

# Sustainability Report

# 2023

TOKYO TATEMONO GROUP  
Sustainability Report 2023



## Management

Message from the President and CEO  
Materiality of the Tokyo Tatemono Group  
ESG Management  
Initiatives and External Evaluation for Sustainability

## Feature:

## Environment

- Environmental Management
- Promoting a Decarbonized Society
- External evaluation and Certification for Green Building
- Water Resources
- Promoting a Recycling-oriented Society
- Biodiversity
- Sustainability Finance
- Responding to Natural Disasters

## Social

- Respect for Human Rights
- Supply Chain Management
- Improving Quality and Customer Satisfaction
- Revitalizing and Utilizing Real Estate Stock
- Contributing to Our Communities
- Human Resource Investment and Development
- Health Management / Occupational Safety and Health
- Diversity & Inclusion

## Governance

Corporate Governance  
Risk Management  
Compliance

## Data

## Sustainability Finance Reporting

## Third-Party Assurance

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

# Corporate Philosophy

# Trust beyond the era.

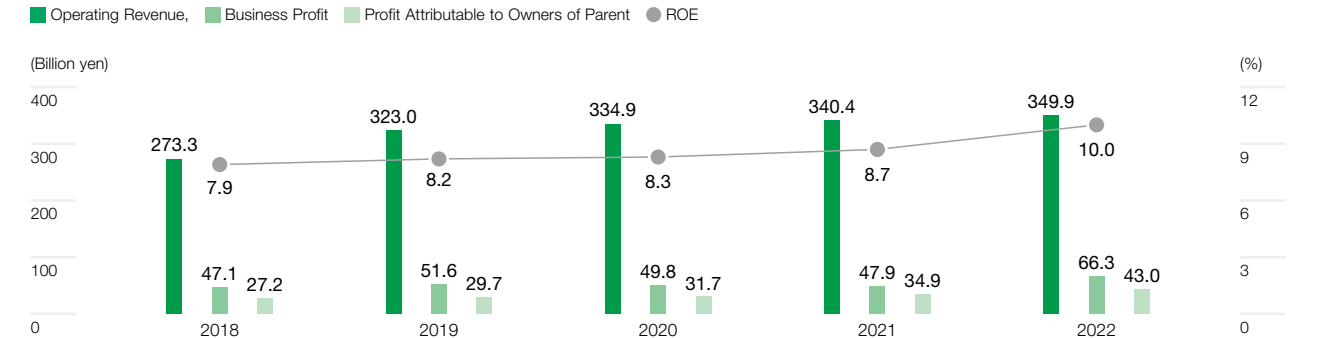
## Corporate Stance

## Corporate Data

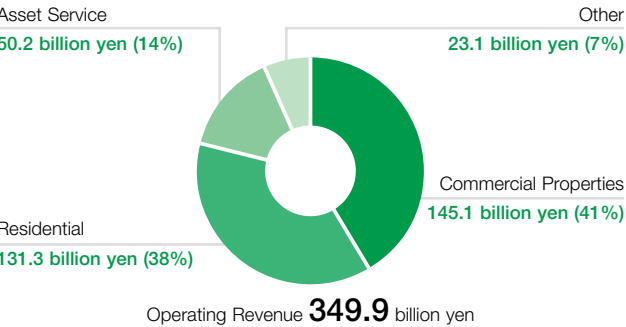
Company Name	Tokyo Tatemono Co., Ltd.	Business Segments	Commercial Properties (Urban Development, Office Buildings), Residential (Condominiums for Sale and Lease), Asset Services (CRE Strategy Support, Real Estate Brokerage, Asset Solutions, Leasing and Management of Real Estate, Real Estate Appraisal), Other (Commercial Facilities, Logistics Facilities, Parking Lots, Leisure, Overseas Business, Real Estate Fund)
Head Office	Tokyo Tatemono Yaesu Building, 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285		
	* The head office location on the commercial registration is 1-9-9		
Representative	Hitoshi Nomura, President and Chief Executive Officer		
Established	October 1, 1896		
Capital	92.4 billion yen (As of December 31, 2022)		
Number of Employees			760 (As of December 31, 2022)
Number of Consolidated Employees			5,878 (As of December 31, 2022)
Number of Consolidated Subsidiaries			29 companies (As of December 31, 2022)
Number of Affiliates Accounted for by the Equity Method			22 companies (As of December 31, 2022)

## Financial Highlights

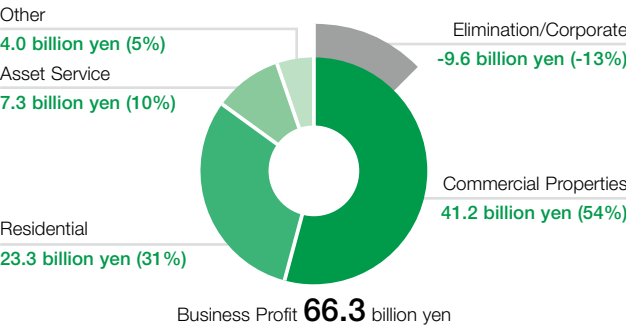
## Operating Revenue, Business Profit, Profit Attributable to Owners of Parent, ROE



## Operating Revenue per segment



## Business Profit (Loss) per Segment







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Editorial Policy

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

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

We have enhanced the level of quantitative data provided in the Sustainability Report, with the aim of providing comprehensive and detailed information on our initiatives. We have selected themes that the Group considers important to society and our customers and for each theme, reported on our approach, indicators, and results for fiscal 2022.

Publication Data

June 2023 (Issued annually, revised in July 2023; second version)

Reporting Period

The period covered by this report addresses our activities in FY2022 (January 1, 2022 to December 31, 2022). The report also presents some other information that is not limited to the fiscal year under review. Certain items in the Data section correspond to the period between April and March of the following fiscal year.

Report Scope

This report primarily focuses on activities of Tokyo Tatemono Co., Ltd. However, some sections cover activities across the entire Tokyo Tatemono Group or group companies. Activities of Tokyo Tatemono Co., Ltd. are described using "Tokyo Tatemono." Activities of the entire group are described using "Tokyo Tatemono Group."

Referenced Guidelines

- This report has been prepared by referring to the reporting standards and guidelines.
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
  - SASB Standards of the Sustainability Accounting Standards Board (SASB)
  - TCFD (Task Force on Climate-related Financial Disclosures): Recommendations of the Task Force on Climate-related Financial Disclosures
  - ISO (International Organization for Standardization): ISO 30414:2018 Human resource management — Guidelines for internal and external human capital reporting

GRI Standard Contents Index

SASB Comparison Table

Third-Party Assurance

Tokyo Tatemono underwent a third-party quality assurance evaluation by LAQA Limited in connection with certain environmental and social data to ensure the integrity of the data within this report. The type of data and numerical figures subject to this evaluation are indicated with a dagger (†).

Inquiries

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TEL: +81 (0) 3-3274-0148

Explanatory Notes

- CPB Commercial Properties Business
- RB Residential Business



## Management

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# Message from the President and CEO

## Working sincerely toward sustainable community development

Hitoshi Nomura

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

*Hitoshi Nomura*

In 2022, the effects of the COVID-19 pandemic lingered and the Russia/Ukraine conflict triggered an energy crisis. It was a turbulent year for the global economy. With the emergence of various risks, areas of sustainability such as climate change and resilience have come into sharper focus. The COVID-19 pandemic has also led to changes in people's values. Lifestyles are diversifying and housing needs are changing. Yet precisely because we now have so much choice about work style, there is also a renewed focus on the value of face-to-face communication in the office. In such an era, the real estate industry has a big role to play, and our Group is ready to ramp up its efforts to the next level.

### Sustainable community development that is committed to the spirit of old and new

A prime example of our community development approach is the Yaesu Project, a large-scale redevelopment project underway in the Tokyo Ekimae Yaesu area, which includes the site of our former head office building. The Yaesu, Nihonbashi, and Kyobashi area, home to the head office of Tokyo Tatemono since our establishment in 1896, is right beside Tokyo Station. It has a long history as a castle town, where traditional customs and culture have been cherished. The Company too has, as a local resident itself, valued interaction with local people. We have passed on and preserved traditional culture such as festivals, and worked to enhance the town's beauty. As we see it, a redevelopment project involves far more than merely renovating buildings and facilities. For it is after the building is completed that the real work of community building begins. With the help of the local people in

the area, the neighborhood for the Company, we hope to achieve things that we could not do alone.

One of our material issues is that of strengthening Tokyo's competitiveness as an international city. Further strengthening Tokyo's competitiveness is vital to Japan's development. We are advancing several large-scale redevelopment projects in various areas of Tokyo. In our redevelopment projects, we aim to carry on the traditional culture of each region, while meeting the demands of the new era. Changes in work styles in recent years have led to growing interest in well-being. Targeting this trend, this year we newly launched Well-being Lab. Well-being is said to affect motivation and productivity. Through experiments and surveys, we will identify factors that can improve people's well-being. Drawing from these results, we will provide various services in future redevelopment projects, as we work to create offices that will improve the well-being of workers. We hope that you will continue to take an interest in our future activities in community development.



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# Message from the President and CEO



## The Tokyo Tatemono way is about bringing tenacity and sincerity to all that we do.

The condominiums that supported Japan's rapid growth have serious problems such as inadequate earthquake resistance due to aging, security concerns, and a lack of elevators. To tackle these issues, we have set revitalizing and utilizing real estate stock as one of our material issues, and have taken on a number of reconstruction projects. Brillia City Shakuji Koen Atlas is slated to be completed in June 2023. We have several other projects in the pipeline for completion up to 2025. In the course of such reconstruction projects and large-scale redevelopment projects, there are naturally many stakeholders. Reaching an agreement is not always easy. Each person in charge must understand the values that our stakeholders hold dear. We must carry out our work with sincerity and tenacity. Earning the confidence and trust of our customers and stakeholders, and encouraging them to want to work with us, depends on how we engage directly with them, and on casual back-and-forth from day to day. I believe that such

steady effort over time is an important factor that leads to success in business, helping also to win other projects.

Special Feature P.16

## Supporting community development with the personal strengths of each individual

It is no exaggeration to say that the lifeline of a company depends on how well it can continue to win projects. The basis of this is the ability to acquire information. When I was young, a senior colleague taught me that "information is the reward of compassion." Even when it seems like your efforts are not bearing fruit, if you carry on without giving up, at some point others will pick up on that. They will want to reward you for your efforts so far. What you can then get is information. I strongly believe that the power of information comes from the personal strength of each individual. Gathering employees with personal strength will help the company and lead to results. I also believe that personal strength is our company's greatest advantage.

The phrase that I always tell our employees to keep in mind so that they can enhance their personal strength is "Thoroughness in everything". The ability to build and maintain relationships of trust hinges on surprisingly minor details. I myself keep in mind that once trust is broken, no amount of time can bring it back. We must be thorough in doing things that would otherwise be taken for granted. I believe that will lead to the realization of our corporate philosophy of "trust beyond the era." This mindset has been handed down in our Tokyo Tatemono DNA and corporate culture for many years. But we must strengthen it as we carry it on for the future. Recent years have brought a rise in the hiring of career talent with a variety of personalities, values, and backgrounds. To work with mutual trust

while respecting diversity, a common core understanding is vital. Stimulating communication amplifies personal happiness and organizational cohesion. In the employee engagement survey we carried out last year, we found that interpersonal relationships had weakened as employees were not communicating enough with each other. So we brought in a system of setting out small snacks in the company's break space. This has helped to spark conversations throughout the working day. After business hours, we also provide free alcoholic beverages so that employees communicate with each other in a relaxed way. I often join in with this socializing so that I can deepen my communication.

## Ramping up our fight against climate change

In June 2021, we set medium- and long-term targets for realizing a decarbonized society. Since setting these targets, we have strengthened and steadily advanced our efforts in each business division. In February this year we adjusted our targets by raising them or moving forward the timing. In particular, for electricity used by the real estate held in the Commercial Properties Business, we are moving forward the target by 20 years, aiming for 100% renewable energy by 2030. One of our major contributions to achieving this goal ahead of schedule is the efforts at T-LOGI, a logistics facility. We developed the T-LOGI series to support our aim of acquiring ZEB certification\* at, in principle, all our logistics facilities. Solar panels are installed on the roof of each facility to generate electricity, and the power generated is consumed by the facility itself. In addition, surplus power is used at our other facilities, thereby making use of renewable energy power and avoiding wasted energy. This system of self-commissioning is a pioneer initiative, and we have steadily built up a track record of success.

When we first started talking over the medium- and long-

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term goals for decarbonization, I myself was troubled by the idea of setting goals that would be so hard for the Company to reach. But now I feel strongly that it makes sense to set ambitious, high goals that we all must work hard to achieve. Among employees also, seeing more clearly what has to be done has sparked a change in mindset. I am very pleased that since we set these goals, individual employees have taken them on as goals that are personally relevant to them. We have strengthened some of the goals this time and moved forward the target timing for achieving them. Along with the new targets, we have also drawn up a roadmap for reducing GHG emissions. We will work together as a Group toward these goals, using our wisdom to the full as we take on challenges in various fields.

Promoting a Decarbonized Society P.26

## Addressing human rights and governance issues to strengthen our foundation for value creation

By taking part in initiatives such as the United Nations Global Compact and various study groups, we gather information and obtain support for our human rights due diligence. In April of last year, we identified seven priority issues. We are considering initiatives and continuing talks with a view to further expanding our assessments to cover participation in new businesses overseas. Respect for human rights is a critical part of the foundation for our business activities. We will continue to address it with the utmost of care. In our supply chain also, we are distributing questionnaires to our business partners to make sure that they are aware of and comply with the Sustainable Procurement Standards we set forth in 2021. This helps us understand the status of their efforts.

Respect for Human Rights P.47

In terms of governance, we have worked to enhance the effectiveness of the Board of Directors. Due to the nature of the real estate business, a single investment project involves a large amount of money. The Board of Directors has thus tended to spend considerable time discussing individual projects. To address this, we have further transferred authority for investment projects to executive side. This has allowed the Board of Directors to broaden its medium- to long-term discussions on areas such as our long-term vision, medium-term plans, business portfolios, management policies, and strategies. Tokyo Tatemono has always been a company where everyone can express their opinions without fear of discrimination. But we ask outside directors in particular to be forthright in advising us on what we need to continue to grow over the medium to long term. Drawing from their varied backgrounds, the outside directors have shared fresh perspectives on matters that had in a sense been normalized within the Company. Some of their insights made the scales fall from our eyes. One opinion was that we should increase the number of people with corporate management experience and that we should include personnel with digital transformation expertise. I want to take this onboard and consider it carefully. Managing a business in today's society involves dealing with a rapidly changing business environment and high levels of uncertainty. Seeing a need to further strengthen our risk management and internal controls, in December last year we renewed our risk management system. We will identify priority risks and implement appropriate risk management.

Corporate Governance P.74 Risk Management P.79

In recognition of our efforts, we were selected for several ESG indexes last year. We will further mature our efforts, which will also enable us to meet requests from our stakeholders and to act upon them.

Initiatives and External Evaluation for Sustainability P.14

## Aiming through community development to be a good company for all our stakeholders

In our long-term vision, “Becoming a Next-Generation Developer,” we set forth our aim to be a good company for all stakeholders. We will pursue balance at a higher level throughout our business, developing solutions to social issues while driving growth as a company. This means that from a medium- to long-term perspective, we will strive to consider all aspects in a balanced way. Unfortunately, it would be hard to take any given moment and say that at that time everything was in the best condition for all stakeholders. But I believe that if we constantly improve our corporate value, we will be able to earn appreciation in the future. We will then be able to say that we are a good company for all our stakeholders. In that sense, we need to continue to grow in the medium and long term, and to be a company that has that strength and is appreciated.

As a Group, we are determined to continue contributing to the realization of a sustainable society through our business activities. Thank you all for your continued confidence in and support of our Group.

June 2023

\* A building that generates energy while conserving energy consumption by 100% or more reduction. This is the highest level of energy conservation and energy generation among the four stages of the ZEB (Net Zero Energy Building) model, which aims to reduce the annual primary energy balance consumed in the building to zero while realizing a comfortable indoor environment.

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Materiality of the Tokyo Tatemono Group






























Materiality of the Tokyo Tatemono Group

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

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

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

Materiality of the Tokyo Tatemono Group

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



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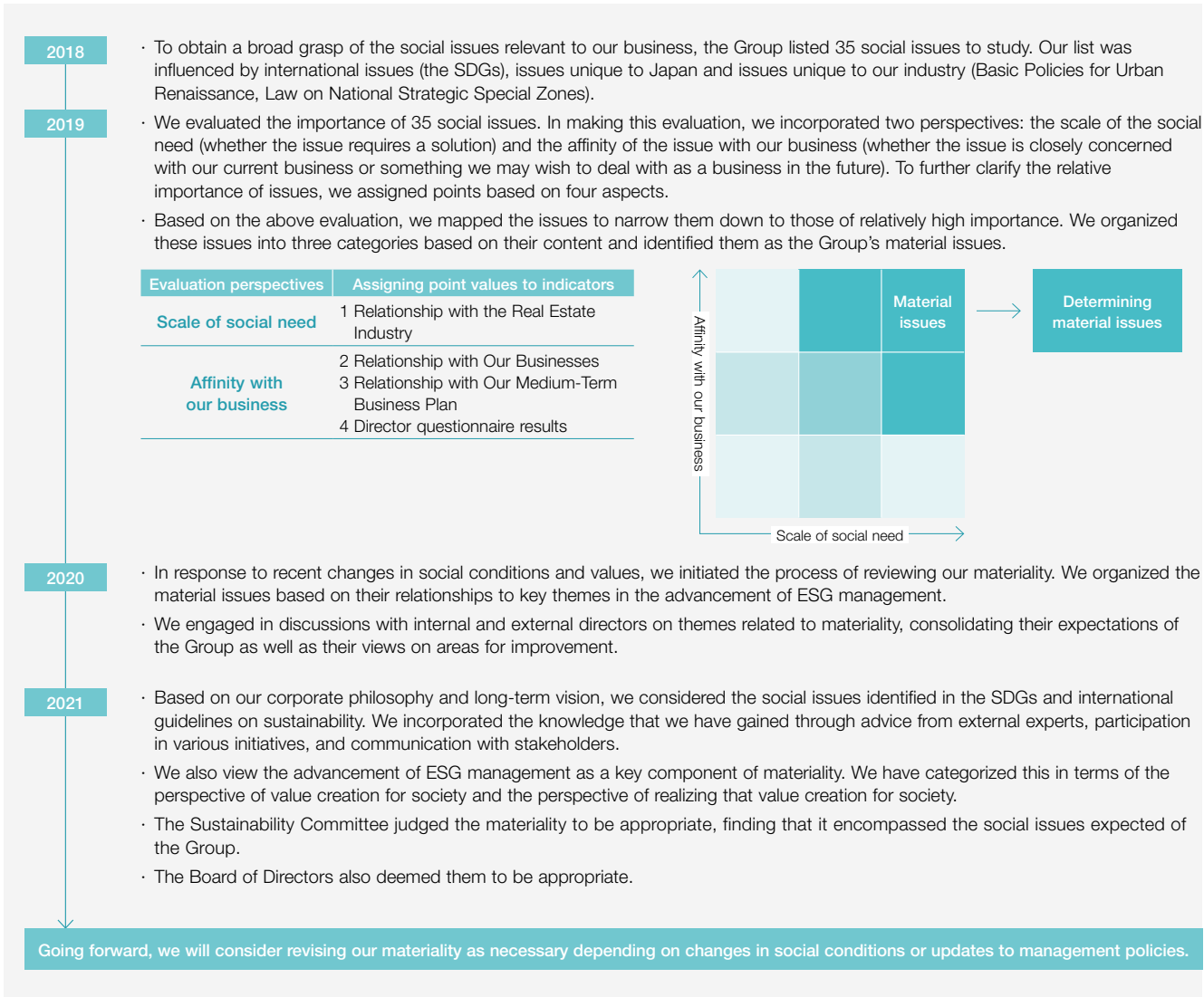
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Materiality Identification Process



Information Resources Related to Social Issues

- SDGs:** International goals for the years 2016–2030 as listed in the 2030 Agenda for Sustainable Development (adopted at the United Nations Summit in September 2015)
- Action Plan of the Growth Strategy:** A summary of the government's priority policies, including its actions toward a new social vision in the context of COVID-19.
- Green Growth Strategy:** A summary of government policies to achieve carbon neutrality in 2050
- Basic Policies for Urban Renaissance:** A summary of the Japanese government's basic policy for revitalizing cities
- Law on National Strategic Special Zones:** A summary of the Japanese government's zoning policy for national strategic special zones



The 17 Sustainable Development Goals (SDGs)

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# ESG Management

## Overview of ESG Management at the Tokyo Tatemono Group

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

ESG management has grown ever-more important in recent years, amid intensifying changes in the business environment. We formulated a Long-Term Vision for the Group in 2020 and established a sustainability promotion framework under which the entire Group has come together to pursue initiatives for sustained growth.

Our Long-Term Vision looks ahead to 2030. This is our planned timing for completing our current large-scale redevelopment projects and also the target year for the Sustainable Development Goals (SDGs).

### Focus Factors in the External Environment

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

## Long-Term Vision

# Becoming a Next-Generation Developer

We live in a time of profound change.

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

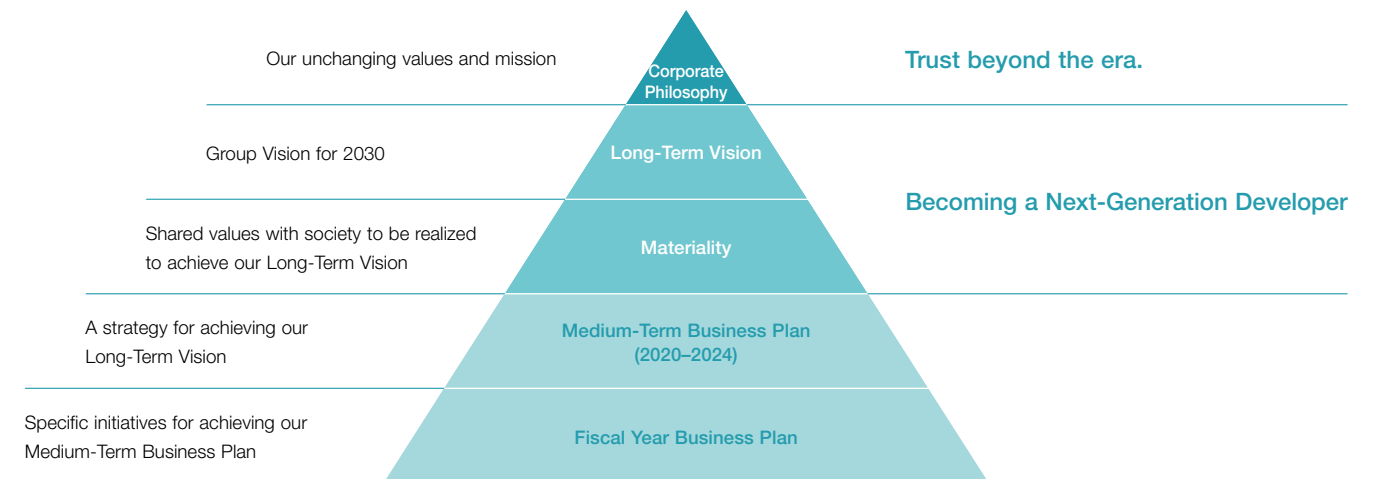
Amidst these uncertainties, a broad range of challenges to achieving social sustainability have emerged.

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

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

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

## Positioning of Long-Term Vision



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# ESG Management

## Our Approach to the SDGs

The Tokyo Tatemono Group recognizes the demand from society to help achieve the SDGs. We have incorporated the SDGs into our long-term vision and medium-term management plan and are actively implementing sustainability measures throughout the Group.

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



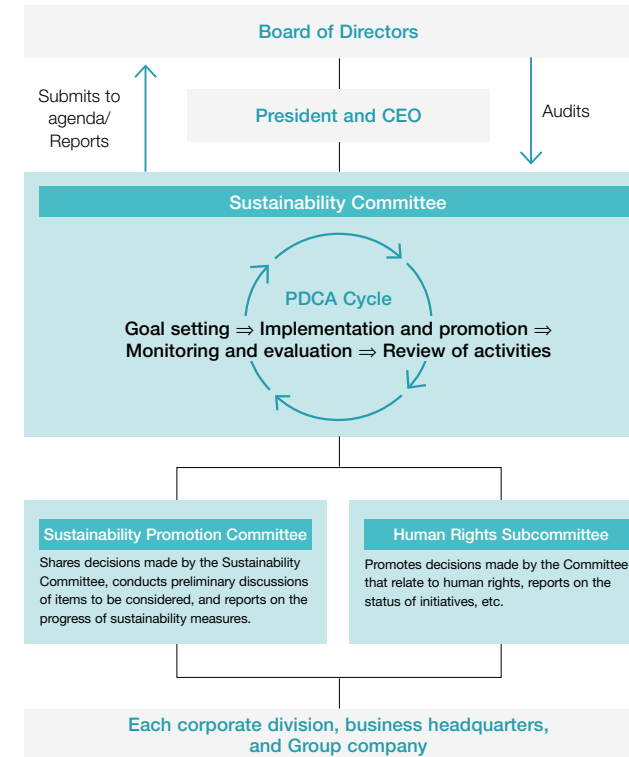
## ESG Management Framework

The Tokyo Tatemono Group established the Sustainability Committee, chaired by our president and CEO, to pursue sustainability measures across the entire Group. We also established the Sustainability Promotion Committee and Human Rights Subcommittee as subordinate organizations.

The Sustainability Committee, like the Executive Committee, Risk Management Committee and Internal Control Committee, is under the direct control of the president and CEO. It meets in principle at least twice a year, to discuss important ESG-related issues, set targets, monitor progress, and evaluate achievements. Matters discussed by the Sustainability Committee are reported to and supervised by the Board of Directors as necessary. The Sustainability Committee met seven times during fiscal 2022.

The Sustainability Promotion Committee shares decisions of the Sustainability Committee, conducts preliminary discussions for consideration, and reports on the progress of sustainability measures.

### ESG Management Framework



### Main Agenda Items of the Sustainability Committee (FY2022)

- Establishing additional KPIs and targets for promoting a circular society
- Identifying priority issues for human rights
- Roadmap for reducing greenhouse gas emissions
- Establishing a Human Rights Subcommittee
- Reporting on implementation status of targets for promoting a decarbonized society

The Human Rights Subcommittee promotes decisions made by the Sustainability Committee regarding human rights and reporting on the status of initiatives.

## ESG-related KPIs and Targets; Progress

The Tokyo Tatemono Group believes that advancing ESG management will help to maximize the medium- and long-term benefits for our stakeholders. We have set ESG-related KPIs and targets based on the material issues we identified in 2021. In particular, we are focusing our efforts on the area of climate change, in response to the demands of the public toward a decarbonized society.

In terms of reducing greenhouse gas emissions in the Group, we have set medium- to long-term targets of achieving a 40% reduction in CO<sub>2</sub> emissions by fiscal 2030 compared to fiscal 2019 and net-zero CO<sub>2</sub> emissions by fiscal 2050. These targets are guiding our efforts to realize a decarbonized society. In addition, we have set the shift to renewable energy, promotion of development of ZEB and ZEH, and acquisition of green building certification as process targets for achieving the medium- and long-term targets. We are striving to develop real estate equipped with energy-saving equipment and other technologies that offer superior environmental performance, while working with building management companies and tenants on operational initiatives.

We have incorporated action plans that take these process targets into consideration into the business plans of each business division or business unit. The Sustainability Promotion Committee monitors the status of these efforts, while the Sustainability Committee manages progress toward achieving the targets using a PDCA cycle. Progress is reported to and supervised by the Board of Directors.



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Material Issue KPIs and Targets

Environmental

Material issues	Item	Scope	KPIs and Targets	Details of FY2022 results
Promoting a decarbonized society	Reduction in greenhouse gas emissions	All Businesses	Net zero CO <sub>2</sub> emissions by FY2050* <sup>1</sup> 40% reduction in CO <sub>2</sub> emissions compared to FY2019 by FY2030* <sup>1</sup>	<u>P.85</u>
	Shift to renewable energy	All Businesses	By FY2050, procure 100% of electricity consumed in business activities from renewable energy sources	<u>P.86</u>
		Commercial Properties Business	By FY2030, procure 100% of electricity consumed at owned real estate from renewable energy sources* <sup>2</sup> By FY2024, procure at least 50% of electricity consumed at owned properties from renewable energy sources* <sup>2</sup>	
	Promotion of development of ZEB and ZEH* <sup>3</sup>	Commercial Properties Business	Develop ZEB for, in principle, all new office buildings and logistics properties* <sup>4</sup>	<u>P.34</u>
		Residential Business	Develop ZEH for, in principle, all new sales of condominiums and leasing condominiums* <sup>5</sup>	
	Acquisition of Green Building Certification* <sup>6</sup>	Commercial Properties Business Residential Business	Acquire Green Building Certification for, in principle, all new office buildings, logistics properties, and condominiums for rent, etc.* <sup>7</sup>	<u>P.88</u>
Promoting a recycling-oriented society	Reduction of waste emissions	Long-term buildings* <sup>8</sup>	By FY2030, 20% reduction in the rate of waste emissions per unit compared with FY2019	<u>P.87</u>
	Waste recycling promotion	Long-term buildings* <sup>8</sup>	By FY2030, achieve a waste recycling rate of 90%	<u>P.87</u>
	Reduction of water consumption	Long-term buildings* <sup>9</sup>	Reduction of water consumption per unit compared with previous fiscal year	<u>P.86</u>
	Promotion of use of recycled water	Office buildings with total floor area exceeding 30,000m <sup>2</sup>	By FY2030, install gray water* <sup>10</sup> treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000m <sup>2</sup>	<u>P.35</u>
Promoting a decarbonized society / Promoting a recycling-oriented society	Promotion of use of wood materials	Long-term buildings, condominiums for sale or rent	By FY2030, use domestic timber and certified timber in the interior and furniture of common areas of all new office buildings, for-sale and for-rent condominiums, etc. By FY2023, develop for-sale and for-rent condominiums that use CLT for major structural components.	<u>P.32</u> <u>P.32</u>
	Collaboration and co-creation with customers	Long-term buildings	Communicated with tenants about sustainability at least 4 times a year	<u>P.32</u>
		Residential Business	Communicate with residents and plan and implement sustainability measures	<u>P.32</u>

\*1 Applies to the total of Scope 1 and 2 and to Scope 3, category 11.  
\*2 These targets were revised in February 2023 through changes including moving forward the target timing for achievement. The targets shown in this table are the revised targets based on such changes including earlier achievement timing.  
\*3 In addition to "ZEB" and "ZEH(-M)", includes Nearly ZEB, ZEB Ready, ZEB Oriented, Nearly ZEH(-M), ZEH(-M) Ready, and ZEH(-M) Oriented.  
\*4 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.  
\*5 Applies to new buildings for which design work began in June 2021 or later. Excludes certain properties such as joint venture properties or properties with special uses.  
\*6 Mainly refers to DBJ Green Building certification, CASBEE building and BELS (Building Energy Saving Performance Labeling System) certification.  
\*7 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.  
\*8 Applies to the main long-term buildings and commercial facilities for which we have substantial energy management rights and for which we have submitted plans for the reuse and reduction of waste materials.  
\*9 Applies to the main long-term buildings and commercial facilities for which we have substantial energy management rights.  
\*10 Recycled water derived from rainwater and miscellaneous wastewater generated in buildings (e.g., wastewater from cooling towers and tenants' kitchens). It is reused for non-potable purposes such as toilet flushing and watering plants.

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Material Issue KPIs and Targets

Social

Material issues	Item	Scope	KPIs and Targets	Details of FY2022 results
Improve employee growth and job satisfaction	Promotion of skills development	Tokyo Tatemono	Average training time per employee Each fiscal year 15 hours or more	<u>P.89</u>
		Tokyo Tatemono	Career training participation rate Each fiscal year 100%	<u>P.89</u>
	Promotion of health management	Tokyo Tatemono	Health checkup rate and follow-up test rate Each fiscal year 100%	<u>P.90</u>
		Tokyo Tatemono	Smoking rate Every fiscal year 12% or less	<u>P.90</u>
Diversity & Inclusion	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy Deployment to and compliance by group companies	<u>P.50</u>
		Tokyo Tatemono	Average annual paid leave utilization rate Each fiscal year 70% or more	<u>P.90</u>
	Work-life balance	Tokyo Tatemono	Ratio of male employees taking parental leave By fiscal 2025 30% or more	<u>P.89</u>
		Tokyo Tatemono	Ratio of women in management positions 10% or more by fiscal 2030	<u>P.88</u>
	Promotion of diversity in our workforce	Tokyo Tatemono	Employment rate of people with disabilities Each year 2.3% or more	<u>P.88</u>

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Stakeholder Engagement

The Tokyo Tatemono Group's business activities are supported not only by the customers who use our products and services, but also by many other stakeholders, including local communities, employees, shareholders, investors, and business partners. We believe that building long-term relationships of trust with these stakeholders is essential to our business activities. By engaging with our stakeholders and incorporating their input in various ways, we are working to earn their trust while creating value. To ensure that our engagement with stakeholders is effective, we will review its approach and other aspects as necessary.

