



INTEGRATED REPORT **2024**

TOKYO TATEMONO GROUP



Foreword

Thank you for taking the time to review the Tokyo Tatemono Group Integrated Report 2024.

We have been publishing integrated reports since 2019, and this is our sixth. I speak regularly with our shareholders, our investors, and a wide range of other stakeholders. Each year, I keep those interactions in mind as we work to improve the content of this report. I hope it can serve as a tool to help people understand our company more deeply and to enrich our conversations.

We will continue working to enhance and improve the content of our disclosure and the transparency of information so that we can clearly communicate our management vision and goals. I hope that you will read this integrated report in full and share frankly any thoughts or impressions you may have. We appreciate your continued support.



July 2024

Representative Director, Senior Managing Executive Officer

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Corporate Philosophy

“Trust beyond the era.”

We aim to grow the Company and to create a prosperous society, taking pride in the level of trust placed in us for more than a century.




Corporate Stance

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



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Aiming toward Becoming a Next-Generation Developer through Stable Growth over the Course of the Current Medium-Term Business Plan



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We take the opinions of our investors seriously, aiming for both profit growth and capital efficiency improvement from a medium- to long-term perspective

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With property sales to investors growing, we aim to achieve medium- to long-term expansion in tandem with large-scale redevelopment



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Sincerely engaging with customers, we aim to achieve stable growth based on the Brillia brand

Editorial Policy	The <i>Tokyo Tatemono Integrated Report 2024</i> has been prepared with the goals of enhancing communication with stakeholders and fostering understanding regarding the intentions of the Tokyo Tatemono Group to create value over the medium to long term through the provision of financial and non-financial information. For future reports, we intend to incorporate feedback from readers to improve the contents.
Reporting Period	This report primarily covers fiscal 2023, the fiscal year ended December 31, 2023. However, some information on activities before or after this period and forward-looking forecasts are also included.
Scope of Reporting	The scope of this report includes Tokyo Tatemono Co., Ltd. and Tokyo Tatemono Group companies.
Referenced Frameworks	In preparing this report, we referenced the Guidance for Integrated Corporate Disclosure and Company Investor Dialogues for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment released by the Ministry of Economy, Trade and Industry and the IFRS Foundation's International Integrated Reporting Framework. Non-financial information has been disclosed with reference to the standards of the Global Reporting Initiative. 
Disclaimer Regarding Forward-Looking Statements	Data and information regarding future outlooks provided in this integrated report are forward-looking statements based on the Company's judgments in light of currently available information. Actual results may differ materially from those projected as a result of economic conditions, market trends, demand fluctuations, foreign exchange rate movements, and other factors.

Target for 2030 and Long-Term Vision

Becoming a Next-Generation Developer

Solving Social Issues/ Growth as a Company



Message from the CEO

**Aiming toward Becoming a Next-Generation
Developer through Stable Growth
over the Course of the Current
Medium-Term Business Plan**

Hitoshi Nomura

Representative Director
President and CEO

My commitment to achieving the Medium-Term Business Plan

In 2011, Tokyo Tatemono recorded a major loss and, despite striving under a medium-term business plan, failed to achieve its consolidated operating profit target in 2014. It was against this backdrop that I was appointed President and CEO in 2017, and ever since I have been committed to steadily achieving the Company's declared targets and ensuring stable growth. To realize this commitment, the Company has focused on three initiatives related to the corporate structure.

The first initiative is aimed at strengthening our earnings power. Because the bulk of my career has been in the sales field, I tend to be highly focused on achieving targets and have come to believe that boosting our earnings power is just as important as promoting sustainability management and solving social issues.

We use the phrase "sales by all members" to drive home the importance of earnings power across the Group. We have worked hard to ensure a constant awareness that no matter which department they work in or what kind of work they do, everyone should remain diligent and think about the utility of various types of data and how this data can be used to secure better results. Looking back on the business results of the current medium-term business plan, I feel that this earnings power mindset has become well ingrained.

The second initiative is aimed at strengthening our hiring practices and placing personnel appropriately in line with business strategies. Believing that securing human resources is necessary to the achievement of our long-term vision and medium-term business plan targets, in 2020 we began to hire mid-career professionals for the first time in a decade and increased the number of new graduates hired. And, although the amount of work has significantly increased during the current medium-term business plan, especially for redevelopment projects and property sales to investors, we have been able to steadily promote business through the appropriate placement of highly skilled human resources possessing a wealth of experience and expertise.

The third initiative is aimed at ensuring that we remain a flat organization. Team play continues to facilitate excellent numbers across the Company. We consider this a unique benefit of a flat organizational culture in which top management and employees can communicate freely with one another. In line with the conviction that sustainable growth is possible only by fostering this organizational culture, I myself proactively create space for frank communication and regularly invite seven to eight employees to join me in doing so. In addition, we are once again engaging in Company-wide parties and other communication stimulating activities that had been suspended during the COVID-19 pandemic. By expanding our human resources and fostering our unique organizational culture in such ways, we are building a base for growth.

Nimble responding to external environmental changes and taking bold action to achieve the targets of the plan

With 2024 being the final year of the current medium-term business plan, I would like to reflect back on the years covered by the plan.

The Company formulated the current plan in 2020, but major environmental changes soon followed, including the rapid spread of the COVID-19 pandemic, widespread revisions to corporate workstyles (including a shift to working from home), and a drastic drop in the flow of people due to emergency declarations.

Due to these external environmental changes, the Company's mainstay business of office leasing struggled more than initially planned. We nevertheless took various measures to further enhance the added value of physical spaces in line with the belief held by the majority of companies in Japan that people would eventually return to working at the office. And, regarding our overall business performance, we steadily achieved our targets on the back of the strong performance of the for-sale condominiums business and property sales to investors. Market conditions were also good, including low interest rates, but I think the main driving

forces were our accumulation of quality real estate stock from the previous medium-term plan and the Company's strong product planning capabilities.

We are simultaneously working to optimize our business portfolio through share transfers of consolidated subsidiaries. We have also been able to both secure solid business results and optimize our business portfolio and asset composition, such as by selling non-current assets.

As a result, we achieved higher revenue and profit in 2023 and gained strong confidence in achieving our 2024 targets on the back of the business results, organization, and human resources base we have built so far.

Share transfers of consolidated subsidiaries under the current medium-term plan

2020: Tokyo Tatemono Senior Life Support Co., Ltd.

2023: Tokyo Tatemono Kids Co., Ltd. and Tokyo Tatemono Staffing Co., Ltd.

Accelerating ESG initiatives with the aim of achieving medium- to long-term growth

With this year marking its 128-year anniversary of its founding, Tokyo Tatemono is Japan's oldest general real estate





developer. I believe that surviving 128 years is in and of itself proof that the Company is sustainable. Going forward, we intend to overcome various environmental changes and set a track record attractive to stakeholders while addressing social issues as they arise in an effort to continue benefiting sellers, buyers, and the broader community.

Because developers' business operations can significantly impact the environment and society, we have proactively incorporated ESG measures into the current medium-term business plan to ensure sustainable medium- to long-term growth.

As for governance, to stimulate discussion of medium- to long-term issues at Board of Directors meetings, in 2023 we established the Management Discussion Board, which enables the free discussion of particular themes. The Company's Board of Directors meetings have always had an atmosphere that welcomes frank discussions, but there are times when medium- to long-term issues are not fully discussed, so we created an appropriate framework to aid in the formulation of the next medium-term plan. In the previous year, the Management Discussion Board covered such topics as management that is aware of capital costs and share price, soliciting valuable insights from outside directors and accelerating discussion.

Regarding its human resource strategy, the Company again disclosed its approach related to human capital in the fiscal 2023 securities report. In addition, the aforementioned Management Discussion Board took up our human resource strategy as a topic, sorted out the initiatives under the current medium-term business plan and in light of present-day issues, and deepened discussion on how to connect business strategies with the human resource strategy in order to ensure that the Company continues to grow moving forward.

Regarding our environmental strategy, we have been promoting initiatives in line with ambitious targets, having set stricter medium- to long-term targets for greenhouse gas (GHG) emission reduction in October 2023. The Company has also conducted eco-conscious development before the SDGs were announced, with the prime example being the Otemachi Forest on the grounds of THE OTEMACHI TOWER. Last year, praising our initiatives to date, the Ministry of the Environment certified the forest as a nature symbiosis site (📄 p. 18).

We will continue to accelerate ESG initiatives under the next medium-term business plan with the aim of remaining a vital part of society.

Aiming to achieve stable growth through the appropriate control of our portfolio

The Company has set out a long-term vision of becoming a next-generation developer by around 2030. Because fiscal 2024 is serving as a year in which we are reflecting on our progress, we are accelerating discussions related to the next medium-term business plan. Based on the drastic changes in the external environment and the Company's current situation, Tokyo Tatemono is earnestly preparing for the announcement of the next plan around spring 2025. Here, we hope to be able to provide a glimpse into our outlook for the future, and I also discuss my views on current issues and the outlook moving forward.

We recognize that the most pressing issue at present is

soaring construction costs and expect this to have a major impact on the Company's overall business in the form of, for example, lower profitability and higher demand for funding. Regarding this situation, the Board of Directors has thoroughly studied and discussed various scenarios from the perspective of risk management and considered actions to improve profitability and meet funding demand as well as management schedules for projects for which construction is slated to begin in the near future.

Regarding the three fields constituting our profit composition as outlined under the current plan (leasing, property sales, and services), based on changes in the external environment, I believe that the specific compositions of these fields will themselves differ from those existing when the plan was initially formulated.

First, profit from office buildings in the leasing field has fallen below initial assumptions due to rising energy costs and increasing vacancy rates due to the COVID-19 pandemic. On the other hand, the Company is set to finish construction of the Yaesu Project in fiscal 2025 and plans to steadily build up leasing profit through the development of multiple large-scale redevelopment projects thereafter. In addition, vacancy rates from the end of 2023 onward have been trending down, and, with the feedback loop caused by rising inflation and wages, I think that there is no way for office building rents to be the only cost not rising. I believe it is certainly necessary to hold deep in-person conversations and intend to continue working hard to expand leasing revenues from existing office buildings while carefully monitoring market trends, such as the supply of office buildings going forward.

In addition, the Company is proud that under the current plan it has constructed a well-balanced asset portfolio and accumulated a wide range of stock that includes logistics properties and hotels in addition to its existing mainstay office buildings. Over our history, we have owned mainly office buildings and earned leasing revenue. We are now striving to expand leasing profit by, for example, increasing the ownership ratio of for-rent condominiums, rents for which have been rising.

Regarding property sales to investors, we will continue to

Message from the CEO

step up the sale of our currently owned stock. We will simultaneously strive for the optimal asset portfolio composition. With the aim of maximizing profit, we have established a system that enables us to sell assets to meet needs as they arise, such as selling some non-current assets as needed.

Regarding for-sale condominiums, we recognize that this is our best performing business under the current plan. As the current plan has played out, we have garnered high praise from customers for the quality and locations of our properties, such as SHIROKANE The Sky and Brillia Tower Dojima. Although the condominium business is generally considered highly volatile, the Company is backed by strong product planning capabilities based on the Brillia brand and owns an excellent land bank built through the acquisition of carefully selected parcels of land. We believe this business will underpin our results under the next medium-term business plan. While there is some cause for concern, like Bank of Japan policy shifts, we will strive to continuously build on our solid track record to grow profit.

Finally, regarding the services field, we believe it necessary to achieve further expansion under the next plan. Currently, the leasing and property sales fields generate the majority of the Company's profit, but we plan to strengthen the Brokerage, Parking, and Fund businesses in their role as the core of the services field from the perspective of capital efficiency.

Compared with when the current plan was formulated, although there are some deviations from our initial assumptions, we aim to secure stable growth under the next plan through appropriate control of our portfolio.

Realizing our vision of becoming a next-generation developer through self-motivated actions

I believe there is value in being self-motivated. This belief dates back to my beginnings as and has been strongly influenced by my experience as real estate broker. Back then, if I did not take the initiative myself, there would simply be no work. I started by going out to search for information



on who was looking to buy, sell, lease, and rent real estate. When someone would reach out with that kind of information, I felt thankful and learned to express my gratitude.

From this experience, I realized that because I was willing to take the initiative, I was able to connect with people, gain new information, and create new value. I believe that

Ideas intrinsic to our vision of becoming a next-generation developer

Next-generation

Companies that cannot simultaneously solve social issues and achieve corporate growth amid this rapidly changing era will not be able to survive for very long.

Developer

Developers create more than such tangible assets as buildings and residences, their purview encompasses places where people live, work, and relax (including associated services) along with the development of community culture and functions from a long-term perspective. All Group employees, not just those involved in real estate development but including those related to sales and management, help in this regard while maintaining an awareness of community and societal development.

self-motivated action is necessary to the realization of our long-term vision of becoming a next-generation developer.

To create new value not yet mapped out in the growth trajectory of our business, it is important that everyone in the Company take the initiative and strive to secure their personal strengths so that we may win our customers' trust, which is a strength of the Company.

Looking toward 2030, we plan to finish construction on multiple redevelopment projects, including the Yaesu Project, and will be looking to take on challenges oriented toward expanding the services field and investing in overseas businesses. Amid this situation, I myself will strive to be a self-starter and work to achieve the long-term vision together with top management and employees.

Medium- to long-term growth will help us become a good company in the eyes of stakeholders

I believe that securing medium to long-term growth for the Company and enhancing corporate value will lead to Tokyo Tatemono becoming a good company in the eyes of all stakeholders as outlined in the long-term vision. In addition, our business track record has made me constantly mindful of the fact that steadily forging ahead and achieving our targets one by one is the best way to ensure that all our stakeholders feel that ours is a company that keeps its promises into the future.

Last year, I visited Europe and North America for the first time since the COVID-19 pandemic began and was able to exchange opinions with overseas investors in a face-to-face setting. I recognize that investors, whether domestic or overseas, offer perspectives that can be very valuable to the Company. When formulating the targets and agendas of the next plan, we intend to reflect opinions that we receive, ensuring that stakeholders can feel confident that Tokyo Tatemono will enjoy stable growth well into the future. I thank you for your continued understanding and support for the Group and praise for the Company over the medium to long term.

Long-Term Vision and Materiality

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.

Fundamental Policy for Our Long-Term Vision

Solve a Variety of Social Issues	Contribute to the SDGs
	Target for 2030: Consolidated business profit* of 120 billion yen
Steady Profit Growth	Our basic policy for profit growth is to steadily increase stable leasing profit and make it the core of our profit composition. We also aim for a well-balanced profit structure with an awareness of capital efficiency.

* Consolidated business profit = consolidated operating profit + share of profit (loss) of entities accounted for using equity method

Approach to Value Creation by Addressing Materiality

On our path to realizing our long-term vision, we have identified 14 key issues from the perspective of both creating social value and the infrastructure needed to create such value with an awareness of the shared value with society that we will realize through our business.

By working to solve critical issues through our business and maximizing the positive impact we have on society while minimizing negative impact, we will contribute to the realization of a sustainable society as well as to our growth as a company.

Materiality Assessment Process

2018	Reviewed the SDGs and other social issues, aiming to take in a wide range of social issues connected to our business. Identified the 35 social issues that the Tokyo Tatemono Group should consider.
2019	Assessed the importance of the 35 social issues in terms of the magnitude of social needs and alignment with our business. Identified material issues.
2021	Conducted studies for revising material issues based on recent social trends as well as knowledge gained through advice from external experts, participation in various initiatives, and communication with stakeholders. Approved material issues after validation and discussion by the Sustainability Committee and the board of directors.

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	<ul style="list-style-type: none"> 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		
Value creation platform	Improve employee growth and job satisfaction	<ul style="list-style-type: none"> Value-creating talent Realizing sustainability management 	
	Diversity & Inclusion		
	Advancement of governance		
	Strengthen risk management framework		

KPIs and ESG-related targets were established based on the identified material issues. p. 37

In order to achieve the targets, action plans with process targets in mind are incorporated into the business plans of each business divi-

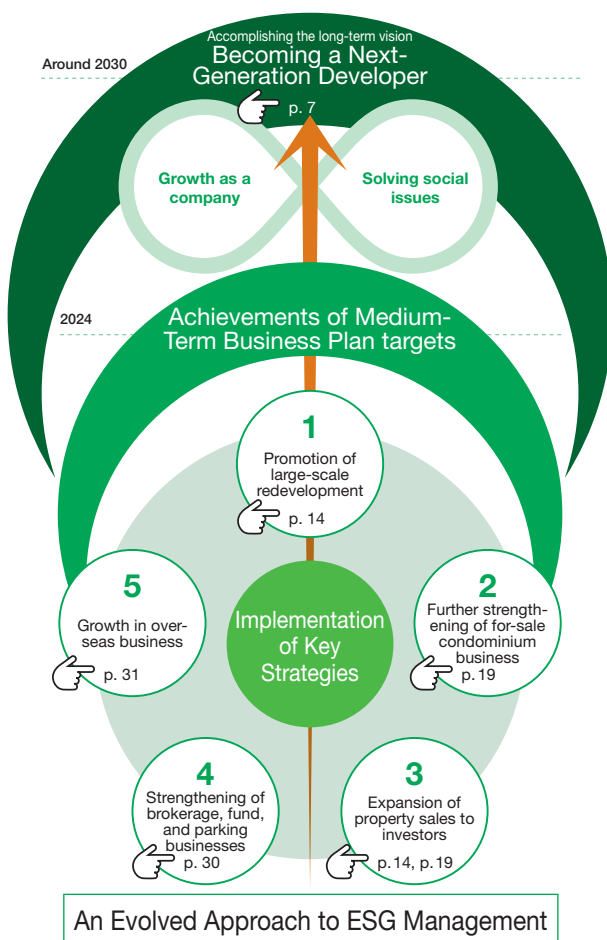
sion or business department. The Sustainability Promotion Committee ascertains the status of initiatives, and the Sustainability Committee establishes a PDCA cycle and manages progress toward achieving the targets.

Progress on the Medium-Term Business Plan

Positioning of the Medium-Term Business Plan

In February 2020, to accomplish “Becoming a Next-Generation Developer,” the Group’s long-term vision looking ahead to around 2030, we formulated a medium-term business plan covering the five years from fiscal 2020 to 2024. By undertaking five key strategies and with the evolution of ESG management, we aim to achieve our stated targets.

Roadmap 2030



(Sustainability Report 2024)
ESG Management pp. 7-15

Building an Earnings Characteristic-Based Portfolio

Tokyo Tatemono manages its business portfolio in three main categories in line with their earnings characteristics: “leasing,” which provides highly stable profits; “property sales,” which possesses high capital efficiency; and “services,” which are capital-saving and directly contribute to improving capital efficiency. Under the current Medium-Term Business Plan, the Company aims to achieve consolidated business profit of 75 billion yen in fiscal 2024 by setting profit from property sales, particularly from the sale of condominiums, and property sales to investors as a growth driver, increasing profit from leasing mainly in the Commercial Properties Business, and steadily growing profit from services, including the Brokerage and the Parking Business.

To date, the property sales sector has made steady progress, posting higher-than-expected profits on the back of favorable market conditions for sales of condominiums and property sales to investors.

On the other hand, in the leasing sector, profits were lower than expected in the building leasing business due to the impact of rising energy costs and the COVID-19 pandemic. Growth in the overseas business has also been slower than expected due to the effects of political upheaval and the COVID-19 pandemic in the countries where we operate. Although the profit structure for fiscal 2024 may differ in some areas from our initial assumptions, we aim to achieve our business profit target by compensating for slowdowns in growth areas while responding to changes in the environment.

Profit / Financial Plan

With regard to the profit / financial plan set forth in the current Medium-Term Business Plan, the condominium business and property sales to investors, which have been strengthened as growth drivers, are driving our performance, and we were making steady progress as of the end of fiscal 2023. We expect business profit for fiscal 2024 to be 77.0 billion yen, exceeding our initial target of 75.0 billion yen for fiscal 2024, thanks to a significant contribution from the condominium business, which continues to perform well. In addition, the ROE, D/E ratio, and interest-bearing debt / EBITDA multiple as of the end of 2024 are also expected to land within the target range of the current plan.

2020–2024 Medium-Term Business Plan

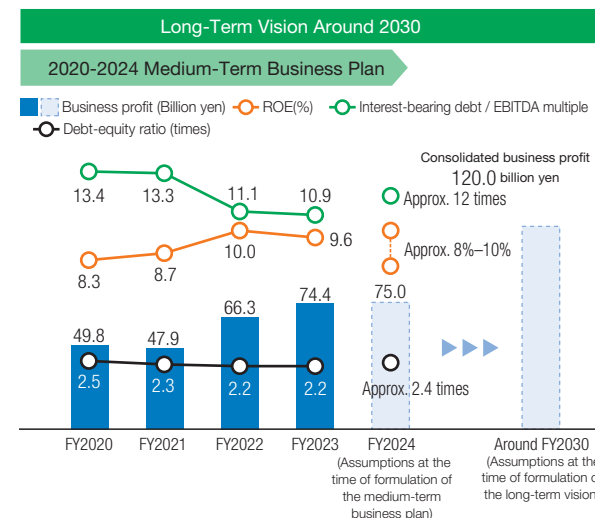
Profit Target	Consolidated business profit*: 75 billion yen
Capital Efficiency	ROE: 8%–10%
Financial Guidelines	Debt-equity ratio: 2.4 times
	Interest-bearing debt / EBITDA multiple: Approx. 12 times

* Consolidated business profit = consolidated operating profit + share of profit (loss) of entities accounted for using equity method

Investment Plans

With regard to large-scale redevelopment, although there is a delay in the progress of investment compared to the plan due to changes in schedule and other factors, the procedures and other aspects of the redevelopment project are progressing steadily. In condominiums for sale and property sales to investors, we have adopted a selective investment stance amid an intensifying land acquisition environment, and as a result, the number of projects that require time to commercialize has increased, which has pushed back the demand for funds compared to our plan, but we have secured a stock of projects in line with our medium-term projection.

With regard to the balance of real estate for sale for property sales to investors, we have been able to build up our stock due to the favorable market conditions to date, which enabled us to generate sufficient profits from a smaller number of properties sold than expected. On the other hand, with regard to financial soundness, as a result of building up equity capital through steady profit growth throughout the current plan period, the D/E ratio has remained within the level expected in 2024, the final year of the medium-term business plan, and our A rating has been maintained.




Shareholder Return Policy

Return Policy

- The Company’s basic policy is to pay a consolidated dividend payout ratio of 30% or more, and to continuously increase shareholder returns through sustainable growth.
- The Company will consider the purchase of treasury shares based on the business environment and its financial condition.

The dividend per share for fiscal 2023 was increased to 73 yen from the previous year’s annual dividend of 65 yen, resulting in a payout ratio of 33.8%. The annual dividend for fiscal 2024 is planned to be 79 yen (payout ratio 34.4%), representing an 11th consecutive year of increase. We are considering our future shareholder return policy for the next medium-term business plan and beyond in the form of expanded dividends, while remaining conscious of the need to maintain appropriate financial discipline and balance our investment opportunities for growth.



Akira Izumi
Representative Director
Senior Managing Executive
Officer & Chief Financial Officer

Message from the CFO

We take the opinions of our investors seriously, aiming for profit growth and capital efficiency improvement from a medium- to long-term perspective

Please share your assessment of fiscal 2023 performance and your forecasts for fiscal 2024.

In fiscal 2023, ended December 31, operating revenue reached a record high for the seventh consecutive year and profit attributable to owners of parent increased for the eighth consecutive year due to an increase in property sales to investors and higher earnings in the brokerage and parking businesses. Results were extremely positive with business profit at 74.4 billion yen, close to the medium-term business plan's final year target of 75 billion yen, and ROE coming in at 9.6%, which is at the target level of the medium-term business plan. While we postponed our planned listing of a logistics REIT in light of the sluggish REIT market during the period, we steadily realized gains on the sale of logistics properties in accordance with plans, and our ability to

flexibly respond to market conditions led to a positive performance. In addition, steady progress was made in efforts to optimize our business portfolio, as outlined in the medium-term business plan, by transferring two consolidated subsidiaries.

In the results forecast for fiscal 2024, we expect to see operating revenue of 495.0 billion yen and business profit of 77.0 billion yen, both record highs, thanks to the significant contributions of sales of condominiums and property sales to investors, which have been strengthened as growth drivers in the medium-term business plan. As of the first half of this fiscal year, 85% of the condominiums up for booking have already been contracted, and, although property sales to investors will be biased toward the second half of the fiscal year, the real estate sales market is expected to remain strong, so there is a high probability of achieving the earnings forecast.

Please share the Company's financing approach and investment plans.

Our basic financing policy is to build up equity capital through profit generation and to finance this through borrowings and the issuance of corporate bonds within a moderate leverage range based on financial discipline, with the aim of maintaining financial soundness regardless of the business environment while continuing to exercise stable management and investment for long-term growth. As of the end of 2023, the DE ratio is 2.2 times and the debt/EBITDA ratio is 10.9 times, which are within the range of the levels set forth in the medium-term business plan, and the basic preparations for interest rate fluctuation risk are well in place, with the long-term fixed loan ratio at over 90% and a diversification of repayment terms.

The financing for the planned investment of 440 billion yen in fiscal 2024, which has been high in recent years, is proceeding smoothly. From fiscal 2025 onward, the number of properties undergoing large-scale redevelopment is expected to increase, which, combined with the impact of rising construction costs, will increase demand for funds.

To prepare for such a large rise in the demand for funds and changes in the financing environment, we have taken all possible measures on the borrowing side, including strengthening relationships with more than 100 lenders, including megabanks, maintaining credit ratings, and diversifying our financing methods, including ESG finance.

Moreover, we will further expand property sales to investors and actively sell non-current assets and cross-shareholdings, thereby accelerating the use of recovered funds for growth investments while controlling our balance sheet. With regard to property sales to investors, the organizational reforms and human resource enhancements undertaken since the previous medium-term business plan period have enabled us to expand development capacity and diversify asset types, thereby building a revenue base that is resilient to changes in the business environment, leading to the strengthening of the overall business

portfolio. In addition, during the current medium-term business plan period, we were able to expand our stock of properties due to better-than-expected performance without selling any properties but with the steady acquisition of new projects. We expect that the quality of assets developed and held by the Company will ensure continued smooth sales against the backdrop of a strong real estate sales market.

Based on the above ideas, we will strive to maintain stable profit growth and capital efficiency while maintaining financial soundness by more flexibly selling various assets in accordance with the business environment and the Company's financial condition, in addition to basic financing centered on borrowings.

Please share your business portfolio strategy and approach to profit composition moving forward.

Under both our long-term vision and medium-term business plan, we aim to “achieve a well-balanced profit composition with an awareness of capital efficiency,” centered on stable leasing income. To this end, we manage a balanced profit structure whose components are classified according to profit characteristics into three areas: “leasing,” which enjoys stable earnings, “property sales,” which boasts high profitability and capital efficiency, and “services,” which are capital-saving and directly contribute to capital efficiency improvement.

	Profit classifications	Characteristics
Leasing	Leasing income from offices, condominiums, etc.	High profit stability Involves large investments
Property Sales	Development income from the sale of property holdings	High profit volatility High capital efficiency
Services	Fee income from the operation and management of facilities and the provision of services	High profit stability Does not involve large investments

With regard to the profit composition targeted in the long-term vision, we expect the ratio of “leasing” to be approximately 50%, taking into account that the construction of several large-scale redevelopment projects is expected to be completed by around 2030. While we will continue to emphasize stable leasing profit, we believe that in the next medium-term business plan, in order to maintain and improve capital efficiency while taking into account changes in the business environment, it will be necessary to revise the profit composition breakdown in the direction of reducing the proportion of “leasing” and increasing the proportion of “property sales.”

As a measure to improve capital efficiency in the “leasing” sector, we are considering reviewing our asset portfolio, which is biased toward office buildings, and diversifying our asset holdings. While selling some office buildings, taking into consideration maintaining their leasing revenue and their holding priorities, we will consider holding and managing some logistics properties, for-rent condominiums, hotels, etc., that are currently positioned as real estate for sale in principle, as mid- to long-term rental assets.

Furthermore, with regard to the large-scale development currently under way, taking into account the anticipated fluctuations in completion dates and construction costs, we will strive for profit growth mainly in the “property sales” sector until stable operations are achieved, while flexibly examining the use of external capital at the development stage and partial sales after completion, etc., from the perspectives of both balance sheet control and capital efficiency.



Message from the CFO

In the next medium-term business plan, we would like to demonstrate the renewed picture of our business portfolio strategy described above, with the aim of maintaining and improving capital efficiency.

Please tell us about your efforts toward realizing management with an awareness of cost of capital and stock price as requested by the Tokyo Stock Exchange.

Last August, we responded to a request from the Tokyo Stock Exchange to disclose our corporate value enhancement efforts. Our current P/B ratio as of June 2024 is around 1.07 times, which is not a high valuation. When broken down into ROE and PER, which make up PBR, the ROE at the end of fiscal 2023 was 9.6%, which is above our estimated cost of shareholders' equity of 7%–8%. Going forward, the Company will strive to maintain and improve capital efficiency through the aforementioned sale of non-current assets and cross-shareholdings, as well as by considering and implementing a review of its business portfolio. On the other hand, based on the assumption that ROE exceeds the cost of shareholders' equity, we conclude that the main reason for the poor PBR is the low PER level, and we see this as an issue of insufficiently fostering growth expectations for the Company's earnings. In order to foster growth expectations, we believe that it is necessary to maintain financial soundness and stable profit growth, while at the same time working to fur-



ther improve shareholder returns.

During the current medium-term business plan period, our shareholder return policy is to pay a consolidated dividend payout ratio of 30% or more, and to continuously increase shareholder returns through sustainable growth. The dividend per share for fiscal 2023 was increased to 73 yen from the previous year's annual dividend of 65 yen, resulting in a payout ratio of 33.8%. The annual dividend for fiscal 2024 is planned to be 79 yen (payout ratio 34.4%), an increase for the 11th consecutive year. This is expected to achieve a continuous and progressive increase in the dividend payout ratio throughout the current medium-term business plan period. The Company will consider expanding its shareholder return policy in the future while remaining conscious of the need to maintain progressive dividend payments.

In addition, as part of our efforts to enhance corporate value over the medium to long term, we accelerated our evolved approach to ESG management during the current medium-term business plan period. On the environmental front, we raised our medium- and long-term targets for greenhouse gas (GHG) emission reductions, and, on the social front, we established sustainable procurement standards, strengthened our outreach to suppliers, and expanded our investment in human resources and diversity. In terms of governance, the Risk Management Committee was established to strengthen risk management. Going forward, we will continue to promote a variety of corporate value enhancement initiatives.

Are there any final thoughts you'd like to share with the Company's stakeholders?

In fiscal 2023, the Company further focused on dialogue with investors and conducted approximately 250 meetings, an increase of 30% from the previous year. I myself have received a lot of valuable feedback through numerous meeting opportunities, which helped me realize how the need to maintain and improve capital efficiency is more pressing than ever before. We will continue to take the opinions of investors seriously and aim to achieve profit growth and improve capital efficiency from a medium- to long-term perspective.

Initiatives to Enhance Corporate Value

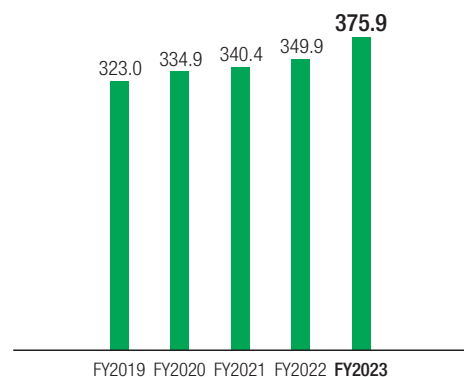
Improvement of Profit Margins in Each Business	<ul style="list-style-type: none"> Use ingenuity and leverage our strengths to acquire sites: Continue to maintain a selective investment stance and acquire projects for rebuilding and redevelopment, etc. Steady promotion and leasing of large-scale redevelopment projects: Pursue business promotion and leasing activities centered on the Yaesu Project Focus on cost management: Focus on cost management in the development phase, including value engineering (VE) and cost reduction (CD)
Improvement of Capital Efficiency	<ul style="list-style-type: none"> Strengthen sales of condominiums and property sales to investors: Continued acceleration of sales and disposals Expansion of fee income due to growth in the Group's assets under management Expand non-asset business: Continue to strengthen brokerage and parking business
Exercise Appropriate Balance Sheet Controls with an Awareness of Capital Efficiency	<ul style="list-style-type: none"> Sale of non-current assets, review of business portfolio Reduction of cross shareholdings Financial leverage control based on financial guidelines: Continue to maintain D/E ratio and other ratios at the levels set forth in the medium-term business plan
Enhanced Disclosure and Active and Courteous Dialogue	<ul style="list-style-type: none"> Enhanced disclosure of strategies and initiatives for sustainable growth: Modified disclosures to reflect recognition of current status, such as the amount of investment in large-scale redevelopment Strengthened engagement with investors: Proactive dialogue with approximately 250 companies (up approximately 30% from last year) in terms of the number of individual meetings
An Evolved Approach to ESG Management	<ul style="list-style-type: none"> Acceleration of sustainability initiatives: Accelerate initiatives such as raising GHG targets Reduce business risks by strengthening risk management: Risk Management Committee identifies priority risks to address, etc. Enhancing human capital: Identifying issues by discussing human capital management at management discussion meetings, etc.
Improving Shareholder Returns	<ul style="list-style-type: none"> Increase dividends through sustained profit growth (consider raising the dividend payout ratio and introducing progressive dividends): For fiscal 2023, the annual dividend is 73 yen (payout ratio 33.8%), an increase of 1 yen over the beginning of the year forecast. In fiscal 2024, the annual dividend is expected to be 79 yen (payout ratio 34.4%), the 11th consecutive such increase.

