

Sustainability Report 2021

TOKYO TATEMONO GROUP
Sustainability Report



Management

- Message from the President and CEO
- ESG Management
- Materiality of the Tokyo Tatemono Group

Special Feature

Environment

- Environmental Management
- Sustainability Finance
- External Evaluation and Certification for Green Building
- Responding to Climate Change
- Pollution Control and Resource Recycling
- Water Resources
- Biodiversity
- Responding to Natural Disasters

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- Diversity & Inclusion
- Work-Life Balance
- Human Resource Investment and Development
- Health Management / Occupational Safety and Health
- Respect for Human Rights
- Improving Quality and Customer Satisfaction
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- Contributing to Our Communities

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- Corporate Governance
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Since our founding in 1896, the Tokyo Tatemono Group has striven as a comprehensive real estate company to build a prosperous society through urban development.

Boasting more than a century's worth of positive contributions, we aim to create a sustainable society and improve our corporate value as a member of society by finding solutions to various social issues.

Corporate Philosophy

Trust beyond the era.

We aim to grow the company and to create a prosperous society, taking pride in the trust placed in us that extends over a century.

Corporate Stance

We support affluent and dream-filled living.

We aim to create comfortable urban environments.

We create worthwhile spaces offering peace of mind.

Group Profile

Corporate Data

Company Name	Tokyo Tatemono Co., Ltd.
Head Office	Tokyo Tatemono Yaesu Building, 1-4-16 Yaesu, Chuo-ku, Tokyo 103-8285 * The head office location on the commercial registration is 1-9-9 Yaesu, Chuo-ku, Tokyo

Established	October 1, 1896
Capital	92.4 billion yen (As of December 31, 2020)
Number of Employees	677 (As of December 31, 2020)
Number of Consolidated Employees	5,344 (As of December 31, 2020) Main Businesses of the Tokyo Tatemono Group

Main Businesses of the Tokyo Tatemono Group

Commercial Properties Business	Urban Development/ Office Buildings, Commercial Facilities and Logistics Facilities
Residential Business	Residential Condominiums and Leasing
Asset Service Business	Real Estate Distribution and Parking Lots
Other Business	Overseas, Real Estate Fund, Leisure, Child Care and Senior

Group Companies

- Tokyo Tatemono Real Estate Sales Co., Ltd.
- Tokyo Fudosan Kanri Co., Ltd.
- Tokyo Building Service Co., Ltd.
- Shinjuku Center Building Management Co., Ltd.
- Seishin Service Co., Ltd.
- PRIME PLACE Co., Ltd.
- Tokyo Tatemono Amenity Support Co., Ltd.
- E-State Online Co., Ltd.
- Japan Rental Guaranty Co., Ltd.
- Nihon Parking Corporation
- Parking Support Center Corporation
- Tokyo Tatemono Staffing Co., Ltd.
- Tokyo Tatemono Resort Co., Ltd.
- Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.
- Tokyo Tatemono Asia Pte. Ltd.
- Tokyo Tatemono Investment Advisors Co., Ltd.
- Tokyo Realty Investment Management, Inc.
- Tokyo Tatemono Kids Co., Ltd.



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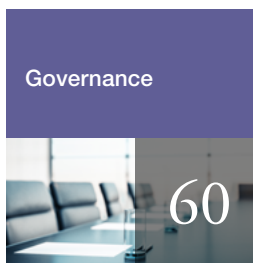
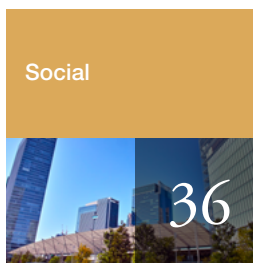
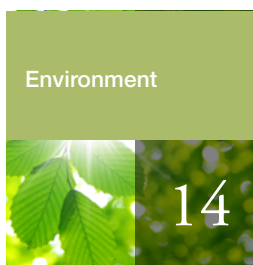
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| Editorial Policy

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

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

We have enhanced the level of quantitative data provided in the Sustainability Report, with the aim of providing comprehensive and detailed information on our initiatives. We have selected themes that the Group considers important to society and our customers and for each theme, reported on our approach, indicators, and results for fiscal 2020. In terms of comprehensiveness of information, we have determined the items for disclosure in accordance with the GRI Standards.

| Publication Data

June 2021 (Issued annually)

| Reporting Period

The period covered by this report addresses our activities in FY2020 (January 1, 2020 to December 31, 2020). Some of the information included in this report may be applicable to other fiscal years. Environmental data corresponds to the period between April and March of the following fiscal year.

| Report Scope

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

| Referenced Guidelines

This report has been prepared by referring to the Core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

[GRI Standard Contents Index](#)

| Third-Party Assurance

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

| Inquiries

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Management

Message from the President and CEO

Empowered by the trust of our stakeholders,
we aim to be a good company
that is truly sustainable.

Being a good company for our stakeholders is the key to being sustainable

Tokyo Tatemono was established in 1896 by Zenjiro Yasuda, the founder of the former Yasuda Zaibatsu. Eiichi Shibusawa, the father of modern Japanese capitalism, was also deeply involved in the establishment of the company, which has the longest history of business operations in Japan as a comprehensive real estate company. In recent years, there has been a growth of interest around the world in stakeholder capitalism, which aims to correct side effects of conventional capitalism such as widening inequality and excessive emphasis on short-term profitability. Many entrepreneurs, including Yasuda and Shibusawa, were ahead of their time with respect to this thinking. They aspired to find a balance between ethics and economics and their philosophy has continued to the present day. I believe that the Tokyo Tatemono Group is one company that has fully inherited that spirit.

In our long-term vision, “Becoming a Next-Generation Developer,” formulated in February 2020, we set forth our aim to be a good company for all stakeholders. We will pursue balance at a higher level through our business, developing solutions to social issues while driving growth as a company. This is a simple expression of our ideal corporate image. A “good company” as defined in our long-term vision is one whose employees are doing work that they can be proud of, work that is recognized by their families. By extension, the Group needs to be a company that is valued by all its stakeholders. This does not mean that we are in the best condition for all stakeholders at a certain moment, but rather that we strive to consider all stakeholders in a balanced way from a medium- to long-term perspective. This will ultimately enhance our corporate value and make our Group sustainable.

The Group has always been committed to quality as well as business scale and sales growth; we incorporate the standpoint of the customer as we develop our business. I strongly believe that this attitude is vital for earning the trust of our stakeholders. Without such trust, there can be no sustainable business growth for our Group.



Hitoshi Nomura

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

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Reviewing materiality and accelerating efforts to resolve social issues

In 2020, the global economy was rocked by the coronavirus pandemic, which led to widespread city lockdowns and restrictions on movements. At the same time, the year also brought a marked increase in demand for ESG initiatives, with global ESG investments exceeding 730 billion dollars. In the area of climate change, Japan followed many other countries in the world in declaring that it will be carbon neutral by 2050.

