

Responding to Social Change

Responding to an Aging Society

Policy and Concept

Japan's birthrate is declining, while the ratio of elderly people has been growing. More than 30% of the total population of our nation will be 65 years or older by 2025. Given these circumstances, housing for people to live out their final years, improved nursing care, better medical care, and other services will be important issues for society. The Tokyo Tatemono Group contributes solutions to social issues by offering comfortable, senior-friendly housing and more fulfilled living for seniors.

From the very planning stages, we take care to build good relationships with community residents and strive to create an environment where people can live for a lifetime as a member of the local community.

Housing and Services for Environments That Offer Fulfilled Living

The Tokyo Tatemono Group established subsidiary Tokyo Tatemono Senior Life Support in July 2014 to expand our residence business for the elderly. In this business, we develop and operate senior residences and provide nursing care services. As of 2019, the subsidiary operates 15 senior residence and support service facilities.

Tokyo Tatemono Senior Life Support is developing the Grapes series of senior residences that combine support services. With this series, we offer an environment that pursues the concept of *Fulfilled Living, Your Way*.

* Senior residences and combined support services are rental homes in which those who require nursing care can live restriction-free while taking advantage of nursing care services. This business eliminates the need for expensive move-in fees. These residences are regulated by the Act on Securement of Stable Supply of Elderly Persons' Housing.

As of December 31, 2019, approximately 250,000 units are available, and the supply continues to grow.

High-Quality Living Only a Developer Could Offer

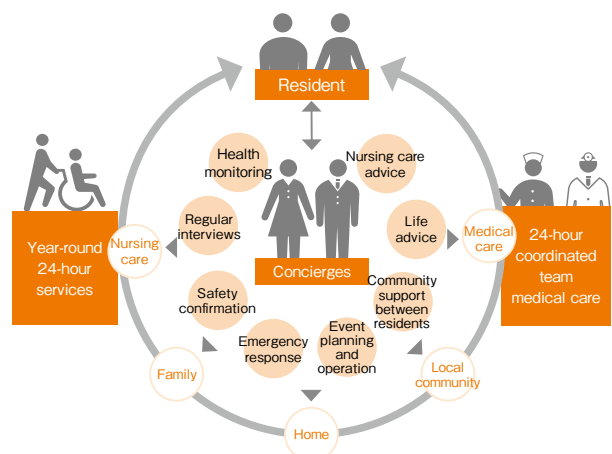
The Grapes series offers the type of high-quality living we cultivated through our Brillia brand new condominium residence business. Grapes provides additional value in a barrier-free environment. In addition to the one-room units common to senior residences, Grapes offers various room types of up to a 2LDK layout depending on the property in question. This way, we provide a unique, fulfilled living experience suited to each resident. This living environment is designed for ease of use by elderly people. Thoughtful touches include the height of switches and other equipment, as well as the use of easy-to-clean materials and spaces.

Concierge Services

The Grapes series comes with daytime concierge service.

Concierges work with in-home long-term care support services and medical institutions as well as provide optimal support tailored to each resident. Even if the level of nursing care required increases, we are able to provide services at the same level as a fee-based senior home. Since there is no expensive admission fee, the properties are accessible to more people. Moreover, residents enjoy peace of mind knowing they can live out their remaining years here, as the lifetime building lease eliminates the need for lease contract renewal.

► The Roles of Concierges in Grapes Series



► Responding to an Aging Society Indicators and Results

| Indicators | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|-------|-------|-------|-------|
| Number of newly established residences for seniors (senior residences with support services and fee-based senior homes) | 240 | 158 | 482 | 0 | 0 |
| Total number of residences for seniors (senior residences with support services and fee-based senior homes) | 846 | 1,004 | 1,486 | 1,486 | 1,486 |

Strengthening Nursing Care Functions

In June 2018, we established Tokyo Tatemono Staffing Co., Ltd. by integrating four Tokyo Tatemono Group companies: Care Like, Frontier, Frontier Western Japan, and Medical Link. These companies performed dispatch and recruiting services primarily for caregiving and nursing care facilities.