Financial and Non-Financial Highlights

Financial Highlights

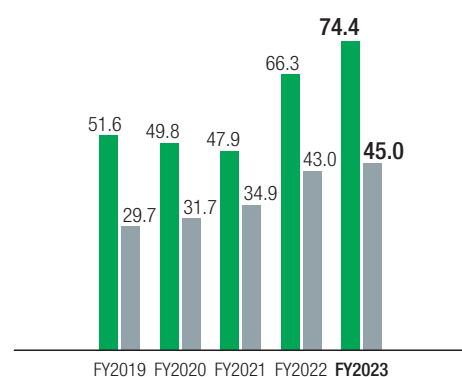
Operating Revenue

(Billion yen)

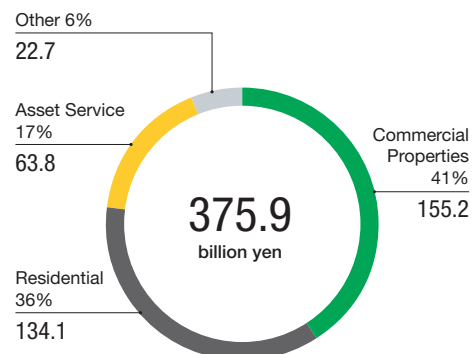


Business Profit / Profit Attributable to Owners of Parent

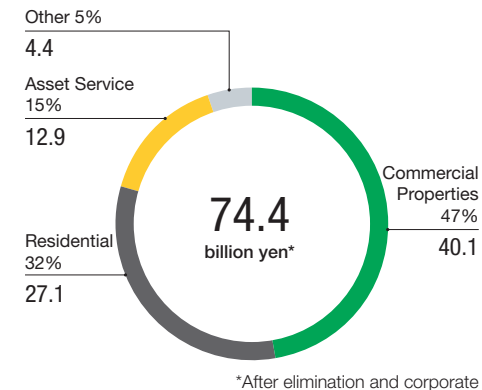
(Billion yen)



Operating Revenue per Segment (FY2023)

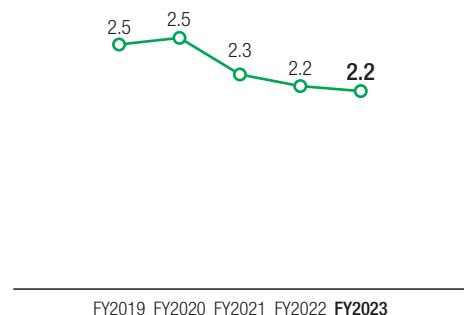


Business Profit per Segment (FY2023)



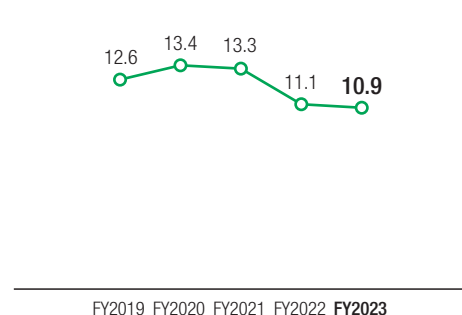
Debt-equity Ratio

(Times)



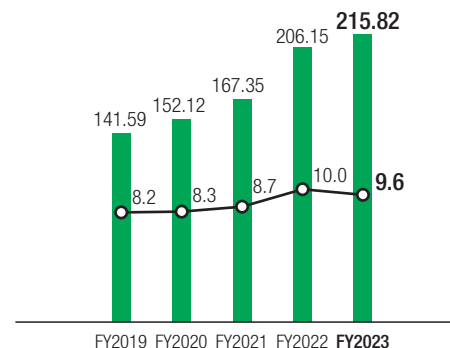
Interest-bearing Debt / EBITDA Multiple

(Times)



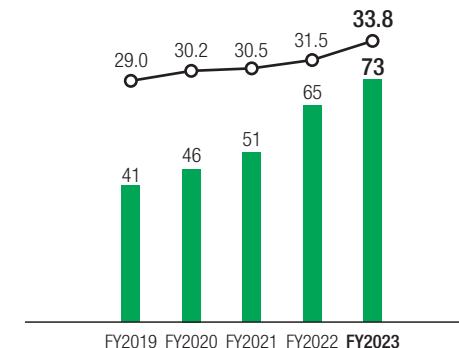
Earnings per Share (EPS) / ROE

(Yen) (ROE %)



Annual Dividend per Share / Payout Ratio

(Yen) (Payout Ratio %)



*For detailed information and notes on each item, please refer to the Data section of the Sustainability Report.

 (Sustainability Report 2024) Data (Environment and Social) pp. 87-94

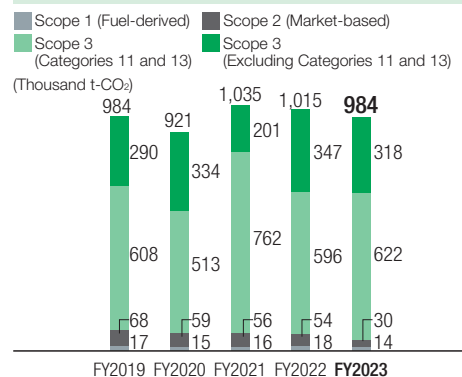
Non-Financial Highlights

Scope of Collection: Tokyo Tatemono Group

CO₂ Emissions*1

Targets: Scopes 1, 2, 3
Scopes 1, 2
Scope 3
(Categories 11 and 13) FY2019 by FY2030

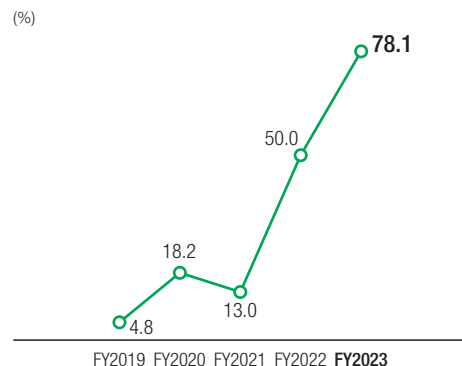
Net zero CO₂ emissions by FY2050
46.2% reduction in CO₂ emissions compared to FY2019 by FY2030
40% reduction in CO₂ emissions compared to (Categories 11 and 13) FY2019 by FY2030



Scope of Collection: Tokyo Tatemono

Percentage of Childcare Leave Taken (men)

Target: 30% or more by FY2025



Scope of Collection: Tokyo Tatemono Group

Renewable Energy (electricity) Usage Rate

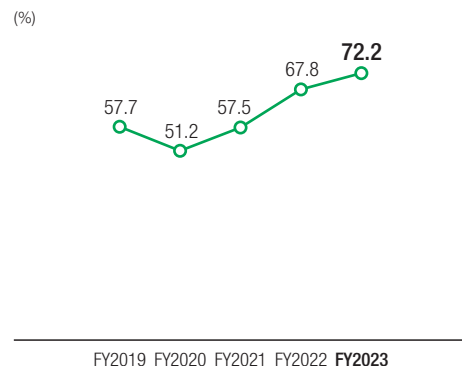
Target: 100% of electricity consumed in business activities will be generated from renewable energy sources by FY2050.



Scope of Collection: Tokyo Tatemono

Average Annual Paid Leave Utilization Rate

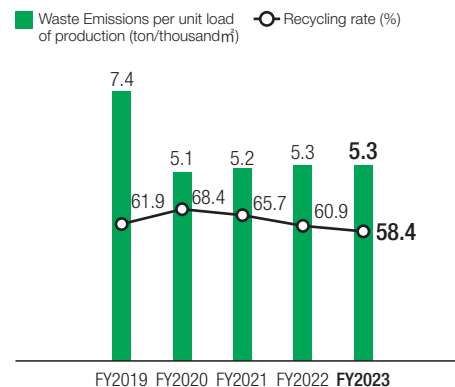
Target: 70% or more each fiscal year



Scope of Collection: Tokyo Tatemono*2

Waste Emissions per Unit Load of Production and Recycling rate

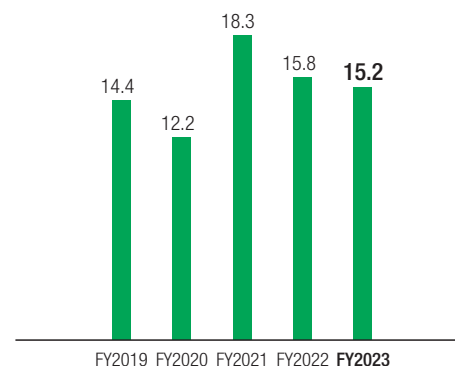
Targets: 20% reduction emissions per unit load of production by FY2030 compared with FY2019
Waste recycling rate: Achieve a waste recycling rate of 90% by FY2030



Scope of Collection: Tokyo Tatemono

Average Annual Training Hours per Employee

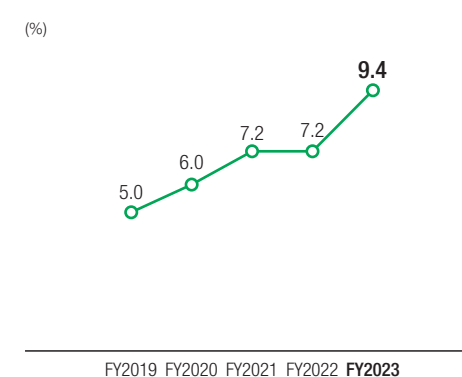
Target: 15 hours or more each fiscal year



Scope of Collection: Tokyo Tatemono

Percentage of Management Positions Held by Women

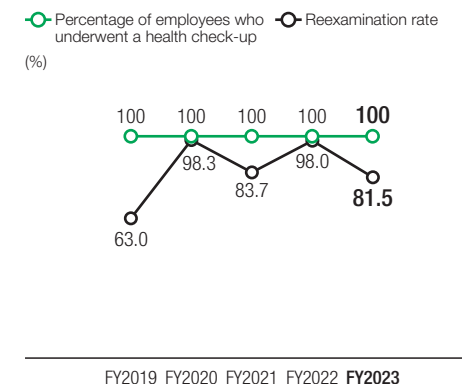
Target: 10% or more by FY2030



Scope of Collection: Tokyo Tatemono

Health Check-up and Reexamination Rate

Target: Health check-up rate and reexamination rate: 100% each fiscal year



*1 Due to a change in the calculation method for CO₂ emissions, amounts for previous years are also calculated using the new calculation method.

*2 Scope of tabulation: Long-term buildings and commercial facilities over which Tokyo Tatemono has substantial energy management authority and for which waste reuse/reduction plans have been submitted.

Interview with the Division Director of the Commercial Properties Division

With property sales to investors growing, we aim to achieve medium- to long-term expansion in tandem with large-scale redevelopment



Katsuhito Ozawa

Representative Director
Senior Managing Executive Officer

Review of the current Medium-Term Business Plan:

Property sales to investors are becoming a growth driver.

Over the course of the current Medium-Term Business Plan, the external environment has undergone major changes, beginning with the COVID-19 pandemic. At the same time, we have steadily carried out key strategies and recognize that we have been able to achieve respectable business results.

First, regarding Key Strategy 1—Promotion of large-scale redevelopment—our businesses made steady progress, including starting new construction for the Yaesu Project.

Progress on Large-scale Redevelopments

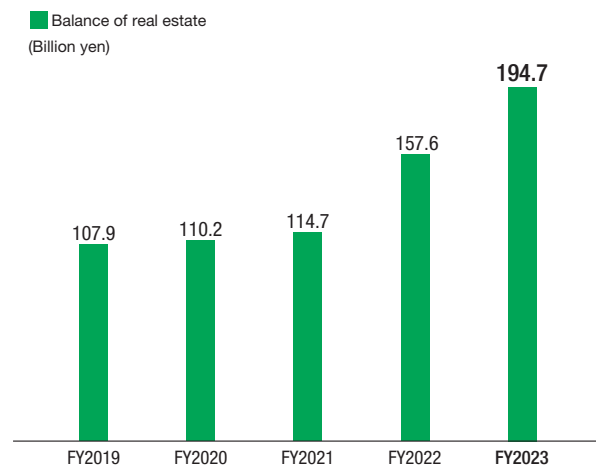
Yaesu Project	Feb. 2024, District A: Start of new construction Oct. 2021, District B: Start of new construction
Gofukubashi Project	Sep. 2023, Approval of rights conversion plan
Shibuya 2-Chome Project	Jan. 2023, Approval of establishment of urban redevelopment consortium
Kyobashi 3-Chome Project	Apr. 2024, Approval of establishment of urban redevelopment consortium

Interview with the Division Director of the Commercial Properties Division

Regarding Key Strategy 3—Expansion of property sales to investors—my assessment is that we made major progress. One focus when formulating the current plan was how to expand business results while promoting large-scale redevelopment. Having positioned property sales to investors as a growth driver, we expanded diverse asset types in the Commercial Properties Business, mainly logistics properties but also hotels, commercial facilities, and medium-size office buildings. We have steadily built up our stock, achieving an increase of around 80% as of the end of fiscal 2023 compared to the end of fiscal 2019 when the plan was formulated, in terms of the balance of real estate for sale.

Most of the Company's property sales have traditionally been in the for-sale condominium business, but around 20% of business profit in fiscal 2024 came from property sales to investors in the Commercial Properties Business. In this and other ways, we have been able to achieve solid successes in terms of returns on investment.

Commercial Properties Business: Balance of real estate for sale



Deepening relationships with customers and expanding diverse asset types

As for properties for sale to investors, the stock of T-LOGI logistics properties saw particular expansion. Although the Company was late to enter the logistics business, it has built up over 30 properties, including a number already developed and sold, based on medium-scale product planning of between 6,000 to 7,000 tsubo (nearly 20,000 m² to 23,000 m²), and leasing performance has been steady. We have been able to deepen relationships with tenants through direct sales, with some moving into multiple properties, and the results have been positive. We have also been able to develop plans for new projects, such as cold storage, based on suggestions from tenants, creating a virtuous cycle.

Regarding hotels, our efforts have been proceeding apace as the needs of operators targeting a post-pandemic inbound recovery complement the needs of the Company, which is aiming to ramp up development. At the Hilton Kyoto, slated to open in 2024, the Company is trying its hand at its first management contract style operations. It has not been simple as a newcomer to promote business with a world-class operator, but we have built a solid relationship based on trust and the steady accumulation of expertise. I believe going forward that we will be able to fully utilize that experience in the Commercial Properties Business as among our future large-scale redevelopment projects, some will be properties planned to house hotels.

Meeting the diversifying needs and workstyles of office workers, we are also engaged in the development of T-PLUS medium-size office buildings. Under this brand, we provide various services that help enhance convenience for customers, such as the utilization of cutting-edge technologies and leasing models that go beyond conventional models.

Lastly, let's look at commercial facilities. The Company has the expertise that developed the urban compact retail facility brand FUNDES and SMARK Isesaki, which is the largest shopping center in the northern Kanto region. Going forward,

we will continue promoting development whether in city centers or suburbs.

Wielding swift decision making to expand investment through integrated organizations

To expand property sales to investors, since the previous management plan, we have focused on conducting a reorganization, expanding staff, and training development personnel. In 2018, there was only one department handling property sales to investors in the Commercial Properties Business, but now there is a three-department structure, one for each asset type, and the staff has expanded from 20 to 67 people.

The three departments function in harmony, sharing an integrated operational structure spanning everything from land acquisition to development, leasing, management, maintenance, and sales. This integrated structure enables us to provide those in charge of land acquisition with direct feedback on customer needs discovered in the course of leasing and management operations, and this, in turn, informs swift investment decision making. I believe swift investment decision making, including on the management side, is one of the Company's strengths when compared to its competitors. Although the



Interview with the Division of the Commercial Properties Division

competition for land acquisition is fierce, we have still been able to systematically build up our stock by leveraging this organizational strength.

Promoting multiple large-scale redevelopment projects in the YNK area

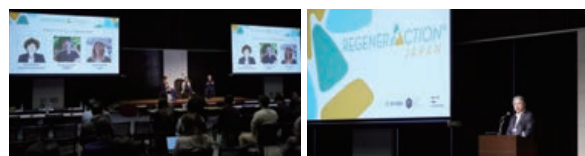
The Company is promoting multiple large-scale redevelopment projects, mainly in the Yaesu-Nihonbashi-Kyobashi (YNK) area,*1 which is where the Company was founded and its headquarters are currently located. In contrast with Marunouchi, which once had a high concentration of houses owned by warriors, the YNK area was historically home to a wider variety of people, not just regular townfolk, and attracted merchants and professionals from all over Japan to supply materials and food to Edo Castle. The Company is promoting urban development with an emphasis on adding new functions while passing down the rich local culture, such as the historic stores, interesting streets, food, and art.

Once known mainly as the hub for many major corporations, the YNK area has implemented initiatives and operated facilities to attract start-ups, investors, laboratories, research institutions and more. By bringing together people with a diverse array of backgrounds and characteristics, we form an innovation



ecosystem and aim to revitalize the entire area and, in turn, strengthen the competitive advantages of Tokyo as a city. (P. 27)

The Company also embraces the policy of urban regeneration*2 in its urban development operations with the aim of finding solutions to social issues. Specifically, we have developed a training program attended by employees that focuses on the concept of regeneration. Furthermore, we held an international meeting, RegenerAction Japan 2023, that exposed employees



The international RegenerAction Japan 2023 meeting held by the Company

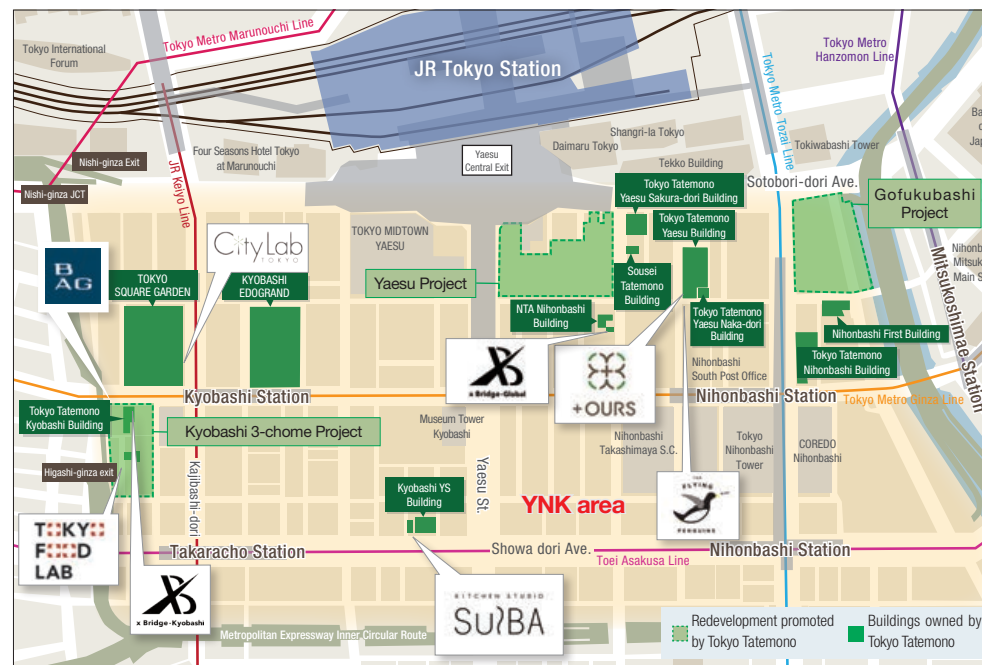
to a wide range of examples of regeneration-related initiatives undertaken in Japan and overseas. Going forward, we aim to achieve regenerative city, town, and area development that continually enhances value and incorporates innovations while treasuring deeply rooted local cultures.

Establishing wellbeing as the foundation of the Yaesu Project

The core of our urban development efforts in the YNK area is the Yaesu Project. Moving forward, we intend to more thoroughly evolve urban development in the YNK area as the launchpad for this project.

The Yaesu Project includes the idea of wellbeing and reflects this in its office concepts. Because the expectations of cities

The Company's Initiatives in the YNK Area



Characteristics of the YNK area

- Incredibly convenient transportation**
With a high concentration of train and subway stations within walking distance of the entire area, YNK provides excellent accessibility to such prime locations as international airports, other major hubs within Tokyo, and regional cities.
- Tradition and modernity coexist**
Since the Edo period, traditional values have persisted in the area, with festivals, food, art, and crafts ensuring a thriving culture. And, it is not just traditional culture and history that are alive and well, the area offers an abundance of new experiences that draw crowds.
- Diversity dating back to the Edo period**

The lasting impact of this vibrant area on Japan is largely due to its having served as the starting point of the country's Five Routes,* making it a natural hub for the diverse array of people that congregate there even today. Reflecting centuries of varied townfolk, professionals, merchants, and others working and living in the area, the land was divided into smaller and smaller segments.

* The Five Routes were established by the Shogunate in 1604 to facilitate transportation and trade.

*1 In addition to being an acronym for Yaesu, Nihonbashi, and Kyobashi, YNK area (pronounced "ink") also stands for "You Never Know!" our message for this area.

*2 Regeneration: This concept is not about maintaining the status quo. It is about the drive to continuously create new value while balancing considerations ranging from revitalizing the global environment and ensuring the richness of people's lifestyles to accommodating economic factors, maintaining social connections, and passing down and developing culture.

Interview with the Division of the Commercial Properties Division

have changed significantly due to the pandemic, we are emphasizing how workers and visitors can comfortably, securely, and vigorously work, utilize facilities, and enjoy their free time.

However, because the assessment of wellbeing is largely subjective, it is difficult to devise specific measures to achieve it. The Company therefore conducted a large-scale survey of around 10,000 office workers, analyzed the results, identified 20 factors that enhance wellbeing, and is currently in the process of product planning. The project plans to feature the tentatively named "Wab." on the 13th floor and the tentatively named YAESU SKY LOUNGE on the 41st floor to further enhance wellbeing.


Around 70% of the world's population is expected to be residing in cities in 2050, and the importance of urban development and redevelopment is expected to further increase. We will diligently respond to rising construction costs and other pressing issues through cost controls and other measures. We will strive to add new value to make cities more attractive to talent and investment. I think it is important to pursue urban development on a continuous basis so as to ensure a space for developing new technologies and business models. Going forward, we aim to continue stably growing by simultaneously enhancing the marketability of redevelopment projects and taking measures to enhance the area value of cities.

Factors That Improve Wellbeing

HEALTH Living healthfully	LEARN Learning new things	NATURE Feeling nature	SMILE Smiling	TRUST Fulfilling roles
IDENTITY Being yourself	EXERCISE Exercising appropriately	SENSES Experiencing with the five senses	CHAT Casual conversation	COOPERATION Helping each other and expressing appreciation
OWN WAY Living at your own pace	IMPRESSION Tugging on heart strings	MEAL Mindful food selection	LINK Smooth connections	COMPASSION Acting kindly
COMFORT Spending comfortable time	ENTHUSIASM Being enthusiastic	REFRESH Changing your attitude	TOGETHER Meeting up with friends	CONTRIBUTE Contributing to communities and society

* Under the supervision of Yoshiki Ishikawa, a preventive medicine researcher, we conducted a survey of 10,000 businesspeople working in the Tokyo metropolitan area and identified 20 factors that improve wellbeing, specifically, situations and behaviors that help improve wellbeing.

Redevelopment Projects in the YNK Area



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

Location
Chuo Ward, Tokyo


New construction start year
District A: 2024
District B: 2021

Completion year
Plan for fiscal 2025


Total floor space
District A: approx. 12,000 m²
District B: approx. 225,000 m²

Building size
District A:
10 floors above ground, 2 floors below ground
District B:
51 floors above ground, 4 floors below ground

Main uses
Offices, stores, medical facilities, bus terminals, etc.



Festival square



YAESU SKY LOUNGE (tentative name)
View lounge

Material Issues	What We Can Accomplish through the Yaesu Project
Strengthening Tokyo's competitiveness as an international city	<ul style="list-style-type: none"> Upgrading urban infrastructure, including high-grade offices and large-scale bus terminals connecting regional cities Enticing world-class, advanced medical facilities to locate here
Contributing to a safe and secure society	<ul style="list-style-type: none"> Strengthening emergency preparedness and making the entire area barrier-free
Community building and revitalization	<ul style="list-style-type: none"> Providing various services to building users and holding events that utilize theaters, conference halls, and outdoor spaces Making the area more attractive by introducing area management
Wellbeing	<ul style="list-style-type: none"> Conducting office product planning under the theme of wellbeing and shifting the focus from upgrading peripheral facilities
Addressing the diverse needs of customers and society	<ul style="list-style-type: none"> Implementing initiatives that lead to sustainability, wellbeing, and the resolution of social issues
Value co-creation and innovation	<ul style="list-style-type: none"> Building support environments and systems that make it easy for large corporations and startups to implement proofs of concept (POC)
Social implementation of technology	<ul style="list-style-type: none"> Increasing efficiency and customer satisfaction by applying technology, such as smart buildings and automation (planned)
Revitalizing and utilizing real estate stock	<ul style="list-style-type: none"> Demolishing outdated existing buildings and working with landowners to redevelop and utilize the land as real estate with high public benefit and market value
Promoting a decarbonized society	<ul style="list-style-type: none"> Introducing energy-saving equipment and supplying energy to the area from local building-based sources
Promoting a recycling-oriented society	<ul style="list-style-type: none"> Building an ecosystem aimed at realizing a sustainable city



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

Main Value Creation Initiatives
Forming financial bases that help strengthen international competitiveness

- Upgrading support facilities for high-level financial personnel who support international finance and urban Meeting, Incentive Travel, Convention, Exhibition/Event (MICE)

Upgrading water-adjacent spaces and pedestrian networks

- Conducting various collaborations to realize underground highways in Tokyo, upgrading outdoor public spaces, and upgrading pedestrian networks

Strengthening emergency preparedness and reducing environmental impact

- Upgrading emergency response facilities and working to promote the more effective use of energy across the entire area

Total floor space: South Block: approx. 185,500 m²; North Block: 1,000 m²
Main uses: Offices, stores, lodging facilities, facilities to support advanced financial personnel, etc.
Number of floors: South Block: 44 floors above ground, 3 floors below ground
North Block: 2 floors above ground
Start of new construction: Planned for FY2024
Completion of construction: South Block: Planned for FY2028
North Block: Planned for FY2031



Kyobashi 3-chome Project
(Kyobashi 3-chome East District Urban Redevelopment Project)

Main Value Creation Initiatives
Upgrading urban infrastructure to help enhance the fun within a walkable distance across a broader area

- Fostering excitement and building multilevel pedestrian networks connecting the Tokyo Sky Corridor

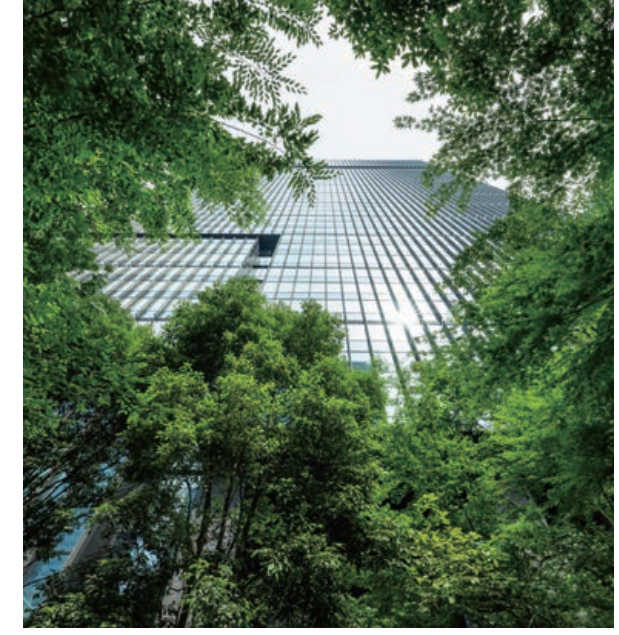
Introducing urban functions that help foster excitement in the area

- Facilities with functions for promoting, fostering, and exchanging the arts and craft culture and upgrading world-class lodging facilities

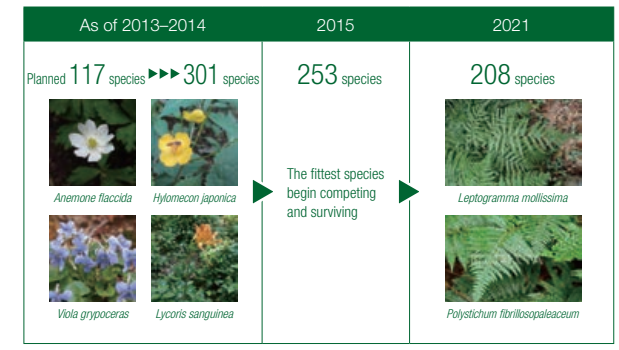
Strengthening emergency preparedness and reducing environmental impact

- Taking measures to strengthen emergency preparedness and reduce environmental impact in the area

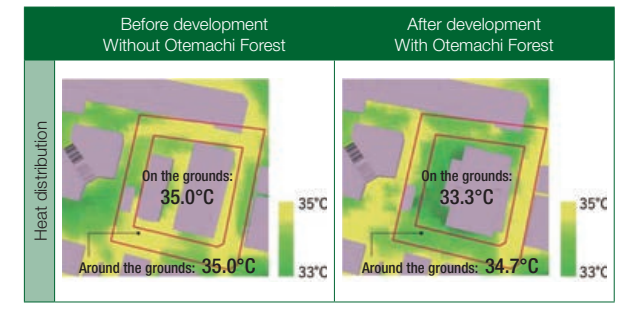
Total floor space: approx. 164,900 m²
Main uses: Offices, hotels, stores, etc.
Number of floors: 35 floors above ground, 4 floors below ground
Start of new construction: Planned for FY2026
Completion of construction: Planned for FY2030



An ecosystem of 208 plant species emerged as the fittest ones competed and survived.



Easing Effect of the Heat Island Phenomenon



Special Feature 1 10th Anniversary of the Opening of THE OTEMACHI TOWER

Aiming to Be the Best Urban Forest in Japan

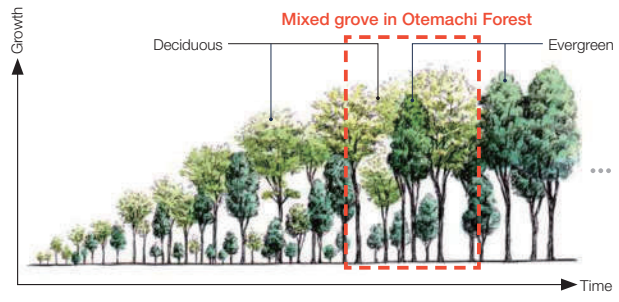
In 2023, Tokyo Tatemono celebrated the 10th anniversary of the opening of THE OTEMACHI TOWER, which is operated by the Company. The most distinctive feature of THE OTEMACHI TOWER is Otemachi Forest, which extends over approximately 3,600 m², corresponding to around one third of the total site. Before the SDGs and ESG became well known in Japan, we aimed to recreate a genuine forest in the city center by establishing Otemachi Forest in line with the development concept of “regenerating the city and the natural environment at the same time.”

In the development stage, we incorporated the three elements necessary for a genuine forest: variation in density, variation in tree ages, and variation in species. In addition, we used a “pre-forest” method, growing the trees and other plants in advance over a period of around three years in Kimitsu, Chiba Prefecture. Upon completion of the building, we transplanted the soil and plants to the site.

In line with our conviction that a genuine forest has significant value, we did our best in the management and operation stage to allow nature to do its work free from human interference. However, we requested partner companies to manage the forest onsite, checking on it about once every two days. We have

We aimed to create a young forest with a mix of evergreen and deciduous trees.

- Variation in density:** Having areas where the spacing of trees is naturally denser or sparser in a complex landscape of hills and valleys
- Variation in tree ages:** Having trees of various ages, as evidenced by the thickness of their trunks and their disparate heights, reflecting the natural cycle of trees constantly sprouting up and dying off
- Variation in species:** Having a mix of diverse species, including evergreen, deciduous, and groundcover plants



therefore paid constant and careful attention to changes in the situation.

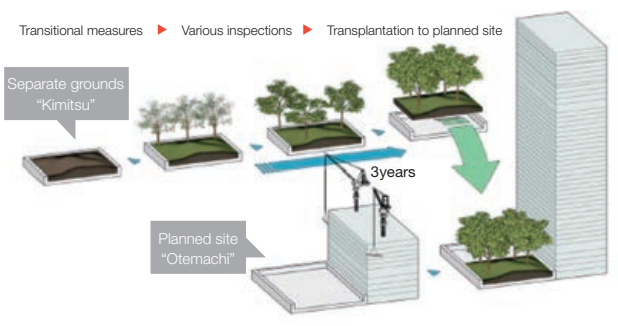
As a result, in Otemachi Forest, competition for survival occurs among the plants, and we have confirmed that the forest has plants that appear on the Red List of Threatened Species Tokyo.*1 This is evidence that we have recreated a genuine forest. Also, compared to before the forest was transplanted, the heat island phenomenon on the grounds has eased, with the average temperature falling 1.7°C. This genuine forest surrounded by buildings has become a site of respite for visitors.

Certified as a Nature Symbiosis Site

In October 2023, THE OTEMACHI TOWER along with its Otemachi Forest was certified as a nature symbiosis site,*2 by Japan’s Ministry of the Environment, in recognition of its efforts to conserve biodiversity. In addition to Otemachi Forest, the Company has established inner city forests at Brillia City Nishi-Waseda and Kyobashi Hill in TOKYO SQUARE GARDEN. Going forward, we will continue working hard to sustainably create and preserve green spaces and thereby to help realize a sustainable society.