Our Long-Term Vision, “Becoming a Next-Generation Developer” focuses on 2030, which is also the target year for the Sustainable Development Goals (SDGs). Many aspects of our contribution to the SDGs directly correspond to our efforts to build relationships of trust with our stakeholders. When we formulated the Long-Term Vision, we established the Sustainability Committee under my direct jurisdiction. The aim of the Committee is to realign our existing sustainability initiatives and further accelerate them throughout the Group.

In June of this year, we revised our materiality to respond to rapid changes in social trends. Focusing the value we can deliver to society through our business, we reviewed the priority issues that we should address. As a result of this process, we have newly identified 14 material issues as relevant to achieving our long-term vision.

In addition, in May of this year, we established the Tokyo Tatemono Group Human Rights Policy and Sustainable Procurement Standards to ensure respect for human rights and sustainable and responsible procurement throughout our business activities.

With roots more than a century old, our enterprising spirit is a driving force for realizing our long-term vision

Our advanced efforts to solve social issues are also bearing fruit.

The Hareza Tower, an office building completed in May 2020 within Hareza Ikebukuro, has acquired ZEB Ready certification. This is the first certification for a super high-rise mixed-use building. In addition, we continue to develop properties that lead the industry in environmental performance. For example, Brillia Tower Seiseki Sakuragaoka Blooming Residence (launched in March 2021) meets ZEH-M Oriented standards and is the only property in the Tokyo metropolitan area to be selected for the FY2019 Super High-Rise ZEH-M Demonstration Project.

In July 2020, we became the first real estate sector company in Japan to issue a sustainability bond. This was the largest sustainability bond ever issued by a general business company in Japan, receiving a record number of investment commitments. This is an advanced initiative that will use the proceeds for urban development of the Yaesu, Nihonbashi, and Kyobashi areas around Tokyo Station. A series of projects will not only improve the environmental performance of individual buildings, but also comprehensively address social and environmental issues. Through the redevelopment of the Yaesu, Nihonbashi, and Kyobashi areas, we aim to create an “innovation

ecosystem” for industry, academia, and government. The concept of this project is to enable a wide range of players from large corporations and venture companies to investors and research institutes to accumulate in the area and interact with each other. We hope that this will in turn lead to the development of new fields and generate a virtuous cycle of economic growth.

In addition, we are also working to respond to diversifying lifestyles. Brillia City Nishi-Waseda, which opened its model room in July 2020 and started sales in September 2020, has floor plans and common areas that are designed with child-rearing in mind. To meet the increasing demand for working from home and remote working, the property also has a co-working lounge that can be used by local residents. We have received strongly positive feedback about these amenities from our customers.

These new initiatives to enhance the urban environment are a testament to the enterprising spirit that we have carried with us since our founding—that of boldly embracing new challenges without excessive fear of failure. I believe that spirit will continue to be a driving force in realizing our long-term vision.

Engaging sincerely with our customers to secure their trust for the future

We live in a time of rapid social change. But even as IT technology such as real estate tech continues to advance further in the future, I strongly believe that our corporate philosophy, with its emphasis on trust, is our indispensable DNA.

Trust originates with the way each employee deals with customers. I often say to employees that I want them to hone their ability to understand not only the information they see and hear from customers, but also to understand each customer’s feelings and standpoint. Grasping a sense of things intuitively and perceiving meaning in this way is what enables us to create new value. The relationship of trust with our customers and business partners will lead to our next business. This is the kind of business development we should aim for. Every project, regardless of how big it may be, starts with obtaining information. I want our employees to refine their ability to see the essence of things and build trust that will last into the future. That is how we build our reputation so that potential customers will think of turning to Tokyo Tatemono first.

Empowered by the trust placed in us by our stakeholders, the Tokyo Tatemono Group will continue to pursue sustainable growth. I would like to ask all of our stakeholders for their continued understanding and support of our Group.

June 2021

Management

ESG Management

Overview of ESG Management at Tokyo Tatemono

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

ESG management has grown ever-more important in recent years, amid intensifying changes in the business environment. To achieve sustained growth beyond the year 2020 in this environment, the Group has come together under a Long-Term Vision and established a sustainability promotion framework.

Our Long-Term Vision covers the period from our current large-scale redevelopment projects to the year 2030, in which the completion of these projects overlaps with our targets for Sustainable Development Goals (SDGs).

>> Focus Factors in the External Environment

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

Long-Term Vision

Becoming a Next-Generation Developer

We live in a time of profound change.

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

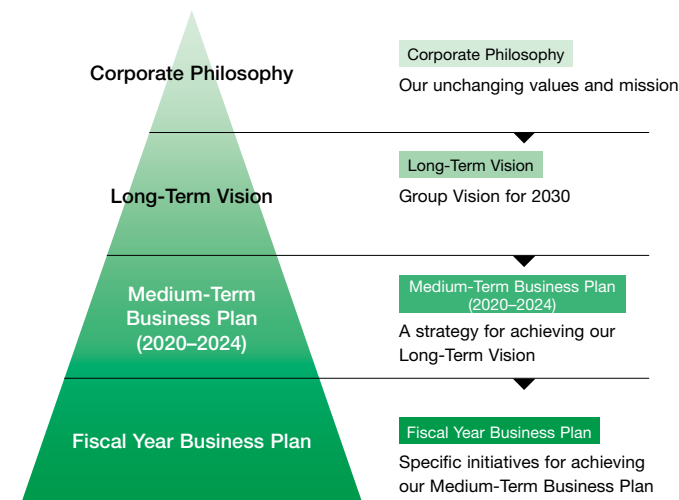
Amidst these uncertainties, a broad range of challenges to achieving social sustainability have emerged.

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

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

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

Long-Term Vision



Our Approach to the SDGs

The SDGs are international goals targeting 2030 that were adopted at the United Nations Summit. The SDGs comprise 17 goals in a wide range of fields based on diverse social issues that affect developing and developed countries. Companies are expected to contribute to achieving the goals. Tokyo Tatemono Group takes this demand from society seriously. As such, we have incorporated the SDGs into our long-term vision and medium-term management plan and are actively implementing sustainability measures throughout the Group. As we operate our business as a developer, we will continue to be guided by the aim of realizing a sustainable society.



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ESG Management Promotion Framework

The Tokyo Tatemono Group established the Sustainability Committee, chaired by our president and CEO, to pursue sustainability measures across the entire Group.

The Sustainability Committee, like the Executive Committee and Internal Control Committee, is under the direct control of the president and CEO. The Sustainability secretariat, which is the Sustainability Promotion Group in the Corporate Communications Department, advances sustainability measures by working with business units to set ESG targets, monitor progress, and evaluate our achievements.

In January 2021, we established a Company-wide subordinate organization, the Sustainability Promotion Committee with the aim of promoting sustainability measures more effectively. The purpose of the Council is to share decisions made by the Sustainability Committee, discuss in advance themes for consideration, and report on the progress of sustainability promotion.

ESG Management Promotion Framework



Stakeholder Engagement

The Tokyo Tatemono Group's business activities are supported not only by the customers who use our products and services, but also by many other stakeholders, including local communities, employees, shareholders, investors, and business partners.

We believe that building long-term relationships of trust with these stakeholders is essential to our business activities. By incorporating their input in various ways, we are working to create value.

