TOKYO TATEMONO GROUP CSR REPORT 2018



Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Message from the President —	— P3
Feature	P4
Feature Start of Childcare Business at Ohayo Child Care —	— P4
Group Profile —	– P7
Corporate Philosophy and CSR	— P 8
Environment	
Environmental Initiatives	P11
Policy and System for Environmental Initiatives ————————————————————————————————————	- P11 - P15 - P18 - P19 - P20
Society	
Safety & Security Initiatives	P22
Improving Quality and Customer Satisfaction —	- P22
Disaster Prevention Measures	- P29
Responding to Social Change	P31
Responding to an Aging Society —	
Support for the Social Progress of Women	- P34
Responding to an Increase in Children on Waiting Lists for Nursery Schools ———————————————————————————————————	- P36
Revitalization of Aging Condominiums	- P37
Community Involvement	P39
Co-existence with Communities —	- P39
Cultural and Social Contribution Activities	- P41
Utilization of Human Resource Assets	P44
Diversity & Inclusion —	- P44
Work-Life Balance	- P46
Human Resource Development —	- P50
Governance	
Improving Management System	P52
Corporate Governance	- P52
Risk Management —	- P54
Compliance ————————————————————————————————————	- P56 - P59
nespection numan nights	- 159
Topics —	- P60

[Editorial Policy]

Tokyo Tatemono Group sees the realization of a sustainable society as its duty. The CSR information broadcast to society is for the purpose of communicating the type of initiatives that we are undertaking to all of our stakeholders. The CSR Communication Book (Booklet) is published in an easy-to-read format to target an even greater number of people. Initiatives including all data are published in a CSR Report that brings together our efforts each year as a PDF on our CSR website. To facilitate understanding from various stakeholders, Tokyo Tatemono Group selects themes considered important to society and our customers and strives to expand our public information items around recent examples of initiatives for those themes. Our CSR information this year follows the trend to publish social ESG information and structure that information into E (Environment), S (Society) and G (Governance) chapters. In addition, the feature article includes initiatives distinct to the Tokyo Tatemono Group that we would like to highlight in particular to all of our stakeholders. In Responding to Social Changes, recent activities that the Tokyo Tatemono Group is

activities that the Tokyo Tatemono Group is focusing on in response to the changing society are reported.

[Publication Date]

June 2018

[Period of Reporting]

Activities in FY2017 (January 1, 2017 to December 31, 2017) are set as the target period for reporting, but some of the information included in this report is for other fiscal years as well. Environmental data corresponds to a period between April to the following March of each fiscal year.

[Scope of Reporting]

This report primarily focuses on activities of Tokyo Tatemono Co., Ltd., but some sections report on activities of the entire Tokyo Tatemono Group or Group companies. Activities of Tokyo Tatemono Co., Ltd. are indicated as Tokyo Tatemono and activities of the entire Group are indicated as the Tokyo Tatemono Group.

[Department Supervising Publication]

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Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Message from the President

Aiming to Become a Corporate Group Necessary to Both Society and Customers

Tokyo Tatemono was founded as the Yasuda financial conglomerate in 1896 by Zenjiro Yasuda, and it is the oldest real estate company in Japan. At a time when real estate transactions were not sufficiently available, Yasuda was founded based on a philosophy to ensure the customer always comes first and to have an enterprising spirit with the belief that all people should feel secure in real estate transactions. This philosophy is the foundation of our business activities even now passed down generation to generation for over 120 years to today.

Looking back at the history of the path taken by the Japanese corporation, we saw generations from a high growth period after the war to a lack of properties where anything built would sell. However, as society became more affluent, people began to select only quality real estate, and that quality has now become expected to give way to a generation where customers will only choose real estate able to provide greater added value. Companies must also continue to take on further challenges to earn trust from our customers or it will not survive. This means our philosophy focusing on the two principles to ensure that the customers always comes first and to have a progressive spirit of acting ahead of the times are more important than ever before. However, looking at the current economy in Japan, we can see the country is facing various changes, such as intensifying competition between international cities. a progressing aging society with a dwindling birthrate, population decline in the medium to long term, and diversifying values. In these challenging times, the Tokyo Tatemono Group has formulated a new five year mediumterm business plan that began in 2015 and is set to end in 2019 with the belief that the Group has just stepped up to the starting line in all things, such as truly benefiting our customers from their and society's perspective as well as considering what society wants.

The plan upholds the Group statement to "continue to be the leading choice, providing amazing value through innovative group synergy." We are aiming to provide attractive value, bringing wonder to customers, by facilitating synergy with systematic cooperation between various Group businesses and further reinforcing software services. Pursuing both ease of handling our hardware products and enhancement of software services are essential to respond to societal changes and overcome challenges, such as an aging society with a dwindling birthrate, and bring new value to society. Furthermore, this will surely contribute greatly to realizing a variety of goals that include making cities and human settlements inclusive, safe, resilient and sustainable,

which is one of the seventeen goals in the Sustainable Development Goals (SDGs) adopted at the United Nations Summit.

The Tokyo Tatemono Group hopes to build trust with its customers and society by embodying its corporate philosophy of "trust beyond the era" through all Group employees while growing as a "corporate group that contributes to the society and is necessary to both society and customers." We ask for your continued support and guidance.

Hitoshi Nomura

President and Chief Executive Officer



Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System



Start of Childcare Business at Ohayo Child Care

Tokyo Tatemono established Tokyo Tatemono Kids Co., Ltd. together with the Global Group Corporation, which is expanding businesses such as child care primarily in the Tokyo metropolitan area. Ohayo Child Care opened three child care facilities as of April 2017 and five more as of April 2018. Tokyo Tatemono is the first major developer in the industry to operate its own child care business. We will help a generation of double-income families raise their children and contribute to the future of these children while also working to support regional exchange and child care in areas where Ohayo Child Care facilities have opened.







Issue of Children on Waiting Lists

The issue of children on waiting lists for nursery schools due to a lack of childcare facilities is worsening as the population becomes concentrated in urban areas and the number of double-income families increases. Many problems manifest as social issues due to the lack of nursery schools, such as a delay of women returning to work because childcare is not available for their children. In the backdrop of this insufficient increase in childcare facilities, we find a lack of childcare professionals, the opposition of neighboring residents living in residential areas, and the need for a system able to handle the evaluation for injecting subsidies into the establishment as well as the operation of facilities to make new entry into this field easier. However, local governments introducing measures such as

unique subsidy programs are increasing because the livability of this generation of children connects to enhancing household structures and strengthen public finance in an aging society for these municipalities. Moreover, the national government is expanding a variety of policies to encourage entry into the childcare business as a way to accelerate action in society to solve the issue of children on waiting lists for nursery schools.

Points related to the issue of children on waiting lists:

- · Many children on waiting lists are in large cities
- · Securing space for childcare facilities is difficult in urban areas
- Entry into childcare by business operators is not easy due to subsidy programs

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

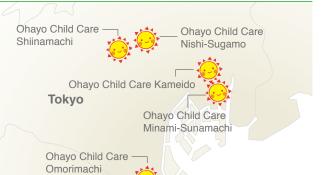
Utilization of Human Resource Assets

Improving Management System

Ohayo Child Care Operated by Tokyo Tatemono Kids

In April 2017, Tokyo Tatemono Kids opened three Ohayo Child Care facilities in Tokyo and Yokohama. In April 2018, Tokyo Tatemono Kids opened five additional childcare facilities. Based on the childcare philosophy to nurture abilities to live fully, Ohayo Child Care teaches children to think for themselves and builds an environment for them to work independently.







The Future of Ohayo Child Care



Ohayo Child Care

Nursery schools are thought to be the first place that children interact with society. We want to nurture people who are able to make the proper greeting that is most important in social life. We hope everyone can start each day invigorated by a greeting of "good morning" or "Ohayo" in Japanese. Ohayo Child Care will become a spiritual home now and in the future with the hope of being a nursery school always loved by everyone. This is our passion.



Why is Tokyo Tatemono Engaged in the Childcare Business?

Our urban development not only erects buildings but also forges an eternity of history, including the interaction with people in the local community.

We felt we could leverage our know-how to develop and operate childcare facilities based on the belief that childcare facilities contribute to society for the people in the community and for the future of the city. At the time we started investigating our prospects, we earned the opportunity to gain investment from the Global Group that operates the Global Kids nursery schools, which was a major factor for Tokyo Tatemono to acquire know-how in the childcare business.

This was our first endeavor in a human development business, but management has come together with teamwork thanks to the joint venture with the Global Group.

Even in this social backdrop, we believed we could bring about urban development, regional contributions, and community interaction unique to the Tokyo Tatemono Group as we received guidance about setting up childcare facilities internally from government bodies when developing buildings and residences.

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Childcare Together with the Community

Tokyo Tatemono Kids and Ohayo Child Care operates through a business planning department entrusted with duties from securing properties to opening facilities, a childcare planning department entrusted with operating the nursery schools and hiring staff, and the staff at each of the nursery schools. The nursery teachers, nurses, cooks, part-time employees and the rest of the staff led by the principal at each nursery school work in childcare by bringing originality to their school while valuing the Ohayo Child Care philosophy.

We started by learning about the employment of nursery teachers and educational techniques from the know-how cultivated by Global Kids, which we had an affiliate relationship with at first. We have also gradually incorporated features unique to Tokyo Tatemono Kids. The work environment of nursery school teachers is generally known for being unforgiving, but Ohayo Child Care will strive to prevent overwork and provide high-quality childcare. The problem of noise is also often talked about when opening a nursery school, but active ongoing communication with everyone in the community in addition to operational efforts, such as childcare classes for families in neighboring households, are able to maintain a good relationship with that community. In this way, we are accumulating know-how in the operation of nursery schools while hoping for synergy with other Tokyo Tatemono businesses in the future. We plan to open Ohayo Child Care facilities in various other complexes, such as the Brillia condominiums.

[Feature of Ohayo Child Care] The Hope of Warmth Felt from Natural Materials

Ohayo Child Care is particular about using wooden materials for the interior so that the children will feel the warmth of the natural materials that they are interacting with on a daily basis. From the softness to the touch and fragrance of the natural wood, we are passionate in our desire for children to touch genuine wood as their senses blossom.



VOICE | From an On-site Childcare Professional

I work with twenty children from newborns to two-year old toddlers at Ohayo Child Care Kameido. One distinct characteristic of Ohayo Child Care is the small size which allows us to work closely with each and every child. We also accept children who have a foreign nationality. We respect each of their cultural differences and take care to stay in close contact with their guardians.



Miwako Ono Principal Ohayo Child Care Kameido

VOICE | From Tokyo Tatemono Kids

One year has passed since we opened, but we always keep in mind that it is us building the nursery schools. We work to cultivate even greater solidarity while facilitating communication between the staff, the nursery schools, and the head office. I am grateful for the thanks and praise from parents and local governments that we have received in the one year since opening. The principals and the rest of the staff are coming up with and gather positive ideas to further bring out the originality of Ohayo Child Care. In the

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future, we will operate our nursery schools better than ever and I hope we will contribute building a local community able to support people in raising children from every direction.

Akinobu Inomata Area Manager Tokyo Tatemono Kids

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Group Profile

Corporate Data

Company Name : Tokyo Tatemono Co., Ltd.

Head Office : Tokyo Tatemono Head Office Building 1-9-9 Yaesu, Chuo-ku, Tokyo 103-8285

Established : October 1, 1896

Capital : 92.4 billion yen (As of December 31, 2017)

Number of Employees : 587 (As of December 31, 2017)

Number of Consolidated Employees : 4,813 (As of December 31, 2017)

Main Business of the Tokyo Tatemono Group

Tokyo Tatemono Group develops various businesses to support the life of customers and provide attractive value, bringing wonder to customers by pursuing not only quality of assets and buildings, but also high-quality software and services.



Group Companies

Tokyo Tatemono Real Estate Sales Co., Ltd.

Tokyo Fudosan Kanri Co., Ltd.

Tokyo Building Service Co., Ltd.

 $Shinjuku\ Center\ Building\ Management\ Co.,\ Ltd.$

Seishin Service Co., Ltd.

Tokyo Tatemono Amenity Support Co., Ltd.

E-State Online Co., Ltd.

PRIME PLACE Co., Ltd.

Japan Rental Guaranty Co., Ltd.

Nihon Parking Corporation

Parking Support Center Corporation

Tokyo Tatemono Senior Life Support Co., Ltd.

Seiaien Co., Ltd.

Care Like Co., Ltd.

Frontier inc.

Frontier Western Japan inc.

MedicalLink inc.

Tokyo Tatemono Resort Co., Ltd.

 ${\sf Tokyo} \; {\sf Tatemono} \; ({\sf Shanghai}) \; {\sf Real} \; {\sf Estate} \; {\sf Consulting} \; {\sf Co.}, \; {\sf Ltd}.$

Tokyo Tatemono Asia Pte. Ltd.

 ${\sf Tokyo\ Tatemono\ Investment\ Advisors\ Co.,\ Ltd.}$

Tokyo Realty Investment Management, Inc.

Tokyo Tatemono Kids Co., Ltd.

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Corporate Philosophy and CSR

As a comprehensive real estate company, it has been the goal of Tokyo Tatemono since its establishment in 1896 to create a rich and comfortable urban environment. Boasting more than a century's worth of confidence, we aim to realize 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.

CSR Philosophy

CSR of Tokyo Tatemono Group is to realize city building that contributes to the future of the city based on corporate philosophy and corporate stance.

In doing so, we promote CSR activities with the four themes of "Safety and Security," "Environment," "Responding to Social Changes" and "Community Involvement."

Image of Tokyo Tatemono Group's CSR



Realizing City Building that Contributes to the Future of the City

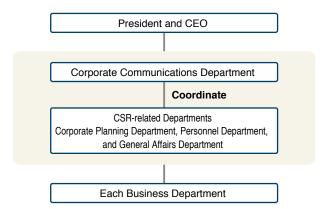
Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

CSR Promotion System

The Corporate Communications Department acts as the secretariat under the direction of the President and CEO at the Tokyo Tatemono Group and cooperates with the Corporate Planning Department, Personnel Department, and General Affairs Department in all of the Group initiatives.

We define the activities that we should engage in for CSR in each of these business departments, and we are moving those initiatives forward.

CSR Promotion Structure



Stakeholders & Engagement

We are actively promoting communication with a variety of stakeholders at the Tokyo Tatemono Group. We work to create new value by incorporating the feedback of these stakeholders so that we will realize city building that contributes to the future of the city.

Concepts and Method of a Dialogue with Our Main Stakeholders

Stakeholder	Concept of Dialog	Method of Dialog
Customers (building tenants, home buyers, users of each service)	We are introducing various systems to reflect the feedback from customers in our business activities to provide worthwhile products and services with safety and security as well as work to improve customer satisfaction.	Customer satisfaction surveys Brillia Owner's Dial (Contact for home buyers) Various questionnaires Online inquire form
community around properties, to the local community through efforts such as urban planning, development, and management		· Support for education and the arts
where employees can feel their growth while we are striving to develop human resources who can be trusted		Various educational training and commendation systems Regular personnel interviews Dialogue with labor unions and hosting of events Individual consultation for childcare and nursing care support, etc.
Shareholders and investors We aim to build longer-term fiduciary relationships with all of our shareholders and investors as well as earn their proper assessment through sincere and fair informational disclosure and active communication.		· IR information on our website · General Meeting of Shareholders · Seminars for private investors · IR meetings (Japan/overseas)
related to planning, our partners and strive to realize close communication		Verification of second and third tier subcontractors Verification through an internal check sheet Regular meetings

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Contribution to SDGs

SDGs stand for Sustainable Development Goals, which are international targets up to 2030 adopted at the United Nations Summit. The 17 sustainable development goals are set for a wide range of fields according to the diverse social challenges in emerging and developed countries, and these

goals are expected to help even companies achieve the targets.