This merger reinforced our capabilities in employee hiring by both enhancing advertising activity efficiency and raising awareness. The merger also strengthened our ability to offer stable human resources dispatching and professional recruiting that optimizes matches in responding to the chronic staffing shortage in the nursing care field.

Expanding Business in Fee-Based Senior Homes

Some elderly persons prefer fee-based senior homes due to health conditions or other reasons. Fee-based senior homes provide more attentive nursing care and living support than senior residences that combine support services.

Tokyo Tatemono Group company Seiaien Co., Ltd. operated fee-based senior homes until its merger with Tokyo Tatemono Senior Life Support in July 2018.

Our business in fee-based senior homes has grown to four facilities as of the end of 2019.

► Facilities for Seniors

| Owned Properties | Properties Managed under Contract |
|---|---|
| Senior Residences With Support Services | |
| <ul style="list-style-type: none"> •Grapes Asakusa •Grapes Fujimino •Grapes With Omori-Nishi* •Grapes Felicity Totsuka •Grapes Kawasaki Shinmachi •Grapes Season Totsuka •Grapes Tsujido Nishi-Kaigan •Grapes Tateishi •Grapes Yoga •Grapes Shonan Tsujido •Grapes Setagaya Chitosedai | <ul style="list-style-type: none"> •Kosha Heim Chitose Karasuyama •Grapes Garden Nishiarai Daishi •Grapes J Higashi Ikebukuro •Kosha Heim Hirao |
| Fee-Based Senior Homes | |
| <ul style="list-style-type: none"> •Grapes With Yotsuya | <ul style="list-style-type: none"> •Adonis Plaza Omiya •Sans Souci Kita-Urawa •Sans Souci Owada |

*Grapes With Omori-nishi also operates as a fee-based senior home with combined nursing care services

VOICE Creating housing in which senior residents to thrive by offering carefully planned physical facilities and extensive nursing care services

In addition to contracting residence concierge services for the Grapes serviced senior housing facilities, the company provides in-home nursing care offices, elderly care offices, and other services inside Grapes locations to provide nursing care to residents and local citizens.

Grapes features outstanding design and livability, offering an experience of the typical Tokyo Tatemono Group commitment to comfortable living. However, higher levels of senior housing also require nursing care services. To improve the quality of nursing care services we offer, we conduct regular interviews with residents and provide instruction to concierges on a daily basis.

Beyond enhancing existing nursing care services, we also strive to develop new services and create industry-academia-public collaborations. In the future, we hope to make use of our mutual strengths to create senior housing in which residents can thrive.

General Manager Sales Department
Corporate Planning Promotion Division
Tsukui Corporation

Ms. Kozue Nakamura

Support for the Empowerment of Women

Policy and Concept

As women become more active in society and ideas related to lifestyle and happiness diversify, this segment of society demands more in the way of support for diverse lifestyles and workstyles in the home and office.

The Tokyo Tatemono Group incorporates women's perspectives into the development of housing. We believe in facilitating the empowerment of women by supporting their lifestyle through housing development.

In addition, we conduct surveys of group female employees to understand their challenges and incorporate solutions into facility plans for buildings. The aim here is to create comfortable, work-friendly offices for women.

Project Bloomoi: Housing for the Happiness of Working Women

Tokyo Tatemono created the Brillia Bloomoi Project in 2012 to research and gain insights into the mind of the working woman, pursuing housing that responds to diversifying needs. With this project, we hope to understand and support not only working women, but also women engaged in household work, childcare, nursing care, community work, and learning.

The members of this project, mostly female group employees, value sympathy, dialogue, and co-creation. They consider the best ways to make homes in which working women can live fulfilled lives and enjoy more happiness. Bloomoi, a word coined by combining "bloom" and "moi" ("me"), evokes an image of many working women smiling and bringing their talents to full bloom.