Stance on and Approach to Dialogue with Our Core Stakeholders

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

Management

ESG Management

Participation in Initiatives

The Tokyo Tatemono Group participates in various initiatives in Japan and overseas, believing that collaboration between many different entities across countries, regions, and organizations is important for solving social issues.

TCFD (Task Force on Climate-related Financial Disclosures)

In June 2020, the Tokyo Tatemono Group announced its support for the TCFD recommendations.

Going forward, we will strengthen our measures to combat climate change, while expanding the content of our disclosure in line with the information disclosure framework recommended by the TCFD (governance, strategy, risk management, and indicators and targets with respect to climate change risks and opportunities).

Support for TCFD P.24



CDP

CDP is a non-profit organization that works with institutional investors to require companies to disclose information about their climate change strategies and greenhouse gas emissions, with the aim of encouraging these efforts. The Tokyo Tatemono Group discloses its environmental information through the CDP.



GRESB

The Tokyo Tatemono Group is a participating member of GRESB, an annual benchmarking and management organization that evaluates real estate companies and funds in terms of their commitment to environmental, social and governance (ESG) considerations. The Group also receives evaluation from GRESB by participating in its real estate evaluation.

Highest Ranking in ESG Benchmark GRESB P.23



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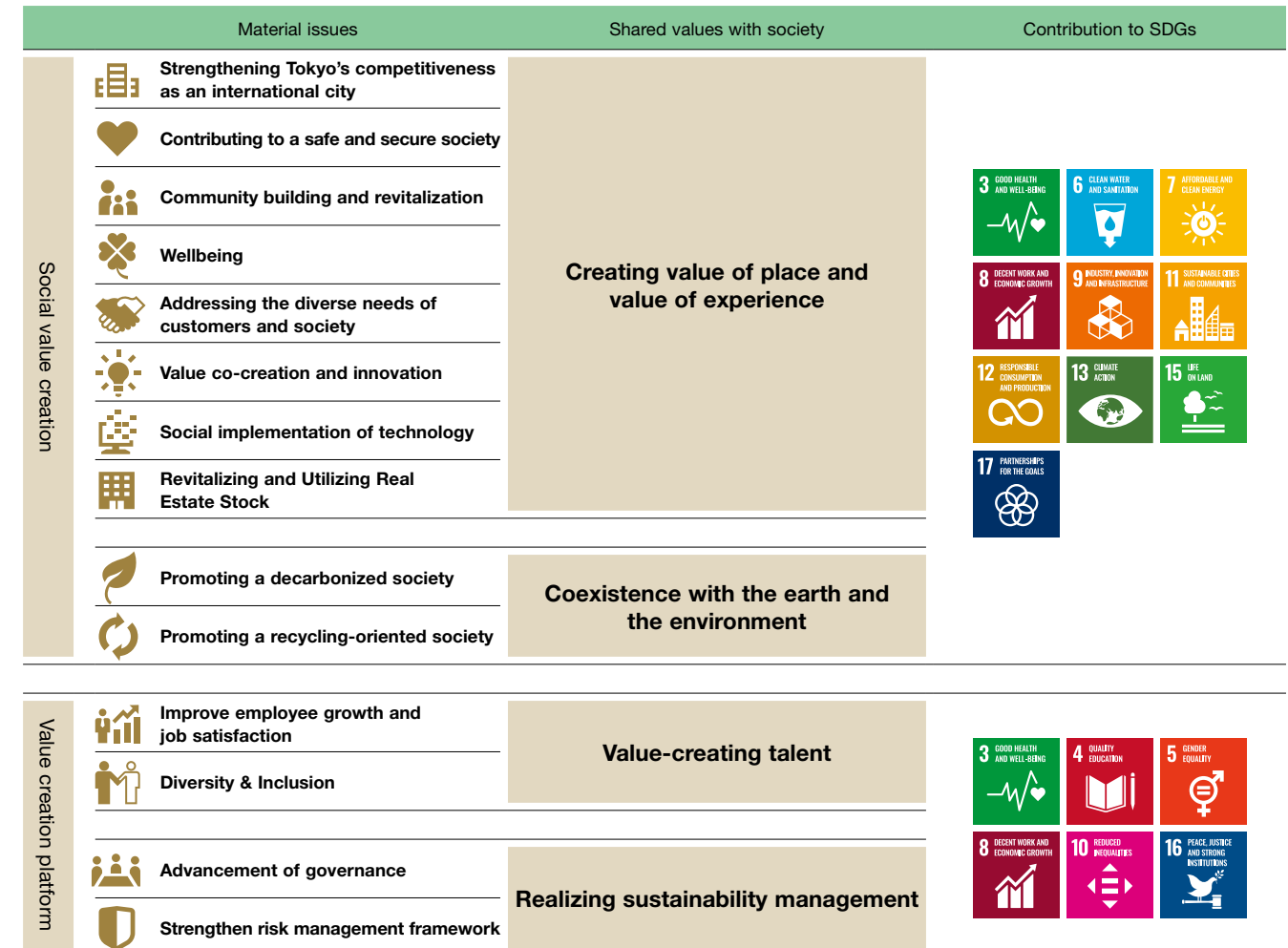
Materiality of the Tokyo Tatemono Group

The Tokyo Tatemono Group originally identified its material issues in 2019, but we subsequently decided to revise our materiality in response to recent changes in social conditions and values.

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

Focusing the value we can deliver to society through our business, we reviewed the priority issues that we should address. As a result of this process, we have newly identified 14 material issues as relevant to achieving our long-term vision.

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Materiality Identification Process

2018

- To obtain a broad grasp of the social issues relevant to our business, the Group listed 35 social issues to study. Our list was influenced by international issues (the SDGs), issues unique to Japan and issues unique to our industry (Basic Policies for Urban Renaissance, Law on National Strategic Special Zones).

2019

- We evaluated the importance of 35 social issues. In making this evaluation, we incorporated two perspectives: the scale of the social need (whether the issue requires a solution) and the affinity of the issue with our business (whether the issue is closely concerned with our current business or something we may wish to deal with as a business in the future). To further clarify the relative importance of issues, we assigned points based on four aspects.
- Based on the above evaluation, we mapped the issues to narrow them down to those of relatively high importance. We organized these issues into three categories based on their content and identified them as the Group's material issues.

Evaluation perspectives	Assigning point values to indicators
Scale of social need	1 Relationship with the Real Estate Industry
Affinity with our business	2 Relationship with Our Businesses
	3 Relationship with Our Medium-Term Business Plan
	4 Director questionnaire results

2020

- In response to recent changes in social conditions and values, we initiated the process of reviewing our materiality. We organized the material issues based on their relationships to key themes in the advancement of ESG management.
- We engaged in discussions with internal and external directors on themes related to materiality, consolidating their expectations of the Group as well as their views on areas for improvement.

