Health Initiatives P.80

##### ● Preventing industrial accidents at construction sites, etc.

Since this is primarily a human rights issue affecting supplier workers, we will use supplier surveys to understand the working environment at construction sites and other locations.

##### ● Preventing sale or provision of unsafe products and services

We have adopted various guidelines and manuals, establishing a system for ensuring the safety of the products and services that we sell and provide.

##### ● Responding to major earthquakes and pandemics

Tokyo Tatemono has put in place an environment for remote work, including working from home, to enable business continuity in the event of a major disaster or pandemic. We have also implemented various disaster preparedness measures, including formulation of a basic earthquake preparedness plan and an accommodation system. In the event of an earthquake or tsunami, we use various communication tools to confirm the safety of workers and coordinate requests to attend the office.

#### ◆ Discrimination and harassment

The Group conducts annual e-learning compliance training. In addition, we conduct various activities to raise awareness of and help prevent discrimination and harassment. These include online harassment prevention training, training for directors and managers, training for new supervisory staff, and other level-specific training programs. In addition, the Human Resources Department has set up a consultation service on harassment, staffed by one male employee and one female employee.

Harassment was also covered in our human rights training in November 2021, which was attended by 954 of our officers and employees.

 Compliance Training P.95

 Establishment of a Helpline P.96

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# Respect for Human Rights



## ◆ Employee working conditions and working environment

Tokyo Tatemono has a system for properly specifying, at the time of employment, working conditions and duties to be engaged in. This is to ensure that unfair assignments and transfers do not occur.

We are committed to maintaining a supportive working environment. To prevent unpaid overtime, we require that a reason be stated wherever there is more than a certain amount of difference between the logged computer startup time and the reported working hours. In addition, to prevent long working hours and overwork, we have introduced a system that shuts computers down at regular intervals. The system also sends alert emails to managers when their subordinates work long hours. In addition, we have established a PDCA cycle for preventing excessive heavy workloads. In the event that long working hours occur, responsible supervisors are required to arrange interviews with industrial physicians for those who work long hours. They are also required to report improvement measures to their immediate superiors and provide feedback to management.

Initiatives to Reduce Overtime Work P.81

## ◆ Supplier working conditions and working environment

Going forward, we will use supplier surveys to understand the actual working conditions and working environment of workers at our suppliers.

## ◆ Right to privacy

We encourage executives and employees to recognize the importance of protecting personal information. We work to ensure that personal information is handled appropriately and that the right to privacy is respected. As part of this effort, we have established a Personal Information Protection Policy, Rules for Handling Personal Information, and other related rules and manuals.

## ➤ Participation in Human Rights Due Diligence Study Group for Construction and Real Estate Sector

We are participating in a human rights due diligence study group involving eight construction and real estate companies.\* This study group conducts research and studies on identifying and addressing impacts on human rights. In doing so, it aims to fulfill the responsibility required of companies by the United Nations Guiding Principles on Business and Human Rights to “avoid infringing on the human rights of others and to take measures to prevent, mitigate and remedy adverse impacts on the human rights involved.”

\* Mitsubishi Estate, NTT Urban Development, Tokyu Land Corporation Holdings, Tokyo Tatemono, Nomura Real Estate Holdings, Obayashi Corporation, Shimizu Corporation, Taisei Corporation.

## ➤ Regular Training on Human Rights

The Company conducts regular training on human rights. In November 2021, we held mandatory human rights training for all employees of the Company, with approximately 950 participants. The training included lectures covering the fundamentals of business and human rights, education on the Tokyo Tatemono Group Human Rights Policy, human rights issues in business, and human rights risks in the supply chain. Participants deepened their understanding of human rights through the training, which all employees were required to attend. (Participation rate: 99.7%)

The Tokyo Tatemono Group’s compliance manual also stipulates “respect for human rights, prohibition of discrimination and harassment,” and “ensuring a comfortable work environment.” We ensure that all employees are fully aware of these provisions, conducting compliance training, including human rights training, for employees and managers as appropriate.

Compliance Training P.95

Compliance Surveys P.96

## ➤ Human Rights Issues Specific to the Real Estate Industry

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 and avoid situations that could lead to human rights violations.

For our recruitment activities, we have assigned to the general manager of human resources the role of promoting fair recruitment, selection, and human rights awareness. This individual is responsible for preventing discrimination or other human rights infringements from occurring.

## ➤ Utilization of a Helpline and Other Resources

The Tokyo Tatemono Group has established the Tokyo Tatemono Group Helpline, which can be used by all Group companies. The helpline handles reports of harassment and human rights violations. Anonymous reports are also accepted, and the privacy of anyone who uses the helpline is protected. In addition, the Human Resources Department has set up a consultation service on harassment, staffed by one male employee and one female employee.

The content of any reports or consultations received is subjected to an investigation and fact check. After this, corrective measures and preventive measures are promptly implemented.

We have an “Inquiries” page on our website where anyone, including external stakeholders, can contact us about our businesses and the company.

Establishment of a Helpline P.96

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# Supply Chain Management



Contributing to a safe and secure society



Promoting a decarbonized society



Promoting a recycling-oriented society



Diversity & Inclusion



Advancement of governance



Strengthen risk management framework

## Policy and Concept

The Tokyo Tatemono Group engages in business in collaboration with numerous business partners, including design and construction companies. Like the Group, our business partners also have an impact on the environment and on society, such as through the procurement of materials and employment associated with construction. We therefore believe that building a sustainable supply chain is indispensable to bringing about a sustainable society.

In May 2021, the Group formulated Sustainable Procurement Standards based on our recognition of the need to pursue sustainable procurement throughout the supply chain in a way that ensures respect for human rights of all stakeholders including our employees, as well as consideration of environmental conservation.

The procurement standards apply to all business partners involved in Group businesses. They clearly set out the nine areas we consider critical: Observance of Laws and Regulations; Respect for Human Rights; Assurance of Sound Labor Practices and Working Environments; Fair Business Activities; Assurance and Improvement of Safety and Quality; Environmental Considerations, Co-existing with Local Communities; Formulation and Construction of a BCP Framework; and Collaboration in the Supply Chain.

Going forward, we will continue to be in dialogue with our business partners to ensure their understanding that they will continue to comply with these nine items together with our Group as we pursue sustainable procurement throughout the supply chain.



## Formulation and Dissemination of the Sustainable Procurement Standards

The Group formulated Japanese and English versions of the Sustainable Procurement Standards in May 2021, and initiated the process of informing all of our business partners about the standards, starting with the various Group companies. We also informed major construction companies that placed orders for construction projects of a certain scale.

We are taking steps to further instill the procurement standards and encourage compliance. We added a clause to the boilerplate of construction contracts stipulating that business partners will strive to comply with the procurement standards in their own business activities as well.

This revision to all future contracts with contractors and other business partners will further broaden the scope of the

procurement standards. We will work to ensure that the standards are observed in the business activities of all of our business partners.

## Raising Awareness Among Employees

The Tokyo Tatemono Group is working to ensure that in-house procurement activities comply fully with the Sustainable Procurement Standards. In December 2021, to gain awareness about social issues affecting the supply chain, we conducted mandatory training for all employees, explaining the context of the procurement standards' formulation and how they are to be put into effect going forward.

### Summary of the Sustainable Procurement Standards

- 1 Observance of Laws and Regulations**
  - Compliance with the laws and regulations of the countries and regions in which we operate
- 2 Respect for Human Rights**
  - Ensuring respect for basic human rights based on international standards
  - Elimination of discrimination and harassment
- 3 Assurance of Sound Labor Practices and Working Environments**
  - Ensuring freedom of association and the right to collective bargaining
  - Eliminating and preventing forced labor and child labor
  - Eliminating discrimination in working conditions
  - Complying with laws and regulations governing minimum wages, overtime pay, benefits, etc.
  - Eliminating illegal overtime and excessive labor
  - Creating a safe and healthy working environment
- 4 Fair Business Activities**
  - Prohibition of bribery and other corrupt practices
  - Prohibition of unfair and anti-competitive transactions
  - Blocking relationships with antisocial forces
  - Avoiding infringement on the intellectual property rights or trade secrets of third parties
  - Protection and appropriate management of personal information and confidential matters
- 5 Assurance and Improvement of Safety and Quality**
  - Protection of confidentiality of information related to reporting and the anonymity of whistleblowers
  - Ensuring and improving the quality of products and services and disclosing related information
  - Responding sincerely to requests and complaints
- 6 Environmental Considerations**
  - Reduction of greenhouse gas emissions
  - Promotion of 3R, efficient use of resources, reduction of waste generation
  - Prevention of pollution of air, water, soil, etc., and appropriate management and disposal of chemical substances
  - Preservation of biodiversity
  - Elimination of illegal raw material procurement
- 7 Co-existing with Local Communities**
  - Building good relationships with local communities
  - Understanding and respecting the culture and customs of local communities
- 8 Formulation and Construction of a BCP Framework**
  - Formulate a business continuity plan (BCP) and build a system to implement it
- 9 Collaboration in the Supply Chain**
  - Encourage business partners to understand, comply with, and improve these procurement standards.

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# Improving Quality and Customer Satisfaction



Strengthening Tokyo's competitiveness as an international city



Contributing to a safe and secure society



Community building and revitalization



Wellbeing



Addressing the diverse needs of customers and society



Revitalizing and utilizing real estate stock

## Policy and Concept

The Tokyo Tatemono Group strives to offer services and mechanisms for improving quality and customer satisfaction, with the aim of promoting safety and security in urban development.

We pay attention not only to quality in the “hard” aspect of our business—our buildings—but also to quality in the “soft” aspect, such as through the services we provide to our customers. We believe that our competitiveness as a business derives from building safe and secure communities and continuing to improve customer satisfaction. Therefore, access to public transportation is taken into consideration in all real estate developed by the Group, including office and residential buildings. Similarly, we have also conducted an assessment of our accommodations for people with disabilities, and by introducing barrier-free accessibility and universal design, we aim to create spaces that are accessible to all customers, including the elderly and people with disabilities, as well as to local residents. Moreover, we have introduced various systems that reflect customer feedback into our business activities as well as strive to further enhance quality from the customer perspective and improve the satisfaction of our customers.

## Improving Quality and Customer Satisfaction in the Office Buildings Business

### The Human Building Philosophy

In the Commercial Properties business, we are guided by the concept of the “Human Building,” in which people are always at the center. We want our customers to feel safe, secure, and comfortable across both the hard and the soft aspects of our services. To ensure that all employees in the Commercial Properties business have a deeper understanding of this concept, and to link it to further efforts, we have formulated

Five Actions (Code of Conduct). We put these guidelines into practice in our daily work, with the goal of creating a building that each of our employees and each of our customers can feel is “My building.”

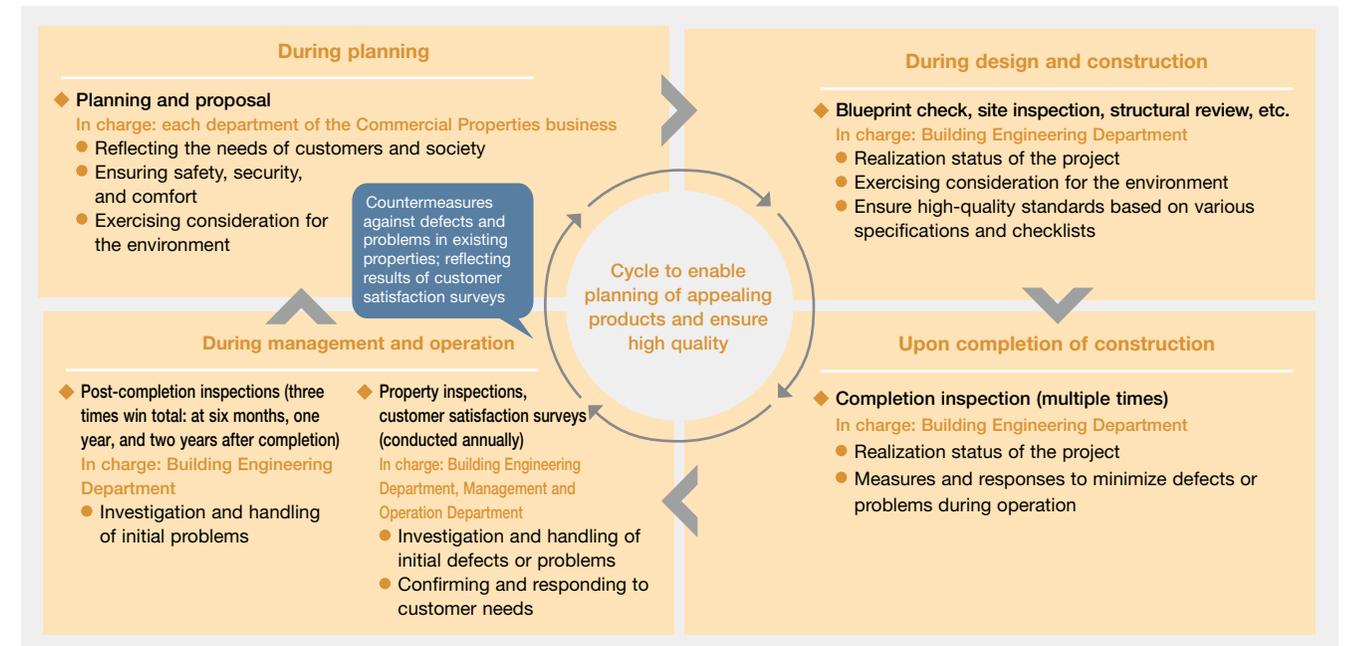
### Quality Control Initiatives in the Commercial Properties Business

To deliver an experience that makes customers feel safe, secure, and comfortable, we have established a quality control system and standards for each phase of the Commercial Properties business, from planning and design through to construction and operation. In addition, we quickly respond to

any defects or problems after construction and implement the PDCA cycle to develop the next property.

### Initiatives in the Planning and Construction Stages

For quality control of the hard aspects of the business, the Building Engineering Department plays a central role in the system we have established to check each phase of planning, design, and construction. In the long process from property development to operation, performance and criteria requirements often change. We continually check whether we are reflecting the needs of society and our customers at each stage.



\* This cycle is also implemented in large-scale renovations of aging buildings.

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## ◆ Initiatives in the Management and Operation Phase

Tokyo Fudosan Kanri, which is engaged in building management, has established and is operating a quality management system of its own. The aim of this system is to maintain and improve the quality of its overall building management and thereby increase customer satisfaction.

The inspection of the management site, an essential step in this process, is carried out by both regular checks by the department in charge and voluntary checks by the management site. This is to ensure that legal compliance and the quality of in-house standards are met with respect to general management, cleaning, and firefighting.

Through these check systems, we strive to deliver a customer experience that feels safe, secure, and comfortable. In this way, we aim to enhance the value of our buildings.

## ➤ 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 further improve tenant satisfaction.

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.

From 2020, the survey also asks about satisfaction with measures implemented by the building to prevent the spread of COVID-19.

(Data) Office Building Customer Satisfaction Survey Results P.102

## ➤ Examples of Satisfaction Improvement Measures Enacted

### ◆ Additional upgrades to exterior lighting (Nakano Central Park)

We made additional upgrades to the exterior lighting at Nakano Central Park (Nakano-ku, Tokyo; completed in May 2012). The purpose of this project was to improve community safety by ensuring brightness even at night. The use of seasonal lighting effects also gives the area a vibrant feel.



Sections illuminated with additional lighting



Spotlight illumination

### ◆ Installation of outdoor community benches (Tokyo Square Garden)

We installed outdoor 12 benches on the grounds of the building to create spaces for relaxation and provide places for community members to become fond of. We engaged Itoki Corporation, a local company, to produce the benches, in line with our approach of operating buildings in a way that is tied to the local community.

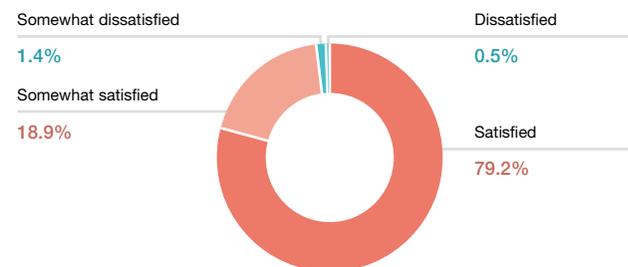


Benches installed as spaces for relaxation

### ◆ Installation of emergency generator for tenant power supply (Tokyo Square Garden)

The Great East Japan Earthquake heightened demand for emergency power supplies in office buildings to ensure business continuity during a disaster. In new buildings under

## Office Building Customer Satisfaction Survey Results (FY2021)



## Customer Satisfaction Survey, Response Ranking (FY2021)

Satisfaction	Rank	Issue
Satisfied	#1	Common area cleaning status
	#2	Support from cleaning staff
	#3	Fire and disaster prevention systems in buildings
Dissatisfied	#1	A/C temperature and humidity
	#2	Divided smoking/non-smoking environments
	#3	Cellular signal reception

## Improving Quality and Customer Satisfaction



development, emergency power is supplied not only to common areas but also to tenant office spaces. When Tokyo Square Garden was built in 2013, emergency power was initially supplied only to the common areas, but after considering the disaster preparedness needs of tenants, we installed a generator to supply power to tenant office spaces as well.

The system now in place has the capacity to supply 15VA/m<sup>2</sup> for up to 72 hours (for a fee).

We are supporting tenants' business continuity even in the event of a power outage.

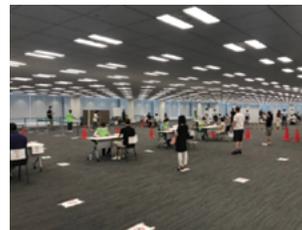


Emergency generator

### ◆ Group COVID-19 vaccination for tenants (Tokyo Square Garden)

We received numerous requests from tenants to offer group vaccination sessions. Many tenants were struggling to meet the government requirement that workplaces provide the first and second COVID-19 vaccine doses to at least 1,000 people per site. In response to these requests, we arranged a free group vaccination session for tenants of Tokyo Square Garden in the building. Roughly 1,400 executives and employees of tenant companies participated.

For the booster shot, we invited eligible tenants to participate in workplace vaccinations conducted at our Tokyo Tatemono Yaesu Building, which is in the same neighborhood.



Workplace vaccinations

### ◆ Disaster drills involving people working from home (Nakano Central Park)

The pandemic made conducting normal disaster drills—evacuation and other practical drills—difficult at Nakano Central Park, given social distancing requirements and limits on staff numbers in offices. Using IT systems, we conducted drills combining original materials we developed with video streaming to involve people working from home. We held two drills, in spring and autumn. Tenants expressed their strong appreciation for this initiative.



