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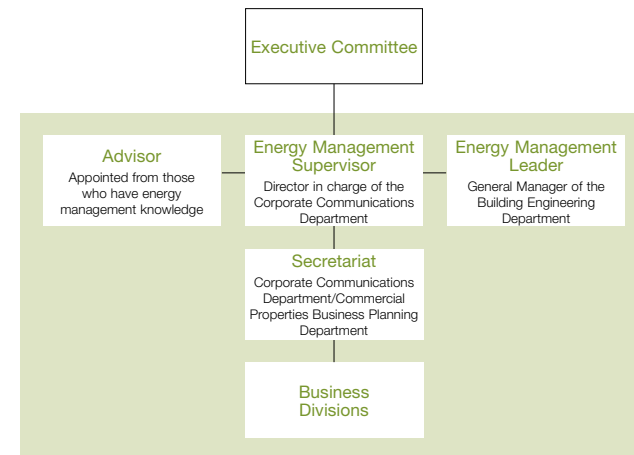
Environment

Environmental Management

Policy, Concept, and System

The Tokyo Tatemono Group contributes to the sustainability of society through environmentally friendly business activities. We formulated the Group Environmental Policy, which is shared throughout the Group. We have also established management systems for this policy that are tailored to the business characteristics of our Commercial Properties Business, which includes building construction, operation, and management, and Residential Business, which includes sales of condominiums under the Brillia brand. Other businesses and group companies conduct their business according to environmental guidelines established in line with the Group Environmental Policy.

Environmental Promotion Structure



>> Group Environmental Policy

- **Creating a pleasant city and living with greenery**
We will create a rich and comfortable environment for earth and people by utilizing the strength of greenery as much as possible with consideration to biodiversity.
- **Climate change prevention that leads the community**
We will actively implement environmentally friendly technologies and ideas into our products and services to lead the community in building a low-carbon city.
- **Resource-saving activities that are kind to the earth**
We will strive to reduce the use of resources and environmental impact through all available opportunities and contribute to creating a recycling-oriented society.
- **Developing employees with high environmental awareness**
We will comply with laws related to the environment and educate and raise the awareness of our employees about the environment.

Established January 2011

Environmental Management in the Commercial Properties Business

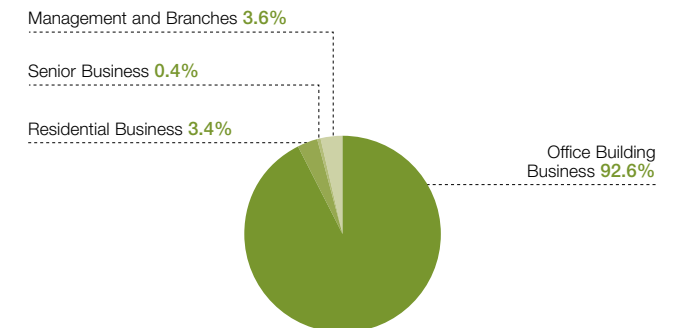
Among all Tokyo Tatemono business activities, the Commercial Properties Business, which operates and manages office buildings and commercial facilities, uses the most energy. The energy consumption of this business accounts for 92.6% of all consumption within Tokyo Tatemono (calculation based on the Energy Conservation Act*). Therefore, reducing the amount of energy used in the Commercial Properties Business results in a

significant reduction of Tokyo Tatemono's total energy consumption. With this in mind, we strive to be environmentally friendly in this business, aligning our activities to the environmental action plans and guidelines that we have formulated. When developing new buildings, we adopt environmental and energy-saving technologies for environmentally friendly buildings that are well-received by society. For existing buildings, we promote energy savings by strategically renovating buildings using energy-saving equipment. From an operating standpoint, we also collaborate with our tenants to conserve energy and reduce environmental impact.

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

* Act on the Rational Use of Energy




Share of Tokyo Tatemono Energy Consumption by Business (2020)



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Environmental Execution Plan and Guidelines for the Commercial Properties Business