2021

- Based on our corporate philosophy and long-term vision, we considered the social issues identified in the SDGs and international guidelines on sustainability. We incorporated the knowledge that we have gained through advice from external experts, participation in various initiatives, and communication with stakeholders.
- We also view the advancement of ESG management as a key component of materiality. We have categorized this in terms of the perspective of value creation for society and the perspective of realizing that value creation for society.
- The Sustainability Committee judged the materiality to be appropriate, finding that it encompassed the social issues expected of the Group.
- The Board of Directors also deemed them to be appropriate.

Going forward, we will consider revising our materiality as necessary depending on changes in social conditions or updates to management policies.

>> Information Resources Related to Social Issues

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



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Solving social issues through urban development – Hareza Ikebukuro

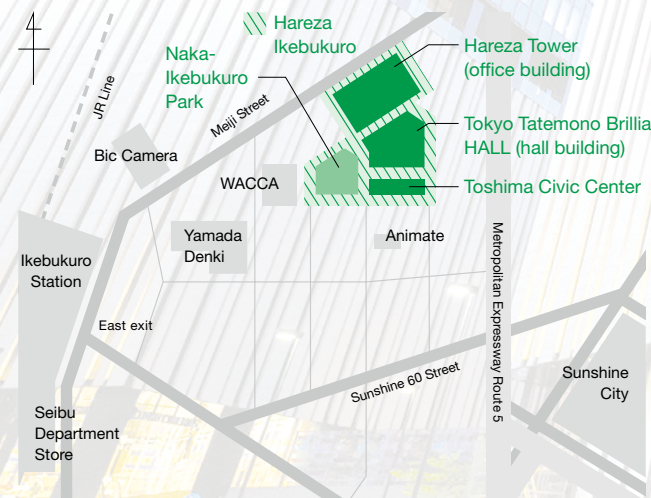


In July 2020, the grand opening was held for Hareza Ikebukuro, a new large-scale complex developed and operated* by Tokyo Tatemono together with our joint venture partner, The Sankei Building Co., Ltd. The property is located around 300 meters from the east entrance of Ikebukuro Station in the heart of Tokyo's Toshima Ward.

The area consists of the office building Hareza Tower, a new landmark in Ikebukuro with 33 floors above ground; the hall building Tokyo Tatemono Brillia HALL, a multi-purpose hall where up to around 1,300 people can enjoy Takarazuka Revue performances and musicals; the Toshima Civic Center; and Naka-Ikebukuro Park, which is surrounded by the three buildings. The name "Hareza Ikebukuro" derives from a combination of two Japanese words: "hare," which means a special place to dress up and go out, and "za," which means a place where many people gather.

Hareza Ikebukuro is expected to develop as a theater city where people can enjoy an escape from everyday life. As a new cultural center presenting a variety of culture to the world, it has the potential to create new vibrancy in Ikebukuro.

* Tokyo Tatemono is responsible for the development and operation of Hareza Tower and of Tokyo Tatemono Brillia HALL, the operation of Naka-Ikebukuro Park, and the area management around Hareza Ikebukuro.



Hareza Tower (office building)

Address	18-1, Higashi-Ikebukuro 1-chome, Toshima-ku, Tokyo
Number of floors/height	33 floors above ground, 2 floors below ground / approx. 158 m
Floor space	Approx. 68,600m ²
Completed	May 2020

Tokyo Tatemono Brillia HALL (hall building)

Address	19-1, Higashi-Ikebukuro 1-chome, Toshima-ku, Tokyo
Number of floors/height	8 floors above ground, 1 floor below ground / approx. 41 m
Floor space	Approx. 10,700m ²
Completed	April 2019

From an area at risk of disappearance to one of sustainable urban development

Toshima Ward is home to Ikebukuro, which is one of Tokyo's leading commercial areas and is also known as one of Tokyo's "three major sub-centers" along with Shinjuku and Shibuya. Ikebukuro Station is one of Japan's largest terminal stations, accommodating nine railway lines from four companies (JR East, Seibu Railway, Tobu Railway, and Tokyo Metro). It has an average daily footfall of 2.64 million passengers, the third highest of any station in Japan.

While Ikebukuro attracts a large daytime population as a commercial area, it has also faced issues such as a decline in the number of young families residing there. In 2014, Toshima

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Solving social issues through urban development — Hareza Ikebukuro

Ward was highlighted as the only area in Tokyo's 23 wards to be categorized as being at risk of disappearance.*1 The analysis deemed it liable to become unsustainable in the future, due to the declining populations of children and people migration. Turning this challenge into an opportunity for change, Toshima Ward set itself the goal of becoming a city of sustainable development, and rapidly implemented an initiative to make itself more friendly to women and children. The resulting transformation, which included eliminating daycare waiting lists and carrying out maintenance work on its parks, earned Toshima Ward the No.1 position in a 2017 nationwide ranking of cities by their friendliness to families in which both parents are working while raising children.*2

This development project has its origins in a proposal initiated by Toshima Ward to develop a large-scale complex on the site of the old government building and the Toshima Public Hall. Its aim was to generate financial resources for the construction of a new government building. Tokyo Tatemono announced its participation that year, 2014—the same year that the risk of urban decline in Toshima Ward was highlighted.

*1 A concept formulated in May 2014 by the Japan Policy Council, a policy advocacy organization of private sector experts.

*2 Based on a survey of local governments conducted by Nikkei Dual and Nihon Keizai Shimbun.

Proposing a new direction for urban development that uses local cultural assets

In the tender process, Toshima Ward was seeking proposals that would transform the city into a vibrant place filled with cultural diversity. In January 2015, Tokyo Tatemono put forward a proposal that drew from our experience with the reconstruction project Brillia Tower Ikebukuro, in Minami-Ikebukuro 2-chome Area A. Based on the concept of “a theater city where everyone can shine,” the proposal involved a large-scale complex consisting of large-scale, high-specification office space as a business hub; a theater for cultural creativity; and restaurants to create a lively atmosphere. After obtaining preferential negotiation rights, Tokyo Tatemono was selected as



Eight theaters in Hareza Ikebukuro

- | | | | |
|--|--|---|---|
| 1 TOHO CINEMAS Ikebukuro:
A large-scale cinema complex with approximately 1,700 seats and 10 screens. | 3 harevutai:
A futuristic theater equipped with state-of-the-art technology to facilitate live CG and streaming. | 5 Park Plaza:
An event space in the form of a large red staircase at the entrance to Tokyo Tatemono Brillia HALL. | 7 Multi-purpose Hall:
A hall with an approximate capacity of 500 people that can accommodate lectures, receptions, and other multipurpose events. |
| 2 Cinema Plaza:
A semi-outdoor tiered theater space, where events are held in conjunction with the cinema complex. | 4 Haresuta:
An open studio for cutting-edge livestreaming that combines the virtual and the real. | 6 Tokyo Tatemono Brillia HALL:
1,300-seat theater that forms the core of Hareza Ikebukuro. | 8 Small Hall:
A hall with an approximate capacity of 160 people that can be used casually for various presentations. |



Tokyo Tatemono Brillia Hall

the developer that July.

To generate financial resources for the construction of the new government building, a 76-year-and-six-month fixed-term land lease was established for the development area. A lump-sum payment was made to Toshima Ward as advance land rent. The proceeds of this payment enabled Toshima Ward to fund the construction cost of the new government building and to realize the construction without substantial financial burden.