From the disaster drill video stream

### ◆ Update of electricity visualization system (Tokyo Tatemono Yaesu Building)

In light of growing tenant sensitivity toward energy conservation, we updated the electricity visualization system at Tokyo Tatemono Yaesu Building. The new system displays graphs of daily, monthly, and annual electricity consumption and year-on-year comparisons. It also allows tenants to browse through the graphs. After updating the system, we informed tenants of their average monthly electricity consumption in 2019 and 2020, and compared this against peak consumption levels in August 2021, fostering greater awareness of electricity conservation and encouraging tenants to use the system. Tenants now use this system regularly as a result.



Electricity visualization system

### ◆ Tenant introduction booklet (Tokyo Tatemono Sendai Building)

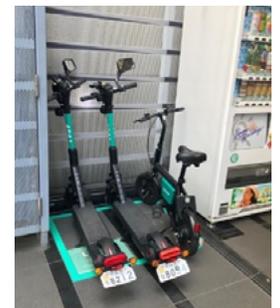
The Tokyo Tatemono Sendai Building (Sendai City, Miyagi Prefecture; completed in November 2009) houses more than 40 tenants. Responding to growing requests from tenants to introduce themselves to other companies and learn about other companies in the building, we created a booklet to introduce tenants, in which many tenants agreed to participate, including many companies located in the same area. This helped to build mutual understanding and encourage interaction among tenants.



Tenant introduction booklet

### ◆ Electric micromobility sharing service

As part of our area management strategy, we installed electric micromobility ports (for power-assisted bicycles and electric kickboards) developed by Luup, Inc. at five of our properties in the Shibuya area. The aim was to improve circulation around the Shibuya area, which is scheduled to undergo large-scale redevelopment over the coming years.



Electric micromobility ports

Using Luup's sharing service

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application (LUUP), users can rent electric bicycles or kickboards from any port they like and return them to any other port. This makes it easier to travel distances that people would be reluctant to travel on foot. We believe this initiative will help revitalize the entire district, boosting the circulation of people from the area near Shibuya Station to surrounding areas as well.

◆ **Distributing cutlery sets to reduce plastic waste**

Amid growing awareness of environmental issues, we created a novelty Tokyo Tatemono cutlery set, consisting of a spoon and chopsticks, and distributed it to tenants in our buildings. The goal was to curb the use of disposable plastic spoons and other implements and reduce the amount of plastic waste generated from buildings. Tenants appreciated the novelty set as a way of raising environmental awareness.



Cutlery set distributed to tenants

◆ **Providing SDG goods (Nakano Central Park)**

We distributed SDG-themed goods at an event for tenants at Nakano Central Park.

While thanking the tenants for visiting the event, building staff raised awareness about the SDGs by handing out environmentally friendly gifts made from recycled materials and unbleached cotton.

➤ **The Human Building Competition: Facilitating Customer Safety, Security, and Comfort**

The Tokyo Tatemono Group holds the Human Building Convention once a year as an event to facilitate information sharing and communication. All Group companies involved with our Commercial Properties Business participate.

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. Furthermore, 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 hope to encourage more improvements leading to safety, security, and comfort for our customers.

In 2020 and 2021, we decided not to hold the event due to the impact of the coronavirus pandemic. However, we instead held the event online as a way of motivating staff who had to continue to carry out their work on-site. A total of four awards were presented, including one that recognized efforts to provide high-quality services from a customer-centric perspective by earning customer trust through an approach involving “unwavering, quiet determination.” Presentations of case studies were also delivered.



Video stream of the Human Building Competition



➤ **The Good Job Idea Competition: Strengthening On-Site Capabilities**

In 2015, building management firm Tokyo Fudosan Kanri introduced the Good Job Idea Award commendation system, which is aimed at improving customer satisfaction in areas 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. In fiscal 2021, 157 ideas were submitted of which 146 were recognized with awards.

In addition, we hold the Good Job Idea Competition annually. Here, we present and award especially superior examples that happened during that year. Through these efforts, we raise awareness of improvement at each work site, sharing improvement actions throughout the company to improve quality and service levels.

➤ **Renovation of Commercial Complexes as Spaces for Local Residents to Gather and Relax**

Phase I renewal\* of the SMARK ISESAKI commercial complex, which originally opened in November 2008, was completed in March 2020. Phase II renewal was completed in April 2022.

Phase II renewal aimed to create new value that is attuned to changes in the environment and with increasingly diverse customer values and lifestyles. We wanted the facility to be even more valued by local residents. To do this, we changed the store format to meet diversifying customer needs, replacing large stores and upgrading food and beverage outlets. To improve customer service, we also deployed AI cameras that allow parking status to be checked online. To contribute to the SDGs, we are also implementing measures such as collecting used books and clothing, setting up recycling stations, and holding SDG-related seminars and exhibitions.

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As a measure to prevent the spread of COVID-19, we applied photocatalytic coatings to surfaces throughout the facility.

\* Stores were replaced in the core zones on each floor. The HapimamaPLUS project was launched with the aim of directly gaining and acting on feedback from child-rearing mothers, who are the facility's core customers. The project concept is to create a comfortable, safe space in which people can relax.



Monitoring parking lot status using AI cameras



SDGs case study exhibition in Gunma Prefecture

## ➤ TFK Training Center for Building Management Improvement

Tokyo Fudosan Kanri established the TFK Training Center to improve work quality and cultivate talent.

The center is equipped with equipment and devices that are in actual use in building management (electricity, air conditioning, hygiene, etc.), as well as a mock cubicle for responding to a power cut. This allows trainees to learn through a unique curriculum that mixes practical skills and training.

At this facility, 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.



TFK Training Center

## ➤ Enhancing the intellectual productivity of office workers with technology

Together with Pixie Dust Technologies, Inc., we conducted a joint R&D project to analyze and visualize data on measures to boost the intellectual productivity of office workers. The project used the spatial data platform KOTOWARI™\* developed by Pixie Dust.

Focusing on fatigue as a factor that impedes intellectual productivity, the project conducted a trial to visualize intellectual productivity by measuring the degree of fatigue. This included comparing offline and online meetings as well as verifying the effects of napping or exercising during work. Results showed that fatigue was lower in offline- or online-only meetings than in mixed on/offline meetings and that fatigue is reduced to a certain extent by taking a nap or exercising. We will use these findings to identify measures for enhancing intellectual productivity in office spaces and actively introduce these measures in the offices we provide going forward.

\* KOTOWARI™ is a system for acquiring, storing, and using 3D spatial data. By recording various events in a space as digital data, it enables the construction of advanced applications for integrated analysis such as space digitization, remote inspection, anomaly detection, and intelligent industrial equipment.

## ➤ Improving Quality and Customer Satisfaction in the Residential Business

### ➤ The Brillia Concept

The Residential Business is engaged in two major businesses. One is the residential condominium business, centered on the Brillia series, with its emphasis on refinement and comfort. The other is the residential leasing business, centered on the Brillia ist series of rental condominiums for those seeking unique lifestyles. The underlying concept of both is the Tokyo Tatemono Group's unique disposition toward a constant aim for achieving and maintaining the cutting edge in elusively exquisite comfort. Brillia is a comprehensive brand designed to provide a residential experience that matches customers' lifestyles. Through it, we provide the various services of the Group, including planning and development, management, after service, brokerage, and renovation, supporting customers by enabling lifestyles of value.

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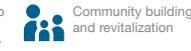
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# Improving Quality and Customer Satisfaction



## ➤ Steadfast Commitment to Quality Control in the Residential Business

Our Brillia residential condominium business maintains design guidelines for refinement and rigorous standards and management systems to offer comfort to our customers. Our quality management starts with safety. Responsible departments at each stage of construction from planning to completion adhere to our in-house quality standards. Following a multi-stage check that includes inspections by third-party organizations, the Brillia property reaches completion.

### ◆ 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)

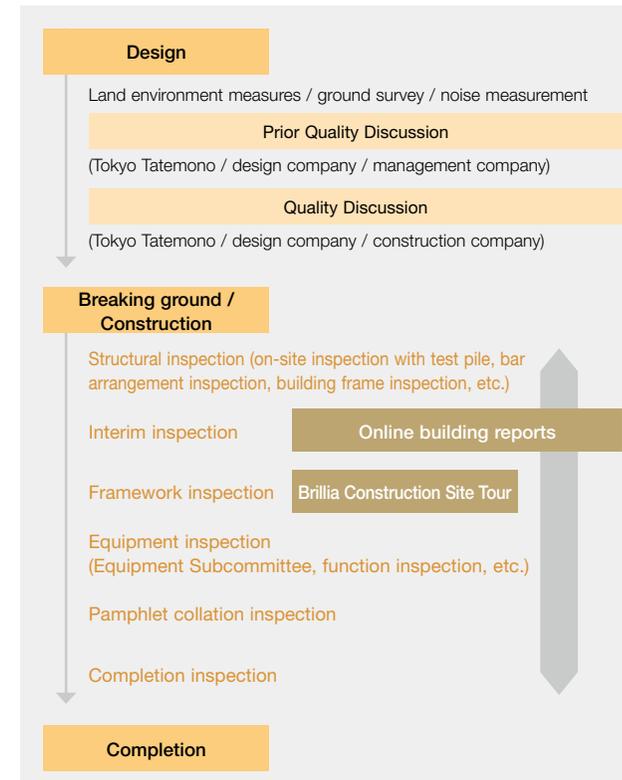
As an initiative for comfort, we report the status of a given building to customers who have purchased property within it.

## ➤ Brillia Construction Site Tour

Brillia 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 given us highly

### Quality Management Through Completion of Construction



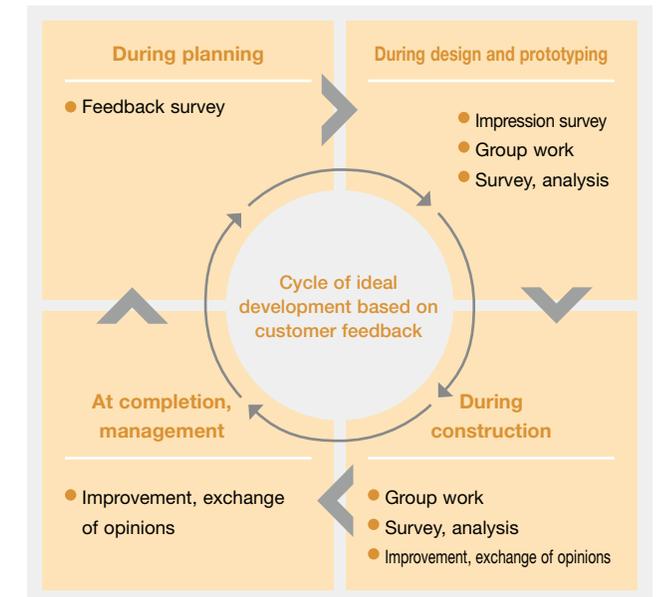
positive feedback on the tours, saying that they were easy to understand, with specific examples and plain language.

## ➤ Responding to Defects or Areas for Improvement as They Arise

We make sure not only to deal promptly with any defects or areas for improvement that arise during the construction phase or after delivery, but also share these with the relevant departments. For particularly urgent matters, we immediately inform teams at the construction sites, as well as revising manuals and providing employee education to prevent recurrence.

## ➤ Improving Customer Satisfaction through Dialogue

“The customer always comes first” lies at the origins of the Tokyo Tatemono Group. Knowing that the true ideals and character of individual customers are often hidden in informal



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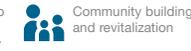
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conversations, we have developed a framework that provides us with multiple opportunities to talk with customers. Making use of this framework enables us to incorporate customer opinions into development as means to improving customer satisfaction.

## Improvements Based on Customer Recommendation (NPS) Surveys

In our Residential Business, we survey customers who have purchased for-sale condominiums, measuring the strength of their recommendations (NPS = Net Promoter Score) at three stages: at the time of contract, on delivery, and after moving in.

The survey asks customers to rank their likelihood of recommending Tokyo Tatemono (products and services) to friends or colleagues on a scale of 0 to 10. The results are classified into “promoters” (10 to 9), “neutrals” (8 to 7), and “critics” (6 to 0). The degree of loyalty customers feel toward Tokyo Tatemono is calculated based on the percentage of “promoters” minus the percentage of “critics.”

Management that stresses customer loyalty not only feeds into improvements in product development, sales, quality control, after-sales service, and other areas, but also generates synergies and leads us to expect to build long-term customer relationships. For example, the more loyal a customer becomes, the more likely they are to choose our products and services, or to choose the products and services of other Group companies.

## 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 after completion, we provide unique regular checkups to our residents at the 10-, 15-, and 20-year marks through Brillia Home Regular Checkups.

### Aftercare Support



Most housing equipment breakdowns occur between six and ten years of occupancy—after the usual after-sales service period ends. To address this issue, in April 2020 we introduced Brillia Equipment Safety Support 10, a new ten-year service for repairing and replacing housing equipment. To support the comfortable lifestyles of our customers, we also introduced the Brillia Life Support App, a smartphone-based app that makes it easy to request emergency repairs of housing equipment, buy replacement supplies, and order house cleaning services.

Brillia Strengths (support after moving in) (Only available in Japanese)

### Brillia Owner's Hotline

Brillia provides the Brillia Owner's Dial, a comprehensive help desk through which customers can inquire directly to an operator about various matters relating to their residence and lifestyle. The service is available 24/7/365.

### Value Up Service

When a condominium is being sold, we offer customers their choice of one of the following services free of charge: house cleaning, repair, VR staging, collection of unused items, or a provisional survey. This service increases the value of the asset and supports the sale of the condominium by the customer.

Value Up Service (Only available in Japanese)

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## Brillia-Certified Used Condominium Program

A third-party agency inspects the Brillia condominiums for sale in advance and issues a certificate to residences 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.



## Brillia Condominium Management Quality

Property managers and management companies support the daily lives of customers living in condominiums under their care. Our condominium management company Tokyo Tatemono Amenity Support has formulated Brillia Life Support to fully support the lives of the Group's condominium residents.

### Brillia Life Support: The Six Promises of Brillia Life Support

Refined living	Peaceful Life
<p><b>Living With the Future in Mind</b>  <b>Maintain and improve residence asset value</b></p> <ul style="list-style-type: none"> <li>● Regular free unit inspection</li> <li>● Management company-conducted, comfort-focused repairs</li> <li>● Development of long-term repair plans</li> </ul>	<p><b>Management as Lifestyle Partner</b>  <b>Making actual condominium management visible to residents</b></p> <ul style="list-style-type: none"> <li>● Annual visual inspections of building exterior</li> <li>● Submission of account and operational audit reports</li> <li>● Monthly property manager reports</li> </ul>
<p><b>Smart Living</b>  <b>Services for private areas</b></p> <ul style="list-style-type: none"> <li>● Housekeeping services</li> <li>● House cleaning</li> <li>● Renovations, innovation</li> </ul>	<p><b>Living With Joy for Each Day</b>  <b>Property manager support and meticulous cleaning</b></p> <ul style="list-style-type: none"> <li>● Brillia Training Center-hosted training programs (accredited vocational training school)</li> <li>● Cleaning checks by supervisors</li> </ul>
<p><b>Living More Abundant Lifestyles</b>  <b>Support for communication events</b></p> <ul style="list-style-type: none"> <li>● Support of Tanabata festival/ Christmas events</li> <li>● Brillia owner's club</li> </ul>	<p><b>Secure Living</b>  <b>Preparation for and prevention of emergencies, disasters, and crime</b></p> <ul style="list-style-type: none"> <li>● Emergency response service</li> <li>● Fire drill support</li> <li>● Emergency supplies</li> </ul>

Brillia Life Support makes six promises to residents to ensure the refinement and comfort of their lifestyles. 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 Training Center for Education of and Exchange in Condominium Management

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

The center features equipment actually used in facilities (condominium management offices, fire-fighting facilities, plumbing facilities and piping facilities, etc.), enabling a wide range of specialized training for management staff.

The Tokyo prefectural 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. The center also holds seminars that are of benefit to the operations of management associations, including seminars for newly appointed chairpersons and large-scale repair construction seminars.

## 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 and device 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 a long-term warranty (two years for interior, five years for equipment) in its aftercare service. This ensures we maintain Brillia quality and support customer security in their residences.



Before Renovation



After Renovation

## 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 our Brillia properties 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

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Social

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# Improving Quality and Customer Satisfaction



Strengthening Tokyo's competitiveness as an international city



Contributing to a safe and secure society



Community building and revitalization



Wellbeing



Addressing the diverse needs of customers and society



Revitalizing and utilizing real estate stock

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 pursue greater refinement. This system also raises awareness and motivation of team members with respect to the Brillia Design.

## Free Online Consultation Service for Condominium Purchases

We have introduced a free service that allows customers to consult about buying a condominium. Users can view an array of digital materials online from home, eliminating the need to visit a guest salon (model room). The service caters to customers who live far away, who have small children, or for some other reason find it difficult to go out for long periods of time, or who are just beginning to look at condominiums and have not yet narrowed down their search criteria.

## Tokyo Tatemono Receives Good Design Award

Tokyo Tatemono received the 2021 Good Design Award\* for two of its condominiums, the for-sale condominium Brillia Tower Nishijin and the for-rent condominium Brillia ist Shirokanedai.

Brillia Tower Nishijin is a project that sought to reuse an old building and convert it to a use that fits the times. We responded to changes in the commercial area and in consumer behavior by resizing a large-scale commercial complex. A high-rise residential building was added to meet the needs of urban residents. The project opted for a smaller-scale construction that preserved the core facilities of the area while enabling the early reopening of commercial facilities. This addressed a number of issues, ranging from the environmental aspect to time considerations. The project was commended as an exemplary design that demonstrates a renewal of urban space in the broad sense—and which was enabled by advanced management that formed the program to create an optimal solution for the site.

Brillia ist Shirokanedai (sold out in July 2020) is a compact-type rental residential complex located along Platinum Avenue, a scenic street in central Tokyo lined with ginkgo trees and long-established eating and drinking establishments. The building has a polygonal shape to match the irregular shape of the site, and offers a sleek, neat interior. Aiming to create a beautiful landmark building with an airy, transparent design, we included features such as large, column-free openings on the external walls. The facade design, carefully matched to the look and feel of Platinum Avenue, has also been very well-received.

\* Organized by the Japan Institute of Design Promotion, the Good Design Awards are Japan's only comprehensive annual awards evaluating and commending outstanding design.

# Revitalizing Housing Complexes



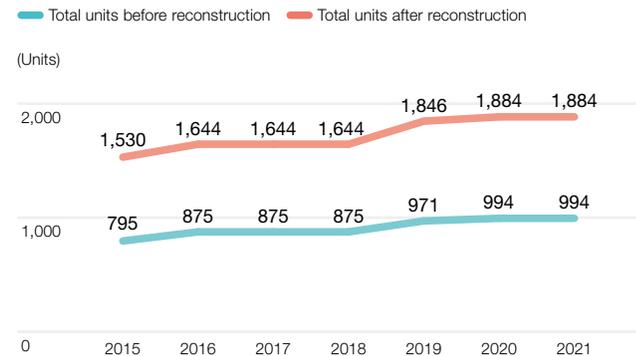
## Policy and Concept

Housing complexes built throughout Japan supported the nation's rapid growth after World War II. Several decades later, many of these aging structures face serious issues, including concerns about resilience against earthquakes and security and the lack of elevators. Moreover, although these housing complexes were once home to many child-rearing families, resident populations are now aging and declining. Consequently, in addition to revitalizing the aging structures themselves, a major issue is the revitalization of communities that foster the interpersonal connections of local residents.