Stance on and Approach to Dialogue with Our Core Stakeholders

Stakeholders	Stance on Dialogue	Approach to Dialogue
Customers Building tenants, home buyers, users of services	We established various systems to incorporate customer feedback in our business activities. We use these systems to provide valuable products and services that offer safety and peace of mind, while continuously improving customer satisfaction.	<ul style="list-style-type: none"><li>Customer satisfaction surveys</li><li>Brillia Owners Hotline (contact for home buyers)</li><li>Various questionnaires</li><li>Online inquiry forms, etc.</li></ul>
Local community Local community around properties, local governments, NGOs, NPOs, educational institutions, etc.	We work to increase local value and contribute to the local community through efforts that include community development and various community activities.	<ul style="list-style-type: none"><li>Dialogue with local residents and government bodies in the planning, development, and management of properties</li><li>Volunteer activities, including clean-up activities</li><li>Participation in local events and festivals</li><li>Support for education and the arts</li><li>Post-disaster reconstruction support, etc.</li></ul>
Employees	We work to create a satisfying workplace in which employees can experience personal growth. We strive to develop people who are trusted and capable of building the future.	<ul style="list-style-type: none"><li>Various training and reward systems</li><li>Regular personnel interviews</li><li>Dialogue with labor unions and co-hosting of events</li><li>Individual consultation on child-rearing and nursing care support, etc.</li></ul>
Shareholders and investors	We aim to build long-term fiduciary relationships with our shareholders and investors and earn appropriate recognition through sincere and fair information disclosure and active communication.	<ul style="list-style-type: none"><li>IR information on our corporate website</li><li>General Meeting of Shareholders</li><li>Seminars for private investors</li><li>IR meetings (Japan/overseas), etc.</li></ul>
Business partners Business operators related to planning, development, and property management, and service provision, etc.	We conduct fair and equal business dealings with our partners and strive for close communications to build even better relationships with these partners.	<ul style="list-style-type: none"><li>Verification of second- and third-tier subcontractors</li><li>Verification via internal check sheet</li><li>Regular meetings, etc.</li></ul>



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Highlights of Participation in Initiatives

Initiatives	Purpose of Participation; Our Role and Efforts
<p>United Nations Global Compact (UNGC)</p> 	<p>Tokyo Tatemono is a signatory to the UNGC and registered the Tokyo Tatemono Group as a participating company. By supporting the UNGC, which addresses the four areas of human rights, labor, environment, and anti-corruption, we will help to realize a sustainable society.</p>
<p>TCFD (Task Force on Climate-related Financial Disclosures)</p> 	<p>The Group endorses and is a signatory to the TCFD recommendations. Going forward, we will strengthen our measures to combat climate change, while expanding the content of our disclosure in line with the information disclosure framework recommended by the TCFD (governance, strategy, risk management, and indicators and targets with respect to climate change risks and opportunities).</p> <p><b>Disclosure based on TCFD recommendations P.27</b></p>
<p>SBT Initiative (SBTi)</p> 	<p>The greenhouse gas emission reduction targets set by the Tokyo Tatemono Group for fiscal 2030 have been certified by SBT as being consistent with the levels required by the Paris Agreement.</p>
<p>RE100</p> 	<p>The Tokyo Tatemono Group participates in this initiative with the aim of procuring 100% of the electricity consumed in its business activities from renewable energy sources by 2050.</p>
<p>Japan Climate Initiative (JCI)</p> 	<p>Tokyo Tatemono is participating in the JCI, seeing climate change as a social issue that requires global collaboration.</p>

Initiatives	Purpose of Participation; Our Role and Efforts
<p>Japan Climate Leaders' Partnership (JCLP)</p> 	<p>Tokyo Tatemono participates as a member of the JCLP. Together with other environmentally progressive companies, we aim to help realize a sustainable, decarbonized society through co-creation and collaboration across industries and sectors.</p>
<p>Keidanren Biodiversity Declaration Initiative</p> 	<p>Tokyo Tatemono expresses its endorsement of the Keidanren Biodiversity Declaration and Action Guidelines and participates in the Initiative.</p>
<p>Keidanren Committee on Nature Conservation</p> 	<p>Tokyo Tatemono participates in the Keidanren Committee on Nature Conservation to acquire the latest information and trends related to biodiversity.</p>
<p>Principles for Responsible Investment (PRI)</p> <p>Signatory of:</p> 	<p>Tokyo Realty Investment Management, the asset management company of Japan Prime Realty Investment Corporation, has endorsed and is a signatory to the PRI's basic principles.</p>
<p>Principles for Financial Action Toward a Sustainable Society (Principles for Financial Action in the 21st Century)</p> 	<p>Tokyo Realty Investment Management, the asset management company of Japan Prime Realty Investment Corporation, endorses and is a signatory to these principles.</p>

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Collaboration with Industry Associations

Name	Details	Positions held by Tokyo Tatemono officers, etc.
The Real Estate Companies Association of Japan	The organization comprises companies involved in urban development and appealing community development projects. It engages in surveys and research on various real estate-related systems, policy proposals, and social contribution activities with the aim of actively and effectively promoting the supply of high-quality offices and housing, as well as the smooth distribution of housing stock. In the area of climate change, we are involved in formulating climate change policies for the real estate industry, including participation as a member of the working group established within the Association to develop its Long-Term Vision for the Real Estate Industry for the Realization of a Decarbonized Society (Vision for 2050), issued by the Association in April 2021.	Advisor Vice Chair Chair, Environmental Committee Vice Chair, Compliance Committee
Japan Building Owners and Managers Association	As Japan's only national association of office building operators, this organization engages in surveys, research, and educational activities related to building management and administration.	Vice Chair
The Association of Real Estate Agents of Japan	This organization comprises major and medium-sized housing and real estate companies that are involved in real estate distribution. It works to improve various systems related to real estate distribution through surveys, research, and policy proposals.	Director
The Association for Real Estate Securitization	This organization was established for the purpose of ensuring public confidence in real estate securitization products and protecting investors. It makes requests for system improvements and tax system reforms that are necessary to promote the sound development of the real estate investment and securitization market.	Director
Real Estate Fair Trade Council	This is a self-regulatory organization that administers the Fair Competition Code for Real Estate Representation and the Fair Competition Code on Premium Offers in the Real Estate Industry in the Kanto and Koshin-etsu regions. It constantly monitors real estate advertising, working to promote proper labeling and prevent non-compliant advertising.	Chair (Representative Director)

External Evaluation

Inclusion in ESG Indices

MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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MSCI Japan Women's Activity Index (WIN)

2021 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

S&P/JPXカーボンエフィシエント指数

Evaluations and Certifications for Sustainability

CDP

CDP DISCLOSURE INSIGHT ACTION

GRESB

GRESB REAL ESTATE

Health & Productivity Management Outstanding Organizations Recognition Program

健康経営優良法人 Health and productivity ホワイト500

Eruboshi

女性が活躍しています！



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Feature

Connecting Residents' Thoughts and Passing on a Historic Community to the Future

Shakujii Koen Danchi Apartment Reconstruction Project

Many of Japan's housing complexes were developed during the period of rapid economic growth in the 1960s and 1970s. With more than 40 years having passed since their completion, various issues have emerged. The buildings have deteriorated, residents are elderly, and there is a mismatch of needs due to changes in the times and in lifestyles. The Group has set revitalizing and utilizing real estate stock as one of its material issues. By redeveloping or rebuilding problematic housing complexes and buildings, we are helping to revitalize local communities. We are increasing the supply of high-quality real estate stock that can be passed on to the next generation Brillia City Shakujii Koen Atlas is scheduled to be completed in 2023. (Construction finished in late June 2023, with residents scheduled to move in from late September.) Using this project as an example, here we introduce the Company's approach and thinking with regard to solving social issues identified as part of our materiality.

Mr. Kurogouchi (center), Chairman of Shakujii Koen Danchi Apartment Reconstruction Association with Tokyo Tatemono's Development Leads Miyauchi (left) and Abiko (right)



Brillia City Shakujii Koen ATLAS under construction (aerial view of site)

Tokyo Tatemono Group Materiality "Revitalizing and Utilizing Real Estate Stock"

Social issues to be addressed

- Making a better environment for the elderly
- Fewer children, outflow of younger generation
- Deterioration of housing
- Increase in vacant homes, etc.
- Disaster and crime prevention measures

Initiatives of the Group

- Exploring needs by engaging carefully with property rights holders
- Planning reconstruction that reflects the needs of property rights holders as much as possible
- Pursuing reconstruction that improves earthquake resistance and barrier-free accessibility
- Managing the area for continuation of the community

Value created

- Safe, secure and prosperous living
- Creation of high-quality real estate stock
- Revitalization of local communities



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Connecting Residents' Thoughts and Passing on a Historic Community to the Future

Shakujii Koen Danchi Apartment Reconstruction Project

Kindling relationships of trust, leading the revitalization of one of the largest apartment complexes in Tokyo

**Abiko (Development Lead for Tokyo Tatemono):** The predecessor of this property, which was called Shakujii Koen Danchi (hereafter the “old complex”), was one of the oldest and largest housing complexes in Tokyo. We heard that during the long period since 1967, when people first began living in the property, various inconveniences had arisen.

**Kurokouchi (Chairman, Condominium Reconstruction Association):** The deterioration of the facilities was a major problem. Although the building had undergone major repairs in the past and appeared clean on the outside, there were problems under the surface. For example, the buried pipes had aged, causing issues such as backflow of toilet water. Even if it had been repaired, the same thing would have happened again. There was also a need for barrier-free access. The old complex had no elevator, and elderly families found it hard to

climb the stairs. Because of this, some had to move to other apartments, which was heartbreaking for them.

**Miyauchi (Development Lead for Tokyo Tatemono):** Our participation in the project began in 2015, when the management association board members and the members of the rebuilding promotion committee selected a group that included Tokyo Tatemono from among proposals submitted by several companies through a proposal process. But we learned that the reconstruction had been under consideration since long before that.

**Kurokouchi:** From around 2007, a rebuilding and repair study committee led by the management association was formed to discuss the revitalization of the complex. We consulted with several developers, but we could not agree on terms and conditions and had to halt our plans. It was in this context that your company gave us very thorough explanations. We felt that in every area you respected the feelings of us as property rights holders. As a result, more than 30 committee members voted unanimously to select the group including Tokyo Tatemono as the developer.

**Abiko:** We believe that the basis of rebuilding is to meet with right holders and listen carefully to their opinions. We see this as one of our strengths. We typically form a specialized group in charge of consensus building. We hold repeated briefings,

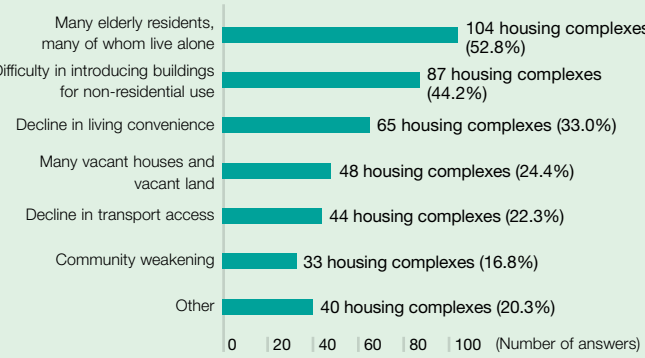
individual interviews, and small-group workshops as necessary. We see these steps as vital for reflecting the wishes of property right holders.

**Miyauchi:** In this project, we also set up a consultation office within the grounds of the housing complex where property rights holders could easily seek advice. I think that helped to activate communication. Having a place nearby where property rights holders could gather at any time made it easier for us to hear their opinions and requests. I believe that these efforts helped lessen the anxiety that property rights holders would have had.

**Kurokouchi:** Your company’s passion came across to us. The content of the proposal was also based on our wishes. In your plan for the residential building, you were able to read into vague wishes that even we ourselves were not aware of. Then you made those wishes come true.

**Abiko:** Reconstruction is a kind of partnership with property rights holders, so listening to everyone’s thoughts is vital. As we carried on talks with the property rights holders, some conditions arose that were hard for us to meet. But we did not give up. We kept coordinating with all involved, communicating with the rights holders until we found the right solutions. These achievements were made possible not only by our company, but also by the cooperation of the chairman of the association and all the property rights holders.

Issues in housing complexes (questionnaires to municipalities)  
N = 197 (Issue recognized, multiple answers)



From the Ministry of Land, Infrastructure, Transport and Tourism “Residential Complex Renewal Guide”

Development that respects the wishes of property rights holders (an example from this property)

**Opinion 1**

Like the old complex, I would like for all units to face south.

All units face south. While less than ideal from a business standpoint (as the floor-area ratio cannot be fully utilized), it aligns with the wishes of the property rights holders

**Opinion 2**

I would like you to keep the rich greenery of the old complex

We transplanted and preserved 16 trees from the site of the old complex. After construction was completed, we transplanted them back, ensuring rich surrounding greenery just as it had been at the old complex.

**Opinion 3**

I would like there to be barrier-free units.

We prepared a residential plan that also considers the elderly and children, such as side-facing toilets for easy assistance, bathtubs with low edges, and minimal differences between floor levels.

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Connecting Residents' Thoughts and Passing on a Historic Community to the Future

Shakuji Koen Danchi Apartment Reconstruction Project

Supporting further development of existing communities and connecting them to the future

**Abiko:** Listening to property rights holders sharing their views, we learned how much they value their community. During the reconstruction, we installed the Shakuji-ii BASE next to the sales center to keep a sense of continuity for the community that the property rights holders had built up so far.

**Kurokouchi:** Shakuji-ii BASE is indispensable. The old complex had a strong community, something that tends to be rare these days. People of all ages socialized through club activities and the summer festival had continued for 35 years. With the reconstruction, residents had to move out temporarily. At the association, we were concerned about keeping the community going until everyone moved back, and about developing the community from that point on. Shakuji-ii BASE has been in place for more than a year now. The activities developing there

involve not only property rights holders but also the local community. About 60% of the right-owning households will continue to occupy the building after reconstruction. But even the households that have moved out mostly live in the neighborhood, and they make use of Shakuji-ii BASE.

**Abiko:** Once a community is destroyed, it cannot be restored. So we believe it is vital that we keep the sense of community alive until construction is finished. We had to make sure that property rights holders did not lose their meeting place along with the building, so that was something we also focused on.

**Miyauchi:** To be frank, it was quite a challenge to set up and run this, but when we think of the community of the old complex, it has clearly been worthwhile. The number of units in this property has almost doubled from the 490 before to 844, so there is a large number of new residents. We believe that this is a very important place for such people to interact with the property rights holders and the community.

**Kurokouchi:** We would also like to use this place to promote efforts to build a new community between existing residents and the younger generation, including newcomers in their 30s and 40s.



At the Shakuji-ii BASE community space

Shakuji-ii BASE, a community space for residents

Shakuji-ii BASE was set up to help create a sustainable community. The idea was to foster connections with new residents even before reconstruction was finished, while continuing the community of the former housing complex. Since the space can also be used as a rental space, it is becoming a place for communication in the community. As well as club activities from the old complex, there are activities planned by staff and events held by neighborhood residents. Among other activities, property right holders and local residents put together a local information map and town walking tour. In this way, the space serves as a local information station, helping dispel the concerns of new residents moving to the Shakuji area.



Shakuji-ii BASE was set up as a space for property rights holders to socialize during the reconstruction period. It is a place of exchange for property rights holders, new residents, and local neighbors.



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Connecting Residents' Thoughts and Passing on a Historic Community to the Future

Shakujii Koen Danchi Apartment Reconstruction Project

Drawing on their experience, we are using the strengths of the Group to revitalize the housing complex

**Abiko:** As well as these efforts, it is also very important to make sure the housing complex is safe. Having a safe home is the foundation for an enjoyable, fulfilling life. During the construction site tour, we explained our measures to ensure earthquake resistance and barrier-free accessibility with the elderly in mind. We will continue to conduct tours by our company and third-party agencies, as well as previews for all new residents.

Brillia Construction Site Tour P.54

**Kurokouchi:** The construction site tour was well received by the property rights holders. I trust that your company will continue to take good care of us in the future.

**Miyauchi:** Our group can provide full support for condominium management, remodeling, and even future housing changes. We hope that we can continue to support you by advising on all matters related to your daily living environment.

**Abiko:** Most of Japan's apartment complexes are located in the three major metropolitan areas of Tokyo, Osaka, and Nagoya. As a real estate developer with operations in Tokyo and throughout Japan, we believe that we can help solve social issues by revitalizing housing complexes.

Revitalizing and Utilizing Real Estate Stock P.57

**Miyauchi:** Many housing complexes face a range of challenges. We aim to revitalize them as safe and secure places and to support the continuity of thriving communities. To this end, we will continue striving to address the needs of property rights holders first, while drawing from the valuable knowledge we have gained through this project.

Shakujii Koen Danchi Apartments		Brillia City Shakujii-Koen ATLAS	
<div>Before reconstruction</div> 		<div>After reconstruction</div> 	
3-127-1 Kamiishakujii, Nerima-ku, Tokyo			
Construction period	1967	Late June 2023 (scheduled)	
Total floor space	31,365 m <sup>2</sup>	Approx. 68,342 m <sup>2</sup>	
Number of dwelling units	490 units	844 units (total units sold: 543 units)	
Layout	3DK-3LDK	1LDK~4LDK	



Comments from stakeholders

With the problems of the COVID-19 pandemic and the situation in Ukraine, I was preparing myself for the move-in timing to be affected. But they proceeded without delay. As chairman of the association, I am deeply grateful for this. This was Nerima Ward's first condominium reconstruction project based on the Law Concerning Facilitation of Reconstruction of Condominiums. We appreciate that the ward office staff were able to work closely with us to help coordinate our efforts as we moved forward.

Shakujii Koen Danchi has been loved by its residents for over half a century, which makes for a strongly connected community. Even after the reconstruction, I would like it to be a place that is rich in nature and loved by the residents as well as the surrounding residents. I am sure Tokyo Tatemono will help make that happen.



Mr. Takeshi Kurokouchi  
Shakujii Park  
Chairman, Condominium  
Reconstruction Association

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# Environmental Management

## Policy and Concept

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

### Group Environmental Policy

We will help build a sustainable society through environmentally friendly business activities based on the following Group Environmental Policy.

#### · Creating a pleasant city and living with greenery

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

#### · Climate change prevention that leads the community

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

#### · Resource-saving activities that are kind to the earth

We will strive to reduce the use of resources and environmental impact through all available opportunities and contribute to creating a recycling-oriented society.

#### · Developing employees with high environmental awareness

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

Established January 2011

## Environmental Promotion System

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

We have established environmental management systems tailored to the characteristics of each of our businesses. We have put in place a PDCA cycle based on these systems. In the Commercial Properties Business, which accounts for 99.1% of the energy used in our business activities, we established the Environmental Measures Promotion Group. This group operates as a specialized department within the business division's Planning Department. We also hold meetings of an Environmental Committee with the participation of all departments in the business division. In the Residential Business, which accounts for 0.5% of the energy used in our business activities, we have launched an Environmental Measures Project Team. In this way, in both business divisions, we formulate environmental measures, share information, support

implementation, provide guidance, manage progress, and carry out improvements to initiatives.

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

## Environmental Management in the Commercial Properties Business

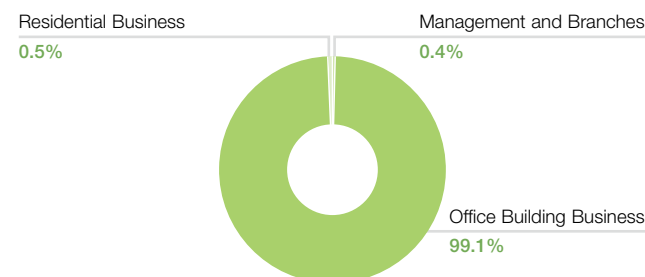
In the Commercial Properties Business, we have formulated and implemented an Environmental Action Plan and Guidelines aimed at achieving more robust environmental product planning, attaining goals set by the Group, and establishing a PDCA cycle. We work with tenants and customers to address a variety of environmental issues, including decarbonization, energy conservation, resource recycling, the effective use of water resources, and biodiversity.

Using energy more efficiently in our Commercial Properties Business results in a significant reduction of Tokyo Tatemono's total energy consumption. With this in mind, when developing new buildings, we strive to adopt environmental and energy saving technologies for environmentally friendly buildings that are well-received by society. For existing buildings, we promote energy savings by strategically renovating buildings using energy-saving equipment. From an operating standpoint, we also collaborate with our tenants to conserve energy and reduce environmental impact.

We have set a quantitative indicator in the form of power consumption per floor area unit to reduce energy consumption.

Here, we target a 1% annual unit reduction averaged over five years as a target in accordance with the Energy Conservation Act.

### Share of Tokyo Tatemono Energy Consumption by Business (fiscal 2022; facilities subject to the Energy Conservation Act)





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Environmental Execution Plan and Guidelines

Area	Environmental Execution Plan		Guideline	
<div>Greening</div> <div></div>	Creating rich greenery that helps cities transform and thrive	Promote rich greening that evokes a sense of urban transformation and vibrancy.	<b>New construction:</b>	Aim for greening of at least 5% of the structure area and at least 50% of the exterior area; also promote interior greening.
			<b>New construction and renovation:</b>	Promote structure greening for all buildings, creating rich environments for users.
			<b>Operations:</b>	Create and maintain a plant management plan; conduct regular monitoring and proposal of plans for improvement.
	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, such as SEGES and ABIC certifications	
	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.	<b>New construction and renovation:</b>	Devise planting plans that reflect local characteristics and policies. Maintain ecosystems by eliminating intrusive species, devising planting plans that aim to conserve native species, and ensuring continuity with surrounding green spaces.
			<b>Operations:</b>	Conduct charitable donation and awareness outreach activities.
	Using green assets to improve area value	Increase the value of the area by cultivating public spaces for interaction among lush greenery	Promote efforts to mitigate the heat island phenomenon.	
			<b>New construction and renovation:</b>	Explore placement plans that incorporate exterior wind paths, fluid simulations, and other factors.
			<b>Operations:</b>	As well as measures related to roof, exterior, and ground surfaces, implement a range of other measures, including mitigating reflections from buildings; equipment planning for mitigating thermal environment degradation; vacant space planning for wind paths; securing appropriate shade; ensuring green and water coverage ratios; and minimizing pavement area.
			<b>New construction and renovation:</b>	Plan environments and facilities that evoke a sense of closeness to nature; improve scenery by greening roadsides, etc.
			<b>Operations:</b>	Sponsor events that offer a sense of closeness to nature; also participate in local planting plans and other initiatives.



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Area	Environmental Execution Plan		Guideline	
<div>Energy conservation</div> <div></div>	Acquisition and retention of third-party environmental performance certifications	<p>Promote the construction and management of buildings, emphasizing environmental performance. Acquire and retain third-party certification for the environmental performance of these buildings and contribute to sustainable decarbonized urban development.</p> <p>• <b>Quantitative Targets</b></p> <p><b>Scope</b> In principle, all office buildings and logistics facilities newly constructed by the Group</p> <p><b>Targets</b> Secure Green Building Certification and ZEB certification</p>	<p><b>New construction:</b> Green Building Certification*1</p> <p><b>Operations:</b> Maintain Green Building Certification; acquire Green Building Certification for buildings that do not yet have it</p>	
	Creating buildings with high environmental performance	<p>Develop buildings that offer high environmental performance while supporting the health and comfort of workers.</p> <p>• <b>Quantitative Targets</b></p> <p><b>Scope</b> All Tokyo Tatemono-owned properties and facilities</p> <p><b>Targets</b> 1% annual unit reduction in crude oil equivalent (moving average over 5 years)</p>	<p>Improve environmental performance.</p> <p><b>New construction:</b> BPI*2 of no more than 0.90, BEI*3 of no more than the target level for acquisition of third-party certification for each property (actively work toward ZEB*4 status)</p> <p><b>Operations:</b> Understand and present actual primary energy consumption unit values.</p> <p>Conduct environmentally friendly planning and management.</p> <p><b>New construction and renovation:</b> Use LED lighting and luminance in dedicated areas of 500 lux, energy-saving glass, presence sensors. Consider interior brightness levels and encourage subdivided lighting zones.</p> <p><b>Renovation and operations:</b> Study energy conservation measures, including energy conservation checkups.</p> <p><b>Operations:</b> Carry out appropriate filter cleaning.</p>	
	Adopting environmentally advanced technology initiatives	<p>• <b>Quantitative Targets</b></p> <p><b>Targets</b> (1) By FY2030, reduce CO<sub>2</sub> emissions by 40% (compared to FY2019); by FY2050, achieve net zero emissions</p> <p>(2) By 2024, ensure that 50% of the electricity consumed by our Commercial Properties Business real estate holdings is from renewable energy sources; by FY2030, increase this to 100%.</p>	<p><b>New construction and renovation:</b> Install solar power generation systems; explore use of renewable energy; adopt passive energy-saving technologies (e.g., leveraging natural lighting/ventilation, geothermal energy); adopt daylight-harnessing technology; use insulation/heat shielding technology; install CO<sub>2</sub> monitoring systems and high efficiency equipment.</p> <p><b>Operations:</b> Adopt and manage manuals for CO<sub>2</sub> monitoring systems, identifying the amount of renewable energy generated.</p> <p>Adopt energy with lower CO<sub>2</sub> emission factor; consider energy certificate adoption via carbon offsets.</p>	
	Using energy management to reduce consumption	<p>Pursue environment-friendly building management in cooperation with various building stakeholders, including customers.</p>	<p><b>New construction and renovation:</b> Promote the implementation of BEMS/visualization systems and the setting of quantitative energy consumption targets.</p> <p><b>Operations:</b> We promote the disclosure of environmental data to tenants, the creation of building operation systems and management policies, and the execution of power-saving measures.</p>	

\*1 In DBJ Green Building certification, a 5-star or 4-star rating, in CASBEE buildings an S-rank or A-rank rating, and in BELS a 5-star rating with ZEB certification (DBJ Green Building certification applies to long-term holdings; other certifications apply to all assets).

\*2 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).

\*3 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.

\*4 ZEB (Net Zero Energy Building): A building targeting a net-zero balance of annual primary energy consumption.

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### Related Material Issues

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 Promoting a decarbonized society

 Promoting a recycling-oriented society

# Environmental Management

Area	Environmental Execution Plan		Guideline	
<div>Waste and water</div> <div></div>	Cooperating with customers to contribute to a recycling-oriented society	<p>Help create a recycling-oriented society by working with customers to promote the reduction, reuse, and recycling of waste.</p> <p>• <b>Quantitative Targets</b></p> <p><b>Scope</b> Long-term buildings</p> <p><b>Targets</b> (1) By FY2030, reduce waste emissions per unit of production by 20% compared to FY2019</p> <p>(2) By FY2030, achieve a waste recycling rate of 90%.</p>	<p><b>New construction and renovation:</b> Implement trash weighing systems; plan recycling stations; plan stock spaces enabling adequate waste separation; kitchen waste reduction, composting, etc.; check recycling rates/waste management policies at time of construction.</p> <p><b>Operations:</b> Separate/reuse waste; encourage reuse and reduction of waste through tenant meetings on separation and recycling; conduct educational activities regarding waste separation; hold tours of waste treatment plants; state recycling requirements in contracts; implement/operate waste reduction measures; measures to reduce disposal of unused interior materials when tenants move in and out</p>	
	Reducing environmental impact from water conservation/use of gray water	<p>We will use water conservation and rainwater utilization to help reduce our environmental impact.</p> <p>• <b>Quantitative Targets</b></p> <p>(1) Reducing water consumption</p> <p><b>Scope</b> Long-term buildings</p> <p><b>Targets</b> Reduction of water consumption units compared to the previous year</p> <p>(2) Promoting the reuse of water</p> <p><b>Scope</b> All office buildings with a floor space of 30,000m<sup>2</sup> or more</p> <p><b>Targets</b> By 2030, install gray water treatment facilities in principle in all new office buildings that start construction</p>	<p><b>New construction and renovation:</b> Use water-saving equipment in wash basins, hot water heaters, etc.; use water-saving toilets; implement rainwater runoff control measures; prevent water leakage; comply with discharge standards such as the Water Pollution Prevention Act and Sewerage Act; reuse rainwater and gray water.</p> <p><b>Renovation and operations:</b> Examine and ascertain the volume of water saved through renovations.</p> <p><b>Operations:</b> Ascertain actual water consumption and cooling tower water consumption; examine water conservation related to cooling towers.</p>	
	Achieving long building lifespans through development that considers future maintenance and upgrades	<p>Make plans during construction phases to facilitate maintenance and upgrades to ensure an extended building lifespan.</p>	<p><b>New construction:</b> Create long-term repair plans; ensure the strength of core structural frames; plan for easy separation of finishing materials from frames; plan rooms and finishes in consideration of upkeep and maintenance, adopt ducting/piping that ensure long service lives.</p> <p><b>New construction and renovation:</b> Adopt finishing materials that offer long service lives for exterior and interior walls; include maintainability of key equipment as part of planning; consider ease of upgrades when planning air conditioning piping, sanitary piping, high voltage wiring, and low voltage wiring; ensure maintainability of structures and deploy backup equipment, etc., when upgrading facilities.</p> <p><b>Operations:</b> Share medium- to long-term repair plans with property/building managers and implement maintenance and repairs based on these plans; calculate planned costs and energy-savings.</p>	
	Proactive use of eco-materials and recycled materials	<p>Work to create a cycle of recycling by utilizing eco-materials and recycled materials.</p> <p>• <b>Quantitative Targets</b></p> <p><b>Scope</b> Long-term buildings</p> <p><b>Targets</b> Strive to use domestic timber and certified timber for common-area interiors and furniture, etc.; achieve this in principle in all new office buildings that start construction by 2030.</p>	<p><b>New construction, renovation and operations:</b> Proactively use domestic timber and certified timber, low-impact eco-materials and recycled materials. Comply with regulations related to ozone depletion factors related to cooling; actively engage in adopting ozone depletion factors and warming factors for other construction materials (insulation, gas extinguishing agents, etc.).</p>	
<div>Environmental awareness</div> <div></div>	Dissemination of information on the environment and spread/improvement of environmental awareness	<p>Share information about the environment to promote environmental awareness among stakeholders such as employees, communities, and customers.</p> <p>• <b>Quantitative Targets</b></p> <p><b>Scope</b> Long-term buildings</p> <p><b>Targets</b> At least four times a year, engage tenants in communication about sustainability</p>	<p><b>New construction renovation and operations:</b> Disclose our sustainability initiatives</p> <p><b>Operations:</b> Hold events focusing on sustainability</p>	
	Forming the Environmental Committee and ongoing PDCA cycles	<p>Run environmental organizations; engage in high-impact environmental activities; set, execute, and monitor environmental goals; engage in ongoing improvement activities.</p>	<p>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.</p>	



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Environmental Management in the Residential Business

In the Residential Business, we have established the Brillia Environmental Guidelines. These guidelines provide standards for carrying out environmental measures consistently under the Brillia brand while aligning to changing social conditions. They also enable us to communicate our environmental measures clearly to customers and society. In the guidelines, we set forth two concepts behind our creative approach to the development of condominiums: creating a lush green living environment; and creating residences with reduced environmental impact.

The guidelines define a set of environmental performance ratings with four levels of environmental friendliness. In addition to the specifications for each level, at each stage of the project from planning to design, we also check details such as the environmental certification rankings (CASBEE, etc.) and CO<sub>2</sub> emission reduction for each level.

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

Brillia Environmental Guidelines Overview

- 1
- Creating a lush green living environment
  - Create a rich sense of familiarity with nature and seasonal changes, a comfortable living space, a landscape for the entire region; use greening to reduce the heat inside and around the building (heat island phenomenon)
  - Plant trees that match local vegetation to cultivate a rich natural environment that sustains biodiversity
  - Provide environmental education programs to residents to help raise awareness in local communities

- 2
- Creating residences with lower 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 Impact Assessment

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 create plans that leverage our expertise to consider how each project affects the environment.

Environmental impact assessments cover a wide range of subjects, including greenhouse gases, water cycle, water pollution, air and soil pollution, waste, and biological and ecological systems. If a negative environmental impact is found, we work to avoid or mitigate it.

Compliance with Environmental Laws and Regulations

At each stage of property development and operation, we comply with all relevant laws and regulations related to the environment.

There were no environmental incidents or violations of environmental laws or regulations in 2022.

(Data) Environmental Management Indicators and Performance P.87

Brillia Environmental Guidelines environmental performance ratings (e.g., level set for energy conservation performance) (as of March 2023)

Level	Level	Level 1	Level 2 (Standard)	Level 3 (High level)	
	Apartment block	Energy conservation criteria	ZEH Oriented	ZEH Ready or higher	
	Residential building	Energy conservation criteria	ZEH-M Oriented	ZEH-M Ready or higher	
	Renewable energy classification	Excluding renewable energy	Excluding renewable energy	Excluding renewable energy	Including renewable energy
Exclusive area BEI (Building Energy Index)	Standard value	1.0 or less	0.8 or less	0.8 or less	0.5 or less
	Design target value	0.97 or less	0.77 or less	0.77 or less	0.47 or less
Residential building BEI	Standard value	1.0 or less	0.8 or less	0.8 or less	0.5 or less
	Design target value	0.97 or less	0.77 or less	0.77 or less	0.47 or less
Housing performance evaluation	5-1. Insulation performance grade	Grade 4	Grade 5	Grade 5	
	5-2. Primary energy consumption grade	Grade 4	Grade 5	Grade 6	



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# Promoting a Decarbonized Society

## Policy and Concept

Global efforts toward decarbonization are accelerating, as shown by the Paris Agreement adopted by the United Nations in 2015 and the Glasgow Accord adopted at COP26 in 2021, which calls for efforts to limit the temperature increase to 1.5°C. In 2021, the Japanese government also declared its aim to achieve carbon neutrality by 2050.