Area	Environmental Execution Plan		Guideline
Greening 	Creating rich greenery that helps cities transform and thrive	Promote rich greenery that evokes a sense of urban transformation and vibrancy.	New construction: Aim for greening of at least 5% of the structure area and at least 50% of the exterior area; also promote interior greening. New construction and renovation: Promote structure greening for all buildings, creating rich environments for users. Operations: Create and maintain a plant management plan; conduct regular monitoring and proposal of plans for improvement.
	Regenerating ecosystems with biodiversity	Regenerate abundant, local natural settings that support rich ecosystems in which diverse organisms compete and coexist.	Acquire and renew certifications for the preservation of existing trees and the conservation of ecosystems. New construction and renovation: Devise planting plans that reflect local characteristics and policies. Maintain ecosystems by eliminating intrusive species, devising planting plans that aim to conserve native species, and ensuring continuity with surrounding green spaces. Operations: Conduct charitable donation and awareness outreach activities.
	Designing tree placement to create pleasant urban environments with dappled sunlight and moist air.	Help create comfortable urban environments by positioning trees for optimal shadows and heat shielding.	Promote efforts to mitigate the heat island phenomenon. New construction: Explore placement plans that incorporate exterior wind paths, fluid simulations, and other factors. New construction and renovation: As well as measures related to roof, exterior, and ground surfaces, implement a range of other measures including: mitigating reflections from buildings; equipment planning for mitigating thermal environment degradation; vacant space planning for wind paths; securing appropriate shade; ensuring green and water coverage ratios; and minimizing pavement area.
	Using green assets to improve area value	Increase the value of the area by cultivating public spaces for interaction among lush greenery	New construction and renovation: Plan environments and facilities that evoke a sense of closeness to nature; improve scenery by greening roadsides, etc. Operations: Sponsor events that offer a sense of closeness to nature; also participate in local planting plans and other initiatives.
Energy conservation  	Acquisition and retention of third-party environmental performance certifications	Promote the construction and management of buildings, emphasizing environmental performance. Acquire and retain third-party certification for the environmental performance of these buildings and contribute to sustainable low-carbon urban development. Quantitative Targets Scope New construction: Long-term retention, value-added class office buildings and standard class office buildings Existing construction: Long-term retention, value-added class Targets (1) 4 or 5 stars in the DBJ Green Building Certification (2) S or A rank in the CASBEE building assessment (new buildings) (3) 4 or 5 stars in the BELS Evaluation Certification	New construction: Acquire third-party certification and explore implementation of low-CO ₂ leadership projects, etc. Operations: Pursue the renewal of third-party certifications and new certification acquisition for buildings without said certifications.

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Area	Environmental Execution Plan		Guideline
Energy conservation  	Creating buildings with high environmental performance	Develop buildings that offer high environmental performance while supporting the health and comfort of workers. Quantitative Targets Scope All locations reported under Specified Business Operator Tokyo Tatemono subject to the Act on the Rational Use of Energy Targets 1% annual unit reduction in crude oil equivalent (moving average over 5 years)	Improve environmental performance. New construction: BPI*1 of no more than 0.90, BEI*2 of no more than 0.65 (actively work toward ZEB*3 status) Operations: Understand and present actual primary energy consumption unit values. Conduct environmentally friendly planning and management. New construction and renovation: Use LED lighting and luminance in dedicated areas of 500 lux, energy-saving glass, presence of sensors. Consider interior brightness levels and encourage subdivided lighting zones. Renovation and operations: Study energy conservation measures, including energy conservation checkups. Operations: Carry out appropriate filter cleaning.
	Adopting environmentally advanced technology initiatives	Proactively incorporate environmentally advanced technologies and initiatives to develop buildings that lead in environmental advancement in their regions.	New construction and renovation: Install solar power generation systems; explore use of renewable energy; adopt passive energy-saving technologies (e.g., leveraging natural lighting/ventilation, geothermal energy); adopt daylight-harnessing technology; use insulation/heat shielding technology; install CO ₂ monitoring systems and high efficiency equipment. Operations: Adopt and manage manuals for CO ₂ monitoring systems, identifying the amount of renewable energy generated. Examine adoption of energy with lower CO ₂ emission factor; consider energy certificate adoption via carbon offsets.
	Using energy management to reduce consumption	Pursue environment-friendly building management in cooperation with various building stakeholders, including customers.	New construction and renovation: Promote the implementation of BEMS/visualization systems and the setting of quantitative energy consumption targets. Operations: We promote the disclosure of environmental data to tenants, the creation of building operation systems and management policies, and the execution of power-saving measures.
Waste and water  	Cooperating with customers to contribute to a recycling-oriented society	Help create a recycling-oriented society by working with customers to promote the reduction, reuse, and recycling of waste. Quantitative Targets Scope Specified Business Operator Tokyo Tatemono buildings subject to the Act on the Rational Use of Energy and all buildings offered by Tokyo Tatemono Targets 5% waste unit reduction from FY2017 to FY2022 (equivalent to 1% reduction annually)	New construction and renovation: Implement trash weighing systems; plan recycling stations; plan stock spaces enabling adequate waste separation; examine kitchen waste reduction, composting, etc.; check recycling rates/waste management policies at time of construction. Operations: Separate/reuse waste; encourage reuse and reduction of waste through tenant meetings on separation and recycling; conduct educational activities regarding waste separation; hold tours of waste treatment plants; state recycling requirements in contracts; implement/operate waste reduction measures.
	Reducing environmental impact from water conservation/use of gray water	Water Reduction Targets Reduce water consumption by 5% by FY2022 (1% per year) compared to FY2017 water consumption.	New construction and renovation: Use water-saving equipment in wash basins, hot water heaters, etc.; use water-saving toilets; implement rainwater runoff control measures; prevent water leakage; comply with discharge standards such as the Water Pollution Prevention Act and Sewerage Act; study reuse of rainwater and gray water. Renovation and operations: Examine and ascertain the volume of water saved through renovations. Operations: Ascertain actual water consumption and cooling tower water consumption; examine water conservation related to cooling towers.