Hareza Ikebukuro embodies the concept of Toshima Ward's “International City of Arts and Culture Vision,”—that of “a theater city, all of which is a stage where anyone can play a leading role.” It was therefore positioned as a project that symbolizes that vision.

Project Gallery Vol.2 Brillia Tower Ikebukuro
(Only available in Japanese)

With history and culture as its foundation, a “City of Cultural Creativity” represented by eight theaters

Hareza Ikebukuro has eight theaters and is scheduled to host a wide variety of performances and events, including traditional performing arts such as Kabuki, which dates from the 17th century, Takarazuka Revue, and other high culture, to subcultures such as manga, anime and cosplay, and cutting-edge art and culture that fuses the virtual and the real. It is positioned as an art and cultural center for presenting diverse cultural resources to the world. Together with Toshima Ward and our tenants, we will present a range of genres of culture simultaneously, so that people of all ages can enjoy whatever interests them most.

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Creating a new office market and increasing the diversity of the city

When Tokyo Tatemono considers a development plan, we analyze the characteristics of the location in detail. We make a conscious effort to maximize the area's potential. Prior to the development plan of Hareza Ikebukuro, the area around Ikebukuro Station had not seen the development of any large-scale office buildings since Sunshine City. It was not associated with being an office district and was therefore not well recognized in the market.

We decided to develop an office building in Ikebukuro based on our assessment of the city's potential. We saw value in the area's convenient transportation; its appeal as represented by artistic and cultural offerings; and the large population of people working in Ikebukuro and living nearby, due to the trend of people preferring to live close to where they work. As a result, the contract rate for Hareza Tower reached 100% at the time of the building's completion, despite the fact that this was during the coronavirus pandemic. As a result, we were able to create a new office market in Ikebukuro, contributing to the area's diversity and appeal.

An area with a strong circulation that generates a flow of people to the surrounding facilities

To enhance the circulation of people through the Ikebukuro area as a whole, we sought to encourage visitors to Hareza Ikebukuro to use the facilities in the surrounding area, rather than having their activities contained within Hareza Ikebukuro. In doing so, we aimed to help revitalize the entire area.

Specifically, to address a concept of "After the Theater" advocated by Toshima Ward, we planned the facilities to have a low volume of food and beverage outlets. In this way, people emerging from a play or cultural experience at Hareza Ikebukuro could find a place to enjoy unwinding among the many restaurants already established in Ikebukuro.

A safe, secure, and sustainable city

■ Supporting safety and security as a local disaster prevention center

The most important issue for urban development in Japan is to create a safe and secure community that is prepared for disasters. Tokyo Tatemono has concluded an agreement with Toshima Ward on measures to deal with people who have difficulty returning home in the event of a disaster. This includes not only accepting people who have difficulty returning home at the Hareza Tower and Tokyo Tatemono Brillia HALL, but also maintaining a disaster prevention base in cooperation with Naka-Ikebukuro Park and the Toshima Civic Center operated by Toshima Ward. In this way we are playing a part in creating a safe and secure community.

In addition to stockpiling provisions such as water, food, emergency toilets, and blankets, we also have prepared public benches that transform into cooking stoves and manhole toilets for those who have difficulty returning home. At Hareza Tower and Tokyo Tatemono Brillia HALL, people who have difficulty returning home can stay for up to three days from the time of the disaster until they can return home when transportation resumes. In addition, as the facility manager, we have established an appropriate communication system with Toshima Ward so that we can provide relevant information to those who have difficulty returning home.



Naka-Ikebukuro Park (after renovation) is positioned as a temporary evacuation site for use in the event of a disaster.

■ The first super high-rise mixed-use building to achieve the highest environmental performance rating

Hareza Tower uses the highest level of environmental measures in Japan. From the design stage, we considered how to balance comfort with reduced environmental impact. We took

care to ensure that tenants would not encounter any inconvenience with functions such as air conditioning or lighting. By selecting high-efficiency equipment and considering appropriate design conditions such as lighting settings and air conditioning control in office areas, we managed to reduce annual energy consumption by approximately 50%*1. The building received the highest rating of five stars in the overall building evaluation*2 under the Building-Housing Energy-efficiency Labeling System (BELS). It was also the first super high-rise mixed-use building over 150 meters tall to receive ZEB Ready Certification*3.

In addition to BELS certification, Hareza Tower has also received the highest rank of five stars in the DBJ Green Building Certification*4 for fiscal 2019 by the Development Bank of Japan Inc. and the highest rank of S in CASBEE Building (New Construction)*5 of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE), a comprehensive system for the assessment of building environmental performance.

*1 Compared to a standard building of the same level.

*2 Calculated using the Energy Consumption Performance Calculation Program (Non-residential Version) Ver. 2.7.1 (commonly known as WEBPRO).

*3 According to the website of the Japan Housing Performance Evaluation and Display Association, BELS case data list (as of the end of June 2019).

*4 The DBJ Green Building Certification is a system established by the Development Bank of Japan to evaluate environmental and social initiatives in real estate.

*5 CASBEE Building (new construction): A system for evaluating the energy efficiency and environmental impact of buildings in general, excluding detached houses, based on their design at the time of new construction. Managed by the Institute for Building Environment and Energy Conservation.



ZEB Ready Certification Label



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Solving social issues through urban development — Hareza Ikebukuro

Formation of a general incorporated association to accelerate urban development

In June 2018, we established Hareza Ikebukuro Area Management, a general incorporated association focused on activities that contribute to the vibrancy and appeal of Hareza Ikebukuro and its surrounding area.

The association uses the event space in Hareza Ikebukuro to collaborate with existing events and attract new events. By combining new elements with the culture rooted in Ikebukuro, it strives to further enhance the area's energy and attractiveness. We have also been entrusted with the designated management of Naka-Ikebukuro Park, which is owned by Toshima Ward. In addition to maintenance and management work, we organize events and maintain and operate a café. We will work to ensure the effective use of roads and parks, which are government assets. In addition to this, we will manage the area in a way that helps enhance its value, cooperating with the eight theaters, with companies located nearby, and with local town and shopping associations.

Past Events

Name	Contents	Date
Ikebukuro Anime Town Festival @ Hareza	A festival where people can freely enjoy a wide range of experiences and cultures through anime and manga.	November 2019
Hareza Day Special Week	Collaboration with theater operators, stores, Toshima Ward, and the surrounding facilities as a grand opening event for Hareza Ikebukuro	August 2020

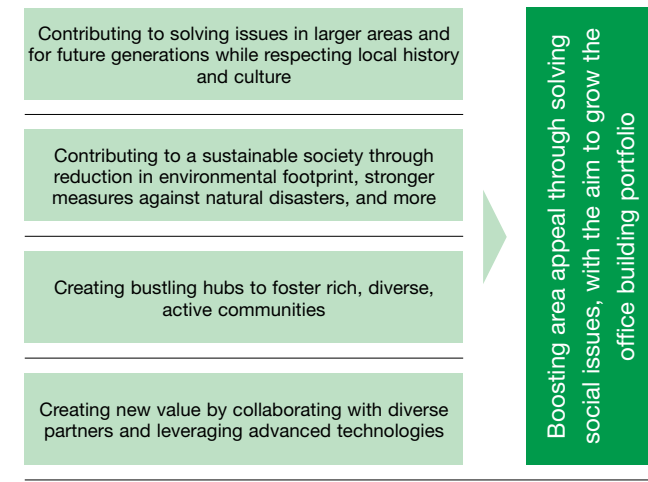
The Tokyo Tatemono Group's approach to urban development that contributes to solving social issues

The urban development at the Hareza Ikebukuro complex is based on our long-term vision of urban development that contributes to solving social issues.