[Pre-Forest]

We secured space in Chiba that was one-third the final site’s scale to grow the plants that were transplanted along with the soil they were cultivated in for around three years.



*1 Red List: A list of species of wild organisms threatened by extinction
 *2 The Ministry of the Environment, in fiscal 2023 began recognizing areas where biodiversity conservation is being promoted through initiatives, including those from the private-sector, as its principal measure toward achieving the global 30by30 target, which aims to effectively preserve at least 30% of the land and sea as healthy ecosystems by 2030.

Interview with the Division Director of the Residential Development Division

Sincerely engaging with customers, we aim to achieve stable growth based on the Brillia brand.

Hideshi Akita

Senior Managing Executive Officer
and Director

Review of the current Medium-Term Business Plan:

Both condominium sales and rentals help expand profit

Under the current Medium-Term Business Plan, the performance of the Company's Residential Business remained very strong. Since fiscal 2020, we have achieved ever higher income and profit, with business profit reaching a record high of ¥27.1 billion in fiscal 2023. We plan to break this record by raising this figure to ¥33.5 billion in fiscal 2024.

The largest contributor to profit growth is the for-sale condominium business. Thanks to higher customer purchasing power amid persistently low home loan interest rates and an increase in dual-income households, the entire for-sale condominium market—and not just Tokyo Tatemono—has performed very well over the last few years. Although it is true that our results have been underpinned by this strong market, by maintaining a stable supply of high value-added condominiums, we were able to realize the highest profit margin in the industry—33.4%—in fiscal 2023.

Under the current plan, the for-rent condominium business has also significantly contributed to business performance. This business was positioned as part of the plan's key strategy of expansion of property sales to investors, and since fiscal 2020



Interview with the Division Director of the Residential Development Division

we have steadily invested in these properties and collected returns. Because the Company's for-sale condominium business is predicated on delivering the property to customers right after construction is completed, it is difficult to adjust the recording period. Nevertheless, we recognize that a major achievement under the current plan has been building a portfolio that enables the Residential Business to contribute to the stable profit growth of the entire Company through the growth of the for-rent condominium business.

Brillia—Celebrating two decades of refinement and comfort

The residential brand Brillia—a total brand—constitutes the foundation of growth in the Company's Residential Business. Brillia celebrates its 20th anniversary in 2023 and proudly boasts a solid ranking as a condominium brand. When it was established in 2003, we forecast a decline in population and the shrinking of the condominium market in the Tokyo metropolitan area. At that time, the Company ranked around 30th in the industry in terms of condominium supply in the Tokyo metropolitan area, so we brought an intense sense of urgency to our endeavors to create a new brand, knowing that the business could not survive as it was.

First, we conducted a survey of around 1,000 condominium buyers from competitor companies and learned that what



customers most prize, in addition to location, price, and specifications, are management and after-sales services. Based on these results, we introduced the brand philosophy of refinement and comfort with the target of being the No. 1 rated company among customers following their taking up residence.

The construction site tours we have conducted since 2004 best represent our efforts to realize the brand philosophy. Under this initiative, we invite customers to tour buildings under construction even though stopping construction for a tour places a heavy burden on general contractors and seems like an unreasonable choice. However, by letting customers see buildings before completion, we have garnered high praise as they can better appreciate and really get a feel for the comfort of the future residence.

The turning point for enhancing brand power was when we conducted structural reforms in 2015 aimed at integrating manufacturing (development) and sales functions. At that time, by integrating the sales functions of Tokyo Tatemono Real Estate Sales into the Company, we became able to smoothly share customer evaluations with the manufacturing department.



Brillia's NEW LUXURY RESIDENCE

External acclaim for the Brillia brand

•Tokyo Tatemono ranks second in brand awareness in the Tokyo metropolitan area.

Nikkei 2023 Condominium Brand Survey (responses of Tokyo metropolitan area residents (Tokyo, Kanagawa, Chiba, Saitama))

•Won the Grand Prize in three separate categories as well as the Outstanding Performance Award in the Comprehensive Evaluation category of the SUUMO AWARD, the winners of which are chosen by buyers.

SUUMO AWARD 2023: Received the Outstanding Performance Award in the Comprehensive Evaluation category for condominium developers and sales companies in the Tokyo metropolitan area, as well as Grand Prize in the Livable Residence category, the After-Sales Inspection Satisfaction category for condominium sales and after-sales service, and the High Brand category for condominium developers and sales companies in the Kansai region.

•Ranked first for the sixth consecutive year in the group of companies with less than 100,000 units under management

In a survey assessing condominium residents' satisfaction with condominium management companies conducted by Stay Act, a real estate consultant, Tokyo Tatemono Amenity Support ranked first for the sixth consecutive year, achieving the top ranking for almost all items in the category for companies with fewer than 100,000 units under management.

Brillia Initiatives

- bloomoi: This is a co-creation project for residences and daily life born from Brillia. When it was launched in 2012, this initiative spotlighting working women was announced to the world. For its tenth anniversary, we further expanded the scope and range of the project's engagement method, solicited opinions from a more diverse array of people, and proposed product planning and services that prioritize individuality.
- Crime prevention and emergency preparedness: We, of course, provide triple security encompassing entrances, elevators, and residence doorways, ensuring customers' peace of mind while refining Brillia's unique emergency preparedness guidelines.
- After-sales services: We offer such services as 10-year warranty (with compensation) for equipment and Brillia's pre-owned condominium certification system for secondary distribution.



A construction site tour

Interview with the Division Director of the Residential Development Division

In addition, seizing this opportunity for unification, we launched a project to reform the mindsets of management and employees and aligned our manufacturing and sales efforts. As a result, we were able to win the Grand Prize in multiple categories of the SUUMO AWARD 2023 sponsored by Recruit Co., Ltd., including the Livable Residence, After-Sales Inspection Satisfaction, and High Brand (Kansai) categories. In addition, Tokyo Tatemono ranks second in brand awareness in the Tokyo metropolitan area in the Nikkei 2023 Condominium Brand Survey.

Conducting internal branding to further enhance brand power

Brands often conjure the concept of an external image, but I think Brillia has played a major role in internal branding. Through Brillia, all managers and employees involved in the Residential Business use net promoter score as a KPI to achieve the shared goal of being ranked No. 1 in customer evaluations. Through internal branding, instilling the universal recognition of the Brillia brand will lead to higher customer evaluations by allowing the appropriate sharing of customer opinions received through marketing and management with the manufacturing department.

In line with this idea, we aim to further enhance the Brillia brand and launched the internal branding project dubbed the Brillia PRIDE PROJECT in July 2023. Under this initiative, we



Brillia PRIDE PROJECT Action Guidelines

formulate action guidelines for decision making through workshops participated in by managers and employees of the Residential Development Business Division.

Through internal branding, we integrated manufacturing, sales, and management and continue to provide trusted, quality products customers genuinely want to recommend. Aiming to achieve the No. 1 rank in customer evaluations has continuously enhanced Brillia's commerciality, supports stable land acquisitions, and helps us steadily seize business opportunities based on the brand itself.

Aiming to achieve sustainable growth based on our accumulated expertise and brands

We need to continuously acquire land for the Company's stable growth under the next Medium-Term Management Plan. Land acquisition in the Residential Business is a strength of the reconstruction and redevelopment businesses (p. 24). Although reconstruction and redevelopment efforts face the difficult challenge of reaching agreements with relevant parties, the Company launched the Project Development Department in 2013, specializing in reconstruction and redevelopment, and has been able to build up a solid track record that includes Brillia City Shakujikoen ATLAS and SHIROKANE The SKY.

Another characteristic of the Company is its for-sale condominium business, which has established regular leasehold interests in land. Because this business rents land from owners over the long term, gaining the trust of owners is crucial. This process resembles that which the reconstruction and redevelopment businesses engage in, and it is precisely because the Company has many employees highly experienced in building relationships of trust based on the Corporate Philosophy of "Trust beyond the era" that it has been able to build up these strengths.

Going forward, we feel that the competition for acquiring land will become even more intense, but by carefully selecting investments utilizing the Company's strengths, we plan to avoid competition while seizing business opportunities in highly convenient locations and developing high value-added residences.

We are also accelerating measures aimed at further growth. In

the for-sale condominium business, we are considering further strengthening the development and sales system for high-priced products due to the strong performance of such high-priced condominiums as Brillia Tower Dojima (p. 22). And, in the for-rent condominium business, we began investing in new asset types, such as condominiums for students and hospice facilities. In terms of development and management, we leverage the integrated manufacturing, sales, and management system to extend the life of condominiums and aim to strengthen business throughout the entire value chain.

Although we are worried about falling purchase appetite amid rising home loan interest rates, there has currently been no major change in the adjustable interest rates used by many customers and we are maintaining sales prices that can cover the effects of soaring construction costs thanks to strong sales. We realize that a falling purchase appetite and the effects of soaring construction costs pose a challenge, but the Company's Residential Business maintains a robust value chain based on the Brillia brand and can acquire high value-added land by leveraging the expertise of reconstruction and redevelopment businesses. By enhancing customer evaluations through the steady accumulation of meticulous improvements while leveraging these characteristics and constantly reflecting on how to truly meet customer needs, I believe we will overcome these issues and continue achieving stable growth moving forward.



Special Feature 2

Interview with the Leader of the ONE DOJIMA PROJECT

Creating a unique space and time



Yacht sails, the concept inspiring the exterior design.



Residence: 4-27F, 38-49F
Four Seasons Hotel: 28-37F

Exterior view of the ONE DOJIMA PROJECT / Photo by: Nacása & Partners Inc.

In January 2024, we marked the completion of the ONE DOJIMA PROJECT, which combines the world's leading luxury hotel brand, Four Seasons Hotels & Resorts, with Brillia Tower Dojima, an apartment building built for sale. This project is Japan's first* ultra-high-rise mixed-use building comprising a Four Seasons Hotel and apartments.

Standing 195 m tall with 49 aboveground stories, the building itself can be regarded a work of art; the upper floors of the building are gradually set back, and three types of balcony have been combined to create an exterior evoking the image of a yacht's sail, a fitting and symbolic design for Osaka, which is known for its waterways.

The project is expected to help strengthen Osaka's international competitiveness, which is expected to rise as it hosts such events as the Expo 2025 Osaka, Kansai, Japan.

* This will be Japan's first ultra-high-rise building with a residential condominium housing and a Four Seasons Hotel. An ultra-high-rise building is defined as having a height of around at least 60 m (equivalent to about 20 stories). Survey conducted by Four Seasons Hotels and Tokyo Tatemono (as of July 26, 2024).



George Shishido

Residential Development Division
Project Management (Kansai)
Department Senior Manager



Kenichi Garan

Residential Development Division
Sales (Kansai) Department
Senior Manager

Manifesting an original concept eight years in the making

Shishido: I was a part of this project since the land acquisition phase, and it was a partially rare opportunity to see such a large cluster of well-maintained land plots available in the Umeda neighborhood, which is in the heart of Osaka. Bearing in mind that the amount of land we've acquired in the Kansai region pales in comparison to our acquisitions in the Tokyo metropolitan area, we undertook this acquisition in May 2016 with the hope of taking advantage of this rare opportunity to acquire this land and develop it into a landmark project symbolizing both Osaka and the Company. Although we had considered the possibility of developing a mixed-use development combining residences and a hotel since the land acquisition phase, there were few precedents for such a project, so we acquired the land with the assumption that the apartments would be independently developed.

However, at the time of acquisition, Osaka's hotel market was booming thanks to a number of factors, including rising inbound demand. In order to create an even higher value-added development, we continued deliberating on the development of a mixed-use residential and hotel project, even after the land was acquired. With so few domestic precedents, we visited New York City as part of our research into precedents overseas. While there, I encountered a residential and hotel complex tower project, with the lower levels housing a five-star hotel and residential units located on the upper floors, which offered excellent views, as well as Four Seasons Residences in a building known as a branded residence. These encounters upended my preconceived notions of hotels being optimal for the upper floors and residences for the lower floors, and led me to rethink how to maximize added value through mixed-use development with a luxury hotel.

Through these studies, a framework was established for an apartment complex and a luxury hotel, with the development concept of "travel and art." The impetus for incorporating art was the strong impact and the vibrant use of art in high-end housing in New York and other parts of the world had on me. Incidentally, this is where the idea of the building's exterior resembling yacht sails took root.

Amid those deliberations, I believe the project met with two turning points that enabled significant progress.

The first turning point was when, after two years of negotiations with the City of Osaka regarding the concept of a mixed-use luxury hotel and residential project, the municipality gave the project its approval and decided on the urban planning for the specific area. As a result, the floor-area ratio was relaxed from the standard floor area ratio of 480% to 1,200%. This meant that we could construct a building up to 49 stories above ground with one subterranean level with a total floor area of over 80,000 m², far exceeding the initial projection.

I believe the second turning point and a major key to our overall success was the realization of a joint venture with Hotel Properties Limited ("HPL"), a Singapore-based real estate company with expertise in mixed-use hotel and residential development, and the attraction of the Four Seasons Hotel.



Public Art Kohei Nawa "Trans-Mio" / Photo: Nobutada OMOTE | Sandwich



Gallery Corridor (2nd floor) / Photo: Nacása & Partners Inc.



A hotel room / Courtesy of the Four Seasons Hotel Osaka; Photo: Seet, Ken

At the project's genesis, we looked into the atmosphere of several foreign hotel operators through a process of trial and error, at one point receiving a joint venture proposal from HPL, which was looking for opportunities to expand into Japan. HPL's extensive business experience with the Four Seasons and many other luxury hotel operators, as well as its corporate culture, which emphasizes relationships between individuals, seemed to be a good fit with our company. As such, we signed a formal agreement in March 2019, with the Four Seasons Hotel taking an interest soon after.

At this point, nearly three years had passed since the land acquisition and the design phase was well under way. However, HPL liked the design concept we were working on, and we were able to move forward with bringing the project to life, creating something unique and symbolic without straying from our initial concept.

Rise in sales motivation brought on by a "once-in-a-lifetime" opportunity

Garan: In August 2020, when I was assigned to this project that Shishido and his team had been working on, I felt as though it was a "once-in-a-lifetime" opportunity.

There were more than 450 units supplied and the high price range was something the Company did not have much experience with. Because we knew the key to success would lie in the number of wealthy people we could attract to our target market, we began conducting preliminary activities not only in Osaka but also in the Tokyo metropolitan area and nationwide. It would be no exaggeration to say that we had never before approached such a wide range of wealthy people for a single property, and we pulled out all the stops to do so.

In the beginning, the only information we made public was that it would be a mixed-use hotel and residential project, without disclosing the hotel brand. However, the announcement in April 2021 that it would be a Four Seasons Hotel met with an overwhelmingly positive response. The project was highly acclaimed for its rarity as a project that integrates a luxury hotel, with many desiring a condominium for themselves "at any cost," because they felt that "there will never be other apartments like them."

What I found the most surprising was that most of the project's customers were wealthy Osaka residents. It was then we realized that receiving reasonable compensation for what we considered to be truly valuable was possible, particularly because this was a product with no substitute.

Leveraging lessons learned from the ONE DOJIMA PROJECT for the future

Shishido: This project was supported by the understanding and cooperation of many people within the Company as well as HPL and our many other joint venture partners. I developed an even deeper appreciation for our corporate culture, which sincerely takes to heart the desire to achieve things that drives its members, including my supervisor, who encouraged the development of a complex with a five-star hotel and a joint venture project with an overseas partner, a project that had no precedents, and the sales department, which strongly supported the project's rather expensive promotional activities.

Garan: We believe that the experience gained from the project's promotional activities will be an asset to the sales department. In the course of developing and executing these activities targeting the affluent, we gathered valuable knowledge and experience, ventured into new areas, and tried our hand at a number of novel things. As a result, we are proud to have accumulated further expertise in selling high-priced properties that fully utilize the Brillia brand. We intend to apply this expertise to other projects and use it as a source of further sales enhancement.

Shishido: After a total of eight years with this project, from the land purchasing phase to completion, it gives me an immense sense of satisfaction to see it finally done. Upon wrapping everything up, my boss asked me what I would turn my attention to next. Just hearing those words has kicked my desire to create even better products into high gear.

Personally, I've learned a lot from interacting with our partner affiliates HPL and the Four Seasons Hotel, including a straightforward way of doing business and about quick decision making. Going forward, I would like to spread this knowledge and experience throughout the Company, while also encouraging those in my department to go out and do it—create a project that will surpass even the ONE DOJIMA PROJECT.

Special Feature 3

Tokyo Tatemono's Condominium Reconstruction and Redevelopment Projects

The large-scale apartment complexes built to support Japan's rapid post-war growth are continuing to age, and a not insignificant number of buildings have serious problems, including questionable levels of earthquake resistance and anti-crime security features as well as a lack of elevators. As their residents also age and decline in number, a major issue will be how to revitalize the aging buildings and communities connecting neighbors. We are focusing on reconstruction

Brillia City Shakujiikoen ATLAS

Brillia City Shakujiikoen ATLAS, which was completed in September 2023, is one of Tokyo Tatemono's representative reconstruction projects. The Shakujiikoen Complex was burdened with aging facilities and insufficient accessibility, including a lack of elevators. This prompted the formation of a reconstruction and renovation study committee around 2007, led by the management association to discuss the revitalization of the complex. In 2015, the management association selected the Company as a project collaborator and set up a consultation office within the grounds of the housing complex where property rights holders could easily seek advice. In addition, we regularly met with property

rights holders to collaborate on and promote the project.

The reconstruction increased the number of residential units from 490 to 844. As part of the reconstruction, we established a residential community space dubbed Shakuji-i BASE with the aim of encouraging mingling among residents and the community. We are pleased that many of the existing property rights holders chose to continue living on the property. We aim to continue connecting with the thoughts of residents moving forward, and leading this historic community into the future.



Exteriors



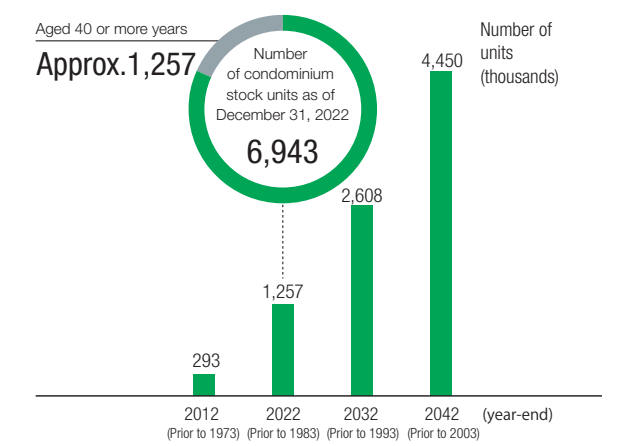
Shakuji-i BASE

and redevelopment projects to meet the needs of urban districts currently densely packed with wooden houses and to address the growing need to replace aging condominiums. Accordingly, we have established the revitalization and utilization of real estate stock as a material issue. By upgrading our existing stock, we will promote safer and more secure urban development for customers and local residents while creating new value aligned with the times and helping revitalize local communities.

Reconstruction and redevelopment projects involve an extremely large number of stakeholders, making consensus-building difficult and time-consuming.

However, Tokyo Tatemono has worked on numerous such projects, gaining the trust of property rights holders through sincere dialogue. Using the knowledge we have accumulated in reconstruction and redevelopment, we continually strive to seize business opportunities, even in real estate markets where there is intense competition to acquire land, mainly in the Tokyo Metropolitan Area. In the Residential Business, we will continue aiming to solve social issues and grow as a company while collaborating closely with all property rights holders.

Trend in the Number of Condominium Stock Units over 40 Years Old



(Note 1) Figures in parentheses indicate when condominiums were constructed.
 (Note 2) Estimates reflect the number of condominiums for sale based on statistics on when construction began and the number of units removed as identified by the Ministry of Land, Infrastructure, Transport and Tourism.
 Source: Created by Tokyo Tatemono based on the Ministry of Land, Infrastructure, Transport and Tourism's document entitled "Extending the Life of and Facilitating the Revitalization of Condominiums (Japanese only)" (<https://www1.mlit.go.jp/policy/shingikai/content/001708225.pdf>)

Evolution of Tokyo Tatemono's Reconstruction and Redevelopment Projects

- 2013 Brillia Tama New Town**
Japan's largest reconstruction project, a 640-unit complex being rebuilt with 1,249 units
- 2015 Brillia Tower Ikebukuro**
Japan's first redevelopment project integrating a main ward office building and a high-rise apartment complex
- 2017 Brillia Towers Meguro**
A large-scale redevelopment with 5,000m² of lush green space in front of Meguro Station
- 2023 SHIROKANE The SKY**
A large-scale mixed-use redevelopment with a total of 1,247 units. Enhances the charm of the area by centralizing access to retail outlets as well as health-care, childcare support, and other urban facilities.
- 2024 Brillia Tower Hamarikyū**
Forerunner of large-scale condominium redevelopment in a city center. The project expands residences near work places in the rapidly developing Takeshiba area.



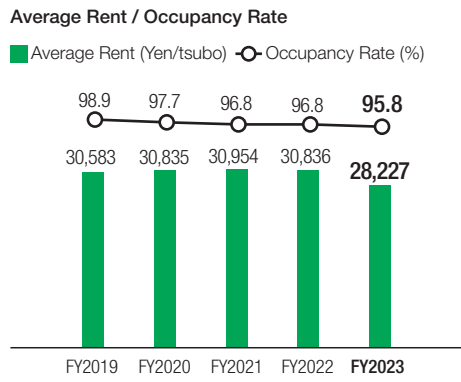
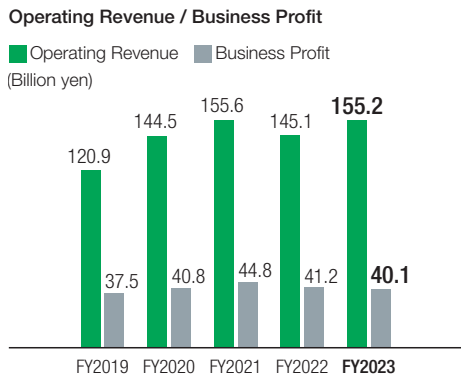
Commercial Properties Business

The Commercial Properties Business focuses mainly on the international city of Tokyo. Its business activities include urban development, the development and operation of office buildings and retail facilities, facility management, building maintenance, and preservation and remodeling. We are working together as a group to provide not only quality properties and facilities, but also a range of services that give office building users a sense of safety, security, and comfort. Tokyo Tatemono is pursuing a wide range of development opportunities according to differing locations and area characteristics. Projects now under way include medium-size office buildings, logistics properties, hotels, and retail facilities. After these projects start operations, we sell them to investors.

Business Fields	
Leasing of buildings business	Office buildings, large retail facilities, etc.
Property sales to investors	Logistics properties, medium-scale office buildings, retail facilities, and hotels
Building management service and others	Building management and operation, construction, and cleaning

Related Material Issues			
	Strengthening Tokyo's competitiveness as an international city		Contributing to a safe and secure society
	Addressing the diverse needs of customers and society		Value co-creation and innovation
	Wellbeing		Community building and revitalization
			Revitalizing and utilizing real estate stock

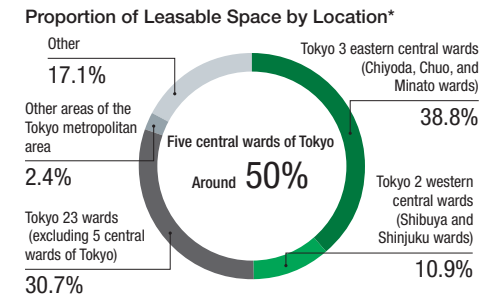
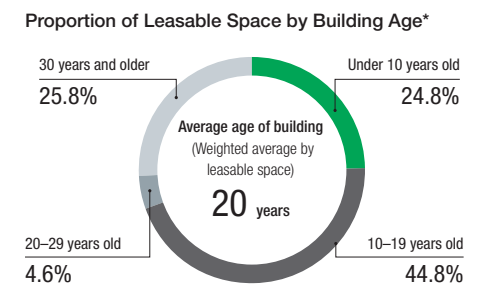
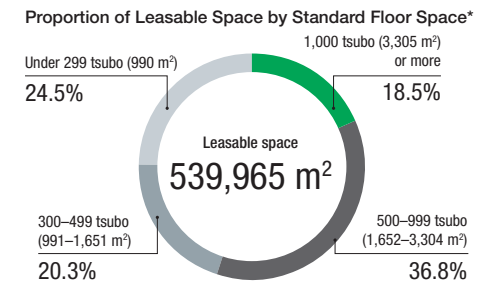
Against a backdrop of tightening supply in the rental office market until fiscal 2019, our business results expanded, thanks especially to an increase in leasing profit from buildings. From fiscal 2020, this growth slowed due in part to the effects of the COVID-19 pandemic and the widespread adoption of new workstyles, and the vacancy rate for the market as a whole has been on a downward trend since the end of 2023. In addition, the average rent and occupancy rates of the Company's owned office buildings remained at high levels compared with the overall market, reflecting the strong competitive advantages of their large scale and prime locations. The Commercial Properties Business as a whole has maintained strong performance, mainly due to an increase in property sales to investors, such as logistics and commercial facilities, against the backdrop of a favorable real estate transaction market.



External Environment / Social Issues	
Opportunities	There is a pressing need for increasingly sophisticated office space in order to secure personnel and enhance productivity
	Diversifying needs for real estate utilization in line with such trends as an expansion in the e-commerce market and strong performance in the inbound tourism market
Risks	Expansion of needs related to real estate investment needs and investment assets
	Intensifying competition between global cities and economic areas
	Rising construction costs due in part to increasing labor costs
	Decline in the real estate investment market due to rising interest rates, etc.

The Company's Advantages	
•	A wealth of know-how and experience in large-scale redevelopment and asset-type development
•	A track record of tenant leasing and urban development that increases area value
•	A highly competitive office building portfolio
•	A wide array of information sources, including financial institutions and existing business partners, in addition to the Group network

Specific Initiatives under the Medium-Term Business Plan	
•	Expanding our future earnings base by promoting redevelopment projects in prime urban centers
•	Providing choice office space through product planning based on diversifying workstyles
•	Enhancing the attractiveness and competitiveness of the areas surrounding the Company's owned buildings by promoting area management
•	Expedient property sales attuned to the market and the effective utilization of information sources to acquire properties for sale to investors



* The above proportions are for office buildings owned by Tokyo Tatemono as of December 31, 2023

Commercial Properties Business / Progress on the Key Strategies of the Medium-Term Business Plan and Next Steps

Key Strategy 1 Promotion of large-scale redevelopment

Promoting Large-Scale Redevelopment—a Field of Great Social Significance

Under its Long-Term 2030 vision of becoming a next-generation developer, Tokyo Tatemono aims to achieve an overarching balance between solving social issues and growing as a company. The promotion of large-scale redevelopment is one of the key strategies for this goal.

Current large-scale redevelopment projects include undertakings in Shibuya Ward, Minato Ward, and Chuo Ward, especially the Yaesu-Nihonbashi-Kyobashi (YNK)* area in front of Tokyo Station, which we have positioned as a priority area. By around 2030, plans call for the completion of construction on projects with a gross usable area*² owned by the Company equivalent to around 320,000 m², and we expect the significant contributions these projects to generate to drive rapid growth in our leasing revenue.

Not only does the redevelopment business contribute to the Company's profitability, it possesses an outsized social significance in that it enables us to use our business help solve social issues, enhancing the attractiveness of the area being redeveloped even further. Increasing the overall attractiveness of an area leads, in turn, to higher value for our entire portfolio, as the gain in value spills over from newly completed redevelopments to enhance the value of our nearby existing buildings. In this way, we aim to strengthen the competitiveness of the city and the Company.

* Includes conference facilities, retail facilities, and a variety of non-office usable areas

Key Strategy 1 Promotion of large-scale redevelopment

Large-scale redevelopment in the YNK area p. 16

Initiatives Supporting Redevelopment

Proposing Diverse Work Styles

With the diversification of workstyles, including the widespread adoption of remote work in recent years, workplace awareness has evolved dramatically among both companies and employees. The way a company's office strategy is implemented has become an important factor in attracting human resources.

Offering custom combinations of sophisticated centralized and serviced offices, coworking spaces, and space-sharing options that enable diverse workstyles, we are striving to comprehensively meet wide-ranging corporate office needs. As a developer, we believe it is necessary to be able to propose workstyle options to tenants, and we do so both at a conceptual level and at a physical level based on dialogues with them. For example, at NAKANO CENTRAL PARK, Park Avenue and Nakano Shiki no Mori Park are seamlessly connected to each other via a large green space, offering the new workstyle option of "working within nature."



Wooden deck offers an open space



The "Garden Lounge," created based on tenant feedback

Initiatives for area management

Tokyo Tatemono not only develops and operates buildings, it also provides area management services. We are working with local communities to utilize the event and public spaces of buildings to plan events and activities that contribute to the vibrancy and appeal of the area. In this way, we help people interact with each other, heighten the appeal of entire areas, and strengthen cities' competitive advantages.

In addition, we aim to provide services and establish attractive urban bases while passing on tradition and culture to the next generation and nurturing our bonds with local populations through such activities as participation in local events in redevelopment areas.



An Event Held in the YNK Area
Meet with Flowers in Tokyo YNK



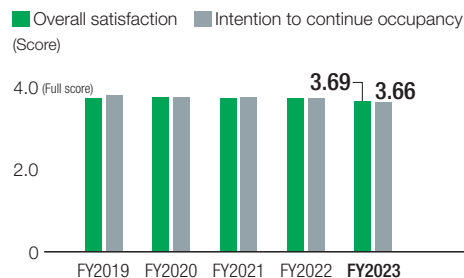
The Sanno Festival, a tradition continuing from the Edo period

Management and Operations

Every year, we conduct a customer satisfaction survey of our office building tenants. We have been gathering their feedback from the perspective of safety, security, and comfort as we work to make improvements based on customer needs.

Every year, all Group companies in the Commercial Properties Business Division participate in an internal event focused on building management and customer service. The event introduces specific examples of outstanding performance, honoring notable achievements with awards. This raises awareness of the importance of improving quality and customer satisfaction.

Trends in Overall Satisfaction and Intention to Continue Occupancy



* Based on the Company's own monitoring indicators



An event held by the Commercial Properties Division and participated in by all Group companies: Human Building Exhibition

Key Strategy 3 Expansion of property sales to investors

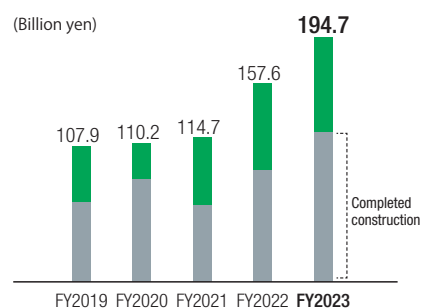
Initiatives for Property Sales to Investors

To achieve sustainable profit growth and enhance asset efficiency, since the start of the previous Medium-Term Business Plan (FY2015–2019), we have been developing diverse asset types that we expect to sell to investors. As for assets for property sales to investors in the Commercial Properties Business, we handle logistics properties, hotels, retail facilities, medium-size office buildings, and more.

Development of logistics properties has accelerated in recent years against a backdrop of growth in e-commerce and an expansion in warehouse demand in line with that growth. In the logistics properties operated by the Company (T-LOGI series), we are steadily accumulating stock, and these properties account for around 60% of our total investment amount out of assets for sales to investors in the Commercial Properties Business.

There is still stiff competition for acquiring land, but we are steadily securing properties through such various means as restructuring organizations, expanding and nurturing human resources, and building tenant relations. Going forward, we will consider expanding new asset types in addition to our existing efforts and continue to acquire sites.

Commercial Properties Business: Balance of Real Estate for Sale



As of December 31, 2023

Asset type	Number of Properties		Asset Scale (billion yen)	
	In operation	Under development	Balance of real estate for sale	Total amount invested*
Logistics properties	7	15	98.9	Around 270.0
Hotels, retail facilities, offices, etc.	18	16	95.7	Around 150.0
Total	25	31	194.7	Around 420.0

*Total amount invested = construction cost incurred since acquisition + book value at time by acquisition



Highlights | TOKYO SUTEAM·SYNK

The Company was the only general real estate developer selected to participate in TOKYO SUTEAM, a start-up support project targeting a diverse range of entities that was launched by the Tokyo Metropolitan Government in 2023. In line with this project, we have collaborated with multiple innovation bases and start-up supporters in the YNK area to launch the SYNK Project, which aims to further enhance the innovation ecosystem.

Through this project, Tokyo Tatemono will strive to push the boundaries for start-ups while fostering their growth and globalization and strengthening the network of start-up supporters and peers. We will continue helping realize the Tokyo Metropolitan Government's "10x10x10 Innovation Vision to Develop the Future."