The Tokyo Tatemono Group is sympathetic to the philosophy of these SDGs and contributes to achieving these goals through its business activities as a developer.





































Relationship of Tokyo Tatemono Group Initiatives and Relevant SDG Targets

Field	Initiative	Relevant SDG Targets and Description of Contribution
Environmental initiatives	Various environmental initiatives → R.11	We increase energy efficiency and reduce the use of water resources through the use of the latest equipment. We enhance our ability to adapt to large-scale natural disasters influenced by factors such as climate change. 15 INTLINE 15 INTLINE 16 INTLINE 17 INTLINE 18 INTLINE 18 INTLINE 19 INTLINE 19 INTLINE 19 INTLINE 10 INTLINE 10 INTLINE 11 INTLINE 12 INTLINE 13 INTLINE 14 INTLINE 15 INTLINE 16 INTLINE 17 INTLINE 18 INTLINE 18 INTLINE 19 INTLINE 19 INTLINE 19 INTLINE 19 INTLINE 10 INTLINE 10 INTLINE 10 INTLINE 11 INTLINE 12 INTLINE 13 INTLINE 14 INTLINE 15 INTLINE 16 INTLINE 17 INTLINE 18 INTLINE 18 INTLINE 18 INTLINE 19 INTLINE 1
Safety and security initiatives	Improving quality and customer satisfaction → P.22	We aim to build inclusive and safe cities by providing buildings and living spaces able to satisfy a variety of customers.
	Disaster prevention initiatives → P.29	We aim to build safe cities through disaster prevention initiatives. We also enhance are our ability to adapt to large-scale disasters influenced by factors such as climate change.
Responding to social change	Residences for elderly people → P.31	3 Monthlish We contribute to ensuring healthy lifestyles by providing nursing care functions. We aim to build sustainable cities where multiple generations can live in cooperation with neighboring communities.
	Bloomoi Project → P.34	We improve comfortable lifestyles and work of women to contribute to gender equality through the preparation of residential and office environments.
	Problem of children on waiting lists for nursery schools → P.36	We contribute to building inclusive cities comfortable for people in the next generation to live by providing the childcare functions that are lacking.
	Renovation condominiums → P.37	We aim to build inclusive cities where people from many generations such as children and the elderly can live safely and securely through reconstruction. We also contribute to sustaining and recovering biodiversity by creating green spaces.
Community Involvement	Co-existing with communities → P.39	We support the connection between people in cities through various activities.
	Cultural and social contribution activities → P.41	4 SOUTH 11 SCHOMBITCH 12 DEPONDER OF THE PROPERTY OF THE PROPE
Improving management systems	Respecting human rights → P.59	10 ROAD TO ROA

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets

Improving Management System

Environmental Initiatives

Policy and System for Environmental Initiatives

Policy and Concepts

Tokyo Tatemono Group has formulated the Group Environmental Policy to contribute in building a sustainable society through business activities that consider the environment.

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 in 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

System

Tokyo Tatemono Group has built a management system that matches the characteristics of each business, an office buildings business that engages in the construction and management of buildings, and a development business that engages in the development of the Brillia brand and other

housing under the Group Environmental Policy. In other businesses and Group companies, business is conducted considering the environment by formulating environmental guidelines for each business based on the Group Environmental Policy.



Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Environmental Management of Office Buildings

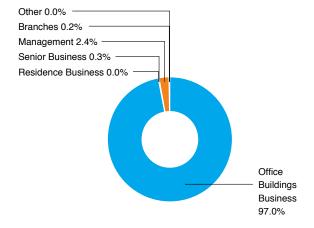
In the business activities of Tokyo Tatemono, the Office Buildings Business that operates and manages office buildings (commercial) uses the most energy. The ratio of energy use makes up 97.0% of Tokyo Tatemono (calculation based on the Energy Conservation Act*). Therefore, reducing the amount of energy used in the Office Buildings Business largely contributes to the reduction of the total amount of energy use at Tokyo Tatemono.

In the Office Buildings Department, we have formulated an environmental execution plan based on a high awareness of energy conservation with consideration to the issue of climate change and strive daily in energy-saving activities. We actively adopt environmental energy-saving technologies in the development of new buildings for the purpose of building environmentally-friendly buildings praised by society. In existing buildings, we promote energy savings from an operational perspective in addition to systematically updating energy-saving equipment. Moreover, in the reduction of energy consumption, we have defined unit consumption based on floor area as an indicator and set 1% unit reduction every year on average

over five years as a target in accordance with the Act on the Rational Use of Energy.

*Act on the Rational Use of Energy

Ratio of Energy Use at Tokyo Tatemono by Business



Environmental Execution Plan

Field of Initiative	Description of Initiative		
Energy savings through development	When formulating plans for new buildings, we carefully consider of a property to incorporate environmental energy-saving techno of rain water, visualization of tenant's energy usage, etc.)	• · · · · · · · · · · · · · · · · · · ·	
	■ CASBEE®1: Target values for self-assessment of new construction · Large-scale properties that use urban development systems, etc.: S-rank · Other than above: A-rank	 PAL* Reduction rate - ERR - BEI target values^{2*3*4} If using the Tokyo urban development system: Stage in accordance with the system usage policy 	
Energy savings through renewal	Update of equipment related to energy savings (Transition to LED lighting, update of equipment to high-efficiency he	eat pumps, etc.) →Results in Climate Change P.15	
Energy savings through operational improvements	 (1) Manage energy each month by introducing energy management systems (2) Comprehensively manage the air-conditioning temperature in common areas (3) Use BEMS⁻⁵ at offices that have implemented BEMS (4) Share information to realize management that leads to maximum design performance (5) Analyze and review the energy usage status of the previous year (6) Execute energy diagnostics through external institutions 		
Awareness of environmental investment value and the amount of energy savings	Use a construction history management system to aggregate	investment value and energy savings every year	
5. Cooperation with tenants	(1) Save power in summer and winter seasons (2) Distribute informational power saving pamphlets (3) Regularly distribute information about the environment and energy	(4) Hold an energy-saving promotion conference once a year at offices that are part of the total reduction policy →Results in Climate Change P.15	
6. Promotion of recycling waste	(1) Adopt recycle and reuse products (2) Maintain a recycling rate through comprehensive management and the provisions of bins to separate garbage (3) Consider new recycling methods	 (4) Regularly inspect treatment plants (5) Hold conferences to promote the separation of garbage with tenants → Results in Waste and Hazardous Substance Management 	
7. Measures to prevent global warming	(1) Reduce the amount of CO ₂ emissions (2) Consider power with a low CO ₂ emissions factor (3) Proper management and processing of air-conditioning fluorocarbons	→ Climate Change P.15 → Results in Waste and Hazardous Substance Management P.20	

- *1 CASBEE®: A system to comprehensively evaluate the quality of buildings not limited to just energy savings or the use of building materials that have a lower environmental impact but also consider the comfort and view of rooms. Registered trademark of the Institute for Building Environment and Energy Conservation. www.ibec.or.jp/CASBEE/english/
- *2 Perimeter Annual Load (PAL)* Reduction rate: Index for the amount of reduction in the thermal load that is possible from the building exterior to the inside of buildings. PAL illustrates the thermal insulation and heat thermal performance. Higher performance is indicated by a higher value.
- *3 Energy Reduction Ratio (ERR): Energy reduction rate of all equipment systems. ERR indicates the energy-saving performance of equipment. Higher performance is indicated by a higher value.
- *4 Building Energy Index (BEI): Index to evaluate primary energy consumption for five equipment categories -- air conditioning, ventilation, hot water supply, lighting, and elevators. Lower energy consumption in the design is indicated by a lower value.
- *5 Building Management System (BEMS): Building energy management system.

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Environmental Management in the Residence Business

In the Residential Development Department, we are formulating Environmentally Conscious Housing Guideline that systematized our environmental measures to promote considerations toward the environment and improve the brand value of Brillia. We design individual properties based

on these guidelines for residential development and strive to reduce the environmental impact. These guidelines continue to be revised according to social changes and technological advancements.

Brillia Environmentally Conscious Housing Guideline

Three Concepts Underlying All Things

Condominiums are diverse in size, life of the building, and the materials used, which have a large impact on the environment and a wide range of distinct countermeasures. Therefore, we have put in place three concepts to Think Green, Think Lifestyle, and Think Future to incorporate in the entire Brillia series.

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

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

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

Ratings for Environmental Performance

Level 1 and Level 2 have been set as two levels for environmental performance to objectively judge at what level a condominium satisfies environmental performance. Each level is equivalent to housing performance evaluation systems and evaluated by acquiring CASBEE® and the Tokyo Green Labeling System for Condominiums. We also put in place optional specifications for even greater consideration toward the environment.



Supply Chain Initiatives

The Tokyo Tatemono Group actively incorporates environmentally-friendly technology and ideas into its products and services in every stage of its business activities in accordance with the Group Environmental Policy, and it strives to save resources and use materials that reduce the environmental impact.

Highly Evaluated by the World's Benchmark in Real Estate

Tokyo Tatemono has been highly evaluated by the Global Real Estate Sustainability Benchmark (GRESB)*, which is a benchmark to evaluate efforts in environmental, social, and governance (ESG) performance of real estate centers, with the highest honor of the "Green Star" for two consecutive years. We also earned the high praise of "5 stars" (out of 5 stars) in the GRESB Real Estate Rating that provides a comparative assessment based on a comprehensive score that was introduced in 2016.

*Global Real Estate Sustainability Benchmark (GRESB): ESG benchmark that specializes in real estate established through European superannuation funds and other financing. www.gresb.com/



Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

Acquisition of DBJ Green Building Certification Certifying Environmental and Social Awareness

Currently six properties from offices to commercial buildings owned and managed by Tokyo Tatemono have acquired the DBJ Green Building Certification and received high praise. The DBJ Green Building Certification is a system established by the Development Bank of Japan to evaluate initiatives for environmental and social awareness of real estates. The certification is ranked* from One Star to Five Stars based on a comprehensive score from five perspectives of environmental performance in the building, comfortability of tenants, risk management, consideration for the surrounding environment and community, and collaboration with stakeholders.

Tokyo Tatemono will continue to respond to social requests related to real estate from its stakeholders, respond to the diversification of tenant's needs, and develop real estate considering the environmental and social impact.

For more information about the DBJ Green Building Certification,

 $www.dbj.jp/service/finance/g_building/index.html$

Properties Certified by the DBJ Green Building Certification

Name (Location)	Rank
"Nakano Central Park (East/South)" (Nakano, Nakano-ku, Tokyo)	2016 🗪
"Tokyo Square Garden" (Kyobashi, Chuo-ku, Tokyo)	2016 🛇
"Otemachi Tower" (Otemachi, Chiyoda-ku, Tokyo)	2016 👀
"Tokyo Tatemono Nihonbashi Building" (Nihonbashi, Chuo-ku, Tokyo)	2016 👀
"SMARK" (Isesaki, Gunma)	2016 🛇
"Apartments Tower Kachidoki" (Kachidoki, Chuo-ku, Tokyo)	2016 👀

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

Index Message from the President Feature **Environmental Initiatives** Safety & Security Initiatives Utilization of Human Responding to Social Change **Community Involvement** Improving Management System Resource Assets

Climate Change

Policy, Concept, and System

As demand for initiatives toward the realization of a lowcarbon society with consent to limit the average temperature rise worldwide to 2°C in the Paris Agreement, efforts to reduce greenhouse gases are indispensable not only in the real estate industry but also property holdings and business activities. Moreover, preparing for the effects of climate change is vital because an increase in natural disasters such as wind and flood damage due to climate change has a dramatic impact on society while at the same time having the potential to impact real estate such as lowering the value.

The Tokyo Tatemono Group raises the climate change prevention that leads to community as one aspect in the Group Environmental Policy to work in developing real estate with superior environmental performance, such as energy-saving equipment, while simultaneously advancing the development of real estate resistant to natural disasters such as wind and flood damage.

→Policy and System for Environmental Initiatives P.11

Indicators and Results

The Office Buildings Business that operates and manages office (commercial) buildings uses the most energy in the business activities of Tokyo Tatemono, and the ratio of energy use makes up 97.0% of the energy used by Tokyo Tatemono (calculated based on the Act on the Rational Use of Energy). Therefore, reducing the amount of energy used in the Office Buildings Business largely contributes to the reduction of energy use of Tokyo Tatemono as a whole and the reduction of greenhouse gas emissions.

We have defined unit consumption based on floor area as an indicator for the reduction of energy use and set 1% unit reduction every year on average over five years as a target in accordance with the Act on the Rational Use of Energy. In FY2016, we reduced the amount of energy we used as well as our CO2 emissions in addition to lowering our unit consumption of energy use by introducing LED lighting together with renovations of large-scale commercial facilities as well as selling office buildings with low energy efficiency. The unit load of CO₂ emissions increased due to a dramatic rise in the emission factors of some power companies, but we check the CO₂ emissions factors of power companies at all Tokyo Tatemono properties to conduct reviews, such as whether to switch to power companies with a low CO2 emission factor as necessary.

Collection Period

· April to the following March each year

Collection Scope

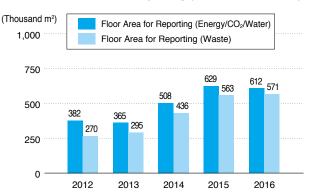
· Facilities required to provide notification under the Act on the Rational Use of Energy

*The floor area of buildings for reporting changes each year.

Collection Targets

- · Amount of energy use and unit consumption
- · Amount of CO₂ emissions and unit rate

Trends of Floor Area for Reporting (Standard Unit Load)



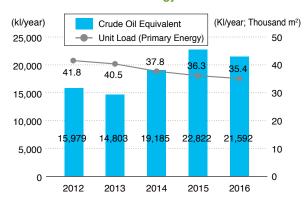
*The unit load is calculated by adding the occupation rate to the floor area of the building for reporting

The floor area of the building for reporting changes each year.

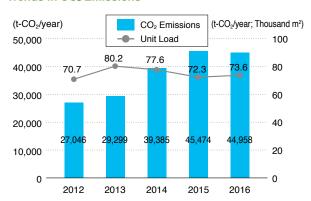
Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Trends in the Amount of Energy Use



Trends in CO₂ Emissions



Climate Change Initiatives in the Office Buildings Business

At office buildings owned and managed by Tokyo Tatemono, we are working to reduce greenhouse gas emissions by promoting the initiatives below.

The Empire Building completed in September 2017 adopted a variety of environmental and energy-saving equipment, such as BEMS LED lighting and natural ventilation systems and succeeded in a more than 16% (AA) PAL* reduction rate, a more than 29% (AAA) in ERR, and an A-Rank in CASBEE® (self-assessment).

[Equipment Adoption and Renewal Initiatives (New/Existing Buildings)]

- Renewal to high-efficiency air conditioning systems (2017: 9 existing Buildings)
- Transition to LED lighting in private areas
 (2017: 1 new building/12 existing buildings)
- Transition to LED lighting in common areas (2017: 2 new buildings/16 existing buildings)
- Introduction of auto-off air-conditioning and lighting functions linked to security (2017: 2 existing buildings)

[Initiatives to Improve Operational Methods (Existing Buildings)]

- Comprehensive management of the air-conditioning temperature in common areas
 (2017: 23 existing buildings)
- Use of BMS at offices that have introduced BEMS (2017: 7 existing buildings)

- Informational sharing to realize management that leads to maximum design performance (2017: 7 existing buildings)
- Execute energy diagnostics through external institutions (2017: 3 existing buildings)
- · Lights-out and thinning of backyard lighting

[Initiatives to Cooperate with Tenants (Existing Buildings)]

- · Power saving during the winter and summer seasons (2017: 33 common areas/25 private areas)
- Energy-saving promotion conference held once a year at offices that are part of the total reduction policy (2017: 5 existing buildings)

[Energy Saving at the Head Office]

- · Lights-out during lunch
- · Easing of air-conditioning temperature in summer through the introduction of Cool Biz
- · Introduction of LED lighting
- · Introduction of task ambient lighting
- · Thinning of non-emergency lighting

For more information about the Tokyo Carbon Reduction Reporting Program, see:

www8.kankyo.metro.tokyo.jp/ondanka/ (Japanese Only)
We are submitting Tokyo Carbon Reduction Reports in accordance with the Tokyo Metropolitan Environmental Security Ordinance from the FY2009 results.