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

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. In addition, we have identified promoting a decarbonized society as a material issue for the Group, and are addressing this issue through our business. In August 2021, we set medium- and long-term targets for reduction in GHG emissions, aiming to achieve a 40% reduction in our CO<sub>2</sub> emissions by fiscal 2030 compared to fiscal 2019\*1 and net-zero CO<sub>2</sub> emissions by fiscal 2050.

In addition, we have set the shift to renewable energy, promotion of development of ZEB and ZEH, and acquisition of green building certification as process targets.

Since setting each target, the Group has promoted and accelerated its efforts to reduce GHG emissions. As a result, in February 2023, we decided to strengthen our process targets and bring forward the timing for achieving certain targets,

which we announced publicly. In addition, based on these revised targets, we put in place a roadmap (action plan) for reducing GHG emissions in the Group toward FY2050.

The roadmap is designed to achieve both sustainable growth of the Group and the promotion of a decarbonized society.

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

Material Issue KPIs and Targets P.11

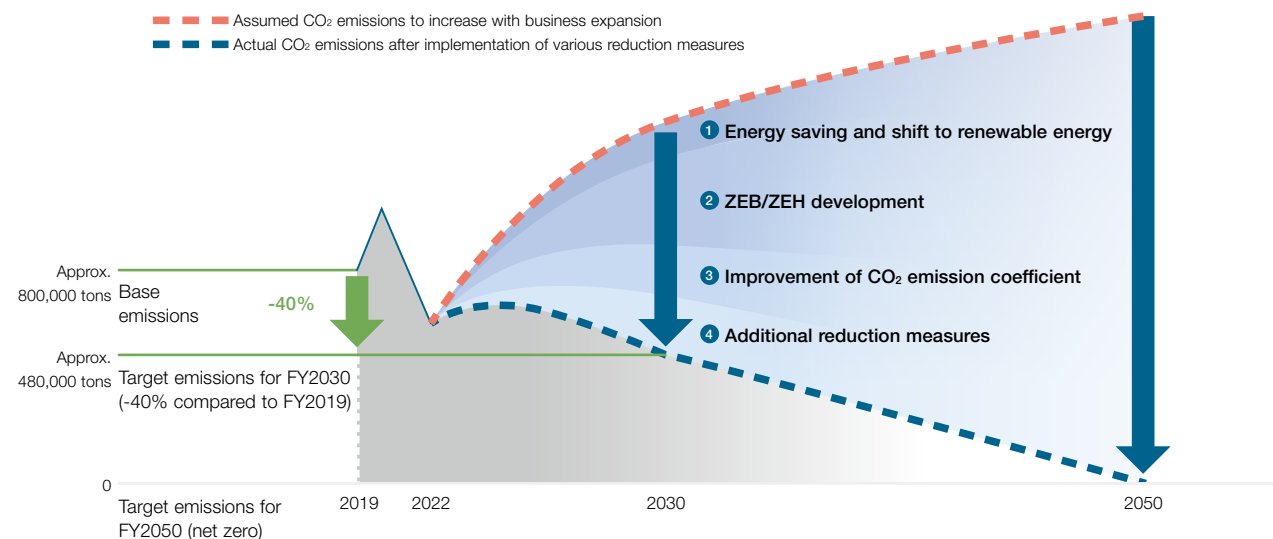
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## Roadmap for Reducing GHG Emissions





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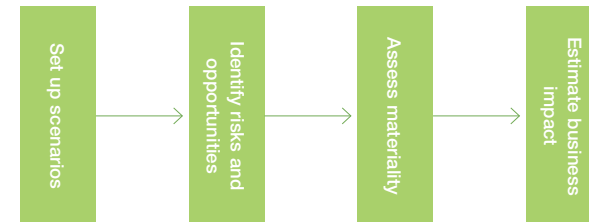
# Promoting a Decarbonized Society

## Disclosure Based on TCFD Recommendations

### Governance

Chaired by the President, the Group's Sustainability Committee, deliberates, discusses, and reports on important matters such as the identifying climate change risks and opportunities, GHG emission reduction targets and policies, and the status of our efforts to address these issues. Important matters discussed by the Committee are submitted to the Board of Directors or reported to the Board of Directors, which has oversight over the Committee. In addition, the Sustainability Promotion Council, a subordinate body of the Committee that is composed of corporate and business divisions, discusses matters to be brought before the Committee, considering specific measures for achieving the goals that have been set through discussions at the Committee.

### Risk Analysis Review Process



### Strategy (scenario analysis)

We carry out a scenario analysis, led by the Sustainability Committee, in collaboration with corporate and business divisions. This examines the potential impact of climate change itself and changes in the business environment due to long-term policy trends related to climate change on our group's business and management.

### Setting Up the Scenarios

For our scenario analysis, we set up future worlds (scenarios). In 2020, drawing from scenarios published by the IPCC\*<sup>1</sup> and the IEA\*<sup>2</sup>, we based our analysis on two scenarios: the 4°C scenario, in which the average temperature rises by 4°C or more compared to preindustrial levels by 2100, and the 2°C scenario, in which the average temperature rise is limited to less than 2°C. In 2022, we added the 1.5°C scenario, which limits the increase in average temperature to 1.5°C.

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

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

### The Scenarios Used in the Analysis

Scenarios	Scenario Content	Reference Scenario
4°C scenario	A scenario in which the average temperature rises by about 4°C compared to pre-industrial levels as a result of failure to introduce stricter government policies and strengthen regulations, such as regulations to curb GHG emissions, and of failure by businesses to take effective action in response to climate change. Acute effects include more frequent extreme weather events and more intense heavy rainfall, while chronic effects include rising sea levels.	IPCC SSP5-8.5 (RCP 8.5) IEA STEPS

Scenarios	Scenario Content	Reference Scenario
1.5C/ 2°C scenario	A scenario in which the average temperature rise compared to the pre-industrial levels is kept below 1.5°C or 2°C by improving low-carbon technologies, expanding renewable energy, and promoting energy conservation. In this scenario, companies around the world are strongly required to respond to climate change by introducing carbon taxes and strengthening policies to regulate emissions in order to curb GHG emissions.	IPCC SSP1-1.9 (RCP 2.6) IEA NZE IEA SDS



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# Promoting a Decarbonized Society

### Identifying Risks and Opportunities/Assessing Materiality

Focusing on the Group's core businesses, the Commercial Properties Business and Residential Business, we identified the main risks and opportunities and assessed their materiality in terms of their expected degree of impact on the Group's finances. The period of impact was categorized into short-term (1-5 years), medium-term (5-10 years), and long-term (>10 years).

### Identified Climate Change Risks and Opportunities and Materiality

	Category	Item	Impact on Group business	Period of impact	Materiality	
					4°C scenario	1.5°C/2°C scenario
Transition risk	Policies	Adoption of carbon pricing	Imposition of carbon tax on own emissions (Scope 1 and 2)	Medium-term	—	Medium
			Price hikes for construction materials, construction costs, etc.	Medium-term	—	Medium
	Regulations	Stricter standards for GHG emissions and energy saving	Higher costs of converting new buildings to ZEB/ZEH	Medium-term	Low	Low
			Higher costs of introducing decarbonized building materials	Medium-term	Medium	Medium
			Increase in cost of energy-saving renovation of existing buildings	Medium-term	Low	Low
	Technology and Markets	Higher unit cost of grid electricity	Higher utility costs due to change in energy mix	Short- to medium-term	—	Low
			Higher utility costs due to higher demand for fossil fuels	Short- to medium-term	Low	—
	Reputation	Ensuring disaster preparedness and resilience	Higher renewable energy procurement costs	Short- to medium-term	Low	Low
Physical risks	Acute	Frequent and intense extreme weather events	Higher costs of ensuring disaster preparedness and resilience	Short-term	Low	Low
			Delayed construction schedule due to supply chain paralysis or disruption	Short-term	—	—
			Costs arising from countermeasures and construction period delays	Short-term	—	—
			Loss of rental income in the event of flooding	Short-term	Low	Low
			Restoration costs arising from building damage and flooding	Short-term	Low	Low
			Higher insurance premiums	Short-term	Low	Low
	Chronic	Rise in average temperature	Higher utility costs	Short-term	Low	Low
Opportunity	Technology	Efficiency Improvements with ZEB and ZEH Development	Reduction of utility costs	Short-term	Low	Low
		Procurement of renewable energy through self-consignment	Reduction in utility costs and renewable energy procurement costs	Short-term	Low	Low
	Consumer behavior	Improved earnings from high environmental performance properties	Higher sales due to higher evaluation of ZEB/ZEH	Short- to medium-term	—	Medium
		Improvement of energy-saving effects	Addition of energy-saving effects to rental income	Short- to medium-term	—	Low
	Markets	Expansion of ESG Finance	Reduction in financing costs	Short-term	—	Low





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# Promoting a Decarbonized Society

### Estimating Business Impact

We quantitatively assess the identified climate change risks and opportunities for their impact on the Group's 2030 financials. For risks and opportunities for which quantitative data is not readily available, we carry out a qualitative analysis.

### Risk Management

We have established a Risk Management Committee chaired by the President, which is responsible for overseeing risk management for the Tokyo Tatemono Group. The Risk Management Committee identifies important risks that could have a significant impact on the management of the Group, evaluates and analyzes the relevant risks, formulates preventive measures and countermeasures, and monitors the status of countermeasures. The Committee also submits regular reports to the Board of Directors, which oversees its activities.

Recognizing climate change risk as one of the most significant risks, we have established a PDCA cycle for risk management. The Sustainability Committee considers various policies and strategies for minimizing risk and seizing opportunities, and other risk management issues. The Sustainability Promotion Council, a subordinate body of the Sustainability Committee, monitors climate change-related measures flexibly to consider and implement effective countermeasures. In this way, we consider and carry out effective measures and review risks and opportunities in an appropriate manner.

### Risk Management P.79

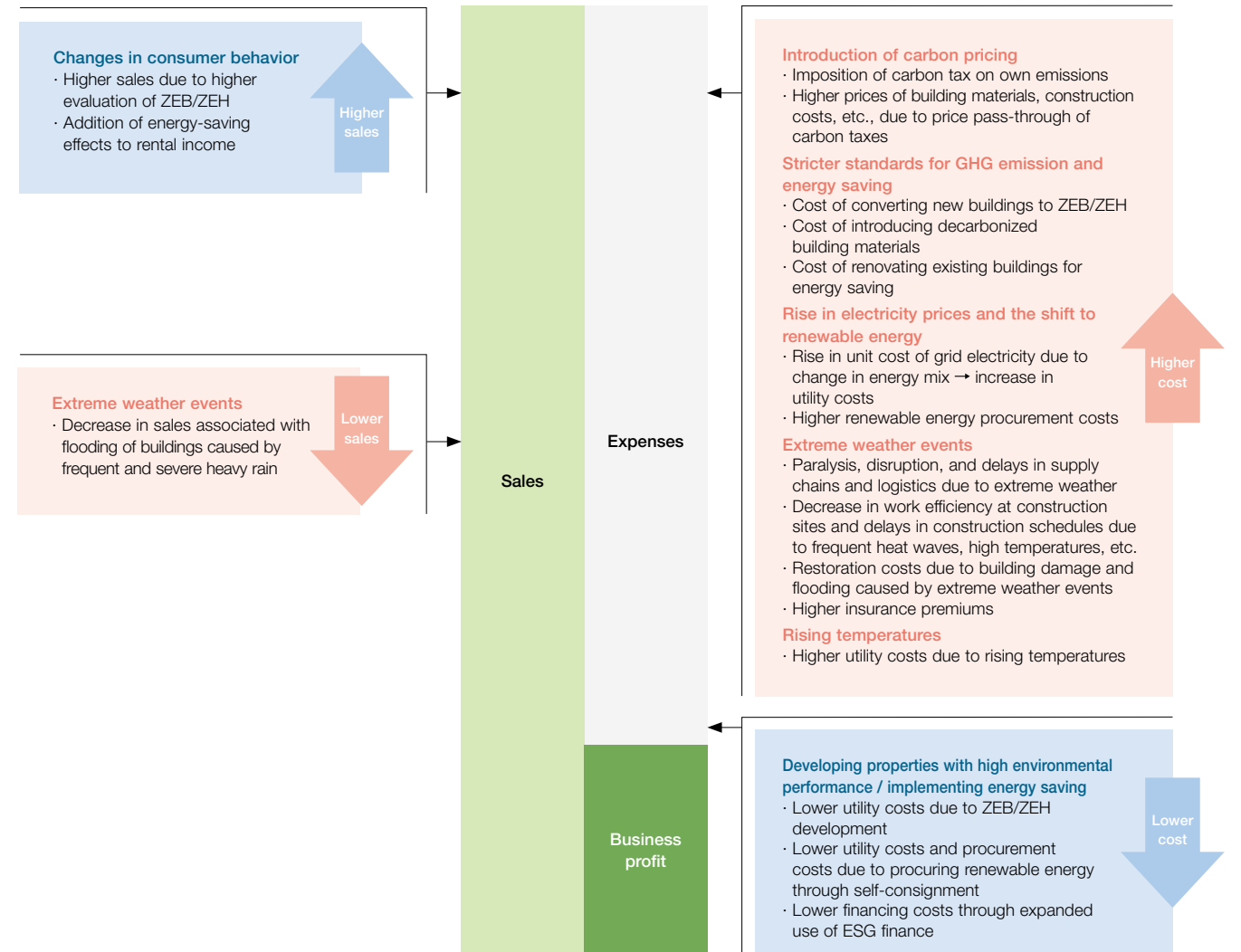
### Indicators and Targets

Recognizing the importance of reducing GHG emissions to minimize the risk of climate change, the Tokyo Tatemono Group has included medium- and long-term targets for reducing GHG emissions in our KPIs and targets. We conduct quantitative monitoring of GHG emissions and announce the results of this monitoring.

### Impact on the Group's Business Profit

Factors increasing business profit

Factors decreasing business profit



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## Promoting a Decarbonized Society

In addition, we have set a short-term target of reducing our energy consumption per unit of production by 1% each year on a five-year moving average basis. As medium- to long-term goals for GHG emissions reduction, we have set the following targets: a 40% reduction of CO<sub>2</sub> emissions by FY2030 compared to FY2019; and net zero CO<sub>2</sub> emissions by FY2050. We have also established process targets for introducing renewable energy, promoting ZEB/ZEH development, and acquiring Green Building Certification. Going forward, we will continue to work to further conserve energy and reduce our environmental impact.

**Material Issue KPIs and Targets P.11**

## Shift to Renewable Energy

### Generation and Use of Renewable Energy



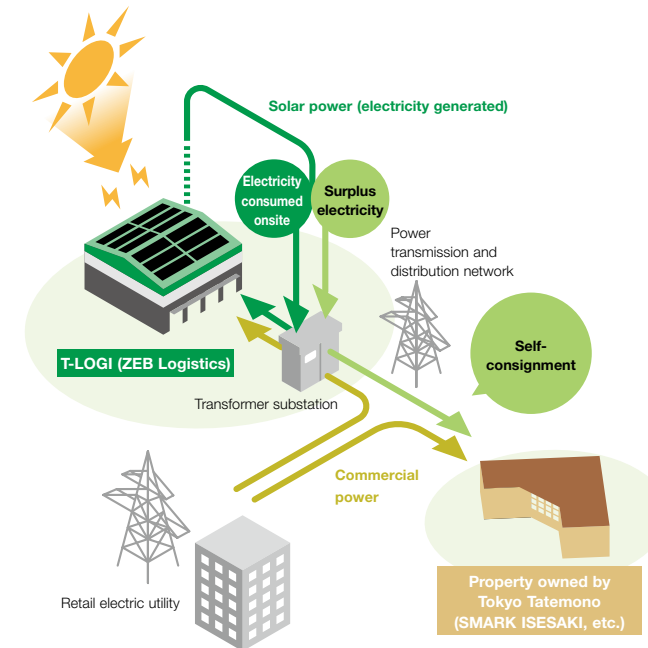
The Group is promoting initiatives for generating and using renewable energy.

Some of the office buildings and for-sale condominiums that we have developed use electricity (renewable energy) generated by solar panels installed on the rooftops of their facilities (self-consumption). In addition, at several locations in our T-LOGI series of logistics properties, we are also engaged in self-consignment, whereby we transmit the surplus electricity (renewable energy) generated by the solar power generation equipment installed on the rooftop of each facility to our commercial facilities and office buildings.

We expect the amount of electricity generated by the T-LOGI series of logistics properties to increase in the future. We will accelerate our efforts to promote a decarbonized society by expanding the areas where we conduct self-consignment and the facilities where we transmit electricity for self-consignment.

**T-LOGI logistics facilities website (Only available in Japanese)**

### Image of Onsite Consumption and Self-Consignment Business



### Switching to Renewable Energy



In our office buildings, commercial buildings, and rental condominiums, we are working to switch to renewable energy. As part of this effort, we use power that has Non-Fossil Fuel Certificates with Tracking. Provided by power companies, these certificates verify the environmental value of electricity generated from solar power or biomass.

### Use of Green Power Certificates



Since May 2016, we have been using the framework of Green Power Certificates to switch to 100% renewable energy sources for the electricity used in our Brilliia brand condominium model rooms. In 2022, we utilized Green Power Certificates for approximately 660,000 kWh of electricity.

### Development of Mega Solar Business



Tokyo Fudosan Kanri has been involved in the mega solar business since 2012. Through this company, we are developing solar power plants mainly in the northern Kanto region. As of the end of December 2022, we had eight plants with a total power generation capacity of approximately 13 MW.

## TOPICS

### Received the Minister of Land, Infrastructure, Transport and Tourism Award, the Achievement Award of the Real Estate Institute of Japan for 2022

The energy self-consignment initiative at our T-LOGI series of logistics properties received the Minister of Land, Infrastructure, Transport and Tourism Award, the highest award from the Real Estate Institute of Japan. The award recognized our efforts to achieve carbon neutrality and the advanced nature of the pilot project that enabled it. The project is expected to achieve carbon neutral real estate in the city center, where there is limited room for renewable energy supply.

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## Promoting a Decarbonized Society

### Promotion of Development of ZEB and ZEH

#### Development and Promotion of ZEB and ZEH

In the Commercial Properties Business, Tokyo Tatemono has been a registered ZEB Leading Owner with the Sustainable open Innovation Initiative (SII) since the year in which that initiative was established. As such, we are committed to helping promote ZEB.

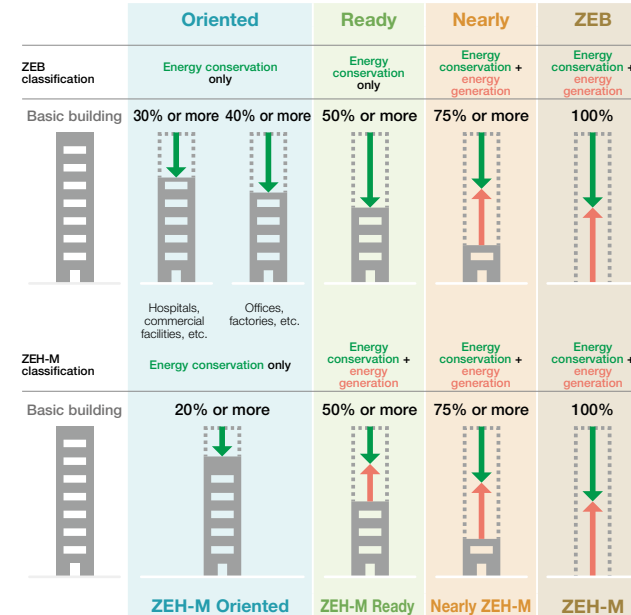
In 2019, following a partial assessment of the office area of the property, Hareza Tower (Toshima-ku, Tokyo; completed in May 2020) became the first high-rise mixed-use building in Japan to be certified as ZEB Ready.

In the Residential Business, Tokyo Tatemono is actively involved in developing ZEH-M (ZEH condominiums), having been among the first to join the ZEH Developer Registration System established in May 2018. In 2018, Brillia Tsurumaki (Setagaya-ku, Tokyo; completed in 2019) became the first building in Tokyo to be selected by the Ministry of Economy, Trade and Industry for the Fiscal 2018 High-rise ZEH Demonstration Project (buildings with 6 to 20 floors of residential use). In 2019, Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE (Tama City, Tokyo; completed in September 2022) became the first building in the Tokyo metropolitan area to be selected for the Ministry of Economy, Trade and Industry's Fiscal 2019 Ultra High-rise ZEH-M Demonstration Project (buildings with 6 to 20 floors of residential use).

As of December 2022, the Commercial Properties Business has achieved ZEB Ready status at two office buildings and ZEB status in seven logistics properties. In the Residential Business, we have achieved ZEH-M Oriented at two for-sale condominium properties.

**Material Issue KPIs and Targets P.11**

**External Evaluation and Certification for Green Building P.33**



### Reduction in Greenhouse Gas Emissions

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

We have set a short-term target of reducing our energy consumption per unit of production by 1% each year on a five-year moving average basis, and are working to conserve energy and reduce our environmental impact.

In our long-term office buildings and for-rent condominiums, we are actively adopting and upgrading energy-saving equipment

and devices. In particular, we are systematically promoting the use of LED lighting in our long-term buildings. As of the end of FY2022, we had already completed or were in the process of converting to LEDs at all of our long-term buildings.

Tokyo Tatemono has been certified as an S-class operator (a business with excellent energy conservation)—the highest level in the business classification evaluation system of the Energy Conservation Law—for eight consecutive years since fiscal 2016, when the system began operating. Going forward, we will continue to work as an S-class operator to further conserve energy.

#### M-NexT Joint Research with Keio University

Since July 2021, Tokyo Tatemono has been engaging in a joint research project, called M-NexT, with Professor Wanglin Yan of the Keio Research Institute at the Shonan Fujisawa campus of Keio University. The project focuses on decarbonized sustainable urban development in the Yaesu, Nihonbashi, and Kyobashi areas of central Tokyo. The project name is a reference to the M-NEX platform developed by Professor Yan.

The project applied the M-NEX platform to Tokyo Square Garden (Chuo-ku, Tokyo; completed in 2013), which incorporates a range of environmental technologies. By comparing data from before and after the development, it examined various environmental initiatives in the building, including energy conservation and energy generation.

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

#### M-NEX

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Social implementation of technology



Promoting a decarbonized society

## Promoting a Decarbonized Society

### Promotion of Use of Wood Materials



Tokyo Tatemono believes in the importance of using wood appropriately as a construction material. Wood not only absorbs CO<sub>2</sub> and stores (fixes) carbon, it also requires less energy than steel and reinforced concrete during manufacturing, processing, and construction, which helps curb CO<sub>2</sub> emissions. It is also a recyclable resource that can be reused as building materials after buildings are demolished. This helps to address our material issues of promoting a recycling-based and decarbonized society.

Having set targets for promoting the use of wood materials, we are advancing the use of domestic and certified wood materials for interiors and furnishings of common areas in our new long-term office buildings and for-sale and for-rent condominiums.

### Introduction of Internal Carbon Pricing System

Tokyo Tatemono has begun introducing internal carbon pricing. This works by converting CO<sub>2</sub> emissions into monetary values to visualize the impact of climate change on the Group's operations and the effects of energy-saving measures and the introduction of renewable energy. The purpose is to forecast the additional costs of introducing a carbon pricing system in Japan in the future and to accelerate efforts to promote a decarbonized society.

## Collaboration and Co-creation with Customers

### Communicating with Tenants/Occupants



Based on KPIs and targets for collaboration and co-creation with customers, we are actively engaged in sustainability-related communication with tenants in our long-term buildings and with residents of our for-sale condominiums and for-rent condominiums.

In the Commercial Properties Business, we hold an SDGs Promotion Council in cooperation with tenants every year. This project shares information on and discusses general sustainability issues such as energy-saving measures, the use of renewable electricity, and waste separation and recycling. We explain our energy-saving activities and GHG emissions reduction targets, and introduce tenants' energy-saving efforts, as we strive to enhance the energy-saving activities of both our company and tenants.

### Introduction of Green Lease Provisions



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

The percentage of our long-term buildings that have green lease clauses was approximately 17% at the end of fiscal 2021 and approximately 56% at the end of fiscal 2022. One example is an agreement in which LED lighting was incorporated in exclusive areas and both Tokyo Tatemono and the tenant benefit from the effect of lower electricity fees from the resulting electricity conservation.

### Providing a Visual Display of Energy Consumption



In light of growing tenant sensitivity toward energy conservation, we adopted an electricity visualization system at Tokyo Tatemono Yaesu Building (Chuo-ku, Tokyo; completed November 2011). The new system displays graphs of daily, monthly, and annual electricity consumption and year-on-year comparisons. It also allows tenants to browse through the graphs.

At Shijo-Karasuma FT Square (Kyoto City, Kyoto; completed

March 1998), in conjunction with the replacement of the central monitoring system in fiscal 2019, monitors were installed on the first basement floor and first floor that display the amount of each utility (electricity, gas, and water) being used in the building each day.

Visually displaying energy consumption in this way enables tenants, the building management company and Tokyo Tatemono to work together as a team to increase environmental awareness.

## TOPICS

### Received the Minister of Economy, Trade and Industry Award at the 2022 Energy Conservation Awards

Tokyo Tatemono received the Minister of Economy, Trade and Industry Award (ZEB/ZEH field), the highest award in the energy conservation case study category of the 2022 Energy Conservation Grand Awards, for our various initiatives to realize ZEB at Hareza Tower. The award recognized a number of features as advanced and operational innovations that could provide a reference for promoting ZEB. These included the development and adoption of grid-type air conditioners and grid-type humidifiers, variable temperature control of air conditioner refrigerant using sensing data, and illumination intensity of 500 lx in office rental rooms.



# External Evaluation and Certification for Green Building

## Policy and Concept

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

We have identified promoting a decarbonized society as a material issue for the Group. To address this issue through our business operations, we have established a KPI and target of, in principle, acquiring green building certification\* for all newly constructed office buildings, logistics properties, and for-rent condominiums. We also have a policy of acquiring environmental certification as far as possible for existing office buildings and for-rent condominiums.

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

**ESG-related KPIs and targets; progress P.10**

## Highest Ranking in ESG Benchmark GRESB

In the GRESB\*1 Real Estate Evaluation, a benchmark that evaluates ESG initiatives in the real estate industry, Tokyo Tatemono is the only real estate developer in Japan to receive the highest rating of 5 stars for six consecutive years in the Standing Investments Benchmark, which evaluates real estate management portfolios.

In fiscal 2022, we were selected for the first time as a Sector Leader\*2 in the Listed/Asia/Diversified sector.

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

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



GRESB  
★★★★★ 2022



GRESB  
REAL ESTATE  
sector leader 2022

## Acquisition of DBJ Green Building Certification

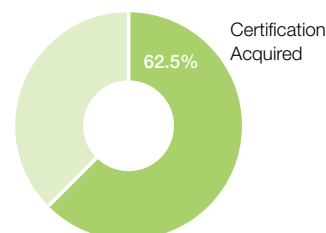
DBJ Green Building Certification\* is a system established by the Development Bank of Japan Inc. to evaluate and certify real estate projects that are needed by society and the economy. The certification is based on a comprehensive evaluation that includes not only the environmental performance of the real estate but also its response to various stakeholders, including disaster prevention and consideration for community. The sustainability of the real estate is evaluated from five perspectives: the environmental performance of the building, tenant comfort, crisis preparedness, diversity and consideration of the surrounding environment, and collaboration with stakeholders. Initiatives are awarded a rank between one and five stars.

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

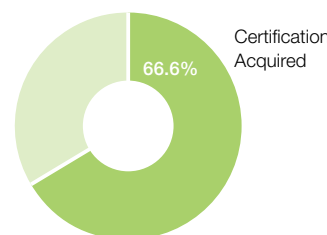
\* Evaluation by rank—Five Stars (top 10%): Building with the top class environmental and social awareness in Japan; Four Stars (top 30%): Building with exceptionally high environmental and social awareness; Three Stars (top 60%): Building with excellent environmental and social awareness; Two Stars (top 85%): Building with high environmental and social awareness; One Star (top 100%): Building with satisfactory environmental and social awareness

## Acquisition Rate of Green Building Certification\* (as of December 31, 2022)

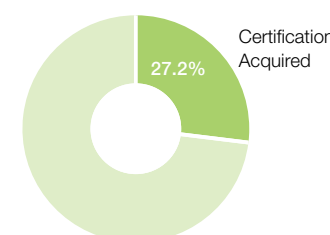
- Acquisition Rate of Certification for All Properties Owned and Managed by Tokyo Tatemono



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



- Acquisition Rate of Certifications per Leasable Area of Residential Buildings



(Data) Acquisition Rate of Green Building Certification P.88



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Properties with Green Building Certification (as of December 31, 2022)

DBJ Green Building Certification	
★★★★★	Hareza Tower Otemachi Tower Tokyo Square Garden Nakano Central Park South SMARK Isesaki Brillia ist Tower Kachidoki Brillia ist Nakano Central Park
★★★★	Tokyo Tatemono Nihonbashi Building Tokyo Tatemono Yaesu Building Osaki Center Building Empire Building Tokyo Tatemono Sendai Building Shinjuku Center Building Tokyo Tatemono Shijo-Karasuma Building EAST
★★★	Yokohama First Building Nihonbashi TI Building Shijo-Karasuma FT Square Tokyo Tatemono Umeda Building Brillia ist Machiya Brillia ist Shibuya Honmachi Brillia ist Ueno Brillia ist Akabane

BELS*1	
★★★★★	Hareza Tower (Office Section) Tokyo Tatemono Shijo-Karasuma Building EAST T-LOGI Yokohama-Aoba T-LOGI Narashino T-LOGI Fukuoka T-LOGI Narashino II T-LOGI Ayase T-LOGI Kazo Brillia Tsurumaki Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE
★★★★	Shijo-Karasuma FT Square (Office Space)
★★★	Otemachi Tower
★★	Empire Building

ZEB/ZEH*2	
ZEB	T-LOGI Yokohama-Aoba T-LOGI Narashino T-LOGI Fukuoka T-LOGI Narashino II T-LOGI Ayase T-LOGI Kazo
ZEB Ready	Hareza Tower (Office Section) Tokyo Tatemono Shijo-Karasuma Building EAST
ZEH-M Oriented	Brillia Tsurumaki Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE

CASBEE*3 Building (New)	
S rank	Hareza Tower Tokyo Tatemono Shijo-Karasuma Building EAST T-LOGI Ayase
A rank	T-LOGI Yokohama-Aoba (CASBEE Yokohama) T-LOGI Narashino T-LOGI Narashino II T-LOGI Ayase

CASBEE*3 Real Estate	
S rank	Nagoya Prime Central Tower

CASBEE*3 Wellness Office	
S rank	Tokyo Tatemono Yaesu Building Tokyo Tatemono Shijo-Karasuma Building EAST

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

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

\*1 BELS (Building-housing Energy-efficiency Labeling System) is a guideline established by the Ministry of Land, Infrastructure, Transport and Tourism to accurately evaluate and display the energy saving performance of nonresidential buildings.

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

ZEH (-M) (Net Zero Energy House (-M)) is a house that is designed to achieve a net-zero balance of annual primary energy consumption.

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

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

\*5 SEGES Certification is the Social and Environmental Green Evaluation System

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# Water Resources

## Policy and Concept

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

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

In the Commercial Properties Business, we have set a management plan for water use that applies in principle to all properties owned by Tokyo Tatemono. The amount of water used is monitored monthly for each property. If there is a large increase or decrease compared to the amount used in the same month of the previous year, we check the reason for the increase or decrease. This helps to ensure appropriate water use in the future.

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

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

**ESG-related KPIs and Targets; Progress P.10**

**Environmental Management P.21**

**(Data) Water Resources: Indicators and Results P.86**

## Effective Use of Water Resources

### Reducing Water Usage



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

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

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

### Promoting Water Recycling



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

## Other Water Resources Initiatives

### Conducting Water Stress and Water Risk Assessments

Using Aqueduct, an assessment tool developed by the World Resources Institute (WRI), as of December 31, 2022, we had conducted water stress and water risk assessments for all properties developed and operated by the Group in Japan and overseas. No properties in Japan were located in areas rated “High” or higher, and therefore no water was withdrawn or used in high-risk areas. Certain overseas properties are located in areas with a “High” rating. We will continue regular monitoring in the future.

### Responding to Laws and Regulations on Water Use



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

There were no violations of water use-related laws or regulations (such as those governing water quality and quantity) in FY2022.

## Collaborating with External Parties on the Effective Use of Water Resources

We are also working with industry associations to promote the effective use of water resources.