SYNK's Three Projects

Project	Alliance bases	Start-up Supporters	Output
Scale (Supporting Growth) Supporting the growth and globalization of start-ups utilizing the unique characteristics of the YNK area	TOKYO FOOD LAB	TOKYO FOOD INSTITUTE	1. Established a new award at a pitch event for overseas business (supporting the overseas expansion of award recipients) 2. Dispatched start-ups to global exhibitions
	xBridge-Yaesu	XTech Ventures	3. Established a new pilot test course that lowered hurdles to applying for the accelerator program X-Gate
	City Lab Tokyo	Urbanist General Incorporated Association GBP Laboratories	4. Established a new program to nurture students and young adults considering founding businesses specialized mainly in the environmental field
Spread (Expanding Boundaries) Supporting founding entrepreneurs	THE FLYING PENGUINS	FIREPLACE INC.	5. Host a café that matches venture capital and start-ups with students and young adults who aim to launch new businesses or to intern or work at start-ups
	xBridge-Tokyo	ProtoStar Inc. EDGEof INNOVATION, LLC	6. As a central hub for SYNK, we took measures to strengthen the start-up ecosystem, including the support of major corporate entities in the YNK area and between alliance bases. Note: Conducted office functions and management of SYNK as a whole Note: As of April 30, 2024, xBridge Tokyo has closed and xBridge Kyobashi was opened.
Synchronize (Harmonizing) Strengthening the start-up ecosystem	xBridge-Global	NEXTBLUE	7. As a central hub for SYNK, we took measures to strengthen the start-up ecosystem, including the support of major corporate entities in the YNK area and between alliance bases. Note: Because NEXTBLUE was selected for this business in a different project, we took measures to enable collaboration between the two projects.

Introduction

The Tokyo Tatemono Group's Value Creation and Vision

The Tokyo Tatemono Group's Value Creation Initiatives

The Tokyo Tatemono Group's Value Creation Foundations

Data Section

Residential Business

Tokyo Tatemono is engaged in the condominium and residential leasing businesses, with operations centering on the Brillia brand of refinement and comfort. We offer high-quality housing based on a unique, comprehensive framework that includes all the functions needed to support a more comfortable life for our customers, ranging from planning and development to management, after-sales services, repair, and brokerage.



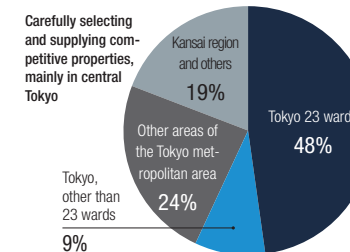
Business Fields

For-sale condominiums business	For-sale condominiums
Property sales to investors	For-rent condominiums
Building management service and others	Condominium management, remodeling, renovation work, leasing management

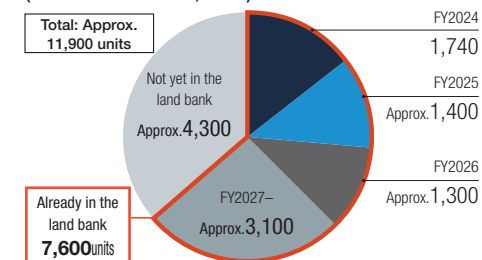
Related Material Issues

	Contributing to a safe and secure society
	Addressing the diverse needs of customers and society
	Community building and revitalization
	Revitalizing and utilizing real estate stock

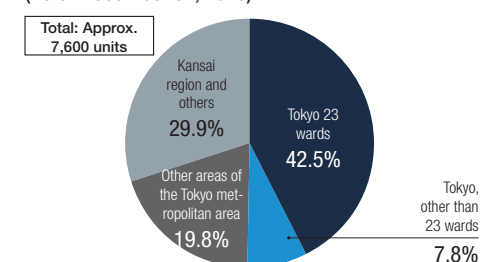
Condominium Sales Posted and Ratio of Sales by Region (January 2020–March 2023)



Projects That Tokyo Tatemono is Pursuing (As of December 31, 2023)



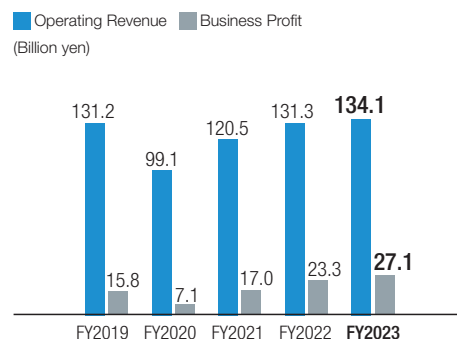
Breakdown of Land Bank* by Region (As of December 31, 2023)



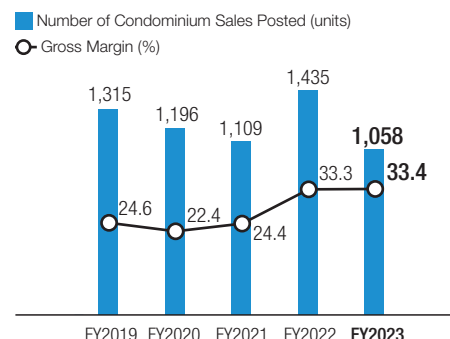
* Listed for the total number of dwelling units for the acquired development site

Regarding for-sale condominiums, underpinned by an ongoing low interest rate environment, an increase in dual-earner households, and demand for more affluent lifestyles, we have been able to stably supply around 1,000 to 1,500 units annually and achieve a high gross margin exceeding 20%. Although there are concerns about the impact on customer purchasing sentiment due to expected rising interest rates, demand, including from the growing number of wealthy individuals, is firm and will continue to be strong in fiscal 2024. The land acquisition environment remains intensely competitive, but we are proactively engaging in reconstruction and redevelopment projects and steadily building up our land bank. Regarding for-rent condominiums, we have recorded a decent level of gain on sales from fiscal 2021 against a backdrop of robust investment needs.

Operating Revenue / Business Profit



Number of Condominium Sales Posted / Gross Margin



External Environment / Social Issues

Opportunities	Diversifying lifestyles are engendering more sophisticated, more diverse customer needs
	A strengthening trend toward prioritizing convenience amid an increase in household income as the number of dual-income households rises
	Growing interest in environmental measures due to climate change and the increasing severity of natural disasters
Risks	Expansion of real estate investment needs and assets for investment
	Rising construction costs due in part to rising labor costs
	Contraction in the condominium market due to population decline
	Drop in customer purchasing sentiment due in part to higher interest rates

The Company's Advantages

- Brand recognition and customer satisfaction ratings are among the highest in Japan
- Strong track record and expertise in large-scale redevelopment and reconstruction
- A service supply framework that integrates production, sales, and management
- A wide array of information sources, such as financial institutions and existing business partners, in addition to the Group network

Specific Initiatives under the Medium-Term Business Plan

- Investing in select locations expected to have strong competitive advantages
- Focusing on redevelopment and reconstruction that requires expertise and has high added value
- Using our information sources to acquire properties for sale to investors and engaging in dynamic, market-sensitive sales

Residential Business: Progress on Key Strategies under the Medium-Term Business Plan

Key Strategy 2 Further strengthening of for-sale condominium business

Initiatives to Acquire Business Opportunities for the For-Sale Condominium Business

The Company's For-Sale Condominium Business has accumulated a great deal of experience and expertise through its dual focus on human resources capable of building relationships of trust with customers and the growth of the Brillia brand. We will continue to closely monitor changes in the external environment, such as the impact on customer purchasing sentiment due to expected rising interest rates and construction costs. Along with advancing land acquisition through selective investment by leveraging the strong value chain based on the Brillia brand, we will seek to acquire high value-added business opportunities that can be realized only through the Company's strength in building relationships of trust and its diverse expertise in areas such as reconstruction, redevelopment, and fixed-term leasing.

Major Properties Slated to Open



Key Strategy 3 Expansion of property sales to investors

Initiatives for For-Lease Condominiums

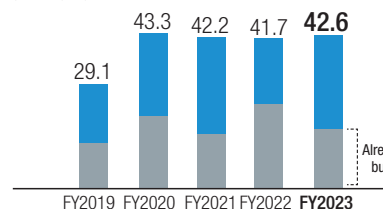
We are expanding the Brillia ist series of for-rent condominiums in city centers as an asset for property sales to investors in the Residential Business. We help enhance capital efficiency and stably create profit through dynamic sales against a backdrop of robust investment needs and product planning that meets customer needs.

Brillia ist is in harmony with urban living and offers residences with comfortable environments that efficiently create relaxation, based on the concepts of practicality and ever more radiant refinement along with thorough safety. "ist" in the brand name represents the vision of tenants as people who are focused on living life their own way. We are working to enhance the competitive advantages of properties in tangible and intangible ways, using such tools as customer satisfaction surveys to ascertain residential needs and setting up lounge spaces where people can telework.

In addition, to help realize a low-carbon society, we are proactively working to acquire green building certification and promoting the shift to ZEH. Recently, we have also focused efforts on enhancing the emergency resilience of properties, to this end installing both solar panels and storage batteries.

Balance of Real Estate Used for Selling For-rent Condominiums

(Billion yen)



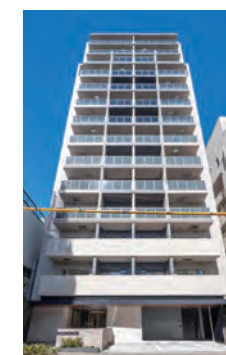
As of December 31, 2023

Asset type	Number of Properties (buildings)		Asset Scale (billion yen)	
	In operation	Under development	Balance of real estate for sale	Total investment*
For-rent condominiums	8	25	42.6	Approx. 75.0

*Total invested = construction and other costs incurred after acquisition + book value of each property at time of acquisition



Brillia ist Bunkyo Rikugien



Brillia ist Ueno Inaricho

Highlights | Brillia's first "ZEH-M": Brillia Fukasawa Hatchome

Brillia Fukasawa Hatchome, scheduled for completion in 2025, will be the first Brillia building to meet the "ZEH-M" standard, the highest rank in the ZEH-M series. ZEH-M (Net Zero Energy House Mansion) has been highly evaluated by buyers in a number of perspectives, including enhanced living environment and reduced water and utility costs. Going forward, we will continue to strive to both reduce the burden on the environment and provide comfortable living spaces.



Asset Service Business

Capitalizing on the range of services it is able to offer for the effective use of property and land, the Tokyo Tatemono Group provides comprehensive solutions through its real estate brokerage, asset solution, management service, parking, and other businesses.



Business Fields

Real estate transaction business	Brokerage and corporate real estate operations
Property sales to investors (Asset Solution Business)	Office buildings, condominiums for sale or rent, retail buildings, and hotels
Parking business	Parking lots

Related Material Issues



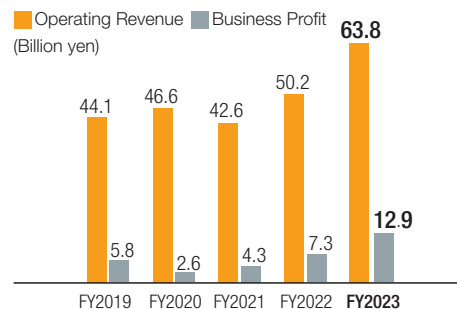
Revitalizing and utilizing real estate stock

Key Strategy 4 Strengthening of brokerage, fund, and parking businesses

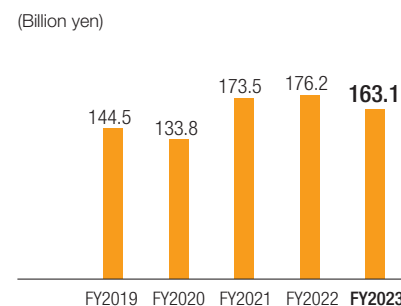
As for the brokerage and asset solution businesses, their performances remained strong against the backdrop of an active real estate transaction market, enabling us to stably record profit.

In the parking business, despite the impact of the spread of the COVID-19 pandemic, a recovery in the flow of people from the second half of fiscal 2022 ensured that occupancy and profits remained strong in fiscal 2023. We will continue to work on strengthening our profitability and competitiveness while steadily expanding our business.

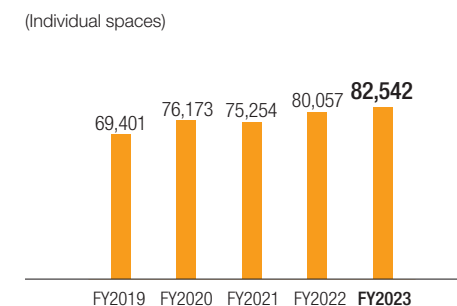
Operating Revenue / Business Profit



Brokerage Transaction Volume



Parking Spaces under Operation



Highlights

Creation of fractional real estate products for individual investors

Tokyo Tatemono Real Estate Sales and Mizuho Trust & Banking have jointly planned, developed, created, and sold fractional real estate products for individuals. Going forward, we will continue to provide investment opportunities to individuals through the supply of these products and thereby contribute to the smooth transfer of assets in this rapidly aging society.



Real Estate Transaction and Asset Solution Businesses

	External Environment / Social Issues	The Company's Advantages
Opportunities	<ul style="list-style-type: none"> Increased real estate transactions due to the shift toward a society in which properties are used across generations Growth in real estate investment demand due to low interest rates 	<ul style="list-style-type: none"> Solid relationships with customers and financial institutions and expertise in judging the value of real estate acquired over many years of experience Ability to offer one-stop solution services that draw on the resources of the Group
Risks	<ul style="list-style-type: none"> Drop in customer purchasing sentiment regarding real estate and economic recession due in part to higher interest rates 	<ul style="list-style-type: none"> Accumulated know-how and unique purchasing and sales channels through our efforts to revitalize and add value to various types of real estate

Specific Initiatives under the Medium-Term Business Plan

- Capitalize on information sources to actively identify customer needs
- Use expertise in judging the value of real estate to acquire properties with value-adding potential and sell properties quickly in response to market conditions

Parking Business

	External Environment / Social Issues	The Company's Advantages
Opportunities	<ul style="list-style-type: none"> Demand is growing for large private parking lots as well as municipal and other public parking lots in conjunction with redevelopment projects Development of new parking services in response to the wave of change in the automobile industry represented by CASE* 	<ul style="list-style-type: none"> Track record and expertise in developing and operating large self-park parking lots Investment and development capabilities for parking facilities and systems leveraging scale as Japan's third-largest pay-by-the-hour parking business operator
Risks	<ul style="list-style-type: none"> Accelerated sale and repurposing of parking lots by landowners due to rising land prices 	

Specific Initiatives under the Medium-Term Business Plan

- Aggressive expansion of large parking lot development through the diversification of contract types and proposals of cutting-edge systems
- Boost competitiveness by developing and rolling out systems that contribute to improved operational efficiency and customer service

*CASE: Connected, Automated/Autonomous, Shared & Service, and Electrification

Other Businesses

Related Material Issues



Addressing the diverse needs of customers and society



Revitalizing and utilizing real estate stock

Fund Business

Key Strategy 4

Strengthening of brokerage, fund, and parking businesses

Through Japan Prime Realty Investment Corporation (a listed J-REIT) and Tokyo Tatemono Private REIT, Inc., as well as through private funds, Tokyo Tatemono provides a variety of real estate investment products to a broad range of investors, from institutional investors and pension funds to individual investors.

External Environment / Social Issues	
Opportunities	Growing needs for real estate investment Expanding asset types available for investment
Risks	Impacts of rising interest rates on asset value Shifts in the financing environment

Our Advantages
<ul style="list-style-type: none"> • Able to draw on the real estate expertise of Tokyo Tatemono to gain opportunities to acquire real estate and maximize asset value

Specific Initiatives in the Medium-Term Business Plan
<ul style="list-style-type: none"> • Support the growth of J-REITs, private REITs, and private funds by increasing property sales to investors • Increase profit opportunities by expanding the Group's assets under management

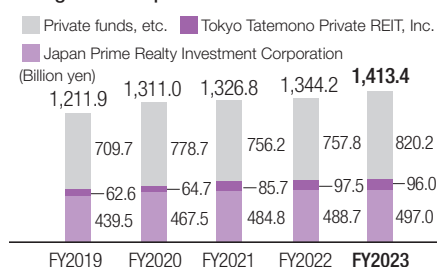
Status of Priority Policy Initiatives

We will strive to expand our asset portfolio by capitalizing on the Group's expertise in judging the value of real estate to acquire promising properties while enhancing the quality of the portfolio through strategic asset replacement. At the same time, we will help capture profit opportunities for the Group in asset and property management and other areas, increasing the sale of properties to J-REITs, private REITs, and private funds in order to grow the Group's assets under management (AUM).

In April 2023, Tokyo Realty Investment Management, Inc. (TRIM), a J-REIT investment management company, became a wholly owned subsidiary.

Additionally, in April 2024, the Company's trade name was changed to Tokyo Tatemono Realty Investment Management, Inc. further strengthening its fund business.

Changes in Group AUM



Overseas Business

Key Strategies 5

Growth in overseas business

The Tokyo Tatemono Group is partnering with local companies to engage in development projects in China and emerging ASEAN countries that offer substantial growth potential while at the same time striving to capture business opportunities in the United States and other developed countries.

External Environment / Social Issues	
Advantages	Rise in middle-income and wealthy individuals due to strong economic growth in Asian countries Growing number of local companies seeking tie-ups with Japanese partners and local governments taking stronger measures to attract foreign capital
Risks	Changes in economic and political conditions and tightening of real estate regulations Increased geopolitical and country risks

Our Advantages
<ul style="list-style-type: none"> • Strong development track record (a total of about 25,000 units delivered to date) and a relationship built up over more than 15 years with major Chinese developer China Vanke • Wealth of real estate development expertise and high-quality condominium development experience gained in Japan

Specific Initiatives in the Medium-Term Business Plan
<ul style="list-style-type: none"> • Collaborate with prominent local developers knowledgeable about business practices and markets in their countries • Expand the business chiefly in China and other countries where we have an existing footprint. In addition, the Company explores business opportunities in developed countries (the United States). • Invest in short-term turnover projects, which feature relatively short business cycles and offer little risk of change in the business environment

Status of Priority Policy Initiatives

Strengthening Cooperation with Local Partners

Tokyo Tatemono has, in its Overseas Businesses, decided to re-enter the U.S. market following the examples of its operations in China and Southeast Asia. The Company, Sumitomo Forestry Co., Ltd. and one other Japanese company, along with Fairfield Residential Holdings LLC, a major U.S. developer, have jointly developed a large-scale rental housing complex in the suburbs of Washington, D.C. that is both economical and environmentally friendly. The project is expected to capture rising demand for housing in areas along a subway line where large-scale redevelopment is under way. We will continue to make selective investments to acquire business opportunities in growth markets, giving full consideration to the market environment and country risk for each location.

Herndon Project, United States



Total Project Cost:
21.3 billion yen

Leisure and Child Care Business

Leisure Business

As lifestyles diversify and consumption shifts from goods to services, our Leisure Business aims to offer authentic experiences and highly hospitable services that provide customers with maximum relaxation and comfort.

External Environment / Social Issues	
Opportunities	Increase in hotel room rates and occupancy rates due to factors that include increased demand from inbound tourism Acquisition of new customers for bathhouses and golf facilities due to lifestyle changes in the wake of the COVID-19 pandemic
Risks	Higher operating costs due to rising energy, labor, and other costs Difficulty in securing human resources

Our Advantages
<ul style="list-style-type: none"> • Regina Resort (8 facilities in total): All rooms and areas are dog-friendly, and the resort's facilities and services are comparable to those of luxury accommodations. Relationships with over 80,000 repeat customers. • Ofuro no Ousama (10 facilities in total): High level of expertise in the operation of bathhouses accumulated through over 20 years of operation and the handling of approximately 4.2 million visitors annually. • Golf courses (12 facilities in total): Access-oriented and capable of meeting a wide range of user needs, located in national parks, equipped with hot springs and lodging facilities, accessible via membership or open to the public.

Specific Initiatives in the Medium-Term Business Plan
<ul style="list-style-type: none"> • Expand profitability and improve service quality by setting prices that accurately meet needs, pursuing comfort in facility operation, and reviewing the membership organization.

Specific Initiatives in the Medium-Term Business Plan
<ul style="list-style-type: none"> • Expand profitability and improve service quality by setting prices that accurately meet needs, pursuing comfort in facility operation, and reviewing the membership organization.



Regina Resort Kyu-Karuizawa



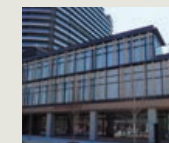
Ofuro no Osama Wako



Kawaguchiko Country Club

Highlights | The first TOTOPA opens in municipal Meiji Park

In 2024, the Company launched TOTOPA, an urban spa facility serving mainly central Tokyo that has been developed to operate as a compact and unique relaxation experience, utilizing the know-how we have cultivated through the management of the Ofuro no Osama public bathing facilities.



The TOTOPA Meiji Park branch

A History of Value Creation

A pioneer of the modern real estate industry and driven by ideals inherited from Zenjiro Yasuda, the founder not only of the Company but of the former Yasuda conglomerate, Tokyo Tatemono has been a trailblazer since its founding. With a solid over 125-year track record of value creation, we have established three distinct pillars of strength.

Strength 1

Ingenuity and Problem-solving Ability to Meet the Needs of Customers and Society

1896

Japan's Oldest Comprehensive Real Estate Company, Created with the Aim of Modernizing the Real Estate Trade

Urbanization progressed as infrastructure and other improvements were made and demand for real estate was on the rise. Unfortunately, the real estate trade of the time was highly inefficient and rife with fraud. It was amid this business environment that Zenjiro Yasuda founded Tokyo Tatemono in 1896 with the aim of modernizing the industry and promoting urban development while selling and contracting the construction of buildings using real estate financing and loans.



Zenjiro Yasuda



The Company's first headquarters



Shinjuku Center Building has become a west Shinjuku landmark and contributed greatly to raising Tokyo Tatemono's profile and subsequent business expansion. (Built in 1979)

1945

The Expansion of Commercial Properties and Residential Businesses amid Post-War Rebuilding Efforts and Rapid Economic Growth

The post-World War II era saw high demand for reconstruction-related demand driving fast-paced growth for Tokyo Tatemono as a company as well as throughout our industry. During Japan's period of rapid economic growth, we responded to a serious urban housing shortage and rising demand for residences near workplaces by making a full-fledged entry into the condominium business. Supplying high-quality yet budget-friendly condominiums, we garnered customer support. At the same time, we focused efforts on developing office buildings to meet rising demand as urban functions came to be increasingly consolidated in city centers.

Strength 2

Corporate Culture Able to Read the Times and Take on New Challenges

Circa 1990

Striving to Differentiate Ourselves by Leveraging the Comprehensive Strength of the Group

After the collapse of Japan's economic bubble, we deftly adapted to the changing business environment by, in part, planning seismically isolated and fixed-term lease condominiums and proactively participating in redevelopment projects. In 1998, we also proactively expanded into the real estate investment market, conducting the first securitization of real estate in Japan under the Special Purpose Company Act. In 2003, we unified our condominium operations under the Brillia brand and, in 2004, began giving tours of construction sites, the first initiative of its kind in the industry.

In the Commercial Properties Business, we rapidly grew as a comprehensive real estate developer with repeated successes in highly difficult complex redevelopment projects as well as private finance initiative (PFI) projects.



Olinas is Tokyo's first complex redevelopment project in which three aspects of urban planning were determined simultaneously. (Built in 2006)



KASUMIGASEKI COMMON GATE is a pioneering public-private, large-scale redevelopment project executed using a private finance initiative (PFI) structure. (Built in 2007)

Strength 3

Accumulated Trust, Track Record of Accomplishments, and Expertise

Circa **2010**

Urban Development Leading to a Future of Added Value Creation

Drawing on its accumulated expertise, Tokyo Tatemono aggressively undertakes ever larger redevelopment projects expected to create added value. Although we recorded a loss following the global financial crisis, we strengthened our financial standing in part through the sale of some assets.

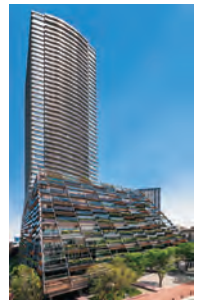
We continue to participate in multiple large-scale redevelopment projects and expand our portfolio of diverse and high-quality real estate in part through the acquisition of logistics facilities, retail facilities, hotels and other properties.



NAKANO CENTRAL PARK enables an efficient office layout through the use of a mega plate (for an uninterrupted single floor) measuring 1,500 tsubo (nearly 5,000 m²) while offering a new style of working in an open, green environment. (Built in 2012).



Brillia Tama New Town is Japan's largest apartment complex reconstruction project. (Built in 2013)



Brillia Tower Ikebukuro is Japan's first high-rise condominium that integrates the main building of a municipal office. The property features a low-rise section that serves as the main Toshima Ward office building, along with retail facilities and offices. The high-rise tower section houses 432 residential units. (Built in 2015)

2020

Becoming a Next-Generation Developer

We Aim to Provide Value of Place and Maximize Value of Experience

Since 2020, in line with our long-term vision of becoming a next-generation developer by around 2030, we have striven to offer better solutions to society's problems and raise our own growth as an enterprise to a higher level.

We are working to enhance ESG management as set out in the medium-term business plan spanning fiscal 2020 to 2024 and are pursuing sustainable, high value-added urban development based on the Group's material issues.



In 2023, we celebrated the 20th anniversary of Brillia, the Group's total brand for residences. Going forward, we aim to realize a condominium brand that is wholeheartedly recommended by residents for the refinement and comfort it provides in line with our efforts to be the top brand among customers.



The entire Brillia Tower Dojima / Photo by Akira Ito (aifoto)



Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station is a large-scale redevelopment project that includes the Company's former headquarters. (Construction slated to finish in fiscal 2025)

We are currently working hard on the consolidation of advanced urban functions that help strengthen Tokyo's competitiveness on the international stage while pursuing high value-added urban development that connects local history and culture to the future.

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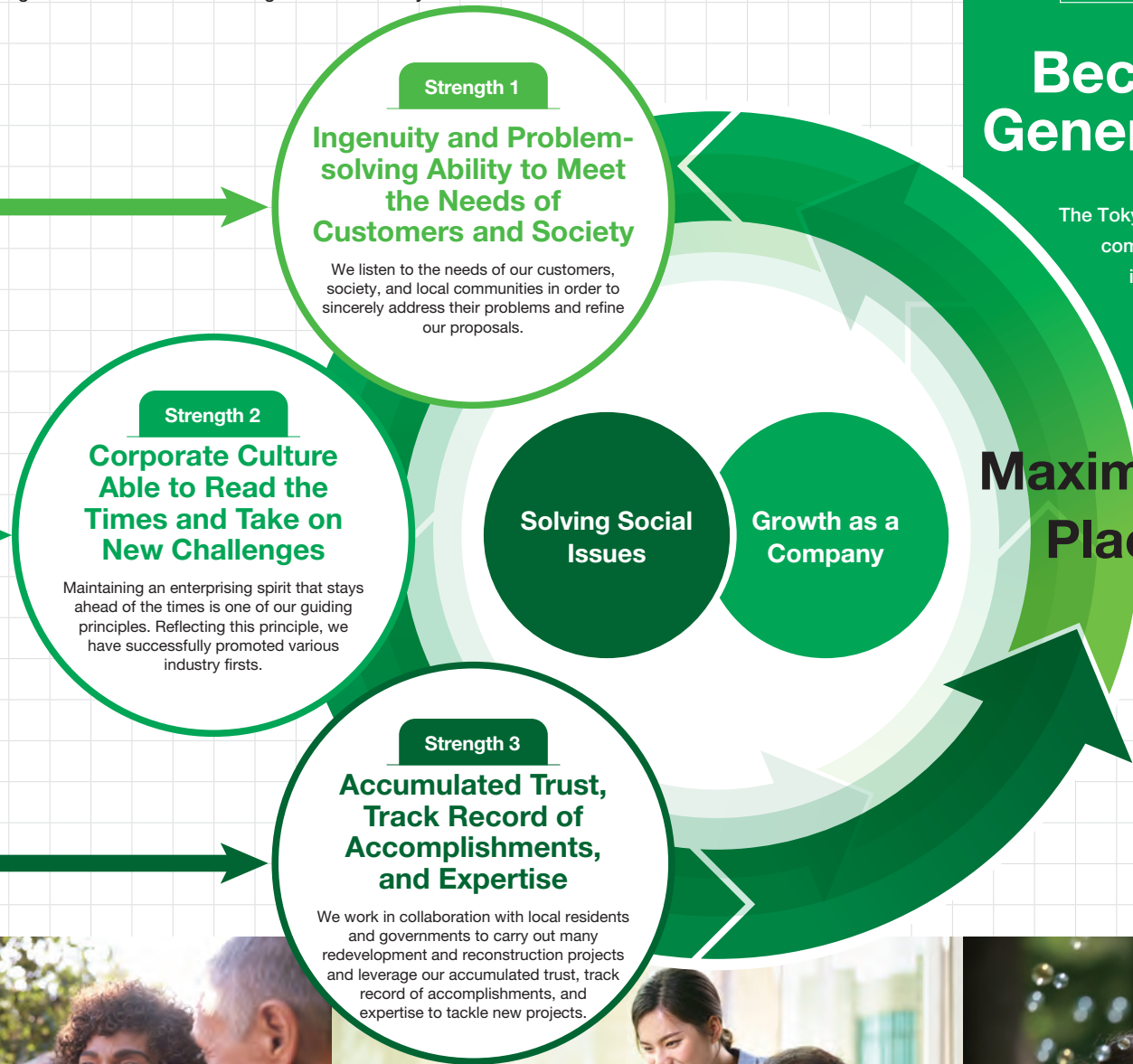
Data Section

The Tokyo Tatemono Group aims to realize its long-term vision of becoming a next-generation developer by continuing to implement a cycle of maximizing the value of place and value of experience by demonstrating the strengths we have cultivated through more than 125 years of business.

Target for 2030 and Long-Term Vision

Becoming a Next-Generation Developer

The Tokyo Tatemono Group's aim is to be a good company for stakeholders by leveraging its business to solve social issues and achieve higher levels of growth as a company.

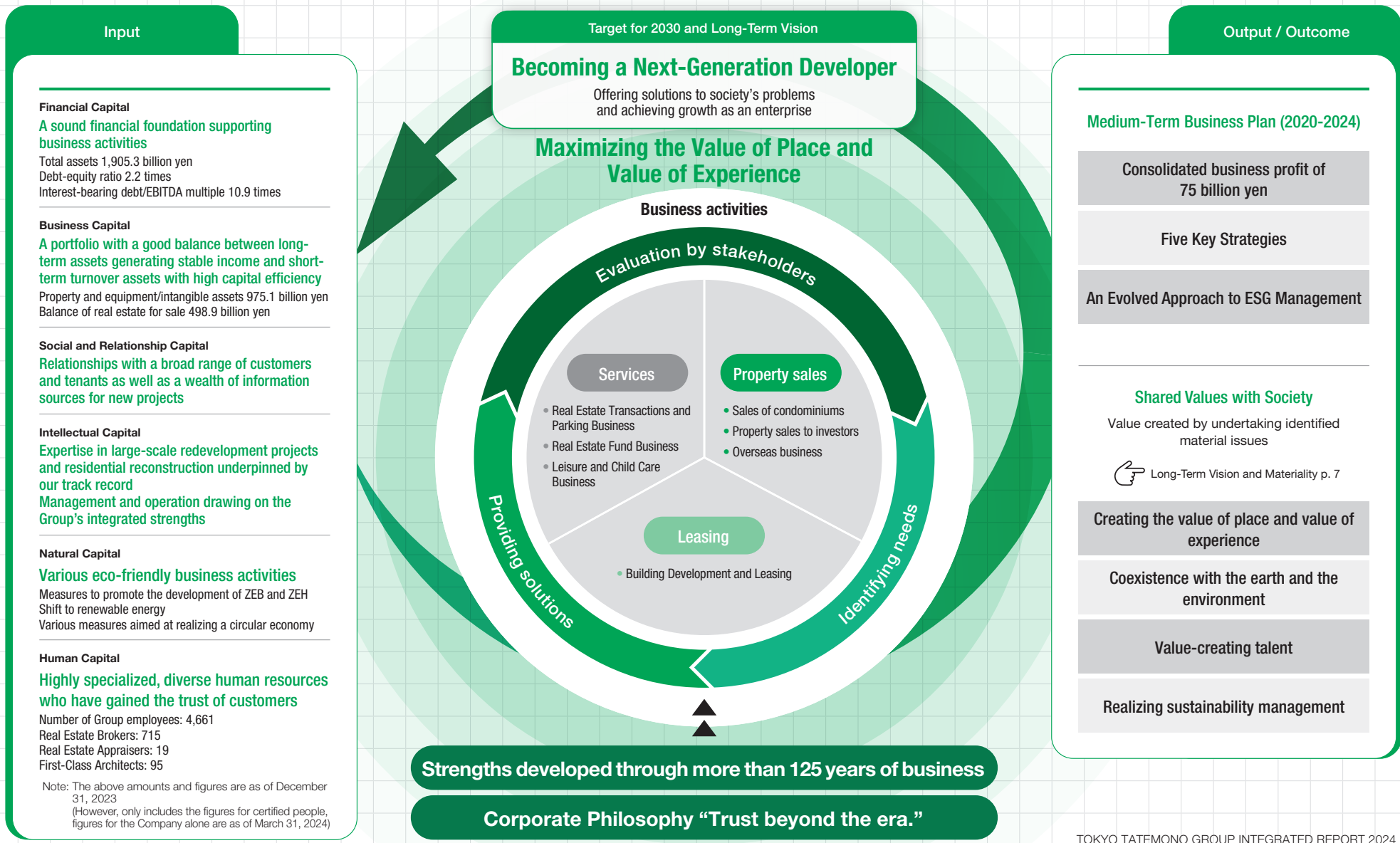


Maximizing the Value of Place and Value of Experience



Value Creation Process

The value creation process of the Tokyo Tatemono Group is a cycle based on the corporate philosophy of “Trust beyond the era.” As input, we use various types of capital. Our output (real estate and services) comes from business activities enabled by the Group’s strengths. The outcome (results and value) further strengthens our capital.