By updating our existing stock of housing complexes and buildings, the Group is contributing to the creation of safer and more secure communities for customers and local residents. Renewing existing stock also enables us to create new value for the coming era and to revitalize local communities.

(Data) Revitalizing and Utilizing Real Estate Stock: Indicators and Results P.102  
 Tokyo Tatemono Condominium Reconstruction (Only available in Japanese)

### Revitalizing Housing Complexes



## Revitalization of Housing Complexes

### Shakujii Koen Apartment Complex Reconstruction Project (Brillia Shakujii Koen ATLAS)

At Shakujii Koen Apartment Complex, one of the largest and oldest housing complexes in Tokyo, it was decided after more than 10 years of deliberation to rebuild the entire complex due to the deterioration of the buildings and facilities and the aging of the residents. Demolition of the buildings began in 2020. Tokyo Tatemono served as a project collaborator, providing support in areas such as drafting a plan for new facilities that meet the wishes of the residents of the housing complex to maintain the community. Through this reconstruction project, the complex will be reborn in 2023, encompassing eight buildings and 844 condominiums, enabling the creation of a community where multiple generations can live together with peace of mind.

Project Overview	Before reconstruction	After reconstruction
	Shakujii Koen Apartment Complex	Brillia Shakujii Koen ATLAS
Location	3 Kami-shakujii, Nerima-ku, Tokyo	
Construction period	1967	September 2023
Site area	42,365m <sup>2</sup>	37,730m <sup>2</sup>
Standard building-to-land ratio	60%	60%
Allowable floor space index	200%	200%
Floor space	31,358m <sup>2</sup>	68,413m <sup>2</sup>
Number of buildings	9 buildings, 5 stories	8 buildings, 8 stories
Number of units	490 units	844 units
Unit floor space	Average 56m <sup>2</sup> unit	Scheduled to be mainly in the 65m <sup>2</sup> to 70m <sup>2</sup> range
Floor plans	3DK to 3LDK	1LDK to 4LDK

### Project Characteristics

- 1 One of the largest scale reconstruction projects in Tokyo to be carried out under the Act on Facilitation of Reconstruction of Condominiums
- 2 All buildings face south; greenery plan
- 3 Facility planning aims to ensure that the new condominiums maintain a sense of continuity for the community



Before reconstruction



Rendering of property after construction

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# Revitalizing Housing Complexes



## ➤ Itopia Hamarikyu Reconstruction Project (Brillia Tower Hamarikyu)

Itopia Hamarikyu, located near JR Hamamatsucho Station, was in urgent need of reconstruction to give it greater resilience against earthquakes. Because some 80% of the right holders did not actually reside in the condominiums, it was difficult to reach a consensus on reconstruction. Tokyo Tatemono has been involved as a project collaborator since 2016, and the reconstruction proposal was approved in 2018. Construction of the main building began in September 2020. We will continue to promote the project together with the condominium association's board of directors and right holders. Completion of the project, to be named Brillia Tower Hamarikyu, is slated for 2023.

Project Overview	Before reconstruction	After reconstruction
	Itopia Hamarikyu	Brillia Tower Hamarikyu
Location	1 Kaigan, Minato-ku, Tokyo	
Construction period	1979	September 2023
Site area	2,820m <sup>2</sup>	2,820m <sup>2</sup>
Standard building-to-land ratio	60%	60%
Allowable floor space index	400%	700%
Floor space	11,193m <sup>2</sup>	29,590m <sup>2</sup>
Number of buildings	1 building, 14 stories	1 building, 32 stories
Number of units	328 units	420 units
Unit floor space	Average 26m <sup>2</sup> unit	25–105m <sup>2</sup> units
Floor plans	1R to 3LDK	1R to 3LDK

### Project Characteristics

- 1 Rebuilding of large-scale condominium in the city center, mainly comprising one-room units
- 2 Contribute to the development of the property as a rare place to live in an area where office and commercial facilities are being developed
- 3 Creation of green spaces where people can feel at ease; introduction of childcare support facilities



Before reconstruction



Rendering of property after construction

## ➤ Kojimachi Sanno Mansion Reconstruction Project

Built in 1970, the Kojimachi Sanno Mansion has aged, and came to face problems such as inadequate resilience against earthquakes, deterioration of piping facilities, and water leakage. Since these problems were not easily resolved through repairs or renovation, there was an urgent need to find a more robust solution to ensure the safety, security, and comfort of residents. Tokyo Tatemono has been involved as a project collaborator since 2016, working with right holders toward realizing reconstruction as soon as possible. The reconstruction proposal was approved in March 2021, resulting in the establishment of a condominium rebuilding association in October that year. Targeting completion in summer 2026, we will continue to promote the project together with the rebuilding association and right holders.

By creating open spaces on the premises, this project will also improve the safety and comfort of the community as well as helping to enhance the townscape.

Project Overview	Before reconstruction	After reconstruction
	Kojimachi Sanno Mansion	Undecided
Location	Niban-cho, Chiyoda-ku, Tokyo	
Construction period	1970	Summer 2026
Site area	Approx. 1,221m <sup>2</sup>	Approx. 1,221m <sup>2</sup>
Standard building-to-land ratio	60%	60%
Allowable floor space index	Approx. 590%	Approx. 670%
Floor space	Approx. 8,165m <sup>2</sup>	Approx. 11,661m <sup>2</sup>
Number of floors	12 stories	18 stories
Number of units	57 units	106 units

# Revitalizing Housing Complexes



## Project Characteristics

- 1 Under Tokyo's Urban Housing Comprehensive Design System (HCDS)\*, the floor space index requirement will be relaxed, and the number of residential units will be increased from the current 57 to 106 seismic-isolation condominiums.**
- 2 The project is a one-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line in central Tokyo.**
- 3 Consideration was given to the design to create a look suited to the traditional Bancho district of historic Japanese residences.**

\* A system that allows floor space index and height restrictions to be relaxed if the design ensures a certain amount of open space on the premises.



Before reconstruction

## Tokyo Tatemono Condominium Complex Reconstruction Project Results



### Tama New Town Suwa 2-chome Housing Reconstruction Project (Rebranded as Brillia Tama New Town)

Location	Units after reconstruction	Completed
2-chome, Suwa, Tama City, Tokyo	1,249 (previously 640)	October 2013

This is a revitalization project for Tama New Town, which has a history of over 40 years. It is one of the largest reconstruction projects in Japan. The decision was made to reconstruct the building, due to the aging of the housing and the fact that the residents are elderly. The property will be reborn as a multi-generational community, while the greenery and other key features of the living environment will be preserved.



### Senri-Tsukumodai A Condominium Complex Reconstruction Project (Rebuilt as Brillia City Senri Tsukumodai)

Location	Units after reconstruction	Completed
3, Tsumodai, Suita City, Osaka Prefecture	202 (previously 96)	December 2019

It was decided to reconstruct the building due to issues of deterioration that had occurred over its 50-year life. Residents and other stakeholders took part in a variety of studies as the project went forward.



### Hiratsuka-cho Housing Reconstruction Project (Rebuilt as Brillia Hatanodai)

Location	Units after reconstruction	Completed
6-chome Hatanodai, Shinagawa-ku, Tokyo	38 (previously 23)	November 2020

Due to the aging of the building and facilities, constructed approximately 60 years ago, the owners reached a consensus on the decision to reconstruct the building. This became the first case in Shinagawa Ward to apply the Act on Facilitation of Reconstruction of Condominiums. A rare reconstruction given the site location in a first-class low-rise residential area, it was ensured that the low-rise condominiums harmonized with the landscape while taking into consideration ventilation, lighting, barrier-free access, and security.

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# Contributing to Our Communities



## Policy and Concept

The Tokyo Tatemono Group believes that community engagement and volunteer activities contribute not only to community development, but also to sustainable business growth. With this in mind, we conduct a variety of activities to help connect people in urban environments while supporting the well-being of local residents.

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 a member of the local community, we pursue urban development and community development. Through these activities, we help build a prosperous society.

## Co-Existing with Communities

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

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.

The Group is an active participant in passing down traditional culture through the Sanno Festival, a key event for the neighborhoods of the Yaesu, Nihonbashi, and Kyobashi areas 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.

A number of group employees participated in the festival. After gathering at Hie Shrine and on Chuo-dori, the employees helped to carry some of the 12 portable shrines in a spirited, lively procession alongside members of local neighborhood associations.



Sanno Festival

Sustainability Website  
Special Back Number: Tokyo Tatemono Urban Development Activities (published 2017)  
(Only available in Japanese)

### Community Outreach Activities in Yaesu, Nihonbashi, and Kyobashi Neighborhoods (2021)

Event name	Our Group's Activities and Contributions	No. of group employees participating
Sakura Festival	Cherry blossom viewing, performance by EDO Firemanship Preservation Association (co-sponsored), distribution of surplus flowers* (co-sponsored)	5
Chuo-dori Clean Walk	Picking up garbage, replanting flower beds along the Chuo-dori street (the Group also served as office staff)	Total 20 over 2 days
Tokyo Ekimachi Kirapika Project	Cleaning areas around Tokyo Station	85
Arts & Crafts Market	Held events at Tokyo Square Garden	Total 12 over 6 days
Kyobashi Marche	Held events at Tokyo Square Garden	Total 16 over 8 days
Hakone Ekiden Roadside Security Volunteers	Ensured the safety of athletes, spectators, etc., along Chuo-dori Avenue	8
Hatsuuma Festival at Oman Inari Shrine	Supported revitalization of Yojuin Street (provision of banners, street light decorations, lanterns, and curbs)	7
Meet with Flowers	Purchase and free distribution of surplus flowers* to support flower growers	Total 16 people over 8 days
Art in Tokyo YNK	Support for a young gallerist unit in Kyobashi (TOKYO CONTEMPORARY KYOBASHI)	5
T3 PHOTO FESTIVAL TOKYO	Held an outdoor international photography exhibition, providing young photographers (art students) with a space to showcase their work	5

\* Flowers that, despite still being beautiful, are disposed of as waste for reasons such as non-conformity to specifications, oversupply, or the end of a short useful life, such as at a flower shop or ceremonial hall.



Cherry Blossom Festival (surplus flower distribution)



Chuo-dori Clean Walk (flower planting)



Oman Inari Shrine Hatsuuma Festival (provision of lanterns)



T3 PHOTO FESTIVAL TOKYO (exhibition)

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# Contributing to Our Communities

## ➤ Clean-Up Activities

The Tokyo Tatemono Group regularly conducts cleanup activities in the Yaesu, Nihonbashi, and Kyobashi areas, where the Tokyo Tatemono Head Office is located, and other areas to beautify the city, using the time before work begins. In recognition of these activities, we received a letter of appreciation from the Nihonbashi Cleanup Project Cooperation Association.



Morning Clean-Up Activities

## ➤ Partnering with Non-Profit Organizations

Every year since 2005, Tokyo Tatemono has supported the management of sidewalk flower beds along the Chuo-dori street as a member of NPO Hana Kaido. We invite employees from across the Group to participate in supporting this activity. Each year, about 50 employees take part in clean walks (including maintaining flower beds and replanting flowers) and other community events. We also hold flower planting events for local elementary school children six times a year.

In addition, since 2017, we have been a member of the secretariat of the Cheering Supporters for Woods of Chuo Ward, an NPO. As part of these activities, we hold woodworking workshops for children and make planter covers out of tree trimmings from the forests of Chuo Ward. We installed about 100 of these planters on the sidewalks of construction sites through the NPO Hana Kaido, a project that not only promoted the use of thinned wood but also raised awareness of the Chuo City Forest.

Together with our Group employees, we will continue to contribute to the revitalization of local communities through activities such as the initiatives with these two NPOs.



Chuo-dori Path Flower Beds

## ➤ Encouraging Lively Communities

The Tokyo Tatemono Group holds a number of events in which many local residents participate to help grow and invigorate communities.

In Nakano Central Park, many events such as flea markets and workshops are held throughout the year, using about 3 hectares of lush green open space (public vacant land, etc.) developed together with neighboring universities and the government. 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 regularly at Tokyo Square Garden; it was held 16 times in 2020. The market occupies space in the connecting corridor on the first floor, offering fresh vegetables and prepared food items.



Flea Market Held in Nakano Central Park

## ➤ Supporting Local Restaurants through Visual Communication of COVID-19 Prevention Measures

We publicize efforts by the local community in the Yaesu, Nihonbashi, and Kyobashi area to prevent the spread of COVID-19. Our main aim in this is to encourage people to feel confident in visiting the area, where many restaurants have been struggling due to the impact of the COVID-19 pandemic. In collaboration with the Nihonbashi Cuisine and Restaurant Association and others, we developed a visual representation of the infection prevention efforts of local restaurants in the Yaesu, Nihonbashi, and Kyobashi areas, designing a series of pictographic signs called “uniform design POP.”

These signs combined design elements and pictographic signs in a range of variations, enabling their use in all types of restaurants, regardless of business category or region. Distributed free of charge through the Nihonbashi Cuisine and

Related Material Issues



Restaurant Association and through the area portal site operated by Tokyo Tatemono, the signs have been used by many restaurants.

Area portal site Tokyo Machijin (news release)  
(Only available in Japanese)



Pictorial signs in each area



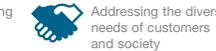
Example of unified design POP

## Initiatives for Urban Regeneration and Revitalization

Facing Tokyo Station, the center of Japan's railway network, the Yaesu, Nihonbashi, and Kyobashi area is unparalleled in its convenience as a location in Japan, offering access to many long-distance bus routes and transport to Narita and Haneda Airports. The area adjoins several areas around Tokyo Station: the Nihonbashi Muromachi area; the Otemachi, Marunouchi, and Yurakucho area; and the Ginza area. Together these form the Greater Tokyo Station Area. The Yaesu, Nihonbashi, and Kyobashi area connects to the rest of Tokyo, to regional cities, and to the world, acting as a hub of global business, a concentration of people, goods, and information at the center of Japan.

Multiple large-scale redevelopment projects are underway throughout Japan. But we believe that rather than focusing solely on individual projects, there is a need for initiatives that look to increase the holistic value of an entire urban area. We also believe that maximizing Tokyo's appeal as a city will give

# Contributing to Our Communities



us an advantage amid intensifying competition between cities in Japan and abroad. We are promoting redevelopment projects in the Yaesu, Nihonbashi, and Kyobashi area to create even greater vibrancy in the area as a center of industry. Our approach aims to highlight the historic charms of the area, which has developed since the Edo period as a financial, commercial, and cultural center where merchants and craftsmen gathered.

The Yaesu Project and Gofukubashi Project have been designated as National Strategic Special Zones for comprehensively and intensively advancing regulatory reform, strengthening the international competitiveness of industries, and promoting the formation of international economic activity centers. The city is being transformed into a business and transportation hub, with plans for conference facilities, medical facilities, and an underground bus terminal. Furthermore, we are taking advantage of the geographical location, where many large corporations are based. By creating a base for the activities of startups and venture capitalists in the area, we will

make it easier for large corporations to invest in startups and for both parties to collaborate more actively.

Through these projects, we are working to create an innovation ecosystem, promoting innovation in the entire area by stimulating interaction among companies and people who gather in the area from Japan and abroad. This area has been recognized as a Certified Regional Council under the Tokyo Metropolitan Government's Fiscal 2020 Support Project for Promoting the Formation of an Innovation Ecosystem, with Tokyo Tatemono serving as the lead manager.

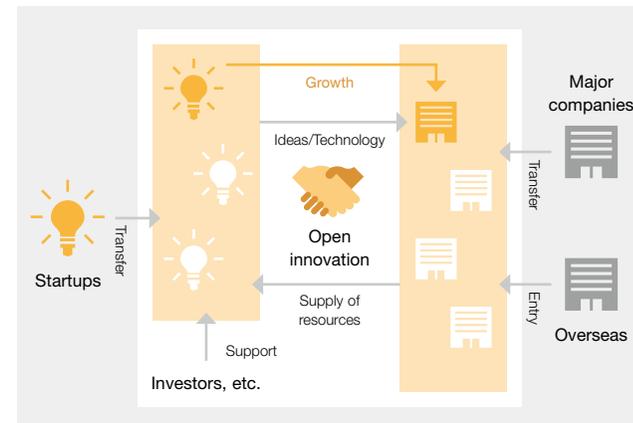
We aim to develop this area as an optimal environment for business, forming an international business hub that attracts funds, human resources, and companies from around the world. We see this as key to creating new internationally competitive businesses that can drive innovation and growth for Japan.

## Developing Brillia Communities

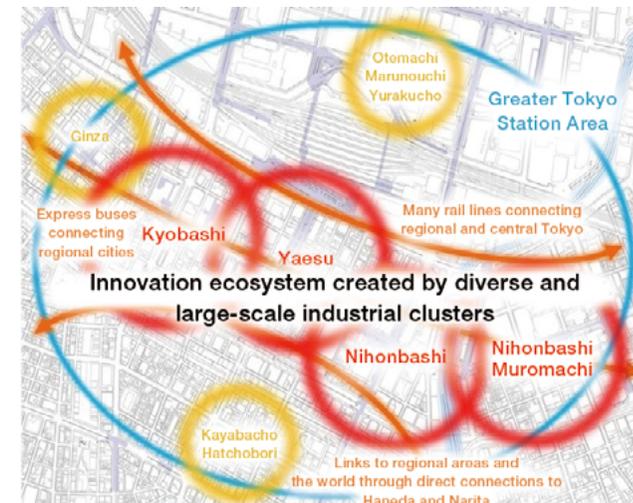
At Brillia properties, various initiatives are pursued to encourage people living in newly developed condominiums to integrate smoothly with their local communities, promoting regional revitalization.

Brillia Higashi Nakano Parkside Hills (Nakano-ku, Tokyo) is a condominium project that utilizes the former Higashi Nakano Elementary School site owned by Nakano Ward. This project aims to encourage the settlement of family households by improving the environment for childcare and helping foster a sense of community among residents. We have added shared facilities open to the community and developed a park on an adjacent ward-owned site. We also established an authorized nursery school Ohayo Hoikuen Higashi Nakano operated by Tokyo Tatemono Kids, a group company. In addition, as a measure to deepen the understanding of the project among local residents, we held an online event with local residents to reminisce about the memories of Higashi Nakano Elementary School and talk about the future of the community.