Climate Change Initiatives in the Residence Business

In Brillia, we are introducing various equipment related to energy savings in order for customers living to comfortably save energy. The Brillia brand equips condominiums with measures that include equipment able to realize energy savings in the backdrop of daily life from LED lighting and windowpanes with high heat insulation to faucets that conserve hot water and toilets that conserve water. We also introduced a Home Energy Management System (HEMS) that visualizes the status of power use to support

customers in their own primary energy saving efforts. At Brillia Oyama Park Front, the adoption of ENE-FARM in first-floor units generate power with city gas to use exhaust heat as a hot water supply when generating energy. This effort has realized a high-level of efficiency in primary energy use of $85.8\%^{*1}$ (approximately $37\%^{*2}$ at large-scale power generation plants).

- *1 Calculated based on the Higher Heating Value (HHV)
- *2 Source: Act on the Rational Use of Energy

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change | Community Involvement

Utilization of Human Resource Assets

Improving Management System

Use of Renewable Energy Through Renewable Energy Certificates

The power used in model rooms for Brillia condominiums by Tokyo Tatemono takes advantage of the renewable energy certificate framework and has switched to 100% renewable

energy since May 2016. In 2017, we used renewable energy certificates for approximately 620,000 kWh of power.

Energy Creation Business Through Solar Power Generation Plants

At Tokyo Real Estate Management, which conducts building management, we make energy-saving proposals from the perspective of building management and engage in an energy creation business through solar power generation plants together with the start of a fixed price purchasing system for renewable energy. Solar power energy plants are expanding primarily in the Tohoku region. These eight plants have a total generation capacity of 12,382 kW as of December 2017.

	Name (Location)	Generation Capacity	Operation Date
Ī	Oyama Solar Power Station (Oyama City, Tochigi)	785kW	February 2013
Ī	lwaki Mega Solar Power Plant (Iwaki City, Fukushima)	2,454kW	November 2013
Ī	Joso Solar Power Generation Plant (Joso City, Ibaraki)	672kW	September 2014
	Hatoyama Solar Power Generation Plant (Hatoyama Town, Hiki District, Saitama)	1,908kW	March 2015
	Tochigi Hirai Solar Power Generation Plant (Tochigi City, Tochigi)	1,559kW	March 2015
	Tochigi Seiho Solar Power Generation Plant (Tochigi City, Tochigi)	1,884kW	June 2015
	Shirakawa Solar Power Generation Plant (Tanagura Town, Shirakawa District, Fukushima)	2,034kW	November 2015
	Higashihiroshima Solar Power Plant (Higashi-Hiroshima City, Hiroshima)	1,086kW	December 2015

Development of Real Estate Resistant to Wind and Flood Damage

In recent years, large-scale wind and flood damage occurs more often due to factors such as climate change. The Tokyo Tatemono Group assumes various disasters will strike such as typhoons, floods and earthquakes in the development of buildings and condominiums and adopts designs and equipment as measures against those disasters. We are conducting the initiatives below at the Tokyo Tatemono Nihonbashi Building completed in February 2015.

- · Adoption of seismic isolation structure (B1 column base seismic isolation)
- · Installation of emergency power generators that can operate for up to 72 hours

- · Installation of tide prevention plates above potential flooding as a measure against flooding in sudden rain and collapse of the Arakawa embankment
- Setup of a disaster prevention center on the second floor as a core function of buildings
- Installation of transformers and emergency power generators on building roofs (provides an uninterrupted power supply to allow ongoing operations even in the event flooding in the building)
- →Safety & Security Initiatives/Disaster Prevention Measures

Raising Awareness About the Issue of Climate Change

2017 was a turning point as the 20th anniversary since the Kyoto Protocol was enacted as numerical targets for the reduction of greenhouse gas emissions. Therefore, to further interest in the issue of climate change, we worked together with the event and international committee held in Kyoto in December 2017 and provided the SMARK commercial facility owned by Tokyo Tatemono as an event space for the Global Environment Festival held by the new energy festival.

Many people participated in events where parents and children alike had fun while learning about the environment from a three-screen multicast video stage, craft and power generation workshops, introductions to corporate initiatives, a quiz rally and more.



Quiz Rally

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Biodiversity

Policy, Concept, and System

Real estate development is closely related to regional ecosystem services and requires the consideration of the direct and indirect impact the businesses have on the surrounding ecosystem.

Tokyo Tatemono Group has formulated the Group Environmental Policy to contribute in building a sustainable society through business activities that consider the environment. We have raised creation of a pleasant city and living with greenery as one part of our Group Environmental Policy for biodiversity and 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.

Therefore, when creating green spaces at properties developed by Tokyo Tatemono Group, we consider the distribution of vegetation and other life native to the region and select the appropriate plant species.

These initiatives use third-party certification systems such as SEGES and ABINC and are highly evaluated from a fair, third-party perspective.

Examples of Third-party Certification for Biodiversity







SEGES Building Green/Urban Oasis/ABINC Certification

→Policy and System for Environmental Initiatives P.11

Creating New Greenery in Cities

Artificial greenery is required more than preserving natural greenery when designing a certain scale of greenery in office districts that generally have little greenery. The area surrounding Tokyo Station is an office district that bustles with gigantic buildings, but the imperial palace and ocean are close by with many birds and insects migrating to live. Approximately 3,600 m² of Otemachi Forest was created in Otemachi Tower, which makes up roughly one-third of the entire property. We reproduced a richly diverse forest

in Otemachi by gathering natural trees from mountains in the Kanto region based on the concept of a real forest. We also created the Kyobashi Hill as approximately 3,000 m² greenery dynamically linked from the first floor basement to the fifth floor of Tokyo Square Garden. The greenery at Otemachi Tower and Tokyo Square Garden has been recognized by the Social and Environmental Green Evaluation System (SEGES) third party certification entity that evaluates greenery as space visitors can relax.

Preservation of Original Landscapes in Regions

The preservation of green spaces native to regions is desirable from the perspective of conserving biodiversity. This is able to preserve species of microorganism and plants living in the soil and topography is thought to also have a relationship with conserving the surrounding environment.

Myrica City is a large-scale development project boasting a size of 13 ha born from the hope of co-existing with nature thriving in Senrioka, Settsu City, Osaka. Approximately 40% of the grounds, or roughly 5.1 ha, are green spaces, such as greenery for preservation and the provision of a park. We took full advantage of the cherry tree lined landscape and ponds in Senrioka as well as the existing trees, such as the myrica trees where Myrica got its name, while considering the harmony with the surrounding ecosystem.

Brillia Okayama Park Front, which is under development in the Itabashi ward of Tokyo, also neighbors Itabashi Park. We are aiming to have charm and passion in daily life by providing green spaces on the premises that connects to the rich greenery of the park.



Brillia Oyama Park Front (Conceptual Drawing)

Index Message from the President Feature **Environmental Initiatives** Safety & Security Initiatives Utilization of Human Responding to Social Change **Community Involvement** Improving Management System Resource Assets

Water Resources

Policy, Concept, and System

As the lack of water worldwide becomes even more severe. developed nations and the rest of the world require ongoing improvements for the efficient use of water. The Tokyo Tatemono Group has raised resource-saving activities that are kind to the earth as one part of the Group

Environmental Policy to recognize the importance of water resources, work at water-saving activities and the reduction of our environmental impact through every opportunity while striving to conserve water resources.

→Policy and System for Environmental Initiatives P.11

Indicators and Results

Collection Period

· April to the following March each year

Collection Scope

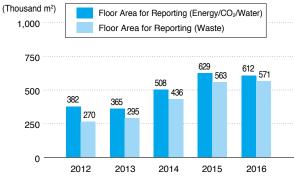
- · Facilities required to provide notification under the Act on the Rational Use of Energy
- *The floor area of buildings for reporting changes each year.

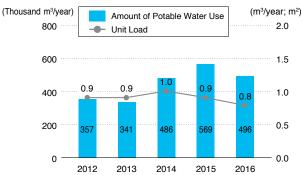
Collection Targets

· Amount of potable water use/unit consumption

Trends in the Amount of Water Use

Trends of Floor Area for Reporting (Standard Unit Load)





^{*}The unit load is calculated by adding the occupation rate to the floor area of the building for reporting.

Water Resource Initiatives in the Office Buildings Business

In the office buildings owned and operated by Tokyo Tatemono, we have formulated a medium- to long-term repair and investment plan in 20-year increments. We promote systematic renovation construction as well as strive to introduce equipment that contributes to a reduction in the environmental impact during that renovation construction.

[Water Resource Initiatives]

- · Update to water-saving equipment
- · Introduction of automatic flushing devices
- · Halt of outdoor fountains during rainy weather
- · (When developing office buildings) Introduction of equipment to process rain water and greywater inside buildings (re-use for non-drinking purposes)

The floor area of the building for reporting changes each year.

Index Message from the President Feature **Environmental Initiatives** Safety & Security Initiatives Utilization of Human Responding to Social Change **Community Involvement** Improving Management System Resource Assets

Waste and Hazardous Substance Management

Policy, Concept, and System

The waste and hazardous substances produce through our business activities have the potential to greatly impact related parties and the surrounding environment. The Tokyo Tatemono Group has raised resource-saving activities that are kind to the earth as one part of the Group Environmental Policy. We work at water-saving activities and the reduction of the environmental impact

through every opportunity and strive to minimize the impact on people and the environment through the reduction and appropriate management of the waste and hazardous chemicals that are produced.

→Policy and System for Environmental Initiatives P.11

Indicators and Results

Collection Period

· April to the following March each year

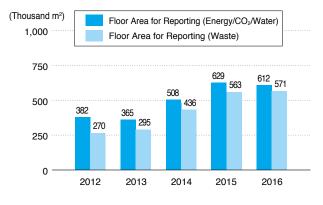
Collection Scope

- · Facilities required to provide notification under the Act on the Rational Use of Energy
- *The floor area of buildings for reporting changes each year.

Collection Targets

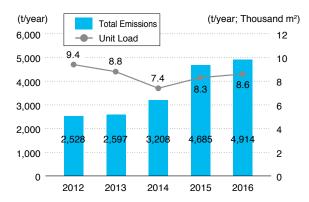
· Total waste emissions and unit load

Trends of Floor Area for Reporting (Standard Unit Load)



^{*}The unit load is calculated by adding the occupation rate to the floor area of the building for reporting.

Trends of Waste Emissions



Waste Reduction and Management Initiatives in the Office Buildings Business

In the office buildings owned and managed by Tokyo Tatemono, we are working to limit the production of waste and promote recycling by strengthening sorting and recycling of garbage. We also visually inspect waste treatment facilities so that waste is disposed of appropriately.

[Waste Reduction and Management Initiatives (New/Existing Buildings)]

- · Encouragement for the adoption of reuse and recycling products in property management manuals
- · Improvement of recycling rate through thorough separation and informational sharing
- · Recycling of spent fluorescent tubes and dry cell batteries (2017: 2 new buildings; 32 existing buildings)
- · Visual confirmation of waste treatment facilities (2017: 1 new building; 2 existing buildings)
- · Convening of meetings to promote the separation of garbage for tenants
- · Promotion of bottle cap recycling

The floor area of the building for reporting changes each year.

Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

Measures for Asbestos

Asbestos causes health problems such as lung cancer when the particles are breathed in. The Ordinance on Prevention of Health Impairment due to Asbestos was enacted in July 2005 and business operators have the duty to take steps such as the removal, containment, and secure storage if there may be a risk of scattering, such as spraying asbestos in buildings where employees work.

Tokyo Tatemono has conducted surveys on the usage status of spraying materials that contain asbestos for all the buildings it owns. In buildings the use of asbestos was found, we took the proper steps such as the removal and containment and shared information with the tenants.

Proper Processing of Fluorocarbons

Fluorocarbons are used in large amounts as coolants and solvents, but fluorocarbons are clearly a chemical and greenhouse gas causing the depletion of the ozone layer. Today, broad restrictions have been applied to the use 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 (CFC, HCFC, etc.),

more strictly recover coolants, and thoroughly check for leaks through simplified and regular inspections to limit the release of fluorocarbons into the atmosphere.

Moreover, in renewal of the air-conditioning systems in buildings and in the demolition of buildings, we are properly processing the fluorocarbons of air-conditioning systems that are collected.

Measures to Prevent Sick Building Syndrome

The impact on health from chemical substances produced from construction materials (Sick Building Syndrome) is regarded as a problem, and regulations to address this sick building syndrome have been stipulated in the Revised Building Standard Law enacted in July 2003. To maintain the health of tenants and other residents in

buildings, Tokyo Tatemono restricts the use of products

emitting formaldehydes, which is a substance that is the primary cause of sick building syndrome, in buildings separate to the regulations of the Building Standard Law to define standards to counter formaldehydes. We measure the concentration of formaldehydes in new buildings in accordance with these standards to verify the safety of the indoor environments.

PCB Management

Polychlorinated Biphenyl (PCB) is used for a variety of applications, but the new manufacture of PCBs are restricted today because the adverse effects on the human body are clear.

The electronic devices that contain PCBs (transformers, capacitors, and stabilizers) that are no longer used in

each building owned by Tokyo Tatemono are collected and managed in a PCB storage room of the designated building to reduce risks such as loss and leakage accidents. In 2017, we processed waste with trace PCB currently stored and some waste with high-concentration PCB through a specialized treatment operator.

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Safety & Security Initiatives

Improving Quality and Customer Satisfaction

Policy and Concept

The Tokyo Tatemono Group believes ongoing efforts to improve quality and customer satisfaction are the source of corporate competitiveness.

Therefore, we have introduced various systems that reflect customer feedback into our business activities, and we are furthering improving quality and satisfaction from customer perspective.

Improving Quality and Customer Satisfaction in the Office Buildings Business

Philosophy of Human Building

The Office Buildings Business engages in a wide range of initiatives under the concept of Human Building—People are always in the middle so that the customers who are using our buildings feel safety, secure and comfort from not only the hardware aspect of quality but also the software and service aspects.

In 2017, we defined three new values-Definition of

Customers, Ideals (Target), and Five Actions (Code of Conduct)—as "Our Goals in Human Building" to facilitate greater understanding of this concept by all Group employees and spearhead further efforts. We are penetrating the Human Building concept inside Tokyo Tatemono and the Group companies through tools such as posters, handbooks, and videos on the intranet.

Improvement Based on Customer Satisfaction Surveys

In the Office Buildings Business, we are regularly conducting customer satisfaction surveys for the tenants who occupy our office buildings.

We hear from our customers first-hand and are furthering improvements based on the needs of customers from the perspectives of safety, security and comfort. Moreover, by sharing measures for improvements with relevant departments, we are also improving customer satisfaction even further.

Examples of Measures to Improve Customer Satisfaction

- Distribution of a disaster prevention pocket guide (smartphone/English versions also available)
- · Installation of AED and introduction of short courses
- · Installation of stockpiling boxes in elevators
- · Renovations of common areas such as restrooms and office kitchenettes, etc.