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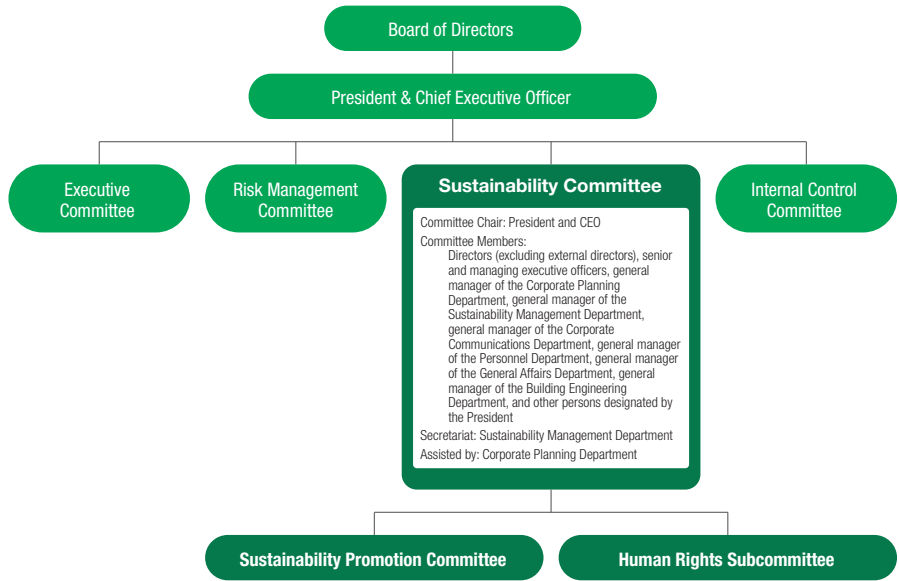
A Sophisticated Approach to ESG Management

Based on its long-term vision of becoming a next-generation developer, the Tokyo Tatemono Group is promoting advanced ESG management and actively implementing sustainability measures on a Group-wide basis in order to solve social issues and grow as a company at a higher level through its business.

ESG Management Framework

In order to promote Group-wide sustainability measures, we have established the Sustainability Committee, chaired by the President and Chief Executive Officer, and the Sustainability Promotion Committee, a subordinate body responsible for preliminary discussions on matters to be deliberated. In addition, a Human Rights Subcommittee was established in January 2023 to further promote initiatives based on the Tokyo Tatemono Group's Human Rights Policy.

The Sustainability Committee, which reports directly to the President, meets at least twice a year in principle to deliberate and discuss matters related to the formulation of the Group's sustainability policy, establishment of a system, setting of indicators and targets, and monitoring and evaluation of progress. Important matters discussed and deliberated by the Sustainability Committee are brought up for discussion or reported to the Board of Directors, which makes decisions on important sustainability-related matters, monitors the status of actions taken, and supervises them.



Highlights of Participation in Initiatives and External Evaluation

The major initiatives in which the Tokyo Tatemono Group participates are listed below. In addition, the Group has been selected and evaluated by the ESG indexes and benchmarks listed.

Evaluation Organizations and Initiatives/Indexes	Participatory Status, Evaluation, etc.
U.N. Global Compact	Participation
TCFD	Approval
SBTi	Certification (Re-certified at 1.5°C level in February 2024)
RE100	Participation
CDP	A-
GRESB Standing Investment Benchmark	5 Star
Health & Productivity Management Outstanding Organizations Recognition Program	White 500
Eruboshi	Selection
Kurumin	Selection
FTSE4Good Index Series	Certification
FTSE Blossom Japan Index	
FTSE Blossom Japan Sector Relative Index	
Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)	
MSCI Nihonkabu ESG Select Leaders Index	
MSCI Japan Women's Activity Index (WIN)	
S&P/JPX Carbon Efficient Index	



Highlights | ESG Finance







We have developed multiple financing frameworks that conform to the four principles (use of proceeds, project evaluation and selection process, management of proceeds, and reporting) of the Green Bond Principles, the Social Bond Principles, the Green Loan Principles, and the Social Loan Principles referenced by the International Capital Markets Association (ICMA) and others, and we continue to issue green bonds and sustainability bonds in accordance with these principles.

Balance of green bonds and sustainability bonds issued* **160 billion yen**
*As of December 31, 2023 (including 90 billion yen in hybrid corporate bonds)

Material Issue KPIs and Targets

Below are the KPIs and targets we have established. Regarding our initial targets for items related to the promotion of a decarbonized society, we moved up some of the achievement dates and strengthened the process targets in February 2023. In October 2023, we lifted the fiscal 2030 target related to greenhouse gas (GHG) emission reductions to the 1.5°C level. In these and other ways, we are further accelerating our initiatives.

 (Sustainability Report 2024) Material Issue KPIs and Targets pp. 10-11

Material Issues	Item	Scope	KPIs and Targets
Promoting a decarbonized society 	Reduction in greenhouse gas emissions	All business activities ^{*1}	Scopes 1, 2, 3: Net zero CO ₂ emissions by FY2050
			Scopes 1, 2: 46.2% reduction in CO ₂ emissions compared to FY2019 by FY2030
			Scope 3 ^{*2} : 40% reduction in CO ₂ emissions compared to FY2019 by FY2030
	Promotion of development of ZEB and ZEH ^{*3}	Commercial Properties Business	Develop ZEB for, in principle, all new office buildings and logistics properties ^{*4}
		Residential Business	Develop ZEH for, in principle, all new sale of condominiums and rent condominiums ^{*5}
Shift to renewable energy	All business activities ^{*1}	Procure 100% of electricity consumed in business activities from renewable energy sources by FY2050	
	Commercial Properties Business	Procure 100% of electricity consumed at owned properties from renewable energy sources by FY2030 Procure at least 50% of electricity consumed at owned properties from renewable energy sources by FY2024	
Acquisition of Green Building Certification ^{*6}	Commercial Properties Business Residential Business	Acquire Green Building Certification for, in principle, all new office buildings, logistics properties, condominiums for rent. ^{*7}	
Promoting a recycling-oriented society 	Reduction of waste emissions	Long-term buildings ^{*8}	20% reduction in the rate of waste emissions per unit by FY2030 compared with FY2019
	Waste recycling promotion	Long-term buildings ^{*8}	Achieve a waste recycling rate of 90% by FY2030
	Reduction of water consumption	Long-term buildings ^{*9}	Reduction of water consumption per unit compared with previous fiscal year
	Promotion of use of recycled water	Office buildings with total floor area exceeding 30,000m ²	Install gray water ^{*10} treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000 m ² by FY2030
Promoting a decarbonized society Promoting a recycling-oriented society  	Promotion of use of wood materials	Long-term buildings Condominiums for sale or rent	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, by FY2030. Develop for-sale and for-rent condominiums that use CLT for major structural components by FY2023. ^{*11}
		Collaboration and co-creation with customers	Long-term buildings Condominiums for sale or rent
Improve employee growth and job satisfaction 	Promotion of skills development	Tokyo Tatemono	Average training time per employee: 15 hours or more each fiscal year
		Tokyo Tatemono	Career training participation rate: 100% each fiscal year
	Promotion of health management	Tokyo Tatemono	Health checkup rate and follow-up test rate ^{*12} : 100% each fiscal year Re-examination rate ^{*12} : 100% each fiscal year
		Tokyo Tatemono	Smoking rate ^{*13} : 12% or less each fiscal year
		Tokyo Tatemono	Ratio of people maintaining appropriate body weight ^{*12} : 75% or higher by FY2028
Diversity & Inclusion 	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy: Deployment to and compliance by group companies
	Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate: 70% or more each fiscal year
		Tokyo Tatemono	Ratio of male employees taking parental leave ^{*12} : 30% or more by FY2025
	Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions: 10% or more by FY2030
Tokyo Tatemono		Employment rate of people with disabilities ^{*14} : Over the legally mandated employment rate each fiscal year [*] At least 2.3% until March 2024, at least 2.5% from April 2024 to June 2026, and at least 2.7% after July 2026.	

^{*1} Applies to the Tokyo Tatemono Group.

^{*2} Scope 3 applies to categories 11 and 13.

^{*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, but is not limited 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.

^{*11} Target not reached as of the end of FY2023. Regardless of the method used, efforts shall continue to promote the use of wood in the development of condominiums for sale and leasing apartments.

^{*12} Totaled from April of each year to March of the following year.

^{*13} At a specific point in time between April of each year and the following March

^{*14} As of June 1 of each year.

Environment

Tokyo Tatemono Group's Environmental Strategy

Under the Tokyo Tatemono Group Environmental Policy, we contribute to the development of a sustainable society through environmentally conscious business activities. We have identified promoting both a decarbonized society and a recycling-oriented society as environmental material issues and, by working to resolve these issues through our business, aim to realize coexistence with the earth's environment, a value we share with society.

 (Sustainability Report 2024) Environmental Management pp. 17-21

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 given to biodiversity.
Climate change prevention that leads the community	We will actively incorporate 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 at 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

Promotion System

Under the Sustainability Committee, which is chaired by our president and CEO, and its subordinate Sustainability Promotion Committee, environmental measures are promoted across the entire Group.

We have established environmental management systems aligned to the characteristics of each of our businesses. Within these systems, we have established PDCA cycles.

Commercial Properties Business	<ul style="list-style-type: none"> Establishment of the Environmental Measures Promotion Group as a specialized department within this business division's planning Department Holding of Environmental Committee meetings, attended by all business division departments
Residential Business	<ul style="list-style-type: none"> Establishment of a cross-functional Environmental Measures Project Team within the business division
Other businesses and Group companies	<ul style="list-style-type: none"> Establishment of environmental guidelines in line with the Group Environmental Policy for each business and company and while adhering to them Management of data related to Tokyo Tatemono Group company energy usage, and implementation of sustainability measures under the Sustainability Promotion Committee

Roadmap to Reducing Greenhouse Gas (GHG) Emissions

The Tokyo Tatemono Group has identified the promotion of a decarbonized society as a material issue and is working to minimize climate change risks through its business. At the same time, the Group views the situation as an opportunity and is working to solve the challenges involved. To promote a decarbonized society, we have established medium- and long-term targets for reducing GHG emissions and, to achieve these targets, we are taking measures such as shifting to renewable energy and promoting the development of ZEB/ZEH and green buildings. We are also focusing on urban development and real estate development that take into account resilience to damage from storms, floods, and other natural disasters which are becoming more frequent with climate change.

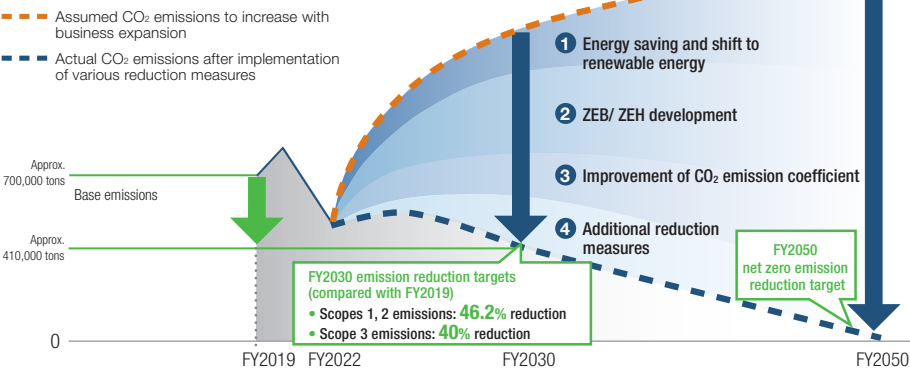
Medium- to Long-Term Targets for Reducing Greenhouse Gas Emissions


CO₂ emissions	
Scopes 1, 2, 3	Net zero CO ₂ emissions by FY2050
Scopes 1, 2	46.2% reduction in CO ₂ emissions by FY2030 compared to FY2019 *October 2023 Target raised to 46.2% reduction = 1.5°C level
Scope 3*	40% reduction in CO ₂ emissions by FY2030 compared to FY2019


(SBT certification has been obtained for the FY2030 target)

*1 Applies to Category 11 and 13.

Road Map to Greenhouse Gas Emission Reduction



 Promotion of ZEB and ZEH Development p. 40

 Shift to Renewable Energy p. 41

Major Environmental KPIs, Targets, and Results

Please refer to material issue KPIs and targets (p. 37) for detailed notes and information on the KPIs and targets established.

For detailed information and notes on each item, please refer to the Data section of the Sustainability Report.

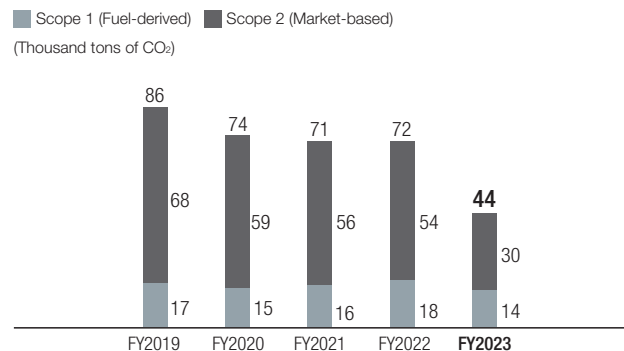
Material issue KPIs and targets p. 37

(Sustainability Report 2024) Data (Environment) pp. 87-90

Scope of Collection: Tokyo Tatemono Group

Reduction in Greenhouse Gas Emissions

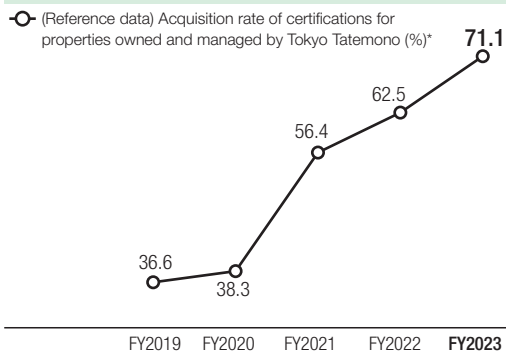
Targets: Scope 1, 2, 3 Net zero CO₂ emissions by FY2050
 Scope 1, 2 46.2% reduction in CO₂ emissions compared to FY2019 by FY2030
 Scope 3 (Categories 11 and 13) 40% reduction in CO₂ emissions compared to FY2019 by FY2030



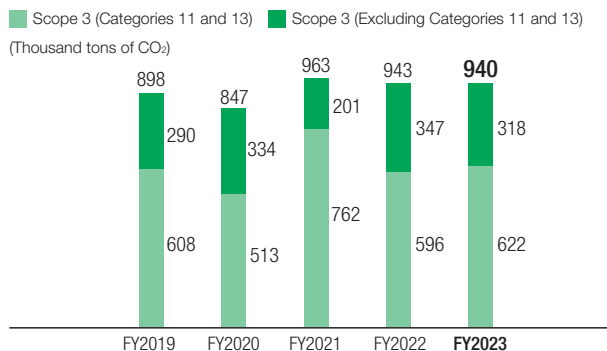
Scope of Collection: Tokyo Tatemono

Obtaining Green Building Certification

Target: In principle, obtain Green Building Certification for 100% of properties



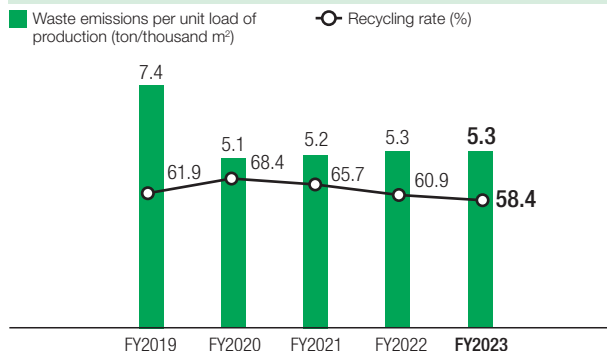
* This target applies to new buildings for which design work began in January 2023 or later, and no completed properties are subject to this target as of the end of 2023. The acquisition rate of certifications for properties owned and managed by Tokyo Tatemono is provided for reference.



Scope of Collection: Tokyo Tatemono

Reduction of Waste Emissions and Promotion of Recycling

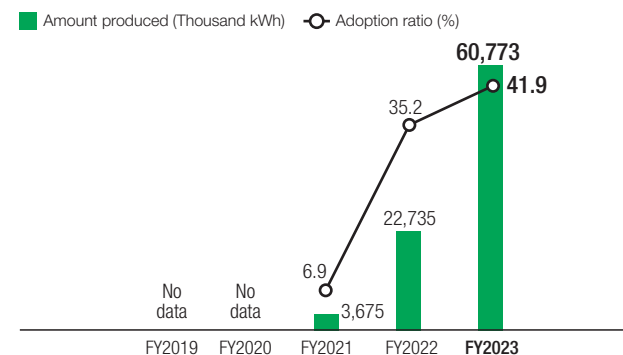
Targets: 20% reduction in emissions per unit of production compared to FY2019 by FY2030
 Achieve a waste recycling rate of 90% by FY2030



Scope of Collection: Tokyo Tatemono

Introduction of Renewable Energy (electricity)

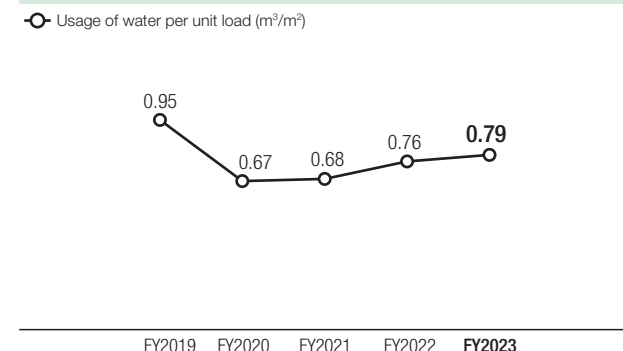
Target: Procurement ratio of electricity consumed in the business activities of the Commercial Properties Business from renewable energy sources 50% or more by FY2024, 100% by FY2030



Scope of Collection: Tokyo Tatemono

Reduction of Water Consumption

Target: Reduction of water consumption per unit compared with previous fiscal year



Promotion of ZEB and ZEH Development

The Tokyo Tatemono Group is working to create Net Zero Energy Buildings (ZEB) and Net Zero Energy Houses (ZEH). Buildings designated ZEB and ZEH are designed to provide a comfortable indoor atmosphere while consuming no primary energy on an annual basis. According to the amount of energy creation and conservation, the highest ranks of “ZEB” and “ZEH-M” fall into the following four categories and the overarching intention is for the Group to improve both of these metrics.

Promotion of ZEB Development

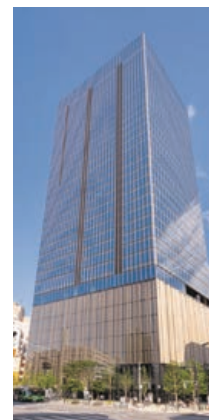
The Company aims to actively promote the development of ZEBs and contribute to their widespread adoption.

In 2019, Hareza Tower became the first to receive ZEB certification in the partial assessment of mixed-use high-rise buildings.

As of the end of December 2023, two of our office buildings were certified ZEB Ready and 11 T-LOGI series logistics properties were certified “ZEB”.

	ZEB Oriented		ZEB Ready	Nearly ZEB	“ZEB”
Types of ZEBs	Energy saving only		Energy saving only	Energy saving+ energy creation	Energy saving+ energy creation
Basic building	30% or more	40% or more	50% or more	75% or more	100%
	Hospitals, retail facilities, etc.	Offices, factories, etc.			

ZEB Ready-certified Properties



Hareza Tower
(Completed in 2020)

“ZEB”-certified Properties



11 logistics properties, including T-LOGI Ichinomiya (Completed in 2023)

Promotion of ZEH Development

The Company is actively working to build ZEH condominiums (ZEH-M). Efforts are being made to increase energy-saving performance, including by improving the insulation performance of outside walls, adopting highly insulated window sashes, and opting for high-efficiency hot water supply equipment. All condominium properties designed in June 2021 or later are being developed as ZEH-M in principle. In addition, Brillia Fukasawa Hatchome (to be completed in 2025) was selected in September 2023 for the Ministry of Land, Infrastructure, Transport and Tourism’s 2023 Sustainable Building Leadership Project (Leadership in CO₂ Reduction), becoming the first Brillia property to reach “ZEH-M” status.

	ZEH-M Oriented	ZEH-M Ready	Nearly ZEH-M	“ZEH-M”
Types of ZEH-M	Energy saving only	Energy saving+ energy creation	Energy saving+ energy creation	Energy saving+ energy creation
Basic building	20% or more	50% or more	75% or more	100%

ZEH-M Oriented-certified Properties




Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE
(Completed in 2022)



Brillia ist Oimachi
(completed in 2024)

Shift to Renewable Energy

Tokyo Tatemono works to lower the CO₂ emissions of every facility by generating and consuming its own renewable energy, self-transmitting surplus electricity derived from renewable energy (“renewable energy electricity”) to other buildings, and utilizing non-fossil certificates and other means.

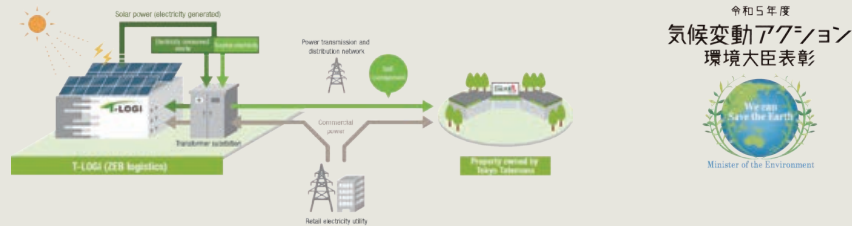
 (Sustainability Report 2024)
Shift to Renewable Energy pp. 27-28

Generation and Use of Renewable Energy

In principle, the T-LOGI series of logistics facilities have acquired “ZEB” certification through the promotion of energy conservation and the use of renewable energy, with solar power panels installed on the rooftop of each facility generating surplus power beyond that consumed by the facility itself. The resulting surplus of renewable energy electricity generated is self-consigned to commercial facilities and office buildings owned by Tokyo Tatemono, ensuring that renewable energy goes unwasted.

Highlights | Received the FY2023 Climate Change Action Environment Minister Award

Our T-LOGI series’ self-consignment initiative was presented with the 2023 Achievement Award for the Real Estate Institute of Japan, organized by the Real Estate Institute of Japan in June 2023. This was followed by a Minister of the Environment Award for Climate Action 2023 Environmental Minister Award (advanced introduction and proactive implementation category). The project was highly evaluated as a pilot case for directly supplying electricity to urban centers, where it is difficult to generate renewable electricity, through self-consignment, utilizing solar panels installed on the vast roofs of logistics facilities to generate more renewable electricity than the facilities consume without the need for deforestation or other new development.




Switching to Renewable Electric Energy

In our commercial properties and facilities as well as for-rent 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, biomass, or the like. (In our Commercial Properties Business, about 60,773,000 kWh of renewable energy was installed in fiscal 2023; for an installation rate of around 41.9%.)

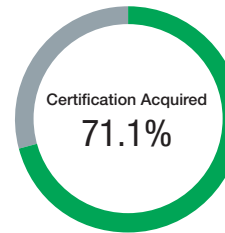
Acquisition of Green Building Certification

As of December 31, 2023, 71.1% of the office buildings, retail buildings, and for-rent condominiums owned and managed by Tokyo Tatemono have obtained DBJ Green Building Certification and other external evaluations and certifications related to green buildings. We will continue to aggressively develop real estate with consideration for environmental and social impacts, aiming to realize a decarbonized society and improve comfort for our tenants.

 (Sustainability Report 2024) External Evaluation and Certification for Green Building p. 40

Acquisition Rate of Green Building Certification (as of December 31, 2023)

- Acquisition Rate of Certification for All Properties Owned and Managed by Tokyo Tatemono
- 9 properties in total received DBJ Green Building certification in 2023




Brillia ist Shinonome Canal Court
(completed in 2005)



Promoting a Recycling-oriented Society

The Tokyo Tatemono Group is aware that a building’s entire life cycle, from planning and design through construction, operation and management, and demolition, should take environmental protection and resource efficiency into consideration. In order to create environmentally friendly buildings, we take environmental assessment into account during the planning and design stages. We also aim to reduce air and soil pollution by decreasing the generation of waste and hazardous materials and managing them effectively. Also, in all aspects of its business activities, the Group is committed to reducing its environmental impact through waste reduction, recycling, and the effective use of resources.

 (Sustainability Report 2024) Promoting a Recycling-oriented Society pp. 37-39

Highlights | Initiatives to Realize a Recycling Society

Held a Clothing Reuse Week & Sustainable Fashion Festival

We held Clothing Reuse Week, where we collected clothing that office workers and building visitors no longer need in a specialized box. The collected clothing was variously used in the Sustainable Fashion Festival and upcycled into ornaments for the iconic Christmas tree in the winter illumination event at TOKYO SQUARE GARDEN.



Disclosure Based on TCFD Recommendations

In June 2020, the Group announced its support for Task Force on Climate Related Financial Disclosures (TCFD) recommendations. The societal issue of climate change necessitates international cooperation. As a result, Tokyo Tatemono must also deal with it as a top priority. We acknowledge the value of disclosing data related to climate change and will seek to increase such disclosure as suggested by the TCFD. Please also refer to our *Sustainability Report* for a full description of our Disclosure Based on TCFD Recommendations.

 (Sustainability Report 2024)
Disclosure Based on TCFD Recommendations pp. 23-26

Governance

The Group's Sustainability Committee, chaired by the Company's president, deliberates, discusses, and reports on important matters such as the identification of climate change-related risks and opportunities, GHG emissions reduction targets and policies, and the status of initiatives to address climate change. Significant issues raised by the Committee are either placed on the agenda or reported to the overseeing Board of Directors. In addition, the Sustainability Promotion Committee, a subordinate organization, conducts preliminary discussions on matters to be brought before the Sustainability Committee and examines specific measures to achieve the goals determined through discussion.

Strategy (scenario analysis)


The Group conducts scenario analysis using established scenarios to identify risks and opportunities related to climate change, assess their significance, and estimate their impact on the Group's business interests. Furthermore, the analysis is based on the current scenario (the "4°C scenario," in which the average temperature rises 4°C or more above pre-industrial levels by 2100) and a transition scenario (the "2°C scenario," in which the average temperature rise is kept below 2°C, and the "1.5°C scenario," in which the average temperature rise is further reduced to 1.5°C). The scope of the analysis was to identify the main risks and opportunities—primarily for the Group's core businesses of the Commercial Properties Business and Residential Business—and to assess their materiality in terms of their expected degree of impact on the Group's finances. The Group organized the analysis into three impact periods: short term (1–5 years), medium term (5–10 years), and long term (more than 10 years).

Risk Management

The Company has established a Risk Management Committee (☞ p. 59), chaired by the President, to oversee risk management for the Group. With regard to sustainability-related risks, the Sustainability Committee, as the risk response organization (risk owner), works with relevant departments and offices to prevent and manage such risks, and reports important matters on the status of implementation to the Risk Management Committee. In addition, important deliberation matters of the Risk Management Committee are reported to or added to the agenda of the Board of Directors. The effectiveness of the Group's risk management, including for risks related to sustainability, is monitored by the Board of Directors.

Indicators and Targets

To tackle climate change and accelerate the realization of a decarbonized society, the Tokyo Tatemono Group has set a medium- to long-term goal for decreasing GHG emissions: 46.2% reduction in Scope 1 and 2 CO₂ emissions and 40% for Scope 3 compared to fiscal 2019 by fiscal 2030 and reach net zero emissions by fiscal 2050. In addition, we monitor GHG emissions on a quantitative basis and report our findings.

 Roadmap to Reducing Greenhouse Gas Emissions (GHG) p. 38

The identified risks/opportunities and their importance in relation to climate change are as follows. Priority will be given to opportunities and risks that have the greatest potential for impact, and initiatives and measures to reduce risks and maximize opportunities will be supported.

Category	Item	Impact on the Group business	Period of Impact	Materiality			
				4°C	1.5°C / 2°C		
Transition risk	Policies	Adoption of carbon pricing	Imposition of carbon tax on own emissions (Scopes 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	—
	Burden from renewable energy procurement	Higher renewable energy procurement costs	Short-to medium-term	Low	Low		
Reputation	Ensuring disaster preparedness and resilience	Higher costs of ensuring disaster preparedness and resilience	Short-term	Low	Low		
Physical risk	Acute	Frequent and intense extreme weather caused by extratropical and tropical cyclones, etc.		Increased costs due to construction schedule delays caused by supply chain paralysis or disruption	Short-term	—	—
				Increased costs due to measures to address the decrease in construction work efficiency caused by frequent heat waves and high temperatures, etc. and construction delays	Short-term	—	—
				Decreased rental income in the event of flooding due to torrential rains or river overflow	Short-term	Low	Low
				Increased restoration costs due to building damage from wind and flood damage	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
				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
				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		

Human Capital

Tokyo Tatemono sees human resources both as the source of corporate value creation and the realization of sustainable growth and as an indispensable foundation for management. In our material issues, we target improving employee growth and job satisfaction as well as diversity and inclusion. With these issues in mind, we aim to increase corporate value by maximizing the value of human resources.

Human Resource Philosophy

The Company's growth is tied to its employees' growth, therefore, we are responsive to their contributions.

The Company has established the Human Resource Philosophy, which serves as the foundation for our human resource initiatives with the aim of achieving growth for both the Company and its employees. Based on the Human Resource Philosophy, we are striving to maintain and further develop an environment and corporate culture in which employees are motivated to grow and take on the challenge of creating new value by maximizing their abilities and encouraging their growth through the formulation and operation of human resource systems and various measures that encourage and respond to their contributions.

Human Resource Policy

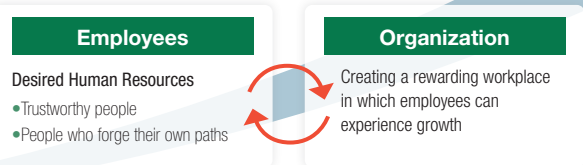
- We want trustworthy people and people who forge their own paths
- We seek to create a rewarding workplace in which employees can experience growth

To put its corporate philosophy of "Trust beyond the era" into practice, Tokyo Tatemono established its Human Resource Policy, which outlines both its desired human resources and its ideal workplace. Based on this policy, we constantly strive to improve the work environment. We formulate and implement various human resource measures related to hiring, training, and workstyles. We also conduct employee engagement surveys and 360-degree surveys to identify potential workplace issues. Through these efforts, we have established a virtuous cycle that yields a workplace in which employees can reach their full potential as well as realize further growth through their own endeavors and activities. Our overarching aim is to parlay this cycle into higher corporate value.

Human Resource Philosophy

The Company's growth is tied to its employees' growth, therefore, we are responsive to their contributions.

Human Resource Policy



Diversity on Display p. 45

The Company has identified diversity and inclusion as a material issue. By promoting the activities of diverse personnel and strengthening organizational capabilities, we encourage the provision of products and services that meet increasingly advanced and diverse customer needs, the enhancement of productivity, and the creation of innovation. In this manner, we intend to realize growth as a company.

Creation of a Rewarding Workplace p. 45

Aiming to improve employee growth and job satisfaction, the Company regularly conducts employee engagement surveys and introduces various programs that enable flexible workstyles in an ongoing effort to foster rewarding workplaces that serve as fertile ground for the growth of human resources.

Enhancement of Corporate Values



Communication Revitalization

Communication Revitalization

The Company is working hard to revitalize communication in-house with the aim of maintaining the organizational culture even as the number of personnel expands. Through such measures as lunch meetings between management and employees, the Company is also striving to promote a sense of unity while maintaining its signature openness.

Health Management

Health Management p. 46

To enable our executives and employees to work vigorously and remain physically and mentally healthy, the Tokyo Tatemono Group is taking various measures to maintain and improve the health of each of its executives and employees in accordance with the Group Health Management Declaration. To this end, the Company has established indicators and targets for the ratio of employees who undergo a health check-ups, the health check reexamination rate, the smoking rate, and the ratio of employees maintaining an appropriate body weight.

Human Resource Development p. 46

The Company is concentrating on encouraging a culture of self-directed learning among employees through the creation of a rank-based training system as well as a system that enables them to consider and select the knowledge and skills they need through a self-development support system, various qualification acquisition support systems, and external dispatch-based training programs.

Human Resource System and Structure

The Company's Human Resource (HR) system is the pillar from which its HR measures based on the HR Philosophy spring. Our HR management system consists mainly of three components: a role rating system, a management by objectives system, and a behavioral assessment system. We have also implemented a 360-degree feedback survey for some levels of management to give managers a chance to take stock of their own performance as well as put in place measures that facilitate opportunities for employee growth. Although Tokyo Tatemono's organizational structure is based on business divisions, we manage personnel functions on a Group-wide basis and have in place a system to flexibly allocate the right people to the right jobs.



Mitsuo Kawata
General Manager,
Personnel Department

The Company is striving to achieve human resource development and internal working environment improvement as laid out in its Human Resource Policy, which itself is in line with its Human Resource Philosophy, namely, "The Company's growth is tied to its employees' growth, therefore, we are responsive to their contributions."

To achieve this, the Personnel Department promotes employee and organizational growth by establishing and operating various relevant systems, etc., and confirms the current status of said growth through personnel interviews, a range of surveys, and other means. We then work to maximize human resource value by identifying issues based on changes in the external environment and the condition of employees and the organization, when revising the human resource system and taking various measures.

Over the course of the current Medium-Term Business Plan, we have focused on strengthening recruitment and optimizing our human resource portfolio in order to implement the business strategies set forth in the plan. We have also focused on employee development and maintaining and fostering our organizational culture.

On the other hand, we believe that there is still room to work on KPIs and targets related to human resources measures based on our material issues.

Under the next Medium-Term Business Plan, we will formulate human resource strategies more closely aligned with our business strategies and work hard to build a base that enables sustainable growth from a human capital perspective.