Under this project, team members consider condominium floor plans, household equipment, and much more. Wide-ranging product development extends to soft aspects, including management and after-sale services. The project produces an ongoing series of products built on the Bloomoi idea.

TOPICS Original Room Fragrances Developed by the Bloomoi Project

In September 2019, the Bloomoi Project developed an original room fragrance product. The idea was to appeal to the sense of smell for occupants to enjoy interior spaces with more of their senses.

Three scents were developed using essential oils from the leaves of Sakhalin fir trees growing in the town of Shimokawa in Hokkaido. Each scent is made with a theme closely tied to the daily lives of working women.



Brillia Bloomoi × Fupunomori Original room fragrances

► Support for the Empowerment of Women Indicators and Results

| Indicators | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------|---------------|---------------|----------------|---------------|
| Bloomoi involvement in new properties | 2 properties | 4 properties | 2 properties | 9 properties* | 4 properties |
| Total number of Bloomoi-involved properties | 7 properties | 11 properties | 13 properties | 22 properties* | 26 properties |

*Includes renovations

Working women have a truly wide range of lifestyles.

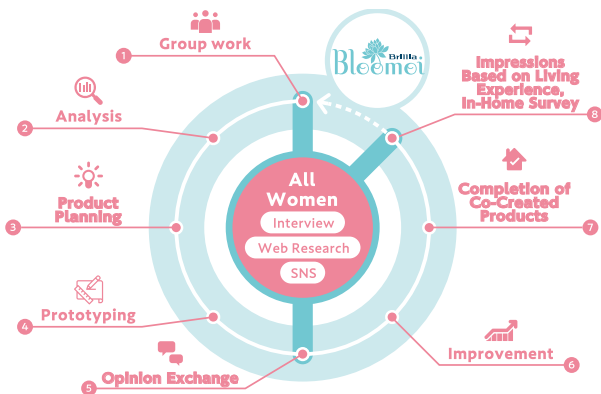
Bloomoi emphasizes thinking together and creating together in housing product development. We believe the most important thing is to engage with others to gain a true understanding of the diversity of values and deep psychologies. Based on this approach, we have established new urban development business schemes through the co-creation process. Through events, dialogue, Facebook, and more, we seek out working women's insights and incorporate those insights into product planning. As we exchange ideas with working women, we create enhanced floor plans and equipment that were designed based on survey results and feedback.

- Official site:**
www.brillia.com/bloomoi/
- Official Facebook page:**
www.facebook.com/BrilliaBloomoi/
- Official Instagram page:**
www.instagram.com/brillia_bloomoi/

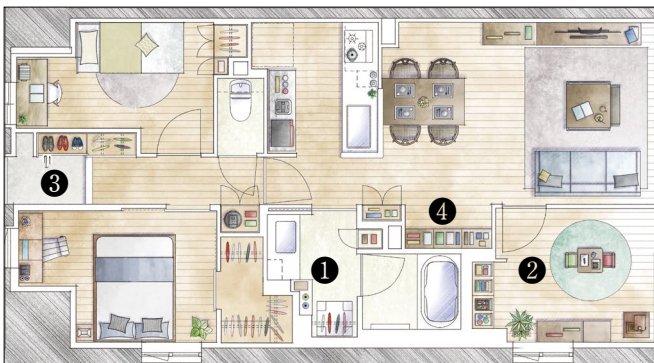
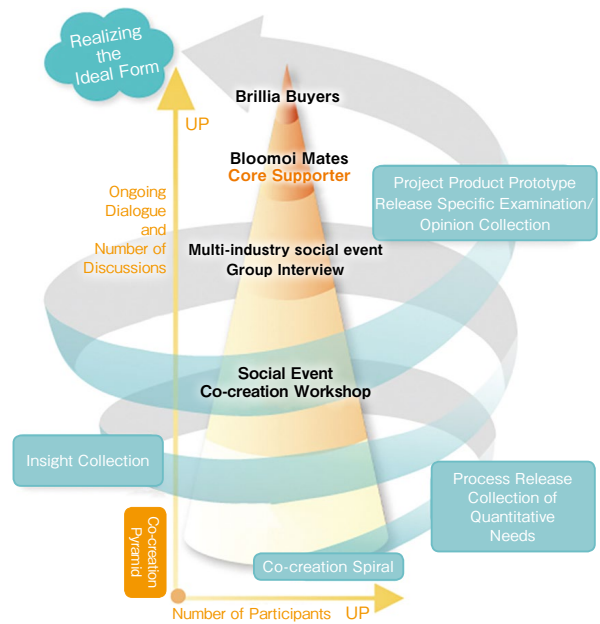
Storage Plan OURHOME SELECT Puts Residents at Ease