### New Innovation Ecosystems Built through Redevelopment



### Conceptual Diagram of the Virtuous Circle Created by an Innovation Ecosystem



Brillia Higashi Nakano Parkside Hills

Adjacent Okanoue Park

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# Contributing to Our Communities



## Community Revitalization Through Our Leisure Business

### Regina Resort

Regina Resort, operated by Tokyo Tatemono Resort, is a special accommodation facility where dogs and their owners lodge together. Eight Regina Resorts are in operation.

In recent years, pets have become recognized as members of the family and more accommodations are accepting pets. 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 dogs, creating new demand for tourism and contributing to the economic development of their regions.



Regina Resort Karuizawa Mikageyosui



Regina Resort Hakone Ungaiso



Regina Resort Biwako Nagahama



Regina Resort Izu Murin

### 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 also features 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.



Ofuro no Osama, Koza Shibuya Ekimae Store



Ofuro no Osama, Ebina Store

### Golf Business

Tokyo Tatemono Resort currently operates 12 golf courses, ranging from membership courses with a full club life experience to public courses with a casual atmosphere.

We believe that a golf course is not only a place for sport, but also a place for recreation, health care, and communication, offering a space where members of the local community can relax. We also believe that, by properly managing the green spaces that spread across the vast site, we can help enrich the local natural environment.

To provide a pleasant club life experience for our customers, we actively gather customer feedback through various means such as surveys. We circulate these opinions and requests to all our golf facilities. In addition, we exercise consideration for the environment in the operation of these facilities, through measures such as the installation of power monitoring displays and water-saving shower fixtures to reduce the environmental impact of these facilities.

We will continue to work in harmony with nature, the environment, and the local community so that as many people as possible can enjoy golf.



Kawaguchiko Country Club

# Human Resource Investment and Development



Improve employee growth and job satisfaction



Diversity & Inclusion

## Policy and Concept

Tokyo Tatemono strives to develop the skills of employees, reflecting our belief that talent is 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, based on which we have built our human resource development system.

We have also identified improving employee growth and job satisfaction as a material issue for the Group. To address this issue, we have established average training time of 15 hours or more of training per employee and a 100% career training participation rate each year as targets for promoting skills development.

**Human Resource Policy**

- 1 **Developing ideal human resource**  
**Ideal human resource:** a person that is trusted and that opens new avenues for the future
- 2 **Realization of a satisfying working place**  
 where employees can feel their growth

## Human Resource Development System

We carry out an array of training programs based on employees' stage of development for the purposes of helping employees recognize their roles and developing employee skills.

### Training for Young Employees

From the time a new graduate joins Tokyo Tatemono, we take a keen interest in their development. We provide a collective training program offering basic business training (covering topics such as logical thinking, marketing and 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 Department.

### Training for Mid-Career Employees

For mid-career employees, we provide enhanced programs to foster a culture of learning. This includes voluntary in-house training, external dispatch training, and cross-industry exchange training, providing a system that empowers

### Summary 2022 Training Programs

Training per Management Level		Global Training	Self-Edification/ External Dispatch	Support Systems for Acquiring Certifications		
Executives	Executive Training					
General Managers	New General Manager Training	<ul style="list-style-type: none"> <li>Attending language schools</li> <li>Overseas on-site observation</li> <li>Overseas dispatch training</li> <li>Internships with local subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Support for attending business/graduate school</li> <li>Single-subject business school training dispatch</li> <li>Cross-industry training</li> <li>Distance learning</li> <li>External Seminars</li> </ul>	<ul style="list-style-type: none"> <li>Real Estate Broker</li> <li>The Official Business Skill Test in Bookkeeping</li> <li>Japan Business Law Exam</li> <li>Certified Building Administrator</li> <li>Real Estate Consulting Master Exam</li> <li>Real Estate Securitization Master</li> <li>Urban Renewal Planner</li> <li>Real Estate Appraiser</li> <li>First-class Architect</li> </ul>		
Group Leaders	New Group Leader Training					
Managers	New Manager Training					
Assistant Managers	New Assistant Manager Training					
Senior Employees	<ul style="list-style-type: none"> <li>Strategic Communication</li> <li>Finance</li> <li>Third-year Group Training</li> </ul>					
New Employees	<ul style="list-style-type: none"> <li>New Employee</li> <li>Logical Thinking</li> <li>Training Basic Practical Real Estate Training</li> <li>IT Training</li> </ul>					

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# Human Resource Investment and Development

employees to consider the knowledge and skills they need and choose accordingly.

## ➤ Training for Managers

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.

## ➤ Support for Self-Development

We have established self-development programs and support systems to aid employees in acquiring certifications. These are to help employees enjoy independent learning at all stages of employment. We also 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.

## ➤ Overseas Training for Global Human Resource Development

To expand our global business, we are conducting overseas training to foster a heightened global mindset among our employees. (Past destinations include China and Malaysia. This training was put on hold in 2020 and 2021 due to the pandemic. In 2021, we carried out training in Japan with the aid of an outside lecturer.)

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.

## ➤ Employee Engagement Survey

We conduct periodic job satisfaction surveys of our employees as we work continuously to create a workplace that is rewarding to work in. Starting in 2021, we have been conducting an employee engagement survey that measures the level of connection that employees feel toward the company. We report the results of the survey and subsequent responses to management and to employees. Conducting this survey regularly gives us a quantitative understanding of the relationship between the company and its employees. We use this information as we formulate measures for organizational improvement.

## ➤ MBO

We have introduced a goal management system to keep our employees motivated and to encourage them to embrace challenges toward achieving their goals. This system breaks down the company-wide business plan into business division strategies and business plans for each division and office, as well as individual plans. By clarifying employees' individual goals, the system is designed to ensure that the achievement of individual goals is linked effectively to the achievement of organizational goals.

In addition, we have put in place a system to help employees achieve their goals. This involves interviews between supervisors and subordinates, held three times a year, and on-the-job training.

## ➤ Adoption of a Talent Management System

We introduced a talent management system in 2019 to enable us to use our accumulated talent data more efficiently as we develop and assign excellent talent. As well as management of career information to date, the system is also used for central management of other employee information such as goal management and periodic career interviews. This enables us to

consider assignments and talent development in terms of the characteristics of each employee.

## ➤ Group-Wide New Employee Workshops for Improving Group Synergies

Through the array of businesses we operate, Tokyo Tatemono is building an organization that can demonstrate group synergies to our customers and other stakeholders.

To achieve group synergies, we must first develop a sense of kinship, learn about the business of each group company, and build deeper personal relationships. For this reason, we conduct a joint group training program for young employees.

We provide various joint training programs in addition to the orientation training that takes place immediately after a new hire joins the company and exchanges at a sports day event. These additional programs continue until the third year after an employee joins the company. Through this approach, we aim to aid the formation of personal connections that will help us achieve group synergy.

## ➤ Acceptance of Interns

We accept undergraduate and graduate students for internships. The internship program is held twice a year, once in the summer and once in the winter. In 2021, a total of 272 interns were accepted. In consideration of rising COVID-19 cases, we held the event online.

We believe that through the internship experience, students gain valuable exposure to working life as well as a chance to interact with other students. This not only improves their capabilities, but also provides them with an opportunity to think seriously about their own future. By giving students an opportunity to gain prior experience working at our organization,

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we also aim to reduce mismatches in the real estate industry as a whole, as well as in our company. We believe that these efforts can help prevent early job turnover, promoting the development and retention of young workers.



Acceptance of interns

## Group-Wide Training for Improving Group Synergies: Employees in their Third Year since Joining

In February 2022, 55 employees in their third year of employment from six of our group companies (Tokyo Tatemono, Tokyo Tatemono Real Estate Sales, Tokyo Tatemono Amenity Support, e-State Online, Nihon Parking, and Prime Place) gathered for a two-day training program aimed at laying the groundwork for group synergies.

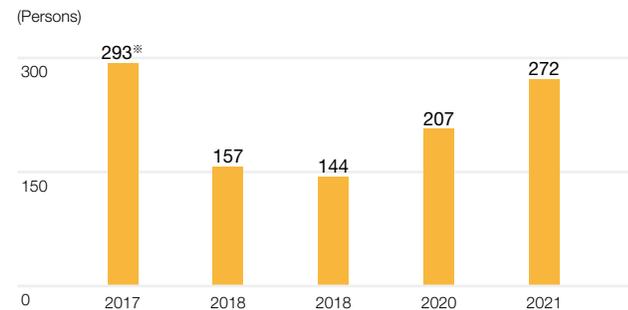
This training is the culmination of the Group's joint training program that is provided to employees over their first three years after joining the company as graduate hires. The aim of this training is to deepen the participants' thinking not only about the businesses of each company, but also about the next-generation developer that Tokyo Tatemono Group should aim to become. Forming separate teams, the participants discussed SDGs, which are the common goals of the international community. On the last day of the training, each

team made a presentation about new initiatives through which the Group can contribute to the achievement of SDGs.



A presentation at the training program

### Number of Interns Accepted



\* Figure for 2017 includes participants in seminar-based one-day internships.

### Examples of Presentation Themes

**“From an unusable place to a useful place”**

Providing a platform application to connect underutilized spaces.

SDGs to which we can contribute



**“Enriching people's spare time”**

Developing a mobile lounge business that provides a place for personal learning and relaxation.

SDGs to which we can contribute



# Health Management / Occupational Safety and Health



## Policy and Concept

To enable our executives and employees to reach their full potential, Tokyo Tatemono Group has designated the president as the Chief Health Officer (CHO) and is working to maintain and improve the health of each individual in accordance with the Group Health Management Declaration.

In addition, the company has identified the personal growth and job satisfaction of our employees as a material issue. To deliver on this, we have set the following targets: increase the health checkup and reexamination rates to 100% each year; reduce the smoking rate to 12% or less by fiscal 2022; increase the average annual paid leave utilization rate to 70% or more.

We will promote initiatives to maintain and improve the health of our suppliers through sound labor practices and a healthy working environment, based on our Sustainable Procurement Standards for our supply chain formulated in May 2021.

Health Management / Occupational Safety and Health (Initiatives in fiscal 2020) (Only available in Japanese)

### 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 to move toward health management as a unified Group.

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

## TOPICS

### Health Management Initiatives Using ICT

In light of the difficulties associated with human contact during the COVID-19 pandemic, we have started a new approach to health management using ICT. The initiative using online interviews and an application linked to measurement devices to provide specific health guidance to people over 40 years of age who have been identified as at risk of lifestyle-related diseases in the specific health checkups. In addition, rather than simply discontinuing the dental checkups that would ordinarily have been conducted in person, these checkups are now being conducted as online dental interviews in which self-checks are conducted by answering questions and advice is provided in a video.

In addition, we are also implementing other initiatives for maintaining and promoting health in an enjoyable way, such as holding individual and team walking events using a pedometer on a smartphone app.

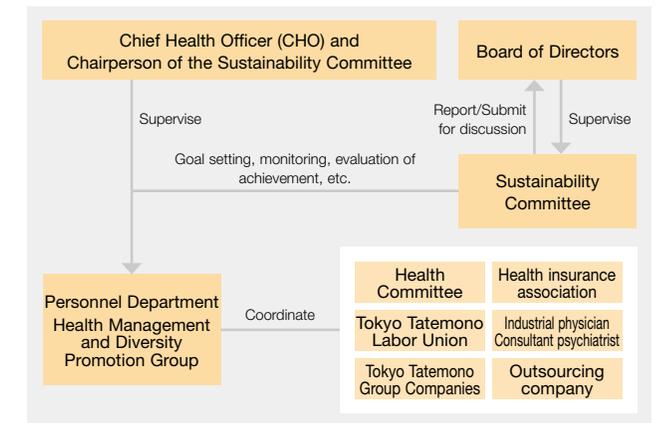
## System

Tokyo Tatemono established the Health Committee, which consists of representatives from the Personnel Department 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 officers and 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.

In addition to the setting of occupational health and health-related targets, the monitoring of progress on these, and evaluation of achievement, important matters are discussed under the Sustainability Committee, which is chaired by the president. Such matters are then reported to and discussed by the Board of Directors, providing a system that is supervised by the Board of Directors.

(Data) Health Management / Occupational Safety and Health Indicators and Results P.101

### Health Management Promotion System



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# Health Management / Occupational Safety and Health

## 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.

In March 2022, Tokyo Tatemono and five other group companies were recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program. In this program, which was established in 2016, the Ministry of Economy, Trade and Industry honors a range of companies from large corporations to SMEs for practicing outstanding health management. Among the selected companies, Tokyo Tatemono was recognized for the fifth time and the second consecutive year as one of the “White 500” (the top 500 corporations in the results of the Health Management Survey).

In addition, Tokyo Tatemono and ten 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.



### Status of Certification as an Outstanding Health Management Company

★: Certified Health & Productivity Management Outstanding Organization (White 500) ☆: Certified Health & Productivity Management Outstanding Organization

Company name	Certification Category	2017	2018	2019	2020	2021	2022
Tokyo Tatemono	Large Corporate Category	★	★	★	☆	★	★
E-State Online	Large Corporate Category	—	—	★	☆	☆	☆
Tokyo Tatemono Real Estate Sales	Large Corporate Category	—	—	—	—	☆	☆
Tokyo Fudosan Kanri	Large Corporate Category	—	—	—	★	☆	☆
Tokyo Realty Investment Management	Small and Medium-sized Corporate Category	—	—	—	—	☆	☆
Nihon Parking	Small and Medium-sized Corporate Category	—	—	—	—	—	☆

### Status of Certification as Health & Productivity Management Outstanding Organization

<b>Gold certification obtained: 4 companies</b>	Tokyo Tatemono / E-State Online / Tokyo Tatemono Real Estate Sales / Tokyo Fudosan Kanri	<b>Silver certification obtained: 7 companies</b>	Tokyo Tatemono Amenity Support / Tokyo Tatemono Investment Advisors / Tokyo Tatemono Resort / Tokyo Realty Investment Management / Nihon Parking / Parking Support Center / PRIME PLACE
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Related Material Issues



## Health Improvement Initiatives

Tokyo Tatemono coordinates with health insurance associations to conduct a wide range of initiatives for improving officers' and employees' health. We identify risks to the health of our officers and employees and take preventative measures actively against severe illnesses for non-obese and young people not eligible for special health checkups. This is for the purpose of improving health through preventative and early-term treatment.

In addition, to prevent health problems, employees who work more than a certain number of hours overtime or on holidays are interviewed by industrial physicians.

### Health Management of Officers and Employees

Tokyo Tatemono has set a goal of ensuring health checkup and reexamination rates of 100% each year among our officers and employees. As we target this, we are advancing initiatives to raise greater awareness of health management among all officers and employees. We have achieved this goal every year over the ten years since 2011. Since 2017, we also conduct group dental examinations. (In 2020 and 2021, this was cancelled due to the coronavirus pandemic.)

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\*.

Furthermore, we offer subsidies to cover the cost of vaccinations to prevent widespread infection during flu season. Since 2016, to strengthen our measures to prevent infections, we have been inviting doctors to our facilities to provide vaccinations.

\* 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.

(Data) Health Management-related Measures P.101

## Health Management / Occupational Safety and Health

### ➤ Smoke-free Initiative

In 2019, we launched a smoke-free initiative, aiming to lower the smoking rate among our workforce to 12% or less by the end of fiscal 2022 (the same level as the goal set out in the Basic Plan to Promote Cancer Control (Third Term)). As a specific measure, from April 2020, we adopted a smoke-free policy for all office space during work hours. In 2021, the smoking rate was 16%, a significant decrease from 21% in 2019.

 (Data) Health Management-related Measures P.101

### ➤ Improving Health Literacy

From May to June 2021, the Company conducted health-related training (lifestyle-related disease prevention training), with participation by 896 officers and employees (an attendance rate of 98.9%). In addition, in February 2022, a seminar on work and women's Health was held, with 880 participants (an attendance rate of 96.8%)

### ➤ Mental Health Initiatives

Each 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 officers and 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 various kinds of training to promote mental health awareness. New group leaders in particular undergo line care training about the care that line managers must exercise to prevent mental health issues (100% attendance rate). We also invite sports trainers to teach company-wide self-care training for new employees (100% attendance rate). Both training programs are mandatory. 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  
Special Back Number: Steadily Achieving Results in Health Management (Published in 2017) (Only available in Japanese)

## ➤ COVID-19 measures

Placing the highest priority on the health and safety of our employees, customers, and business partners, we are working to prevent the spread of COVID-19.

We require our officers and employees to take their temperatures and report on their health status every day. We have implemented thorough measures to prevent the spread of the virus and use remote working and other means depending on the situation. In addition, we have established a partnership with a medical institution to enable employees to undergo PCR tests promptly when they feel unwell.

### ➤ Workplace Vaccinations against COVID-19

In July to August of 2021 and in March 2022, the Tokyo Tatemono Group conducted workplace vaccination sessions against COVID-19. The scope of eligibility was broadened to include not only officers and employees of the Tokyo Tatemono Group but also their families and business partners. As well as taking thorough measures to prevent infection at the vaccination sites, we also took measures to promote vaccination, such as allowing our executives and employees to be vaccinated during working hours and exempting them from work when adverse reactions occur (deemed working hours).



## ➤ Occupational Health and Safety Initiatives

Tokyo Tatemono works to ensure employee work safety by advancing a wide range of initiatives to guarantee a work-friendly environment as stated in our Compliance Manual.

In addition, there were no fatal occupational injuries to our employees, including contractors, between fiscal 2016 and fiscal 2021. In the event of an industrial accident or highly dangerous case, we analyze the cause in detail. We then work to reinforce safety by disseminating information and providing guidance to prevent recurrence.

 (Data) Lost Time Injuries P.101

### ➤ Labor-management Cooperation to Improve the Work Environment

As a mechanism for dialogue between employee representatives and company management, we hold wide-ranging discussions in which labor and management work together in unity. The aim is to achieve an appropriate work environment and working conditions, based on the shared recognition of the importance of the health and safety of employees.

### ➤ Tokyo Tatemono Head Office Receives the Highest Rank of S in the CASBEE Wellness Office Certification

We are working to ensure a work-friendly environment by reducing fatigue and stress caused by work. This helps to prevent occupational accidents and health problems.

The Tokyo Tatemono head office has received the rank of S, the highest in the CASBEE Wellness Office Certification. The office was highly evaluated for its high level of comfort achieved through innovations both at a conceptual level and at a physical level. These



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# Health Management / Occupational Safety and Health

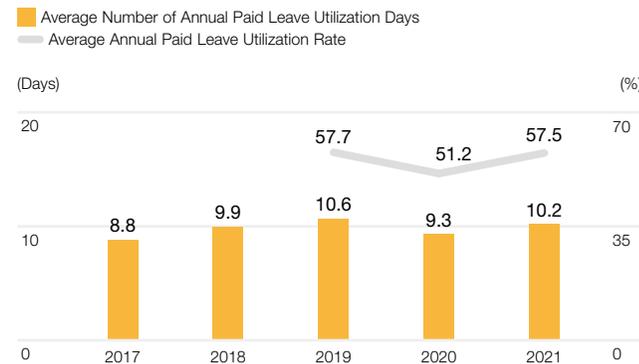
ranged from office fixtures and fittings that were selected with health in mind to seating selected to suit different work styles to our various efforts to maintain and promote health.