Renovations of a Restroom Leveraging Customer Feedback

[Before renovation]





[After renovation]





Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Improvement to On-site Quality Through a Human Building Competition

The Human Building Competition is an event to facilitate informational sharing and communication in which every company involved with the Office Buildings Business of the Tokyo Tatemono Group participate.

In this competition, we not only share the corporate policies of the Office Buildings Business but also realize the safety, security and comfort of customers as well as introduce and commemorate many excellent examples that embody the Human Building concept of the Tokyo Tatemono Office Buildings Business. By sharing favorable examples and cultivating interaction between Group employees, we expect to realize even greater improvements that connect to the safety, security and comfort of customers.

We have continually held this event since the first competition was held in October 2013 with the participation of roughly 500 people in the eighth competition held in January 2017.



Human Building competition

Good Job Idea Award to Evaluate Improvement Initiatives

Tokyo Real Estate Management, which conducts building management, has introduced the Good Job Idea Award commendation system since 2015 thanks to an idea suggested internally to heighten customer satisfaction through on-site capabilities. We are increasing awareness about "kaizen (betterment)" by gathering together many "kaizen activities" conducted at each workplace on a dedicated sheet in addition to enhancing on-site capabilities and improving customer satisfaction by sharing those efforts.

We select and commemorate relevant proposals each quarter on-site, such as at each Group branch, branch office, and Project Management (PM) business. In fiscal 2017, we collected 309 examples and commemorated 704 people from 236 of these examples.

In addition, we are holding a Good Job Idea Competition every November, which selects and announces examples representative of that fiscal year from each site. This competition announces the carefully selected kaizen examples and chooses each winner, including the first prize through a vote. The Good Job Idea Person of the Year Award is also selected to commemorate the person with the largest number of proposals. By sharing kaizen examples through these initiatives, we are heightening awareness about "kaizen" and improving customer satisfaction.

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Quality and Customer Satisfaction Improvement in the Residence Business

Brillia Concept

The Residence Business is engaged in the residential condominium business that focuses on the Brillia series, which has the brand concepts of refinement and comfort, as well as the residential management business that focuses on the "Brillia ist" rental condominium series, which emphasizes lifestyles suited to the people who pursue their own unique lifestyle. The underlying concept is Tokyo

Tatemono Group's unique preference of "Brillia Quality" that constantly aims to achieve and maintain advanced comfort which is difficult to obtain. We have built a unique system to consistently provide various functions that lead to the comfortable life of customers, from planning and development to management, repair, renovation, and brokerage, which is realizing Brillia Quality.

Steadfast in Comprehensive Quality Management

In the Brillia series, we have established design guidelines that realize refinement in addition to strict standards and management systems to offer our customers comfort.

- Acquisition of the ISO9001 International Quality Standards
- Use of the Housing Performance Indication System
- Quality Checklist with Roughly 1000 Items

We have put in place detailed regulations for architecture, construction, and facilities and operate in accordance with this checklist.

 Quality Discussions to Double-check Quality Until Construction

Two quality checks, Prior Quality Discussion and Quality Discussion are conducted before the actual construction. The management and design companies exchange their opinions and work to improve quality.

- Checks for various inspections (on-site inspections of test piles, building frame inspections, etc.) at each stage
- Reports to Customers (Building Reports)

We report the building status to customers who have purchased a property as an initiative related to comfort.

Quality Management until Completion

Design

Environmental measures for land/ ground survey/noise measurement

Prior Quality Discussion

(Product Planning Session/Quality Management Session/Management Company)

Quality Discussion

(Tokyo Tatemono/Design Company/ Management Company)

Structural inspection

(On-site inspection with test pile, Bar arrangement inspection, Building frame inspection)

Interim inspection

Building Report and Construction Status Report on the web

Framework inspection

Construction Site Tour

Equipment inspection

(Equipment Subcommittee, Function Inspection, etc.) Pamphlet collation inspection

Completion inspection

Index Message f

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change | Community I

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Brillia Construction Site Tour

In the Brillia series, we implement construction site tours based on the belief that this helps build comfort by providing information to customers.

The tour guided by on-site staff explains construction and enables customers to see each stage of construction which cannot be seen after completion. Customers have told us these tours are easy to understand because they provide explanations that use specific examples without technical terminology.



On-site Tour of Framework and Concrete Walls

Brillia Aftercare Support

In the Brillia series, we are providing a variety of services from both hard and soft aspects so that our customers can live comfortably from when they move in through their daily life until they sell under the "comfort after residing" theme.

Aftercare Support

We are providing unique periodic examinations of residents at the 10, 15, and 20 year marks in addition to periodic repairs every two years. We have also established the industry's top class long-term, five-year aftercare service related to issues with equipment in residential facilities.

For more information about our aftercare services, see: www.brillia.jp/support/ (Available in Japanese Only)

Brillia Owner's Dial

The Brillia Owner's Dial is a comprehensive contact window where customers can inquire about residences and life via a single telephone number 24 hours a day, 365 days a year. Operators connect customers to the appropriate contact point based on the content of their inquiry.

For more information about our Brillia Owner's Dial, see: www.brillia.jp/inquiry.html (Available in Japanese Only)

Value Up Service

This service provides either house cleaning, repairs, collection and disposal, tentative measurements, and the acquisition of certifications for compliance with earthquake resistance standards for free to become the preferred choice of customers.

By increasing property value, we support our customers in selling their properties.

For more information about the Value Up Service, see: sumai.goodnews.jp/valueup/ (Available in Japanese Only)

Brillia-certified Used Condominium Program

In transactions of used Brillia condominiums, a third-party agency inspects the property in advance and issues a certificate to properties that satisfy the specified criteria. Anyone can feel comfort in the sale and purchase thanks to a system to guarantee any problems after delivery for up to five years.

For more information about the Brillia-certified Used Condominium Program, see: www.brillia.com/brillia/promise/chuko/ (Available in Japanese Only)

Aftercare Support



*Free residence inspections and visual building inspections are limited to customers who have outsourced their management operations to Tokyo Tatemono Amenity Support.

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Management Quality of Brillia Condominiums

Property managers and the management company support the daily life of customers who live in condominiums. Tokyo Tatemono Amenity Support, which has been entrusted with the condominium management of the Tokyo Tatemono Group, formulated Brillia Life Support to fully support the life of customers who live in condominiums. Six promises have been made in Brillia Life Support to realize a

refined and peaceful life, which are the brand concepts of Brillia. We will appropriately manage the maintenance of condominiums, work to improve customer services and the response of property managers, properly sustain the value of condominiums, which are a valuable asset of our customers, and support comfortable and peaceful life.

Image of Brillia Life Support

[Six Promises of Brillia Life Support]

Refined Life

Living Imagining the Future

Sustain and improve the asset value of residences

- Periodic free residence inspections
- Repair construction for comfort conducted by the management company
- · Creation of long-term repair plans

Astutely Smart Living

Provision of services for private areas

- · Housekeeping services
- House cleaning
- · House renovations

Living Expanding Lifestyles

Support of communication events

- · Support of Tanabata festival/Christmas events
- Brillia owners' club
- · Hosting of management association seminars

Peaceful Life

Life Visualizing Management

Visualization of the actual state of condominium management

- · Visual exterior inspections
- Submission of account and operational audit reports
- · Monthly property manager reports

Living Welcoming Each Day

Support of property managers and meticulous cleaning

- · Training programs at the Brillia training center
- (Accredited vocational training school)
- · Cleaning checks by supervisors

Life Providing Comfort

Preparations for emergencies, crime prevention and disaster prevention

- · Emergency response service
- Support of fire drills
- · Disaster prevention supplies

Brillia Design Award Internal Commendation System

Always improving refinement and comfort, which are brand concepts, is indispensable to continually earn high praise for the Brillia brand.

The Residence Business introduced the Brillia Design Award commendation system to facilitate even greater refinement. This commendation system judges the designs every year of condominiums completed each year from January to December and recognizes distinguished properties. In the evaluation, employees of the Tokyo Tatemono Group evaluate condominiums focusing on whether designs are able to realize a high level in six items— (1) overall plan, (2) exterior, (3) approach and

entrance, (4) landscape, (5) general common areas, and (6) details.

Through this commendation system, we are sharing excellent examples to facilitate refinement of the Brillia brand in addition to improving the awareness and motivation of employees about design.

At the Brillia Design Award 2017 (properties completed in 2017), Brillia Towers Meguro won first prize and Brillia THE TOWER TOKYO YAESU AVENUE won the award for excellence. Brillia City Shakujiidai, which was highly evaluated for the planting design, was awarded a category award as well.





Full View and Entrance of the South Wing of Brillia Towers Meguro that Won First Prize

Index Message from the President Feature **Environmental Initiatives** Utilization of Human Responding to Social Change

Resource Assets

Community Involvement

Improving Management System

Safety & Security Initiatives

Brillia Training Center for Learning and Exchange of Condominium Management

Tokyo Tatemono Amenity Support, which has a main business in the management of condominiums, has put in place the Brillia Training Seminar internally as a communication measure for all people involved in condominiums.

The center, which completely updated equipment and other parts of the facility in January 2016, is retrofitting equipment such as the condominium management office, fire-fighting equipment, plumbing systems and piping in addition to conducting broad specialized training for property managers, janitorial staff, and managers.

The center is also holding seminars that play a role in management association operations such as seminars for newly appointed chairpersons and large-scale repair work seminars.

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



The training utilizes the equipment, tools, and construction materials that are actually used

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Quality and Customer Satisfaction Improvement in the Leisure Business

Regina Resort to Relax Together with Your Beloved Dog

In recent years, pets have come to be seen as a member of the family and the number of accommodations allowing pets is growing. However, this is only a minimum of allowing pets while there are only a few facilities that realize an environment where both people and pets can feel comfortable in the accommodations.

Regina Resort run by Tokyo Tatemono Resort always keeps in mind guests accompanied by their beloved dogs from the planning stage of facilities. This resort hotel is able to accommodate beloved dogs comfortably, from floors resistant to damage and dirt, various amenities, private dog runs for each guest, and insurance systems for indemnification of accidental damage to facilities.

As a resort hotel, Regina Resort also brings high-quality and enhanced services in addition to creating new value as a resort where people and beloved dogs can both relax. Currently, we have expanded to six locations in the Kanto and Koshinetsu area.



A resort both people and their beloved dogs can enjoy (Regina Resort Kyukaruizawa shown in the picture)

Ofuro no Osama Space Offering Safety, Comfort, and Relaxation

The bath is one simple luxury rooted in Japanese culture, and we believe providing a relaxing space helps build an affluent society.

Ofuro no Osama run by Tokyo Tatemono Resort focuses on heightening community engagement, interaction, and communication as well as aiming to be a health promotion and preventative medicine facility. We are expanding these establishments that combine unique bathing facilities and restaurants to 11 branches in the southern Kanto area. Ofuro no Osama always puts its strength into sanitation management so that we may comfortably accommodate customers. In addition to cleaning, sterilizing and testing the water quality of the baths, we clean the piping three times per year with hydrogen peroxide. We have created a manual for each branch about sanitation management in restaurants and conduct sanitation inspections through specialized external professionals.

Through these types of initiatives, we are striving to provide a space where customers can relax in comfort.



Spacious Open-air Bath (Ofuro no Osama Oimachi shown in the picture)



Water with hydrogen peroxide is cycled to sterilize pipes

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Disaster Prevention Support

Policy and Concept

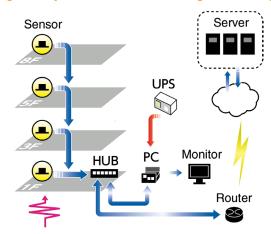
Natural disasters such as large earthquakes and typhoons strike frequently and threaten our way of life. As interest in the safety of the real estate that is the foundation of living grows, the Tokyo Tatemono Group, which provides real estate services, is furthering resilience against disasters in ordinary times and believes providing safety and comfort to its customers and other stakeholders is an important responsibility.

Introduction of Disaster Damage Determination System to Enhance Disaster Prevention in Buildings

In the Office Buildings Business, we are executing not only hard measures, such as earthquake proofing of the buildings we own as well as enhancement of emergency power sources, but also soft measures, such as the distribution of disaster stockpile goods to tenants and the installation of batteries for recharging mobile phones. We are also strengthening initiatives that include disaster prevention measures and BCP support.

When a large earthquake hits, everyone needs to decide quickly whether to seek refuge inside or outside of the building to ensure their safety. Buildings owned by Tokyo Tatemono have adopted systems to determine the deformation (degree of damage) of buildings through multiple sensors, which are able to rapidly confirm the safety of the building after an earthquake strikes. Through the adoption of these systems, we are able to determine the safety and danger when the next large-scale earthquake strikes at a stage during the foreshock, even in foreshock and main shock earthquakes like the ones that hit in the Kumamoto Earthquake.

Image of a System to Determine the Degree of Damage



Multiple sensors automatically calculate the vibrations that are detected to determine the degree of damage. We adopted computers without moving parts highly-durable to vibrations. The operation is verified online once each day to ensure reliability.

Self-defense Fire-fighting Training and Life-saving Lectures

The Tokyo Tatemono Group works even in disaster prevention measures from a soft perspective, such as emergency training and lectures, to increase our disaster response capabilities in a disaster.

We are holding self-defense fire-fighting training once or twice a year for the purpose of strengthening our independent disaster prevention system. In this training, we conduct practical drills while following the instructions of the fire department, such as the initial response during earthquakes and fires, initial fire-fighting, rescue and first-aid, transport of injured, and evacuation drills.

Furthermore, the self-defense fire-fighting squad of Tokyo Tatemono trains on a daily basis and has taken part for many years in the Self-Defense Fire-Fighting Drill Review Board held by the Nihonbashi Fire Department. Our fire-fighting squad has won at this Review Board three years; 2006, 2012, and 2016.

In addition, 227 employees from Tokyo Tatemono and 513 employees from Tokyo Real Estate Management have completed life-saving lectures such as first-aid (as of December 31, 2017). We have been issued a certificate of

excellence in first-aid from the Tokyo Fire Department to become business establishments encouraging first-aid.



Self-Defense Fire-Fighting Drill Review Board

Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

Support for Stranded Commuters During Disasters

Transportation functions halt and many commuters may become stranded when a disaster such as a major earthquake strikes. The large-scale office buildings of the Tokyo Tatemono Group have prepared support for tenants who become stranded during their commute in addition to entering into agreements with local municipalities and advancing system architecture and resource stockpiles that expect to house commuters stranded around the area. Tokyo Square Garden participates in the Council to Support Stranded Commuters in Chuo Ward. We have prepared a manual by assuming people to support stranded commuters will volunteer from the stranded commuters who are taken

in to help in the operation of the support facility because staff will be lacking when people are taken in due to the standard number of building managers.

In 2017, Chuo Ward and surrounding facilities joined forces to introduce measures such as training to broadcast information to the Chuo Ward Disaster Prevention Map App that helps people understand the state of facilities open to support stranded commuters via a smartphone.

Otemachi Tower is furthering measures such as resource stockpiles that assume stranded commuters will be taken

into the large, spacious plaza that connects to Otemachi

Station for each subway line.

Disaster Prevention Measures at Brillia

In accordance with the Brillia Disaster Prevention Guidelines in the Residence Business, disaster prevention manuals unique to each property are created, disaster prevention seminars are held, and evacuation drills as well as life-saving lectures are given to management staff. As measures for earthquake resistance and disaster mitigation during disaster, wall bases for preventing furniture from falling and earthquake resistant front doors as well as footlights during blackouts are used for occupied areas, and AEDs are available as standard equipment for communal areas to ensure safety in multiple ways.