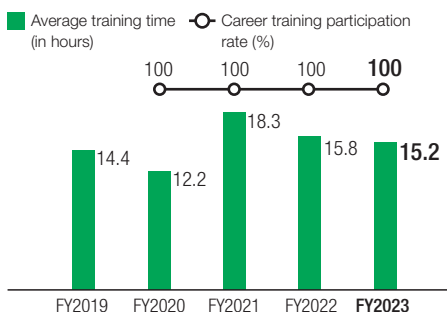
KPIs and Goals related to HR Measures

The following shows the relationship between KPIs based on material issues and measures aimed at maximizing human resource value. We annually measure KPIs and consider additions and changes if necessary.

Promotion of Skills Development

Human Resource Development

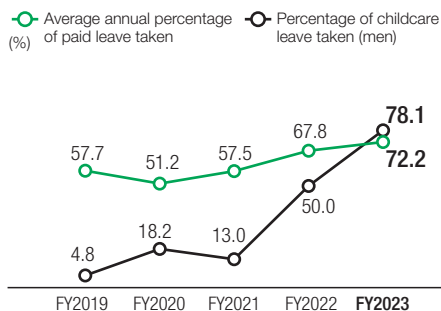
Target: Average training time per employee: 15 hours or more each fiscal year
Career training participation rate: 100% each fiscal year



Work-life Balance

Creation of a Rewarding Workplace

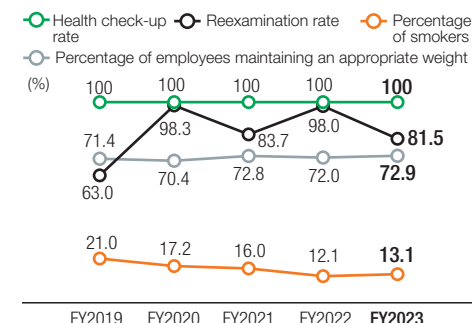
Target: Average annual paid leave utilization rate: 70% or more each fiscal year
Ratio of male employees taking parental leave: 30% or more by FY2025



Promotion of Health Management

Health Management

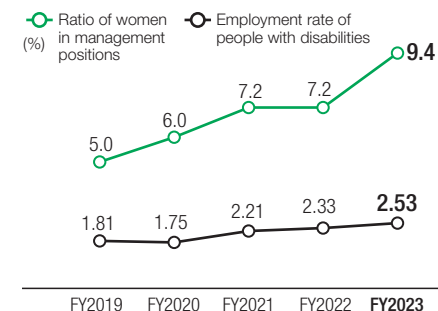
Target: Health check-up rate and reexamination rate: 100% each fiscal year
Smoking rates: 12% or less each fiscal year
Percentage of employees maintaining an appropriate weight: 75% or higher by FY2028



Promotion of Diversity in Our Workforce

Diversity on Display

Target: Ratio of women in management positions: 10% or more by FY2030
Employment rate of people with disabilities: Over the legally mandated employment rate each fiscal year*



*At least 2.3% until March 2024, at least 2.5% from April 2024 to June 2026, and at least 2.7% after July 2026.

Creation of a Rewarding Workplace

Employee Engagement Survey

Tokyo Tatemono has been engaging an outside organization to conduct Company-wide employee engagement surveys every year since 2021. The survey findings are shared with management and staff along with explanations of the rationale behind each question and how to interpret the results so that they can be used to facilitate future improvements.

Division and branch managers create solutions for problems within their specific areas with the help of specialists as required. They then communicate and execute these solutions to relevant personnel, creating a problem-solving cycle.

Principal Issue Identified and Actions Taken

Identified Issue	Need to improve vertical communication within the Company
Actions	<ul style="list-style-type: none"> Held lunch meetings between management and employees Covered expenses for employee parties Created a visualization of employee data on the in-house social media platform
Results	Through the actions above, we saw some revitalization and improvement in communication and a boost in the sense of community.
Measures Moving Forward	Recognizing that this is an ongoing issue, we will continue working to improve communication among ranks. In FY2024, we are aiming to solve the issue by, among other measures, providing general and senior managers with training focused on solving organizational issues and taking steps to strengthen the bonds between ranks.



Takahiro Ishi
Personnel
Department

Tokyo Tatemono conducts engagement surveys with an eye to creating a rewarding workplace that improves on an ongoing basis. We are striving to enhance employee motivation and improve the work environment by identifying issues at the department and branch level, formulating plans, and measuring results. Regarding Company-wide issues, after they are reported to management, we work with relevant departments as appropriate to create measures aimed at organizational improvement.

We have been able to maintain a high score for the engagement survey and believe the state of trust within the organization is strong. However, we are aware of the issues listed to the left and will continue sharing specific ideas about our vision and taking measures aimed at creating a better workplace.

Diversity & Inclusion

Policy and Approach

To realize a sustainable society in the face of diversifying values and an era of rapid change, it is more important than ever to achieve work-life balance and empower diverse human resources, including women and senior workers. The Group believes that ensuring that no one in the workplace feels hindered and all thrive will support continued corporate growth by facilitating innovation, the provision of services rooted in a customer perspective, and enhanced productivity.



Structure

The Group established the Health Management & Diversity Promotion Group within the Company's Personnel Department and promotes various diversity- and inclusion-related measures across the entire Group in collaboration with the departments in charge of labor of each Group company.

Specific Initiatives

Recruitment Activities

- Recruiting without regard to race or nationality
- Employing human resources of various nationalities at the local subsidiaries of overseas businesses

Creating a Workplace Where Diverse Human Resources Can Thrive

- Established leave systems that all employees, regardless of gender, can utilize for long-term care, childbirth, pregnancy, and childcare, and established a re-employment system for former employees.
- Established a system to permit employees whose spouses have been sent abroad to take a leave of absence of up to three years.
- Promotion of senior human resources to allow them to make use of the experience and knowledge gained in their careers thus far.
- Fostering the success of individuals with disabilities by allowing them to work in accordance with their skills and traits.
- Conducting training aimed at encouraging understanding of diversity, equity, and inclusion.



Ayako Yunoki
Legal & Compliance
Department

Because I gave birth to my first child in 2023, I used the childbirth and childcare leave systems. During my leave, I was able to spend my time very happily, watching my child grow and deepening bonds with my family.

In addition, the atmosphere in the workplace was very accepting of my choice to take leave. It is, of course, important to have systems in place for childbirth and childcare leave but it is also vital to have a culture that makes it easy to use those systems. While I was on my childcare leave, I felt there was an increase in other people, including male employees, taking childcare leave, and I think we are making good strides toward establishing a work environment in which it is easy to take childcare leave regardless of sex.

Human Resource Development Initiatives

Training System and Encouragement to Earn Qualifications

Tokyo Tatemono has designed a rank-based training system with the goal of identifying responsibilities and honing abilities in line with each employee's stage of development. We also rotate our employees between three departments during the course of their first ten years with the Company in order to provide them a broad perspective and experience. In addition, we are concentrating on encouraging a culture of self-directed learning through the creation of a system that enables people to consider and select the knowledge and skills they need through a self-development support system, various qualification acquisition support systems, and external dispatch-based training programs.

	Level-Specific Training	Other training and support
Executives	Mandatory training for newly-appointed employees during which skills and conduct expected by the Company are reiterated.	<ul style="list-style-type: none"> Global Training Business schools, cross-industry training, etc. Externally, there are self-education initiatives accompanied by review Support for the acquisition of various certifications to strengthen expertise
General Managers		
Group Leaders		
Managers		
Assistant Managers		
Senior Employees	Training that is designed to aid in the acquisition of basic knowledge of management strategies and finance and strengthening of output capabilities, etc.	Holders of major certification types* Real Estate Broker: 715 Real Estate Appraiser: 19 First-Class Architect: 95 Urban Renewal Planner: 98 Association for Real Estate Securitization (ARES) Certified Master: 70
Other Employees	Acquisition of basic knowledge of real estate and the Company Training that is designed to aid in the acquisition of logical thinking, etc.	* Figures for the Company alone as of March 31, 2024 include employees seconded from Tokyo Tatemono to outside positions

Investment in Human Resources

Tokyo Tatemono provides and continually expands the scope of essential training programs that are designed to foster the development of an environment in which each employee is able to learn necessary skills and fully express their unique abilities.

By continually tracking how our investment in human resources helps increase productivity, we are able to create ever more effective measures.

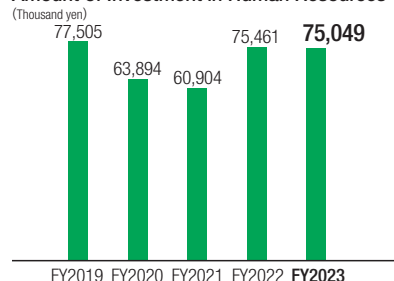


Satoshi Kuroda

Business Development Department

Utilizing the Company's support system, I took a course at a business school three years ago. Balancing work and school was very difficult, but I had the backing of people at my workplace and was able to complete my studies without a problem. Leveraging my experience from the school, I challenged myself in new areas in the Business Development Department, for example, joining the private finance initiative (PFI) project at Meiji Metropolitan Park.

Amount of Investment in Human Resources*



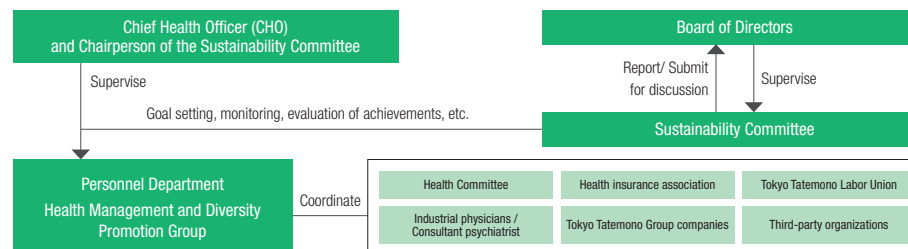
* Total of expenses related to training conducted by the Company's Personnel Department as well as to supporting the Company's employees in acquiring qualifications and self-education

Health Management / Occupational Safety and Health

Health Management Policy and Approach

To enable our executives and employees to work vigorously and remain physically and mentally healthy, the Tokyo Tatemono Group has designated the president as the Chief Health Officer (CHO) and strives to ensure that each of its executives and employees are able to maintain their health and improve it if necessary in accordance with the Group Health Management Declaration.

Health Management Promotion System



Major Health Management-related Initiatives

- Seminars and programs run by external experts to lead to good conditions
- Specific health guidance using an app synchronized with measurement devices and online consultations for people at risk of lifestyle diseases
- Training aimed at enhancing health literacy and promoting understanding of health issues (FY2023 theme: preconception care)



Third-party Evaluation of Health Management

In March 2024, Tokyo Tatemono and seven group companies were certified as Excellent Health Management Corporations 2024, marking the seventh time in four consecutive years that Tokyo Tatemono has been recognized as one of the "White 500" (the top 500 corporations in the health management survey results).



Occupational Health and Safety Initiatives

We are supporting a variety of activities aimed at enhancing the occupational safety of our employees in order to fulfill the objective of guaranteeing the comfortable working environment mandated by the *Tokyo Tatemono Group Compliance Manual*. Also, management and labor are collaborating to enhance the workplace. In order to create a suitable working environment and working conditions, labor and management engage in extensive discussions based on the shared understanding that employee health and safety are crucial.

Initiatives for the Supply Chain

Regarding the supply chain, based on the Sustainable Procurement Standards, we will continue promoting initiatives to maintain and improve health, including for suppliers, through healthy labor practices and labor environments.

Social Initiatives

Respect for Human Rights

Policy and Approach

We created the Tokyo Tatemono Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. Accordingly, we promote initiatives related to the human rights of all stakeholders related to the Group's businesses, such as the prohibition of forced labor and child labor as well as the prohibition of harassment and discrimination due to such factors as race, nationality, beliefs (including religion), sex, sexual orientation, age, social standing, or background.

We are keenly aware of the importance of respecting the human rights of all our stakeholders related to our businesses. By releasing the policy on the Company's website, we clearly communicate to said stakeholders that they can expect us to pursue initiatives that promote respect for human rights.

 (Sustainability Report 2024) Respect for Human Rights pp. 45-49

System

The Group pursues initiatives that promote human rights in tandem with relevant departments and Group companies and with the continuous support of external experts. These efforts are spearheaded by the Sustainability Committee and its subordinate Human Rights Subcommittee.

The Sustainability Committee formulates human rights and other policies, establishes systems, sets indicators and targets related to human rights, and deliberates and discusses specific initiatives while monitoring and evaluating the status of initiatives, the level of progress, and achievement of targets. The Human Rights Subcommittee holds discussions to promote initiatives based on the Human Rights Policy and human rights due diligence and shares the level of progress. Important matters deliberated and discussed at the committees are reported to the Board of Directors or added to its agenda, and initiatives related to human rights are supervised by the Board of Directors.

 Structure p. 36

Human Rights Due Diligence

The Group conducts human due diligence based on the Tokyo Tatemono Group Human Rights Policy. As a part of its diligence efforts, the Group uncovers human rights issues and then identifies those that should be prioritized. If we anticipate negative effects on human rights, we take prevention and mitigation measures, monitor the effectiveness of the measures, and improve the measures as necessary.

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
- Rights to privacy

Initiatives for Human Rights

Dialogues with stakeholders

The Group proactively engages in dialogue with stakeholders based on the advice of external experts on human rights.

- **Company employees:** Engage in dialogue in the form of compliance surveys and regular interviews with the Personnel Department
- **Suppliers, including construction companies and building management companies:** Engage in dialogue in the form of surveys and response to resulting feedback
- **Local communities and surrounding residents:** Engage in dialogue in the form of briefings on real estate development and social gatherings related to operations

Initiatives to make policy known Company-wide

In its initiatives promoting respect for human rights, the Group recognizes that it is important to improve human rights related awareness among management and employees and to continuously conduct human rights training to this end.

Furthermore, in the real estate industry, there are human rights issues specific to the industry, including those related to land, such as discrimination targeting historically marginalized communities. We continuously conduct training to gain a proper understanding of the issues and ensure appropriate responses in an effort to prevent situations that might lead to human rights violations.

Participation in initiatives undertaken by the construction and real estate industries

We are participating in a human rights due diligence promotion committee involving nine construction and real estate companies.

This committee conducts research and studies aimed at identifying and addressing industry-specific human rights impacts. Its aim is to ensure that its members fulfill their responsibility to avoid violating the human rights of others and put in place measures to prevent, mitigate, and remediate negative impacts on human rights as outlined in the United Nations Guiding Principles on Business and Human Rights.

Supply Chain Management

Policy and Approach

The Tokyo Tatemono Group collaborates with construction companies, building management companies, and many other suppliers to promote its business. There are calls to realize sustainable procurement by, for example, exercising environmental awareness and respect for human rights, not only at the individual company level but also for the entire supply chain. To this end, we are working to establish a sustainable supply chain based on the impact of suppliers on the environment and society.

 (Sustainability Report 2024) Supply Chain Management pp. 50–51

System

The Group promotes initiatives related to supply chain management with efforts spearheaded by the Sustainability Committee. We continually formulate and revise the Sustainable Procurement Standards, identify important suppliers, deliberate and discuss important policies related to supply chain management, and monitor and evaluate the status of initiatives based on these policies. Important matters deliberated and discussed by the committee are reported to the Board of Directors or added to its agenda as the Board oversees overall supply chain management.

Moreover, with the support of external experts, we hold dialogues with major Group suppliers and exchange information with industry peers regarding these initiatives. We also promote these initiatives in collaboration with relevant departments and Group companies.

 Structure p. 36

Risk Assessment when Entering New Overseas Businesses

Prior to undertaking any new project overseas, the Company employs a check sheet to determine human rights and other risks at the time of entering into business in the specified country. We also work to ensure the Sustainable Procurement Standards are included in agreements concluded with joint venture partners.

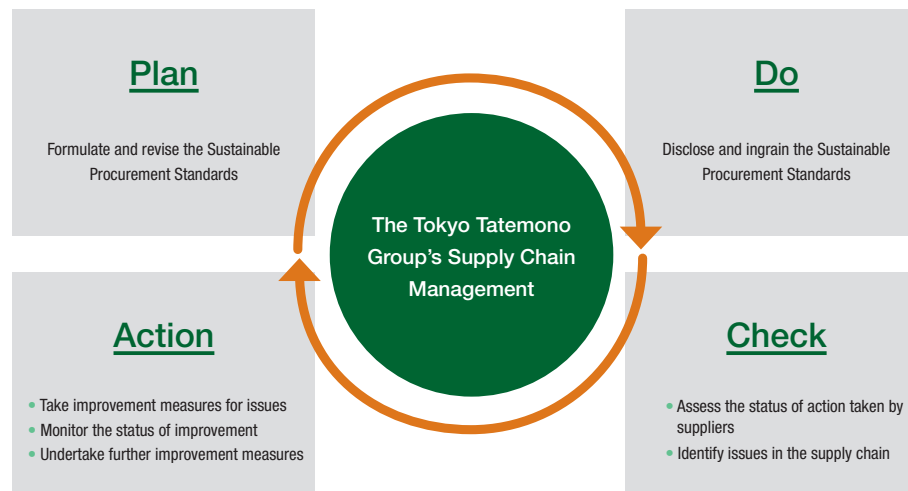
Application of Sustainable Procurement Standards

In May 2021, the Group formulated the Group-wide Sustainable Procurement Standards for all suppliers working with the Group. These standards promote initiatives across the entire supply chain to ensure compliance with laws and regulations, respect for human rights, and labor safety and health while also ensuring the prevention of corruption and realization of sustainable procurement that is mindful of environmental conservation. In 2023, we formulated and posted on our website our Sustainable Procurement Standards Guidelines. Furthermore, to determine the status of awareness and compliance of the procurement standards among our suppliers, we conducted a survey of construction companies and building management companies.

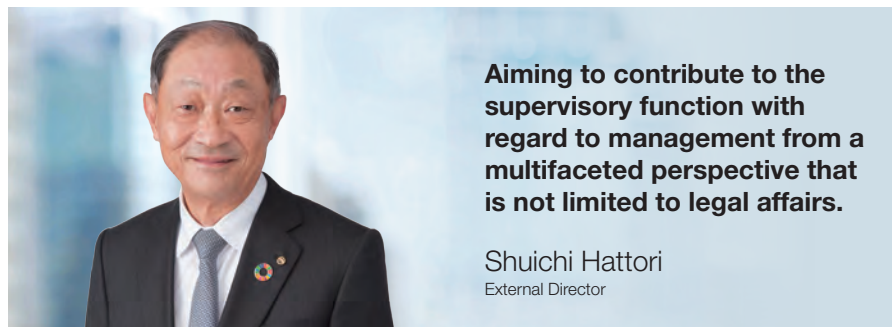
Regarding the application of the procurement standards, we identify major suppliers based on such factors as the amount of trade measured in monetary terms, the level of impact they would have on the Company's reputation if they were to violate the procurement standards, and their ability to ensure continuity of trade with the Company. In particular, when selecting a construction company as a major supplier, we avoid supply chain risks by requiring the signing of a construction subcontractor agreement stipulating compliance with the procurement standards and consent to a credit survey before any orders are submitted.

The Company holds dialogues with these suppliers on an ongoing basis through surveys, feedback, interviews, and hearings. When an issue is found in the supply chain, the Company strives to address it. We continuously monitor the status of improvement and take further improvement measures when needed.

Supply Chain Management PDCA



Messages from External Directors



Aiming to contribute to the supervisory function with regard to management from a multifaceted perspective that is not limited to legal affairs.

Shuichi Hattori
External Director

With the exception of reports on quarterly financial results and other issues, I believe that the primary role of the Company's Board of Directors when I became an external Audit & Supervisory Board member in 2015 was that of a decision-making body for significant company activities.

In June of that same year, the enactment of the Corporate Governance Code triggered a trend toward stronger governance and the Company responded by establishing the Nomination and Remuneration Advisory Committee in 2016. The Board of Directors has steadily strengthened its functions since then with the introduction of a board benefit trust scheme in 2018 and the establishment of the Management Discussion Board in 2023.

As a result, the current Board of Directors now engages in substantive discussions from a medium- to long-term perspective on the direction the Company should take, including its management policy, SDGs, capital efficiency, and shareholder returns.

Personnel with expertise and multifaceted opinions are indispensable to ensuring productive medium- to long-term discussions. In

this regard, each of the Company's external directors boasts a high level of expertise. In addition, internal directors have a wide range of interests outside of their areas of responsibility and are open to considering and utilizing the opinions of external directors. We recognize that this competence and flexibility contribute to the vigorous discussions of the Board of Directors.

Although I myself specialize in corporate legal affairs, I am particularly conscious of speaking from a multifaceted perspective, and strive to utilize not only my knowledge of the law but also the knowledge I have gained from my experience as a member of audit and supervisory type boards at a number of companies.

Keeping in mind the role of external directors in supervising management, I will continue to make use of my expertise as an attorney to address the legality of corporate activities and risk avoidance, while keeping a keen eye on trends in stock markets, interest rates, and exchange rates as well as making proposals from the perspective of corporate management.



Nurturing managers and meticulously analyzing the business portfolio will be key to the next Medium-Term Business Plan

Yoshimitsu Onji
External Director

Unlike the boisterous, combative sessions involving entire boards that I observed in my previous appointments at The Daiei, Inc. and RECOF Corporation, the discussions that Tokyo Tatemono's Board of Directors engage in are characterized by the members' ability to talk with each other with mutual respect. Moreover, since the previous fiscal year, there have been opportunities, including at Board meetings, to freely discuss overall management as well as specific medium- to long-term management issues, leading to active sessions. As someone who has been employed as an outside director for six years, I offer high praise for this rapid progress.

As for management issues, I can think of two. The first is human capital management. The development of personnel, specifically the nurturing of managers, is indispensable to the Company's ability to deal with the turbulent changes that could upset the real estate industry going forward. The Company's existing development methods are a part of that, but, in my experience, it will be necessary to think about how much top management, including the presidents of affiliates, has grown operating results and the number and effectiveness of management decisions. This may be measured against the

extent to which President & CEO Nomura has demonstrated his commitment to the personal strengths he has trumpeted.

The other issue is the need for meticulous business portfolio analysis. When thinking about the direction Tokyo Tatemono will take over the next five to ten years, what is the structure of the business portfolio the Company will leverage to grow and compete, including the composition of new pillars of business? For example, I think the management meetings and Board of Directors need to examine the businesses currently lumped together as "other businesses" and take such steps as developing separate categories despite low net sales, spinning some businesses off, or entering new business areas. Some existing businesses, like hotels, may have room for expansion while others may provide opportunities for new ventures. It is my firm belief that as Japan's oldest real estate company, Tokyo Tatemono has finally reached a position that allows it to really leverage the expertise and management resources it has accumulated over a period of more than a century as well as the experience and knowledge it has gained in overcoming a plethora of economic upheavals.



Since 2021, when I took on the role of an external director, a lot of effort has been made to enhance effectiveness, for example, the follow-up system has been improved and external directors are provided with prior explanations in advance of meetings even earlier than before. In addition, the criteria for board meeting agenda items has been revised, shifting to focus on medium- to long-term agenda items. Moreover, in 2023, the Company established the Management Discussion Board, which is beginning to function effectively as a forum in which internal and external directors can exchange views in an interactive manner.

On the other hand, we expect further enhancement in the following three areas and have made recommendations for such to the Board of Directors.

First, the Board of Directors should further enhance discussions on investment policy and business portfolio construction, sustainability and risk management, and medium- to long-term prospects.

Next, when reviewing strategies and measures, there should be an organization and discussion of not only positive outcomes, but also shortcomings. Issue identification is a basic part of business and many hints for

developing future plans can also be found through this process. I would like to encourage everyone to take a fresh look at the issues.

Finally, we believe that to strengthen our ability to respond to management issues, including sustainability and risk management, the right people must be allocated to the right jobs within administrative divisions. The Company has grown rapidly over the past few years and has devoted a large number of its personnel to its Business Department. While it is commendable that the current structure has been established with staff in administrative divisions limited to the minimum needed, we believe that in order to enhance function, it may be necessary to allocate more personnel, i.e., the right people to the right jobs.

This year is important in terms of concluding the current medium-term business plan and formulating the next one, a task that will further test the effectiveness of the Board of Directors. I will continue to maintain my independence and objectivity, speak as a representative of the stakeholders, and contribute to improving the effectiveness of the Board of Directors.



We believe that the Human Resources Strategy is an area of future corporate management that should be addressed with the same emphasis, flexibility, and forward thinking as information and technology. Therefore, the discussion of the next medium-term business plan, along with the Company's business strategy, will focus on how to secure the human resources needed to realize that strategy. It is important to be aware of the importance of digging deeper into the fundamental questions when it comes to securing human resources, such as "What kind of human resources do we need?" "How necessary are they?" and "Do we hire people who already have the skills we need or nurture such skills in house?"

I believe the Company's current hiring process emphasizes candidates' suitability vis-à-vis the Tokyo Tatemono culture. However, it is important to create an environment that enables each and every employee to understand the Company's unique corporate culture in terms of its mission and values. I believe that the Company should also consider hiring new employees from the viewpoint of incorporating diverse ideas.

From the perspective of nurturing human resources, rather than, for example, focusing exclusively on the common issue of there not being enough women in management positions, it may be better to consider the fostering approach, i.e., creating an environment in which women in management positions can be nurtured and their numbers can increase.

In terms of human resource allocation, we need to think not only from a business perspective, such as considering ways of improving efficiency or expanding business, but also from a perspective that takes into consideration generational variations in values and the impact of recent lifestyle changes, as well as how the Company can help individual employees achieve the work style they desire.

As with the business strategy, we believe that nurturing the characteristics that make the Company unique is key to the Company's Human Resources Strategy. Having worked with a variety of human resources across multiple industries, I would like to proactively suggest changes to the Board of Directors.

Corporate Governance

The Tokyo Tatemono Group's 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, in order to achieve sustainable growth and increase corporate value over the longer term. In addition, we actively and appropriately disclose information to ensure that shareholders and other stakeholders are able to gain an accurate understanding of the Company's business activities.

We have also identified the advancement of governance as a material issue to achieve the Group's long-term vision. We are promoting measures to improve profitability and the objectivity of management, such as further enhancing the governance framework, in order to achieve the vision.

Structure

Tokyo Tatemono has selected a Company with Audit & Supervisory Board format as its corporate management system. In addition, we have established a Board of Directors, an Audit & Supervisory Board, and a Nomination and Remuneration Advisory Committee, which acts as an advisory body 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 & 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.

Regarding Group governance, to heighten the efficiency of Group management and achieve synergies among all members, we also make a contractual agreement with each Group company based on the Group Business Management Standards. By setting out and informing each company of conditions such as items subject to prior approval and items to be reported to the Company, we are working to reinforce Group headquarters functions and clarifying our engagement guidelines with each Group company.

Characteristics

The characteristics of corporate governance at Tokyo Tatemono are as follows.

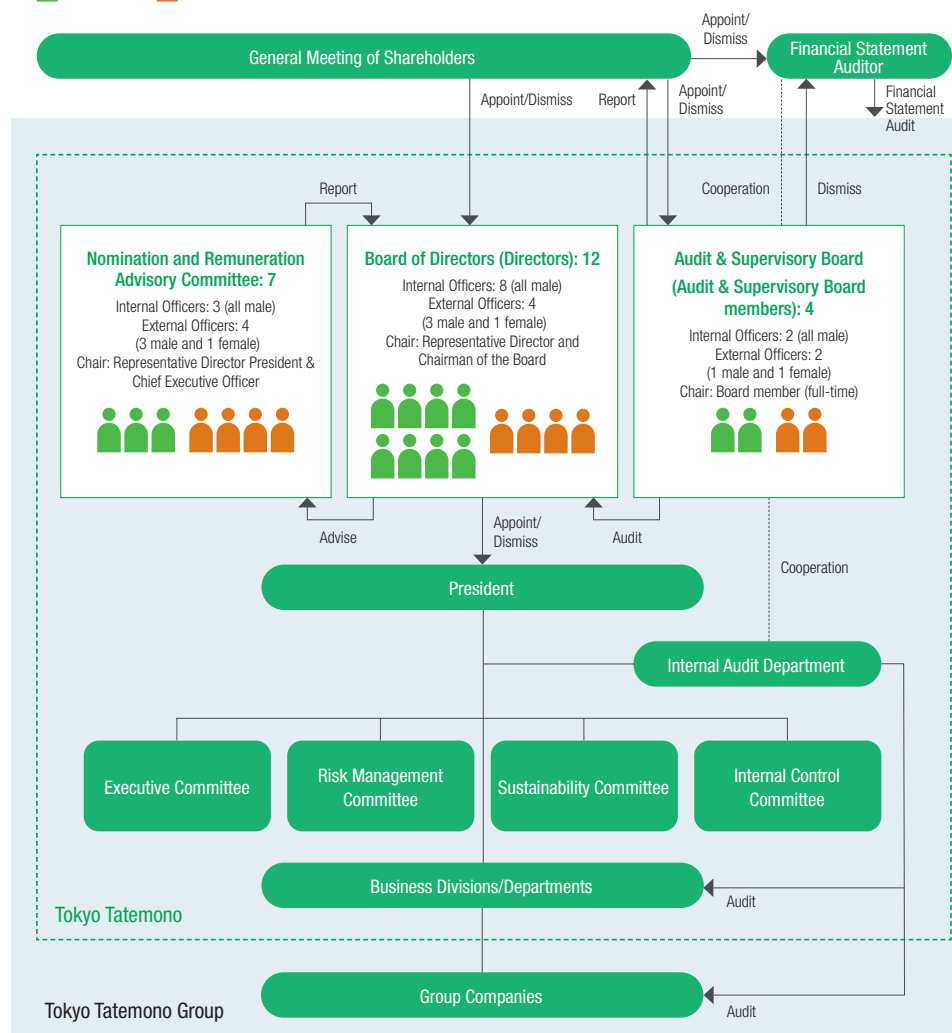
- It is a Company with Audit & Supervisory Board
- The Chair of the Board of Directors is a non-executive officer
- It has a Nomination and Remuneration Advisory Committee
- Four of its 12 directors are independent external directors
- It has an Internal Control Committee, a Risk Management Committee, and a Sustainability Committee

Corporate Governance Structure

Corporate Governance Structure

Internal Officers

External Officers



Main Organizational Structures and Roles

Board of Directors (Number of Meetings in FY2023: 14)

The Board of Directors is chaired by the Representative Director and Chairman of the Board who is not a managing officer and comprises 12 directors, four of whom are external directors. The board resolves key matters related to business execution, namely, management policies and the policy on acquiring large-scale investment projects, and supervises the business execution of directors. As a general rule, the Board of Directors holds ordinary meetings once a month and extraordinary meetings as needed.

In addition, Audit & Supervisory Board members attend Board of Directors meetings and offer opinions as needed.

Audit & Supervisory Board (Number of Meetings in FY2023: 16)

The Audit & Supervisory Board comprises four Audit & Supervisory Board members, two of whom are external Audit & Supervisory Board members. A full-time Audit & Supervisory Board member chairs the board, and the board receives reports on key matters related to audits, hold discussions, and makes resolutions. Audit & Supervisory Board members attend Board of Directors meetings and Executive Committee meetings, offer opinions as needed, regularly receive reports from financial statement auditors, departments, and other bodies, and occasionally exchange opinions and information with various parties. In addition, there are no particular conflicts of interest between the Company and external Audit & Supervisory Board members.

Nomination and Remuneration Advisory Committee (Number of Meetings in FY2023: 4)

The Nomination and Remuneration Advisory Committee was established as an advisory body for the Board of Directors to deliberate such matters as the remuneration of directors and the selection and dismissal of director candidates and the representative director. Committee members are selected from among directors, and the Representative Director, President and Chief Executive Officer serves as chair. In addition, the committee utilizes the expertise and advice of external directors. To ensure the objectivity and transparency of proceedings, the total number of members is limited to seven and the majority must be external directors.

Executive Committee (Number of Meetings in FY2023: 43)

The Executive Committee is chaired by the Representative Director, President and Chief Executive Officer, comprises mainly executive officers concurrently serving as directors, and deliberates key matters related to the management of the Company, subsidiaries, and associates. In addition, full-time Audit & Supervisory Board members attend committee meetings and offer opinions as needed.

Internal Control Committee (Number of Meetings in FY2023: 2)

The Internal Control Committee strives to evaluate, improve, and enhance the internal control systems of the Group. The Committee is chaired by the Representative Director, President and Chief Executive Officer and comprises mainly the Chairman of the Board and officers of the Corporate Planning Department. In addition, full-time Audit & Supervisory Board members attend committee meetings and offer opinions as needed.

Risk Management Committee (Number of Meetings in FY2023: 3)

The Risk Management Committee controls risk management and compliance for the Group. The committee is chaired by the Representative Director, President and Chief Executive Officer and comprises mainly the Chairman of the Board, division directors, vice division directors, officers of the Corporate Planning Department, and general managers of the corporate departments. In addition, full-time Audit & Supervisory Board members attend committee meetings and offer opinions as needed. Matters deliberated by and reported to the committee are reported to the Board of Directors, and matters corresponding to agenda items for Board of Directors meetings are added to the agenda as needed.

 Risk Management p. 59

Sustainability Committee (Number of Meetings in FY2023: 5)

The Sustainability Committee is chaired by the Representative Director, President, and Chief Executive Officer, comprises mainly executive officers concurrently serving as directors, and promotes sustainability measures all across the Group. Moreover, matters deliberated by the committee are reported to the Board of Directors, who act as a supervising body.

 A Sophisticated Approach to ESG Management p. 36

Selection and Nomination of Audit & Supervisory Board Members

Policies and Term Periods

The Company comprehensively assesses candidates' character, abilities, expertise, experience, and other factors and then nominates people who possess qualities that help enhance the Group's medium- to long-term corporate value as candidates for directors and Audit & Supervisory Board members. The lengths of the terms directors and Audit & Supervisory Board members serve have been set in the Articles of Incorporation at two years for directors and four years for Audit & Supervisory Board members.