This certification evaluates and certifies our office initiatives—in our system and in our physical environment—as we strive to maintain and improve the health and comfort of the people working in our office building.

## Improvement of Working Environment at Tokyo Tatemono Yaesu Building

Work environment	Thermal condition	Temperature control by AI air conditioning
	Visual environment	Installation of task lighting with adjustable illumination
	Sound environment	Installation of sound-proof booths and sound masking
Work method	Improvement of work posture by introducing tilting and lifting desks	
Rest Support	Set up a cafe space as a place for rest and communication	
	Installation of health equipment	
	Greening the office	

## Use of Paid Leave



\* Legally required paid leave only (excluding refreshment leave, lapsed paid vacations, summer vacation, and other special vacations)

Related Material Issues



## Promoting the Use of Paid Leave

Tokyo Tatemono has set a target of average annual paid leave utilization rate of 70% or more each year. We actively encourage employees to use their paid leave, having established a paid leave promotion period to make it easier for employees to take time off.

In addition to the regular paid leave policy, we have established a paid leave carryover policy. This policy allows employees to use their expired paid leave for purposes such as childcare, nursing care and medical treatment. We also provide refreshment leave to employees when they reach a certain number of years of continuous service to create a working environment in which each individual can shine.

(Data) Paid Leave Status P.101

## Dialogue between Labor and Management

Tokyo Tatemono supports freedom of association and the right to collective bargaining. All employees (except for management and certain positions) 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.

(Data) Percentage of Unionized Employees P.101

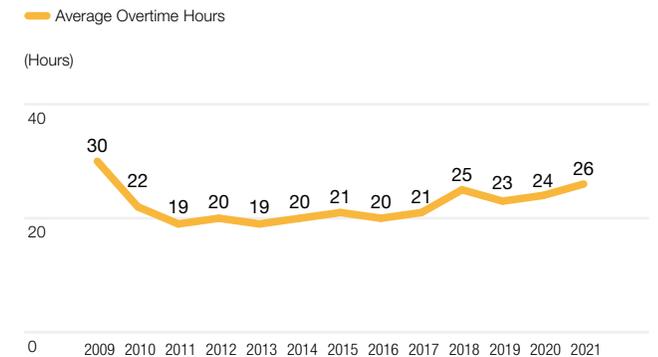
## Conclusion of Agreement on Overtime and Holiday Work

In accordance with the Labor Standards Act, an Agreement on Overtime and Holiday Work (commonly known as the “36 Agreement”) has been concluded with a person representing a majority of employees at each business site.

## 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 the event that 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 are striving to reduce overtime hours (overtime work hours).

## Changes in Average Overtime Hours Worked per Month



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# Diversity & Inclusion



## Policy and Concept

With a shrinking population due to declining birthrates and aging demographics, it is important now more than ever to effectively utilize a workforce that includes women, senior citizens, and others in order to build a sustainable society. 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 have identified diversity and inclusion as one of our material issues. To deliver on this issue, we have set the following targets: increase the ratio of women in management positions to 10% or more by fiscal 2030; maintain an annual employment ratio of 2.3% or more of persons with disabilities; and increase the ratio of male employees taking childcare leave to 30% or more by fiscal 2025.

We pursue the creation of an environment in which diverse human resources are motivated and dedicated in their work, acting freely without obstacle. We use work style reforms to enhance efficiency and enable a healthy work-life balance. We believe that these efforts will inspire innovations for providing customer-focused services and enhancing productivity, which will lead to corporate growth.

## System

The Health Management and Diversity Promotion Group within the Tokyo Tatemono Personnel Department works with all group company departments, overseeing labor affairs in a group-wide support system. This Department engages in measures to ensure a diverse base of human resources can challenge themselves to grow continuously, acting freely without obstacles.

(Data) Diversity and Inclusion Indicators and Results P.99

## Promoting the Success of Women

Tokyo Tatemono pursues initiatives aimed at empowering women to develop their careers in a way that draws from their personal values, their talents and their individuality. To provide a secure work environment, we have established various systems to maintain employee career continuity even after a major life event. We also recruit diverse human resources actively.

Our ratio of women employees was 30.8% as of December 2021, up 4.2% from 2017. We are targeting a percentage of management positions held by women of 10% or more by 2030. In December 2021, this percentage was 7.2%, up 1.2 percentage points from the previous year, when it was 6.0%.

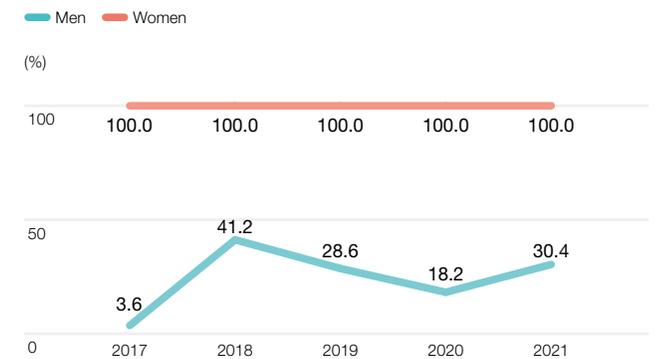
## Leave Systems for Pregnancy, Childbirth, Childcare and Nursing

In addition to maternity leave, we have established leave systems for both women and men employees to use in the case of childcare and nursing care. We have also set up a re-employment system for former employees who resigned from their jobs for the aforementioned reasons.

(Data) Childcare Leave P.100

Rehiring of Retirees P.84

Changes in the Ratio of Employees Taking Childcare Leave



# Diversity & Inclusion



## Overview of Childbirth and Childcare Support Systems

Period	Policy	Overview
The full duration of childbirth and childcare	<b>Paid Leave Carryover Policy</b>	Employees may use the paid leave carryover policy. <b>Salary:</b> paid
	<b>Re-Employment Policy for Employees who Resigned due to Pregnancy, Childbirth, or Child Rearing</b>	Retired employees may apply to be rehired by Tokyo Tatemono.
During Pregnancy	<b>Flextime System</b>	Flextime System can be used. This applies to office admin staff, who are not ordinarily eligible to use flextime (work start/stop times can be adjusted).
Immediately Before /After Childbirth	<b>Leave Before/After Childbirth</b>	Employees may take up to six weeks of leave before childbirth/up to eight weeks of leave after childbirth. <b>Salary:</b> paid
	<b>Childcare Leave</b>	Employees may take leave until one month after the first March 31 that falls after their child's third birthday. <b>Salary:</b> Unpaid (With benefits from employment insurance)
	<b>Special Leave for Childbirth</b>	Employees may take one day of special leave.
	<b>Celebratory Monetary Gift for Childbirth</b>	Employees may receive 50,000 yen as a celebratory gift for the birth of their child.
During Childcare	<b>Flextime System</b>	Flextime System can be used. <b>Salary:</b> Same as ordinary flextime system. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	<b>Shortened Working Hour System</b>	Employees may work a shorter six-hour day. Employees may select from five work styles. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	<b>Childcare Leave (Childcare Time)</b>	Employees may take up to one hour of leave per day. This leave may be taken over one or multiple periods during the day. <b>Salary:</b> Unpaid <b>Period:</b> Until the child reaches their first birthday
	<b>Restrictions on Overtime for Childcare</b>	Employees are limited to no more than 24 hours of overtime per month and must not exceed 150 hours of overtime per year. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	<b>Restrictions on Late Night Work for Childcare</b>	Employees may be restricted from working between the hours of 10:00 p.m. to 5:00 a.m. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	<b>Exemption from Overtime for Childcare</b>	Employees may be exempt from exceeding their prescribed work hours. <b>Period:</b> Until one month after the first March 31 that falls after their child's third birthday.
	<b>Nursing Care Leave for a Child</b>	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 hourly increments). <b>Salary:</b> Unpaid <b>Period:</b> Until the conclusion of the child's third year of elementary school
	<b>Support for Employees Using Babysitters</b>	Employees can receive a special discount on babysitter fees.
	<b>Vacation Day Childcare Expense Subsidy Program</b>	Partial subsidy for childcare expenses on Saturdays, Sundays, and vacation days for employees whose regular workdays fall on those days.

\* Some policies carry conditions such as length of service

## Promoting the Success of Seniors

Tokyo Tatemono has introduced a rehiring policy for employees who have reached the retirement age of 60 but wish to continue working until the age of 65 so that they can continue to enjoy active, successful careers. Our Personnel Department conducts individual interviews 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 addition, for employees who have been rehired after retirement, we have a system in place that allows those who are willing to continue working and who are deemed necessary by the company to continue working after the age of 65.

### Ratio of Employees Rehired at Retirement Age



(Data) Rehiring of Employees at Retirement Age P.100

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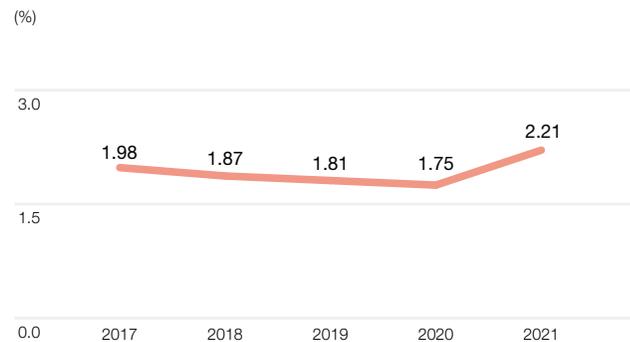


## Promoting the Success of People with Disabilities

To promote the success of people with disabilities, we have established systems that allow people with disabilities to enjoy long-term, stable employment. We accomplish this not only through optimal department assignment based on the individual's particular qualities, but also through working hours set appropriately to the particular circumstances of each disability, as well as a personnel system with provisions for working from home as standard. For employees who work from home as standard, an outside professional counselor has been appointed to support their work while monitoring their daily health condition.

We set a target of maintaining an annual employment ratio of 2.30% or more of people with disabilities. As of June 2021,\* our employment ratio of people with disabilities in 2020 was 2.21%, but this fulfilled the mandatory number of employees

Ratio of Employees with Disabilities (As of June each year)



that is required by law. As of December 2021, we had increased the ratio to 2.41%. We will continue our efforts to employ people with disabilities.

\* At the time of reporting to the government in accordance with laws for the promotion of people with disabilities.

(Data) Headcount P.99

## Promoting the Success of Non-Japanese Employees

Tokyo Tatemono does not discriminate in its hiring based on factors such as nationality or race.

In our overseas business, we hire and foster strong talent from various nationalities at our local subsidiaries. This enables our business to grow roots in the regions in which we operate.

(Data) Headcount P.99

## System to Accompany Spouse on Overseas Transfer

With globalization as a backdrop, opportunities to work overseas are increasing. Tokyo Tatemono allows employees to take up to three years of leave of absence to accompany their spouse on an overseas assignment. The policy is designed for employees who wish to remain with the company but also want to share their life with their family. By giving consideration to the work-life balance of employees in this situation, we hope to enable them to lead a fulfilling life. In addition, employees who have left the company due to reasons such as their spouse's transfer are eligible to rejoin under the rehiring system for retired employees.

## Rehiring of Retirees

We have introduced a rehiring system for retired employees who had to leave the company due to life events or family reasons, such as pregnancy, childbirth, childcare, or nursing care. This enables them to return to the company and resume leveraging the knowledge and experience they obtained during their tenure.

## System for Limiting Work Location

A transfer to a new work location can present difficulties depending on an employee's own circumstances or family circumstances. We have established a system that allows such employees to place restrictions on the locations where they can work. This system allows them to choose a flexible work style according to their personal situation.

## Workplace Understanding of Gender Diversity

The Group's Compliance Action Guidelines stipulate respect for human rights and prohibition of discrimination and prohibition of harassment, prohibiting discrimination on the basis of sexual orientation. In addition, to deepen employees' understanding of gender diversity, we cover this issue in our compliance training and human rights training programs.

The harassment consultation service is also available for LGBTQ-related harassment.

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Corporate Philosophy, Corporate Data, Financial Highlights, Editorial Policy

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- Supply Chain Management
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Proportion of External Directors

**33%**

Average Attendance Rate of Board of Directors

**100%**



Compliance Training (E-Learning) Completion Rate

**100%**



# Corporate Governance



Advancement of governance



Strengthen risk management framework

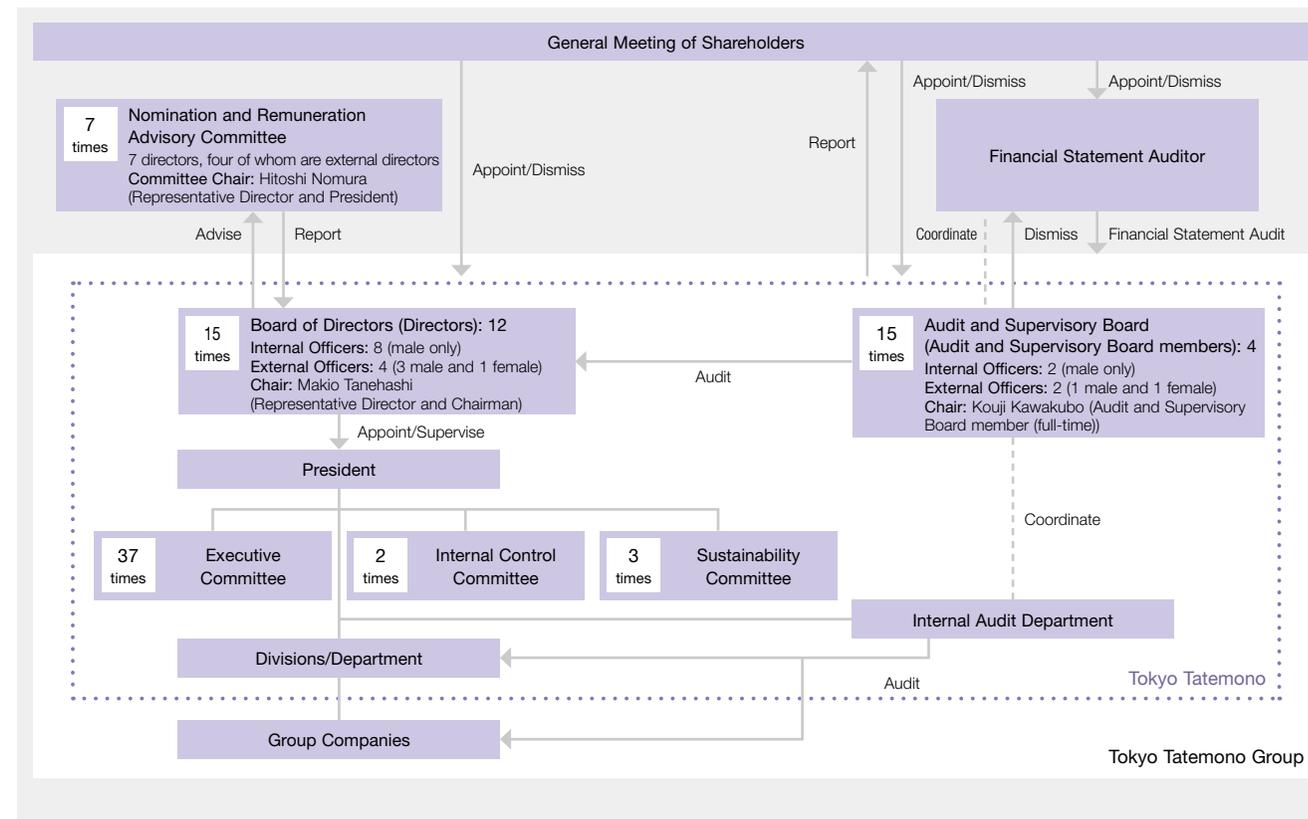
## Policy and Concept

Based on our corporate philosophy of “Trust beyond the era,” Tokyo Tatemono is striving to build optimal corporate governance, with the primary aim of enhancing efficiency while ensuring the soundness and transparency of management, to achieve sustainable growth and increase corporate value over the longer term. In addition, we actively and appropriately disclose information for shareholders and other stakeholders to understand the company’s business activities accurately.

We have also identified the advancement of governance as a material issue for the Group. By further enhancing the governance framework and promoting a range of measures, we are striving to improve profitability and the transparency and objectivity of management.



### Corporate Governance Structure



## 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. Furthermore, we appoint external directors and external Audit and Supervisory Board members who help us operate under stronger management supervision and ensure transparency. This system ensures effective supervision and supervisory functions with regard to management and also to business execution by directors of the Company.

To heighten the efficiency of Group management and achieve group synergies, we also make a contractual agreement with each Group company based on the Group Business Management Standards. By setting out and informing each company of conditions such as items subject to prior approval and items to be reported to the Company, we are working to reinforce Group governance.



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# Corporate Governance



## Board of Directors

The Board of Directors consists of 12 directors, four of whom are external directors (one of whom is a female member). We maintain the appropriate number of members needed to ensure the diversity and balance of knowledge, experience, and abilities of the Board as a whole, and for the Board to function effectively and efficiently. As a general rule, Tokyo Tatemono holds regular Board of Directors meetings once a month and other extraordinary meetings as deemed necessary to resolve important matters related to business execution and oversee the business execution of directors. The Board of Directors is chaired by the Chairman, who does not concurrently serve as an executive officer. Audit and Supervisory Board members attend board meetings and offer opinions as necessary. (Numbers are as of March 2022.) In fiscal 2021, 15 meetings were held, and the attendance rate of each director was 100%.

## Audit and Supervisory Board

The Audit and Supervisory Board consists of four members, two of whom are external members (one of whom is a female member). It is chaired by a full-time member. In fiscal 2021, 15

meetings were held, and the attendance rate of each board member was 100%. Audit and Supervisory Board members attend Board of Directors and Executive Committee meetings, express their opinions as necessary, receive regular reports from the Financial Statement Auditor and various departments, and exchange opinions and information with each of these as needed. In addition, Directors, the Internal Audit Department, the General Affairs Division, and the Internal Control Committee promptly report to Audit and Supervisory Board members on the following matters concerning Tokyo Tatemono and Group companies.

- **Directors:**  
Matters that may have a significant impact on the Tokyo Tatemono Group
- **Internal Audit Department:**  
Status of internal audits
- **General Affairs Division:**  
Status of fraudulent activity reports and their content
- **Internal Control Committee:**  
Critical matters for internal control and compliance

## Executive Officer System

Tokyo Tatemono has adopted an executive officer system to energize our Board of Directors and speed up decision-making through the separation of management functions and decision-making functions. Except for matters determined by laws and regulations and the Articles of Incorporation to be resolved by the Board of Directors and critical matters concerning business execution, the right to make decisions on business execution is delegated to executive officers, including the president. The scope of such delegation is stipulated in the corporate bylaws, based on factors such as the type of transaction and transaction amount.