Tokyo Tatemono is a member of the Environmental Committee of the Real Estate Companies Association of Japan. In addition, the Committee's Real Estate Industry Environmental Action Plan, includes specific action goals, such as introducing high-efficiency water-saving fixtures, automatic faucets, and automatic flushing devices.

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# Promoting a Recycling-oriented Society

## Policy and Concept

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

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. We have also identified promoting a recycling-oriented society as a material issue for the Group. To address this issue through our business operations, we have set KPIs and targets relating to waste emissions from our long-term buildings.\* We have set targets for fiscal 2030 of reducing waste emissions by 20% compared to fiscal 2019, and achieving a waste recycling rate of 90%. We are carrying out measures aimed at achieving these targets.

The Group recognizes that we must work to prevent pollution of the air, soil, and water and to use natural resources effectively. We strive to achieve this throughout the entire life cycle of each building, from planning and design to construction, operation and management, as well as demolition. Through these efforts, we are working to reduce our environmental impact.

In the development of buildings, we carry out our planning and design and formulation of construction plans in a way that considers environmental and life-cycle assessments. In operation and management, we strive to reduce waste while curbing and properly managing hazardous substances. In this way, at each of the stages of operation, management, and demolition,

we work to prevent air, soil, and water pollution and to use natural resources effectively.

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

### Environmental Management P.21

### (Data) Waste Emissions and Recycling Amount / Recycling Rate P.87

## Waste Reduction Initiatives

The Group carries out a range of initiatives such as promoting the 3Rs (Reduce, Reuse, and Recycle), aimed at reducing waste. We collaborate and co-create not only within the Group, but also with tenants of the office buildings owned and operated by Tokyo Tatemono as well as residents of the condominiums we sell and rent.

### Introduction of a Centralized Waste Management System



To properly and accurately manage and understand waste, we introduced a centralized waste management system using electronic manifests at the office buildings owned and operated by Tokyo Tatemono.

### Collaborating and Co-creating with Customers



At the office buildings owned and operated by Tokyo Tatemono, we hold regular Waste Committee meetings in cooperation with our tenants to promote the 3Rs (Reduce, Reuse, Recycle) through resource saving and waste reduction, garbage sorting

games, and explanations from the government on the topic of waste. We also hold regular SDGs promotion meetings for tenants, which also take up the theme of garbage separation.

In the condominiums we sell, we are working on installing a facility called "GOMMY" that is designed to be a garbage disposal and management area that people will enjoy using. Using bright interior colors and pictorial signs, we created a friendly design for the garbage disposal area. In this way, we are encouraging residents to take a greater interest in waste while also promoting thorough separation and reduction of waste.

### Using Reusable Bottles to Eliminate the Use of Paper Cups



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

Tokyo Tatemono conducted a demonstration experiment aimed at reducing waste by encouraging employees to bring their own reusable bottles to work as a means to eliminating the use of paper cups. The project involved approximately 300 of our employees who work on the 7th floor of the Tokyo Tatemono Yaesu Building (Chuo-ku, Tokyo; completed in November 2011).

As a result of the demonstration experiment from April to May 2022, we succeeded in reducing our paper cup waste by around 50 kg (equivalent to 300 kg per year on an annualized basis). We are currently extending the use of personal reusable bottles to all employees working at the head office and branches, which we expect will reduce paper cup waste by around 860 kg per year at the head office.



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## Promoting a Recycling-oriented Society

### Recycling Waste Materials



At the office buildings we own and manage, we are promoting initiatives to reduce waste by using the waste generated as a resource. We are also working to incorporate various approaches by conducting demonstration experiments and pilot installations.

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

At Shinjuku Center Building (Shinjuku-ku, Tokyo; completed October 1979), we conducted a trial to demonstrate the conversion of organic waste generated and incinerated at the office building into fuel.

We introduced a trial initiative at Otemachi Tower (Chiyoda-ku, Tokyo; completed April 2014) that collects unsold and uneaten leftovers generated by restaurant tenants. The food waste is then fermented and decomposed into compost at the recycling center instead of being disposed of as waste.

Tokyo Square Garden (Chuo-ku Tokyo; completed March 2013) conducted a demonstration experiment in which PET bottles and other plastic waste from tenants' offices was sorted and processed into pellets for use as a raw material for new plastic office supplies.

### Valuable Recycling of Waste



Tokyo Fudosan Kanri, which carries out office building management and interior work, recycles construction industrial waste as valuable materials\*. These materials, which are mostly made of metal, are used in move-in construction, restoration construction, and equipment restoration. They include steel partitions, OA floors, fluorescent lamps, air conditioners, electric wiring, cables, piping, and ventilation ducts. The company sells a portion of these waste materials to recyclers as valuable goods, sorting and separating products for reuse.

\* "Valuable materials" refers to items with a net value of ¥1 or more after subtracting the cost of recycling from the sales price of the item. These materials include air conditioners, steel products, etc.

## Control and proper management of hazardous substances

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

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

### Measures Against Volatile Organic Compounds (VOC)

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

### Measures Against Asbestos

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

### Proper Processing of Fluorocarbons

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

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

### Proper Processing of Polychlorinated Biphenyls (PCBs)

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

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# Biodiversity

## Policy and Concept

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

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

We have put in place environmental guidelines for all properties we develop and operate in the Commercial Properties Business, and for all properties we develop under our own brand name “Brillia” in the Residential Business. Both sets of guidelines establish policies for greening buildings and sites, using greening to mitigate the heat island effect, preserving biodiversity and ecosystems including links to the surrounding greenery, and using greenery for communication with tenants and residents as well as the surrounding area. Both sets of guidelines also put in place policies of obtaining third-party

certifications such as ABINC certification\*<sup>1</sup> and SEGES\*<sup>2</sup> for properties where it is possible to implement initiatives of a certain scale.

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

\*<sup>1</sup> A system for evaluating and certifying biodiversity conservation efforts in the use of land for office buildings and residential buildings. It is based on the Certification Guidelines and Land Use Score Card, evaluation standards created by the Japan Business Initiative for Biodiversity-developed Association for Business Innovation in harmony with Nature and Community®.

\*<sup>2</sup> An evaluation system for green spaces that contribute to society and the environment by the Urban Greenery Research Institute, which visualizes the social and environmental value of green spaces.

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### Environmental Management P.21

## Conserving Biodiversity and Ecosystems

### New Initiatives to Restore Urban Nature



The Otemachi Forest in Otemachi Tower (Chiyoda-ku, Tokyo;

completed in April 2014) is a genuine forest that covers about one-third of the entire site (about 3,600m<sup>2</sup>). In the development of this property, we secured an experimental pre-forest facility of woodland covering 1,300m<sup>2</sup> in Kimitsu City, Chiba Prefecture. Over a three-year period, construction methods, plant growth, and appropriate management methods were verified in the same kind of growth environment as the planned site. After the soil and plants had been cultivated in Kimitsu, they were transplanted to the building site, creating an area that feels just like a real forest.

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

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

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



ABINC certification



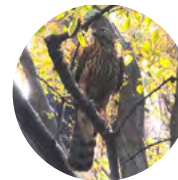
SEGES “Creating Green”



Urban Oasis



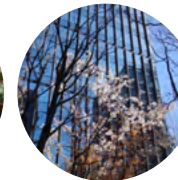
Pieris melete



Hawk



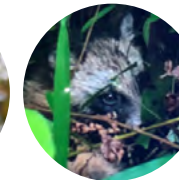
Dogtooth violet



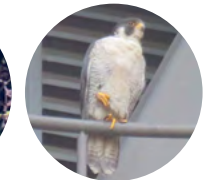
Mountain cherry blossom tree



Japanese camellia and warbling white-eye



Raccoon dog



Falcon

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## Biodiversity

the surrounding green spaces. Several bird species have already taken root and migratory birds have been confirmed. Around 130 species of insects have been found, among them many dragonflies which appear to have flown in from the Imperial Palace.

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

In addition, in FY2022 the Ministry of the Environment carried out a certification trial program for nature symbiosis sites\*<sup>1</sup>, OECM sites\*<sup>2</sup> that contribute to achieving the 30 by 30\*<sup>3</sup> goal. In the results of the trial, Otemachi Forest was selected as “equivalent to certified.”

\*<sup>1</sup> One of Japan's 30 by 30 initiatives based on the “G7 2030 Nature Pact” agreed at the G7 Summit in June 2021. The Ministry of the Environment certifies areas where biodiversity conservation is being promoted through private-sector initiatives, etc. In FY2022, this system was tested and examined in a certification demonstration project, and official certification began in FY2023.

\*<sup>2</sup> OECM (Other Effective area-based Conservation Measure) sites: Areas other than protected areas that contribute to biodiversity preservation.

\*<sup>3</sup> A goal that seeks to effectively conserve at least 30% of the land and sea as healthy ecosystems by 2030 toward the goal of halting biodiversity loss and restoring biodiversity by 2030 (nature positive).

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



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

Tokyo Square Garden (Chuo-ku, Tokyo; completed in March 2013) is a new environmentally friendly building complex that features a 3,000m<sup>2</sup> multi-story green space called Kyobashi-no-oka, along with solar power generation and high-efficiency heat source equipment. As a result of Kyobashi-no-oka, Tokyo Square Garden has received ABINC certification for the use of land with consideration to biodiversity as well as SEGES (Social and Environmental Green Evaluation System) certification as an urban oasis.

This initiative is not limited to our Commercial Properties Business; we are also actively working on advancing it in our

Residential Business. Based on the concept of creating a forest in front of the station, Brillia Towers Meguro (Shinagawa-ku, Tokyo), completed in December 2017, features a forested space on the property, with approximately 900 trees planted and a dredged waterway. In cooperation with the nearby Nature Study of the National Museum of Nature and Science, we aim to contribute to the preservation and growth of the local ecosystem.

Brillia City Nishi-Waseda (Toshima-ku and Shinjuku-ku, Tokyo), completed in May 2022, has an “interior forest” covering approximately 680m<sup>2</sup> on its site, based on the concept of “living



Tokyo Square Garden Kyobashi-no-oka



Brillia City Nishi-Waseda Inner Forest

with a forest inside the Yamanote Line” (the circular rail line around central Tokyo). A total of 64 medium-height and tall trees were planted. Of these, 30 out of the 39 species used are native species selected based on surveys of plant and animal ecology conducted by Toshima Ward. In this way, we aimed to grow a forest that is in harmony with the local natural environment.

## Other Initiatives Related to Biodiversity and Ecosystems

### Status of Implementation of Risk Assessment for Biodiversity and Ecosystems

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

### Collaboration with External Parties on Biodiversity and Ecosystems

We work to conserve biodiversity and ecosystems by cooperating with initiatives and industry associations. We are a member of the Keidanren Council for Nature Conservation, established by the Japan Business Federation (Keidanren), and a participant in the Keidanren Biodiversity Declaration Initiative, established by Keidanren and the Council. In 2022, we also joined the “30 by 30 Alliance for Biodiversity” established by Keidanren and other organizations.

We are also a member of the Environmental Committee of The Real Estate Companies Association of Japan. The Real Estate Industry Environmental Action Plan formulated by the committee in 2013 lists conserving the natural environment and biodiversity as one of its environmental action goals.

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# Sustainability Finance

## Policy and Concept

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

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

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

## Sustainability Finance Framework

Tokyo Tatemono has put in place several finance frameworks to guide its financing. These frameworks apply the four requirements defined in the Green Bond Principles, Social Bond Principles, Green Loan Principles, and Social Loan Principles referred to by the International Capital Markets Association: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting.

### Use of Proceeds

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

### Process for Project Evaluation and Selection

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

### Management of Proceeds

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

### Reporting

- We publish the allocation status of proceeds in our Sustainability Report and disclose it on our website once a year until all proceeds classified for allocation reporting are fully allocated.
- We report the allocation status of proceeds on our website once a year until all proceeds classified for allocation reporting are fully allocated.

## Achievements in Sustainability Finance

### Issuance of Green Bonds

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

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

### Issuance of Sustainability Bonds

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

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

In February 2021, we issued our second sustainability bond, worth a total of 40 billion yen. By successfully presenting our credit situation and sustainability measures, we received a positive assessment from a wide range of investors. As a result, demand for the bond exceeded the issuance amount by a wide margin. We received 47 investment proposals, the largest number ever received by Tokyo Tatemono.







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Overview of Green Bonds and Sustainability Bonds

Name	2nd Series Subordinated Bonds (Green Bond)	31st and 32nd Unsecured Corporate Bonds (Sustainability Bonds)	3rd Series Subordinated Bonds (Sustainability Bond)	33rd Unsecured Corporate Bond (Sustainability Bond)
Issue date	March 15, 2019	July 16, 2020	February 10, 2021	July 30, 2021
Redemption date	March 15, 2059	July 16, 2025 (31st), July 16, 2030 (32nd)	February 10, 2061	July 28, 2028
Issue amount	50 billion yen	20 billion yen (31st issue, 32nd issue)	40 billion yen	Issue amount 10 billion yen
Framework eligibility criteria	<div><b>Green Project</b></div> <p>Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (3) below.</p> <ul style="list-style-type: none"><li>(1) 4 or 5 stars in the DBJ Green Building Certification</li><li>(2) A or S rank in the CASBEE building assessment (new buildings)</li><li>(3) 4 or 5 stars in the BELS Evaluation Certification</li></ul>	<div><b>Green Project</b></div> <p>Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (3) below.</p> <ul style="list-style-type: none"><li>(1) 4 or 5 stars in the DBJ Green Building Certification</li><li>(2) A or S rank in the CASBEE building assessment (new buildings)</li><li>(3) 4 or 5 stars in the BELS Evaluation Certification</li></ul> <div><b>Social project</b></div> <p>Projects that contribute to any of the following (1) to (3)</p> <ul style="list-style-type: none"><li>(1) Basic infrastructure development and access to essential services</li><li>(2) Socioeconomic improvement and empowerment</li><li>(3) Food safety</li></ul>	<div><b>Green Project</b></div> <p>Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (4) below.</p> <ul style="list-style-type: none"><li>(1) 4 or 5 stars in the DBJ Green Building Certification</li><li>(2) A or S rank in the CASBEE building assessment (new buildings)</li><li>(3) 4 or 5 stars in the BELS Evaluation Certification</li><li>(4) ZEB certification: ZEB, Nearly ZEB, ZEB Ready or ZEB Oriented</li></ul> <div><b>Social project</b></div> <p>Projects that contribute to any of the following (1) to (2)</p> <ul style="list-style-type: none"><li>(1) Access to essential services</li><li>(2) Socioeconomic improvement and empowerment</li></ul>	
Use of proceeds	Funding for acquisition, construction and refinancing of Hareza Tower Refinancing of the acquisition and construction of Nakano Central Park South	Urban development of the Yaesu/Nihonbashi/Kyobashi area next to Tokyo station, as a contribution to solving social issues <ul style="list-style-type: none"><li>(1) Yaesu 1-chome East District Urban Redevelopment Project in front of Tokyo Station (Yaesu Project)</li><li>(2) Yaesu 1-chome North District Urban Redevelopment Project (Gofukubashi Project)</li><li>(3) Tokyo Square Garden</li><li>(4) Tokyo Tatemono Nihonbashi Building</li><li>(5) City Lab TOKYO</li><li>(6) TOKYO FOOD LAB</li><li>(7) xBridge-Tokyo / xBridge-Tokyo Next</li><li>(8) Kitchen Studio SUIBA</li><li>(9) TOKYO IDEA EXCHANGE</li></ul>		Urban development that creates value of place and value of experience by meeting the diverse needs of customers and society, etc. <ul style="list-style-type: none"><li>(1) Hareza Tower</li><li>(2) Nakano Central Park South</li><li>(3) Brilliast Tower Kachidoki</li><li>(4) Nonaooyama Building (residences for the elderly, daycare facilities)</li></ul>
External evaluation	Green 1 (JCR)	SU1 (F) (JCR)		
Reporting	<u>Reporting on Green Bonds P.94</u>	<u>Reporting on Sustainability Bonds (1st round) P. 94</u>	<u>Reporting on Sustainability Bonds (2nd round) P. 95</u>	<u>Reporting on Sustainability Bonds for Retail Investors P.95</u>



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Issuance of a Sustainability Bond for Retail Investors

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

In issuing this sustainability bond, we newly established a financing framework based on our material issues, which we updated in June 2021. Our new framework is urban

development that aims to create value of place and value of experience by meeting the diverse needs of customers and society. As well as large-scale office buildings with excellent environmental performance, we have newly selected childcare support and housing projects for the elderly as eligible projects.

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

Green Loan Financing

We are steadily raising funds through green loans in accordance with a new financing framework established in June 2022.

Green Loan Overview

Name	1st Green Loan		2nd Green Loan	3rd Green Loan
Borrowing date	June 28, 2022		December 23, 2022	December 23, 2022
Repayment date	June 28, 2032		December 28, 2029	December 23, 2032
Loan amount	10 billion yen		Billion yen	10 billion yen
Framework eligibility criteria	<div><b>Green Project</b></div> <div>Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (5) below.</div> <div>(1) 3, 4 or 5 stars in the DBJ Green Building Certification</div> <div>(2) A or S rank in the CASBEE building assessment (new buildings)</div> <div>(3) 4 or 5 stars in the BELS Evaluation Certification</div> <div>(4) ZEB certification: ZEB, Nearly ZEB, ZEB Ready or ZEB Oriented</div> <div>(5) ZEH Certification: ZEH-M, Nearly ZEH-M, ZEH-M Ready or ZEH-M Oriented</div>			
Use of proceeds	(1) Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg. (2) Refinancing the acquisition and construction of T-LOGI Narashino; Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.		Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.	Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.
External evaluation	Green1(F) (JCR)			
Reporting	<u>Reporting on Green Loan P.96</u>			

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Wellbeing



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Promoting a decarbonized society

# Responding to Natural Disasters

## Policy and Concept

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

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

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

## Developing Real Estate that is Resilient Against Natural Disasters

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

### Securing a Power Supply in Emergencies



The Tokyo Tatemono Nihonbashi Building (Chuo-ku, Tokyo; completed in February 2015) has a seismic isolation structure (first basement floor: column-head seismic isolation) to ensure high earthquake resistance. The building also features counter-measures against guerrilla rains and the Arakawa River flooding its banks. The disaster prevention center, its central function, is located on the second floor, with transformer equipment and an emergency generator installed on the roof. The emergency generator can operate for 72 hours, supplying 15 VA/m<sup>2</sup> of power in the event of a power failure. This enables an uninterrupted power supply and continuous operation in the event of an earthquake or flooding.

### Installation of Emergency Generator for Power Supply to Office Spaces



The Great East Japan Earthquake heightened demand for emergency power supplies in office buildings as a business continuity planning (BCP) measure for disasters.

In new buildings under development, emergency power is supplied not only to common areas but also to tenant office spaces. At Tokyo Square Garden (Chuo-ku, Tokyo; completed March 2013), emergency power was initially supplied only to the common areas. But after considering the disaster preparedness needs of tenants, we installed a generator to supply power to tenant office spaces as well. The system now in place has the capacity to supply 15VA/m<sup>2</sup> for up to 72 hours (for a fee), which also supports tenants' BCP for power outages.



Emergency generator

### Reducing Vibrations Caused by Strong Wind and Earthquakes



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

\* HiDAX-R® is a patented technology of Kajima Corporation.

### Tsunami Evacuation Facilities on the Rooftop of a For-sale Condominium



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



Brillia Shonan Tsujido Seaside Park



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## Preparing for Natural Disasters

### Strengthening Disaster Preparedness throughout our Businesses



In the Commercial Properties business, at buildings owned and managed by Tokyo Tatemono, we implement “hard” measures for disaster response, such as maintaining or enhancing seismic resistance and installing emergency power sources. We also implement “soft” measures, such as installing batteries for recharging mobile phones and distributing stockpile goods. We are working to enhance these disaster prevention policies, support for BCP, and other measures.

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

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

In the Residential Business, our Brillia brand of for-sale condominiums offers disaster prevention measures unique to each property, as part of an emphasis on providing peace of mind from day one. These measures are divided into three phases: normal, disaster, and post-disaster.

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

### Three Phase Disaster Prevention (Triple Safety)

#### Phase 1: Prepare (Normal Times)

- Holding disaster prevention briefings for residents
- Lifesaving training for management staff
- Creating original disaster prevention manual

#### Phase 2: Protect (In the Event of a Disaster)

- Installing elevators with earthquake countermeasure functions
- Installing studs to prevent falling furniture
- Installing of automated external defibrillator (AED) units

#### Phase 3: Preserve (After a Disaster)

- Providing original Brillia disaster prevention backpacks as standard equipment for all units
- Storing emergency supplies in common areas
- Installing disaster prevention cabinets in elevators

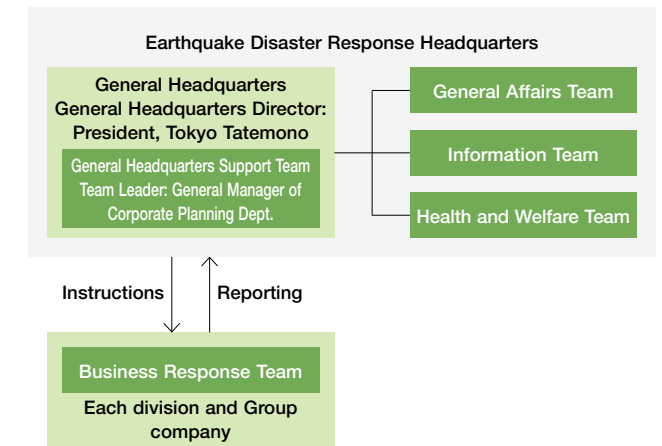
### Preparing for Natural Disasters with Fire Brigade Training, Disaster Drills, and First-Aid Courses

As part of our soft measures for disaster prevention, the Tokyo Tatemono Group hosts fire-fighting and other training and courses to enhance the ability of our employees to respond to disasters.

The Tokyo Tatemono Group has established a basic policy for earthquake response, called the Basic Plan for Earthquake Measures. We have prepared manuals for initial response, stockpiling, and employee safety confirmation. Each October, group companies conduct joint drills on earthquake response measures to confirm chain of command, division of responsibilities, information gathering and communications, and employee safety confirmation.

In 2022, we conducted a training exercise that envisaged the immediate aftermath of an earthquake. In the training, our disaster information sharing tool was to report from each

### Earthquake Disaster Response Headquarters Organization Chart





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disaster countermeasures headquarters and each operational task force to the disaster countermeasures general headquarters. We also held workshop exercises through which each disaster countermeasures headquarters and each operational task force considered how to respond to hypothetical scenarios in the event of a disaster.

We conduct fire brigade training once or twice yearly to strengthen our voluntary disaster prevention systems. In this training, participants follow the instructions from members of the local fire brigade as they engage in several hands-on exercises for earthquake and fire response. These exercises include initial response, first-line fire-fighting, rescue and lifesaving, transporting injured persons and evacuation drills.

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

In addition, as of the end of December 2022, 234 Tokyo Tatemono employees and 616 Tokyo Fudosan Kanri employees have completed the lifesaving course, which includes first aid. Tokyo Tatemono has received a certificate of excellence from the Tokyo Fire Department, in recognition for promoting first aid training among its employees.



Self-Defense Fire-Fighting Drill Review Board

### Support for Stranded Commuters During Disasters

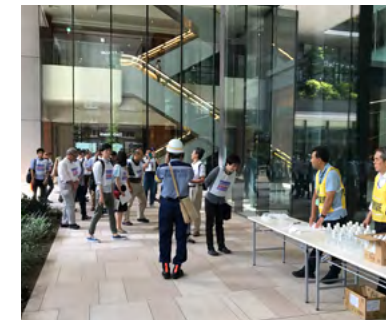


When major earthquakes or other disasters occur, public transportation functions may halt, stranding commuters. At the large-scale office buildings managed by the Tokyo Tatemono Group, we have prepared support mechanisms for tenants.

We have entered into agreements with local municipalities and developed systems, structures, and resource stockpiles in anticipation of scenarios in which stranded commuters require housing.



Tokyo Square Garden



Training for accommodating stranded commuters at Tokyo Square Garden

### Emergency Bath Facilities



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

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

### Facilities with capacity for receiving stranded commuters

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

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Respect for Human Rights

Policy and Concept

Recognizing that all persons engaged in Group business should adhere to the UN's Guiding Principles on Business and Human Rights, we established the Tokyo Tatemono Group Human Rights Policy to guide our initiatives related to the human rights of employees and other stakeholders. By publishing this policy on our website and through other media, we communicate to our business partners and all other stakeholders our expectation that they will comply with the policy and promote initiatives to respect human rights. We also request our business partners to understand and adhere to the policy as well as address any issues they may have, as needed. Furthermore, based on the policy, we conduct human rights due diligence and also work to identify, mitigate, correct, and remedy any human rights issues in our business.

- Human Rights Policy
- Sustainable Procurement Standards
- Initiatives and External Evaluation for Sustainability P.14

System

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

In addition, to identify issues and risks related to human rights, the Sustainability Committee, a meeting body directly under the President, discusses and shares information on actions to address these areas under the supervision of the Board of Directors.

In January 2023, the Group established a Human Rights Subcommittee, chaired by the director in charge of human resources, as a subordinate organization of the Sustainability Committee. The subcommittee promotes group-wide activities for respecting human rights while engaging in human rights due diligence and other activities. It has implemented training and awareness-raising activities in line with human rights priorities. To further expand human rights assessments when engaging in new overseas businesses, the subcommittee continues to work

with related business divisions to consider and discuss the issues involved.

ESG Management Framework P.10

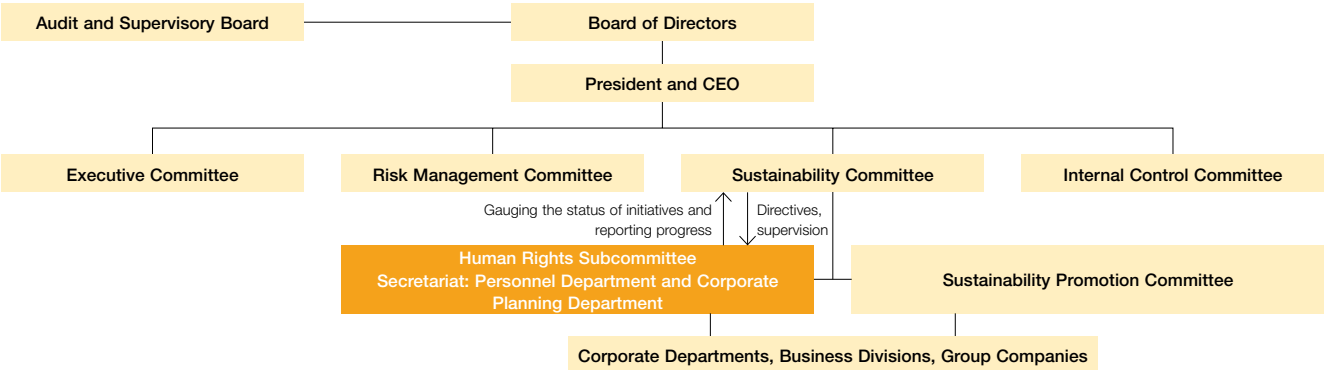
International Norms the Group Supports and Respects

- Universal Declaration of Human Rights in the International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work and other international labor standards
- Guiding Principles on Business and Human Rights

Compacts Tokyo Tatemono Has Signed and Endorsed in which the Group Participates

- Protection of human rights, elimination of unfair labor practices, response to the environment, and prevention of corruption under the UN Global Compact (UNGC)

Human Rights Organization Chart



Human Rights Risk Assessment

	Major human rights risks related to our businesses, categorized by stakeholder
Workers at Tokyo Tatemono, Group companies	Health and safety, earthquakes and pandemics, discrimination and harassment, long working hours, working conditions and working environment, etc.
Workers at suppliers	Forced labor, child labor, health and safety, industrial accidents, discrimination and harassment, long working hours, working conditions and working environment, etc.
Customers	Safety of products and services, human rights violations related to products and services, confidential information and privacy, etc.
Local communities, indigenous peoples	General impact on local communities, such as forced migration, local rights, and bribery and corruption.

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Contributing to a safe and secure society



Diversity & Inclusion



Advancement of governance



Strengthen risk management framework

# Respect for Human Rights

## Initiatives for Human Rights Due Diligence

The Tokyo Tatemono Group is committed to establishing a human rights due diligence in accordance with the Tokyo Tatemono Group Human Rights Policy.

This policy received the support and advice of external human rights experts from the planning stage at the secretariat. In formulating the policy, we held a workshop attended by representatives of all 21 Group companies subject to it. Guided by expert facilitators, they exchanged opinions and discussed the categorization of human rights issues and risk assessments of the Group. After being discussed by the Sustainability Committee, the policy was formulated in May 2021.

Based on discussions at the workshop and advice from external advisors regarding the Group's priority human rights issues, and following consideration by the secretariat and discussion by the Sustainability Committee, we identified and disclosed the priority issues in May 2022.

Based on the priority issues identified, we continue seeking

to gauge various human rights issues, which differ between business field and country or region, taking appropriate action should we identify any problems. At the same time, we are reinforcing our human rights initiatives while seeking advice from external experts regarding disclosure about the status of our efforts.

### Human Rights Priority Issues

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

## Initiatives to Mitigate Risks Related to Human Rights Priority Issues

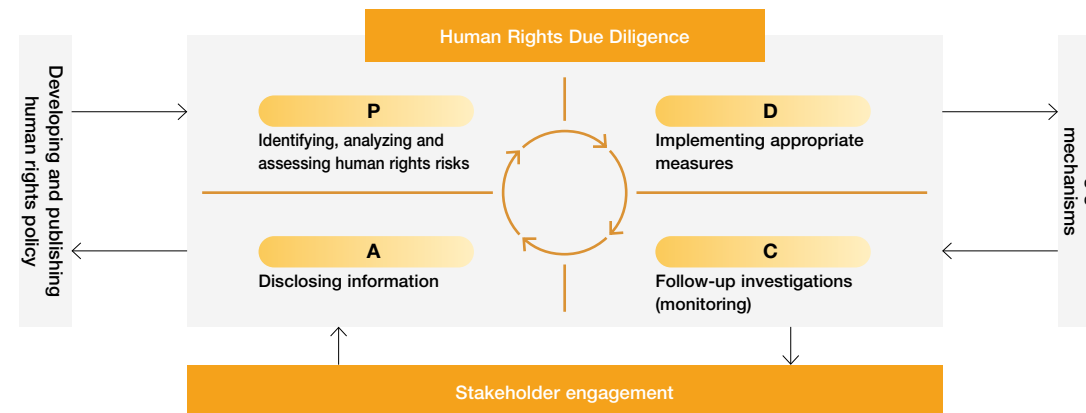
### Forced Labor, Child Labor

The Tokyo Tatemono Group prohibits forced labor and child labor. Accordingly, we request that suppliers make efforts to respect human rights, including the prevention of forced labor and child labor. This request is set forth in our Sustainable Procurement Standards, of which the Group's major suppliers have already been notified. Going forward, we will continue to ascertain the status of efforts by our suppliers to address these requests, and work toward improvement if we identify any issues.

### Impact on Local Communities

In the course of doing business, the Tokyo Tatemono Group complies with the laws and regulations of the countries and regions in which it operates (including local and international laws of each country), to avoid having an unwanted impact on local communities. In the event that a conflict arises between internationally recognized human rights standards and the laws and regulations of each country or region, we take an approach that ensures maximum respect for internationally recognized human rights. As part of our human rights due diligence, we continue to work with related divisions as we study and discuss ways of further expanding human rights assessments when participating in new overseas businesses.

## Human Rights Due Diligence Process





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Health and Safety

Maintaining and Improving the Health of Employees

Under the Tokyo Tatemono Group Declaration of Health Management, the Group promotes activities for maintaining and improving the physical and mental health of our executives and employees. These include initiatives to achieve health-related goals and training programs designed to improve health literacy.

In addition, regarding mental health in particular, Tokyo Tatemono is promoting a system that enables officers and employees to correctly assess their own stress levels. This is done through an annual online stress self-check. In addition, we conduct line care training for newly appointed group leaders\* and self-care training for new employees. This encourages an awareness of the importance of mental health, as well as supporting early detection or prevention of mental disorders.

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

\* The entry-level management position in the Group, this leadership position involves supervision over several subordinates.

Health Management / Occupational Safety and Health P.65  
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Preventing industrial accidents at construction sites, etc.

Preventing industrial accidents in situations such as construction sites is primarily a human rights issue affecting workers of supplier. We therefore strive to understand the status of their efforts to prevent occupational accidents, identifying issues and working to make improvements. In March 2023, we conducted a questionnaire-based survey on our sustainable procurement standards, identifying construction companies that are key suppliers, and provided feedback on the results. We

will continue to assess and analyze the details of the responses. If necessary, we will communicate directly with the suppliers to understand and improve the working environment at construction sites and other locations.

Preventing sale or provision of unsafe products and services

We have prepared various guidelines and manuals, establishing a framework for ensuring the safety of the products and services that we sell and provide. In addition, we have built a PDCA cycle, which includes directly asking for the opinions of customers and business partners through periodic questionnaires, and using their responses to make improvements. We also disclose information on various measures to improve safety.