In addition, we are equipping each residence with Brillia original chair-type disaster prevention backpacks that contain items that play a role at those critical moments, such as a multi-function radio and portable toilet. We have also made available a warehouse to store disaster goods and stockpile items, such as manhole toilets, water purifying plants, and power generators, in common areas as refugee assistance measures so that residents in the community help each other in times of emergencies.

The guidelines received the Good Design Award in the Service Design Category in 2011 for its daily awareness raising about disaster prevention and improving awareness between residents being highly evaluated.



Brillia original disaster prevention backpack

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Responding to Social Change

Responding to an Aging Society

Policy and Concept

The birthrate is declining and the ratio of elderly people has been growing in recent years in Japan. It is expected that more than 30% of the total population will be over 65 years of age in 2025. Amid this situation, enhancing ideal final housing or nursing care and medical services are important social issues. Tokyo Tatemono Group places the Senior Business as the third pillar of business next to the Office Buildings Business and Residence Business.

With Tokyo Tatemono Senior Life Support at the core, we aim to offer a rich life through the integration of housing and services by providing housing services and nursing care for the elderly.

We also take care in building favorable relationships with residents living in the neighborhood from the planning stage and we strive to build an environment that people are able to live for a lifetime as a member of the local community.

Index and Performance

Index	Up to 2014	2015	2016	2017	Total
Number of residences operated for elderly occupants					
(residence for elderly people with service and nursing care	647 units	199 units	158 units	482 units	1,486 units
facilities)					

Building Environments for Living a Unique Life Through Housing and Services

To expand the Residence Business for the elderly, the Tokyo Tatemono Group established Tokyo Tatemono Senior Life Support that develops and runs residences for elderly people with nursing care services in July 2014. The company runs 15 residences for elderly people with services* as of the end of 2017.

In the Grapes series of residences for elderly people with services that is growing under Tokyo Tatemono Senior Life Support, we are pursuing an environment where elderly people can live unique lives by providing housing performance and services to realize a lifestyle centered upon people.

*Residences for elderly people with services are rental homes where people who require nursing care can live freely while using the nursing care services rather than paying an expensive admission fee. These residences are regulated by the Act on Securement of Stable Supply of Elderly Persons' Housing. 225,000 units are available as of December 31, 2017, and the supply continues to grow.

High-quality Living Unique to a Developer

The Grapes series also realizes the high-quality cultivated in the Brillia brand new condominium residence business in addition to offering a barrier-free environment. In addition to

the one room units common to elderly residences, various room types up to a 2LDK are available depending on the property to provide a unique life suitable for each resident. Furthermore, the living environment has been built for the ease of use by elderly people, such as the height settings for switches and other equipment and the adoption of easy-to-clean materials and dimensions.



Suitable for Life in a Wheelchair

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Soft Services Based on Concierge Services

A concierge is always present throughout the day to work with in-home long-term care support services and medical institutions as well as provide optimal support tailored to each resident. Even if the level of nursing care required grows, we are able to provide services at the same level as a private retirement home.

In addition to the accessibility of living thanks to no expensive admission fee, residents can live comfortably in this residence as their final home thanks to a lifetime building lease that does not require the lease contract to be renewed



Strengthening Nursing Care Functions

Care Like Co., Ltd., which conducts businesses to deploy human resources to nursing and elderly care, became part of the Tokyo Tatemono Group in April 2017.

With the advancement of an aging society in recent years, a lack of human resources related to nursing care is becoming a social issue. We are able to ensure stability of the necessary human resources after expanding the Senior

Business of the Tokyo Tatemono Group through Life Care while providing even more hospitable and comprehensive services.

Life Care is also working to cultivate human resources in nursing care and widely deploys the human resources in nursing care to society with the aim of contributing to solutions to the challenge of an aging society.

Expansion of the Nursing Care Facility Business

Seiaien Co., Ltd., which is a company operating nursing care facilities, joined the Tokyo Tatemono Group in September 2014 because there are some elderly people

who prefer nursing care facilities based on things such as their state of health. The nursing care facility business has grown to four facilities as of the end of 2017.

TOPICS

New Business of the Grape Series

In 2017, we were entrusted with the operations of one new building that opened in addition to the completion and opening of four new buildings in the Grapes series residences for elderly people with services.

Furthermore, we established one new nursing care facility. To be accepted as a member of the community in each region our buildings stand, we operate under a concept to align ourselves with the distinct characteristics and environment of each region.

Aiming for Multi-generational Interaction at Grapes Yoga

Grapes Yoga is residences for elderly people with services that combine childcare and a small-scale multi-functional nursing care facility at a former employee dormitory of the Tokyo Traffic Bureau as the first welfare infrastructure development project to utilize a government property in Tokyo.

We not only provide comfortable and pleasant living for residents but also offer nursing care functions in each region. By doing so, we are supporting elderly people to always live comfortably in the communities they are used to living.

Moreover, by combining certified childcare facilities, we are assuming one responsibility to resolve the problem of children on waiting lists for nursery schools while also contributing to the interaction across generations and the revitalization of the region.



Grapes Yoga

Message from the President **Environmental Initiatives** Safety & Security Initiatives Index Feature Utilization of Human **Responding to Social Change Community Involvement** Improving Management System

Resource Assets

Community and Multi-generational Interaction and Environmental-friendliness at Grapes Shonan Tsujido

Grapes Shonan Tsujido was set as part of the re-development business in front of Tsujido Station and a condominium, multigenerational community facility, community square, and commercial facility were planned for the gigantic site. The entire re-development project has acquired the SEGES (Social and Environmental Green Evaluation System) certification and contributes to urban development friendly to the regional environment.

Private Nursing Care Homes with Nursing Care Services at **Grapes With Yotsuya**

Grapes With Yotsuya is a residential space that provides easy living through comfortable facilities and support services where residents can enjoy living that takes advantage of a city location. In the future, we will expand nursing care facilities that leverage our know-how up until now as Grapes With.



Grapes Shonan Tsujido



Grapes With Yotsuya

Facility List

Residences for	North Control	
Owned properties	Management properties	Nursing care facilities
· Grapes Asakusa	· Kosha Heim Chitose Karasuyama	· Adonis Plaza Omiya
· Grapes Fujimino	· Grapes Garden Nishi-arai Daishi	· Sans Souci Kita-Urawa
· Grapes Omori-nishi	· Grapes J Higashi Ikebukuro	· Sans Souci Owada
· Grapes Felicity Totsuka	· Kosha Heim Hirao	· Grapes With Yotsuya
· Grapes Kawasaki Shinmachi		
· Grape Season Totsuka		
· Grapes Tsujido Nishi-Kaigan		
· Grapes Tateishi		
· Grapes Yoga		
· Grapes Shonan Tsujido		
· Grapes Setagaya Chitosedai		

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Support for the Empowerment of Women

Policy and Concept

As the empowerment of women progresses and the ideal lifestyle and happiness of women diversifies, support for the changes to the diverse ways of life in both residences and offices is necessary.

The Tokyo Tatemono Group incorporates the point-of-view of women in the development of housing and believes in

supporting the empowerment of women by supporting their lifestyle through housing development.

In addition, we understand their challenges through questionnaires for female employees and incorporate solutions in facility plans for buildings with the aim of a comfortable work-friendly office for women.

Index and Performance

Index	Up to 2014	2015	2016	2017	Total
Number of properties participating in Bloomoi	5 properties	2 properties	4 properties	2 properties	13 properties

Project Bloomoi: Thinking About Housing that Brings More Happiness to Working Women

Tokyo Tatemono has carefully researched the insights of working women and has been advancing the Brillia Bloomoi Project since 2012 to consider and promote the realization of housing that responds to the diversified needs. We hope to broadly support not only working women but include women who are engaging in household affairs, childcare, nursing care, community contribution, and learning at schools in this project.

The members of this project mostly made up of female employees of our company value sympathy, dialogue, and co-creation and believe in lifestyles in which working women can live unique lives with more happiness. Bloomoi, a word coined by combining bloom and moi (me), incorporates the meaning of seeing the many smiles and talent of working women fully bloom with grace.

In this project, we not only conduct product development in the floor plans of the condominiums and the housing facilities but also expand it from the soft perspective, including management and aftercare services, to continually bring out products that take advantage of the Bloomoi idea.

Searching for Co-creation Needs

Working women in fact have a wide range of life styles. Bloomoi builds new business schemes of building through the co-creation process. We examine the insights of working women through efforts such as events, dialogue, and Facebook and bring those insights into product planning. The floor plans and facilities designed based on the survey results and feedback we receive will brush up planning after an exchange of ideas with working women.

Official website:

www.brillia.com/bloomoi/ (Available in Japanese Only)
Official Facebook page:

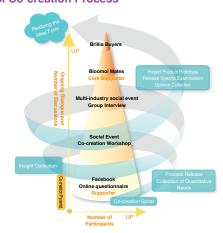
www.facebook.com/BrilliaBloomoi/ (Available in Japanese Only) Official Instagram page:

 ${\color{blue} www.instagram.com/brillia_bloomoi/} \ (\textbf{Available in Japanese Only})$

Bloomoi Co-creation Concept



Bloomoi Co-creation Process



Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Adoption of Multiple Bloomoi Project Products at Brillia Oyama Park Front

Brillia Oyama Park Front, which is a condominium in the works set to be completed in October 2018, is located in a convenient location within a 2 km distance from the city center of Ikebukuro on the Fukutoshin line that is progressing with the re-development project, and predicts many of the residents will be working women. This property has adopted facilities developed in the Bloomoi project in each location so that working women will live with more happiness.

In addition to Bloomoi Pocket and Bloomoi Library, we have equipped the interior of the model room with an L-shaped sofa and wall storage. Moreover, select kitchens and washstands chosen to match lifestyles with a track-record of use in many other Brillia buildings have also been adopted.



Bloomoi Library

A workspace to conduct small tasks when there is extra time such as breaks during cooking has been installed next to the kitchen. This can become a sleek space by closing the door when visitors show up suddenly.

(Left: When open/Right: When closed)

TOPICS

Proposal of Office Environments Friendly to Women

The Empire Building completed in September 2017 was a reconstruction business conducted jointly with Empire Motor following the deterioration of the head Empire Motor head office building. We poured our strength into a work-friendly office for women that of course provided the latest functionality and high earthquake resistance. We conducted a survey with the female employees who work at Tokyo Tatemono and reflected the feedback we received in the plans for the facility.



Installation of Bench with Fitting Board in Dressing Rooms



Installation of a Compartment in the Powder Corner of the Restroom with a Refreshing White Tone

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets Improving Management System

Responding to the Increase of Children on Waiting Lists

→ Please also see the Feature: Start of Childcare Business at Ohayo Child Care (P4)

Policy and Concept

In recent years, an issue of children on waiting lists for nursery schools is worsening due to the lack of childcare facilities caused by a concentrated population and an increasing number of double-income households in urban areas. Many problems manifest as social issues due to the lack of nursery schools, such as a delay of women returning to work because childcare is not available for their children. Tokyo Tatemono Group is working to expand the childcare business and to establish a childcare environment for households raising children and for the children of our future.

Index and Performance

Index	2017	2018	Total
Number of People Accommodated by Childcare Facilities (Capacity Base/Capacity with New Facilities)	50 people	259 people	309 people
Number of New Childcare Facilities Opening	3 facilities	5 facilities	8 facilities

Expansion of Ohayo Child Care Kameido

In April 2017, Tokyo Tatemono Kids opened Ohayo Child Care Kameido in Koto, Tokyo, Ohayo Child Care Yokohama Negishi and Ohayo Child Care Mitsuzawa Shimocho in Yokohama City, Kanagawa as the first Tokyo Tatemono Group nursery schools. Five additional nursery schools newly opened in April 2018.

Based on the childcare philosophy to nurture abilities to live fully, we prepare an environment where children think for themselves and independently work at things.



Kindergarten Building Children Spend Time Comfortably with Facilities and Specifications that Set Safety as the Top Priority

Ohayo Child Care run by Tokyo Tatemono Kids

Tokyo Metropolitan Area	Yokohama City
· Ohayo Child Care Kameido Tokyo-certified Nursery School	· Ohayo Child Care Yokohama Negishi Yokohama City Small-scale
· Ohayo Child Care Minami-Sunamachi Tokyo-authorized Nursery	Nursery School
School	· Ohayo Child Care Mitsuzawa Shimocho Corporate-lead Nursery
· Ohayo Child Care Omorimachi Tokyo-authorized Nursery School	School
· Ohayo Child Care Shiinamachi Tokyo-authorized Nursery School	· Ohayo Child Care Hanasakicho Yokohama City-authorized Nursery
· Ohayo Child Care Nishi-Sugamo Tokyo-authorized Nursery School	School

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Revitalization of Aging Condominiums

Policy and Concept

Condominiums built all over Japan that supported the rapid growth after World War II have aged and are in need of reconstruction. In addition to aging of the building, residents of condominiums which were full of childrearing families are also aging and declining in number. Solitary death has been raised as a social issue and revitalization of a community that brings the residents together is necessary.

Tokyo Tatemono Group places long-term reconstruction and focus on the re-development business as an important strategy of the Residence Business in the mid-term management plan. We will contribute to revitalizing the local community by renewing the existing stock of condominiums and buildings as well as creating new values that match the coming generation at the same time.

Index and Performance

Index	Up to 2014	2015	2016	2017	Total	Projects in development
Before rebuilding Total number of units	664 units	130 units	80 units	0 units	874 units	4,057 units
After rebuilding Total number of units	1,298 units	232 units	114 units	0 units	1,644 units	7,480 units (tentative)

Brillia Koganei Sakuracho Condominium Revitalization



This is the full view of Koganei Sakuracho. The building layout has been changed with the aim of bringing the feel of light, greenery and the breeze to the L-shape of the south and east wings.

Points of the Brillia Koganei Sakuracho Condominium Revitalization

- (1) Comprehensive comparison to examine large-scale repairs versus reconstruction
- (2) Dramatic improvement in residential performance through reconstruction
- (3) Planting and provision of parks to achieve both a richly green environment and crime prevention

Brillia Koganei Sakuracho completed in May 2016 was born rebuilding a Koganei apartment building located in the richly green area of Musashino.

The building had already passed more than the roughly 50-year mark upon the initial inspection for the revitalization of the condominium. The residents were getting older and the deterioration of the building was progressing. The decision to rebuild was made in 2013 by comprehensively comparing the functional improvements via large-scale repairs and

Property Data

Project overview	(Before rebuilding) Koganei apartment building	(After rebuilding) Brillia Koganei Sakuramachi.			
Address	2-chome, Sakura-cho, Koganei, Tokyo				
Construction period	Completed 1964/1965	Completed 2016			
Site area	5,356.35 m ²	5,219.46 m ²			
Standard building-to-land ratio	No change				
Allowable volume rate	No	change			
Floor space	4,914.57 m ²	9,081.48 m²			
Number of buildings	Total 3 buildings/4 floors	Total 1 building/8 floors			
Number of units	80 units	114 units (61 subdivided units)			
Unit floor space	54.24 to 54.44 m ²	46.75 to 84.96 m ²			
Floor plan	2DK/3DK	1DK to 4LDK			

reconstruction because the building had issues from the aspects of functionality and crime prevention, such as the lack of elevators and auto-locks. Thereafter, we directly confronted challenges, such as the review of business plans through skyrocketing building costs, and held ongoing talks with all of the residents. Approval of the exchange of equivalent rights* plan was granted in 2014 and the project was completed without any problems.

Mobility became easy with the installation of elevators after largely improving the residential functionality through rebuilding. The condominium also offered easier living for children and the elderly, such as heightened crime prevention performance by changing the layout of the residential buildings.