Our Brillia Kita-Urawa property offers the newly developed select plan, OURHOME SELECT. This plan was developed jointly with Emi, a professional home organizer who is herself the mother of two children. Entryways, bathrooms, living rooms, and more provide optimal storage that encourages the family to become involved and store goods in a way that makes everyone comfortable.

► **Bloomoi Co-creation Concept**



► **Bloomoi Co-creation Process**



OURHOME SELECT

Confident Storage Plan
The Benefits of OURHOME Select

- ❶ Separate, wash, and hang dry. Doing the entire laundry in one room eases the burden on busy parents.
- ❷ Open storage lets kids do their part, too
- ❸ A fixed location for shipping boxes and bicycle batteries keeps everything organized
- ❹ Items stored close to where they are used for easy access



Responding to Growing Childcare Wait Lists

Policy and Concept

In Japan's large cities, increasing population density and a rising number of two-income households have caused a shortage of capacity in childcare facilities. The number of families on wait lists for childcare facilities grows every year. The lack of childcare creates challenges for society, including delays in women returning to work.

The Tokyo Tatemono Group operates our own childcare business to benefit young families and their children, who represent our future.

Expanding Ohayo Child Care Facilities

We established Tokyo Tatemono Kids in August 2016 with the cooperation of Global Group Co., Ltd., a nursery school business operator. We have been operating nursery schools continuously since that time.

We opened four nursery schools* each year over a three-year period (2017-2019). In April 2020, we added two new

authorized nursery schools and one schoolchild care facility. Ohayo Child Care Sekimachi-Minami and Sekimachi-Minami After-School (for school-aged children) are co-located with a Brillia series condominium complexes where Tokyo Tatemono sells units.

The philosophy of our childcare business is to nurture a child's ability to live fully. Accordingly, we offer an environment in which children think for themselves and act proactively.

*One of the four nursery schools opened in 2019 has changed status from certified nursery school to authorized nursery school