Erecting a building is the beginning of urban development, not the end. Increasing the value of the development area will in turn lead to the sustainable growth of our business activities.

We will continue to work with various stakeholders to solve social issues and improve the attractiveness of the area.

The concept of urban development that contributes to solving social issues



Examples of recent developments

Name	Overview
 <p>Yaesu 1-chome East District Urban Redevelopment Project in front of Tokyo Station (Yaesu Project)</p>	An urban redevelopment project for the area located in front of the Yaesu Exit of Tokyo Station. We will develop this area as the gateway to the international city of Tokyo to contribute to enhancing Tokyo's vibrancy and its international competitiveness.
 <p>Brillia Towers Meguro</p>	Multi-purpose redevelopment project incorporating residential, commercial and office space in front of Meguro Station on the JR Yamanote Line. It combines the bustle of the station with a rich environment of lush greenery.
 <p>Tokyo Square Garden</p>	Redevelopment of the upper portion of the Kyobashi Station on the Tokyo Metro Ginza Line. The project has among the highest levels of environmental performance in Japan, with state-of-the-art CO ₂ emissions reduction technology, large overhanging roofing to block solar radiation, and a range of other environmental features.

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CO₂ Emissions (FY2020)

41,824 t-CO₂



Waste Recycling Ratio (FY2020)

64.3 %

Acquisition Rate of Green Building Certification (as of December 31, 2020)

41.4 %



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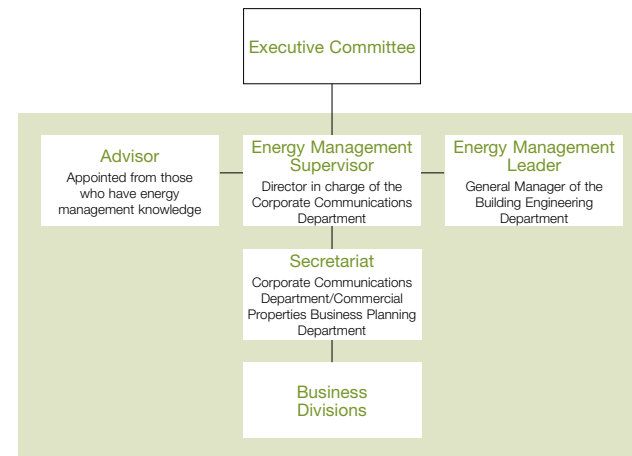
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Policy, Concept, and System

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

Environmental Promotion Structure



>> Group Environmental Policy

■ **Creating a pleasant city and living with greenery**

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

■ **Climate change prevention that leads the community**

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

■ **Resource-saving activities that are kind to the earth**

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

■ **Developing employees with high environmental awareness**

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

Established January 2011

Environmental Management in the Commercial Properties Business

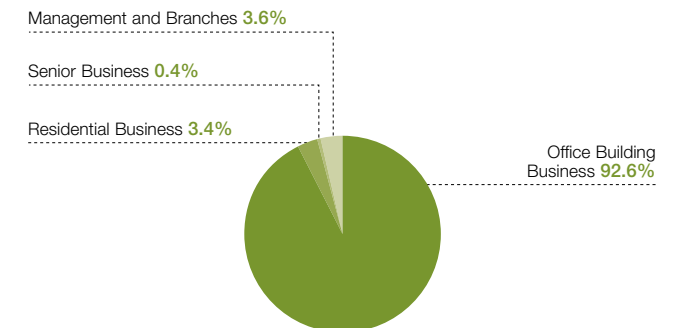
Among all Tokyo Tatemono business activities, the Commercial Properties Business, which operates and manages office buildings and commercial facilities, uses the most energy. The energy consumption of this business accounts for 92.6% of all consumption within Tokyo Tatemono (calculation based on the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

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

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





* Act on the Rational Use of Energy

Share of Tokyo Tatemono Energy Consumption by Business (2020)



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Environmental Management

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

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

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

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

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

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Environmental Management in the Residential Business

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

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

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

Compliance with Environmental Laws and Regulations

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

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

 (Data) Environmental Management Indicators and Performance P.69

Brillia Environmental Guidelines

Overview of Guidelines

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

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

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

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Policy and Concept

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

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

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

Sustainability Finance Framework

Tokyo Tatemono has established the Sustainability Finance Framework, which applies the four requirements defined in the Green Bond Principles and Social Bond Principles referred to in the International Capital Markets Association's (ICMA) Sustainability Bond Guidelines: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting.

■ Use of Proceeds

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

■ Process for Project Evaluation and Selection

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

■ Management of Proceeds

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

proceeds will be managed in cash or cash equivalents until their reallocation is decided.

■ Reporting

- We report the allocation status of proceeds on our website once a year until all proceeds classified for allocation reporting are fully allocated.
- We report the allocation status of proceeds on our website once a year until all proceeds classified for allocation reporting are fully allocated.

Environmental Improvement Impact

During construction period	Progress of certification acquisition procedures
After completion	List of effective environmental certifications, energy consumption*, CO ₂ emission levels*, water consumption*

* Actual levels for all Tokyo Tatemono facilities whose data is covered by the Act on the Rational Use of Energy, including green buildings that meet the eligibility criteria. Indicates data that has received third-party certification by Lloyd's Register Quality Assurance Limited (LRQA) to ensure its integrity.