*Exchange of equivalent rights: Exchange of sectional rights and site usage rights to rights in the new condominium and issuance of monetary payments. A consensus between residents is necessary because the appraised value between the old building differs from the new. The exchange of rights plan needs approval by the mayor of the local government.

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Initiatives in Brillia Tama New Town Condominium Redevelopment



This is the full view of Brillia Tama New Town. The redevelopment preserves existing green spaces while realizing the largest reconstruction project in Japan.

Points of the Brillia Tama New Town Condominium Redevelopment

- (1) Largest condominium reconstruction project in Japan (640 units to 1,249 units)
- (2) Revitalization of the community by changing the resident structure
- (3) Preservation of the living environment by preserving green spaces

Brillia Tama New Town, completed in October 2013, is a community that was brought new life after a history of approximately 40 years as Tama New Town Suwa 2-chome Housing through the reconstruction business. We have worked on the project for eight years in cooperation with right holders and related parties since 2007. As a result, we realized a total of 1,249 housing units in 7 buildings while preserving green spaces and securing public open spaces. As the deterioration of the aging condominium worsens, the reconstruction project for Brillia Tama New Town has evoked

Property Data

Project overview	(Before rebuilding) 2-chome, Suwa condominium	(After rebuilding) Brillia Tama New Town			
Address	2-2 and 4-2 (Street Number) Chome Suwa, Tama, Tokyo				
Construction period	Completed 1971	Completed 2013			
Site area	64,399.93 m ²				
Standard building-to-land ratio	10%	60%			
Allowable volume rate	50%	200% (150% based on district plan)			
Floor space	34,037.13 m ²	124,904.05 m ²			
Number of buildings	Total 23 building/ 5 floors	Total 7 building/ 11 and 14 floors			
Number of units	640 units	1,249 units (684 subdivided units), Associated facilities 3 subdivisions			
Unit floor space	48.85 m ²	43.17 to 101.44 m ²			
Floor plan of all units	3DK	2DK to 4LDK			

interest in the social significance of revitalizing the historic Tama New Town and has garnered great attention. This has not only been inspected by customer but also management associations of properties thinking about rebuilding as well as local governments.

The ratio of age composition before the reconstruction was weighted towards elderly but age composition became slightly younger as about 70% of those that newly purchased housing units were between the age groups of 20s to 40s. Today, events are continually planned such as summer festivals to further nurture a community with the participation of a number of people regardless of whether a new or previous resident.

Brillia Tama New Town introductory website: www.b-tamant.com (Available in Japanese Only)

TOPICS

Senri New Town Condominium Redevelopment

Senri New Town in Osaka, which is the largest new town in Japan, has passed a half a century since it opened in 1962. We are working to revitalize the community through reconstruction in each and every housing complex.

Tokyo Tatemono is participating in the Senri Tsukumodai A Subdivided Condominium Reconstruction Business in Senri New Town. Senri Tsukumodai A Subdivided Condominium Reconstruction Business is an association-type implementation of condominium redevelopment in accordance with the first Act on Facilitation of Reconstruction of Condominiums in Suita City. All of the residence from 2015 will work together with this project, and we expect every right holder will move in from December 2019.



Image After Reconstruction of the Senri Tsukumodai A Subdivided Condominium

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Community Involvement

Co-existing with Communities

Policy and Concept

The Tokyo Tatemono Group believes improving regional value through various community activities is not only part of community development but connects to the sustainable growth of our own business.

Therefore, we are working to conduct various community

activities, such as running events as city clean-up activities and community vitalization, to improve regional value in areas such as Yaesu, Nihonbashi, and Kyobashi where we own and manage real estate.

Introduction of Clean-up Activities

The Tokyo Tatemono Group is regularly conducting cleanup activities by using time such as that before the start of work for urban beatification in multiple areas that include Yaesu where our the Tokyo Tatemono head office is located, Nihonbashi, and Kyobashi. These activities have been praised and received a letter of appreciation from the Nihonbashi Clean Business Cooperative.

In addition, we have continually participated in the Cleaning of Nihonbashi Bridge event in Nihonbashi since 2013. Many of our employees are regularly participating in activities of NPO Hana Kaido, which conducts management of flowerbeds along the sidewalks of Chuo-dori while Tokyo Tatemono participates and supports those activities as a member of the secretariat.

Even in the future, we want to contribute to the beautification of the city as a member of the local community.



Morning Cleaning Activities

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

The Tokyo Tatemono Group actively participates in the Sanno Festival, an important event in the area where the head office of Tokyo Tatemono is located, to pass down the traditional culture. The Sanno Festival is counted as one of the three major festivals in Japan along with the Tenjin Festival in Osaka and the Gion Festival in Kyoto. Many Group employees participate during the marching of twelve portable shrines through the Yaesu, Nihonbashi, and Kyobashi area. The Group employees take part in carrying the portable shrines and boasting the festival with members of local neighborhood association members.

CSR Website Feature: Tokyo Tatemono Urban Development Activities (Published 2017)

www.tatemono.com/csr/special/townplanning.html (Available in Japanese Only)



Sanno Festival

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Bustling Creation in Nakano Central Park

The richly green open space of approximately 3 ha offered jointly by the neighboring universities and local government in Nakano Central Park (public open space, etc.) seamlessly connects to Nakano Shiki no Mori Park and is used as a place where office workers, students, local residents and industries interact.

Various events are held such as free markets and workshops throughout the year, incorporating the existing culture of the city and students as well as new vitality. Through these types of events, a variety of people are brought together to create a bustling space by actively building community while helping to cultivate knowledge and continually vitalize the area by an organic interaction between people, universities, the city, and companies. Many events were held in 2017 with a total of 230,000 people visiting Nakano Central Park.

These bustling initiatives that effectively use this open space have been praise and received the Good Design Award in the Creation of Town, Local Area or Community category in 2014.



The music club from the Tokyo Tatemono Group also performed on stage at the Nakano Summer Festival

Websites Jointly Run with Management Associations to Broadcast Condominium Information

The Tokyo Tatemono Group creates websites run jointly with management associations to introduction information such as an overview and history of the condominium, future initiatives, resident organizations, common facilities, and events. Blogs are also opened to deliver the voices of the residents.

Websites for Brillia Mare Ariake, Brillia Ariake Sky Tower, Brillia Ariake City Tower and Totate Zama Heights are already open and expansion is planned for the future. Broadcasting information about condominiums both internally and externally is expected to help improve the asset value, vitalize the community, and sustain the environment.

Official Brillia Mare Ariake website:

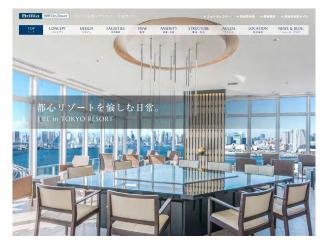
www.bma33.com/ (Available in Japanese Only)

Official Brillia Ariake Sky Tower website:

www.ariakesky.com/ (Available in Japanese Only)

Official Totate Zama Heights website:

zama-heights.com/ (Available in Japanese Only)



Official Brillia Ariake City Tower website: www.bac.tokyo/ (Available in Japanese Only)

Community Building Through Event Proposals to Management Associations

A healthy community has a positive effect on maintenance and management of condominiums and leads to greater asset value. The Tokyo Tatemono Group makes proposals to management associations of condominiums about events for community building and support for their management. We conduct activities to cultivate communities in cooperation with management associations from social events before residents move in to community events perfect for each season after moving in (Christmas, Tanabata, etc.), fire-fighting drills, gardening, and support of operations for club activities.



Disaster Prevention Training at Brillia Bunkyo Edogawabashi

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Cultural and Social Contribution Activities

Policy and Concept

The Tokyo Tatemono Group believes realizing an affluent society through various cultural and social contribution activities helps the sustainable growth of our own businesses

Therefore, we engage in a variety of social contribution

activities, such as cultural and arts activities, educational support, sports promotion, and disaster recovery support. We contribute urban development, community building in addition to building an affluent society as a member of the local community.

Artist Support at THE GALLERY in the Brillia LOUNGE

Tokyo Tatemono is providing support for various cultural activities such as arts and sports. As part of these activities, we operate THE GALLERY as an exhibition space setup in a corner of the Brillia LOUNGE on the first floor of the Tokyo Tatemono Yaesu Building as a place to introduce up-and-coming artists and their artwork.

THE GALLERY introduced works from four groups of artists in 2017. In addition, the Brillia ART AWARD 2018 was held to determine the artists to introduce in 2018 through a public offering. This award not only judges complete artworks but also production plans. Winners are given a production grant of 200,000 yen. The works that are created are displayed in stages throughout 2018.

For more information about THE GALLERY in Brillia Lounge, see: www.brillia.com/brillia/topics/ (Available in Japanese Only)









Works by Artists Introduced in 2017

Edo Machi Jyuku to Learn about Tokyo Culture Held

The Edo Machi Jyuku is a program to learn various things from the history to the way of shouldering the Mikoshi to more fully enjoy the Sanno Festival, which is one of the three largest festivals in Japan. Tokyo Tatemono is supporting local town councils and other associations as a secretariat that conducts planning and operations. We broadly recruit participants from inside and outside of the company and invite people with a deep relationship to the Sanno Festival as lecturers to talk about how to enjoy the Sanno Festival from many different perspectives. These activities became an opportunity for not only the local residents but also office workers to learn more deeply about the history and culture of the region, and we hope at least one more member of the town will pass down the culture.



Edo Machi Jyuku

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Urban Development Leader Education Program to Learn and Think about City Building Held

A facility called Kyobashi Environmental Station that promotes low-carbon cities is located on the 6th floor of Tokyo Square Garden owned and managed by Tokyo Tatemono. Kyobashi Environmental Station is holding a free series of seminars to learn about building eco cities over roughly six months every year.

In 2017, the Urban Development Leader Education Program was held for the purpose of developing human resources who will be entrusted with future city building. Based on two hours of classroom learning each time for a total of eight times between May and December, students experience the process from the ability to solve local problems to the creation of new ideas. In the final class in December, the local problems and solutions each team had been looking into were announced.

Tokyo Tatemono plans, operates, and holds this seminar with the Institute of Sustainable City Forum.



8th Presentation Session (Dec. 11, 2017)

Supporting Disabled Sports

Tokyo Tatemono has been an official partner of Japan Parasports Association since August 2015 as part of its social contribution activities.

We will actively support para-sports through initiatives to popularize para-sports and take part in realizing the philosophy of para-sport for creating a vibrant coexisting society.

In 2017, we promoted people to watch the events by broadcasting event and competition information inside the Group and reaffirmed the recognition of para-sports in an even greater number of employees by watching and cheering on the competitions.

Moreover, we acquired the naming rights to the Shin-Toyosu Brillia Running Stadium track and field facility that opened in December 2016 and cooperate in operating the facility. The Shin-Toyosu Brillia Running Stadium combines an artificial sports leg development laboratory where people with disabilities can train side-by-side with everyone else.



JPSA Official Partner



Interested Employees Gathered to Watch a Competition



Shin-Toyosu Brillia Running Stadium

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Earthquake Reconstruction Support Through Rice Planting

The Tokyo Tatemono Group aims to build an affluent society through reconstruction after the Great East Japan Earthquake and interaction between the city and farming villages, and it supports rice planting activities for the local Teneimai rice from Ten-ei village in Fukushima Prefecture. Hatoriko Highland Regina Forest Co., Ltd. owned by Tokyo Tatemono Group up until 2016 was located on the outskirts of Ten-ei Village, which began support and other activities with roughly 100 employee volunteers participating. Employees and their families experience farming such as the rice-planting in spring, cutting weeds in summer, and the harvest in fall while interacting with the local farmers. The company and these individuals are unified in deepening their understanding of Ten-ei Village and supporting the reconstruction of Fukushima from Ten-ei Village through these activities.



Participants of harvesting rice

Supporting Patients with Incurable Diseases and Their Families

Apartments Tower Kachidoki rental condominiums owned by Tokyo Tatemono has concepts to both support the raising of children and to co-exist with the community. The building provides facilities such as certified childcare, family house, pediatric clinic, and residence for a generation raising children. The family house, which is operated by the NPO Family House*, is a second home to use as a residence facility for families that travel to urban hospitals from afar to care for their children with intractable diseases such as pediatric cancer.

Tokyo Tatemono is empathetic to this activity and provides a 130 m² house free of charge that is equipped with two Japanese-style rooms and a common room in the Apartments Tower Kachidoki close to the National Cancer Center Hospital and St. Luke's International Hospital.

*A certified non-profit organization (NPO) is an organization that receives tax incentives to encourage donations to the organization. NPOs can only be established through the certification system, but the organization must have a certain activity periods and needs to pass an evaluation by a competent authority.



Common Room for Two Families to Spend Leisure Time

Utilization of Human Resource Assets

Diversity & Inclusion

Policy and Concept

With the declining birthrate and growing proportion of elderly people as well as a declining workforce, effectively using a workforce that includes women and senior citizens is more important than ever before. In addition, as customer needs diversify, we believe contributing to the provision of services from an even broader point-of-view and greater decision making relates to providing high-quality services.

Tokyo Tatemono upholds the realization of a satisfying working place where employees can feel their growth in the Human Resource Policy, and it is building an environment where diverse human resources can feel motivated while dedicating themselves to their job free from obstacles. Moreover, through the participation of a variety of human resources, we aim to provide services that respond to more sophisticated and diversified customer needs.

System

The Tokyo Tatemono Personnel Division links the departments in charge of administration at each Group Company to promote various measures in the Tokyo

Tatemono Group and supports these measures horizontally across the Group so that diverse human resources can continually grow free from obstacles.

Index and Performance

Female Employment Rate/Female Management Rate

Index	December 2015	December 2016	December 2017
Female employee rate	21%	26%	27%
Female management rate	2%	3%	3%

Employment Rate of Persons with Disabilities

Index	June 2015	June 2016	June 2017	December 2017
Employment rate of persons with disabilities	2.06%	1.88%	1.98%	2.10%

Promotion of Women to Take Active Roles

Tokyo Tatemono is working to build a workplace and appoint diverse human resources as a way to fully drive the potential of the individual skills and personalities of women as well as their ambition.

In December 2017, our female employment rate was 27%, which increased six points from 2015.

As systems for maintaining careers with flexibility to life events when building a women-friendly workplace progress,

we have established a re-employment program for employees who have resigned due to pregnancy, childbirth, child rearing, and nursing care in addition to a policy to accompany a spouse who is transferred overseas. Employees who have resigned to accompany a spouse transferred overseas are also able to take advantage of the re-employment policy for employees who have resigned.

Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

Promotion of Seniors to Take Active Roles

Tokyo Tatemono has introduced a re-employment policy for employees at retirement age so that employees who have reached the age of 60 can take active roles by leveraging their career up to that point. In addition, the Personnel Division consults with employees who have put off retirement and works so that they can leverage the career they have built up to that point to take an active role in-line with their desire to work based on a life plan for each and every person.

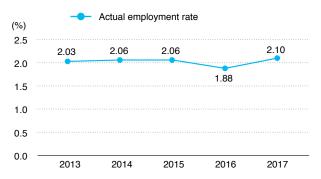
Re-employment Status of Employees at Retirement Age

	Employees at retirement age	Re-emp	loyment
2017	12	11	92%
2016	4	3	75%
2015	6	4	67%
2014	5	3	60%
2013	6	4	67%

Promotion of People with Disabilities to Take Active Roles

Tokyo Tatemono put in place a Committee on the Employment of Physically Disabled in 1993 and actively strives to employ people with disabilities. We have prepared a system in which people with disabilities will have long-term stable employment, such as assigning them to the most appropriate department, conducting regular consultations with the Personnel Division, and setting working hours considering the level of disability. The actual employment rate of persons with disabilities was 1.98% as of June 2017 when we submitted notification to the Ministry of Health, Labour and Welfare and 2.10% as of the end of the year. Furthermore, we are fulfilling the number of people with disabilities who are required to be employed under the Act for Promotion of Employment of Persons with Disabilities.