Ohayo Child Care Kameido

► Ohayo Child Care and School-Aged Childcare Facilities

| | Property | Location | Operating Format | Capacity | Open |
|------------------|---|------------------------|--|----------|---------------|
| Ohayo Child Care | (Former) Ohayo Child Care Kameido | Koto Ward Tokyo | Tokyo-authorized nursery school | 20 | April 1, 2017 |
| | Ohayo Child Care Mitsuzawa Shimocho | Yokohama City Kanagawa | Yokohama City Corporate-led nursery school | 15 | April 1, 2017 |
| | Ohayo Child Care Yokohama Negishi | Yokohama City Kanagawa | Yokohama City small-scale nursery school | 15 | April 1, 2017 |
| | Ohayo Child Care Minami-Sunamachi | Koto Ward Tokyo | Tokyo-authorized nursery school | 80 | April 1, 2018 |
| | Ohayo Child Care Nishi-Sugamo | Toshima Ward Tokyo | Tokyo-authorized nursery school | 60 | April 1, 2018 |
| | Ohayo Child Care Shiinamachi | Toshima Ward Tokyo | Tokyo-authorized nursery school | 50 | April 1, 2018 |
| | Ohayo Child Care Omorimachi | Ota Ward Tokyo | Tokyo-authorized nursery school | 60 | April 1, 2018 |
| | Ohayo Child Care Hanasakich | Yokohama City Kanagawa | Yokohama City-authorized nursery school | 58 | April 1, 2018 |
| | Ohayo Child Care Kameido | Koto Ward Tokyo | Tokyo-authorized nursery school | 45 | April 1, 2019 |
| | Ohayo Child Care Machinoma Omori | Ota Ward Tokyo | Tokyo-authorized nursery school | 55 | April 1, 2019 |
| | Ohayo Child Care Oyamanishicho Small-Scale Nursery School | Itabashi Ward Tokyo | Itabashi Ward-authorized small-scale nursery school | 19 | April 1, 2019 |
| | Ohayo Child Care Kiyosumi Shirakawa | Koto Ward Tokyo | Tokyo-authorized nursery school | 60 | April 1, 2019 |
| | Ohayo Child Care Sekimachi-Minami | Nerima Ward Tokyo | Tokyo-authorized nursery school | 34 | April 1, 2020 |
| | Ohayo Child Care Umeyashiki | Ota Ward Tokyo | Tokyo-authorized nursery school | 40 | April 1, 2020 |
| | Ohayo Child Care Nonooyama | Minato Ward Tokyo | Tokyo-authorized nursery school | 23 | July 1, 2020 |
| After-School | Sekimachi-Minami After-School | Nerima Ward Tokyo | Privately owned and operated (financial support from the ward) | 30 | April 1, 2020 |

► Responding to Growing Childcare Wait Lists Indicators and Results

| Indicators | 2017 | 2018 | 2019 | 2020 | Total |
|---|------|------|------|------|-------|
| Capacity of nursery schools and school-aged childcare facilities (number of children, capacity of new facilities) | 50 | 259 | 205 | 120 | 634 |
| Newly opened nursery schools and school-aged childcare facilities | 3 | 5 | 4* | 3 | 15 |
| Total capacity of nursery schools and school-aged childcare facilities (number of children) | 50 | 309 | 514 | 634 | |
| Total nursery schools and school-aged childcare facilities opened | 3 | 8 | 12* | 15 | |

*Ohayo Child Care Kameido Tokyo-certified nursery school closed at the end of fiscal 2018. The facility reopened in April 2019 as a Tokyo-authorized nursery school. (Capacity increased from 20 children to 45 children)

Revitalizing Aging Housing Complexes

Policy and Concept

Housing complexes throughout Japan supported the nation's rapid growth after World War II. Many are now aged and are in need of reconstruction. In addition, housing complexes were once home to many families raising children. Today, residents have grown older and fewer in number. Frequently, older residents of complexes die alone in these places. Aside from reconstructing buildings, Japan must revitalize communities, rebuilding interpersonal connections.

The Tokyo Tatemono Group is committed to updating our existing stock of housing complexes and office buildings, creating new value for the years to come and revitalizing local communities.

Tokyo Tatemono Condominium Complex Rebuilding Project Results



● Fujisaki Condominium Complex Rebuilding Project

(All units sold under the name Residence Momochi/joint project)

Location: 2-chome, Momochi, Sawara Ward, Fukuoka City, Fukuoka Prefecture

Units after rebuilding: 232 (previously 130)

Completed: February 2015

These condominiums are located conveniently, with excellent access to transportation, schools, and public facilities.

We decided to reconstruct the building due to issues of deterioration that had occurred over its 40-year life.

● Heights Komagome Condominium Complex Rebuilding Project

(All units sold under the name Brillia Komagome Rikugien)



Location: 6-chome, Honkomagome, Bunkyo Ward, Tokyo

Units after rebuilding: 49 (previously 25)
Completed: July 2014

Some 40 years after it was first built, this complex had become outdated and aged. Updating the equipment building would have been expensive, so we decided to reconstruct.

We acquired an adjacent construction site and were able to double the number of units.