With regard to nominations, to ensure an appropriate level of engagement with external directors, the Board of Directors reaches its resolutions regarding nominations once it has received the results of deliberations by the Nomination and Remuneration Advisory Committee, a majority of which comprises external directors.

Criteria for the 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 categories shown below:

1. A business partner of Tokyo Tatemono that accounts for 2% or more of the Company's consolidated net sales in the most recent fiscal year or a person executing business on behalf 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 on behalf 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 who has 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.

Status of External Officers (As of March 31, 2024)

Significant Concurrent Positions Outside the Company and Reasons for Selection

Title	Name	Concurrent Workplace	Concurrent Title	Reasons for Appointment
Director	Shuichi Hattori	Hattori General Law Firm	Lawyer	Mr. Shuichi Hattori was appointed as an external director with the expectation that he will leverage his expertise and experience to help strengthen the governance system, including overseeing the execution of the duties of directors from an independent point of view.
Director	Yoshimitsu Onji	OZ Corporation	CEO	Mr. Yoshimitsu Onji was appointed as an external director with the expectation that he will leverage his wealth of experience and wide-ranging insight as a management to help strengthen the governance system, including overseeing the execution of the duties of directors from an independent point of view.
		NIHON CHOUZAI Co., Ltd.	External Director	
		United Foods International Co., Ltd.	External Audit & Supervisory Board Member	
		Sotetsu Holdings Co., Ltd.	External Director	
Director	Takeo Nakano	Sanyu Appraisal Corporation	External Director	Mr. Takeo Nakano was appointed as an external director with the expectation that he will leverage his wealth of experience and wide-ranging insight as a management to help strengthen the governance system, including overseeing the execution of the duties of directors from an independent point of view.
		FUJIYA CO., LTD.	External Director	
Director	Yumiko Kinoshita	Shouohkai Foundation	Chairman	Ms. Yumiko Kinoshita was appointed as an external director with the expectation that she will leverage the international experience she developed working overseas and her diverse business experience in public-trust corporations to help strengthen the governance system, including overseeing the execution of the duties of directors from an independent point of view.
		—	—	
Audit & Supervisory Board member	Sayaka Hieda	OMOTESANDO SOGO LAW OFFICE	Lawyer	Ms. Sayaka Hieda was appointed as an external Audit & Supervisory Board member because her expertise and experience as a lawyer are expected to help strengthen the Company's audit operations from an independent point of view.
		Institution for a Global Society Corporation	External Audit & Supervisory Board Member	
Audit & Supervisory Board member	Naohiro Chikada	Chikada Certified Public Accountant Office	Head-Certified Public Accountant (CPA)- Tax Accountant	Mr. Naohiro Chikada was appointed as an external Audit & Supervisory Board member with the expectation that he will help strengthen the Company's audit operations from an independent point of view by leveraging his expertise and experience as a CPA and tax accountant.
		Koa Audit Corporation	Representative Partner	
		Chiyoda Accounting Corporation	CEO	
		SKIYAKI Inc.	External Director (Audit & Supervisory Committee Member)	
		Mitsubishi Research Institute DCS Co., Ltd.	External Audit & Supervisory Board Member	
		FEED ONE CO., LTD.	External Audit & Supervisory Board Member	
SKIYAKI LIVE PRODUCTION Inc.	External Audit & Supervisory Board Member			

Support System for External Directors and External Audit & 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. For the purpose of ensuring smooth proceedings and lively debate at Board Meetings, we conduct pre-meeting briefings for all external directors and external Audit & Supervisory Board members regarding Board Meeting agenda items. In addition, we strive to promote greater understanding of our business in part by regularly conducting property tours.

At the request of the Audit & Supervisory Board, we assign personnel to serve as staff for external board members to encourage the smooth execution of audit procedures. To enable full-time Audit & Supervisory Board members to acquire information needed to perform their duties, we have established a system that ensures they can attend Board of Directors and Executive Committee meetings, receive regular reports from financial statement auditors and various departments, and exchange opinions with these parties whenever necessary.

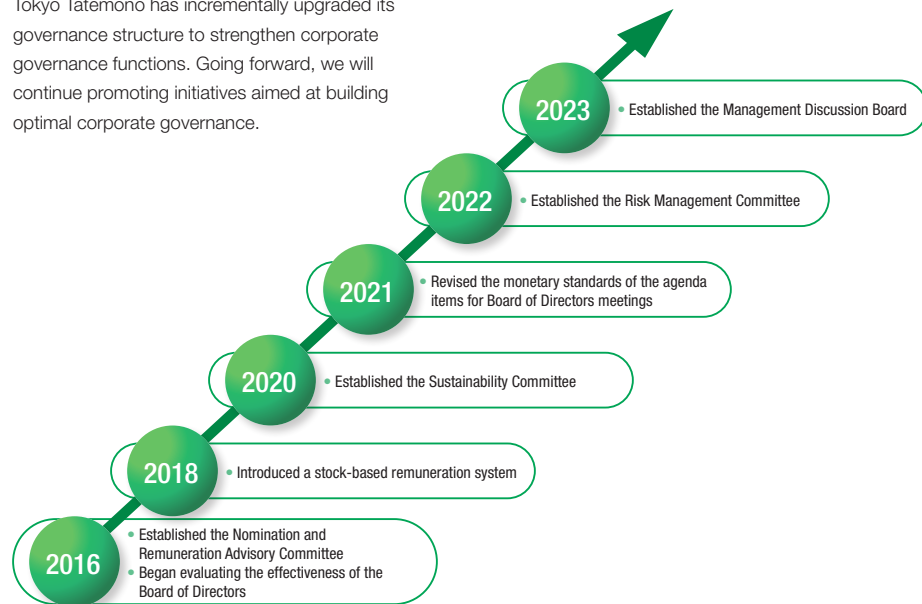
Highlights | Establishment of the New Management Discussion Board

To enhance the effectiveness of the Board of Directors by increasing the number of substantive discussions and exchanges of opinions, the Company established the new Management Discussion Board in 2023 as a place separate from board meetings to hold a broad range of discussions on key management issues and medium- to long-term themes. The Management Discussion Board comprises 12 directors, four of whom are external directors, and four Audit & Supervisory Board members, two of whom are external. Board members and employees in other departments relevant to the themes to be discussed may also attend as necessary. In 2023, after holding several discussions on the theme of taking action to realize management that is mindful of capital costs and share price, the Board of Directors passed a resolution to establish the meeting, and disclose it as an initiative aimed at enhancing corporate value.

Status of Board of Directors

Timeline of Strengthening Functions at Board Meetings

Tokyo Tatemono has incrementally upgraded its governance structure to strengthen corporate governance functions. Going forward, we will continue promoting initiatives aimed at building optimal corporate governance.

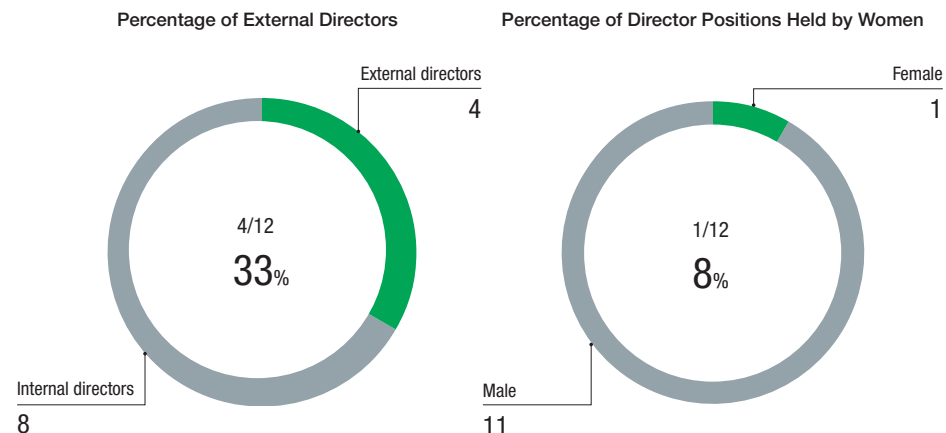


Policy on Skills of Directors

Regarding the implementation of management strategies, the Company's Board of Directors passes resolutions on key matters related to its business execution and needs to oversee the execution of duties of directors. With regard to the composition of the Board of Directors, we strive to maintain a balance of diversity in terms of knowledge, experience, skills, and other factors to ensure that discussions held at board meetings are useful and multifaceted. Also, to ensure its effective and efficient functioning, we maintain the Board of Directors at an appropriate level in terms of size. To facilitate the realization of materiality initiatives as well as the long-term vision and Medium-Term Business Plan, the Company has compiled a skill matrix in which a set of skills (expertise and experience) that directors should possess to ensure that the Board of Directors functions more effectively are set out.

Board of Directors and Its Composition

The Board of Directors comprises 12 directors and held 14 meetings in 2023. (Average Board Meeting Attendance Rate: 99%)



Expertise and Experience of Directors (Skill Matrix)

Name	Position in the Company	Gender	Corporate Management	Finance and Accounting	Legal, Compliance and Risk Management	Sustainability	Real estate Business and Urban Development	Overseas Business	ICT and Digital	Human Resources and Human Resource 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	Independent external director	Male		●	●					●
Yoshimitsu Onji	Independent external director	Male	●	●	●			●		
Takeo Nakano	Independent external director	Male	●	●	●					
Yumiko Kinoshita	Independent external director	Female			●			●		●

Management Structure (As of March 31, 2024)

Directors

Makio Tanehashi
Representative Director and Chairman of the Board



Number of Board of Directors meetings attended in FY2023: 14/14
Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4

- April 1979 Joined The Fuji Bank, Limited
- March 2006 Executive Officer; General Manager of Internal Audit Division of Mizuho Corporate Bank, Ltd.
- April 2008 Managing Executive Officer; Officer in charge of Sales of Mizuho Corporate Bank, Ltd.
- June 2011 Deputy President & Executive Officer; Officer in charge of Branches Department of Mizuho Bank, Ltd.
- June 2011 Representative Director, Deputy President & Executive Officer; Officer in charge of Branches Department of Mizuho Bank, Ltd.
- March 2013 President & Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.
- July 2015 Senior Managing Executive Officer and Division Director of Real Estate Solution Service Division of the Company
- March 2016 Senior Managing Executive Officer, Director; Division Director of Real Estate Solution Service Division; Division Director of International Business Division of the Company
- January 2017 Representative Director, Chairman of the Board and Executive Officer of the Company; Director and Chairman of Tokyo Tatemono Real Estate Sales Co., Ltd.
- March 2019 Representative Director and Chairman of the Board of the Company (to present)
- January 2021 Director of Tokyo Tatemono Real Estate Sales Co., Ltd. (to present)
- March 2023 External Director of Sapporo Holdings Limited. (to present)

Hitoshi Nomura
Representative Director
President and Chief Executive Officer



Number of Board of Directors meetings attended in FY2023: 14/14
Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4

- April 1981 Joined the Company
- March 2005 General Manager of Property Management Department of the Company
- March 2008 Director; General Manager of Property Planning Department of the Company
- March 2011 Managing Director; Division Director of Commercial Properties Division of the Company
- March 2013 Managing Executive Officer and Director; Division Director of Commercial Properties Division of the Company
- March 2015 Senior Managing Executive Officer and Director of the Company
- January 2017 Representative Director, President and Chief Executive Officer of the Company (to present)

Katsuhito Ozawa
Representative Director
Senior Managing Executive Officer



Number of Board of Directors meetings attended in FY2023: 14/14

- April 1987 Joined the Company
- March 2007 General Manager of Residential Management Business Department of the Company
- July 2009 Director and General Manager of Finance Department of Tokyo Realty Investment Management, Inc.
- March 2015 Managing Officer and General Manager of Corporate Planning Department of the Company
- January 2017 Managing Executive Officer; Division Director of International Business Division and Leisure Business Division; General Manager of Finance Department and International Business Department of the Company
- March 2017 Managing Executive Officer and Director; Division Director of International Business Division and Leisure Business Division; General Manager of Finance Department and International Business Department of the Company
- August 2017 Managing Executive Officer and Director; Division Director of International Business Division and Leisure Business Division; General Manager of International Business Department of the Company
- January 2019 Managing Executive Officer and Director; Division Director of International Business Division; General Manager of International Business Department of the Company
- January 2021 Senior Managing Executive Officer and Director; Division Director of International Business Division; Division Director of Commercial Properties Division of the Company
- April 2021 Senior Managing Executive Officer and Director; Division Director of Commercial Properties Division of the Company
- January 2023 Senior Managing Executive Officer and Representative Director; Division Director of Commercial Properties Division of the Company (to present)

Akira Izumi
Representative Director
Senior Managing Executive Officer



Number of Board of Directors meetings attended in FY2023: 14/14
Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4

- April 1987 Joined the Company
- March 2009 General Manager of Retail Management Department of the Company
- March 2015 Managing Officer and General Manager of Urban Development Department of the Company
- January 2017 Managing Executive Officer; General Manager of Corporate Planning Department of the Company
- March 2017 Managing Executive Officer and Director; General Manager of Corporate Planning Department of the Company
- January 2020 Managing Executive Officer and Director of the Company
- January 2021 Senior Managing Executive Officer and Director of the Company
- January 2023 Senior Managing Executive Officer and Representative Director of the Company (to present)

Hideshi Akita Number of Board of Directors meetings attended in FY2023: 14/14
Senior Managing Executive Officer and Director



- April 1987 Joined the Company
- March 2006 General Manager of Residential Management Department of the Company
- January 2016 Managing Officer and General Manager of Personnel Department of the Company
- January 2017 Managing Officer and Vice Division Director of Residential Development Division of the Company
- January 2019 Managing Executive Officer and Division Director of Residential Development Division of the Company
- March 2019 Managing Executive Officer and Director; Division Director of Residential Development Division of the Company
- January 2023 Senior Managing Executive Officer and Director; Division Director of Residential Development Division; Division Director of Real Estate Solution Service Business Division of the Company (to present)

Takeshi Jinbo Number of Board of Directors meetings attended in FY2023: 13/14
Managing Executive Officer and Director



- April 1988 Joined the Company
- January 2015 General Manager of Acquisitions Department of the Company
- January 2018 Managing Officer and General Manager of Acquisitions Department of the Company
- January 2019 Managing Officer; Vice Division Director of Residential Development Division; General Manager of Acquisitions Department of the Company
- January 2021 Managing Executive Officer; Vice Division Director of Residential Development Division of the Company
- March 2021 Managing Executive Officer and Director; Vice Division Director of Residential Development Division of the Company
- January 2022 Managing Executive Officer and Director; Vice Division Director of Residential Development Business Division* of the Company (to present)

Shinjiro Kobayashi Number of Board of Directors meetings attended in FY2023: 11/11*2
Managing Executive Officer and Director



- April 1988 Joined the Company
- March 2015 General Manager of Business Planning Department of Commercial Properties Division of the Company
- January 2018 Managing Officer and General Manager of Urban Development Department of the Company
- January 2022 Managing Officer; General Manager of Urban Development Department (1) of the Company
- January 2023 Managing Executive Officer; Vice Division Director of Commercial Properties Division; General Manager of Urban Development Department (1) of the Company
- March 2023 Managing Executive Officer and Director; Vice Division Director of Commercial Properties Division; General Manager of Urban Development Department (1) of the Company (to present)

Fumio Tajima Number of Board of Directors meetings attended in FY2023: 11/11*2
Managing Executive Officer and Director



- April 1990 Joined The Fuji Bank, Limited
- April 2014 General Manager of Sales Department No. 17 of Mizuho Bank, Ltd.
- April 2014 General Manager of Corporate Coverage Department VII of Mizuho Securities Co., Ltd. (retired in April 2019)
- April 2018 Executive Officer; General Manager of Sales Department No. 17 of Mizuho Bank, Ltd.
- April 2019 Executive Officer; General Manager of Global Products Coordination Department of Mizuho Financial Group, Inc.
- April 2019 Executive Officer; General Manager of Global Products Coordination Department of Mizuho Bank, Ltd.
- April 2021 Managing Officer; Division Director of Overseas Business Division of the Company
- January 2023 Managing Executive Officer; Division Director of Overseas Business Division of the Company
- March 2023 Managing Executive Officer and Director; Division Director of Overseas Business Division of the Company (to present)

*1 The title was changed to Vice Director of Residential Development Business Division on January 1, 2023

*2 Appointed at the 205th Ordinary General Meeting of Shareholders held on March 29, 2023; attendance at Board of Directors meetings held after the date of the appointment is shown.

Corporate Governance


External Directors

Shuichi Hattori Number of Board of Directors meetings attended in FY2023: 13/14
External Director Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 3/4




- April 1984 Registered as a lawyer
- July 1988 Established Hattori Law Firm (currently Hattori General Law Firm) (to present)
- June 2004 External Audit and Supervisory Board Member of USHIO INC. (retired in June 2016)
- April 2007 Lecturer (in charge of Financial Instruments and Exchange Act) at Keio University Law School (retired in March 2023)
- March 2009 External Audit and Supervisory Board Member of LOOK INCORPORATED (currently LOOK HOLDINGS INCORPORATED) (retired in March 2019)
- January 2013 External Audit and Supervisory Board Member of POKKA SAPPORO Food & Beverage Ltd. (retired in March 2016)
- March 2015 External Audit and Supervisory Board Member of the Company (retired in March 2019)
- June 2016 External Director of USHIO INC. (retired in June 2018)
- March 2019 External Director of the Company (to present)

Yoshimitsu Onji Number of Board of Directors meetings attended in FY2023: 14/14
External Director Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4



- April 1977 Joined The Daiiei, Inc.
- April 1994 General Manager of Corporate Planning Division of The Daiiei, Inc.
- September 1998 Director and Vice President of R.E. Partners, Co., Ltd. (retired in April 2000)
- December 1999 CEO of OZ Corporation (to present)
- March 2000 Managing Executive Officer of RECOF Office (currently RECOF Corporation)
- June 2007 Director and Chief Corporate Officer of RECOF Corporation
- June 2010 President and Chief Executive Officer of RECOF Corporation
- October 2016 Chairman and Representative Director of RECOF Corporation (retired in September 2017)
- December 2016 Director of M&A Capital Partners Co., Ltd. (retired in September 2017)
- March 2018 External Director of the Company (to present)
- April 2018 Chairman and Director of Hongo Tsuji Business Consulting Co., Ltd. (retired in November 2018)
- June 2018 External Director of NIHON CHOUZAI Co., Ltd. (to present)
- December 2019 External Audit and Supervisory Board Member of United Foods International Co., Ltd. (to present)
- June 2020 External Director of Sotetsu Holdings Co., Ltd. (to present)
- December 2021 External Director of Sanyu Appraisal Corporation (to present)

Takeo Nakano Number of Board of Directors meetings attended in FY2023: 14/14
External Director Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4




- April 1980 Joined The Fuji Bank, Limited
- April 2007 Executive Officer and General Manager of Kobunacho Branch of Mizuho Bank, Ltd.
- April 2009 Managing Executive Officer of Mizuho Financial Group, Inc.
- April 2010 President and Representative Director of Mizuho Financial Strategy Co., Ltd. (retired in April 2012)
- June 2010 Managing Director of Mizuho Financial Group, Inc.
- April 2012 Member of the Board of Directors of Mizuho Financial Group, Inc. (retired in June 2012); Deputy President and Representative Director of Mizuho Bank, Ltd. (retired in April 2013)
- April 2013 President & CEO and Representative Director of Mizuho Trust & Banking Co., Ltd.
- April 2017 Director and Chairman of Mizuho Trust & Banking Co., Ltd.
- June 2018 External Audit & Supervisory Board Member of Somo Japan Nipponkoa Insurance Inc. (currently Somo Japan Insurance Inc.) (retired in June 2022)
- March 2019 External Director of FUJUYA CO., LTD. (to present)
- April 2019 Senior Adviser of Mizuho Trust & Banking Co., Ltd. (retired in March 2023)
- June 2020 Chairman of Shouchikai Foundation (to present)
- March 2021 External Director of the Company (to present)
- April 2023 Advisor of Mizuho Financial Group, Inc. (to present)

*1 Appointed at the 205th Ordinary General Meeting of Shareholders held on March 29, 2023; attendance at Board of Directors meetings held after the date of the appointment is shown.

*2 Appointed at the 206th Annual General Meeting of Shareholders held on March 27, 2024.

Yumiko Kinoshita Number of Board of Directors meetings attended in FY2023: 14/14
External Director Number of Nomination and Remuneration Advisory Committee meetings attended in FY2023: 4/4



- April 1984 Joined Bank of Japan
- September 1991 Joined McKinsey & Company
- April 2004 Joined The National Museum of Emerging Science and Innovation of Japan Science and Technology Agency
- June 2011 General Manager, Corporate Planning Department of KCJ GROUP INC.
- February 2016 Chairperson of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2018)
- March 2018 Chairperson responsible for extraordinary diplomacy of JAPAN PROFESSIONAL FOOTBALL LEAGUE (retired in March 2020)
- July 2020 Chairperson of Tokyo Football Association (to present)
- March 2021 External Director of the Company (to present)
- April 2022 Member of Hitotsubashi University Business Council (to present)

Audit and Supervisory Board Members (full-time)

Takashi Yoshino Number of Audit & Supervisory Board meetings attended in FY2023: 16/16
Audit and Supervisory Board Member (full-time)



- April 1983 Joined The Yasuda Fire and Marine Insurance Co., Ltd.
- April 2009 General Manager of Marine Insurance Office of Somo Japan Insurance Inc.
- October 2011 President and Director of Somo Japan Nipponkoa Insurance Company of Europe Limited (retired in March 2016)
- April 2014 Executive Officer and General Manager of Europe Division of Somo Japan Insurance Inc.; Executive Officer and General Manager of Europe Division of NIPPONKOA Insurance Co., Ltd.
- September 2014 Executive Officer and General Manager of Europe Division of Somo Japan Nipponkoa Insurance Inc.; Executive Officer and General Manager of Europe Division of Somo Japan Nipponkoa Holdings, Inc. (retired in March 2016)
- April 2016 Managing Executive Officer of Somo Japan Nipponkoa Insurance Inc.
- April 2018 Managing Executive Officer and General Manager of Enterprise Market Promotion Division of Somo Japan Nipponkoa Insurance Inc. (retired in March 2019)
- March 2019 Audit and Supervisory Board Member (full-time) of the Company (to present)


Isao Jinno Number of Audit & Supervisory Board meetings attended in FY2023: 11/11*1
Audit and Supervisory Board Member (full-time)



- April 1988 Joined Yasuda Trust & Banking Co., Ltd.
- October 2010 General Manager of the Kawagoe Branch of Mizuho Trust & Banking Co., Ltd.
- January 2013 General Manager of the Real Estate Sales Department (3) of Mizuho Trust & Banking Co., Ltd.
- April 2016 Executive Officer; General Manager of Trust and Total Sales Department (8) of Mizuho Trust & Banking Co., Ltd.
- April 2018 Senior Managing Executive Officer and Director of Heisei Building Co., Ltd.
- April 2018 Representative Director and President of Nihonbashi Building Services Inc. (retired in March 2023)
- April 2020 Senior Managing Executive Officer of Heisei Building Inc. (retired in March 2023)
- March 2023 Audit & Supervisory Board Member (full-time) of the Company (to present)

External Audit and Supervisory Board Members

Sayaka Hieda Number of Audit & Supervisory Board meetings attended in FY2023: 16/16
External Audit and Supervisory Board Member



- September 2007 Registered as a lawyer
- September 2007 Joined HANZOMON SOGO LAW OFFICE (resigned in December 2009)
- January 2010 Joined OMOTESANDO SOGO LAW OFFICE (to present)
- March 2019 External Audit and Supervisory Board Member of the Company (to present)
- March 2021 External Audit & Supervisory Board Member, Institution for a Global Society Corporation (to present)

Naohiro Chikada Number of Audit & Supervisory Board meetings attended in FY2023: -/-**
External Audit & Supervisory Board Member



- April 1992 Joined Chuo Shinko Audit Corporation
- April 1995 Registered as a certified public accountant
- July 2004 Employee of Chuo Aoyama Audit Corporation (resigned in July 2006)
- August 2006 Founded Chikada Certified Public Accountant Office as Head (to present)
- September 2006 Registered as a certified tax accountant
- July 2008 Representative Director of Chiyoda Accounting Corporation (to present)
- June 2009 Representative Partner of Koa Audit Corporation (to present)
- June 2016 External Director (Audit & Supervisory Board Member) of RIZAP Group, Inc. (resigned in March 2020)
- April 2018 External Director (Audit & Supervisory Board Member) of SKIYAKI Inc. (resign in March 2024)
- December 2020 External auditor of Mitsubishi Research Institute DCS Co., Ltd. (to present)
- June 2022 External auditor of FEED ONE CO., LTD. (to present)
- July 2022 External auditor of SKIYAKI LIVE PRODUCTION Inc. (planning to resign in July 2024)
- March 2024 External Audit & Supervisory Board Member of the Company (to present)

Executive Officers

Position	Name
President and Chief Executive Officer	Hitoshi Nomura
Senior Managing Executive Officers	Katsuhito Ozawa Akira Izumi Hideshi Akita Hisayoshi Kato
Managing Executive Officers	Takeshi Jinbo Shinjiro Kobayashi Fumio Tajima Hiroshi Takahashi
Managing Officers	Masayuki Okubo Kazuki Sugise Yusuke Mishima Katsuhiko Tamai
	Shigeru Sabayashi Hiroto Fukui Kenji Sugaya Yuichi Kawazoe
	Yutaka Onuma Yuji Araki Satoru Kondo Takashi Endo
	Keijiro Ochi

Working to Enhance the Effectiveness of the Board of Directors

Evaluation of the Effectiveness of the Board of Directors

We conduct an annual survey of all directors and Audit & Supervisory Board Members on the structure, agenda items, and operation of the Board of Directors with the support of a third-party organization. Below is an overview of the effectiveness evaluation for fiscal 2023.

Evaluation Process and Topics

Evaluation process

- (1) Administer questionnaire survey to all directors and Audit & Supervisory Board members
- (2) Aggregate, analyze, and share results with the Board of Directors
- (3) Discuss future issues and measures

Topics

Structure: Ratio, number, specialization, and diversity of external directors
Agenda: Number, content, and monetary standards in agenda items
Operation: Number of meetings, length of meetings, provision of explanations prior to meetings, explanatory materials used, time taken for discussion, and reported content
Other: Support system for external directors and the state of training

Results of evaluation

As a result of our evaluation, we confirmed that the effectiveness of the Board of Directors has been adequately ensured. In fiscal 2023, the Management Discussion Board was established to further expand discussions on medium- and long-term management issues and to invigorate those discussions. The evaluation results and ongoing issues are as follows.

Main Evaluation Items	Evaluation	Ongoing Issues
Composition	The number of directors and the ratio of internal to external directors are generally appropriate.	Improvement is desirable with respect to ensuring diversity of board members.
Agenda items	The number of agenda items is generally appropriate.	The content of agenda items should be improved with a view to further expanding discussions, including those related to medium- to long-term issues.
Management	The frequency and the length of meetings are generally appropriate. The timing of the sharing of pre-meeting materials improved from the previous fiscal year.	Further enhancement of the support systems for external officers is expected, such as holding local briefings on major projects.

Major Agenda Items for the Board of Directors

The main matters deliberated by the Board of Directors in fiscal 2023 were as follows. The Board discussed governance matters, such as enhancing risk management, from a medium- to long-term perspective.

Classification	Main Agenda Items
Matters related to management strategy	Business & finance <ul style="list-style-type: none"> • Approval of annual accounts and budget, funding plans and funding procurement policy • Approval of business plans for the fiscal year • Approval of rolling over medium-term business plans
	ESG <ul style="list-style-type: none"> E: Approval of revisions to targets to reduce greenhouse gas emissions S: Identification of priority issues related to human rights S: Consideration of policies to conduct human rights due diligence G: Approval of priority risk identification G: Establishment of Management Discussion Board G: Confirmation of action policies related to cross-shareholdings and report on acquisition and disposal situation
	Other <ul style="list-style-type: none"> • Sharing of IR activity reports and feedback
Stock-related matters	<ul style="list-style-type: none"> • Convocation of general meetings of shareholders and determination of proposals to be submitted • Approval of appropriation of surplus and dividend policy
Other matters	<ul style="list-style-type: none"> • Reports on the progress of large projects and changes in business policies • Decision related to a share transfer involving consolidated subsidiaries (Tokyo Tatemono Kids Co., Ltd. and Tokyo Tatemono Staffing Co., Ltd.)

Cross-shareholdings

We acquire and hold shares of other companies for noninvestment 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 based on the transaction results and prospects of real estate transactions, joint ventures, construction and equipment transactions, and financial transactions in addition to dividend results. In addition, we report verification and disposal results to the Board of Directors at least once every year, and, if we determine that such a cross-shareholding is no longer significant, we seek to reduce the cross-shareholding while considering the impact on the stock market and other factors.

Remuneration of Directors

Regarding the 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.

Basic policy

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

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 incentives
Variability	—	Performance linked to single fiscal year	Stock-based
Proportion of total remuneration (approx.)	50%-60%	30%-40%	5%-10%

By resolution, the Board of Directors designates responsibility for determining the remuneration of each individual director to the individual serving as the Representative Director, President & Chief Executive Officer, who is best qualified to comprehensively evaluate the Company's performance and the duties and responsibilities of the directors, after receiving the advice of the Nomination and Remuneration Advisory Committee.

System for decision making

Having been designated by the Board of Directors, the Representative Director, President and Chief Executive Officer creates proposals for fixed and performance-linked remuneration for each individual director in line with their rank and responsibilities in the fiscal year under review. Then, after receiving the advice of the Nomination and Remuneration Advisory Committee, the designated person determines the specific amount of remuneration for each director.

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 calculated at market value.*³

Audit and Supervisory Board member remuneration: Remuneration of Audit and Supervisory Board members is limited to fixed 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).*¹

*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

Total Amount of Remuneration, Total Amount by Type of Remuneration, and Number of Eligible Individuals (as of the fiscal year ended December 31, 2023)

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)	10	322	240	42	604
Audit and Supervisory Board Members (Excluding External Members*)	3	55	—	—	55
External Officers	6	58	—	—	58
Total	19	435	240	42	718

* Two External Members

Risk Management

The Tokyo Tatemono Group has identified the need to strengthen the risk management framework as a material issue related to governance. The Group seeks to appropriately manage risks that could affect its business to achieve stable improvement in corporate value. To this end, we established relevant regulations and created a risk management framework to continuously monitor and control risks.

 (Sustainability Report 2024) Risk Management pp. 79-81

Promotion Structure

Regarding the promotion of risk management, the Company comprehensively manages the Group's risks based on the risk management regulations. The Company designated the President as the Chief Risk Management Officer and has established the Risk Management Committee with the President as the chair.

The committee formulates an annual risk management plan, evaluates and analyzes the Group's material management risks (priority risks), formulates preventive measures and counter-measures, regularly monitors the situation, and regularly submits relevant agenda items or reports to the Board of Directors.

In addition, the general managers of each business division and office who act as risk management officers, as defined in the risk management regulations, each committee appropriately prevents and manages non-priority risks (department management risks).

Furthermore, in order to maintain and improve the effectiveness of risk management activities, corporate departments and the planning departments of each business division monitor, support, and offer guidance regarding the risk management of each department. The Internal Audit Department audits and offers advice on actions taken by the planning departments of each business division regarding the risk management of each department. In developing our risk management framework, we referenced ISO 31000 (an international standard for risk management), Enterprise Risk Management (ERM),*1 and the three-line model policy.*2

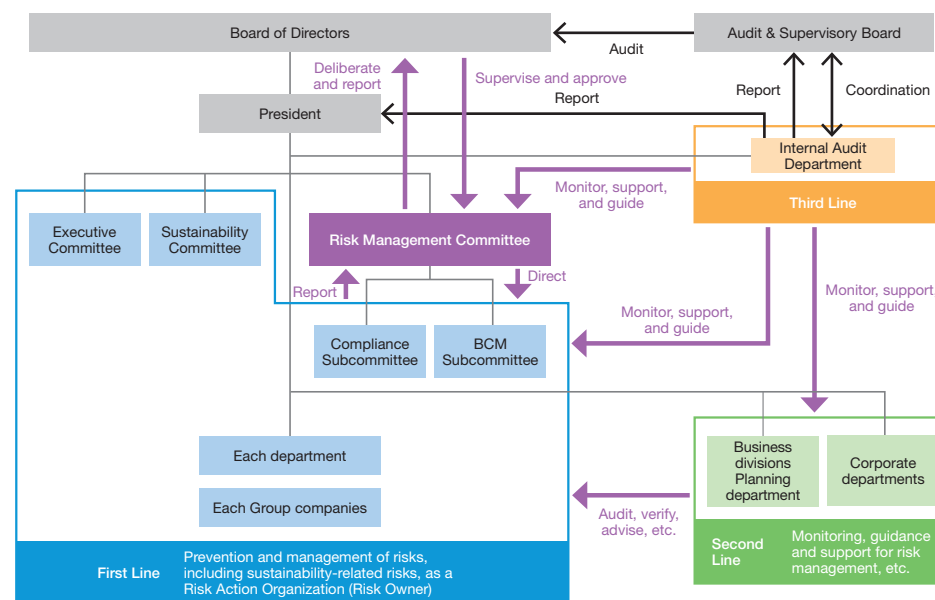
*1 ERM (Enterprise Risk Management) released by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

*2 Three-line model released by The Institute of Internal Auditors (IIA).