Trends in the Employment Rate of People with Disabilities



Work-Life Balance

Policy and Concept

Realizing a work-life balance and increasing productivity have become important issues in the sustainable development of employees and companies amidst concerns about issues of long working hours and mental health grow. The Tokyo Tatemono Group is conducting initiatives to improve health based on the Group Health Management Declaration.

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

I will strengthen environment to achieve this as the chief executive officer in charge of health management, and I vow that we will endeavor in health management unified as a Group.

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

System

We have established Health Committee made up of members from the Personnel Division, industrial physicians, and representatives from each office. The Health Committee generally convenes once a month for the purpose of improving standards of occupational health in

the workplace and encouraging employees to maintain and improve their health.

Moreover, we are working to maintain and improve health throughout the entire Group through exchange between Tokyo Tatemono Group companies.

Index and Performance

Number of paid leave days taken

	2013	2014	2015	2016	2017	2020 Target		
Average number of paid	8.8	8.6	8.8	8.8 8.7	0.7	0.0	0.0	30% increase compared to
leave days taken	0.0	0.0	0.0	0.7	8.8	2015 (11.4 days)		

^{*}Other leave systems such as summer leave and national holidays are also provided (these days are not included in the above figures)

Rate of Health Check-ups

	2013	2014	2015	2016	2017	2018 Target
Rate of health check-ups	100%	100%	100%	100%	100%	100%

Index Message from the President Feature Environmental Initiatives Safety & Security Initiatives

Responding to Social Change Community Involvement Resource Assets

| Community Involvement Resource Assets | Improving Management System | Improving

Health Management Initiatives

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

Third-party Evaluation of Health Management

Our sincere efforts toward health were evaluated and received the highest rank in 2014 for distinguished initiatives with the health considerations of employees in the DBJ Health Management Rating run by the Development Bank of Japan.

In February 2018, we were recognized under the Certified Health and Productivity Management Organization Recognition Program (White 500), a program in which the Ministry of Economy, Trade and Industry certifies companies practicing excellent health management, for the second consecutive year.



Health Improvement Initiatives

Tokyo Tatemono aims to have a check-up rate of 100% for periodic health examinations, and is advancing initiatives to raise greater awareness in all employees about health management (100% rate is sustained since 2011). We coordinate with health insurance associations to conduct a wide range of initiatives for improving health management. We promote support to help people quit smoking and have introduced a measure that gives mementos to smokers who have successfully quit smoking. We also understand the health risk attributes of employees in addition to actively engaging in preventative measures against severe illnesses for non-obese and young people not eligible for special screenings with the purpose of improving health through preventative and early-term treatment. We also introduced group dental check-ups in 2017 as part of our efforts in health management.

As daily health measures, we are strengthening support to maintain the health of employees by ensuring that the costs required for voluntary health management such as physical examinations, various cancer screenings, medical treatment, pharmaceuticals, and health management programs are covered in the Welfare Cafeteria Plan*. We had also been subsidizing the cost for influenza vaccines up until recently, but we have strengthened the prevention of mass infection during the influenza season by inviting physicians to the company to provide vaccinations from 2016.

*This plan assigns a set number of points to each employee and they can individually choose a menu of their own within the set number of points. This provides a benefit of being able to put together a menu suitable to individual health needs.

Mental Health Initiatives

Tokyo Tatemono conducts stress tests through on online service every year for all of its employees to properly and easily grasp the stress levels of each employee. In addition, we are providing mental health counseling via health insurance associations and these counseling services have been made available to employees who have unstable mental health. We started linking to psychiatric advisors in 2016 and have put in place a support system that includes return to work training.

As mental health enlightenment activities, we are conducting training in self-care and employee care overseen by line managers, and newly appointed managers in particular are required to participate in the training for employee care overseen by line managers (100% attendance rate).

We invite sports trainers as lecturers for new employees and conduct training all employees participate. We understand the importance of mental health for all of our employees and strive in the early diagnosis and prevention of mental health problems.

CSR Website Feature: Health Management Ensuring Results (Published 2017)

www.tatemono.com/csr/special/healthcare.html (Available in Japanese Only)

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

TOPICS

Eight Tatemono Group Companies Certified Excellent Under the Health and Productivity Management Organization Recognition Program

Tokyo Tatemono and seven other Group companies have been certified as excellent under the Tokyo Association, National Federation of Health Insurance Societies' Health and Productivity Management Organization Recognition Program and received the Silver recognition.

The Program certifies companies that have vowed to work to improve health as a whole organization (corporate health declaration) and that have satisfied certain results thereafter. Silver is only awarded to companies that receive 80 or more points in the evaluation. Only about 237 companies out of the roughly 900 companies that participated in this program received the Silver Recognition. (As of February 2018, no company has yet to be awarded Gold).

In the future, the entire Group will continue to work to better health.

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Group Companies Awarded the Silver in the Recognition Program (Tokyo Tatemono Co., Ltd.)

Group Companies Awarded the Silver in the Recognition Program

- · Tokyo Tatemono Co., Ltd.
- · Tokyo Fudosan Kanri Co., Ltd.
- · E-State Online Co., Ltd.
- · Nihon Parking Corporation
- · Tokyo Tatemono Real Estate Sales Co., Ltd.
- · Tokyo Tatemono Investment Advisors
- · PRIME PLACE Co., Ltd.
- · Parking Support Center Corporation

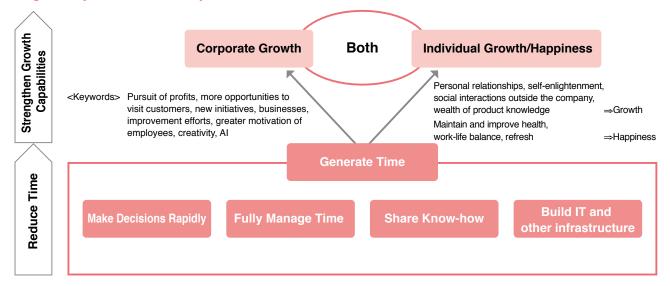
Work-Style Innovation Initiatives

Tokyo Tatemono has established a Work-Style Innovation Labor-Management Review Meeting with the labor union. This meeting committee structure anticipates the accomplishment of the Group medium-term business plan and growth thereafter and aims to further improve productivity and efficiency in business execution. We know conducting work-style innovation suitable to Tokyo Tatemono is necessary and have setup specific measures for debate between labor and management.

We started this activity in April 2017 and have shared the purpose and ideal goals of work-style innovation while having broad discussion between labor and management. Specific measures to improve productivity in the future will also be debated for adoption as company-wide initiatives.

[Tokyo Tatemono Work-Style Innovation Concepts] The ideal goal of work-style innovation is to bring about more time, such as more efficiency, to aid in corporate growth as well as individual growth and happiness.

Image of Tokyo Tatemono Work-Style Innovation



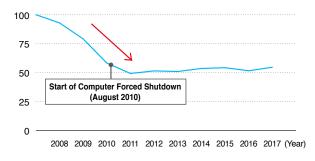
Initiatives to Reduce Overtime

Tokyo Tatemono has continued measures to prevent overtime since 2008 from the perspectives of work-life balance and employee health management. We have adopted a system to shut down computers at the standard end of the working day in 2010 to control late-night working hours and prevent overwork. Furthermore, in departments long-working hours occur, we have implemented a framework to fight back by requiring direct supervisors to report improvement measures. Through this type of PDCA cycle, we are striving to reduce overtime (outside working hours) and have reduced overtime roughly 50% (compared to 2008) up until now.

In this way, we are striving to effectively control long working hours from both hard and soft aspects, but we will also actively endeavor even in measures to raise awareness about work-style innovation in the future.

Overtime Trends

(Overtime in the first half of 2008 right before the initiatives is designated as 100. The initiatives started from July 2008.)



System to Maintain Careers with Flexibility to Life Events

Tokyo Tatemono has established various systems in which each and every employee can maintain their careers flexibility with life events so that employees that have diverse backgrounds can take an active role.

Leave Program for Pregnancy, Childbirth, Child Rearing, and Nursing Care

The period of leave necessary for child rearing and nursing care differs according to the living environment of each and every employee. When employees are directly confronted by these transition periods, they may take up to three years of leave for the reason of child rearing and nursing care.

Re-Employment Program for Employees who Resigned Due to Pregnancy, Childbirth, Child Rearing, or Nursing Care

We have established a re-employment program for employees who have resigned due to pregnancy, childbirth,

child rearing, or nursing care. As re-employment of employees who have resigned becomes systemized, the program is founded to actively help employees passionate about contributing to society through Tokyo Tatemono who have had to resign for unforeseen circumstances due to the ever-changing living environment to realize that desire.

Program to Accompany Spouses Transferred Overseas

Opportunities to work abroad are growing regardless of gender in a backdrop of globalization and gender equality in employment. Tokyo Tatemono has established a program to recognize leave for up to three years so that employees who have a spouse transferred overseas can consider their family life if choosing to accompany their spouse and live overseas.

Employees who have resigned for this reason are also able to take advantage of the re-employment policy for employees who have resigned.

Support of Club Activities

Tokyo Tatemono put in place approval and subsidy rules for club activities in 2014 and has introduced systems to support the outside activities of employees.

Currently, we are subsidizing rental fees of activity venues and participation costs in competitions for the twelve clubs that have been approved. Employees of Group companies are also participating, and we are conducting Group-wide activities that go beyond corporate barriers.

Furthermore, each club participates in athletic competitions held by local public organizations and actively communicates with the local community.



Music Club

Human Resource Development

Policy and Concept

Tokyo Tatemono actively strives to develop the skills of employees based on the belief that the employees themselves are the foundation of sustainable corporate growth.

We have revised various systems related to human resources in 2012 for the purpose of strengthening workplace building that creates added value and human resource development and innovating organizational culture with not only optimization of individuals and departments but also the entire organization. As part of the innovation, the Human Resource Policy was formulated and used as a foundation to build a human resource development system.

Human Resource Policy

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

System (Human Resource Development System)

Tokyo Tatemono has set the first two years after joining the company as a development period, and it focuses on developing young employees by implementing a five-year collective training program that includes basic business training (logical thinking, presentation, etc.).

Furthermore, for the purpose of experiencing and gaining the broader knowledge required for employees of a comprehensive real estate company, human resources are first assigned to a department that is a contact point with customers and then rotated around to experience about three departments in the ten years after joining the company for new graduate recruits.

To strengthen the OJT development cycle in the workplace, training for managers who are the instructors and counseling system for new recruits have been implemented. The operation status of these initiatives is monitored

through regular interviews by the Personnel Division. We are providing enhanced programs such as volunteer type internal training and external dispatch training as well as multi-industry social training for mid- and higher level employees to cultivate a self-learning climate for employees.

Training for managers includes training to enhance daily line management such as training for evaluators and mental health and line care training, in addition to dispatching employees to external training agencies such as business schools to enhance their strategic perspective and management capabilities.

Furthermore, we support learning English and Chinese and dispatching employees to overseas training considering future global expansion.

Index and Performance

Turnover Rate

	2013	2014	2015	2016	2017
Turnover rate (only for personal circumstances)	1.7%	1.9%	2.2%	1.4%	1.4%

Collective Group Workshops for New Employees for Group Synergy

Tokyo Tatemono Group has positioned providing amazing value through innovative group synergy as one important strategy based on the Medium-term Business Plan to continue to be the leading choice.

We are conducting Group workshops for junior employees as one initiative to drive Group synergy. In 2017, we conducted camp-style introductory training (four days and three nights) right after new graduates joined the company and held a Group athletic meet for the purpose of improving the power of unity after six months of employment. Furthermore, we have prepared various collective training programs for the third year after joining the company to support the building of relationships able to drive Group synergy.

Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

TOPICS

Group Athletic Meet for New Employees for Group Synergy

On November 14, 2017, we held the Tokyo Tatemono Group New Employee Athletic Meet to deepen interaction between new employees.

A total of approximately 100 new employees and persons in charge of personnel at each company from seven Group companies (Tokyo Tatemono, Tokyo Tatemono Real Estate Sales, Tokyo Real Estate Management, Tokyo Tatemono Amenity Support, Prime Place, Nihon Parking, and E-State Online) participated and a competition was held between teams made up of a mixture of people from each company.

New employees teamed up and worked together to deepen their mutual understanding. This facilitates better communication across the Group even in future business. These connections become a foundation, which we expect will aid in future Group synergy.

Representatives from the personnel departments at each company planned and operated the athletic meet that was held, which became a wonderful opportunity to think about improving Group synergy through human resource development.

Overseas Training for Global Human Resource Development

Tokyo Tatemono conducts overseas training for the purpose of heightening a global mind as business expands more and more globally.

Junior and mid-career employees were dispatched to the west coast of America in 2017 to experience a different culture first-hand while engaging in training to nurture creativity and critical thinking by visiting local companies and conducting field work.

Furthermore, as a more practical program, we deployed interns to our local Chinese subsidiary and we conducted training where these interns were able to learn local culture and business trends through actual work experience. In the future, we will also support the growth of human resources who have a desire to take on the challenge of creating new value on a global scale regardless of country.

Improving Management System

Corporate Governance

Policy and Concept

To enhance the corporate value of Tokyo Tatemono, we strive to build optimal corporate governance while

securing soundness and transparency of management and increasing its effectiveness.

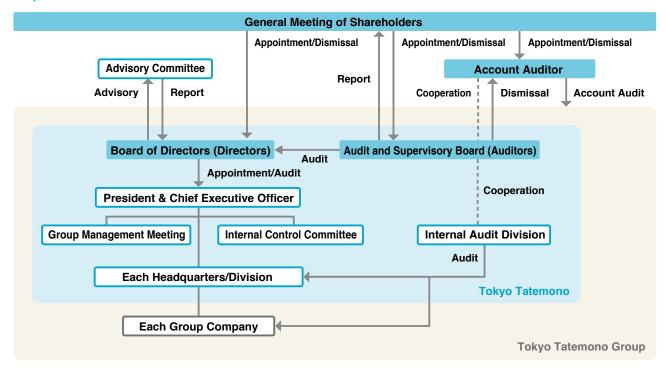
System

Tokyo Tatemono has adopted a corporate governance system as the structure for corporate governance and we have established a board of directors and an audit and supervisory board. In addition, we clarified the division of functions for management and the execution of operations to strengthening the auditing functions and business execution functions. We are also strengthening the auditing

functions and transparency of management by appointing outside directors and auditors. We believe that we have built a system able to sufficiently execute the supervising and auditing functions of management and directors.

Furthermore, we established the Group Management Meeting in an effort toward efficient and sound Group management.

Corporate Governance Structure



Directors (Board)

There are 12 directors and four are external directors. As a general rule, Tokyo Tatemono holds a regular Board of Directors meeting once a month and an extraordinary meeting when a need arises to decide on important matters related to execution of operations and auditing of the operations of the directors.

Auditors also attend Board of Directors meetings and share their opinion when necessary. (Number of members as of April 2018)

Auditors (Audit & Supervisory Board)

Audit & Supervisory Board consists from four auditors (two full-time auditors) and two external auditors.

Executive Officers

Executive Officer System is implemented to stimulate the Board of Directors by separating management and execution of operations and to accelerate decision making process related to operations.

Group Management Meeting

Group Management Meeting consisting of executive officers assigned roles is implemented to deliberate on important matters related to the management of the Group.

In addition, fill-time auditors participate in the Group Management Meeting to grasp the situation of the deliberations and share opinions when necessary.