Social Benefits (Outcomes)

Project maintenance status	» Project maintenance status (progress for projects under development) Project Description ■ Space for receiving stranded commuters ■ Disaster prevention stockpiling for stranded commuters ■ Cogeneration system (CGS) ■ Barrier-free pedestrian network ■ Comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals
	» Number of events held » Number of companies using the facility

Eligibility Criteria

Green Project	Eligible properties are those that have already acquired or are scheduled to be certified/recertified as one of the top two ranks in any of the third-party certification bodies, listed in (1) to (3) below. (1) 4 or 5 stars in the DBJ Green Building Certification (2) A or S rank in the CASBEE building assessment (new buildings) (3) 4 or 5 stars in the BELS Evaluation Certification
Social project	Projects that contribute to any of the following (1) to (3) (1) Basic infrastructure development and access to essential services (2) Socioeconomic improvement and empowerment (3) Food safety

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Impact

Urban development that contributes to solving social issues	» Respecting local history and culture while contributing to addressing issues in a wider area and issues that will affect future generations
	» Contributing to the realization of a sustainable society by reducing environmental impact and strengthening countermeasures against natural disasters
	» Creating new value through collaboration with diverse partners and through the use of advanced technology
	» Providing barrier-free and universal design for ease of use by a variety of customers

Achievements in Sustainability Finance

■ Issuance of Green Hybrid Bonds

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



Overview of Green Bonds

Name	2nd Series Subordinated Bonds (Green Bond)
Pricing date	March 8, 2019
Issue date	March 15, 2019
Redemption date	March 15, 2059
Issue amount	50 billion yen
Use of proceeds	Funding for acquisition, construction and refinancing of Hareza Ikebukuro Refinancing of the acquisition and construction of Nakano Central Park South
External evaluation	Green 1 (JCR)

Green Bond Reporting

Funding Allocation Status	» Hareza Ikebukuro: 20,000 million yen (fully allocated) » Nakano Central Park South: 29,516 million yen (fully allocated) * as of December 31, 2020
Environmental Improvement Impact	» Hareza Tower (Hareza Ikebukuro) ■ DBJ Green Building Certification: 5 stars ■ CASBEE-Buildings (New Construction): Class S ■ BELS certification: 5 stars (ZEB Ready) » Nakano Central Park South: ■ DBJ Green Building Certification: 5 stars ■ Energy consumption/CO ₂ emissions: 📖 Responding to Climate Change P.24 ■ Water consumption: 📖 Water Resources P.31

TOPICS

Received the Gold Award (Minister of the Environment Award), the highest award in the ESG Finance Awards Japan

The ESG Finance Awards Japan recognizes and commends the efforts of investors and financial institutions that have made an outstanding impact on the environment and society through proactive efforts in ESG finance and green projects. The Awards also recognize and commend companies that have enhanced their corporate value and worked to have a positive impact on the environment by incorporating environment-related opportunities and risks into their management strategies. The Awards were established by Japan's Ministry of the Environment with the aim of celebrating these achievements and sharing them with society as a whole.



Our sustainability financing has been recognized in the fundraiser category of the awards, with the Green Hybrid Bond (issued in 2019) winning the Silver Award (Minister of the Environment Award) in the first round, and the Sustainability Bond (issued in 2020) winning the Gold Award (Minister of the Environment Award), the highest award in the second round. In the second round, the Sustainability Bond (issued in 2020) received the highest award, the Gold Award (Minister of the Environment Award). Tokyo Tatemono Group is the only company in the fundraiser category to have received this award in consecutive years.



Award Ceremony for the inaugural ESG Finance Awards Japan
Hitoshi Nomura, Representative Director, President and CEO (left)
Shinjiro Koizumi, Minister of the Environment (right)

Note: At the second award ceremony, photography was cancelled due to social distancing measures during the coronavirus pandemic.

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■ Issuance of Sustainability Bonds

In July 2020, in a first for a real estate sector company in Japan, Tokyo Tatemono issued a sustainability bond worth a total of 40 billion yen. The sustainability bond issued this time is not limited to a single building, but instead involves a package of funds to cover the overall urban development of the Yaesu-Nihonbashi-Kyobashi area of central Tokyo. In an initiative that

is groundbreaking even by global standards, the proceeds will be allocated to developing this area as a seeding ground for comprehensive solutions to social issues, from combating climate change, strengthening disaster prevention and mitigation, and medical cooperation, to addressing food issues and building an innovation ecosystem.

Despite a historically high supply of bonds at the time of the

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

Overview of Sustainability Bonds

Name	31st and 32nd Unsecured Corporate Bonds (Sustainability Bonds)
Pricing date	July 10, 2020
Issue date	July 16, 2020
Redemption date	July 16, 2025 (31st), July 16, 2030 (32nd)
Issue amount	20 billion yen (31st issue), 20 billion yen (32nd issue)
Use of proceeds (framework)	Urban development of the Yaesu/Nihonbashi/Kyobashi area next to Tokyo station, as a contribution to solving social issues (1) Yaesu 1-chome East District Urban Redevelopment Project in front of Tokyo Station (Yaesu Project) (2) Yaesu 1-chome North District Urban Redevelopment Project (Gofukubashi Project) (3) Tokyo Square Garden (4) Tokyo Tatemono Nihonbashi Building (5) City Lab TOKYO (6) TOKYO FOOD LAB (7) xBridge-Tokyo / xBridge-Tokyo Next (8) Kitchen Studio SUIBA (9) TOKYO IDEA EXCHANGE
External evaluation	SU1 (F) (JCR)

Sustainability Bonds Reporting

Status of allocation of proceeds (as of December 31, 2020)		» Yaesu Project: 15,000 million yen (fully allocated) » Tokyo Square Garden: 14,000 million yen (fully allocated) » Tokyo Tatemono Nihonbashi Building: 3,912 million yen » Social projects (5) to (9): 798 million yen (fully allocated)
Environmental Improvement Impact	Certifications in progress	None
	Certified	» Tokyo Square Garden ■ DBJ Green Building Certification: 5 stars » Tokyo Tatemono Nihonbashi Building ■ DBJ Green Building Certification: 4 stars ■ Energy consumption/CO ₂ emissions: Responding to Climate Change P.24 ■ Water consumption: Water Resources P.31
Social benefit	Status of project development (as of December 31, 2020)	» Yaesu Project / Demolition in progress » Tokyo Square Garden / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, comprehensive initial medical treatment facilities and childcare support facilities for foreign nationals » Tokyo Tatemono Nihonbashi Building / Development of space for receiving stranded commuters, disaster prevention stockpiling for stranded commuters, and barrier-free pedestrian network
	Project Usage (January – December 2020)	» Number of events held: 165 » Number of companies using the facility: 173

* Project usage: The sum of usage at City Lab TOKYO, TOKYO FOOD LAB, xBridge-Tokyo, xBridge-Tokyo Next, Kitchen Studio SUIBA, and TOKYO IDEA EXCHANGE.

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Highest Ranking in ESG Benchmark GRESB

Tokyo Tatemono has received the highest rating of 5 Stars in the GRESB* Real Estate Evaluation, a benchmark that evaluates ESG (environment, society, and governance) initiatives in the real estate sector. This assessment is GRESB Real Estate Standing Investments Benchmark based on an evaluation of the real estate management portfolio. We are the only real estate developer in Japan to receive the highest rating of 5 stars for four consecutive years.

We have also received a 5 Star rating in the GRESB Development Benchmark, a benchmark introduced in 2020 that evaluates new real estate development and large-scale renovation portfolios.

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



Acquisition of DBJ Green Building Certification

DBJ Green Building Certification is a system established by the Development Bank of Japan Inc. to evaluate real estate projects that are environmentally and socially conscious. The system scores initiatives based on five categories: environmental performance, tenant comfort, risk management, consideration of the surrounding environment and community, and collaboration with stakeholders. Initiatives are awarded a rank between one and five stars* based on the total score from these categories.