Executive officers are appointed by a resolution of the Board of Directors and have a term of two years. As of March 31, 2022, there were 20 executive officers of the Group.

## Nomination and Remuneration Advisory Committee

We have established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors to select candidates for directors and recommend remuneration levels for the same. Committee members are appointed from among directors, and the president serves as committee chairman. Also, to ensure objectivity and transparency in the procedures, more than half of the seven members are external directors who provide expertise and advice. In fiscal 2021, seven meetings were held, and the attendance rate of each committee member was 100%.

## Executive Committee

The Executive Committee consists of executive officers with specific responsibilities, with the president as chairman. This meeting is held to discuss matters important to group management. In fiscal 2021, 37 meetings were held.

Full-time Audit and Supervisory Board members attend Executive Committee to assess the status of deliberations and offer opinions as necessary.

## Board of Directors Related Data

Item	Unit	2017	2018	2019	2020	2021
Number of Board Meetings	Meetings	12	13	15	14	15
Number of Directors	Persons	11	12	12	12	12
Number of Executive Officers on Board	Persons	7	7	7	7	7
Number of Non-Executive Officers on Board (Excluding Independent External Directors)	Persons	1	1	1	1	1
Number of Independent External Directors	Persons	3	4	4	4	4
Proportion of External Directors	%	27	33	33	33	33
Average Board Meeting Attendance	%	100	100	99	100	100
Average Tenure of Directors (Including Independent External Directors)	Years	5.0 (March)	5.8 (March)	3.8 (March)	4.8 (March)	4.6 (March)

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

▶ Data Collection Scope: Tokyo Tatemono

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## Internal Control Committee

The Internal Control Committee, which is chaired by the president, and whose members include the vice president, and officers in charge of corporate divisions, discusses and monitors internal control risks (compliance risks and internal management risks). In fiscal 2021, two meetings were held. The committee regularly reports on the results of discussions and monitoring to the Board of Directors and the Audit and Supervisory Board.



## Sustainability Committee

To promote sustainability measures across the Tokyo Tatemono Group, we have established a council that reports directly to the president. In fiscal 2021, three meetings were held.

The Committee works with the subordinate organization, the Sustainability Promotion Committee, which comprises personnel from each business department, to continuously advance sustainability policies. It does this by setting goals, monitoring progress, and evaluating achievements related to sustainability policies. Matters discussed by the Sustainability Committee are reported to the Board of Directors, and if necessary, discussed and overseen by the Board.

## Selection and Appointment of Directors and Audit and Supervisory Board Members

We comprehensively evaluate the personality, abilities, knowledge, and experience of candidates and select those who possess qualities that can contribute to increasing the longer-term corporate value of the Group as members of management, and appoint them as candidates for directors and Audit and Supervisory Board members. The Articles of Incorporation stipulate the term of office as two years for directors and four years for Audit and Supervisory Board members.

In making nominations, we seek the appropriate involvement of external directors, who make up a majority of the Nomination and Remuneration Advisory Committee. The Board of Directors approves nominations after they have been deliberated by the committee.

### Specialization and Experience of Directors (Skill Matrix)

Name	Position in the Tokyo Tatemono Group	Gender	Corporate management	Financial accounting	Legal affairs, compliance, risk management	Sustainability	Real estate business, urban development	Overseas projects	ICT, digital technology	Personnel, HR development
Makio Tanehashi	Representative Director	Male	○	○			○	○		
Hitoshi Nomura	Representative Director	Male	○	○	○		○			○
Kengo Fukui	Representative Director	Male	○				○			
Katsuhito Ozawa	Director	Male	○	○		○	○	○	○	
Akira Izumi	Director	Male	○	○	○	○	○		○	○
Hisatoshi Kato	Director	Male	○				○			○
Hideshi Akita	Director	Male				○	○			○
Takeshi Jinbo	Director	Male				○	○			
Shuichi Hattori	External Director	Male		○	○					○
Yoshimitsu Onji	External Director	Male	○	○	○			○		
Takeo Nakano	External Director	Male	○	○	○					
Yumiko Kinoshita	External Director	Female			○			○		○

\* The above skill matrix is not an exhaustive list of all the expertise and experience of each director.

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## Criteria for Independence of Independent External Directors

Tokyo Tatemono deems external directors to be independent when, in addition to meeting the criteria for independence stipulated by Tokyo Stock Exchange, they do not fall under any of the following categories:

- 1 A business partner of Tokyo Tatemono that constitutes 2% or more of the Company's consolidated net sales in the most recent fiscal year or a person executing business of such partner
- 2 A shareholder of the Company that holds more than 10% of the total number of voting rights of the Company or a person executing business of such shareholder
- 3 A representative, member, or employee of an auditing firm employed as the financial statement auditor for the Company
- 4 A consultant, accounting professional, or legal professional that received remuneration (excluding director remuneration) of more than 10 million yen from the Company in the most recent fiscal year

\* From Tokyo Stock Exchange standards: Guidelines III 5, (3) 2 relating to the listing management, etc. Rule 436-2: Examination to ensure effectiveness.

## Support System for External Directors and External Audit and Supervisory Board Members

The Corporate Planning Department provides explanations and information as necessary to support external directors. The Department also serves as secretariat for the Board of Directors.

At the request of the Audit and Supervisory Board, we assign personnel to serve as staff for external board members to encourage the smooth execution of audit procedures. We have also established a system that enables full-time Audit and Supervisory Board members to attend Board of Directors and Executive Committee meetings, and receive regular reports



from financial statement auditors and various departments, as well as exchange opinions with these parties at any time.

## Remuneration of Officers

Based on our Corporate Philosophy, "Trust beyond the era," the Group strives for sustainable growth and the improvement of corporate value over the longer term. Regarding remuneration of officers (excluding certain officers), our aim is to instill awareness of each officer's responsibility to contribute to building corporate value not only in the short term but also over the longer term. To this end, we have adopted a system that links a certain percentage of remuneration to business and stock price performance.

### Remuneration Policy

Remuneration of directors (excluding external directors) comprises three elements: fixed remuneration, performance-based remuneration, and stock-based remuneration. The ratio of these elements is set appropriately based on the policy regarding the determination of payment ratios by type of compensation for Directors. The amount of remuneration for

### Policy on Payment Breakdown by Remuneration Type

	Fixed remuneration	Performance-based remuneration	Stock-based remuneration
<b>Positioning</b>	Basic remuneration	Short-term incentive	Medium- and long-term incentive
<b>Variability</b>	—	Performance linked to single fiscal year	Stock-based
<b>Proportion of total remuneration (approx.)</b>	50%–60%	30–40%	5–10%

each director is decided by the Board of Directors after consulting with the Nomination and Remuneration Advisory Committee. Remuneration of external directors and Audit and Supervisory Board members is limited to fixed remuneration in consideration of their duties.

The remuneration amounts for individual directors are determined by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee. Determination of the details of such remuneration for each individual director is delegated by resolution of the Board of Directors to the President and Chief Executive Officer.

The President and Chief Executive Officer is delegated by the Board of Directors to prepare proposals for fixed remuneration and performance-based remuneration for individual directors

### Remuneration of Directors and Audit and Supervisory Board Members (Fiscal Year Ended December 2021)

Executive Class	Number of Eligible Individuals	Total Amount by Type of Remuneration			Total Remuneration (Million Yen)
		Fixed Remuneration (Million Yen)	Performance-Linked Remuneration (Million Yen)	Stock-Based Remuneration (Million Yen)	
Directors (Excluding External Directors)	9	263	174	41	479
Audit and Supervisory Board Members (Excluding External Members*)	2	52	—	—	52
External Officers	8	54	—	—	54
<b>Total</b>	<b>19</b>	<b>370</b>	<b>174</b>	<b>41</b>	<b>585</b>

\* Two External Members

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based on each director's position and responsibilities each fiscal year and in accordance with the resolution of the General Meeting of Shareholders. The specific details of remuneration for each individual director are determined after consultation with the Nomination and Compensation Advisory Committee. Details of the amount of remuneration for each individual director are determined after consultation with the Nomination and Remuneration Advisory Committee. The reason for delegation of this responsibility to the President and Chief Executive Officer is that he is the most qualified to make an evaluation based on comprehensive consideration of the Company's business performance and the responsibilities of the directors.

## ➤ Remuneration Structure

- **Fixed remuneration (for Directors):** Up to 35 million yen per month (420 million yen per year) \*1
- **Performance-based remuneration (for directors excluding external directors):** Capped at 1% of consolidated ordinary profit and 2% of profit attributable to owners of parent for the year prior to the fiscal year in question\*2
- **Stock-based remuneration (for directors excluding external directors):** Based on the stock-based remuneration system determined by a board benefit trust scheme, directors will be awarded a maximum of 40,000 points per fiscal year (equivalent to 40,000 shares). At the time of retirement, the director will be paid an amount equivalent to the amount of company stock held and market value.
- **Audit and Supervisory Board member remuneration:** Remuneration of external directors and Audit and Supervisory Board members is limited to basic remuneration according to whether the member serves in a full-time or part-time position, capped at 8 million yen per month (equivalent to 96 million yen per year).\*3

\*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

\*3 Based on a resolution of the 200th Ordinary General Meeting of Shareholders held on March 28, 2018



## ➤ Evaluation of the Effectiveness of the Board of Directors

We conduct an annual survey on the structure, agenda items, and operation of the Board of Directors and evaluate the effectiveness of the Board based on the results. Below is an overview of the effectiveness evaluation for fiscal 2021.

### ➤ Evaluation Process / Topics

#### ● Evaluation Process

A questionnaire survey was administered to all directors and Audit and Supervisory Board members. Their responses were aggregated and analyzed, and the results shared in a Board of Directors meeting, where future issues and measures were discussed.

#### ● Topics

##### Structure:

Ratio, number, and diversity of external directors

##### Agenda:

Number, content, and standard expressions of monetary amounts in agenda items

##### Operation:

Number of meetings, length of meetings, explanation provided prior to meetings, explanatory materials, time taken for explanation, time taken for discussion, and reported content

##### Other:

Support system, training

### ➤ Results of Evaluation and Future Actions

The evaluation results confirmed that the Board of Directors is sufficiently effective. In addition, discussion of the survey results in a Board of Directors meeting confirmed the following issues.

#### ● Matters whose Evaluation Improved Year on Year

Greater discussion of longer-term management issues and policies.

#### ● Future Issues and Actions

Actions to review and improve the standard expressions of monetary amounts and content of submitted agendas, advance explanation of the agenda, and timing of advance distribution of explanatory materials; actions to improve the efficiency and liveliness of discussions.

## ➤ Cross-Shareholdings

We acquire and hold shares of other companies for non-investment purposes (cross-shareholdings) when we determine that holding such shares is likely to contribute to maintaining and increasing the medium- and long-term corporate value of the Group by maintaining and strengthening business relationships with business partners.

We verify the appropriateness of our individual cross-shareholdings with a view to whether holding them will continue to contribute to maintaining and increasing the corporate value of the Group. Verification is performed by viewing the transaction results and prospects of real estate transactions, joint ventures, construction and equipment transactions, and financial transactions, in addition to dividend results. We report verification and disposal results to the Board of Directors at least once every year, and if we determine that such cross-shareholding is no longer significant, we seek to reduce the cross-shareholding while considering the impact on the stock market and other factors.

The medium-term business plan (fiscal 2020 to 2024) calls for us to reduce cross-shareholdings, partly in an effort to increase asset efficiency.

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# Risk Management



## Policy and Concept

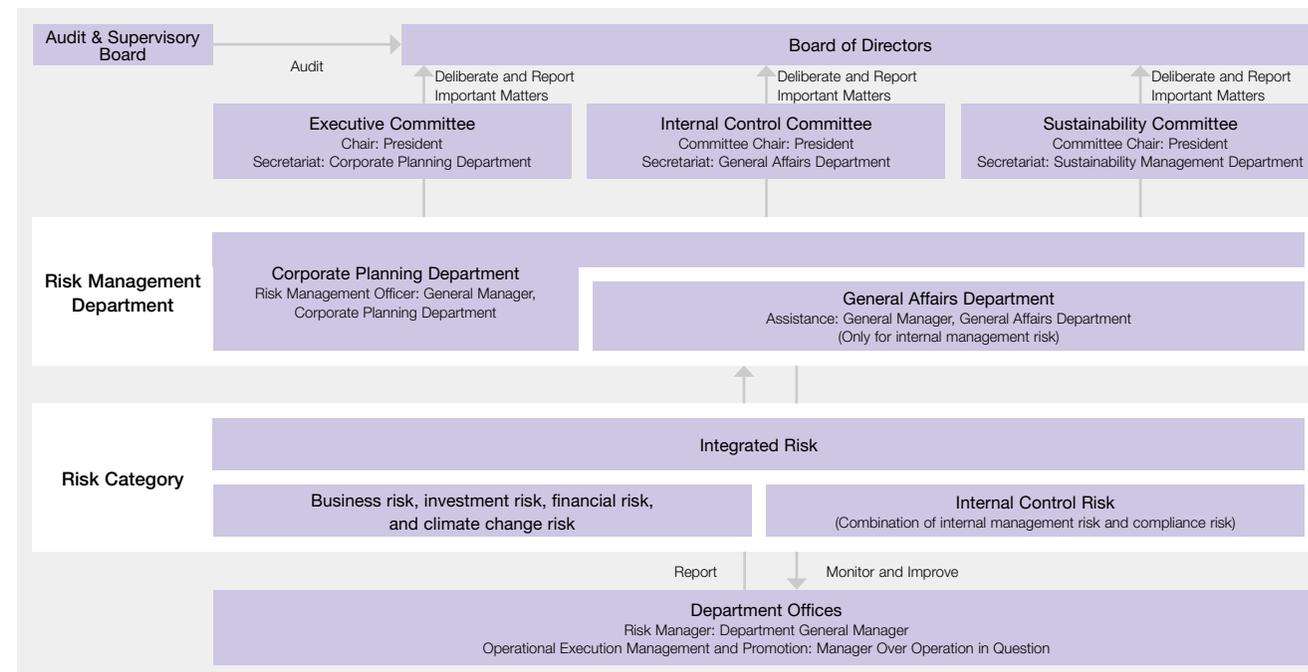
The Tokyo Tatemono Group seeks to appropriately manage risks that affect the Group's business to achieve stable improvement in corporate value. To this end, having established risk management regulations and created a risk management framework, we are working to ensure ongoing risk monitoring and control.

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

We have also identified the need to strengthen the risk management framework as a material issue for the Group. We will revise our risk management approach with the aim of dealing more effectively and more accurately with changes in social conditions in recent years and with the attendant risks, which are becoming more diverse and complex.

Internal Control Report (Only available in Japanese)

### Risk Management Structure



## System

We have identified and classified risks that may have a significant impact on the Tokyo Tatemono Group business: business risk, investment risk, financial risk, climate change risk, and internal control risk.

Of these, integrated risk, primarily that arising from business risk or investment risk, is managed by the Corporate Planning Department, which is the division in charge of overall risk management. Internal control risk (internal management risk and compliance risk) and climate change risk are both managed by the Internal Control Committee and Sustainability Committee, which are chaired by the President. The various risks are monitored on a regular basis, and measures taken as needed. The Executive Committee chiefly considers policies related to general business risk, while each department general manager acts as a risk manager in monitoring such risks and taking appropriate measures to prevent, manage, and mitigate risk. Important matters related to each type of risk are reported to the Board of Directors as necessary and audited by the Audit and Supervisory Board.

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# Risk Management



Advancement of  
governance



Strengthen risk  
management framework

## Comprehensive Information Management

To ensure that information collected through our business is managed appropriately, the Tokyo Tatemono Group has established information management regulations and rules for handling personal information. Established regulations include rules for handling social security number-related information. We have also established an information management system coordinated by an individual in charge of information management. In addition, we are working to strengthen the management of personal information and confidential information through regular annual self-inspections.

We have established a system for responding to matters relating to personal data held by the Group. The system enables us to appropriately and promptly address various personal data issues, including disclosure requests or other inquiries, such as those from the individuals themselves, complaints regarding the handling of personal information, the occurrence of leaks of personal information, and reports to related parties when signs of such leaks are detected.

Tokyo Tatemono Real Estate Sales also maintains ISO/IEC 27001 international certification and JIS Q 27001 Japanese certification for information security management systems, and undergoes an external review every year. The results of the review are incorporated in information management training carried out every year for all Group employees.



Acquisition of ISO 27001 certification  
(Tokyo Tatemono Real Estate Sales) (Only available in Japanese)

# 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, local communities, employees, shareholders and investors, and business partners. In June 2009, the 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.

Alongside other initiatives, we are using compliance training as we work to build organizational and educational systems that enable our employees to maintain a high level of compliance awareness at all times.

**Compliance Charter**

As we engage in corporate activities, we observe the Compliance Charter below:

- We adhere to laws, regulations, and other rules and engage in fair, sound corporate activities.
- We act faithfully by thinking from the customers' standpoint.
- We contribute to making society better through corporate activities.
- We respect the personalities and values of each other and maintain a comfortable working environment.

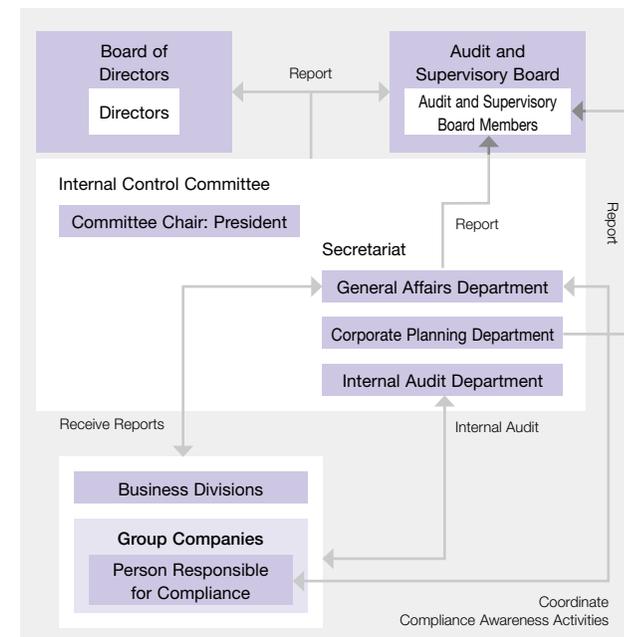
Established June 2009

## System

The Tokyo Tatemono Group established an Internal Control Committee (Committee Chair: President) 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 Department supports and guides the compliance-related operations of group companies. This Department also aims to improve compliance functions throughout the Group through collaboration between and among group companies.