● Senri Tsukumodai A Condominium Complex Rebuilding Project

(Currently offering for sale as Brillia City Senri Tsukumodai/joint project)

Location: 3-chome, Tsukumodai, Suita City, Osaka Prefecture

Units after rebuilding: 202 (previously 96)

Completed: November 2019

We decided to reconstruct the building due to issues of deterioration that had occurred over its 50-year life. Many concerned parties, especially residents, took part in a variety of studies as the project went forward.

▶ Revitalizing Aging Housing Complexes Indicators and Results

| Indicators | 2015 | 2016 | 2017 | 2018 | 2019 | Currently underway |
|-----------------------------------|-------|-------|-------|-------|-------|--------------------|
| Total units before reconstruction | 794 | 874 | 874 | 874 | 874 | 4,427 |
| Total units after reconstruction | 1,503 | 1,617 | 1,617 | 1,617 | 1,617 | 7,984 |



Revitalization Case Study Brillia Koganei Sakuracho

Key Points of Revitalization

- (1) We conducted a detailed study comparing large-scale repair and reconstruction
- (2) Reconstruction resulted in a major improvement to home performance
- (3) We planted vegetation and a public park to green the environment and help prevent crime

Brillia Koganei Sakuracho (Koganei City, Tokyo) was completed in May 2016. This building is the result of the reconstruction of the former Koganei Apartment Building.

The property was already nearly 50 years old when we began considering reconstruction. By that time, residents were aging and the building had aged as well. Among other functional and crime-prevention issues, the building had no elevators or auto-locks, which were some of the factors leading us to decide in 2013 to reconstruct. An issue that came up later was a rise in construction costs. This issue caused us to reconsider our project plan and entertain ongoing dialogue with residents. The exchange of equivalent rights plan* was approved in 2014 and the project was completed without further issue.

Reconstruction enhanced home performance significantly. New elevators and better crime prevention functions also made the building a more accessible condominium complex for both children and seniors.

*Exchange of equivalent rights: Exchange of sectional rights and site usage rights in the old complex for rights in the new one, along with monetary payments. Agreement must be reached among residents because the appraised value of the old building differs from the new. Exchange of equivalent rights plans need approval by the mayor of the local government.

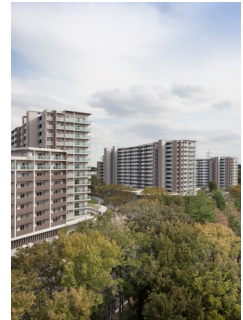
► Property Data

| Project Overview | (Before Reconstruction) Koganei Apartment Building | (After reconstruction) Brillia Koganei Sakuracho |
|---------------------------------|---|---|
| Address | 2-chome, Sakura-cho, Koganei City, Tokyo | |
| Construction period | Completed 1964/1965 | Completed 2016 |
| Site area | 5,356.35㎡ | 5,219.46㎡ |
| Standard building-to-land ratio | 50% | No change |
| Allowable floor space index | 50% | No change |
| Floor space | 4,914.57㎡ | 9,081.48㎡ |
| Number of buildings | 4 buildings/4 floors | 1 building/8 floors |
| Number of units | 80 units | 114 units (including 61 subdivided units) |
| Unit floor space | 54.24 to 54.44㎡ | 46.75 to 84.96㎡ |
| Floor plans | 2DK, 3DK | 1LDK to 4LDK |

Revitalization Case Study Brillia Tama New Town

Key Points of Revitalization

- (1) One of the largest housing complex projects in Japan (Increased from 640 units to 1,249)
- (2) Community has been revitalized by changes in citizen composition
- (3) Preserved greenery to maintain the living environment



Brillia Tama New Town, completed in October 2013, was born from the reconstruction of Tama New Town Suwa 2-chome Housing, which had been standing for more than 40 years. Beginning in 2007, we worked for six years with property rights holders and other concerned parties on the rebuilding project. Our efforts resulted in a seven-building complex with 1,249 units and the preservation of greenery and open space accessible to the public.