Improving Quality and Customer Satisfaction P.53

Responding to major earthquakes and pandemics

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

Discrimination and Harassment

Every year, the Group provides all employees with e-learning compliance training that addresses the themes of discrimination and harassment. In addition, we conduct various activities to raise awareness of and help prevent discrimination and harassment. These include harassment prevention training,

training for directors and managers, training for new supervisory staff, and other level-specific training programs. In addition, the Human Resources Department has set up a consultation service on harassment, staffed by one male employee and one female employee.

Harassment was also covered in our human rights training in November 2022, which was attended by 847 of our officers and employees.

Compliance Training P.83  
Establishment of a Helpline P.84

Employee Working Conditions and Working Environment

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

Initiatives to Limit Overtime Work P.69

Supplier Working Conditions and Working Environment

We will use questionnaire-based supplier surveys to understand the actual working conditions and working environment of workers at our suppliers so that we can identify the issues to be addressed and work to make improvements as necessary.

Right to Privacy

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

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## Respect for Human Rights

### Participation in Human Rights Due Diligence Promotion Council for Construction and Real Estate Sector

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

### Regular Training on Human Rights

The Company conducts regular training on human rights. In 2022, we held mandatory training for all employees to improve basic understanding of human rights fundamentals and of basic areas such as the Tokyo Tatemono Group Human Rights Policy. The training also updated employees on the Group’s latest human rights initiatives (participation rate: 93.2%). The 2022 human rights training was also extended to all 21 Group companies covered by the Tokyo Tatemono Group Human Rights Policy, with all Group company employees also attending the training (participation rate: 86.9%).

The Tokyo Tatemono Group’s Compliance Codes of Conduct also stipulate “respect for human rights, prohibition of discrimination and harassment,” and “ensuring a comfortable work environment.” We also use compliance training for employees and managers to ensure thorough awareness of compliance.

[Compliance Training P.83](#)

[Compliance Surveys P.84](#)

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

Due to the nature of the business, the real estate industry involves various human rights issues relating to land, such as the Dowa (Buraku discrimination) problem. The Group will continue to provide training for learning the correct understanding of the Dowa problem and respond appropriately to it, to prevent situations that could lead to human rights violations.

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

\* Employers are required to put this position in place based on the Fair Employment Selection Human Rights Enlightenment Promoter System by the Ministry of Health, Labour and Welfare, Prefectural Labor Offices, and Hello Work (Public Employment Security Offices). The role of this position is to ensure fair employment selection based on correct understanding and awareness of human rights issues such as the Dowa problem.

### Utilization of a Helpline and Other Resources

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

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

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

[Establishment of a Helpline P.84](#)

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# Supply Chain Management

## Policy and Concept

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

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

The procurement standards apply to all business partners involved in Group businesses. They clearly set out the nine areas we consider critical. We are working to advance our supply chain management appropriately through various initiatives related to operating these procurement standards. Going forward, the Tokyo Tatemono Group will continue engaging with business partners to ensure their understanding of and cooperation with these nine items, pursuing sustainable procurement throughout the supply chain as we work toward a sustainable society.

### Sustainable Procurement Standards

## Summary of the Tokyo Tatemono Group Sustainable Procurement Standards

### 1. Observance of Laws and Regulations

- Compliance with the laws and regulations of the countries and regions in which we operate

### 2. Respect for Human Rights

- Ensuring compliance with and respect for international standards relating to human rights and respect for basic human rights based on international standards
- Prohibition of discrimination and harassment

### 3. Assurance of Sound Labor Practices and Working Environments

- Ensuring freedom of association and the right to collective bargaining
- Eliminating and preventing forced labor and child labor
- Prohibiting discrimination in labor conditions on the basis of race, nationality, creed, gender, sexual orientation, age, social status, origin, etc.
- Complying with laws and regulations governing minimum wages, overtime pay, benefits, etc.
- Prohibiting illegal overtime and excessive labor
- Creating a safe and healthy working environment

### 4. Fair Business Activities

- Prohibition of bribery and other corrupt practices
- Prohibition of unfair and anti-competitive transactions
- Blocking relationships with antisocial forces
- Prohibiting infringement on the intellectual property rights or trade secrets of third parties
- Protection and appropriate management of personal information and confidential matters
- Protection of confidentiality of information related to reporting and the anonymity of whistleblowers and eliminating retaliation against whistleblowers

### 5. Assurance and Improvement of Safety and Quality

- Ensuring and improving the quality of products and services and disclosing accurate related information, reuse, and recycling
- Responding sincerely to requests and complaints

### 6. Environmental Considerations

- Reduction of greenhouse gas emissions
- Promotion of 3R, efficient use of resources, reduction of waste generation, reuse, and recycling
- Prevention of pollution of air, water, soil, etc., and appropriate management and processing of chemical substances
- Preservation of biodiversity and reduction of impact on ecosystems
- Elimination of illegal raw material procurement

### 7. Co-existing with Local Communities

- Building, maintaining, and strengthening good relationships with local communities
- Understanding and respecting the culture and customs of local communities

### 8. Formulation and Construction of a BCP Framework

- Formulate a business continuity plan (BCP) and build a system to implement it

### 9. Collaboration in the Supply Chain

- Encourage business partners to understand, comply with, and improve these procurement standards.

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# Supply Chain Management

## Operating the Sustainable Procurement Standards

### Disclosing and Disseminating the Sustainable Procurement Standards

We recognize that efforts across the supply chain are vital to realizing a sustainable society. Considering the impact of our business on the environment and society, we seek the understanding and compliance of the construction companies that are our key suppliers. We thus include a clause requesting compliance with the procurement standards in every construction contract template. In addition, we notified construction companies that had concluded construction contracts prior to the establishment of the revised template to promote their understanding of the standards and request compliance. Going forward, we plan to take similar actions with other suppliers, such as contractors, as we work to expand circulation of the procurement standards.

We are also committed to raising employee awareness about the procurement standards. In fiscal 2022, one of the topics of our mandatory sustainability training program for all employees was promoting accurate understanding and proper application of the standards.

### Understanding the response of our suppliers and identifying issues

We have been conducting a questionnaire-based survey of our suppliers to ascertain their understanding of and compliance with these procurement standards. The first survey was conducted for all construction companies currently doing business with the Group, which are the major suppliers in our group's business (collection rate: 95%). In the results, no significant issues were found.

### Implementing remedial measures for identified issues and monitoring improvements

We will continue to engage with suppliers through questionnaires, feedback, interviews, and hearings. If any issues are found in the supply chain of the Group's business, we seek to make improvements. We will continuously monitor the status of improvement, carrying out further improvement measures as necessary.

### Implementation of Sustainable Procurement Standards





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# Improving Quality and Customer Satisfaction

## Policy and Concept

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

### The Human Building Philosophy



In the Commercial Properties business, we are guided by the concept of the “Human Building,” in which people are always at the center. We want our customers to feel safe, secure, and comfortable across both the hard and the soft aspects. To ensure that all employees in the Commercial Properties business have a deeper understanding of this concept, and to link it to further efforts, we have formulated Five Actions (Code of Conduct). We put these guidelines into practice in our daily work, with the goal of creating a building that our customers can feel is “My building.”

### The Brillia Concept



The Residential Business is engaged in two major businesses. One is the residential condominium business, centered on the Brillia series, with its emphasis on refinement and comfort. The other is the residential leasing business, centered on the Brillia ist series of rental condominiums for those seeking unique

lifestyles. The underlying concept of both is the Tokyo Tatemono Group's unique disposition toward a constant aim for achieving and maintaining the cutting edge in elusively exquisite comfort. Brillia is a comprehensive brand designed to provide a residential experience that matches customers' lifestyles. Through it, we provide the various services of the Group, including planning and development, management, after service, brokerage, and renovation, supporting customers by enabling lifestyles of value.

## Quality Control System

### Quality Control Initiatives in the Commercial Properties Business



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

construction and operation. In addition, we quickly respond to any defects or problems after construction and implement the PDCA cycle to develop the next property.

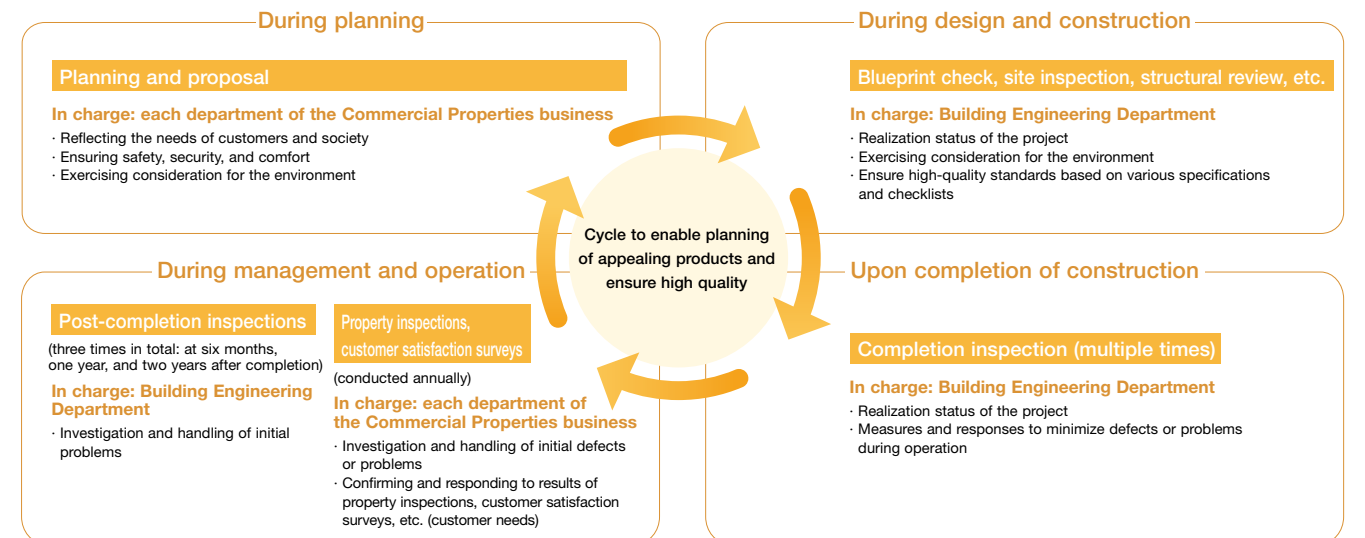
### Carrying Out Inspections in Building Management



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

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

### Quality control in the Commercial Properties Business



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# Improving Quality and Customer Satisfaction

## Steadfast Commitment to Quality Control in the Residential Business



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

## Brillia Construction Site Tour



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

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

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



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

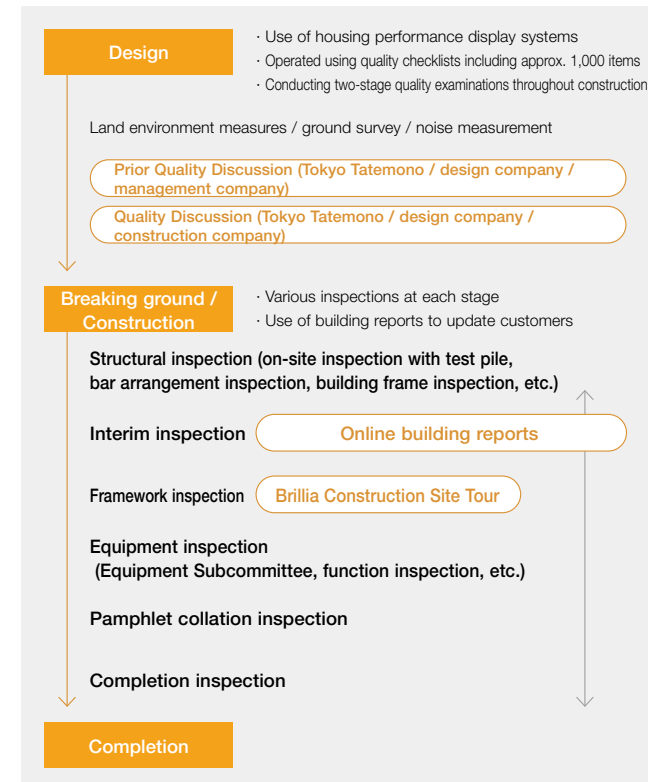
## Brillia Condominium Management Quality



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

Brillia Life Support makes six promises to residents to ensure the refinement and comfort of their lifestyles. The service offers appropriate upkeep and maintenance of condominiums, works to improve customer services and support by property managers, and properly sustains condominium value (a key financial asset for our customers).

## Quality Management Through Completion of Construction



## Brillia Aftercare Support



We support customers so that they can live comfortably from the day they move in until the day they sell their property, based on a theme of Comfort from Day One.

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

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

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

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

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

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# Improving Quality and Customer Satisfaction

## Initiatives to Improve Customer Satisfaction

### Refining Our Work with Customer Satisfaction Surveys CPB

The Office Buildings Business conducts customer satisfaction surveys once every year for office building tenants. Our surveys gather direct, unfiltered customer perspectives addressing safety, security, and comfort. We use these perspectives to refine our work based on tenant needs. Moreover, we share these refinements with other relevant departments to further improve tenant satisfaction.

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

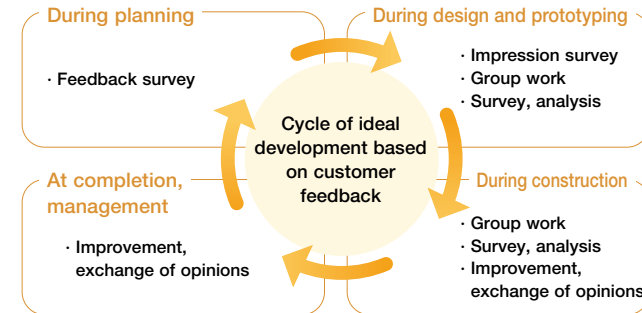
(Data) Office Building Customer Satisfaction Survey Results P.91

### Customer Satisfaction Survey, Response Ranking (FY2022)

Satisfied	#1	Common area cleaning status
	#2	Fire and disaster prevention systems in buildings
	#3	Response by facility staff
Dissatisfied	#1	A/C temperature and humidity
	#2	Cellular signal reception
	#3	Divided smoking/non-smoking environments

### Improving Customer Satisfaction through Dialogue RB

In the Residential Business, we have set up many opportunities to talk with customers. By listening to their feedback and incorporating it into development, we can improve upon the areas of their requests. In this way, we aim to increase customer satisfaction.



### Bloomoi, a Co-Creation Project for Housing and Living RB

Bloomoi is a project focusing on home and lifestyle co-creation. Through it, we have engaged extensively with working women, thinking together with them to bring forth new home ideas.

To mark the 10th anniversary of bloomoi in 2022, we further expanded the scope of co-creation. We are listening to a more diverse range of people, striving to value individuality from various angles as we plan products and deliver services.

bloomoi

### Improvements Based on Customer Recommendation (NPS) Surveys RB

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

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

The degree of loyalty customers feel toward Tokyo Tatemono is calculated based on the percentage of “promoters” minus the percentage of “critics.” We use the survey results to improve product development, sales, quality control, and after-sales service.

## Raising Employee Awareness through Training

### TFK Training Center for Building Management Improvement CPB

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

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

At this facility, we conduct hands-on training about topics such as fundamental knowledge, operation methods, handling, repair, and parts replacement for equipment and systems. We also provide various seminars for all employees, including new graduate hires.

### Brillia Training Center for Education of and Exchange in Condominium Management RB

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

The Tokyo prefectural government has certified the center as a vocational training school based on the Human Resources Development Promotion Act. This recognizes the fact that the center nurtures new condominium property managers through high-quality vocational training. The center features equipment actually used in facilities (condominium management offices, fire-fighting facilities, plumbing facilities and piping facilities,

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Contributing to a safe and secure society



Community building and revitalization



Wellbeing



Addressing the diverse needs of customers and society



Revitalizing and Utilizing Real Estate Stock

## Improving Quality and Customer Satisfaction

etc.), enabling a wide range of specialized training for management staff.

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

### Raising Employee Awareness through Our Awards System

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



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

Through this competition, we not only communicate the management policies of the Office Buildings Business, but also achieve safety, security, and comfort for our customers.

Furthermore, we introduce and celebrate examples of outstanding implementations of our Human Building philosophy. By sharing these positive examples and cultivating interaction among group employees, we hope to encourage more improvements leading to safety, security, and comfort for our customers.

In 2022, three projects received awards, and examples of excellent initiatives in each project were shared at the awards ceremony. The awards ceremony was, for the first time in three years, held as an in-person event. This gave employees of group companies who are involved in the Commercial Properties Business a chance to get to know each other better.

#### The Good Job Idea Competition: Strengthening On-Site Capabilities



In 2015, building management firm Tokyo Fudosan Kanri introduced the Good Job Idea Award commendation system, which

is aimed at improving customer satisfaction in areas such as improved safety, security, and comfort, or proposals for energy-saving measures. Every six months, we select and award examples of good practices provided by each of our locations with the Good Job Idea Award. In fiscal 2022, 204 ideas were recognized with awards.

In addition, we hold the Good Job Idea Competition annually as an opportunity for presenting and awarding especially superior examples of award-winning ideas in the system from throughout the year. Through these efforts, we raise awareness of improvement at each work site, sharing improvement actions throughout the company to improve quality and service levels.

#### Brillia Design Award Internal Commendation System



We introduced the Brillia Design Award commendation system to our Brillia properties to facilitate even greater refinement, recognizing designs that reach customers under a quantitative rubric based on survey responses from relevant stakeholder meetings. This annual program judges the designs of condominiums completed during the calendar year and recognizes properties deemed outstanding. The judging process evaluates properties based on outstanding achievement in design based on seven categories: (1) overall plan, (2) exterior, (3) plants/landscape, (4) approach and entrance, (5) refinement in daily flow lines, (6) detail, and (7) challenges in the project.

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

## External Recognition

### Tokyo Tatemono Receives Good Design Award



Tokyo Tatemono received the 2022 Good Design Award\* for two of its condominiums: the for-sale condominium Brillia Kyoto-Matsugasaki and the for-rent condominium Brillia Kitayama.

Brillia Kyoto-Matsugasaki was highly evaluated for the excellence of its holistic design in a residential area that calls for careful consideration of the landscape. The award also recognized its achievement in pursuing finishing touches such as the garden, volume arrangement, and common area while maintaining a sense of harmony with nature.

Situated in an area that has long been home to buildings by many renowned architects, Brillia Kitayama was highly evaluated for its elegant façade design, which blends in with the local setting of abundant nature and historical townscape. Another point that was highly evaluated was its achievement of balance in creating both a stylish design and new living space while ensuring livability.

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

### Customer Satisfaction Survey



In the Oricon Customer Satisfaction Survey (conducted by Oricon ME, Inc.) released in February 2023, the Tokyo Tatemono Group ranked third overall in the newly built condominiums for sale category (in the Tokyo metropolitan area), first in the tower condominium category (condominiums with 20 or more floors) by size, and first in the DINKS category by family composition. In the results of the survey on residents' intentions to continue living in a property by the same developer,\* the Group received a strong endorsement with a positive response from 94.8% of respondents.

\* The percentage was calculated based on the results of the question in the same survey that asked, "How long would you like to continue living in a house built by this company?"



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Revitalizing and Utilizing Real Estate Stock

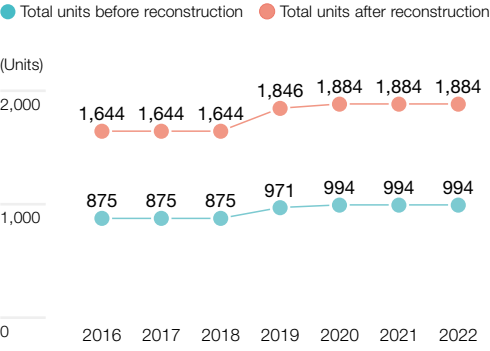
Policy and Concept

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

Through reconstruction and redevelopment of properties such as housing complexes and buildings, the Group is building safer and more secure communities for customers and local residents. Activities such as reconstruction also enable us to create new value for the coming era and to revitalize local communities.

Feature: Connecting Residents’ Thoughts and Passing on a Historic Community to the Future  
Shakujii Koen Danchi Apartment Reconstruction Project P.16  
(Data) Revitalizing and Utilizing Real Estate Stock: Indicators and Results P.91  
Tokyo Tatemono Condominium Reconstruction (Only available in Japanese)

Revitalizing Housing Complexes



Revitalization of Housing Complexes

Key Ongoing Projects

Shakujii Koen Apartment Complex Reconstruction Project (rebranded as Brillia City Shakujii Koen ATLAS)



A single reconstruction project to revitalize one of the largest and oldest apartment complexes in Tokyo, using the Act on Facilitation of Reconstruction of Condominiums. In this project, we set out to solve the problems of aging buildings and facilities and aging residents. To do this, we formulated a layout in which all residential buildings face south, a greenery plan, and a facility plan aimed at ensuring that the new condominiums continue to support a thriving community where several generations can live together with peace of mind.

Location	3 Kami-shakujii, Nerima-ku, Tokyo
Units after reconstruction	844 units (previously 490)
Completed	June 2023 (scheduled)

Itopia Hamarikyu Reconstruction Project (rebranded as Brillia Tower Hamarikyu)

This project involved rebuilding a large-scale condominium in central Tokyo, mainly comprising one-room units. The building was in urgent need of reconstruction to give it greater resilience against earthquakes. However, some 80% of the property rights holders did not actually reside in the condominiums, which made it difficult to reach a consensus. As a project collaborator, Tokyo Tatemono helped bring about a resolution that cleared the way for the building to be reconstructed. With the aim of contributing to the development of the property as a rare place to live in an area where office and commercial facilities are being developed, we created green spaces where people can feel at ease and introduced childcare support facilities.

Location	1 Kaigan, Minato-ku, Tokyo
Units after reconstruction	420 units (previously 328)
To be completed	September 2023 (planned)



Kojimachi Sanno Mansion Reconstruction Project



This building was in urgent need of a radical solution to its inadequate resilience against earthquakes and state of deterioration. Since this could not be done through repair and renovation, we cooperated with property rights holders with the aim of bringing about reconstruction at the earliest possible date. Under Tokyo’s Urban Housing Comprehensive Design System (HCDS)\*, the floor space index requirement will be relaxed, and the number of residential units will be increased from the current 57 to 106 seismic-isolation condominiums. The project is a one-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line in central Tokyo. Consideration was given to the design to create a look suited to the traditional Bancho district of historic Japanese residences.

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

Location	Niban-cho, Chiyoda-ku, Tokyo
Units after reconstruction	106 units (previously 57, consisting of 53 residential and 4 commercial units)
To be completed	Summer 2026 (planned)

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Revitalizing and Utilizing Real Estate Stock

# Revitalizing and Utilizing Real Estate Stock

## Key Achievements to Date

### Tama New Town Suwa 2-chome Housing Reconstruction Project

(Rebranded as Brillia Tama New Town)

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

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



Brillia Tama New Town

### Senri-Tsukumodai A Condominium Complex Reconstruction Project

(Rebranded as Brillia City Senri Tsukumodai)

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

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



Brillia City Senri Tsukumodai

### Hiratsuka-cho Housing Reconstruction Project

(Rebranded as Brillia Hatanodai)

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

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



Brillia Hatanodai

### Reconstruction of "Heights Komagome Apartments"

(rebranded as Brillia Komagome Rikugien)

It was decided to reconstruct the building around 40 years after its original construction due to its inadequate seismic resistance and the aging of its facilities. An adjacent site was acquired and the building was rebuilt, doubling the total number of units from 25 to 49. A key feature of this project was its speed, as the building was completed only four years after the signing of the contract in 2010.

Location	6-chome Honkomagome, Bunkyo-ku, Tokyo
Completed	July 2014
Units after reconstruction	49 (previously 25)



Brillia Komagome Rikugien

### Reconstruction of the Fujisaki Residential Business

(rebranded Residence Momochi)

It was decided to rebuild all four buildings in the complex due to aging and seismic resistance issues. The plan was to create safe and secure buildings that considered various needs such as barrier-free design.

Location	2-chome Momochi, Sawara-ku, Fukuoka City, Fukuoka Prefecture
Completed	March 2015
Units after reconstruction	232 (previously 130)



Residence Momochi

### Reconstruction of Koganei Corpus Apartments

(rebranded as Brillia Koganei Sakuracho)

The building, which was approximately 50 years old, was deteriorating, and in 2013 the decision was made to rebuild it. It was transformed into an eight-story, 114-unit condominium. The maintenance and management of the condominium was changed from self-management by residents to outsourcing to a management company, which also improved the living environment.

Location	2-chome Sakura-cho, Koganei City, Tokyo
Completed	April 2016
Units after reconstruction	114 (previously 80)



Brillia Koganei Sakuracho



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- Addressing the diverse needs of customers and society
- Value co-creation and innovation

# Contributing to Our Communities

## Policy and Concept

The Tokyo Tatemono Group believes that community engagement and volunteer activities contribute not only to community development, but also to sustainable business growth. With this in mind, we conduct a variety of activities to help strengthen ties between people in urban environments while supporting the well-being of local residents. In the various regions where our Group operates, we co-create with stakeholders such as local residents, NPOs, the public and private sectors as we carry out various initiatives to enhance the value of the region. In this way, we work as a member of the local community to help build a prosperous society.

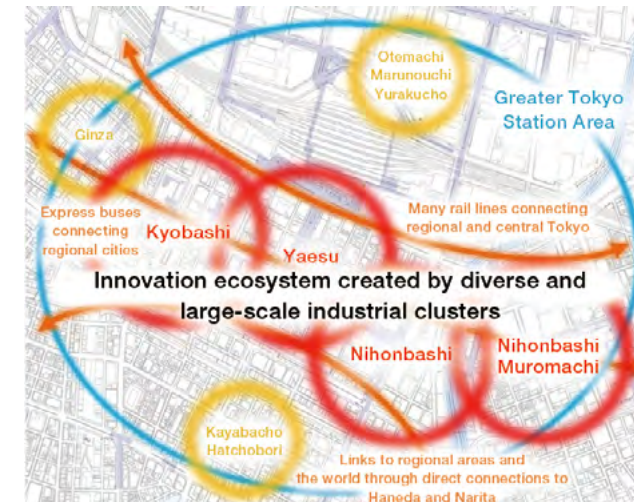


## Initiatives for Urban Regeneration and Revitalization

For over 120 years since its establishment, Tokyo Tatemono has been headquartered in the Yaesu, Nihonbashi, and Kyobashi area. It faces Tokyo Station, the center of Japan's railroad network, making it unparalleled in its convenience as a location in Japan. It is a hub of global business where people, goods, and information are concentrated. Since the Edo period, Tokyo has developed as a financial, commercial, and cultural center. Now we are redeveloping the area to further energize it as a center of industry. By tapping into the appeal of the area, we aim to realize one of our material issues: that of strengthening the competitiveness of Tokyo as an international city.

The Yaesu Project and Gofukubashi Project that we are developing in this area have been designated as National

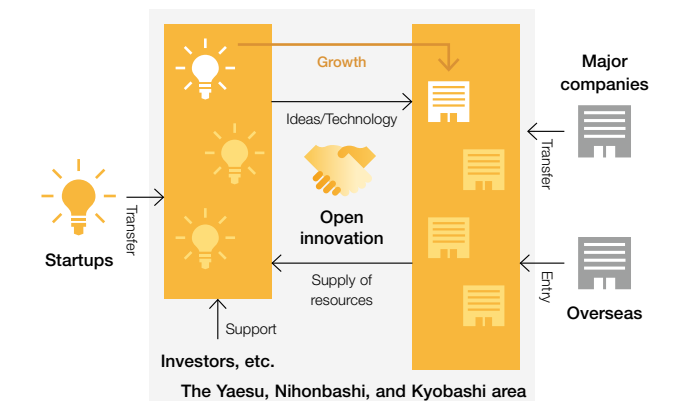
### Conceptual diagram of the virtuous circle created by an innovation ecosystem



Strategic Special Zones\*. The city is being transformed into a business and transportation hub, and we are taking advantage of the geographical location, where many large corporations are based. By creating a base for the activities of startups and venture capitalists in the area, we will make it easier for large corporations to invest in startups and for both parties to collaborate more actively. Through these projects, we are working to create an innovation ecosystem, promoting innovation in the entire area by stimulating interaction among companies and people gathering from across Japan and abroad. This area has been recognized as a Certified Regional Council under the Tokyo Metropolitan Government's Fiscal 2020 Support Project for Promoting the Formation of an Innovation Ecosystem, with Tokyo Tatemono serving as the lead manager.

\* This system was established to implement bold regulatory and institutional reforms necessary to realize the growth strategy by building "the world's most business-friendly environment."

### Conceptual Diagram of New Innovation Ecosystems Built through Redevelopment





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Co-Existing with Communities

At the Tokyo Tatemono Group, we are committed to community development. Key in this is for our employees to have the mindset of being members of a community. They must learn about history and culture and pass it on to future generations. We are promoting initiatives in the Yaesu, Nihonbashi, and Kyobashi area and various other areas that are rooted in their local communities.

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

The Group is an active participant in passing down traditional culture through the Sanno Festival, a key event for the neighborhoods of the Yaesu, Nihonbashi, and Kyobashi area and one of Japan's three major festivals. The event is held on even-numbered years.

Many group employees participated in the festival. The employees helped to carry mikoshi (portable shrines) prepared by each town council, joining a spirited, lively procession alongside members of local neighborhood associations.

[Sustainability Website](#)

[Special Back Number: Tokyo Tatemono Urban Development Activities \(published 2017\) \(Only available in Japanese\)](#)



Sanno Festival

Community Outreach Activities in Yaesu, Nihonbashi, and Kyobashi Neighborhoods (2022)

Event name	Our Group's Activities and Contributions	No. of group employees participating*1
Sakura Festival	Cherry blossom viewing, performance by EDO Firemanship Preservation Association (co-sponsored), distribution of support flowers*2 (co-sponsored)	5
Hana Kaido Clean Walk	Picking up garbage, replanting flower beds along Chuo-dori (the Group also served as office staff)	8
Morning Clean-up	Clean-up activity around Tokyo Station organized by the Company	99
Chuo City Clean Day, Operation Tokyo Ekimachi Kirapika	Joint cleanup activities around Tokyo Station organized by the town council, JR and Marunouchi	Total: 166
Sanno Festival	Participation in the Sanno Festival, one of the three largest festivals in Japan, as mikoshi bearers and lantern teams	3 days, 40 people in total
Nihonbashi Bridge Cleaning	Helping to clean the famous Nihonbashi bridge	22
Kyobashi Bon-Odori	Assisted event and participated as dancers in the Kyobashi 2-chome Bon-Odori (traditional festival dance)	5
Chuo-ku Marugoto Museum	Support for events to rediscover the charms of Chuo City, participation as staff members in events	3
Tokyo Illumilia	Assistance in planning and operation of events to illuminate Sakura-dori and Naka-dori streets in the Yaesu and Nihonbashi areas	2
Hakone Ekiden Roadside Security Volunteers	Ensured the safety of athletes, spectators, etc., along Chuo-dori	5
Hatsuuma Festival at Oman Inari Shrine	Supported revitalization of Yojuin Street (provision of banners, street light decorations, lanterns, and curbs)	7
Meet with Flowers	Purchase and free distribution of surplus flowers* to support flower growers	Total 24 people over 8 days
Art in Tokyo YNK, T3 PHOTO FESTIVAL TOKYO	Sponsored events and provided a venue for young artists, photographers, students, etc., to showcase their work	Total 10

\*1 In 2022, the number of participating employees was limited to prevent the spread of the impact of the COVID-19.

\*2 Flowers purchased from growers who were badly affected by typhoon damage and the COVID-19 pandemic.



Sanno Festival (lantern team)



Nihonbashi clean-up (helping to clean bridge)



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Community building and revitalization



Wellbeing



Addressing the diverse needs of customers and society



Value co-creation and innovation

## Contributing to Our Communities

### Clean-Up Activities

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



Morning Clean-Up Activities

### Partnering with Non-Profit Organizations

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

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



Chuo-dori Path Flower Beds

### Encouraging Lively Communities

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

In Nakano Central Park, our office building in Nakano-ku (Nakano-ku, Tokyo; completed May 2012), many events are held, using about 3 hectares of lush green open space (public vacant land, etc.). This initiative received the 2014 Good Design Award in the category of Design of Community Development.

In April 2023, a joint venture led by our company has been selected as the designated manager of Nakano Shiki no Mori Park and Kakoimachi Hiroba, two public spaces that are adjacent to Nakano Central Park in Nakano-ku.

Nakano Shiki no Mori Park is designated as a local disaster prevention park. By properly running and managing the park, we will contribute to the safety and security of the local community.

## Condominium Development That Helps Build Communities

Brillia City Shakujii Koen ATLAS (Nerima-ku, Tokyo; completed in late June 2023) is a reconstruction project of Shakujii Koen Danchi, which was one of the oldest and largest housing complexes in Tokyo. We wanted to ensure that the community that was there before the reconstruction would continue during and after its completion. With this in mind, we established “Shakujii-ii BASE” right next to the condominium’s sales center. This served as a place for interaction between new and old residents and the local community.