### Compliance Structure



## Responding to Compliance Violations

In the event that a matter is discovered that may be deemed to pose a compliance problem (including labor issues), the matter is reported to the President and other relevant parties, and an investigation or fact-finding review or similar process is conducted as appropriate.

If such investigation or fact-finding review, etc., confirms that a compliance violation has occurred, we will promptly take corrective measures and measures to prevent recurrence. Such events are reported to the Internal Control Management Committee, which monitors the implementation status of measures taken.

In 2021, no events were identified as constituting material noncompliance with laws and regulations (including labor issues), subject to sanctions, or led to detection. In addition, no fines, penalties or settlements were incurred.

(Data) Compliance Indicators and Results P.103

### Provisions for Violations of Laws and Regulations, Lawsuits, etc.

An amount is estimated at the end of the fiscal year for fines and settlements that are likely to arise from events that occurred prior to the current fiscal year, and provisions are made accordingly. No significant provisions were made at the end of fiscal 2021.

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# Compliance



## Formulation of a Compliance Manual

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

This manual details the prevention of corruption through a comprehensive range of topics including: “Proper relations with business partners,” “Proper relations with politics and government,” “Blocking relations with antisocial forces,” and “Prohibition of fraudulent acts, etc.,” as stipulated in the Compliance Codes of Conduct, which constitute the standards of conduct within our Compliance Charter. It also includes the Group Environmental Policy, Group Anti-Bribery Policy, and other standards of conduct and policies that are broadly related to compliance.

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 posts educational content on our corporate intranet covering compliance themes in line with the Compliance Manual. We strive to prevent corruption, bribery, and to prohibit discrimination by sharing case studies related to bribery and LGBT issues.



The Tokyo Tatemono Group Compliance Manual

### Compliance 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

Compliance Codes of Conduct

## Responsible marketing

The Tokyo Tatemono Group conducts responsible marketing based on the Compliance Charter and Compliance Codes of Conduct. We strive to offer information that is accurate and honest, conduct fair sales activities, and build up our brand image. As we do so, we also work to ensure a common understanding among all employees by distributing the Tokyo Tatemono Group Compliance Manual and carrying out training.

In particular, we adhere to the Tokyo Tatemono Group Compliance Manual with regard to expressions used in advertising. We carefully examine advertising content for slanderous, discriminatory, or exaggerated expressions; religious or political beliefs; environmental concerns; the privacy of third parties; personal information; and intellectual property rights.

Compliance Training P.95

## Prevention of Bribery and Corruption

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. We have in place Tokyo Tatemono Group Anti-Bribery Guidelines and prohibit the provision of economic benefits to public officials or deemed public officials that would infringe upon local laws or regulations in Japan or in any of the countries where we conduct business. To convey the content of the Anti-Bribery Guidelines both inside and outside the company, the Guidelines are posted on our website and listed on the Tokyo Tatemono intranet.

In addition, these details are communicated to employees through the distribution of the Tokyo Tatemono Group Compliance Manual as well as through training programs.

Going forward, we will also distribute our Sustainable Procurement Standards to suppliers, to ensure that they understand and respect them.

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# Compliance



## Relevant Compliance 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

Tokyo Tatemono Group Anti-Bribery Guidelines

## Assessment and Monitoring of Bribery Risks

The Company has established Anti-Bribery Regulations and an Anti-Bribery Manual. We assess bribery risks and identify certain activities involving a high risk of bribery (these include the use of agents to provide services on an intermediary, agency or mediation basis in addition to direct transactions). To deter such activities, in the Anti-Bribery Regulations and Anti-Bribery Manual, the Company has established approval and reporting processes for entertainment, gifts, donations, etc.

With regard to bribery, the Internal Control Committee conducts risk assessment and monitoring. Internal audits are conducted periodically to evaluate and review the anti-bribery control system.

## Political donations

When making donations related to political activities to political parties and political fund organizations, we take appropriate measures in accordance with the Political Funds Control Act, the Public Offices Election Act, and other related laws and

regulations. We do not make donations related to political activities to individual politicians or organizations other than political parties or political fund organizations.

## Preventing Anti-Competitive Practices

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 did not incur any fines or other penalties related to corruption in fiscal 2021.

## Relevant Compliance Codes of Conduct

- 1-1 Comply with laws and regulations
- 1-2 Maintain proper relationships with partners
- 1-3 Engage in fair competition

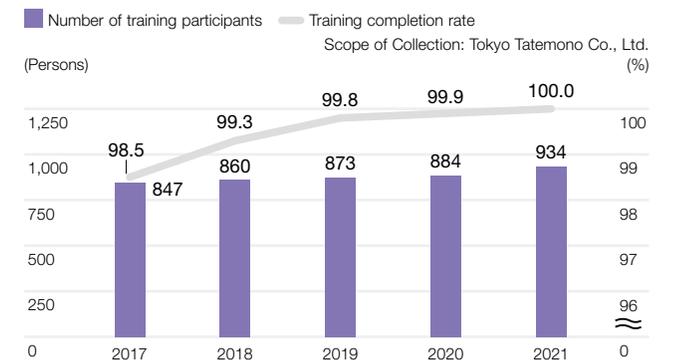
## Compliance Training

Tokyo Tatemono conducts annual e-learning compliance training for all executives and employees. In 2021, training topics included: harassment prevention; general compliance including anti-corruption; information management including prevention of insider trading; and the Real Estate Brokerage Act and the Criminal Proceeds Transfer Prevention Act including prevention of money laundering. Other topics included communication aimed at sustaining good working relationships amid changes in work styles, and overviews of the Act against Unjustifiable Premiums and Misleading Representations, the Subcontract Act, and the Unfair

Competition Prevention Act. With each of these topics, our aim was to prevent violations of laws or regulations that could arise due to a lack of legal knowledge by enabling participants to gain knowledge about each area and update their knowledge of regulatory changes. In addition to e-learning training, we conducted training for helpline staff of Group companies in accordance with guidelines set forth by the Ministry of Health, Labour and Welfare and the Consumer Affairs Agency. The aim of this training is to equip employees to deal with complaints or consultations and give them points to keep in mind. We also conducted online communication training, along with other training specific to certain levels of employees, such as compliance training for directors and managers and compliance training for those newly appointed to leadership positions.

To prevent corruption and bribery, we use the Tokyo Tatemono intranet to raise awareness about these issues throughout our organization by publishing a series of monthly compliance news articles that includes articles on preventing insider trading, fraud, and harassment.

### Data Related to Compliance Training (E-learning)



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# Compliance



On the subject of legal and tax matters of high importance to our business, we invite external 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.

## Compliance Surveys

Since 2009, the Tokyo Tatemono Group has conducted an annual compliance survey to understand and verify the degree of compliance awareness and acceptance among group employees. In 2021, 8,500 employees from 18 group companies were surveyed—a response rate of 73.2%.

The results of the survey were analyzed to understand responses by group companies and for the Group as a whole. This analysis was then reported to the Internal Control Committee. We also share the survey results on the intranet and provide feedback to group companies as an aid in solving problems in advance, reflecting on compliance structure, and engaging in compliance awareness activities.

(Data) Compliance Training and Return Rate of Compliance Surveys P.103

## Establishment of a Helpline

The Tokyo Tatemono Group established the Tokyo Tatemono Group Helpline, a common external resource for the whole Group, in addition to separate internal helplines that are in place within each Group company. Both types of helplines accept internal complaints, reports, and consultations. The helplines aim to prevent or quickly resolve compliance violations

in the Group, such as violations of laws or regulations, bribery or other acts of corruption, misconduct, or harassment, in light of the compliance with laws and regulations, prohibition of fraudulent acts, prohibition of harassment, and other conduct stipulated in the Compliance Codes of Conduct.

These services are available to all workers (including part-time and casual workers) and retired employees of the Group, as well as temporary and contract employees engaged in business. In addition, in keeping with the spirit of the Whistleblower Protection Act, whistleblowers will not be treated disadvantageously because of their internal complaints or reporting, and their privacy will be protected.

Internal complaints, reports, or consultations received will be reported to the General Affairs and Compliance Department. Depending on the nature of the complaint, the facts will be investigated and confirmed either by this department or by the reporting division of each Group company or by the harassment response division of each company. As a result of the investigations, we take appropriate measures to address actions that constitute compliance violations, such as promptly taking corrective measures and measures to prevent

recurrence. The Internal Control Committee convenes to consider responses to the most serious cases.

(Data) Reports and Consultations to the Helpline P.103

## Response to Anti-Social Forces

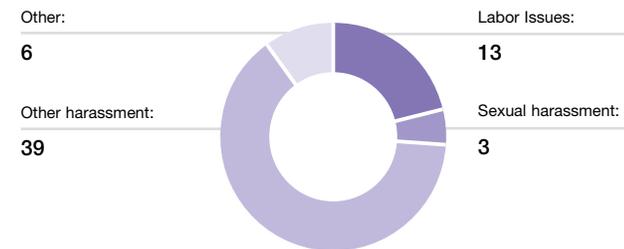
The Tokyo Tatemono Group created Exclusion of Anti-Social Forces Rules, which detail our rules to exclude any and all relationships with anti-social forces and establishes specific methods for conducting due diligence on organizations referencing the Anti-Social Forces Check Manual. We cooperate with external experts and organizations such as the police and lawyers as part of our resolute response to anti-social forces.

## Tax Compliance

In accordance with the Compliance Charter, the Tokyo Tatemono Group pays taxes appropriately, in accordance with international standards as well as the laws, regulations, and social norms of each country and region.

We respond conscientiously to the tax authorities and strive to maintain good relationships with them. In all of our responses to questions from tax authorities, we have provided honest and accurate explanations of the facts as we understand them.

Number of Helpline Calls and Consultations (FY2021)



Data Collection Scope: Tokyo Tatemono Group

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# Data

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 a dagger (†).

The collection period and scope are indicated for each item of the data. Point-in-time data is provided as of the last day of the last month of the collection period. In addition, in the aggregate scope, the coverage rate of data marked as Tokyo Tatemono is 64%.

## Environment

### Promoting a Decarbonized Society: Indicators and Results

#### Energy Consumption and CO<sub>2</sub> Emissions (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Category	Unit	2017	2018	2019	2020	2021	2021 Target
Energy Consumption (Crude Oil Equivalent)†	kl	22,083†	23,895†	24,165†	23,497†	23,050†	—
Unit Load	kl/Thousand m <sup>2</sup>	34.2	35.0	34.0	28.6	27.2	33.1
CO <sub>2</sub> Emissions†	t-CO <sub>2</sub>	42,147†	44,559†	44,263†	41,824†	39,209†	—
Scope 1 (Fuel-Derived)†	t-CO <sub>2</sub>	2,402†	3,300†	2,871†	2,534†	2,542†	—
Scope 2†	t-CO <sub>2</sub>	39,745†	41,259†	41,392†	39,290†	36,667†	—
Unit Load	t-CO <sub>2</sub> /Thousand m <sup>2</sup>	65.3	65.2	62.3	50.8	46.3	62.7
Floor Area within Scope of Reporting	Thousand m <sup>2</sup>	645	683	710	823	847	—

\* From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

#### CO<sub>2</sub> Emissions (Scope of Collection: Tokyo Tatemono Group)

Category	Unit	2019	2020	2021
CO <sub>2</sub> Emissions†	t-CO <sub>2</sub>	1,100,693	1,288,946†	943,489†
Scope 1 (Fuel-Derived)†	t-CO <sub>2</sub>	15,050	11,981†	12,657†
Scope 2†	t-CO <sub>2</sub>	115,897	104,736†	96,195†
Scope 3†	t-CO <sub>2</sub>	969,745	1,172,229†	834,638†
1. Purchased goods and services	t-CO <sub>2</sub>	19,171	16,790†	17,629†
2. Capital goods	t-CO <sub>2</sub>	227,580	198,205†	73,633†
3. Fuel and energy-related activities not included in Scopes 1 and 2	t-CO <sub>2</sub>	22,335	20,554†	19,734†
4. Transportation and distribution (upstream)	t-CO <sub>2</sub>	—	—	—
5. Waste generated in operations	t-CO <sub>2</sub>	18,532	11,181†	10,350†
6. Business travel	t-CO <sub>2</sub>	1,482	715†	902†
7. Employee commuting	t-CO <sub>2</sub>	1,575	1,570†	1,627†
8. Leased assets (upstream)	t-CO <sub>2</sub>	—	—	—
9. Transportation and delivery (downstream)	t-CO <sub>2</sub>	—	—	—
10. Processing of sold products	t-CO <sub>2</sub>	—	—	—
11. Use of sold products	t-CO <sub>2</sub>	667,565	912,151†	700,453†
12. Disposal of sold products	t-CO <sub>2</sub>	11,505	11,061†	10,310†
13. Leased assets (downstream)	t-CO <sub>2</sub>	—	—	—
14. Franchises	t-CO <sub>2</sub>	—	—	—
15. Investments	t-CO <sub>2</sub>	—	—	—

\*1 Category 4 is included in the calculation for Category 1.

Categories 8 and 13 are included in the calculation for Scope 1 and 2.

Other categories for which no figures are provided have no emission sources.

\*2 From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

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## Renewable Energy (electricity) Usage Amount and Usage Rate (Scope of Collection: Tokyo Tatemono Commercial Properties Business)

Category	Unit	2017	2018	2019	2020	2021
Usage amount	Thousands of kWh	—	—	—	—	3,675
Usage rate	%	—	—	—	—	2.7

## Energy Generated from Solar Power (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Category	Unit	2017	2018	2019	2020	2021
Solar power panel installation rate	%	41.6	38.3	37.8	39.7	39.9
Energy generated†	kWh	59,200	59,975	46,422†	56,355†	64,280†

\* From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

## Amount of Energy Generated from Solar Power (Scope of Collection: mega solar facilities managed by Tokyo Fudosan Kanri)

Category	Unit	2017	2018	2019	2020	2021
Number of facilities	Facilities	8	8	8	8	8
Energy generated	Thousands of kWh	15,493	15,311	14,592	14,240	14,886

### Water Resources: Indicators and Results

#### Potable Water Consumption, Water Consumption Unit Load and Recycled Water Consumption (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

#### Water Reduction Targets: 5% water consumption unit load reduction by FY2022 compared to FY2017 (equivalent to 1% annual reduction)

Category	Unit	2017	2018	2019	2020	2021
Potable Water Consumption†	Thousand m <sup>3</sup>	584†	654†	622†	467†	464†
Unit Load (Results)	m <sup>3</sup> /m <sup>2</sup>	0.91	0.96	0.88	0.57	0.55
Unit Load (Targets)	m <sup>3</sup> /m <sup>2</sup>	—	0.90	0.89	0.88	0.87
Target Progress Rate (Results)	%	—	+5.8	-3.2	-37.3	-39.4
Floor Area within Scope of Reporting	Thousand m <sup>2</sup>	645	683	710	823	847
Recycled Water Consumption†	Thousand m <sup>3</sup>	—	—	—	—	46†

\* From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

#### Potable Water Consumption, Water Consumption Unit Load and Recycled Water Consumption (Scope of Collection: Long-term buildings and commercial facilities for which Tokyo Tatemono has substantial energy management authority)

#### KPI/Target: Reduce unit water consumption from the previous year

 Material Issue KPIs and Targets P.8

Category	Unit	2017	2018	2019	2020	2021
Potable Water Consumption†	Thousand m <sup>3</sup>	—	—	—	—	567†
Unit Load (Results)	m <sup>3</sup> /m <sup>2</sup>	—	—	—	—	0.58
Floor Area within Scope of Reporting	Thousand m <sup>2</sup>	—	—	—	—	983
Recycled Water Consumption†	Thousand m <sup>3</sup>	—	—	—	—	100†

### Environmental Management Indicators and Results

#### Environmental Incidents and Violations of Environmental Laws or Regulations (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Category	Unit	2017	2018	2019	2020	2021
Violations of Environmental Laws or Regulations	Incidents	0	0	0	0	0
Environmental Incidents	Incidents	0	0	0	0	0
Environmental Fines	Yen	0	0	0	0	0

### Green Building External Evaluation and Certification Indicators and Results

#### Acquisition Rate of Green Building Certification for Owned and Managed Properties (as of December 31, 2020. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Category	Unit	2017	2018	2019	2020	2021
Acquisition Rate of Certification for Owned and Managed Properties						
Certification Acquired	%	39.9	40.7	36.6	38.3	56.4
Not Certified	%	60.1	59.3	63.4	61.7	43.6
Acquisition Rate of Certification for the Leasable Area of Office Buildings						
	%	39.5	40.6	36.3	41.4	63.1
Acquisition Rate of Certification for Leasable Area of Residential Buildings						
	%	43.1	42.3	39.1	22.2	22.2

\* DBJ Green Building Certification, CASBEE Building, etc.