At a time when the aging of housing complexes became a serious social concern, the Brillia Tama New Town reconstruction project garnered plenty of attention. The social significance of this project reflected the fact that it was Japan's largest reconstruction project at the time and the project revitalized the historic Tama New Town area.

Prior to reconstruction, demographics leaned heavily toward seniors. However, nearly 70% of the buyers of newly subdivided units were in their 20s to 40s. Also, many residents of the old complex moved into the new one. The result of this project was a multi-generational community, something unusual for a suburban condominium complex such as this.

[Web site introducing Brillia Tama New Town](http://www.b-tamant.com)
www.b-tamant.com

| Project Overview | (Before Reconstruction) Suwa 2-chome Housing | (After reconstruction) Brillia Tama New Town |
|---------------------------------|--|---|
| Address | Lot numbers 2 and 4, 2-chome, Suwa, Tama City, Tokyo | |
| Construction period | Completed 1971 | Completed 2013 |
| Site area | 64,399.93㎡ | No change |
| Standard building-to-land ratio | 10% | 60% |
| Allowable floor space index | 50% | 200% (150% based on district plan) |
| Floor space | 34,037.13㎡ | 124,904.05㎡ |
| Number of buildings | 23 buildings/5 floors | 17 buildings/11 floors, 14 floors |
| Number of units | 640 units | 1,249 units (including 684 subdivided units), associated facilities in 3 sections |
| Unit floor space | All units 48.85㎡ | 43.17 to 101.44㎡ |
| Floor plans | All units 3DK | 2DK to 4LDK |

TOPICS First condominium complex reconstructed in Shinagawa Ward under the Facilitation Act (Hiratsuka Town Housing)

Tokyo Tatemono is working with a condominium complex reconstruction association (association under the project collaborator) on a reconstruction project at Hiratsuka Town Housing in 6-chome, Hatanodai, Shinagawa Ward, Tokyo.

Almost 60 years have passed since Hiratsuka Town Housing was completed in 1959, and the buildings and equipment have aged considerably.

The reconstruction plan is mindful of the quiet surrounding streets and rich greenery of the neighborhood. Therefore, the project calls for a high-grade exterior and a building arrangement that maximizes air movement and light. The new complex is also barrier-free for the convenience of seniors and other residents. Other features include crime prevention measures and earthquake/disaster preparedness equipment and services.

This project is Shinagawa Ward's first to operate under a reconstruction association system based on the Act on Facilitation of Reconstruction of Condominiums.

We plan to complete the reconstruction in the autumn of 2020.



Conceptual Drawing of the Finished Project

VOICE Building Solid Relationships of Trust by Solving Problems Together (Itohpia Hamarikyu Condominium Complex Rebuilding Project)

Itohpia Hamarikyu is a 328-unit condominium complex near the JR Hamamatsucho Station. Built four decades ago, the complex has aged and has questionable seismic durability. Therefore, the management association began investigation the potential for reconstruction. However, about 80% of the property rights holders did not even live in the complex. Many lived in far-away regions or even overseas, which made it difficult to reach an agreement for reconstruction. As the condominium complex reconstruction association chairman, I tried to overcome the lack of communication with property rights holders by holding study meetings and operating an electronic bulletin board. Our efforts received a major push at an extraordinary general meeting in 2018 where the reconstruction was approved. At this meeting, Tokyo Tatemono and a consultant provided statements from the property rights holders' point of view that generated momentum for reconstruction.

Tokyo Tatemono met all the challenging conditions that we established when searching for a builder. They also dealt circumspectly with a lower-than-expected move-out rate and asbestos removal costs that were higher than anticipated. Further, Tokyo Tatemono offered suggestions from many different points of view. I believe we have built solid relationship of trust as we look ahead to completing this project.



Itohpia Hamarikyu
Condominium Complex
Restructuring Association
Chairman

Mr. Toshiyuki Hayashi