The space can be used by anyone, including former residents who have temporarily moved out during the reconstruction, new condominium purchasers, and local residents. By serving as a rental space where residents of the area can hold events and a place for local communication and as a local information station, it also contributes to community building.



Brillia City Shakujii Koen ATLAS



Interaction at Shakujii-ii BASE

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Improve employee growth and job satisfaction



Diversity & Inclusion

# Human Resource Investment and Development

## Policy and Concept

Tokyo Tatemono sees talent as the foundation of our organization, enabling our business to create value and grow sustainably.

We aim to better cultivate talent and create workplaces capable of creating added value. At the same time, we strive to innovate ourselves into a highly optimized organizational culture beyond individual or departmental optimization. As part of our innovation, we formulated our Human Resource Policy, based on which we have built our human resource development system and are working to acquire and develop our next generation of talent.

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

### Human Resource Policy

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

## Adoption of a Talent Management System

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

## Human Resource Development System

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

### Young Employees

From the time a new graduate joins Tokyo Tatemono, we take a keen interest in their development. We provide a collective training program offering basic business training.

To provide experience and broader knowledge required for employees of a comprehensive real estate company, we rotate new graduate hires among three departments to gain experience

in their first ten years of employment. To strengthen the OJT development cycle in the workplace, we have set up training for managers responsible for instructing others, as well as a new employee counselor system.

By sharing details such as job characteristics and EQIs both with new hires and counselors, we are able to build coaching plans tailored to individual needs, and to conduct on-the-job training accordingly. We also conduct a survey of new employees and provide them with an output plan for further personal growth. This helps them to form a clear image of their own personal growth.

### Summary 2022 Training Programs

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

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Improve employee growth and job satisfaction



Diversity & Inclusion

# Human Resource Investment and Development

## Mid-Career Employees

For mid-career employees, we provide enhanced programs to foster a culture of learning. This includes optional in-house training, support for study at business schools, and participation in cross-industry meetings, providing a system that gives employees opportunities to consider the knowledge and skills they need and choose accordingly. We provide career training so that employees can learn how to think independently about how they will shape their careers and develop their future career prospects. In addition to this, we provide assessment training for newly appointed assistant managers and newly appointed managers, enabling them to take stock of their own skills and learn the knowledge and thinking they will need for problem-solving.

## Managers

Training for managers includes training to enhance daily line management, including training for evaluators, mental health training. In addition, since 2022, we have been conducting 360 degree surveys to assess the expectations of supervisors and subordinates and the degree to which these expectations have been actualized. The results of the survey are fed back to the subjects, and training based on the results is provided to help them improve their daily management skills.

## Support for Self-Development

We have established self-development programs and support systems to aid employees in acquiring certifications. These are to help employees enjoy independent learning at all stages of employment. To support our global expansion, we also offer special support for learning the English and Chinese languages, which strongly link to our business.

## Overseas Training for Global Human Resource Development

A key strategy of the medium-term management plan is developing global human resources who will contribute to the growth of our overseas business. To achieve this and to increase the global mindset among our employees, we are conducting overseas training. (Past destinations include China and Malaysia. This training was put on hold in 2020, 2021 and 2022 due to the pandemic. In 2021, we carried out training in Japan with the aid of an outside lecturer.)

## Group-Wide Workshops for Improving Group Synergies

With our diverse range of businesses, we are leveraging the strengths of group companies to create synergies so that we can provide optimal and better services to our customers.

To achieve group synergies, it is vital that we deepen understanding and build a sense of kinship among employees, going beyond the boundaries of the companies to which they are affiliated. For this reason, we conduct a joint group training program, sports days, and other events as opportunities for young employees to interact with each other.

## MBO

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

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

## Employee Engagement Survey

We conduct periodic job satisfaction surveys of our employees as we work continuously to create a workplace that is rewarding to work in. We have been using an external agency to conduct an employee engagement survey of all workers to measure the level of connection that they feel toward the company. The survey is carried out periodically (generally once every six months). We report the results of the survey, along with future actions planned in response to it, to management and to employees, also sharing the issues raised by the findings. When reporting the results, we also explain various aspects of the survey such as the purpose of the questions, how to interpret each question and the results, to ensure a correct understanding of the results. In this way, we work toward future improvements.

By continuing to conduct this survey, we will gain a quantitative understanding of the relationship between the Company and its employees. By planning actions in response to it and carrying out various measures, we will in turn build a healthy organization.

The FY2022 survey identified weakening communication between hierarchical levels as a company-wide issue. Survey results were shared and discussed at the Executive Committee. In addition, feedback was provided to each general manager individually, action plans were formulated before the next survey, with specific advice from outside experts provided as necessary. In addition, to address the issue revealed by the survey, we have put in place measures to revitalize communication.

**(Data) Employee Engagement Survey P.89**

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# Human Resource Investment and Development

## Major improvement measures implemented in response to survey results (FY2022)

### 2022 issue: Measures against “weakening communication between hierarchical levels”

### “Strengthen the links between hierarchical levels”

#### Aim of measure:

- Increase opportunities for communication among employees to deepen relationships; create networking opportunities
- Develop mutual understanding

#### Measure 1: Support for Internal Socializing

##### Details:

- Set out snacks in the workplace, creating opportunities for employees to strike up conversations
- Open up the internal community space after regular hours, providing beverages, including alcoholic beverages, free of charge
- Provide financial assistance for social gatherings among employees from different departments
- Introduced a social media tool for internal communication. As well as basic details such as department and career background, employees register a wide range of information, such as skills and hobbies, which they can use to search for each other and make connections

#### Measure 2: Implementation of 360 Degree Survey

##### Details:

- Evaluation is carried not just between supervisors and subordinates, but also between colleagues who work with each other
- Conducting mutual evaluations from multiple perspectives helps ensure that evaluations are fair and appropriate
- Understanding each other's positions helps activate communication and strengthen a sense of ownership

## Acceptance of Interns

We accept undergraduate and graduate students for internships. The internship program is held twice a year, once in the summer and once in the winter. In 2022, a total of 302 interns were accepted.

We believe that through the internship experience, students gain valuable exposure to working life as well as a chance to interact with other students. This not only improves their capabilities, but also provides them with an opportunity to think seriously about their own future. By giving students an opportunity to gain prior experience working at our organization, we also aim to reduce mismatches in the real estate industry as a whole, as well as in our company. We believe that these efforts can help prevent early job turnover, promoting the development and retention of young workers.



Acceptance of interns



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Policy and Concept

To enable our executives and employees to be healthy in body and mind and to work with a lively spirit, Tokyo Tatemono Group has designated the president as the Chief Health Officer (CHO) and is working to maintain and improve the health of each individual Group executive and employee in accordance with the Group Health Management Declaration. In addition, the company has identified the personal growth and job satisfaction of our employees as a material issue. To deliver on this, we have set the following targets: increase the health checkup and reexamination rates to 100% each year; keep the smoking rate to 12% or less every year; increase the average annual paid leave utilization rate to 70% or more each year.

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

Tokyo Tatemono Group Health Management Declaration

The corporate philosophy of Tokyo Tatemono is “Trust beyond the era,” which incorporates our will to strive for the growth of the company and the creation of a prosperous society, taking pride in the trust placed in us that extends over a century. To embody this corporate philosophy, we believe the health of our executives and employees, as well as their families, is vital. We see the mental and physical health of our executives and employees as the source of sustainable corporate growth and actively promote activities for every person to maintain and improve their health.

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

Hitoshi Nomura

President and Chief Executive Officer

Tokyo Tatemono Co., Ltd.

Health Management / Occupational Safety and Health  
(Results and data of initiatives) (Only available in Japanese)  
Supply Chain Management P.51

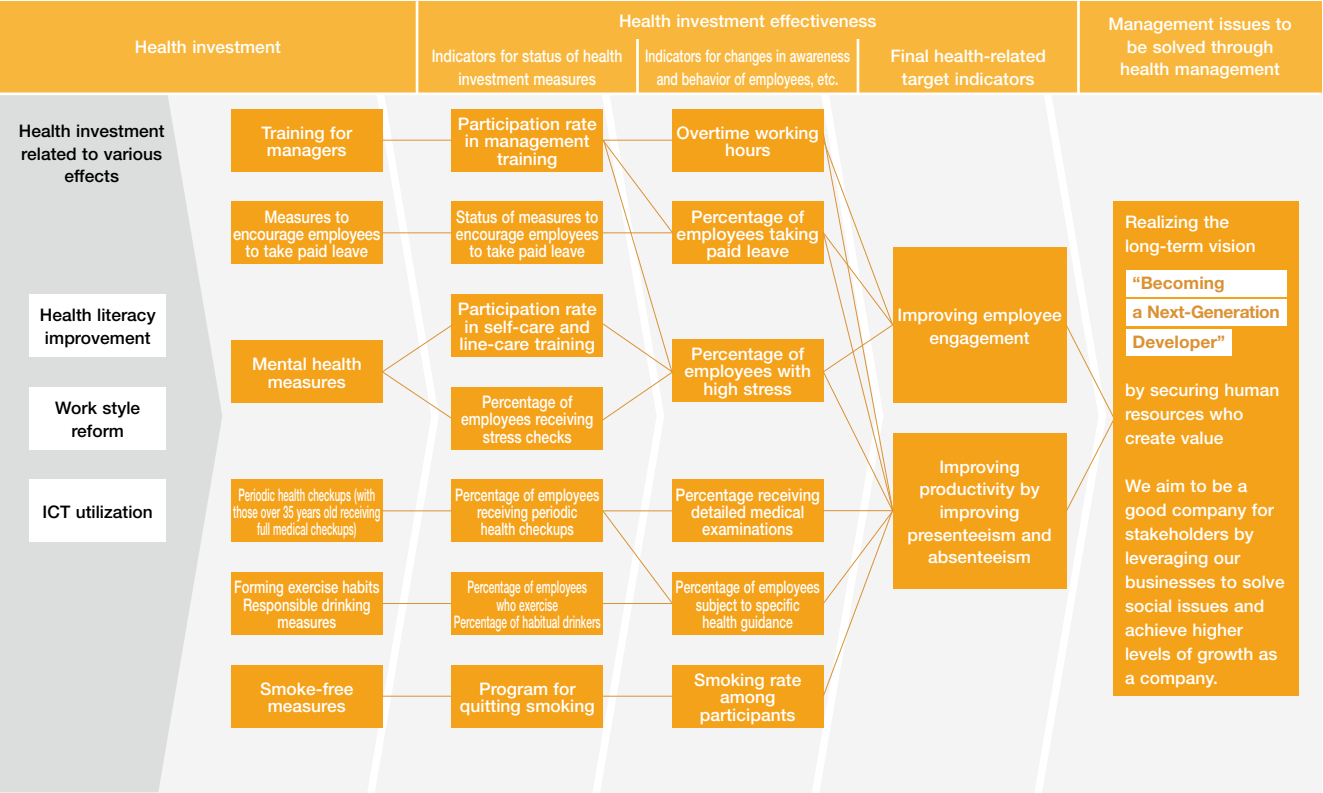
System

The Sustainability Committee, which is chaired by the president, sets occupational health and health-related targets, for-

mulates policies each fiscal year for achieving such targets, monitors progress on these, and evaluates their achievement. Important matters are then reported to and discussed by the Board of Directors, providing a system that is supervised by the Board of Directors.

Tokyo Tatemono established the Health Committee, which consists of representatives from the Personnel Department and each office/location, as well as industrial physicians. The Health

Health Management Strategy Map



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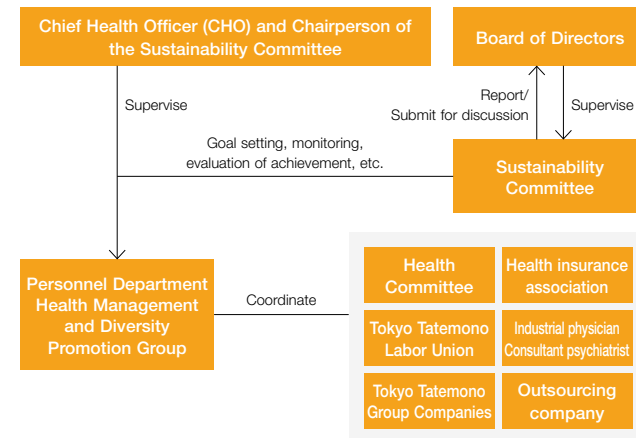
 Strengthen risk management framework

# Health Management / Occupational Safety and Health

Committee generally convenes once a month for the purpose of improving standards of occupational health in the workplace and encouraging officers and employees to maintain and improve their health. Moreover, we work to maintain and improve health throughout the Tokyo Tatemono Group via exchanges between group companies.

**(Data) Health Management / Occupational Safety and Health Indicators and Results P.90**

## Health Management Promotion System



## Third-Party Evaluation of Health Management

In 2014, the Development Bank of Japan, Inc. DBJ Employees Health Management Rating awarded Tokyo Tatemono the highest possible accolade for our earnest efforts toward health.

The recognition cited our outstanding initiatives toward the health considerations of our employees.

In March 2023, Tokyo Tatemono and six other group companies were recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program. In this program, which was established in 2016, the Ministry of Economy, Trade and Industry honors a range of companies from large corporations to SMEs for practicing outstanding

health management. Among the selected companies, Tokyo Tatemono was recognized for the fifth time and the second consecutive year as one of the “White 500” (the top 500 corporations in the results of the Health Management Survey).

In addition, eleven group companies including Tokyo Tatemono were recognized by the National Federation of Health Insurance Societies (Kenporen) in Tokyo, receiving Silver and Gold certifications as outstanding health organizations under the Health &



Productivity Management Outstanding Organizations Recognition Program.

## Health Improvement Initiatives

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

## Status of Certification as an Outstanding Health Management Company

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

Company name	Certification Category	2017	2018	2019	2020	2021	2022	2023
Tokyo Tatemono	Large Corporate Category	★	★	★	☆	★	★	★
E-State Online	Large Corporate Category	—	—	★	☆	☆	☆	☆
Tokyo Tatemono Real Estate Sales	Large Corporate Category	—	—	—	★	☆	☆	☆
Tokyo Fudosan Kanri	Large Corporate Category	—	—	—	—	☆	☆	☆
Tokyo Tatemono Amenity Support	Large Corporate Category	—	—	—	—	—	—	☆
Tokyo Realty Investment Management	Small and Medium-sized Corporate Category	—	—	—	—	☆	☆	☆
Nihon Parking	Small and Medium-sized Corporate Category	—	—	—	—	—	☆	☆

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

Gold certification obtained: 4 companies	Tokyo Tatemono / E-State Online / Tokyo Tatemono Real Estate Sales / Tokyo Fudosan Kanri	Silver certification obtained: 7 companies	Tokyo Tatemono Amenity Support / Tokyo Tatemono Investment Advisors / Tokyo Tatemono Resort / Tokyo Realty Investment Management / Nihon Parking / Parking Support Center / PRIME PLACE
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## Health Management / Occupational Safety and Health

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

## Health Management of Officers and Employees

Tokyo Tatemono has set a goal of ensuring health checkup and reexamination rates of 100% each year among our officers and employees. As we target this, we are advancing initiatives to raise greater awareness of health management among all officers and employees. We have achieved this goal every year over twelve years since 2011. Since 2017, we have also conduct group dental examinations. (In 2020, this was cancelled due to the coronavirus pandemic. In 2021 and 2022, dental examinations were carried out online.)

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

Furthermore, we are committed to preventing widespread infection during flu season. Since 2016, to strengthen our measures to prevent infections, we have been inviting doctors to our facilities to provide vaccinations, with the cost of the vaccinations being borne by the Company.

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

(Data) Health Management-related Measures P.90

## Smoke-free Initiative

In 2019, we launched a smoke-free initiative, aiming to lower the smoking rate among our workforce to 12% or less by the end of fiscal 2022 (the same level as the goal set out in the Basic Plan to Promote Cancer Control (Third Term)). As a specific measure, from April 2020, we adopted a smoke-free policy for all office space during work hours, while providing information to help promote the smoke-free initiative. In fiscal 2022, the smoking rate was 12.1%, which was roughly in line with our target. Going forward, we plan to maintain the rate at 12% or less each year.

(Data) Health Management-related Measures P.90

## Improving Health Literacy

Since 2021, we have been providing health-related training to all executives and employees to improve their health literacy and understanding of health issues. Each year, participation rates exceed 90%.

## Health-related Training Programs Held

Date	Theme	Attendance
May/June 2021	Training on prevention of lifestyle-related diseases	98.9%
February 2022	Seminar on work and women's health	96.8%
February 2023	Preconception care training	97.2%

## Mental Health Initiatives

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

In addition, we provide mental health counseling via health insurance associations. These counseling services are made

available to officers and employees with mental health concerns. In 2016, we launched a partnership with psychiatric advisors, creating a support structure that includes training to help employees return to work.

We conduct various kinds of training to promote mental health awareness. Employees newly appointed to the position of group leader, which involves managing and supervising subordinates, undergo mental health line care training (100% attendance rate). We also invite sports trainers to teach company-wide self-care training for new employees (100% attendance rate). Both training programs are mandatory. We work not only to help all of our employees understand the critical importance of their mental health, but also for early detection and prevention of mental health issues.

Sustainability Website

Special Back Number: Steadily Achieving Results in Health Management (Published in 2017) (Only available in Japanese)

## Health Management Initiatives Using ICT

We have started a new approach to health management using ICT. The initiative using online interviews and an application linked to measurement devices to provide specific health guidance to people over 40 years of age who have been identified as at risk of lifestyle-related diseases in the specific health checkups (the rate of implementation and of completion was 100%). As a Group-wide initiative, Tokyo Tatemono held individual and team walking events using a smartphone pedometer app. More than 900 people took part in the events. We are also working on ways to help participants maintain and improve their health in an enjoyable way, such as by creating communication among participants.

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# Health Management / Occupational Safety and Health

## Investment in Health Management

Our investment in health management amounted to 116,000 yen per person (portion borne by the Company in fiscal 2022; in fiscal 2021 it was 111,000 yen).

## Occupational Health and Safety Initiatives

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

In addition, there were no fatal occupational injuries to our employees, including contractors, in fiscal 2022. In the event of an industrial accident or highly dangerous case, we analyze the cause in detail. We then work to reinforce safety by disseminating information and providing guidance to prevent recurrence.

**(Data) Lost Time Injuries P.90**

## Labor-management Cooperation to Improve the Work Environment

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

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

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

The Tokyo Tatemono head office has received the rank of S, the highest in the CASBEE Wellness Office Certification. The office was highly evaluated for its high level of comfort achieved both through “hard” and “soft” innovations. These ranged from office fixtures and fittings that were selected with health in mind to seating selected to suit different work styles to our various efforts to maintain and promote health.

This certification evaluates and certifies our “hard” and “soft” office initiatives as we strive to maintain and improve the health and comfort of the people working in our office building.



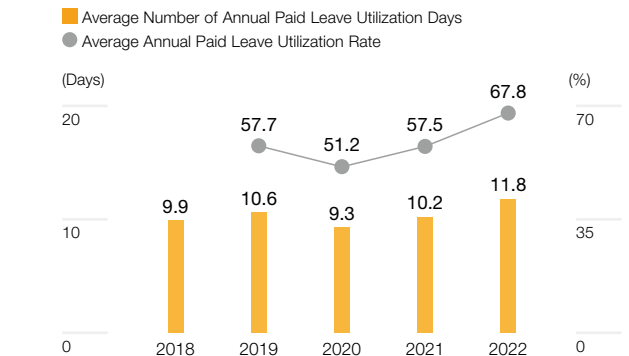
## Improvement of Working Environment at Tokyo Tatemono Yaesu Building

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

## Promoting the Use of Paid Leave

Tokyo Tatemono has set a target of an average annual paid leave utilization rate of 70% or more each year. We actively encourage employees to use their paid leave, having established a

### Use of Paid Leave



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



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# Health Management / Occupational Safety and Health

paid leave promotion period to make it easier for employees to take time off.

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

(Data) Paid Leave Status P.90

prevent overwork. Furthermore, in the event that long-working hours occur, we have implemented a framework to address this issue by requiring direct supervisors to report on improvement measures and provide feedback to upper management. Through this PDCA cycle, we are striving to reduce overtime hours (overtime work hours).

## Dialogue between Labor and Management

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

(Data) Percentage of Unionized Employees P.90

### Conclusion of Agreement on Overtime and Holiday Work

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

## Initiatives to Limit Overtime Work

Tokyo Tatemono has been engaged in ongoing measures to prevent overtime since 2008 from the perspective of work-life balance and employee health management. In 2010, we adopted a system to shut down computers at the standard end of the working day to limit late-night working hours and

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# Diversity & Inclusion

## Policy and Concept

With a shrinking population due to declining birthrates and aging demographics, it is important now more than ever to effectively utilize a workforce that includes women, senior citizens, and others in order to build a sustainable society. Organizations with diverse talent will be able to provide broader perspectives and make better decisions in service offerings from many different views.

Tokyo Tatemono established a Human Resource Policy that includes creating a fulfilling, rewarding workplace in which employees can experience growth and feel satisfaction from their work. We have identified diversity and inclusion as one of our material issues. To achieve this, we have set the following targets: by fiscal 2030, a ratio of women in management positions of 10% or more an employment ratio of each year 2.3% or more of persons with disabilities; and by fiscal 2025, a ratio each year of male employees taking childcare leave of 30% or more.

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

## System

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

(Data) Diversity and Inclusion Indicators and Results P.88

## Support for Adjusting to Different Life Stages

We have various support systems in place to help employees continue to work with a sense of fulfillment even as they move into different life stages.

### System for Limiting Work Location

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

### Lapsed Paid Leave System

We have a lapsed paid leave system that allows employees to use lapsed paid leave for purposes such as receiving treatment for illness, childcare/nursing care, or infertility treatment.

### System to Accompany Spouse on Overseas Transfer

With globalization as a backdrop, opportunities to work overseas are increasing. Tokyo Tatemono allows employees to take up to three years of leave of absence to accompany their spouse on an overseas assignment. The policy is designed for employees who wish to remain with the company but also want to share their life with their family. By giving consideration

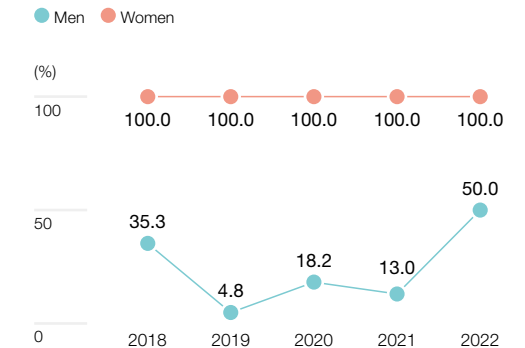
to the work-life balance of employees in this situation, we hope to enable them to lead a fulfilling life. In addition, employees who have left the company due to reasons such as their spouse's transfer are eligible to rejoin under the rehiring system for retired employees.

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

In addition to maternity leave, we have established leave systems for both women and men employees to use in the case of childcare and nursing care. We have also introduced a rehiring system for retired employees who had to leave the company due to life events or family reasons, such as pregnancy, childbirth, childcare, or nursing care. This enables them to return to the company and resume leveraging the knowledge and experience they obtained during their tenure.

(Data) Childcare Leave P.89

### Changes in the Ratio of Employees Taking Childcare Leave



\* Following a close examination of the data, the figures for 2018, 2019, and 2021 for men have been revised.

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Overview of Childbirth and Childcare Support Systems

Period	Policy	Overview
The full duration of childbirth and childcare	Paid Leave Carryover Policy	Employees may use the paid leave carryover policy. <b>Salary:</b> paid
	Re-Employment Policy for Employees who Resigned due to Pregnancy, Childbirth, or Child Rearing	Retired employees may apply to be rehired by Tokyo Tatemono.
During Pregnancy	Flextime System	Flextime System can be used. This applies to office admin staff, who are not ordinarily eligible to use flextime (work start/stop times can be adjusted).
Immediately Before / After Childbirth	Leave Before/After Childbirth	Employees may take up to six weeks of leave before childbirth/up to eight weeks of leave after childbirth. (This can be taken in two parts.) <b>Salary:</b> paid
	Paternal Leave (Childcare Leave at the Time of Birth)	Up to 28 days (calendar days) of leave within 8 weeks of the birth of a child (This can be taken in two parts.) <b>Salary:</b> Paid
	Childcare Leave	Employees may take leave until one month after the first March 31 that falls after their child's third birthday. <b>Salary:</b> Unpaid (With benefits from employment insurance)
	Special Leave for Childbirth	Employees may take one day of special leave. <b>Salary:</b> Paid
	Celebratory Monetary Gift for Childbirth	Employees may receive 50,000 yen as a celebratory gift for the birth of their child.
During Childcare	Flextime System	Flextime System can be used. <b>Salary:</b> Same as ordinary flextime system. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	Shortened Working Hour System	Employees may work a shorter six-hour day. Employees may select from five work styles. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	Childcare Leave (Childcare Time)	Employees may take up to one hour of leave per day. This leave may be taken over one or multiple periods during the day. <b>Salary:</b> Unpaid <b>Period:</b> Until the child reaches their first birthday
	Restrictions on Overtime for Childcare	Employees are limited to no more than 24 hours of overtime per month and must not exceed 150 hours of overtime per year. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	Restrictions on Late Night Work for Childcare	Employees may be restricted from working between the hours of 10:00 p.m. to 5:00 a.m. <b>Period:</b> Until the conclusion of the child's third year of elementary school
	Exemption from Overtime for Childcare	Employees may be exempt from exceeding their prescribed work hours. <b>Period:</b> Until one month after the first March 31 that falls after their child's third birthday.
	Nursing Care Leave for a Child	Employees may take up to five days leave for their first child or up to ten days for their second and subsequent children between April 1 and March 31 to care for injured or sick children (leave may be taken in hourly increments). <b>Salary:</b> Unpaid <b>Period:</b> Until the conclusion of the child's third year of elementary school
	Support for Employees Using Babysitters	Employees can receive a special discount on babysitter fees.
	Vacation Day Childcare Expense Subsidy Program	Partial subsidy for childcare expenses on Saturdays, Sundays, and vacation days for employees whose regular workdays fall on those days.

\* Some policies have eligibility requirements.

Promoting the Success of Women

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

Our ratio of women employees was 31.8% as of December 2022, up 4.4% from 2017. We are targeting a percentage of management positions held by women of 10% or more by 2030. In December 2022, this percentage was 7.2%.

TOPICS

Tokyo Tatemono  
Receives its First  
“Eruboshi (2 stars)”  
Certification



In October 2022, Tokyo Tatemono for the first time received the second level (2 stars) of the “Eruboshi” certification granted by the Minister of Health, Labour and Welfare. This certification recognizes companies that demonstrate excellent efforts in promoting the advancement of women, based on the Law for the Promotion of Women's Activities. We will continue seeking not only to empower women, but also to enable diverse human resources to maximize their individual abilities and thrive in their work. We believe that this will in turn lead to sustainable corporate growth.

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### Related Material Issues



Improve employee growth and job satisfaction



Diversity & Inclusion

## Diversity & Inclusion

Tokyo Tatemono in October 2022 received the second level (2 stars) of the "Eruboshi" certification granted by the Minister of Health, Labour and Welfare, recognizing our excellent efforts in promoting the advancement of women.

### Promoting the Success of Seniors

Tokyo Tatemono has introduced a rehiring policy for employees who have reached the retirement age of 60 but wish to continue working until the age of 65 so that they can continue to enjoy active, successful careers. Our Personnel Department conducts individual interviews with employees who are approaching the statutory retirement age. These employees have the opportunity to express their wishes about how they want to work based on their individual life plans. These programs let us offer employees the opportunity to be fully active, even after 60 years of age.

In addition, for employees who have been rehired after retirement, we have a system in place that allows those who are willing to continue working and who are deemed necessary by the company to continue working after the age of 65.

(Data) Rehiring of Employees at Retirement Age P.89

### Promoting the Success of People with Disabilities

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

We set a target of maintaining an annual employment ratio of 2.30% or more of people with disabilities. As of June 2022,\* our employment ratio of people with disabilities was 2.33%, but this fulfilled the mandatory ratio and number of employees that is required by law. We will continue our efforts to employ people with disabilities.

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

(Data) Headcount P.88

### Promoting the Success of Non-Japanese Employees

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

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

(Data) Headcount P.88

### Workplace Understanding of Gender Diversity

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

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



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# Corporate Governance

## Policy and Concept

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

We have identified the advancement of governance as a material issue for the Group that we must address as we pursue our long-term vision. We are further strengthening the governance framework to achieve this, striving to improve profitability and advancing measures to ensure objectivity.

Corporate Governance Report

## System

Tokyo Tatemono has selected a Company with Audit and Supervisory Board format for our organization. We have also established a Board of Directors and an Audit and Supervisory Board, and a Nomination and Remuneration Advisory Committee as an advisory committee to the Board of Directors. Our executive officer system clarifies the separation of functions between management and business execution. Furthermore, we appoint external directors and external Audit and Supervisory Board members who help us operate under stronger management supervision and ensure transparency. This system ensures effective supervision and supervisory functions with regard to management and also to business execution by directors of the Company. In December 2022, we made organizational changes to further strengthen risk management and internal control in the Group, establishing the Risk Management Committee and the Internal Control Committee.

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

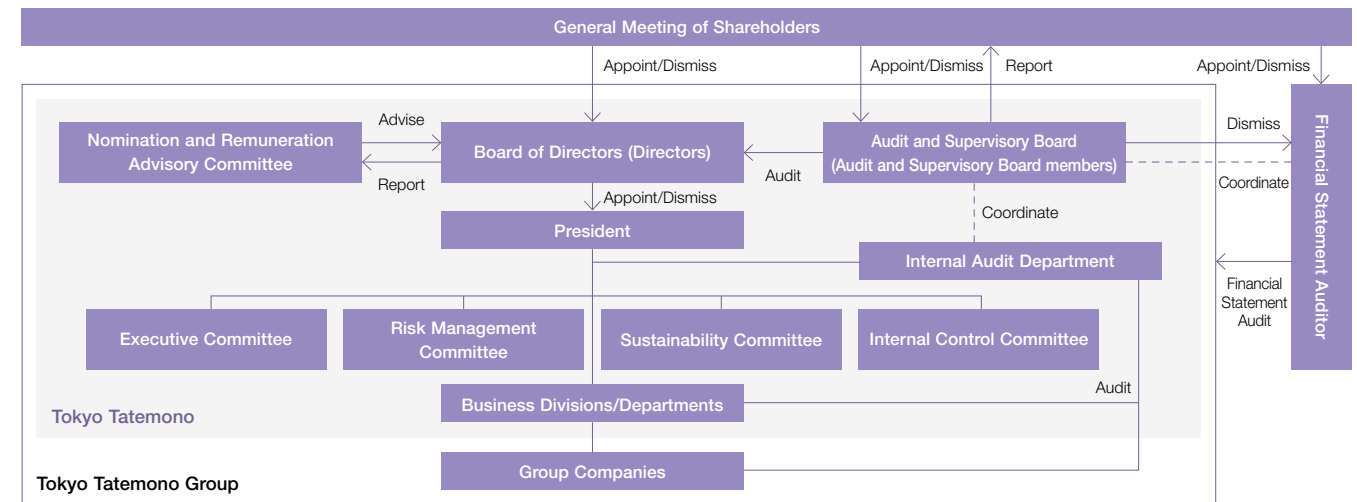
### Board of Directors

The Board of Directors consists of 12 directors, four of whom are external directors (one of whom is a female member). (Personnel numbers are as of March 31, 2023.) We maintain

the appropriate number of members needed to ensure the diversity and balance of knowledge, experience, and abilities of the Board as a whole, and for the Board to function effectively and efficiently. Audit and Supervisory Board members attend board meetings and offer opinions as necessary. The Board of Directors is chaired by the Chairman, who does not concurrently serve as an executive officer.

As a general rule, Tokyo Tatemono holds regular Board of Directors meetings once a month and other extraordinary meetings as deemed necessary to resolve important matters related to business execution, as well as discuss matters related to medium- and long-term business issues. In fiscal 2022, 14 meetings were held, and the attendance rate of directors was 99%.

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Audit and Supervisory Board

The Audit and Supervisory Board prepares audit reports, selects and dismisses full-time Audit and Supervisory Board members, and determines audit policies and other matters related to the execution of Audit and Supervisory Board members' duties. Consists of four members, two of whom are external members (one of whom is a female member). It is chaired by a full-time member. In fiscal 2022, 14 meetings were held, and the attendance rate of each board member was 100%.

Audit and Supervisory Board members attend meetings such as those of the Board of Directors, Executive Committee, and Risk Management Committee, express their opinions as necessary, receive regular reports from the Financial Statement Auditor and departments such as the Internal Audit Department, and exchange opinions with each of these as needed in the course of their coordination. In addition, Directors, the Risk Management Committee, the Internal Audit Department, and the Legal & Compliance Department promptly report to Audit and Supervisory Board members on the following matters concerning Tokyo Tatemono and Group companies.