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Area	Environmental Execution Plan	Guideline
Waste and water  	Achieving long building lifespans through development that considers future maintenance and upgrades Make plans during construction phases to facilitate maintenance and upgrades to ensure an extended building lifespan.	New construction: Create long-term repair plans; ensure the strength of core structural frames; plan for easy separation of finishing materials from frames; plan rooms and finishes in consideration of upkeep and maintenance, adopt ducting/piping that ensure long service lives. New construction and renovation: Adopt finishing materials that offer long service lives for exterior and interior walls; include maintainability of key equipment as part of planning; consider ease of upgrades when planning air conditioning piping, sanitary piping, high voltage wiring, and low voltage wiring; consider maintainability of structures and backup equipment, etc., when upgrading facilities. Operations: Share medium- to long-term repair plans with property/building managers and implement maintenance and repairs based on these plans; calculate planned costs and energy-savings.
	Proactive use of eco-materials and recycled materials Work to create a cycle of recycling by utilizing eco-materials and recycled materials.	New construction, renovation and operations: Proactively use sustainable wood materials, low-impact eco-materials and recycled materials. Comply with regulations related to ozone depletion factors related to cooling; actively engage in adopting ozone depletion factors and warming factors for other construction materials (insulation, gas extinguishing agents, etc.).
Environmental awareness  	Dissemination of information on the environment and spread/improvement of environmental awareness Share information about the environment to promote environmental awareness among stakeholders such as employees, communities, and customers.	Disclose our sustainability initiatives and conduct energy conservation awareness activities.
	Forming the Environmental Committee and ongoing PDCA cycles Run environmental organizations; engage in high-impact environmental activities; set, execute, and monitor environmental goals; engage in ongoing improvement activities.	Conduct regular surveys related to energy and environmental conservation; sponsor on-site cleanup activities; hold energy conservation meetings; promote green leasing; conduct energy conservation efforts in cooperation with tenants; formulate and manage properties based on environmental policy; determine environmental data and confirm certification status upon the purchase of properties.

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

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

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

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Environmental Management in the Residential Business

In the Residential Business, we have a variety of creative approaches to environmental management. We have formulated the Brillia Environmental Guidelines, which systematize our environmental initiatives. We have also established two concepts for the development of condominiums: “Creating green lifestyles” and “Realizing homes with reduced environmental impact (CO₂ emission reduction).”

The guidelines define a set of environmental performance ratings with four levels of environmental friendliness. In addition to the specifications required to meet each level, at each stage of the project from planning stage to design, we also check details such as the environmental certification rankings (CASBEE, etc.) and CO₂ emission reduction for each level.

We revise the guidelines periodically in response to social changes and technological advancements, and in this way continue to increase the value of the Brillia brand.

Compliance with Environmental Laws and Regulations

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

We experienced no environmental incidents or violations of environmental laws or regulations in 2020.

 (Data) Environmental Management Indicators and Performance P.69

Brillia Environmental Guidelines

Overview of Guidelines

- ① Creating a lush green living environment
 - Create a rich sense of familiarity with nature and seasonal changes, a comfortable living space, a landscape for the entire region; use greening to reduce the heat inside and around the building (heat island phenomenon)
 - Plant trees that match local vegetation to cultivate a rich natural environment that sustains biodiversity
 - Providing environmental education programs to residents to help raise awareness in local communities
- ② Create residences with reduced environmental impact
 - Aim to achieve low-carbon residential buildings by proactively adopting equipment and services that contribute to global warming prevention and resource conservation.
 - Actively develop ZEH-M (Zech Mansion), which reduces energy consumption by making the building itself highly insulated and by using renewable energy.
 - Help reduce environmental impact throughout a building's life cycle by using visual displays of energy consumption to raise awareness among tenants.

Environmental performance rating (e.g., level setting for “energy-saving performance”)

Level		Standard		High level		
		Level 1	Level 2	Level 3	Level 4	
		Energy conservation criteria	Criteria for adoption	ZEH-M Oriented	ZEH-M Ready	
Energy conservation	Exclusive area BEI	Standard value (excluding renewable energy)	1.0 or less	0.9 or less	0.8 or less	←
		Design target value (excluding renewable energy)	0.97 or less	0.86 or less	0.76 or less	—
	Common area BEI	Standard value	1.0 or less	←	—	—
		Design target value	Abbreviation	←	0.8 or less	←
	Residential building BEI	Standard value (excluding renewable energy)	1.0 or less	0.9 or less	0.8 or less	←
	Residential building energy consumption reduction (including renewable energy)		—	—	—	50% or more
Housing Performance Evaluation	Insulation performance grade	Grade 4	←	←	←	
	Primary energy consumption grade	Grade 4	Grade 5	←	←	

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