Major Risks, Including Priority Risks

Major Risks	Details
Risks related to real estate development	The risk of cost increases, delays in business schedules, and other negative outcomes due to the effects of such unpredictable phenomena as inclement weather, natural disasters, delays in receiving permissions, soil pollution, and the discovery of significant buried objects
Risks related to trends in the real estate market	Risk of rapid or drastic fluctuations in economic or market conditions resulting in a decline in office needs due to deteriorating corporate performance in the rental office market, a decline in customers' willingness to purchase condominiums in the residential condominium market, or a decline in investment demand in the real estate investment market
Risks related to interest rate fluctuations	Risk that a rise in interest rates will result in an increase in interest payments on interest-bearing debt or a decline in the value of assets held by the Group

Risk Management Structure



Major Risks	Details
Risks related to natural disasters and man-made disasters	Risk that, in the event of a natural or man-made disaster, employees will suffer damage resulting in business activities being affected, and the value of assets owned, managed, or operated by the Tokyo Tatemono Group will decrease
Country risks related to the Group's overseas operations	Risk of, when doing business overseas, a project being halted, a schedule being delayed, or costs increasing due to the deterioration of political or economic conditions, any change of laws and regulations, worsening security, etc., in the countries where we have a footprint
Risks related to environmental problems and climate change	Risk that intensifying climate change may result in changes in social and economic environments, the tightening of laws and regulations related to environmental problems, or other negative outcomes

Compliance

 (Sustainability Report 2024) Compliance pp. 82-86

Based on the Group Compliance Charter, the Group of course complies with laws and regulations and promotes initiatives to ensure compliance with social norms and corporate ethics. This approach builds a long-lasting relationship of trust with society and allows continued sound corporate activities.

In addition, by formulating the Compliance Action Guidelines and the *Tokyo Tatemono Group Compliance Manual* and conducting compliance-related education and training, we are working to construct organizations and education systems that ensure a consistent high-compliance mindset is shared by its employees.

Group Compliance Charter

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

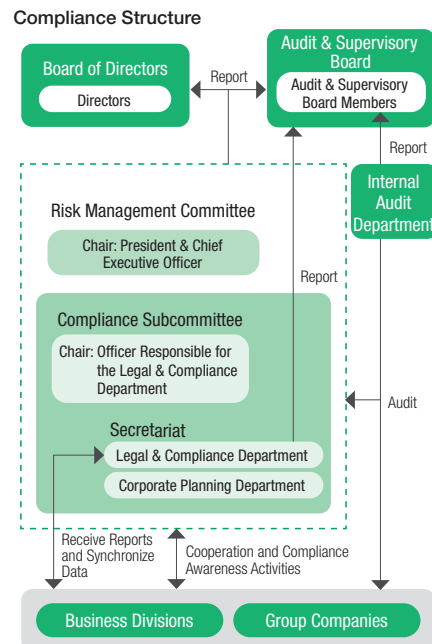
- We adhere to laws, regulations, and other rules and engage in fair, sound corporate activities.
- We act faithfully by thinking from the customers' standpoint.
- We contribute to making society better through corporate activities.
- We respect the personalities and values of each other and maintain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

Established June 2009

Promotion Structure

The Company established the Risk Management Committee to supervise the Group's risk management and compliance. Under this committee, we also established the Compliance Subcommittee to deliberate compliance topics. This subcommittee deliberates compliance measures, monitors progress, and addresses compliance risks.

In addition, the Company supports and guides Group companies' compliance-related operations, acts as a mediator to facilitate cooperation between Group companies, and aims to enhance compliance functions across the Group.



Compliance Initiatives

Compliance Training

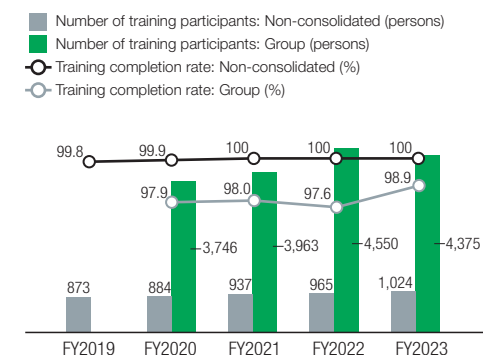
Every year, the Tokyo Tatemono Group conducts compliance training via e-learning. In fiscal 2023, approximately 4,300 managers and employees across the entire Group participated in the training (a completion rate of 98.9%).

Regarding training content, by establishing Group-wide Courses and Separate modules implemented depending on nature of each company, we strive to ensure that employees constantly maintain a high awareness of compliance.

Program for FY2023 Compliance Training (e-Learning)

Group-wide Courses	• Group Compliance (prevention of corruption, Compliance Codes of Conduct, respect for human rights, prohibition of discrimination and harassment, and mental safety)	
	• Personal Information, My Number	
	• Confidential Information Management, Insider Trading Prevention	
	• Compliance with Laws and Regulations, etc.	
	• Compliance with the Anti-Monopoly Act and Subcontract Act	
	• Act against Unjustifiable Premiums and Misleading Representations and the Fair Competition Code	
	• Whistleblower Protection System	
	• Real Estate Brokerage Act and Criminal Proceeds Transfer Prevention Act (anti-money laundering)	
	Separate modules implemented depending on nature of each company	• Information Security
		• Elimination of Antisocial Forces
• Notes about Transactions with Parties that Have Conflicts of Interest		
• Compliance Management Training		

Compliance Training* (e-learning: Group compliance)

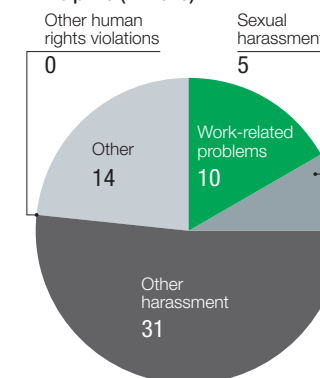


*Scope of Collection: Tokyo Tatemono Group

Establishment of a Helpline

The Group has established the Tokyo Tatemono Group Helpline (an external helpline), which can be used by all Group companies, in addition to maintaining internal helplines in place at each company. This external helpline is intended to prevent and quickly resolve compliance violations, including legal violations, bribery, fraud, human rights infringements, work-related problems, and harassment, by handling whistleblowing complaints, reports, and consultations. The privacy of anyone who uses the helpline is protected. If the investigation or fact check that is carried out by the responsible department identifies a compliance violation, we act quickly to rectify it and prevent recurrence. The Risk Management Committee (and Compliance Subcommittee) monitors all whistleblowing, reporting, and consultation.

Number of Reports and Consultations Handled by the Helpline (FY2023)



Disclosure

Disclosure Standards and Basic Rules Related to Disclosure

Tokyo Tatemono strives to ensure accurate and swift disclosure while considering fairness, transparency, and continuity regarding information related to, for example, management strategies and financial standing with the purpose of earning appropriate appreciation from and building long-term relationships of trust with shareholders, investors, and other stakeholders.

In addition, the Company provides disclosures in line with laws and regulations related to the Financial Instruments Exchange Act, the timely disclosure rules established by the Tokyo Stock Exchange, and other restrictions. Furthermore, regarding information not subject to the timely disclosure or other rules, we will continue to proactively and fairly disclose it to the fullest extent if it is deemed useful to shareholders and investors in assessing investments.

Policies Related to Dialogues with Shareholders

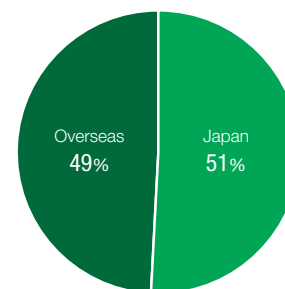
Believing that proactively and appropriately disclosing financial information and management status, such as progress on the Medium-Term Business Plan, helps it fulfill its corporate reporting responsibility, the Company proactively engages in dialogues with shareholders and investors.

The Company has placed the Corporate Communications Department in control of disclosure and dialogues with shareholders and investors, with a specific officer from the department assigned to oversee these areas. We strive to take advantage of opportunities to disclose information and hold constructive dialogues with shareholders and investors, such as the General Meeting of Shareholders, results briefings, and individual meetings, and, when necessary, do so in collaboration with other officers and departments.

FY2023 Activity Results

Type	Number of Times and Companies	Main Performers
Results briefings	2 times	President & Chief Executive Officer Senior Managing Executive Officer & Chief Financial Officer General Manager of the Corporate Communications Department
Telephone briefings	4 times	General Manager of the Corporate Communications Department
Conferences	5 times / 25 companies	President & Chief Executive Officer Senior Managing Executive Officer & Chief Financial Officer
Small meetings	3 times / 38 companies	President & Chief Executive Officer Senior Managing Executive Officer & Chief Financial Officer
Individual meetings (including overseas IR)	249 companies	President & Chief Executive Officer Senior Managing Executive Officer & Chief Financial Officer General Manager and Manager of the Corporate Communications Department
Project tours	5 times	Officers in charge of IR and project controlling departments and branches
Briefings for individual investors	1 time	Senior Managing Executive Officer & Chief Financial Officer

Percentage of Meetings in Japan and Overseas



Note: The percentage of investors in Japan and overseas who attended conferences, small meetings, and individual meetings (out of a total of 312 companies)

Main Themes and Matters of Interest to Investors

- Specific ideas about the long-term vision
- Progress on the key strategies outlined in the Medium-Term Business Plan and deviations from assumptions
- Trends in the business environment and the Company's perception of conditions
 - Trends in rents for office buildings and logistics properties, condominiums, and real estate markets
 - Competitive environment for acquiring land (the Company's strength)
- Risks and countermeasures in businesses
 - Construction costs and interest rates
- Shareholder returns and capital strategies (including our policy on share buybacks)
- ESG-related topics
 - Initiatives to reduce environmental burdens, personnel strategies, and cross-shareholding policies

Feedback to top management

Type	Frequency
Analyst reports	Quarterly
IR activity status	Quarterly and annual summaries
Share-related indicators and share price data	Quarterly and annual summaries
Content of dialogues with shareholders and investors	Quarterly and annual summaries

Main Responses Based on Dialogues with Shareholders and Investors

Demands	Responses
Disclose issues related to share price (market valuation of corporate value) as perceived by the Company and measures to improve said issues	Disclosed the Company's assessment of the current state of corporate value and initiatives to enhance corporate value in results briefing materials
Strengthen shareholder returns	Continuously raised the dividend payout ratio under the current Medium-Term Business Plan
Hold small meetings with the CEO	Held small meetings with the CEO and CFO
Disclose specific measures to achieve medium- to long-term targets for reducing GHG emissions	Formulated a roadmap (initiative plan) and disclosed it in the integrated report and sustainability report

Key Financial and Non-Financial Data

Financial Data

	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Results												
Operating revenue	Million yen	220,026	237,049	260,012	254,498	266,983	273,302	323,036	334,980	340,477	349,940	375,946
Operating profit	Million yen	29,361	30,559	34,439	36,363	44,757	46,765	52,410	49,631	58,784	64,478	70,508
Business profit* ¹	Million yen	—	—	35,281	38,206	46,440	47,174	51,668	49,847	47,979	66,304	74,428
Ordinary profit	Million yen	21,959	17,317	24,796	30,635	39,416	42,036	44,611	47,072	46,270	63,531	69,471
Profit attributable to owners of parent	Million yen	10,121	82,944	16,359	19,742	22,599	27,277	29,796	31,795	34,965	43,062	45,084
Financial Position												
Total assets	Million yen	938,161	1,319,465	1,297,112	1,314,558	1,441,050	1,450,091 ²	1,564,049	1,624,640	1,650,770	1,720,134	1,905,309
Net assets	Million yen	262,276	305,808	312,530	325,593	353,419	356,578	384,211	399,129	427,661	456,838	508,035
Interest-bearing debt	Million yen	434,763	748,273	707,356	727,302	814,032	857,117	924,891	976,896	956,836	989,798	1,089,006
Cash Flow												
Cash flows from operating activities	Million yen	22,135	(4,790)	21,762	38,783	(14,196)	19,748	24,096	43,524	65,889	(3,332)	20,588
Cash flows from investing activities	Million yen	37,083	257,798	(21,250)	(53,024)	(64,508)	(63,577)	(64,082)	(66,724)	(1,642)	(21,204)	(54,069)
Cash flows from financing activities	Million yen	(47,119)	(277,787)	(40,177)	9,005	77,998	34,438	48,000	38,307	(32,187)	18,421	77,908
Net increase (decrease) in cash and cash equivalents	Million yen	12,804	(24,744)	(39,689)	(5,164)	(825)	(9,513)	7,794	15,148	32,362	(4,569)	44,864
Cash and cash equivalents at end of period	Million yen	52,271	86,907	47,217	42,053	41,227	31,702	39,497	54,645	87,008	82,439	127,303
Financial Indicators												
ROE	%	4.4	33.2	5.6	6.4	6.8	7.9	8.2	8.3	8.7	10.0	9.6
ROA	%	3.3	2.3	2.7 ³	2.9 ³	3.4 ³	3.3 ³	3.4 ³	3.1 ³	2.9 ³	3.9 ³	4.1³
Equity ratio	%	26.7	21.7	23.2	24.2	23.9	24.0	24.0	24.0	25.3	25.9	26.1
Debt-equity ratio	Times	1.7	2.6	2.3	2.3	2.4	2.5	2.5	2.5	2.3	2.2	2.2
Interest-bearing debt/EBITDA multiple	Times	10.9	15.9	13.4	13.0	12.5	12.7	12.6	13.4	13.3	11.1	10.9
Stock price information												
Profit per share	Yen	47.10 ⁴	386.24 ⁴	75.91 ⁴	91.00	104.17	125.79	141.59	152.12	167.35	206.15	215.82
Net assets per share	Yen	1,166.22 ⁴	1,331.02 ⁴	1,390.07 ⁴	1,465.30	1,589.98	1,605.70	1,794.15	1,862.81	1,996.52	2,135.08	2,378.61
Annual dividend per share	Yen	10 ⁴	12 ⁴	20 ⁴	26	30	35	41	46	51	65	73
Payout ratio	%	21.2	3.1	26.3	28.6	28.8	27.8	29.0	30.2	30.5	31.5	33.8

*1 Business profit = operating profit + share of profit (loss) of entities accounted for using equity method. This is a profit indicator set in our medium-term business plan (FY2020–FY2024) reflecting overseas business growth. For comparative purposes, we have disclosed figures from the fiscal year ended December 2015.

*2 We have applied the Partial Amendments to Accounting Standard for Tax Effect Accounting, etc., from the fiscal year ended December 2019. Figures for the fiscal year ended December 2018 reflect the retroactive application of this accounting standard.

*3 From the fiscal year ended December 2015, ROA = Business profit ÷ total assets (average at start and end of fiscal year).

*4 We implemented a one-for-two common share reverse stock split on July 1, 2015. The annual dividend per share for the fiscal year ended December 2015 is calculated assuming the reverse stock split occurred at the beginning of the fiscal year ended December 2015.

Key Financial and Non-Financial Data

Non-Financial Data (Environmental)^{*1}

	Unit	2019	2020	2021	2022	2023
CO ₂ emissions ^{*2, 3}	t-CO ₂	983,845 [†]	921,029 [†]	1,034,699 [†]	1,015,172 [†]	984,407[†]
Scope 1 (Fuel-derived)	t-CO ₂	17,429 [†]	14,950 [†]	15,802 [†]	18,234 [†]	14,456[†]
Scope 2 (Market-based)	t-CO ₂	68,441 [†]	58,671 [†]	55,610 [†]	53,979 [†]	29,827[†]
Scope 3	t-CO ₂	897,975 [†]	847,408 [†]	963,287 [†]	942,959 [†]	940,124[†]
Renewable energy (electricity) installation rate ^{*4}	%	—	—	6.9	35.2	41.9
Green building certification acquisition ratio ^{*5}	%	36.6	38.3	56.4	62.5	71.1
Waste emissions ^{*6, 7}	t	8,282	6,277	6,351 [†]	6,429 [†]	6,531[†]
Unit load	t/Thousand m ³	7.4	5.1	5.2 ^{*8}	5.3	5.3
Recycling rate	%	61.9	68.4	65.7 [†]	60.9 [†]	58.4[†]
Total water used ^{*9}	Thousand m ³	853	659	667 ^{*8}	761 ^{*8}	674
Potable water used	Thousand m ³	724	564	567 [†]	657 [†]	575[†]
Recycled water used	Thousand m ³	129	95	100 [†]	104 [†]	99[†]
Unit load	m ³ /m ²	0.95	0.67	0.68 ^{*8}	0.76 ^{*8}	0.79

*1 For detailed information and notes on each item, please refer to the Data section of the Sustainability Report.

 (Sustainability Report 2024) Data (Environment) pp. 87-90

*2 Scope of Collection: Tokyo Tatemono Group

*3 Due to a change in the calculation method for CO₂ emissions, CO₂ emissions for previous years are also calculated based on the new method.

*4 Scope of Collection: Long-term buildings and commercial facilities over which Tokyo Tatemono has substantial energy management authority

*5 Scope of Collection: Properties owned and managed by Tokyo Tatemono's building and housing businesses

*6 Scope of Collection: Main long-term buildings and commercial facilities for which Tokyo Tatemono has substantial energy management rights and for which we have submitted plans for the reuse and reduction of waste materials

*7 Data Collection Period: From April to March of the following year

*8 We revised the figures after conducting a detailed analysis.

*9 Scope of Collection: Long-term buildings and commercial facilities over which Tokyo Tatemono has substantial energy management authority


† Indicates item verified by a third party

 Material Issue KPIs and Targets p. 37

Non-Financial Data (Governance)*

(Tokyo Tatemono, Non-Consolidated)	Unit	2019	2020	2021	2022	2023
Number of reports and consultations to the helpline	Unit	56	41	61	52	60
Number of incidents related to bribery	Unit	0	0	0	0	0
Number of incidents related to antitrust or anti-competitive behavior	Unit	0	0	0	0	0
Number of incidents related to other compliance violations	Unit	0	0	0	0	0

* For detailed information and notes on each item, please refer to the Data section of the Sustainability Report.

 (Sustainability Report 2024) Data (Governance) pp. 95-96

Non-Financial Data (Social)^{*1}

(Tokyo Tatemono, Non-Consolidated)	Unit	2019	2020	2021	2022	2023
Full-time (FT) employees	Persons	749	772	805	840	879
Ratio of female FT employees	%	24.8	25.5	26.1	26.2	27.5
Number of Managers	Persons	360	367	376	377	384
Ratio of women in management positions	%	5.0	6.0	7.2	7.2	9.4
New hires	Persons	21	20	33	30	32
Ratio of women among new graduate hires	%	33.3	25.0	30.3	33.3	43.8
Employment rate of people with disabilities ^{*2}	%	1.81 [†]	1.75 [†]	2.21 [†]	2.33 [†]	2.53[†]
Voluntary turnover rate	%	2.1 [†]	2.2 [†]	1.5 [†]	3.3 [†]	3.5[†]
Average annual training time per employee	Hours	14.4	12.2	18.3	15.8	15.2
Career training participation rate	%	—	100	100	100	100
Health checkup rate ^{*3}	%	100 [†]	100 [†]	100 [†]	100 [†]	100[†]
Reexamination rate ^{*3}	%	63.0	98.3	83.7	98.0	81.5
Smoking rate ^{*4}	%	21.0	17.2	16.0	12.1	13.1
Percentage of employees maintaining an appropriate weight ^{*3}	%	71.4	70.4	72.8	72.0	72.9
Average number of paid leave days taken per year ^{*5}	Days	10.6 [†]	9.3 [†]	10.2 [†]	11.8 [†]	12.5[†]
Average annual percentage of paid leave taken ^{*3}	%	57.7 [†]	51.2 [†]	57.5 [†]	67.8 [†]	72.2[†]
Percentage of childcare leave taken (men) ^{*6}	%	4.8 ^{*7}	18.2	13.0 ^{*7}	50.0	78.1
Number of lost time injuries ^{*3, 8}	Unit	0 [†]	0 [†]	1 [†]	1 [†]	2[†]
Total days lost due to absence ^{*3}	Days	122 [†]	7 [†]	386 [†]	646 [†]	322[†]
Ratio of absenteeism ^{*3}	%	0.06 [†]	0 [†]	0.18 [†]	0.28 [†]	0.13[†]
Employee Engagement Survey Rating	—	—	—	A	A	AA
Employee Engagement Survey Rating Score ^{*9}	—	—	—	59.1	59.4	62.1

*1 For detailed information and notes on each item, please refer to the Data section of the Sustainability Report.

 (Sustainability Report 2024) Data (Social) pp. 91-94

*2 As of June 1 of each year

*3 Period: April to March of the following year

*4 At a specific point in time between April of each year and the following March

*5 Days granted under other leave systems, such as summer leave and the founding anniversary, are not included in the above figures.

*6 Percentage of 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.

*7 We revised the figures after conducting a detailed analysis.

*8 Number of lost time injuries: Accidents that occur during work that result in one or more days absence.

*9 The results of scores independently calculated by the survey company are ranked on an 11-point rating scale. Rating: 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+)

† Indicates item verified by a third party

Financial Statements

Consolidated Balance Sheet

(Million yen)

Assets	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Current assets		
Cash and deposits	82,440	127,305
Trade notes, accounts receivable and contract assets	14,334	13,887
Real estate for sale	173,836	232,478
Real estate for sale in process	160,009	166,181
Real estate for development	81,069	100,339
Other	40,934	52,296
Allowance for doubtful accounts	(93)	(23)
Total current assets	552,531	692,464
Non-current assets		
Property, plant and equipment		
Buildings and structures	396,529	397,020
Accumulated depreciation	(174,775)	(183,025)
Buildings and structures, net	221,754	213,994
Land	537,397	529,506
Construction in progress	44,903	89,428
Other	31,198	31,920
Accumulated depreciation	(20,291)	(21,284)
Other, net	10,907	10,635
Total property, plant and equipment	814,963	843,535
Intangible assets		
Leasehold interests in land	130,042	127,628
Goodwill	1,716	1,486
Other	887	2,509
Total intangible assets	132,646	131,624
Investments and other assets		
Investment securities	128,701	153,814
Investments in silent partnerships	3,638	2,598
Long-term loans receivable	458	4,025
Deferred tax assets	2,001	2,327
Leasehold and guarantee deposits	21,469	20,671
Retirement benefit asset	1,151	1,561
Other	62,673	52,711
Allowance for doubtful accounts	(100)	(55)
Total investments and other assets	219,993	237,655
Total non-current assets	1,167,603	1,212,845
Total assets	1,720,134	1,905,309

(Million yen)

Liabilities	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Current liabilities		
Short-term borrowings	52,047	56,754
Commercial paper	50,000	50,000
Current portion of bonds payable	10,000	10,000
Accounts payable—other	13,781	17,343
Income taxes payable	4,811	17,449
Provision for warranties for completed construction	11	8
Provision for bonuses	950	1,001
Provision for bonuses for directors (and other officers)	2	2
Provision for environmental measures	0	—
Deposits received under real estate specified joint enterprise law	—	11,300
Other	67,856	76,198
Total current liabilities	199,461	240,057
Non-current liabilities		
Bonds payable	245,000	255,000
Long-term borrowings	630,520	715,223
Deferred tax liabilities	17,647	23,999
Deferred tax liabilities for land revaluation	27,274	27,274
Provision for share-based remunerations for directors (and other officers)	259	282
Provision for retirement benefits for directors (and other officers)	98	97
Leasehold and guarantee deposits received	78,088	77,764
Retirement benefit liability	13,023	14,104
Deposits received under real estate specified joint enterprise law	21,684	10,447
Other	30,236	33,022
Total non-current liabilities	1,063,834	1,157,216
Total liabilities	1,263,296	1,397,274
Net assets		
Shareholders' equity		
Share capital	92,451	92,451
Capital surplus	66,539	66,262
Retained earnings	189,501	219,528
Treasury shares	(443)	(421)
Total shareholders' equity	348,048	377,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,332	71,526
Revaluation reserve for land	43,187	43,187
Foreign currency translation adjustment	4,604	5,011
Remeasurements of defined benefit plans	(179)	(647)
Total accumulated other comprehensive income	97,945	119,078
Non-controlling interests	10,843	11,135
Total net assets	465,838	508,035
Total liabilities and net assets	1,720,134	1,905,309

Introduction

The Tokyo Tatemono Group's
Value Creation and VisionThe Tokyo Tatemono Group's
Value Creation InitiativesThe Tokyo Tatemono Group's
Value Creation Foundations

Data Section

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Million yen)

Consolidated statement of income	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Operating revenue	349,940	375,946
Operating costs	248,452	266,829
Operating gross profit	101,488	109,116
Selling, general and administrative expenses	37,009	38,608
Operating profit	64,478	70,508
Non-operating income		
Interest income	28	251
Dividend income	3,621	4,556
Share of profit of entities accounted for using equity method	1,825	3,920
Other	830	481
Total non-operating income	6,307	9,209
Non-operating expenses		
Interest expenses	6,094	7,262
Borrowing fee	862	974
Bond issuance costs	—	105
Foreign exchange losses	—	1,250
Dividends paid on real estate specified joint enterprise law	94	87
Other	202	565
Total non-operating expenses	7,254	10,246
Ordinary profit	63,531	69,471
Extraordinary income		
Gain on sale of non-current assets	726	241
Gain on sale of investment securities	50	—
Gain on sale of shares of subsidiaries and associates	—	498
Gain on liquidation and sale of investments in capital of subsidiaries and associates	—	2,265
Gain on bargain purchase	870	—
Gain on step acquisitions	12	—
Total extraordinary income	1,659	3,004
Extraordinary losses		
Loss on sale of non-current assets	9	—
Loss on retirement of non-current assets	139	150
Impairment losses	462	157
Loss on building reconstruction	1,772	—
Loss on valuation of investment securities	50	—
Loss on sale of shares of subsidiaries and associates	—	43
Loss on liquidation of subsidiaries and associates	6	—
Loss on termination of joint venture agreement	—	3,712
Total extraordinary losses	2,440	4,064
Profit before income taxes	62,750	68,411
Income taxes—current	15,580	26,202
Income taxes—deferred	3,086	(3,634)
Total income taxes	18,666	22,568
Profit	44,084	45,843
Profit attributable to non-controlling interests	1,021	758
Profit attributable to owners of parent	43,062	45,084

(Million yen)

Consolidated statement of comprehensive income	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Profit	44,084	45,843
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,021)	21,728
Foreign currency translation adjustment	118	2,196
Remeasurements of defined benefit plans, net of tax	(924)	(465)
Share of other comprehensive income of entities accounted for using equity method	2,359	(1,790)
Total other comprehensive income	(2,467)	21,668
Comprehensive income	41,616	67,511
Comprehensive income attributable to		
owners of parent	40,680	66,217
non-controlling interests	935	1,294

Consolidated Statement of Cash Flows

(Million yen)

	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Cash flows from operating activities		
Profit before income taxes	62,750	68,411
Depreciation	18,796	20,457
Impairment losses	462	157
Loss on building reconstruction	1,772	—
Amortization of goodwill	317	229
Gain on bargain purchase	(870)	—
Loss (gain) on step acquisitions	(12)	—
Share of loss (profit) of entities accounted for using equity method	(1,825)	(3,920)
Increase (decrease) in allowance for doubtful accounts	36	(107)
Increase (decrease) in provision for bonuses	5	104
Increase (decrease) in provision for bonuses for directors (and other officers)	(0)	—
Increase (decrease) in provision for shareawards for directors (and other officers)	69	22
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4	(1)
Increase (decrease) in provision for loss on guarantees	(30)	—
Increase (decrease) in provision for environmental measures	(26)	(0)
Increase (decrease) in retirement benefit liability	(198)	(34)
Interest and dividend income	(3,650)	(4,807)
Interest expenses	6,094	7,262
Loss (gain) on valuation of investment securities	50	—
Loss (gain) on sale of investment securities	(50)	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(454)
Loss (gain) on sale of investments in capital of subsidiaries and associates	—	(2,265)
Loss (gain) on liquidation of subsidiaries and associates	6	—
Loss on termination of joint venture agreement	—	3,712
Loss (gain) on sale and retirement of non-current assets	(577)	(90)
Decrease (increase) in trade receivables	(292)	9
Decrease (increase) in inventories	(65,006)	(73,779)
Increase (decrease) in leasehold and guarantee deposits received	(1,885)	(673)
Increase (decrease) in trade payables	813	809
Decrease (increase) in leasehold and guarantee deposits	(849)	589
Increase (decrease) in deposits received	3,839	(1,593)
Compensation income	—	5,079
Other, net	(1,094)	14,713
Subtotal	18,648	33,830
Interest and dividends received	6,203	7,491
Interest paid	(6,101)	(7,035)
Income taxes refund (paid)	(22,083)	(13,697)
Net cash provided by (used in) operating activities	(3,332)	20,588

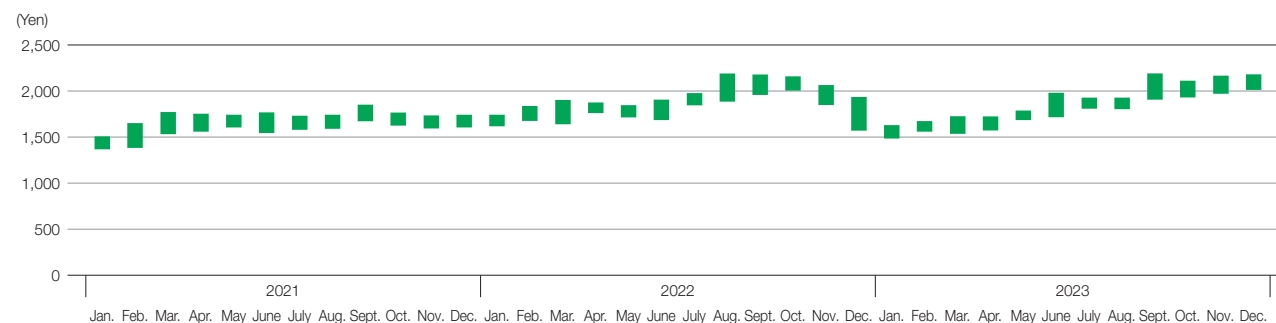
(Million yen)

	End of FY2022 (December 31, 2022)	End of FY2023 (December 31, 2023)
Cash flows from investing activities		
Proceeds from sale and redemption of investment securities	2,188	7,641
Purchase of investment securities	(5,604)	(3,330)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	654	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,229
Proceeds from withdrawal of investments in silent partnerships	4,460	1,085
Payments for investments in silent partnerships	—	(16)
Proceeds from sale of non-current assets	4,244	703
Purchase of non-current assets	(22,495)	(44,796)
Loan advances	(433)	(17,669)
Increase (decrease) in deposits received under real estate specified joint enterprise law	(1,892)	63
Other, net	(2,326)	1,019
Net cash provided by (used in) investing activities	(21,204)	(54,069)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(0)	(0)
Increase (decrease) in commercial paper	10,000	—
Proceeds from long-term borrowings	135,500	137,400
Repayments of long-term borrowings	(112,534)	(52,127)
Repayments of long-term accounts payable—other	(202)	(202)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	—	(10,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(722)
Purchase of equity in silent partnerships of subsidiaries and associates not resulting in change in scope of consolidation	(648)	—
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(4)	(3)
Dividends paid	(11,700)	(15,047)
Dividends paid to non-controlling interests	(708)	(636)
Proceeds from share issuance to non-controlling shareholders	34	40
Other, net	(1,312)	(789)
Net cash provided by (used in) financing activities	18,421	77,908
Effect of exchange rate change on cash and cash equivalents	1,545	435
Net increase (decrease) in cash and cash equivalents	(4,569)	44,864
Cash and cash equivalents at beginning of period	87,008	82,439
Cash and cash equivalents at end of period	82,439	127,303

Corporate Data

Company Name	Tokyo Tatemono Co., Ltd.
Established	October 1, 1896
Capital	92.4 billion yen (As of December 31, 2023)
Representative	Hitoshi Nomura Representative Director President and Chief Executive Officer
Number of Consolidated Employees	4,661 (As of December 31, 2023)
Head Office	Tokyo Tatemono Yaesu Building 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285 Phone: 03-3274-0111
Stock Listing	Prime Market of Tokyo Stock Exchange
Listing Date	September 1907
Securities Code	8804
Trading Unit	100 shares
Number of Shares Authorized	400,000,000 shares
Number of Shares Issued and Outstanding	209,167,674 shares (As of December 31, 2023)

Stock Price



Major Group Companies

Commercial Properties Business

Tokyo Fudosan Kanri Co., Ltd.
Tokyo Building Service Co., Ltd.
Shinjuku Center Building Management Co., Ltd.
Seishin Service Co., Ltd.
PRIME PLACE Co., Ltd.
EXPERT OFFICE Co., Ltd.

Residential Business

Tokyo Tatemono Amenity Support Co., Ltd.
E-State Online Co., Ltd.

Asset Service Business

Tokyo Tatemono Real Estate Sales Co., Ltd.
Japan Rental Guaranty Co., Ltd.
Nihon Parking Corporation
Parking Support Center Corporation

Overseas Business

Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.
Tokyo Tatemono Asia Pte. Ltd.

Fund Business

Tokyo Tatemono Investment Advisors Co., Ltd.
Tokyo Tatemono Realty Investment Management, Inc.

Leisure Business

Tokyo Tatemono Resort Co., Ltd.

Please refer to the following for more information.

Financial Information

Investor Relations Information

<https://tatemono.com/english/ir/>



IR Library

<https://tatemono.com/english/ir/library/>



Non-Financial Information

Sustainability

<https://tatemono.com/english/sustainability/>



Sustainability Report 2024

<https://tatemono.com/english/sustainability/reports.html>