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## ▶ Promoting a Recycling-oriented Society: Indicators and Results

**Waste Emissions and Recycling Amount / Recycling Rate (Data Collection Period: April to March of the following year. Scope of Collection: Tokyo Tatemono Long-term buildings and commercial facilities that are subject to the Energy Conservation Law and for which we have submitted written plans for waste reuse and reduction)**

**Waste Emissions Reduction Targets: 5% waste emission unit load reduction by FY2022 compared to FY2017 (equivalent to 1% annual reduction)**

Category	Unit	2017	2018	2019	2020	2021	2021 Target
Waste Amount†	t	5,173†	4,945†	5,151†	3,769†	3,939†	—
Unit Load	t/Thousand m <sup>2</sup>	8.6	8.3	8.5	5.5	5.3	8.3
Recycling Amount†	t	3,395	3,202†	3,280†	2,424†	2,305†	—
Recycling Rate†	%	65.6	64.8	63.7	64.3	58.5†	—
Floor Area Within Scope of Reporting	Thousand m <sup>2</sup>	603	593	606	691	738	—

**Waste Emissions and Recycling Amount / Recycling Rate (Scope of Collection: Long-term buildings and commercial facilities for which Tokyo Tatemono has substantial energy management authority and for which we have submitted a written plan for waste reuse and reduction.**

**KPI/Target: Waste emissions per unit: 20% reduction by FY2030 compared to FY2019; waste recycling rate: 90% reduction by FY2030**

 Material Issue KPIs and Targets P.8

Category	Unit	2017	2018	2019	2020	2021
Total Waste Emissions†	t	—	—	—	—	6,350†
Unit Load	t/Thousand m <sup>2</sup>	—	—	—	—	5.3
Recycling Amount†	t	—	—	—	—	4,171†
Recycling Rate†	%	—	—	—	—	65.7†
Floor Area Within Scope of Reporting	Thousand m <sup>2</sup>	—	—	—	—	1,207

## Social

### ▶ Diversity & Inclusion Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

#### Headcount

Category	Unit	2017	2018	2019	2020	2021
Full-Time (FT) Employees (Total)	Persons	687	719	749	772	805
Men	Persons	542	548	563	575	595
20 to 30 years old	%	12.2	13.1	15.1	16.7	18.5
31 to 40 years old	%	28.2	25.2	22.0	21.0	22.4
41 years old and above	%	59.6	61.7	62.9	62.3	59.2
Women	Persons	145	171	186	197	210
20 to 30 years old	%	17.2	20.5	19.9	19.8	23.3
31 to 40 years old	%	34.5	33.3	31.7	28.4	28.6
41 years old and above	%	48.3	46.2	48.4	51.8	48.1
Ratio of FT Women Employees	%	21.1	23.8	24.8	25.5	26.1
Ratio of Women Employees	%	26.6	27.7	28.9	30.2	30.8
Ratio of Foreign Regular Employees	%	0.3	0.3	0.3	0.3	0.2
Ratio of Employees with Disabilities**†	%	1.98†	1.87†	1.81†	1.75†	2.21†
Number of Managers	Persons	339	350	360	367	376
Men	Persons	328	334	342	345	349
Women	Persons	11	16	18	22	27
Ratio of Management Positions Held by Women	%	3.2	4.6	5.0	6.0	7.2
Ratio of Director Positions Held by Women	%	0	0	0	0	8.3

\* Ratio of Employees with Disabilities is as of June each year

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## Turnover

Category	Unit	2017	2018	2019	2020	2021
Full-time Employee Voluntary Turnover Rate†	%	1.4	2.6†	2.1†	2.2†	1.5†
Job Leavers (Total)	Persons	10	20	17	18	13
Men	Persons	8	11	9	6	9
Of which FT Employees	Persons	7	8	9	5	8
Of which Contract Employees	Persons	1	3	0	1	1
Women	Persons	2	9	8	12	4
Of which FT Employees	Persons	0	0	1	3	2
Of which Contract Employees	Persons	2	9	7	9	2

## Employment Status

Category	Unit	2017	2018	2019	2020	2021
New Hires (Total)	Persons	19	22	21	20	33
Men	Persons	15	14	14	15	23
Women	Persons	4	8	7	5	10
Ratio of Women among New Hires	%	21.1	36.4	33.0	25.0	30.3
Ratio of Mid-career Hires to Regular Employees	%	32.1	29.0	41.7	57.4	37.7
Average Years of Service	Years	13.1	12.9	13.0	13.0	13.0
Men	Years	13.6	13.6	13.8	14.0	14.0
Women	Years	10.6	10.6	10.7	10.4	10.1
Difference in Average Tenure between Male and Female Regular Employees	Years	3.0	3.0	3.1	3.6	3.9

\* Following an examination of past figures, some figures for 2019 have been revised

## Rehiring of Employees at Retirement Age

Category	Unit	2017	2018	2019	2020	2021
Employees at Retirement Age	Persons	12	8	8	11	10
Rehires	Persons	11	7	8	9	8
Ratio of employees at retirement age who were rehired	%	91.7	87.5	100.0	81.8	80.0

## Childcare Leave

Category	Unit	2017	2018	2019	2020	2021
Total Number of Employees Who Were Eligible for Childcare Leave*1	Persons	38	26	37	29	33
Men	Persons	28	17	21	22	23
Women	Persons	10	9	16	7	10
Total Number of Employees Who Have Taken Childcare Leave	Persons	17	25	29	26	30
Men	Persons	1	7	6	4	7
Women	Persons	16	18	23	22	23
Percentage of Childcare Leave Taken	%	38.6	71.4	65.9	59.1	63.0
Men*2	%	3.6	41.2	28.6	18.2	30.4
Women	%	100.0	100.0	100.0	100.0	100.0
Total Number of Employees Who Returned to Work after Childcare Leave	Persons	5	10	15	6	16
Men	Persons	0	2	6	0	5
Women	Persons	5	8	9	6	11
Percentage of Employees Returning to Work after Childcare Leave*3	%	100.0	100.0	100.0	100.0	100.0
Men	%	—	100.0	100.0	—	100.0
Women	%	100.0	100.0	100.0	100.0	100.0

\*1 Total number of employees who had a child born in the relevant year.

\*2 Male employees taking childcare leave = total number of male employees who took childcare leave in the relevant year/total number of male employees who had a child born in the relevant year.

\*3 Total number of employees who returned to work/total number of employees who were scheduled to return to work (The number of employees who returned to work is the number of employees who were scheduled to return to work excluding those who left for personal reasons without returning to work).

## Human Resource Investment and Development Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

### EBIT (Earnings Before Interest and Taxes) per Employee

Category	Unit	2017	2018	2019	2020	2021
EBIT (earnings before interest and taxes) per employee	Million Yen	52	56	62	62	69

\* A measure of productivity defined in ISO30414 (Guidelines for the Disclosure of Information on Human Capital).

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## Average Hours of Training per Year per Employee

Category	Unit	2017	2018	2019	2020	2021
Average annual training hours	Hours	—	12.0	14.4	12.2	18.3

## Percentage of Employees Receiving Regular Performance Reviews

Category	Unit	2017	2018	2019	2020	2021
Percentage of Employees Receiving Regular Performance Reviews	%	100	100	100	100	100
Men	%	100	100	100	100	100
Women	%	100	100	100	100	100

## Acceptance of Interns

Category	Unit	2017	2018	2019	2020	2021
Total number of interns accepted	Persons	293 <sup>†</sup>	157	144	207	272

\* Includes participants in seminar-based one-day internships

## Health Management / Occupational Safety and Health Indicators and Results (Data Collection Period: April to March each fiscal year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

### Health Management-related Measures

Category	Unit	2017	2018	2019	2020	2021
Ratio of employees who underwent a health check-up <sup>†</sup>	%	100 <sup>†</sup>				
Reexamination rate	%	86.8	94.0	63.0	98.3	83.7
Ratio of employees who smoke	%	23.8	22.5	21.0	17.2	16.0

\* Smoking rates for 2018 or earlier are for executives and employees 35 years of age and older. Smoking rates from 2019 onward are for all executives and employees.

### Paid Leave Status

Category	Unit	2017	2018	2019	2020	2021
Average Number of Annual Paid Leave Utilization Days <sup>†</sup>	Days	8.8 <sup>†</sup>	9.9 <sup>†</sup>	10.6 <sup>†</sup>	9.3 <sup>†</sup>	10.2 <sup>†</sup>
Average Annual Paid Leave Utilization Rate <sup>†</sup>	%	—	—	57.7 <sup>†</sup>	51.2 <sup>†</sup>	57.5 <sup>†</sup>

\* Other leave policies provide for vacations such as summer leave and national holidays (not included in the above figures)

## Percentage of Unionized Employees

Category	Unit	2017	2018	2019	2020	2021
Percentage of Unionized Employees	%	100	100	100	100	100

## Changes in Average Overtime Hours Worked per Month (Data Collection Period: January to December each year.)

Category	Unit	2017	2018	2019	2020	2021
Average overtime hours	Hours	21	25	23	24	26

## Lost Time Injuries

Category	Unit	2017	2018	2019	2020	2021
Number of Lost Time Injuries <sup>*1†</sup>	Incidents	0 <sup>†</sup>	1 <sup>†</sup>	0 <sup>†</sup>	0 <sup>†</sup>	1 <sup>†</sup>
Of which FT Employees	Incidents	0	0	0	0	1
Of which Contract Employees	Incidents	0	1	0	0	0
Total Days Lost Due to Absence <sup>†</sup>	Days	81 <sup>†</sup>	137 <sup>†</sup>	122 <sup>†</sup>	7 <sup>†</sup>	386 <sup>†</sup>
Ratio of Absenteeism <sup>†</sup>	%	—	—	0.06 <sup>†</sup>	0 <sup>†</sup>	0.18 <sup>†</sup>
Number of Deaths	Persons	0	0	0	0	0
Of which FT Employees	Persons	0	0	0	0	0
Of which Contract Employees	Persons	0	0	0	0	0
Lost time incident frequency rate (LTIFR) <sup>*2</sup>	—	—	—	0 <sup>†</sup>	0 <sup>†</sup>	0.59 <sup>†</sup>
Occupational accident severity rate <sup>*3</sup>	—	—	—	0	0	0.001

\*1 Number of lost time injuries: Accidents that occur during work that result in one or more days absence.

\*2 Lost time incident frequency rate: Number of fatalities and injuries due to occupational accidents / Total number of actual working hours x 1,000,000

\*3 Occupational accident severity rate: Total number of working days lost / Total number of actual working hours x 1,000

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## Improving Quality and Customer Satisfaction Indicators and Results

### Office Building Customer Satisfaction Survey Results

	Unit	2017	2018	2019	2020	2021
Satisfied	%	74.28	80.00	79.35	81.56	79.2
Somewhat satisfied	%	24.70	18.43	18.21	17.60	18.9
Somewhat dissatisfied	%	1.02	1.37	2.17	0.56	1.4
Dissatisfied	%	0.00	0.20	0.27	0.28	0.5

## Revitalizing and Utilizing Real Estate Stock: Indicators and Results

### Revitalizing Housing Complexes

Category	Unit	2017	2018	2019	2020	2021	Under reconstruction
Total units before reconstruction	Units	875	875	971	994	994	4,154
Total units after reconstruction	Units	1,644	1,644	1,846	1,884	1,884	8,008

# Governance

## Corporate Governance Indicators and Results

### Board of Directors Related Data

Category	Unit	2017	2018	2019	2020	2021
Number of Board Meetings	Meetings	12	13	15	14	15
Number of Directors	Persons	11	12	12	12	12
Number of Executive Officers on Board	Persons	7	7	7	7	7
Number of Non-executive Officers on the Board (Excluding Independent External Directors)	Persons	1	1	1	1	1
Number of Independent External Directors	Persons	3	4	4	4	4
Proportion of External Directors	%	27	33	33	33	33
Average Board Meeting Attendance	%	100	100	99	100	100
Average Tenure of Directors* (Including Independent External Directors) Years	Meetings	5.0	5.8	3.8	4.8	4.6

\* Average length of tenure of directors is as of March 31 of each year

## Details on Revitalization of Housing Complexes (Properties Whose Reconstruction Has Been Completed or Started)

	Property name	Location	Year of completion of original construction	Site area before reconstruction	Total units before reconstruction	Year of completion of reconstruction	Site area after reconstruction	Total units after reconstruction
<b>Completed</b>	Suwa 2-chome Housing Condominium Reconstruction Project	Brillia Tama New Town	Suwa 2-chome, Tama-shi, Tokyo	1971	64,399m <sup>2</sup>	640 units	October 2013	64,399m <sup>2</sup> 1,249 units
	Heights Komagome Apartments Reconstruction Project	Brillia Komagome Rikugien	6-chome, Honkomagome, Bunkyo-ku, Tokyo	1971	940m <sup>2</sup>	25 units	July 2014	940m <sup>2</sup> 49 units
	Fujisaki Housing Condominium Reconstruction Project	Residence Momochi	2 Momochi, Sawara-ku, Fukuoka-shi, Fukuoka	1971	9,946m <sup>2</sup>	130 units	February 2015	9,946m <sup>2</sup> 232 units
	Koganei Condominium Reconstruction Project	Brillia Koganei Sakuracho	Sakura-cho 2-chome, Koganeishi, Tokyo	1964 and 1965	5,356m <sup>2</sup>	80 units	April 2016	5,219m <sup>2</sup> 114 units
	Senri-Tsukumodai A Condominium Complex Reconstruction Project	Brillia City Senri Tsukumodai	3, Tsukumodai, Suita City, Osaka Prefecture	1966	7,256m <sup>2</sup>	96 units	December 2019	7,256m <sup>2</sup> 202 units
	Hiratsuka-cho Housing Reconstruction Project	Brillia Hatanodai	6-chome Hatanodai, Shinagawa-ku, Tokyo	1959	1,829m <sup>2</sup>	23 units	November 2020	1,829m <sup>2</sup> 38 units
<b>Started</b>	Itopia Hamarikyū Condominium Complex Reconstruction Project	Brillia Tower Hamarikyū	1 Kaigan, Minato-ku, Tokyo	1979	2,820m <sup>2</sup>	328 units	September 2023	2,820m <sup>2</sup> 420 units
	Shakujii Koen Apartment Complex	Brillia City Shakujii Koen ATLAS	3 Kami-shakujii, Nerima-ku, Tokyo	1967	42,365m <sup>2</sup>	490 units	September 2023	37,730m <sup>2</sup> 844 units

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## Remuneration of Directors and Audit and Supervisory Board Members (Fiscal Year Ended December 2021)

Executive Class	Number of Eligible Individuals	Total Amount by Type of Remuneration			Stock-Based Remuneration (Million Yen)
		Total Remuneration (Million Yen)	Fixed Remuneration (Million Yen)	Performance Linked Remuneration (Million Yen)	
Directors	9	263	174	41	479
Audit and Supervisory Board Members (Excluding External Members*)	2	52	—	—	52
External Officers	8	54	—	—	54
Total	19	370	174	41	585

\* Two external corporate auditors

## Compliance Indicators and Results

### Violation of Laws or Regulations and Related Sanctions

Category	Unit	2017	2018	2019	2020	2021
Number of incidents related to bribery	Incidents	0	0	0	0	0
Number of incidents related to antitrust or anti-competitive behavior	Incidents	0	0	0	0	0
Number of incidents related to Code of Conduct	Incidents	0	0	0	0	0
Number of incidents related to other compliance violations	Incidents	0	0	0	0	0

### Violation of Laws or Regulations in the Field of Socioeconomic Activities

Category	Unit	2020	2021
Number of Violations of Laws or Regulations in Socioeconomic Activities	Incidents	0	0
Of which total amount of significant fines	Yen	0	0
Of which total number of sanctions other than fines	Incidents	0	0

### Compliance Training and Return Rate of Compliance Surveys

Category	Unit	2017	2018	2019	2020	2021
Number of Students and Completion Rate of Compliance (e-Learning) Training	Persons	847	860	873	884	934
Compliance Training (e-Learning) Completion Rate	%	98.5	99.3	99.8	99.9	100
Return Rate of Compliance Surveys	%	80.5	80.2	75	74.8	73.2

## Violations Related to Product and Service Information and Labeling

Category	Unit	2017	2018	2019	2020	2021
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	0	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

## Violations Related to Marketing Communications

Category	Unit	2017	2018	2019	2020	2021
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	0	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

## Reports and Consultations to the Helpline

Category	Unit	2017	2018	2019	2020	2021
Number of Reports and Consultations to the Helpline (FY2021)	Incidents	44	59	56	41	61
Reports, Consultation Category Report						
Incidents	Incidents	39	49	48	30	49
Consultation	Incidents	5	10	8	11	12
(Breakdown)						
Labor Issues	Incidents	13	11	16	8	13
Sexual harassment	Incidents	3	1	3	2	3
Other harassment	Incidents	26	39	34	27	39
Other	Incidents	2	8	3	4	6

# Third-Party Assurance



## LRQA Independent Assurance Statement

Relating to Tokyo Tatemono Co., Ltd.'s Environmental and Social Data for the Calendar Year 2021

This Assurance Statement has been prepared for Tokyo Tatemono Co., Ltd. in accordance with our contract.

### Terms of Engagement

LRQA Limited (LRQA) was commissioned by Tokyo Tatemono Co., Ltd. ("the Company") to provide independent assurance on its environmental and social data ("the report") within its Sustainability Report 2021 and its corporate website for the calendar year 2021, that is, from 1 January 2021 to 31 December 2021 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(Revised) and ISO 14064-3:2019 for greenhouse gas ("GHG") emissions.

Our assurance engagement covered the Company and its consolidated subsidiaries' operations and activities in Japan and overseas 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:

<u>Environmental indicator</u> <sup>1</sup>	<u>Social indicator</u>
[Property subject to reporting obligations under the Act on the Rational Use of Energy] <sup>2</sup>	• Employment rate of persons with disabilities <sup>4</sup>
• Energy consumption (in kilo-liter of crude oil equivalent)	• Rate of health check-ups
• Scope 1 GHG emissions (tCO <sub>2</sub> e)	• Average number of paid leave days taken
• Scope 2 GHG emissions (Market-based) (tCO <sub>2</sub> )	• Average Ratio of Paid Leave Days Taken
• The amount of renewable energy generated (kWh) <sup>3</sup>	• Number of lost time injury
• Tap water consumption volume (m <sup>3</sup> )	• Lost Time Injury Frequency Rate
• Recycled water amount (m <sup>3</sup> ) <sup>4</sup>	• Total days lost due to absenteeism
• Total waste generated (tonnes)	• Ratio of days lost due to absence
• Recycled waste amount (tonnes) <sup>4</sup>	• Turnover rate (Only for Personal Circumstances)
• Ratio of recycled waste (%)	

[Long-term owned buildings and commercial facilities where the Company has energy management authority]

- Tap water consumption volume (m<sup>3</sup>)
- Recycled water amount (m<sup>3</sup>)<sup>4</sup>
- Total waste generated (tonnes)
- Recycled waste amount (tonnes)
- Ratio of recycled waste (%)

[The Company and its subsidiaries' operations and activities]

- Scope 1 GHG emissions (tCO<sub>2</sub>e)
- Scope 2 GHG emissions (Market-based) (tCO<sub>2</sub>)
- Scope 3 GHG emissions (Category 1-15) (tCO<sub>2</sub>e)

LRQA's responsibility is only to the Company. LRQA 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

<sup>1</sup> GHG quantification is subject to inherent uncertainty.  
<sup>2</sup> The scope covers the real estate owned by the Company and subject to reporting obligations under the Act on the Rational Use of Energy.  
<sup>3</sup> Renewable energy generation covers the amount of solar power generated at the company's own properties.  
<sup>4</sup> Reporting period of total waste generated (including Recycled waste) is from Apr.1 2021 to Mar.31 2022  
<sup>5</sup> Employment rate of persons with disabilities is as of 1 June 2021.



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.

### LRQA's Opinion

Based on LRQA'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 of the criteria listed above
  - Disclosed accurate and reliable environmental and social data
- The opinion expressed is formed on the basis of a limited level of assurance<sup>6</sup> and at the materiality of the professional judgement of the verifier.

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG emissions. 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 calendar year 2021<sup>4</sup>; and
- Visiting Hareza Tower and Tokyo Tatemono Sendai Building to assess whether the data management systems have been effectively implemented.

### Observations

Further observations and findings, made during the assurance engagement, are:  
Considering the interest of stakeholders, the scope of the company's reporting has been continuously expanded from only the Company to the whole group including consolidated subsidiaries, which is a highly evaluated. It is recommended the Company will continue to maintain the high level data management systems and to ensure accurate aggregation and calculation of environmental and social data.

### LRQA's Standards, Competence and Independence

LRQA 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 - Part1: 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.

LRQA 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 LRQA for Company and as such does not compromise our independence or impartiality.

<sup>6</sup> 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 lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Signed

Jun Yasumoto  
LRQA Lead Verifier  
On behalf of LRQA Limited  
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA00000704

Dated: 22 June 2022

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