Internal Control Committee

Internal Control Committee discusses and monitors management of internal control (promoting compliance management and internal management risks), etc. and reports to the Board of Directors, Audit & Supervisory Board, and other bodies when necessary. (See risk management for details.)

Advisory Committee

An advisory committee was put in place as a body to advise the Board of Directors when deliberating matters such as the selection of director candidates and the chief executive officer as well as the remuneration for directors (excluding external directors). Committee members are appointed from the directors, but we appoint more than half of the total of five directors as external directors to guarantee objectivity and transparency of procedures while leveraging the knowledge and advice of these external directors.

Supporting System for External Directors and Auditors

The Planning Division, which acts as a Board of Directors Secretariat, provides explanations and information as necessary to support the external directors and auditors at Tokyo Tatemono.

In addition, personnel are assigned as a staff of the auditors upon request from the Audit & Supervisory Board to smoothly execute the auditing duties.

Furthermore, full-time auditors participate in important meetings including the Group Management Meeting in addition to the Board of Directors meeting while receiving relevant reports from the accounting auditor, directors, and the employees of each division to build a system that enables the exchange of opinions with individual bodies at any time.

Policy on Remuneration and Calculation Method

The remuneration for directors is set to less than ¥35 million a month (equivalent to ¥420 million a year)*1 as fixed compensation and 1% of consolidated recurring income and less than 2% of the income*2 of the previous fiscal year is set as performance based remuneration as decided during the Board of Directors meeting.

Today, we have further clarified the link between remuneration, such as that for directors, and the share price of the company, and we have adopted a stock remuneration system via a stock bond trust at the 200th General Meeting of Shareholders held March 28, 2018 for the purpose of heightening awareness about the contribution to growth in the medium to long term corporate value. By adopting this policy, remuneration, such as that for directors, is composed of three types of payments; fixed remuneration, performance based remuneration, and share based remuneration. We limit payment of share based remuneration (excluding external directors) to a maximum of 40,000 points (equivalent to 40,000 shares) per each fiscal year.

Remuneration for auditors is limited to basic remuneration based on the role of the full-time and temporary auditors and it set to be less than ¥8 million a month (equivalent to ¥96 million a year).

Status of Remuneration of Directors and Auditors (FY2017)

Position/Number of recipients/Total amount paid Directors/12/¥422 million (excluding external directors) Auditors/5/¥64 million (excluding external auditors) Total/17/¥486 million

- *1: Based on resolutions at the 190th General Meeting of Shareholders held on March 28, 2008
- *2: Based on resolutions at the 195th General Meeting of Shareholders held on March 28, 2013

Risk Management

Policy and Concept

The Tokyo Tatemono Group strives to manage risks that have the potential to impact the businesses of the Group to heighten the stability of corporate value. We put in place a risk management system to continually monitor and control risk and provide comprehensive risk management.

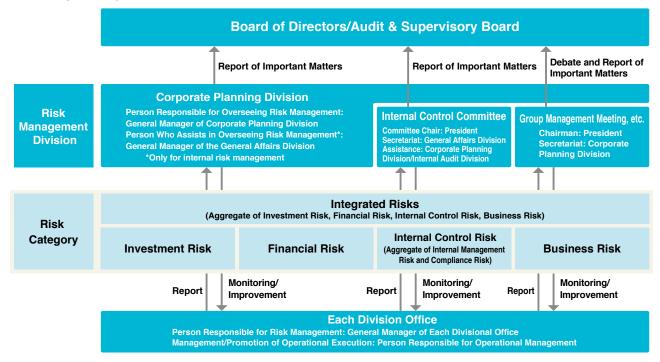
System

We categorize and manage investment risks, financial risks, operational risks, internal control risks and general risks that are aggregate risks as vital risks that have a potential to greatly impact the management of the Tokyo Tatemono Group.

General risks are stored in the Corporate Planning Division, which is the department in charge of managing risk, and the Internal Control Committee debates and manages the internal control risks (internal control risks and compliance

risks) among those general risks with the President as chair. We also review policies to respond to general business risks through the Group Management Meeting and other means. Furthermore, important matters related to these risks are reported to the Board of Directors and Audit & Supervisory Board as well as other bodies as necessary. We are thoroughly managing risk through a series of processes that include monitoring and improving the operational status of this risk management.

Risk Management by Internal Control Committee



Index	Message from the President	Feature	Environmental Initiatives	Safety & Security Initiatives
Responding to Social Change	Community Involvement	Utilization of Human Resource Assets	Improving Management System	

Joint Training in Earthquake Measures with Group Companies

The Tokyo Tatemono Group defined basic policies when an earthquake strikes in the Basic Plan of Earthquake Measures and prepared a manual that includes the initial response, stockpiling and safety confirmation. In October every year, we conduct collective training in

earthquake measures unified with each Group company and confirm procedures such as the chain of command, the division of roles, informational collection and distribution and safety confirmation.

Comprehensive Informational Management

The Tokyo Tatemono Group has defined informational management rules, rules for the handling of personal information, and rules for handling personally identifiable information in order to properly handle the information handled in our operations. Furthermore, we have put in place an informational management system with the person

responsible for supervising the management of information at the core. We are also strengthening management such as that of personal information and confidential information through informational management audits through the Internal Audit Division.

Compliance

Policy and Concept

Tokyo Tatemono Group defines compliance as complying not only with laws but also social standards and corporate ethics to gain everlasting trust from society, and it continues engaging in sound corporate activities. Corporations need to respond to the expectations of customers, business partners, shareholders, investors, local society, employees, and other stakeholders, and responding to the needs of these stakeholders with integrity is important.

Tokyo Tatemono Group has established the Compliance Charter to promote corporate activities that observe compliance in June 2009, and it is advancing those efforts.

Tokyo Tatemono Group Compliance Charter

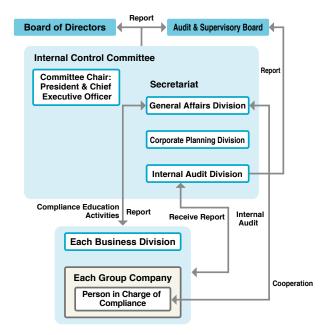
As we engage in corporate activities, we observe the Compliance Charter below:

- · 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 the Internal Control Committee that discusses Group compliance as well as general internal control risks as a framework to promote compliance and to supervise Group compliance activities. In addition, the General Affairs Division of Tokyo Tatemono supports and instructs Group companies on their operations related to compliance while coordinating with Group companies to improve the compliance function of the entire Group.



Index and Performance

Number of Students and Completion Rate of Compliance (e-Learning) Training

	2015	2016	2017
Number of Students and Completion Rate of Compliance (e-Learning) Training	657 people	814 people	847 people
Completion Rate of Compliance Training	99.4%	98.8%	98.5%

Number of Reports and Consultations to Helpline

	2015	2016	2017
Number of Reports and Consultations to Helpline	28	15	44

Compliance Manual

We formulated the Tokyo Tatemono Group Compliance Manual to ensure the practice of the Compliance Charter throughout the Tokyo Tatemono Group.

The Compliance Manual stipulates 16 compliance items as a code of conduct for all people engaged in operations of offices of Group companies regardless of their employee classification, office organization or the employment system. All employees who work in operations at offices in Group companies are given the Compliance Manual as a booklet or it is posted at each office to fully raise awareness.



Compliance Manual

<Compliance Items>

- 1. Observance of Laws and Regulations
- 2. Proper Relationships with Partners
- 3. Moderate Gifts and Entertainment
- 4. Sincere Response to Customers
- 5. Environmental Considerations
- 6. Proper Relationships with Politics and Government
- 7. Ban on Relationships with Antisocial Forces
- 8. Timely/Proper Informational Disclosure and Appropriate Tax Reporting
- 9. Restriction of Insider Trading
- 10. Respect for Human Rights/Restriction of Discrimination and Harassment
- 11. Guarantee of a Comfortable Working Environment
- 12. Proper Management of Information
- 13. Restriction of Conflicts of Interest
- 14. Co-existing with Local Communities
- 15. Management of Information System
- 16. Respect for Corporate Assets

Compliance Training

The Tokyo Tatemono Group conducts joint Group e-learning training every year. In 2017, we gained knowledge about harassment prevention, informational management, the Building Lots and Buildings Transaction Business Law and the Act on Prevention of Transfer of Criminal Proceeds as well as brushed up our knowledge following amendments to the laws and regulations for roughly 2,800 executives and employees in 13 Group companies, in addition to our foundation in compliance that includes the Compliance Charter and compliance items.

In addition, we have introduced stratified training, such as collective training for new Group employees, training for executives and general managers, training for new Tokyo Tatemono employees, and training for newly appointed supervisors.

We also hold seminars by inviting outside experts as lecturers around themes regarding the law and regulation field as well as taxes that have great importance in operations and share the latest judicial examples, tax amendments and other information related to our businesses throughout the entire Group.

Implementation of Compliance Surveys

The Tokyo Tatemono Group conducts compliance surveys to periodically understand and review the awareness and penetration about compliance of Group employees every year since 2009.

This survey was held for approximately 6,800 employees from 16 companies throughout the entire Group in 2017 with a collection rate of roughly 80.5%.

We analyze the survey results for overall trends and traits of each Group company, and then report that information to the Internal Control Committee while providing feedback to each Group company. These results play a role in resolving issues before they happen and in compliance education activities as well as being reflected in the compliance system.

Setup of a Helpline

The Tokyo Tatemono Group setup the Tokyo Tatemono Group Helpline that can be used throughout the Group as a consultation and reporting window to prevent violations to the laws and illegal acts. Furthermore, the helpline establishes a contact window with an external law office to create a system for easy consultation and reporting. All employees who engage in the businesses of any of the Group companies can use this helpline.

Consultations and reports received at each contact window

are reported to the Tokyo Tatemono Internal Audit Division (organization under the direct control of the President) and the facts are reviewed and verified in accordance with the content from an objective standpoint.

We appropriately respond to actions that violate compliance, such as immediate corrective measures as well as steps to prevent recurrence. The Internal Control Committee is convened for more important matters to consider the response.

Responding to Anti-social Forces

Our ban on any relationship with anti-social forces has been clarified in the Exclusion of Anti-social Forces Rules of the Tokyo Tatemono Group and we have stipulated specific procedures for checks in the Anti-social Forces Check Manual.

Furthermore, we cooperate with external experts such as the police and attorneys at law to respond with a firm attitude to anti-social forces.

Respect of Human Rights

Policy and Concept

The Tokyo Tatemono Group raises the respect for personalities and values in the Compliance Charter. We formulated the Tokyo Tatemono Group Compliance Manual to ensure the Compliance Charter is put into practice, which defines compliance as a code of conduct related to the respect of human rights, the restriction of acts of

discrimination and harassment, and the guarantee of a work-friendly work environment. We have also raised the realization of a satisfying working place in the Human Resource Policy.

→Compliance Charter P.56

System

We established the Internal Control Committee to discuss general internal control risk, including compliance of the Tokyo Tatemono Group, to promote human rights and other compliance issues. The Internal Control Committee supervises the Group compliance activities.

→Compliance System P.56

Human Rights Initiatives

The Tokyo Tatemono Group defines the restriction of acts of discrimination and harassment as well as the guarantee of a work-friendly environment as part of the Compliance Manual, which is a code of conduct to put into practice the Compliance Charter. We fully raise awareness about compliance by distributing the Compliance Manual to employees and posting it at offices. Furthermore, we are conducting compliance training every year.

We are also preventing and quickly resolving harassment and other issues through the Tokyo Tatemono Group Helpline, which is a common consultation and reporting window throughout the Group, and Compliance Surveys while also taking the appropriate response to the consultations and reports we receive on the helpline and the survey results.

Please see the pages below for specific initiatives.

- →Compliance Training P.57
- →Compliance Surveys P.58
- →Setup of a Helpline P.58

Initiatives to Improve the Working Environment

The Tokyo Tatemono Group links to health insurance associations and conducts a wide range of initiatives to improve the health management of employees. In addition to support to quit smoking, we work to understand and prevent the health risk characteristics of employees and encourage early diagnosis.

Furthermore, we support voluntary health management of employees through a welfare plan. As mental health initiatives, we also implement self stress checks for employees every year in addition to starting cooperation with psychiatric advisors to put in place a support system.

In addition, we have been continually introducing measures to prevent overtime since 2008 and are realizing a reduction in long working hours.

Please see the pages below for specific initiatives.

- →Health Improvement Initiatives P.47
- →Mental Health Initiatives P.47
- →Initiatives to Reduce Overtime P.49

Message from the President

Feature

Environmental Initiatives

Safety & Security Initiatives

Responding to Social Change

Community Involvement

Utilization of Human Resource Assets

Improving Management System

Topics

Contribution to Resolving the Distribution Load Problem Through the Installation of Delivery Lockers in Parking Lots

In recent years, the number of home deliveries is growing due to the prevalence of online shopping and the number of re-deliveries has increased due to the nuclearization of family and more double incomes families. The excess load of companies handling distribution is becoming a social issue. One solution is delivery lockers in which delivery services can place parcels in a locker and the recipient can pick them up whenever they like. There are still an insufficient number of convenient delivery lockers, and the lockers at large-scale condominiums often fill up and can no longer be used. The Nihon Parking Corporation of the Tokyo Tatemono Group has begun to install delivery lockers that expand Packcity Japan with focus on the multistory parking by the hour that it operates. The lockers are available to people using the parking lot as well as people only using the lockers. Furthermore, the open access where multiple delivery services can use the lockers is a distinct feature. We started with four locations in May 2017—Urawa Station front, Minami-Osawa Station front, Omiya Station East Exit, and Wakaba Station West Exit—and expanded this to six locations as of December 31, 2017 for a total of 204 lockers.

Delivery Locker Installations (As of December 31, 2017)

Name	Spaces	Number of Lockers
NPC24H Irawa Station Front Parking	225	45
NPC24H Minami-osawa Station Front Parking	364	45
NPC24H Omiya Station East Exit Parking	240	27
NPC24H Wakaba Station West Exit Parking	401	27
NPC24H Sobudai Station Front Parking	238	30
NPC24H Quick Ikebukuro Parking	40	30



NPC24H Minami-osawa Station Front Parking (Outdoor Instillation)

Expansion of +OURS for Boosting Changes in Work Styles

An environment facilitating diverse works styles, including better productivity and telework, is vital to work-style innovation. Furthermore, major enterprises working with open innovation are also growing in order to create new business jointly with start-up companies. The start-up companies pursue cheap working spaces that they can use flexibly.

Tokyo Tatemono began the +OURS membership-based share office that can support diverse work styles in July 2017. We have prepared a service office (furnished office for legal personality registration between 1-16 people) and co-working space (open lounge without assigned seats) to respond to the needs of diverse work styles and also encourage interaction between users. The Shinjuku working space, which is our second branch, has a zone set to encourage concentration on work and a zone set to encourage interaction. This adapts to even more refined needs.

Tokyo Tatemono also sponsors the DBJ Connect (program built to support the creation of new business through open innovation) conducted by the Development Bank of Japan and it is opening free working spaces in this facility during the program for companies participating in the DBJ connection program (including start-up companies). As of

December 31, 2017, two locations are in operation in Yaesu (Tokyo Station) and Nishi-Shinjuku (Shinjuku Station) near two large terminal stations in the metropolitan area.

Facility Overview

	+OURS Yaesu	+OURS Shinjuku
Floor Space	Approx. 380 m ²	Approx. 898 m ²
Service Office	Total 17 Rooms	Total 28 Rooms
Co-working Space	Total 39 Seats	Total 76 Seats
Business Hours	Weekdays 8:00 am to 8:00 pm (Services offices are open around the clock.)	



+OURS Shinjuku Co-working Space



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