- **Directors:**  
Matters that could cause significant damage to the Tokyo Tatemono Group or any material fact in violation of laws, regulations, or the Articles of Incorporation, and the details thereof
- **Risk Management Committee:**  
Critical matters for compliance
- **Internal Audit Department:**  
Status of internal audits
- **Legal & Compliance Department:**  
Status of fraudulent activity reports and their content

Executive Officer System

Tokyo Tatemono has adopted an executive officer system to energize our Board of Directors and speed up decision-making through the separation of management functions and decision-making functions. Except for matters determined by laws and regulations and the Articles of Incorporation to be resolved by the Board of Directors and critical matters concerning business execution, the right to make decisions on

business execution is delegated to executive officers, including the president. The scope of such delegation is stipulated in the corporate bylaws, based on factors such as the type of transaction and transaction amount.

Executive officers are appointed by a resolution of the Board of Directors and have a term of two years. As of March 31, 2023, there were 22 executive officers of the Group.

Nomination and Remuneration Advisory Committee

We have established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors to select candidates for directors, dismiss directors, and recommend directors remuneration levels. Committee members are appointed from among directors, dismiss directors, and the president serves as committee chairman. The number of committee members is set at seven or less, more than half of whom are required to be external directors. This is to ensure objectivity and transparency in committee procedures while also drawing from the expertise and advice of external directors. In fiscal 2022, four meetings were held, and the attendance rate of each committee member was 100%.

Executive Committee

The Executive Committee consists of executive officers with specific responsibilities, with the president as chairman. This meeting is held to discuss matters important to group management. In fiscal 2022, 41 meetings were held.

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

Board of Directors Related Data

Item	Unit	2018	2019	2020	2021	2022
Number of Board Meetings	Meetings	13	15	14	15	14
Number of Directors	Persons	12	12	12	12	12
Number of Executive Officers on Board	Persons	7	7	7	7	7
Number of Non-Executive Officers on Board (Excluding Independent External Directors)	Persons	1	1	1	1	1
Number of Independent External Directors	Persons	4	4	4	4	4
Proportion of External Directors	%	33	33	33	33	33
Average Board Meeting Attendance	%	100	99	100	100	99
Average Tenure of Directors (Including Independent External Directors)	Years	5.8 (March)	3.8 (March)	4.8 (March)	4.6 (March)	4.4 (March)

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

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Internal Control Committee

The Internal Control Committee has been put in place as a meeting body for evaluating, improving, and upgrading the internal control system. It is chaired by the president, and its members include the chairman and officers in charge of corporate planning divisions.

Risk Management Committee

The Risk Management Committee oversees risk management and compliance for the Group. It is chaired by the president and includes the chairman, executive vice presidents, general managers, deputy general managers, officers in charge of the corporate planning divisions, and the general managers of the corporate departments. Matters discussed by the

committee are reported to or submitted for the agenda of the Board of Directors.

To promote compliance management, the Compliance Subcommittee (subcommittee chairman: the director in charge of the Legal & Compliance Department) was put in place as a subordinate organization of the Risk Management Committee. The subcommittee reviews compliance, monitors progress, and addresses compliance risks.

Sustainability Committee

The Sustainability Committee was set up to promote sustainability measures across the Tokyo Tatemono Group. It is chaired by the president and includes executive officers, general managers of corporate departments, the general manager of the Technical Department of the Commercial Properties

Business, and other members appointed by the chair in consideration of their expertise in ESG-related matters. The committee deliberates on important ESG-related issues, sets targets, monitors progress, and evaluates achievements. Matters discussed by the Sustainability Committee are reported to the Board of Directors, and if necessary, discussed and overseen by the Board.

In addition, the following have been set up as subordinate organizations of the Committee: the Sustainability Promotion Council, which carries out prior discussions of matters to be deliberated and decided upon by the Committee, shares decisions, and reports on the progress of sustainability measures; and the Human Rights Subcommittee, which promotes initiatives based on the Tokyo Tatemono Group Human Rights Policy.

Specialization and experience of directors (skill matrix)

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

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



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Appointment and Selection of Directors and Audit and Supervisory Board Members

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

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

Criteria for Independence of Independent External Directors

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

- 1 A business partner of Tokyo Tatemono that constitutes 2% or more of the Company's consolidated net sales in the most recent fiscal year or a person executing business of such partner
- 2 A shareholder of the Company that holds more than 10% of the total number of voting rights of the Company or a person executing business of such shareholder
- 3 A representative, member, or employee of an auditing firm employed as the financial statement auditor for the Company

- 4 A consultant, accounting professional, or legal professional that received remuneration (excluding director remuneration) of more than 10 million yen from the Company in the most recent fiscal year

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

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

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

At the request of the Audit and Supervisory Board, we assign personnel to serve as staff for external board members to encourage the smooth execution of audit procedures. We have also established a system that enables full-time Audit and Supervisory Board members to obtain the information they need to carry out their work, ensuring their attendance at Board of Directors and Executive Committee meetings and arranging regular reports from financial statement auditors and various departments, as well as enabling the exchange of opinions with these parties at any time.

Policy on Payment Breakdown by Remuneration Type

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

Remuneration of Directors

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

Remuneration Policy

Remuneration of directors (excluding external directors) comprises three elements: fixed remuneration, performance-based remuneration, and stock-based remuneration. The ratio of these elements is set appropriately based on the policy regarding the determination of payment ratios by type of compensation for Directors. The amount of remuneration for each director is decided by the Board of Directors after consulting with the Nomination and Remuneration Advisory Committee.

Total Amount of Remuneration, Total Amount of Remuneration by Type, and Eligible Directors and Audit and Supervisory Board Members (Fiscal Year Ended December 2022)

Executive Class	Number of Eligible Individuals	Total Amount by Type of Remuneration			Total Remuneration (Million Yen)
		Fixed Remuneration (Million Yen)	Performance-Linked Remuneration (Million Yen)	Stock-Based Remuneration (Million Yen)	
Directors (Excluding External Directors)	8	271	171	37	480
Audit and Supervisory Board Members (Excluding External Members*)	2	52	—	—	52
External Officers	6	54	—	—	54
Total	16	377	171	37	586

\* Two External Members

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Remuneration of external directors and Audit and Supervisory Board members is limited to fixed remuneration in consideration of their duties.

The President and Chief Executive Officer is delegated by a resolution of the Board of Directors the person most qualified to evaluate remuneration amounts for individual directors. After drafting proposed remuneration amounts, after he consults with the Nomination and Remuneration Advisory Committee and comprehensively takes into consideration the Company's business performance and the responsibilities of the directors.

The President and Chief Executive Officer is delegated by the Board of Directors to prepare proposals for fixed remuneration and performance-based remuneration for individual directors based on each director's position and responsibilities each fiscal year. He decides on remuneration amounts for each director after consulting with the Nomination and Remuneration Advisory Committee.

Remuneration Structure

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

whether the member serves in a full-time or part-time position, capped at 8 million yen per month (equivalent to 96 million yen per year).\*3

\*1 Based on a resolution of the 190th Ordinary General Meeting of Shareholders held on March 28, 2008  
\*2 Based on a resolution of the 195th Ordinary General Meeting of Shareholders held on March 28, 2013  
\*3 Based on a resolution of the 200th Ordinary General Meeting of Shareholders held on March 28, 2018

Evaluation of the Effectiveness of the Board of Directors

We conduct an annual survey on the structure, agenda items, and operation of the Board of Directors and evaluate the effectiveness of the Board based on the results. Below is an overview of the effectiveness evaluation for fiscal 2022.

Evaluation Process / Topics

- Evaluation Process**
  - Administer questionnaire survey to all directors and Audit and Supervisory Board members
  - Aggregate, analyze, and share results with the Board of Directors
  - Discuss future issues and measures
- Topics**
  - Structure:** Ratio, number, specialization and diversity of external directors
  - Agenda:** Number, content, and standard expressions of monetary amounts in agenda items
  - Operation:** Number of meetings, length of meetings, explanation provided prior to meetings, explanatory materials, time taken for explanation, time taken for discussion, and reported content
  - Other:** Support system for external directors, training

Results of Evaluation and Future Actions

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

- Matters whose Evaluation Improved Year on Year**  
Matters concerning the timing of prior distribution of materials related to matters to be discussed and the support system for outside officers.
- Future Issues and Actions**  
Further broaden and enliven discussions on medium- to long-term management issues by revising and improving agenda items

Cross-Shareholdings

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

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

The sales price of shareholdings exceeded the disposal amount in 2022. The medium-term business plan (fiscal 2020 to 2024) calls for us to reduce cross-shareholdings, partly in an effort to increase asset efficiency.

# Risk Management

## Policy and Concept

As a material issue, we have identified the need to strengthen the risk management framework for the Group. The Tokyo Tatemono Group seeks to appropriately manage risks that affect the Group's business to achieve stable improvement in corporate value. With this in mind, we have established related regulations and created a risk management framework, and we are working to carry out ongoing risk monitoring and control.

## System

In promoting risk management, we manage the Group's risks in an integrated manner in accordance with our Risk Management Regulations. To this end, we have designated the President and Chief Executive Officer as the Chief Risk Management Officer and established a Risk Management Committee chaired by the President and Chief Executive Officer.

The Committee formulates an annual risk management plan, evaluates and analyzes key management risks for the Group (priority risks), formulates preventive measures and countermeasures, periodically monitors the status of countermeasures, and regularly submits proposals and reports on these matters to the Board of Directors.

Regarding risks other than priority risks for countermeasures (departmental management risks), each department general acts as a Risk Management Officer as defined in the Risk

Management Regulations, appropriately takes preventive measures against and manages departmental management risks.

The Corporate Department and the Business Division Planning Department monitor, support, and provide guidance on risk management at each division and office, while the

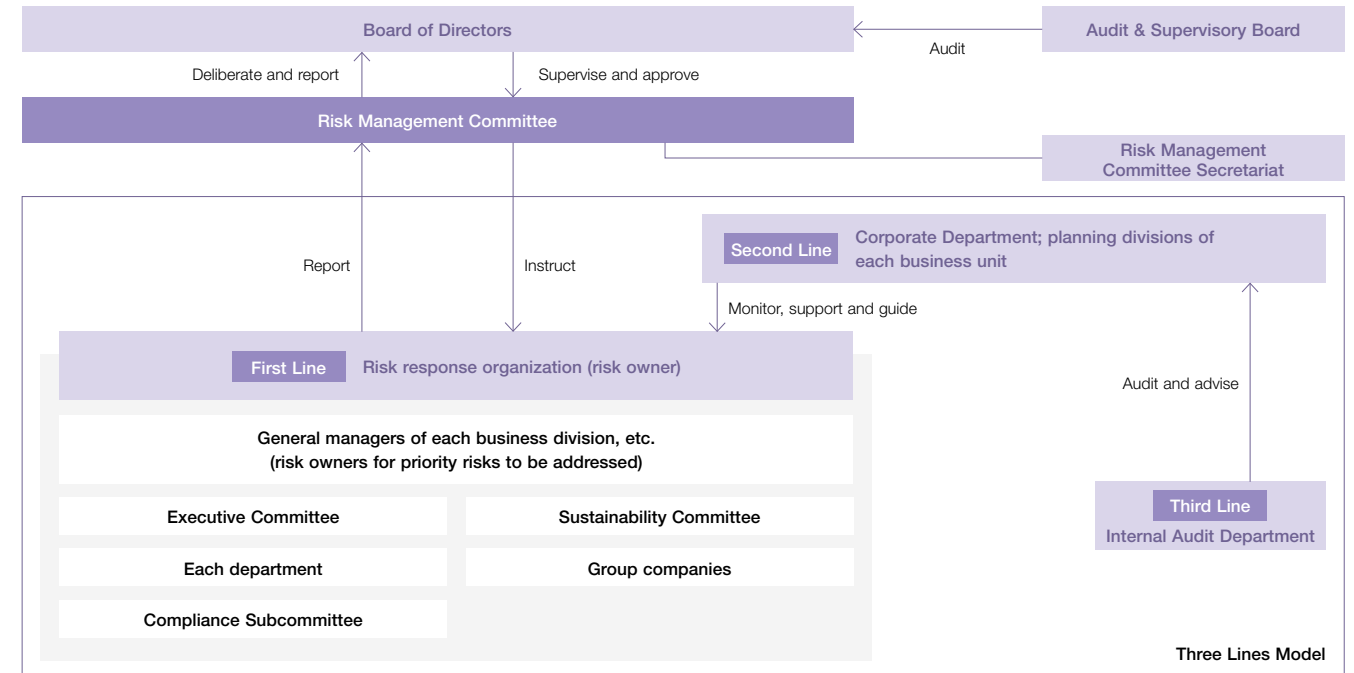
Internal Audit Department audits and advises on the policies and content of risk management.

In developing our risk management framework, we referenced ISO 31000 (international standard for risk management), ERM\*<sup>1</sup> and the Three Lines Model\*<sup>2</sup> approach.

\*1 ERM (Enterprise Risk Management): Enterprise-wide risk management; published by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

\*2 Three Lines Model: Published by the IIA (The Institute of Internal Auditors).

## Risk Management Structure



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# Risk Management

## Risk Management Activities

To further strengthen risk management in our Group, we are promoting risk management activities under a new structure, having established the Risk Management Committee in December 2022. Under the new structure, the Risk Management Committee conducts risk assessment for the Group (identifying risks and evaluating them in terms of potential impact (financial loss, human loss, etc.), likelihood of occurrence, changes in the business environment, the Tokyo Tatemono Group Management Policy, and corporate values). The Risk Management Committee then identifies risk that should be prioritized by the Group (priority risks to be addressed). After these risks are deliberated upon by the Risk Management Committee the Board of Directors decides on them. Priority risks are directly managed and overseen by the Risk Management Committee.

## Comprehensive Information Management

To ensure that information collected through our business is managed appropriately, the Tokyo Tatemono Group has established an information management system coordinated by an individual in charge of information management. We have also established Rules for Information Management, Rules for Handling Personal Information, and Rules for Handling Specific Personal Information. To ensure that all employees handle such information in accordance with the rules, we are working to strengthen the management of personal information and confidential information through regular annual self-inspections.

In addition, we have published the contact information for the inquiry counter on our website to respond to requests such as those for disclosure of retained personal data from individuals and other parties, and to handle complaints including those

regarding the handling of personal information. In addition, in case of matters such as the leaks of personal information, or in case we detect any signs of such leaks, we have a system in place to appropriately and promptly report the matter to the relevant authorities and to the individual concerned.

As part of the system, Tokyo Tatemono Real Estate Sales maintains ISO/IEC 27001 international certification and JIS Q 27001 Japanese certification for information security management systems, and undergoes an external review every year, based on which it strives to carry out continuous improvements. The results of the review are incorporated in information management training carried out every year for all Group employees.

[Privacy Policy](#)

[Specific Personal Information, etc. Protection Policy](#)

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

## Training in Response to Cyber Attacks (Targeted Emails Attacks)

The Group conducts training for its employees as necessary to improve their awareness of and ability to respond to cyber attacks. In 2022, in accordance with our Information Management Regulations, five Tokyo Tatemono Group companies (Tokyo Real Estate Management, Nihon Parking, Tokyo Tatemono Amenity Support, and Parking Support Center) distributed simulated email attacks as part of its cyber attack (targeted email attack) response training.

Based on the results of the training, email security training materials were distributed to those whose response did not reach a certain level, and guidance was provided by their General Managers.



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# Compliance

## Policy and Concept

The Tokyo Tatemono Group defines compliance as complying not only with laws and regulations, but also with social norms and corporate ethics. This approach builds a long-lasting relationship of trust with society and allows us to continue sound corporate activities. We believe companies must respond sincerely to the needs of people in our surrounding environment, including our customers, local communities, employees, shareholders and investors, and business partners. In June 2009, the Group established a shared Compliance Charter for group companies. This charter is our pledge to society to promote corporate activities that are committed to unwavering compliance.

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

### Compliance Charter

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

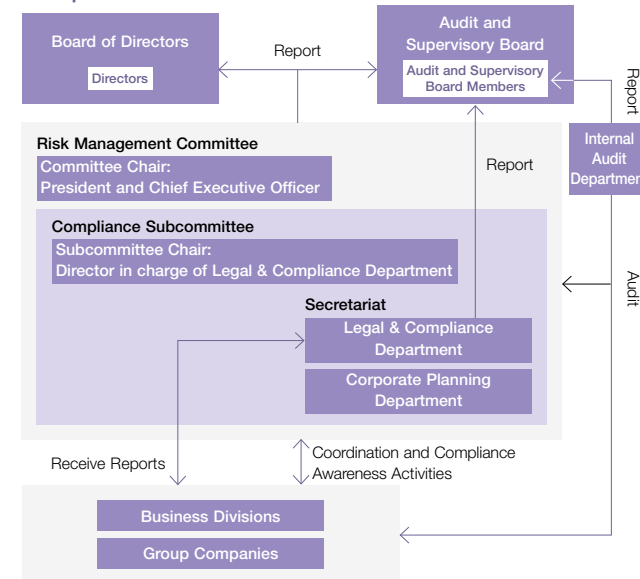
- We adhere to laws, regulations, and other rules and engage in fair, sound corporate activities.
- We act faithfully by thinking from the customers' standpoint.
- We contribute to making society better through corporate activities.
- We respect the personalities and values of each other and maintain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

Established June 2009

## System

As a system for promoting compliance, the Group has established a Risk Management Committee and, as a subordinate body of this, a Compliance Subcommittee. The Risk Management Committee, which is chaired by the President, oversees risk management and compliance for the Group. The Compliance Subcommittee, chaired by the director in charge of the Legal & Compliance Department, conducts specialized deliberations in a flexible manner, considering compliance measures, monitoring progress, and addressing compliance risks.

### Compliance Structure



The Tokyo Tatemono Legal & Compliance Department supports and guides the compliance-related operations of group companies. This Department also aims to improve compliance functions throughout the Group through collaboration between and among group companies.

## Responding to Compliance Violations

In the event that a matter is discovered that may be deemed to pose a compliance problem (including labor issues), the matter is reported to the President and other relevant parties, and an investigation or fact-finding review or similar process is conducted as appropriate. If, as a result of the investigation, a noncompliance event is identified, it is promptly reported to the Risk Management Committee (Compliance Subcommittee). If the event is particularly serious, the Committee reports it to the directors, and we promptly take corrective measures and preventive measures. In addition, the Committee will monitor the status of the situation and other matters to ensure appropriate management until the response has been completed.

In 2022, no events were identified as constituting material noncompliance with laws and regulations (including labor issues), and no events led to legal action. In addition, no fines, penalties or settlements were incurred.

(Data) Compliance Indicators and Results P.92

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

An amount is estimated at the end of the fiscal year for fines and settlements that are likely to arise from events that occurred prior to the current fiscal year, and provisions are made accordingly. No significant provisions were made at the end of fiscal 2022.

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# Compliance

## Formulation of a Compliance Manual

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

This manual details the prevention of corruption through a comprehensive range of topics. It also includes the Group Environmental Policy, Group Anti-Bribery Policy, and other standards of conduct and policies that are broadly related to compliance.

The Compliance Manual applies to all employees engaged in work at group companies, regardless of employee classification, position, or employment status. We are working to ensure widespread awareness by distributing the manual as a booklet and posting it at all business sites.

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



The Tokyo Tatemono Group Compliance Manual

### Compliance Codes of Conduct

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

### Compliance Codes of Conduct

## Responsible Marketing

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

In particular, we adhere to the Compliance Manual with

regard to expressions used in advertising. We carefully examine advertising content for slanderous, discriminatory, or exaggerated expressions; religious or political beliefs; environmental concerns; the privacy of third parties; personal information; and intellectual property rights.

### Compliance Training P.83

### Relevant Compliance Codes of Conduct

- 1-1 Comply with laws and regulations
- 1-2 Maintain proper relationships with partners
- 1-3 Engage in fair competition
- 1-4 Maintain proper relationships with governments and administrations

## Guidelines for Initiatives to Prevent Bribery and Corruption

We formulated the Tokyo Tatemono Group Anti-Bribery Guidelines to fulfill the commitments of our Compliance Charter. We prohibit the provision of economic benefits to public officials or deemed public officials that would infringe upon local laws or regulations in Japan or in any of the countries where we conduct business. Furthermore, we publish information both within and outside the company, on our corporate intranet and our corporate website. Also, to ensure that we establish proper relationships with our business partners, the Compliance Codes of Conduct also prohibit giving or receiving excessive gifts, entertainment, or other benefits, or engaging in anti-competitive behavior such as bid rigging or price cartels.

We work to ensure that employees are fully aware of the Compliance Manual by distributing copies of it as well as through training programs.

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

Tokyo Tatemono Group Anti-Bribery Guidelines

Assessment and Monitoring of Bribery Risks

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

With regard to bribery, the Risk Management Committee (Compliance Subcommittee) conducts risk assessment and monitoring. Internal audits are conducted periodically to evaluate and review the anti-bribery control system.

Political Donations

We do not make donations related to political activities to individual politicians or organizations other than political parties or political fund organizations. When making donations related to political activities to political parties and political fund organizations, we take appropriate measures in accordance with the Political Funds Control Act, the Public Offices Election Act, and other related laws and regulations.

Preventing Anti-Competitive Practices

Through training and other measures, we publicize and teach the content of the Compliance Manual and Compliance Codes of Conduct, working to prevent anti-competitive practices (monopolies, etc.).

The Tokyo Tatemono Group did not incur any fines or other penalties related to anti-competitive practices in fiscal 2022.

Relevant Compliance Codes of Conduct

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

Compliance Training

Tokyo Tatemono conducts compliance training through e-learning each year. In 2022, around 4,400 executives and employees from 19 Group companies, including all employees of the Company, participated in the training (completion rate: 100% for Tokyo Tatemono, 97.6% for the Group as a whole). As well as the topics covered every year, the training in 2022 included additional content to enable participants to expand and update their knowledge. A section on the Whistleblower System and Whistleblower Protection Act aimed to familiarize students with the Whistleblower Protection Act that was revised and enforced in 2022 and the whistleblower system based on the Act. Another section on compliance with laws and regulations aimed to ensure compliance with various business laws.

In addition to e-learning training, we conducted level-specific compliance training, including training for line managers to prevent abuses of power, compliance and risk management training for directors and general managers (including outside directors), and compliance training for those newly appointed to leadership positions.

To prevent corruption and bribery, we post a monthly newsletter called Compliance News on the intranet, providing regular

reminders of the need to prevent bribery, and other misconduct, as well as harassment and other violations related to occupational health and safety.

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

Program for 2022 Compliance Training (e-Learning)

Group-wide Courses	<ul style="list-style-type: none"><li>• Group Compliance (prevention of corruption, and Compliance Codes of Conduct)</li><li>• Information Management I (personal information, insider trading prevention)</li><li>• Information Management II (confidential information management, My Number)</li><li>• Common Subjects (Compliance with Laws and Regulations, etc.)</li><li>• Whistleblower Protection Act and Whistleblower Protection System</li><li>• Real Estate Brokerage Act and Criminal Proceeds Transfer Prevention Act (anti-money laundering)</li></ul>
Separate modules implemented depending on nature of each company	<ul style="list-style-type: none"><li>• Personal Information</li><li>• Prevention of Insider Trading</li><li>• Personal Information Protection Education and Training</li><li>• Communication Training</li><li>• Power Harassment</li><li>• Information Security</li><li>• Customer-oriented Business Operation Policy</li><li>• Anti-Money Laundering and Criminal Proceeds Transfer Prevention Act</li><li>• What to Check When a Transaction is made</li><li>• Reconfirmation of cases pointed out in inspections (handling of real estate appraisals)</li><li>• Training on Preventing Harassment</li><li>• Compliance with the Subcontract Act</li></ul>

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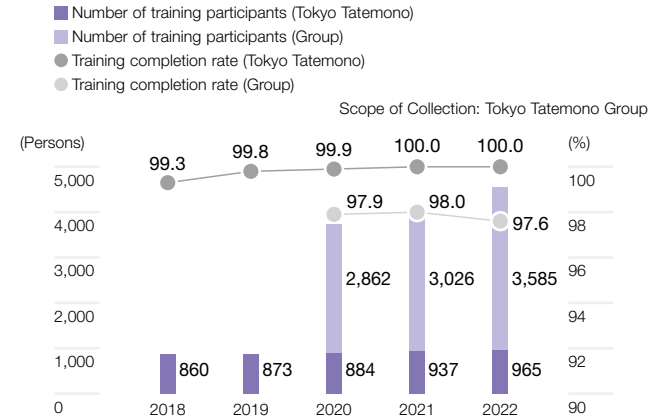
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### Data Related to Compliance Training (E-learning: Group Compliance)



\* Following a review, the number of trainees for 2021 (Tokyo Tatemono) has been revised.

## Compliance Surveys

Since 2009, the Tokyo Tatemono Group has conducted an annual compliance survey to understand and verify the degree of compliance awareness and acceptance among group employees. In 2022, 8,843 employees from 19 group companies were surveyed—a response rate of 76.3%.

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

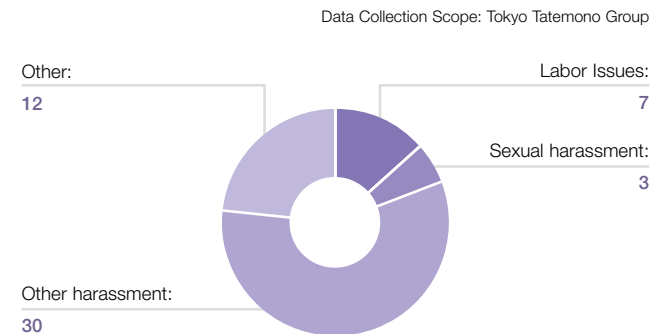
(Data) Compliance Training and Return Rate of Compliance Surveys P.92

## Establishment of a Helpline

The Tokyo Tatemono Group established the Tokyo Tatemono Group Helpline, a common external resource for the whole Group, in addition to separate internal helplines that are in place within each Group company. Both types of helplines accept internal complaints, reports, and consultations. The helplines aim to prevent or quickly resolve compliance violations in the Group, such as violations of laws or regulations, bribery or other acts of corruption, misconduct, or harassment, in light of the compliance with laws and regulations, prohibition of fraudulent acts, prohibition of harassment, and other conduct stipulated in the Compliance Codes of Conduct.

These services are available to all workers (including part-time and casual workers) and retired employees of the Group, as well as temporary and contract employees engaged in business. In addition, in keeping with the spirit of the Whistleblower Protection Act, whistleblowers will not be treated disadvantageously because of their internal complaints or reporting, and their privacy will be protected.

### Number of Helpline Calls and Consultations (FY2022)



Internal complaints, reports, or consultations received will be reported to the Legal & Compliance Department. Depending on the nature of the complaint, the facts will be investigated and confirmed either by this department or by the reporting division of each Group company or by the harassment response division of each company. Based on the investigations, we take prompt action for acts of noncompliance, including putting in place corrective measures and measures to prevent recurrence. The Risk Management Committee (Compliance Subcommittee) convenes to consider responses to the most serious cases.

(Data) Reports and Consultations to the Helpline P.93

## Response to Anti-Social Forces

The Tokyo Tatemono Group created Exclusion of Anti-Social Forces Rules, which detail our rules to exclude any and all relationships with anti-social forces and establishes specific methods for conducting due diligence on organizations referencing the Anti-Social Forces Check Manual. We cooperate with external experts and organizations such as the police and lawyers as part of our resolute response to anti-social forces.

## Transparency on Taxes

In accordance with the Compliance Charter, the Tokyo Tatemono Group pays taxes appropriately, in accordance with international standards as well as the laws, regulations, and social norms of each country and region.

We respond conscientiously to the tax authorities and strive to maintain good relationships with them. In all of our responses to questions from tax authorities, we have provided honest and accurate explanations of the facts as we understand them.



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Tokyo Tatemono underwent a third-party quality assurance evaluation by LRQA Limited in connection with certain environmental and social data to ensure the integrity of the data within this report. The type of data and numerical figures subject to this evaluation are indicated with a dagger (†).

The collection period and scope are indicated for each item of the data. Point-in-time data is provided as of the last day of the last month of the collection period. In addition, in the aggregate scope, the coverage rate of data marked as Tokyo Tatemono is 64%.

Environment

Promoting a Decarbonized Society: Indicators and Results

Energy Consumption and CO<sub>2</sub> Emissions (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Category	Unit	2018	2019	2020	2021	2022	2022 Target
Energy Consumption (Crude Oil Equivalent)†	kl	23,895 <sup>†</sup>	24,165 <sup>†</sup>	23,497 <sup>†</sup>	23,050 <sup>†</sup>	23,510 <sup>†</sup>	—
Unit Load	kl/Thousand m <sup>2</sup>	35.0	34.0	28.6	27.2	26.6	31.5
CO <sub>2</sub> Emissions†	t-CO <sub>2</sub>	44,559 <sup>†</sup>	44,263 <sup>†</sup>	41,824 <sup>†</sup>	39,209 <sup>†</sup>	40,073 <sup>†</sup>	—
Scope 1 (Fuel-Derived)†	t-CO <sub>2</sub>	3,300 <sup>†</sup>	2,871 <sup>†</sup>	2,534 <sup>†</sup>	2,542 <sup>†</sup>	2,428 <sup>†</sup>	—
Scope 2†	t-CO <sub>2</sub>	41,259 <sup>†</sup>	41,392 <sup>†</sup>	39,290 <sup>†</sup>	36,667 <sup>†</sup>	37,646 <sup>†</sup>	—
Unit Load	t-CO <sub>2</sub> /Thousand m <sup>2</sup>	65.2	62.3	50.8	46.3	45.4	57.4
Floor Area within Scope of Reporting	Thousand m <sup>2</sup>	683	710	823	847	883	—

\* From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

CO<sub>2</sub> Emissions (Scope of Collection: Tokyo Tatemono Group)

Category	Unit	2019	2020	2021	2022
CO <sub>2</sub> Emissions†	t-CO <sub>2</sub>	1,100,693	1,288,946 <sup>†</sup>	943,489 <sup>†</sup>	732,547 <sup>†</sup>
Scope 1 (Fuel-Derived)†	t-CO <sub>2</sub>	15,050	11,981 <sup>†</sup>	12,657 <sup>†</sup>	18,522 <sup>†</sup>
Scope 2†	t-CO <sub>2</sub>	115,897	104,736 <sup>†</sup>	96,195 <sup>†</sup>	88,124 <sup>†</sup>
Scope 3†	t-CO <sub>2</sub>	969,745	1,172,229 <sup>†</sup>	834,638 <sup>†</sup>	625,901 <sup>†</sup>
1. Purchased goods and services	t-CO <sub>2</sub>	19,171	16,790 <sup>†</sup>	17,629 <sup>†</sup>	20,246 <sup>†</sup>
2. Capital goods	t-CO <sub>2</sub>	227,580	198,205 <sup>†</sup>	73,633 <sup>†</sup>	71,522 <sup>†</sup>
3. Fuel and energy-related activities not included in Scopes 1 and 2	t-CO <sub>2</sub>	22,335	20,554 <sup>†</sup>	19,734 <sup>†</sup>	20,927 <sup>†</sup>
4. Transportation and distribution (upstream)	t-CO <sub>2</sub>	—	—	—	—
5. Waste generated in operations	t-CO <sub>2</sub>	18,532	11,181 <sup>†</sup>	10,350 <sup>†</sup>	13,137 <sup>†</sup>
6. Business travel	t-CO <sub>2</sub>	1,482	715 <sup>†</sup>	902 <sup>†</sup>	1,648 <sup>†</sup>
7. Employee commuting	t-CO <sub>2</sub>	1,575	1,570 <sup>†</sup>	1,627 <sup>†</sup>	1,751 <sup>†</sup>
8. Leased assets (upstream)	t-CO <sub>2</sub>	—	—	—	—
9. Transportation and delivery (downstream)	t-CO <sub>2</sub>	—	—	—	—
10. Processing of sold products	t-CO <sub>2</sub>	—	—	—	—
11. Use of sold products	t-CO <sub>2</sub>	667,565	912,151 <sup>†</sup>	700,453 <sup>†</sup>	489,609 <sup>†</sup>
12. Disposal of sold products	t-CO <sub>2</sub>	11,505	11,061 <sup>†</sup>	10,310 <sup>†</sup>	7,062 <sup>†</sup>
13. Leased assets (downstream)	t-CO <sub>2</sub>	—	—	—	—
14. Franchises	t-CO <sub>2</sub>	—	—	—	—
15. Investments	t-CO <sub>2</sub>	—	—	—	—

\*1 Category 4 is included in the calculation for Category 1.  
Categories 8 and 13 are included in the calculation for Scope 1 and 2.  
Other categories for which no figures are provided have no emission sources.

\*2 From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

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Renewable Energy (electricity) Usage Amount and Usage Rate, and Energy Generated (Scope of Collection: Tokyo Tatemono Commercial Properties Business)

Category	Unit	2018	2019	2020	2021	2022
Usage amount†	Thousands of kWh	—	—	—	3,675	22,735†
Usage rate†	%	—	—	—	2.7	16.3†
Energy generated from solar power†	Thousands of kWh	—	—	—	80	3,337†
Number of Facilities with Solar Panels Installed	Facilities	—	—	—	7	15
Solar power panel installation rate	%	38.3	37.8	39.7	34.8	48.9

Renewable Energy (electricity) Usage Amount, Usage Rate, and Energy Generated (Scope of Collection: Tokyo Tatemono Group)

Category	Unit	2018	2019	2020	2021	2022
Usage amount†	Thousands of kWh	—	—	—	3,675	22,735†
Usage rate†	%	—	—	—	1.8	11.2†
Energy generated from solar power†	Thousands of kWh	—	—	—	14,967	18,092†
Number of Facilities with Solar Panels Installed	Facilities	—	—	—	15	23
Of which Mega Solar Facilities Managed by Tokyo Fudosan Kanri	Facilities	—	—	—	8	8

Water Resources: Indicators and Results

Water Consumption and Water Consumption Unit Load (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Water Reduction Targets: 5% water consumption unit load reduction by FY2022 compared to FY2017 (equivalent to 1% annual reduction)

Category	Unit	2018	2019	2020	2021	2022
Potable Water Consumption†	Thousand m³	654†	622†	467†	464†	522†

Floor Area within Scope of Reporting	Thousand m²	683	710	823	847	997
Unit Load (Results)	m³/m²	0.96	0.88	0.57	0.55	0.59
Unit Load (Targets)	m³/m²	0.90	0.89	0.88	0.87	0.86
Target Progress Rate (Results)	%	+5.8	-3.2	-37.3	-39.4	—
Groundwater Consumption	Thousand m³	—	—	—	21	25
Recycled Water Consumption†	Thousand m³	—	—	—	46†	104†

\* From FY2021 the data collection period was changed to January to December. (Until FY2020 it was April to March.)

Water Consumption and Water Consumption Unit Load (Scope of Collection: Tokyo Tatemono [CPB] long-term buildings and commercial facilities\*)

KPI/Target: Reduce unit water consumption from the previous year

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Category	Unit	2018	2019	2020	2021	2022
Total Water Consumption	Thousand m³	—	—	—	688	786
Potable Water Consumption†	Thousand m³	—	—	—	567†	657†
Groundwater Consumption	Thousand m³	—	—	—	21	25
Recycled Water Consumption†	Thousand m³	—	—	—	100†	104†
Floor Area within Scope of Reporting	Thousand m²	—	—	—	983	997
Unit Load (Results)	m³/m²	—	—	—	0.70	0.79

\* Properties for which Tokyo Tatemono has substantial energy management authority

Water Withdrawal (Scope of Collection: Tokyo Tatemono [CPB] long-term buildings and commercial facilities\*)

Category	Unit	2018	2019	2020	2021	2022
Total Water Withdrawal	Thousand m³	—	—	587	588	682
Surface Water	Thousand m³	—	—	0	0	0
Groundwater	Thousand m³	—	—	22	21	25
Industrial Water	Thousand m³	—	—	0	0	0
Potable Water	Thousand m³	—	—	565	567	657

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External Wastewater	Thousand m³	—	—	0	0	0
Rainwater	Thousand m³	—	—	0	0	0
Sea Water	Thousand m³	—	—	0	0	0
Floor Area within Scope of Reporting	Thousand m²	—	—	978	983	997
Unit Load (Results)	m³/m²	—	—	0.60	0.60	0.68

\* Properties for which Tokyo Tatemono has substantial energy management authority

Water Discharge (Scope of Collection: Tokyo Tatemono [CPB] long-term buildings and commercial facilities\*)

Category	Unit	2018	2019	2020	2021	2022
Total Water Discharge	Thousand m³	—	—	681	688	786
Seawater	Thousand m³	—	—	0	0	0
Surface water	Thousand m³	—	—	0	0	0
Groundwater	Thousand m³	—	—	0	0	0
Sewage water	Thousand m³	—	—	559	575	667
Other*2	Thousand m³	—	—	123	114	119

\*1 Properties for which Tokyo Tatemono has substantial energy management authority

\*2 Other indicates the difference between water consumption and total water discharged, from seawater to sewage water.

Promoting a Recycling-oriented Society: Indicators and Results

Waste Emissions and Recycling Amount / Recycling Rate (Data Collection Period: April to March of the following year. Scope of Collection: Tokyo Tatemono properties that are subject to the Energy Conservation Law\*)

Waste Emissions Reduction Targets: 5% waste emission unit load reduction by FY2022 compared to FY2017 (equivalent to 1% annual reduction)

Category	Unit	2018	2019	2020	2021	2022
Waste Emissions Amount†	t	4,945†	5,151†	3,769†	3,939†	4,435†
Unit Load	t/Thousand m²	8.3	8.5	5.5	5.3	6.0
Recycling Amount†	t	3,202†	3,280†	2,424†	2,305†	2,578†

Recycling Rate†	%	64.8	63.7	64.3	58.5†	58.1†
Floor Area Within Scope of Reporting	Thousand m²	593	606	691	738	740

\* Tokyo Tatemono long-term buildings and commercial facilities that are subject to the Energy Conservation Law and for which we have submitted written plans for waste reuse and reduction

Waste Emissions and Recycling Amount / Recycling Rate (Scope of Collection: Tokyo Tatemono [CPB] long-term buildings and commercial facilities\*)

KPI/Target: Waste emissions per unit: 20% reduction by FY2030 compared to FY2019; waste recycling rate: 90% reduction by FY2030

Material Issue KPIs and Targets P.11

Category	Unit	2018	2019	2020	2021	2022
Total Waste Emissions†	t	—	—	—	6,350†	6,429†
Unit Load	t/Thousand m²	—	—	—	5.3	5.3
Recycling Amount†	t	—	—	—	4,171†	3,913
Recycling Rate†	%	—	—	—	65.7†	60.9†
Floor Area Within Scope of Reporting	Thousand m²	—	—	—	1,207	1,210

\* Long-term buildings and commercial facilities for which Tokyo Tatemono has substantial energy management authority and for which we have submitted a written plan for waste reuse and reduction

Environmental Management: Indicators and Results

Environmental Incidents and Violations of Environmental Laws or Regulations (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Category	Unit	2018	2019	2020	2021	2022
Violations of Environmental Laws or Regulations	Incidents	0	0	0	0	0
Environmental Incidents	Incidents	0	0	0	0	0
Environmental Fines	Yen	0	0	0	0	0

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Green Building External Evaluation and Certification: Indicators and Results						
Acquisition Rate of Green Building Certification for Owned and Managed Properties (Scope of Collection: Tokyo Tatemono Co., Ltd.)						
Category	Unit	2018	2019	2020	2021	2022
Acquisition Rate of Certification for Owned and Managed Properties						
Certification Acquired	%	40.7	36.6	38.3	56.4	62.5
Not Certified	%	59.3	63.4	61.7	43.6	37.5
Acquisition Rate of Certification for the Leasable Area of Office Buildings						
	%	40.6	36.3	41.4	63.1	66.6
Acquisition Rate of Certification for Leasable Area of Residential Buildings						
	%	42.3	39.1	22.2	22.2	27.2

\* DBJ Green Building Certification, CASBEE Building, etc

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Diversity & Inclusion: Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)						
Headcount						
Category	Unit	2018	2019	2020	2021	2022
Full-Time (FT) Employees (Total)						
Men	Persons	548	563	575	595	620
20 to 30 years old	%	13.1	15.1	16.7	18.5	19.4
31 to 40 years old	%	25.2	22.0	21.0	22.4	23.5
41 years old and above	%	61.7	62.9	62.3	59.2	57.1
Women	Persons	171	186	197	210	220
20 to 30 years old	%	20.5	19.9	19.8	23.3	25.5
31 to 40 years old	%	33.3	31.7	28.4	28.6	26.8
41 years old and above	%	46.2	48.4	51.8	48.1	47.7
Ratio of FT Women Employees	%	23.8	24.8	25.5	26.1	26.2
Ratio of Women Employees	%	27.7	28.9	30.2	30.8	31.0
Ratio of Foreign Regular Employees	%	0.3	0.3	0.3	0.2	0.2
Ratio of Employees with Disabilities* †	%	1.87†	1.81†	1.75†	2.21†	2.33†

Number of Managers (Total)						
Men	Persons	334	342	345	349	350
Women	Persons	16	18	22	27	27
Ratio of Management Positions Held by Women	%	4.6	5.0	6.0	7.2	7.2
Ratio of Director Positions Held by Women	%	0	0	0	8.3	8.3

\* Ratio of Employees with Disabilities is as of June each year

Turnover

Category	Unit	2018	2019	2020	2021	2022
Turnover Rate† (Full-time Employee Turnover*)						
	%	2.6†	2.1†	2.2†	1.5†	3.3†
Job Leavers (Total)						
Men	Persons	11	9	6	9	17
Of which FT Employees	Persons	8	9	5	8	15
Of which Contract Employees	Persons	3	0	1	1	2
Women	Persons	9	8	12	4	13
Of which FT Employees	Persons	0	1	3	2	9
Of which Contract Employees	Persons	9	7	9	2	4

\* Voluntary resignations only

Employment Status

Category	Unit	2018	2019	2020	2021	2022
New Graduate Hires (Total)						
Men	Persons	14	14	15	23	20
Women	Persons	8	7	5	10	10
Ratio of Women among New Graduate Hires	%	36.4	33.0	25.0	30.3	33.3
Ratio of Mid-career Hires to Regular Employees						
	%	29.0	41.7	57.4	37.7	57.7
Average Years of Service						
Men	Years	13.6	13.8	14.0	14.0	13.4
Women	Years	10.6	10.7	10.4	10.1	10.4
Difference in Average Tenure between Male and Female Regular Employees	Years	3.0	3.1	3.6	3.9	3.0



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Rehiring of Employees at Retirement Age

Category	Unit	2018	2019	2020	2021	2022
Employees at Retirement Age	Persons	8	8	11	10	13
Rehired Persons	Persons	7	8	9	8	12
Ratio of employees at retirement age who were rehired	%	87.5	100.0	81.8	80.0	92.3

Childcare Leave

Category	Unit	2018	2019	2020	2021	2022
Total Number of Employees Who Were Eligible for Childcare Leave*1	Persons	26	37	29	33	32
Men	Persons	17	21	22	23	22
Women	Persons	9	16	7	10	10
Total Number of Employees Who Have Taken Childcare Leave	Persons	24	24	26	26	21
Men	Persons	6*4	1*4	4	3*4	11
Women	Persons	18	23	22	23	10
Percentage of Childcare Leave Taken	%	92.3	64.8	89.6	78.7	65.6
Men*2	%	35.3*4	4.8*4	18.2	13.0*4	50.0
Women	%	100.0	100.0	100.0	100.0	100.0
Total Number of Employees Who Returned to Work after Childcare Leave	Persons	10	15	6	16	16
Men	Persons	2	6	0	5	12
Women	Persons	8	9	6	11	4
Percentage of Employees Returning to Work after Childcare Leave*3	%	100.0	100.0	100.0	100.0	88.9
Men	%	100.0	100.0	—	100.0	100.0
Women	%	100.0	100.0	100.0	100.0	66.7

\*1 Total number of employees who had a child born in the relevant year.

\*2 Male employees taking childcare leave = total number of male employees who took childcare leave in the relevant year/total number of male employees who had a child born in the relevant year.

\*3 Total number of employees who returned to work/total number of employees who were scheduled to return to work (The number of employees who returned to work is the number of employees who were scheduled to return to work excluding those who left for personal reasons without returning to work).

\*4 Following a close examination of data, figures have been revised.

Human Resource Investment and Development: Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

EBIT (Earnings Before Interest and Taxes) per Employee

Category	Unit	2018	2019	2020	2021	2022
EBIT (earnings before interest and taxes) per employee	Million Yen	56	62	62	69	72

\* A measure of productivity defined in ISO30414 (Guidelines for the Disclosure of Information on Human Capital).

Average Hours of Training per Year per Employee

Category	Unit	2018	2019	2020	2021	2022
Average annual training hours	Hours	12.0	14.4	12.2	18.3	15.8

Training Participation Rate

Category	Unit	2018	2019	2020	2021	2022
Career training participation rate	%	—	—	100	100	100

Employee Engagement Survey

Category	Unit	2018	2019	2020	2021	2022
Rating*	—	—	—	—	A	A
Score	—	—	—	—	59.1	59.4

\* The results of the scores calculated independently by the research company are ranked in 11 rating levels.  
Ratings: DD (score less than 33), DDD (33-39), C (39-42), CC (42-45), CCC (45-48), B (48-52), BB (52-55), BBB (55-58), A (58-61), AA (61-67), AAA (67+).

Percentage of Employees Receiving Regular Performance Reviews

Category	Unit	2018	2019	2020	2021	2022
Percentage of Employees Receiving Regular Performance Reviews	%	100	100	100	100	100
Men	%	100	100	100	100	100
Women	%	100	100	100	100	100

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Acceptance of Interns

Category	Unit	2018	2019	2020	2021	2022
Total number of interns accepted	Persons	157	144	207	272	306

Health Management / Occupational Safety and Health: Indicators and Results (Data Collection Period: April to March each fiscal year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Health Management-related Measures

Category	Unit	2018	2019	2020	2021	2022
Ratio of employees who underwent a health check-up†	%	100†	100†	100†	100†	100†
Reexamination rate	%	94.0	63.0	98.3	83.7	98.0
Ratio of employees who smoke	%	22.5	21.0	17.2	16.0	12.1

\* Smoking rates for 2018 or earlier are for executives and employees 35 years of age and older. Smoking rates from 2019 onward are for all executives and employees.

Investment in Health Management (Portion Borne by Tokyo Tatemono)

Category	Unit	2018	2019	2020	2021	2022
Amount Invested in Health Management per Employee	Thousand Yen	—	—	109	111	116

Paid Leave Status

Category	Unit	2018	2019	2020	2021	2022
Average Number of Annual Paid Leave Utilization Days†	Days	9.9†	10.6†	9.3†	10.2†	11.8†
Average Annual Paid Leave Utilization Rate†	%	—	57.7†	51.2†	57.5†	67.8†

\* Other leave policies provide for vacations such as summer leave and national holidays (not included in the above figures)

Percentage of Unionized Employees

Category	Unit	2018	2019	2020	2021	2022
Percentage of Unionized Employees	%	100	100	100	100	100

Changes in Average Overtime Hours Worked per Month (Data Collection Period: January to December each year.)

Category	Unit	2018	2019	2020	2021	2022
Average overtime hours	Hours	25	23	24	26	26

Lost Time Injuries

Category	Unit	2018	2019	2020	2021	2022
Number of Lost Time Injuries† *1	Incidents	1†	0†	0†	1†	1†
Of which FT Employees	Incidents	0	0	0	1	1
Of which Contract Employees	Incidents	1	0	0	0	0
Total Days Lost Due to Absence†	Days	137†	122†	7†	386†	646†
Ratio of Absenteeism†	%	—	0.06†	0†	0.18†	0.28†
Number of Deaths	Persons	0	0	0	0	0
Of which FT Employees	Persons	0	0	0	0	0
Of which Contract Employees	Persons	0	0	0	0	0
Lost time incident frequency rate (LTIFR)† *2	—	—	0†	0†	0.59†	0.58†
Occupational accident severity rate*3	—	—	0	0	0.001	0

\*1 Number of lost time injuries: Accidents that occur during work that result in one or more days absence.  
\*2 Lost time incident frequency rate: Number of fatalities and injuries due to occupational accidents / Total number of actual working hours x 1,000,000  
\*3 Occupational accident severity rate: Total number of working days lost / Total number of actual working hours x 1,000

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Improving Quality and Customer Satisfaction: Indicators and Results

Office Building Customer Satisfaction Survey Results

Category	Unit	2018	2019	2020	2021	2022
Satisfied	%	80.00	79.35	81.56	79.2	79.4
Somewhat satisfied	%	18.43	18.21	17.60	18.9	17.5
Somewhat dissatisfied	%	1.37	2.17	0.56	1.4	2.3
Dissatisfied	%	0.20	0.27	0.28	0.5	0.8

Revitalizing and Utilizing Real Estate Stock: Indicators and Results

Revitalizing Housing Complexes

Category	Unit	2018	2019	2020	2021	2022	Under reconstruction
Total Units before Reconstruction	Units	875	971	994	994	994	4,154
Total Units after Reconstruction	Units	1,644	1,846	1,884	1,884	1,884	8,008

Details on Revitalization of Housing Complexes (Properties Whose Reconstruction Has Been Completed or Started)

	Property name		Location	Year of completion of original construction	Site area before reconstruction	Total units before reconstruction	Year of completion of reconstruction	Site area after reconstruction	Total units after reconstruction
Completed	Suwa 2-chome Housing Condominium Reconstruction Project	Brillia Tama New Town	Suwa 2-chome, Tama-shi, Tokyo	1971	64,399m <sup>2</sup>	640 units	October 2013	64,399m <sup>2</sup>	1,249 units
	Heights Komagome Apartments Reconstruction Project	Brillia Komagome Rikugien	6-chome, Honkomagome, Bunkyo-ku, Tokyo	1971	940m <sup>2</sup>	25 units	July 2014	940m <sup>2</sup>	49 units
	Fujisaki Housing Condominium Reconstruction Project	Residence Momochi	2 Momochi, Sawara-ku, Fukuoka-shi, Fukuoka	1971	9,946m <sup>2</sup>	130 units	March 2015	9,946m <sup>2</sup>	232 units
	Koganei Condominium Reconstruction Project	Brillia Koganei Sakuracho	Sakura-cho 2-chome, Koganeishi, Tokyo	1964 and 1965	5,356m <sup>2</sup>	80 units	April 2016	5,219m <sup>2</sup>	114 units
	Senri-Tsukumodai A Condominium Complex Reconstruction Project	Brillia City Senri Tsukumodai	3, Tsukumodai, Suita City, Osaka Prefecture	1966	7,256m <sup>2</sup>	96 units	December 2019	7,256m <sup>2</sup>	202 units
	Hiratsuka-cho Housing Reconstruction Project	Brillia Hatanodai	6-chome Hatanodai, Shinagawa-ku, Tokyo	1959	1,829m <sup>2</sup>	23 units	November 2020	1,829m <sup>2</sup>	38 units
Started	Itopia Hamarikyu Condominium Complex Reconstruction Project	Brillia Tower Hamarikyu	1 Kaigan, Minato-ku, Tokyo	1979	2,820m <sup>2</sup>	328 units	September 2023	2,820m <sup>2</sup>	420 units
	Shakujii Koen Apartment Complex Reconstruction Project	Brillia City Shakujii koen ATLAS	3 Kami-shakujii, Nerima-ku, Tokyo	1967	42,365m <sup>2</sup>	490 units	June 2023	37,730m <sup>2</sup>	844 units

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- Contributing to Our Communities
- Human Resource Investment and Development
- Health Management / Occupational Safety and Health
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Governance

Corporate Governance: Indicators and Results

Board of Directors Related Data

Category	Unit	2018	2019	2020	2021	2022
Number of Board Meetings	Meetings	13	15	14	15	14
Number of Directors	Persons	12	12	12	12	12
Number of Executive Officers on Board	Persons	7	7	7	7	7
Number of Non-executive Officers on the Board (Excluding Independent External Directors)	Persons	1	1	1	1	1
Number of Independent External Directors	Persons	4	4	4	4	4
Proportion of External Directors	%	33	33	33	33	33
Average Board Meeting Attendance	%	100	99	100	100	99
Average Tenure of Directors* (Including Independent External Directors)	Years	5.8	3.8	4.8	4.6	4.4

\* Average length of tenure of directors is as of March 31 of each year

Remuneration of Directors and Audit and Supervisory Board Members (Fiscal Year Ended December 2022)

Executive Class	Number of Eligible Individuals	Total Amount by Type of Remuneration			Total Remuneration (Million Yen)
		Fixed Remuneration (Million Yen)	Performance-linked Remuneration (Million Yen)	Stock-Based Remuneration (Million Yen)	
Directors (Excluding External Directors)	8	271	171	37	480
Audit and Supervisory Board Members (Excluding External Members*)	2	52	—	—	52
External Officers	6	54	—	—	54
Total	16	377	171	37	586

\* Two External Members

Compliance: Indicators and Results

Violation of Laws or Regulations and Related Sanctions

Category	Unit	2018	2019	2020	2021	2022
Number of incidents related to bribery	Incidents	0	0	0	0	0
Number of incidents related to antitrust or anti-competitive behavior	Incidents	0	0	0	0	0
Number of incidents related to Code of Conduct	Incidents	0	0	0	0	0
Number of incidents related to other compliance violations	Incidents	0	0	0	0	0

Violation of Laws or Regulations in the Field of Socioeconomic Activities

Category	Unit	2018	2019	2020	2021	2022
Number of Violations of Laws or Regulations in Socioeconomic Activities	Incidents	—	—	0	0	0
Of which total amount of significant fines	Yen	—	—	0	0	0
Of which total number of sanctions other than fines	Incidents	—	—	0	0	0

Compliance Training and Return Rate of Compliance Surveys

Category	Unit	2018	2019	2020	2021	2022
Tokyo Tatemono Only						
Number of Training Participants	Persons	860	873	884	937*	965
Training Completion Rate	%	99.3	99.8	99.9	100.0	100.0
Tokyo Tatemono Group (Scope: 19 Group Companies)						
Number of Training Participants	Persons	—	—	2,862	3,026	3,585
Training Completion Rate	%	—	—	97.9	98.0	97.6
Return Rate of Compliance Surveys (Scope: 19 Group Companies)	%	80.2	75.0	74.8	73.2	76.3

\* Following a close examination of data, figures have been revised.



Data

Violations Related to Product and Service Information and Labeling

Category	Unit	2018	2019	2020	2021	2022
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	0	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

Violations Related to Marketing Communications

Category	Unit	2018	2019	2020	2021	2022
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	0	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

Reports and Consultations to the Helpline

Category	Unit	2018	2019	2020	2021	2022
Number of Reports and Consultations to the Helpline	Incidents	59	56	41	61	52
(FY2022) Incidents						
Reports, Consultation Category Report	Incidents	49	48	30	49	48
Incidents	Incidents	10	8	11	12	4
Consultation (Breakdown)						
Labor Issues	Incidents	11	16	8	13	7
Sexual harassment	Incidents	1	3	2	3	3
Other harassment	Incidents	39	34	27	39	30
Other Incidents	Incidents	8	3	4	6	12

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- Message from the President and CEO
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- ESG Management
- Initiatives and External Evaluation for Sustainability

Feature:

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- Environmental Management
- Promoting a Decarbonized Society
- External evaluation and Certification for Green Building
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- Sustainability Finance
- Responding to Natural Disasters

Social

- Respect for Human Rights
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Sustainability Finance Reporting

Green Bond and Sustainability Bond Reporting

Green Bond Reporting

Funding Allocation Status (as of December 31, 2022)			Hareza Ikebukuro: 20,000 million yen (fully allocated) Nakano Central Park South: 29,516 million yen (fully allocated)
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Hareza Tower · DBJ Green Building Certification: 5 stars · CASBEE-Buildings (New Construction): Class S · ZEB Ready (BELS certification: 5 stars) · BELS certification: 5 stars (ZEB Ready) Nakano Central Park South: · DBJ Green Building Certification: 5 stars
	Energy consumption/CO <sub>2</sub> emissions/ Water consumption		Energy consumption/CO <sub>2</sub> emissions: <a href="#">Promoting a Decarbonized Society P.26</a> Water consumption: <a href="#">Water Resources P.35</a>

Sustainability Bonds Reporting (First Issuance)

Status of allocation of proceeds (as of December 31, 2022)			Yaesu Project: 15,000 million yen (fully allocated) Tokyo Square Garden: 14,000 million yen (fully allocated) Tokyo Tatemono Nihonbashi Building: 10,000 million yen (fully allocated) Social projects*1: 798 million yen (fully allocated)
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Tokyo Square Garden · DBJ Green Building Certification: 5 stars Tokyo Tatemono Nihonbashi Building · DBJ Green Building Certification: 4 stars
	Energy consumption/CO <sub>2</sub> emissions/ Water consumption		Energy consumption/CO <sub>2</sub> emissions: <a href="#">Promoting a Decarbonized Society P.26</a> Water consumption: <a href="#">Water Resources P.35</a>
Social benefit	Status of project development (as of December 31, 2022)		Yaesu Project · Demolition in progress Tokyo Square Garden · Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals Tokyo Tatemono Nihonbashi Building · Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, and barrier-free pedestrian network
	Project Usage*2 (January – December 2022)		Number of events held: 193 Number of companies using the facility: 98

\*1 Overview of Green Bonds and Sustainability Bonds P.41  
\*2 Project usage: The sum of usage at City Lab TOKYO, TOKYO FOOD LAB, xBridge-Tokyo, xBridge-Tokyo Next, Kitchen Studio SUIBA, and TOKYO IDEA EXCHANGE

Management

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- Initiatives and External Evaluation for Sustainability

Feature:

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Reporting on Sustainability Finance

Sustainability Finance Reporting

Sustainability Bond Reporting (Second Issuance)

Status of allocation of proceeds (as of December 31, 2022)			Tokyo Square Garden: 29,611 million yen (fully allocated) Tokyo Tatemono Nihonbashi Building: 10,000 million yen (fully allocated)
Environmental Improvement Impact	Valid environmental certifications	Certifications in progress	None
		Certified	Tokyo Square Garden · DBJ Green Building Certification: 5 stars Tokyo Tatemono Nihonbashi Building · DBJ Green Building Certification: 4 stars
	Energy consumption/CO <sub>2</sub> emissions/ Water consumption		Energy consumption/CO <sub>2</sub> emissions: <u>Promoting a Decarbonized Society P.26</u> Water consumption: <u>Water Resources P.35</u>
Social benefit	Status of project development (as of December 31, 2022)		Yaesu Project · Demolition in progress Tokyo Square Garden · Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals Tokyo Tatemono Nihonbashi Building · Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, and barrier-free pedestrian network
	Project Usage* (January – December 2022)		Number of events held: 193 Number of companies using the facility: 98

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

Reporting on Sustainability Bond for Retail Investors

Status of allocation of proceeds (as of December 31, 2021)			Hareza Tower (Hareza Ikebukuro): 500 million yen (fully allocated) Nakano Central Park South: 7,000 million yen (fully allocated) Brillia ist Tower Kachidoki: 2,000 million yen (fully allocated) Nonoaoyama Building: 433 million yen (fully allocated)
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Hareza Tower (Hareza Ikebukuro) · DBJ Green Building Certification: 5 stars · CASBEE-Buildings (New Construction): Class S · ZEB Ready (BELS certification: 5 stars) Nakano Central Park South · DBJ Green Building Certification: 5 stars Brillia ist Tower Kachidoki · DBJ Green Building Certification: 5 stars
	Energy consumption/CO <sub>2</sub> emissions/ Water consumption		Energy consumption/CO <sub>2</sub> emissions: <u>Promoting a Decarbonized Society P.26</u> Water consumption: <u>Water Resources P.35</u>
Social benefit	Output (as of December 31, 2022)		Brillia ist Tower Kachidoki · Provision of medical facilities · Provision of certified nursery schools (childcare facilities) · Provision of family houses (accommodation facilities for patients with incurable pediatric diseases) Nonoaoyama Building · Provision of housing for the elderly · Provision of childcare facilities
	Outcome (as of December 31, 2022)		Brillia ist Tower Kachidoki · Medical facilities (dentistry, ophthalmology, pediatrics) · Maximum number of children accepted at childcare facilities (114 in total / nursery school 108, kindergarten 6) · Number of rooms in family houses, number of people who can stay overnight (two rooms available, with capacity for two and three people. An additional three people can be accommodated using sofa beds in the living room.) Number of rooms in Nonoaoyama Building · Housing units for the elderly (49 units in total) · Maximum number of children accepted at childcare facilities (23 children in total)

Management

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Reporting on Sustainability Finance

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Green Loan Reporting

Funding Allocation Status (as of December 31, 2022)			Tokyo Tatemono Sendai Building: 7,000 million yen (fully allocated) T-LOGI Narashino: 3,000 million yen (fully allocated)
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Tokyo Tatemono Sendai Building · DBJ Green Building Certification: 4 stars T-LOGI Narashino · CASBEE-Buildings (New Construction): Class A · BELS Certification: 5 stars · ZEB Certification: ZEB
		Energy consumption/CO <sub>2</sub> emissions/ Water consumption	Energy consumption/CO <sub>2</sub> emissions: <a href="#">Promoting a Decarbonized Society P.26</a> Water consumption: <a href="#">Water Resources P.35</a>

Funding Allocation Status (as of December 31, 2022)			Fully allocated
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Tokyo Tatemono Sendai Building · DBJ Green Building Certification: 4 stars
		Energy consumption/CO <sub>2</sub> emissions/ Water consumption	Energy consumption/CO <sub>2</sub> emissions: <a href="#">Promoting a Decarbonized Society P.26</a> Water consumption: <a href="#">Water Resources P.35</a>

Funding Allocation Status (as of December 31, 2022)			Fully allocated
Environmental Improvement Impact	Valid environmental certifications	Certifications pending	None
		Certifications obtained	Tokyo Tatemono Sendai Building · DBJ Green Building Certification: 4 stars
	Energy consumption/CO <sub>2</sub> emissions/ Water consumption		Energy consumption/CO <sub>2</sub> emissions: <a href="#">Promoting a Decarbonized Society P.26</a> Water consumption: <a href="#">Water Resources P.35</a>



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Third-Party Assurance



LRQA Independent Assurance Statement  
Relating to Tokyo Tatemono Co., Ltd.'s Environmental and Social Data for the  
Calendar Year 2022

This Assurance Statement has been prepared for Tokyo Tatemono Co., Ltd. in accordance with our contract.

Terms of Engagement

LRQA Limited (LRQA) was commissioned by Tokyo Tatemono Co., Ltd. ("the Company") to provide independent assurance on its environmental and social data ("the report") within its Sustainability Report 2022 and its corporate website for the calendar year 2022, that is, from 1 January 2022 to 31 December 2022 against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000(Revised) and ISO 14064-3:2019 for greenhouse gas ("GHG") emissions.

Our assurance engagement covered the Company and its consolidated subsidiaries' operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:

Environmental indicator <sup>1</sup>

[Property subject to reporting obligations under the Act on the Rational Use of Energy] <sup>2</sup>

- Energy consumption (in kilo-liter of crude oil equivalent)
- Scope 1 GHG emissions (tCO<sub>2</sub>e)
- Scope 2 GHG emissions (Market-based) (tCO<sub>2</sub>)
- The amount of renewable energy generated (kWh)
- Tap water consumption volume (m<sup>3</sup>)
- Recycled water amount (m<sup>3</sup>)
- Total waste generated (tonnes)
- Recycled waste amount (tonnes)
- Ratio of recycled waste (%)

Social indicator <sup>3</sup>

- Employment rate of persons with disabilities <sup>4</sup>
- Rate of health check-ups
- Average number of paid leave days taken
- Average Ratio of Paid Leave Days Taken
- Number of lost time injury
- Lost Time Injury Frequency Rate
- Total days lost due to absenteeism
- Ratio of days lost due to absence
- Turnover rate (Only for Personal Circumstances) <sup>5</sup>

[The Company (non-consolidated) Office Building Business]

- The amount of renewable energy introduction (kWh)
- The ratio of renewable energy (%)
- The amount of renewable energy generated (kWh)

[Long-term owned buildings and commercial facilities where the Company has energy management authority]

- Tap water consumption volume (m<sup>3</sup>)
- Recycled water amount (m<sup>3</sup>)
- Total waste generated (tonnes)
- Recycled waste amount (tonnes)
- Ratio of recycled waste (%)

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> Reporting period of Environmental Indicator is from Jan.1 2022 to Dec.31 2022. Only regarding waste data is from Apr.1 2022 to Mar.31 2023

<sup>3</sup> The scope covers the real estate owned by the Company and subject to reporting obligations under the Act on the Rational Use of Energy.

<sup>4</sup> Reporting period of Social Indicator is from Apr.1 2022 to Mar.31 2023.

<sup>5</sup> Employment rate of persons with disabilities is as of 1 June 2022.

<sup>6</sup> Reporting period of Turnover rate is from Jan.1 2022 to Dec.31 2022



[The Company and its subsidiaries' operations and activities]

- Scope 1 GHG emissions (tCO<sub>2</sub>e)
- Scope 2 GHG emissions (Market-based) (tCO<sub>2</sub>)
- Scope 3 GHG emissions (Category 1-15) (tCO<sub>2</sub>e)
- The amount of renewable energy introduction (kWh)
- The ratio of renewable energy (%)
- The amount of renewable energy generated (kWh)

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

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Company has not, in all material respects:

- Met the requirements of the criteria listed above
  - Disclosed accurate and reliable environmental and social data
- The opinion expressed is formed on the basis of a limited level of assurance<sup>6</sup> and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical Environmental / Social data and records for the calendar year 2022; and
- Visiting Tokyo Tatemono Nihonbashi TI Building, Yokohama First Building, and T-LOGI Narashino Solar Power System to assess whether the data management systems have been effectively implemented.

Observations

Considering the interest of stakeholders, The amount of renewable energy generation and introduction were drastically expanded. It is a highly evaluated. The boundary of verification data is complex and numerous. From the viewpoint of easy understanding for stakeholders, it is recommended to summarize the data into easy-to-understand boundaries such as non-consolidated and consolidated.

It is recommended the Company will continue to maintain the high level data management systems and to ensure accurate aggregation and calculation of environmental and social data.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in

<sup>6</sup> The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

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

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

Signed

Jun Yasumoto  
LRQA Lead Verifier  
On behalf of LRQA Limited  
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

Dated: 18 June 2023

LRQA reference: YKA00000035

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