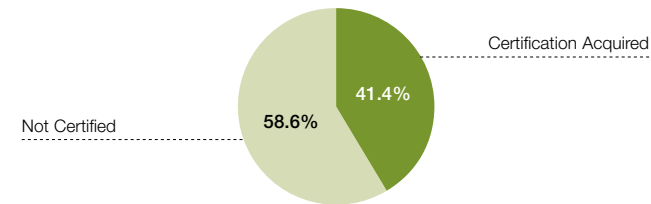
As of the date of this report, nine offices and commercial buildings owned and managed by Tokyo Tatemono have received high ratings of four or five stars in the DBJ Green Building Certification.

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

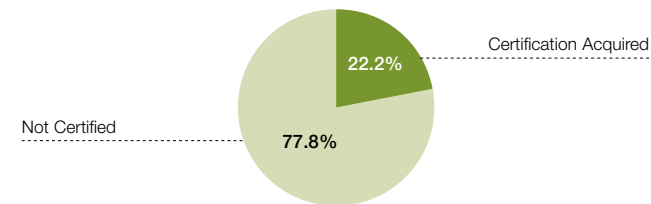
* Evaluation by rank—Five Stars: Building with the top class environmental and social awareness in Japan; Four Stars: Buildings with exceptionally high environmental and social awareness; Three Stars: Building with excellent environmental and social awareness; Two Stars: building with high environmental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

Acquisition Rate of Green Building Certification* (as of December 31, 2020)

Acquisition Rate of Certification for the Leasable Area of Office Buildings



Acquisition Rate of Certifications per Leasable Area of Residential Buildings



* DBJ Green Building Certification or CASBEE Building

(Data) Acquisition Rate of Green Building Certification P.69

Certified Properties

DBJ Green Building Certification	BELS*1
★★★★ ★★	★★★★ Hareza Tower
	★★
	★★★★ Otemachi Tower
	★★
★★★★	★★
★★	★★

ZEB*2	ZEB ready
★★	★★★★ Hareza Tower
★★	

CASBEE*3 Building

S rank: Hareza Tower / Nagoya Prime Central Tower

ABINC Certification*4 (Association for Business Innovation in harmony with Nature and Community® Certification)

Otemachi Tower / Tokyo Square Garden

SEGES certification*5 (Urban Oasis)

Otemachi Tower / Tokyo Square Garden

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

*2 ZEB (Net Zero Energy Building) is a building that has targeted a net-zero balance of annual primary energy consumption.

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

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

*5 SEGES is the Social and Environmental Green Evaluation System

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Policy and Concept

Under the Paris Agreement, an agreement was reached to limit the average global temperature increase to less than 2°C compared to pre-industrial levels, and efforts to decarbonize are being made in many countries. The real estate industry as a whole and Tokyo Tatemono must strive to reduce greenhouse gas (GHG*) emissions deriving from real estate holdings and business activities.

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. The Group strives to develop real estate that is superior in environmental performance (through deployment of energy-saving equipment and other features). We continue to work with building management companies and tenants on operational aspects. At the same time, in response to climate change risks, we are developing real estate that is resistant to wind, flooding, and other natural disasters.

* "Greenhouse gas" (GHG) is the general term for a gas that causes a greenhouse effect in the Earth's atmosphere.

Environmental Management P.15

Support for TCFD

Climate change is a social issue that calls for global collaboration. As such, it is a priority that Tokyo Tatemono must also address.

The Tokyo Tatemono Group considers the increasingly severe natural disasters caused by climate change, such as storm and flood damage, to be a major risk to its assets. On the other hand, Japan's declared goal of achieving a carbon neutral society with zero GHG emissions by 2050 can be expected to lead to the further spread and expansion of green investment in areas such as sustainable energy, which we expect will lead to new business opportunities for our Group.

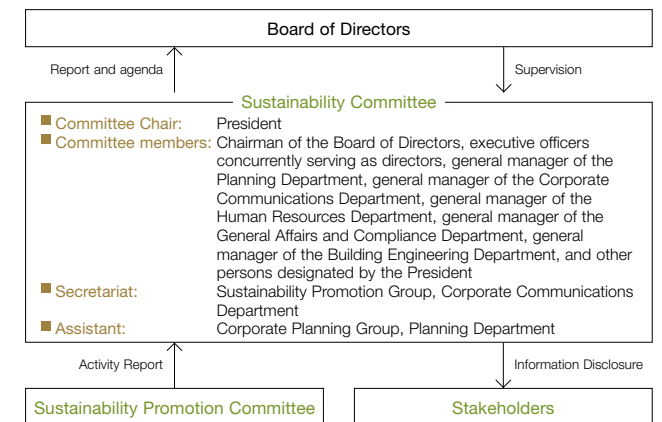
The Group announced its endorsement of the TCFD in June 2020. We will continue to accelerate our GHG emissions reduction efforts to contribute to the achievement of SDGs as well as the 2°C target set forth in the Paris Agreement. We also recognize the importance of disclosing financial information related to climate change, and will work to expand our information disclosure in accordance with TCFD recommendations.



Governance

At Tokyo Tatemono Group, the Sustainability Committee discusses the formulation of policies for addressing risks and opportunities linked to climate change as well as important matters such as our GHG emissions reduction efforts and progress against our reduction targets. Chaired by the president, the Committee reports its findings to the Board of Directors for discussion. The Sustainability Committee proposes and formulates policies and strategies for important matters related to the promotion of sustainability, such as GHG emissions reduction targets and studies toward expanding the use of renewable energy. In addition, the Sustainability Promotion Committee, a subordinate organization of the Sustainability Committee, examines specific measures for implementing these policies.

Governance Structure



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■ Strategy (scenario analysis)

Drawing from multiple scenarios published by the IPCC*1 and the IEA*2, the Tokyo Tatemono Group based its analysis on two scenarios: the current scenario (4°C scenario), in which temperatures rise by 4°C or more compared to pre-industrial levels by 2100, and the transition scenario (<2°C scenario), in which temperature rise is limited to less than 2°C. The scope of the analysis was to identify the main risks and opportunities—primarily for the Group’s core businesses, 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 period of impact was categorized in to short-term (1-5 years), medium-term (5-10 years), and long-term (>10 years). Based on the results of this analysis, the Group set its targets for its initiatives toward realizing a decarbonized society.

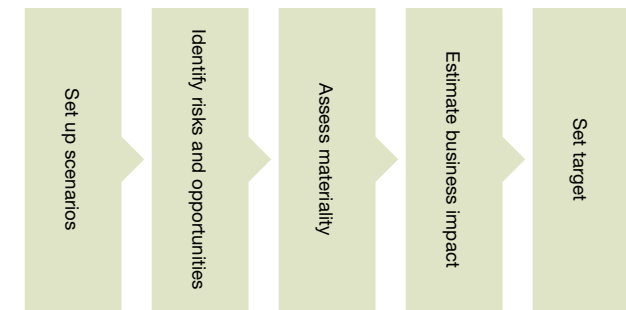
*1 IPCC (Intergovernmental Panel on Climate Change): an institution that provides clear scientific opinions of the status of climate change and its socioeconomic impact.

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

The Two Scenarios Used in the Analysis

Current scenario (4°C scenario)	A scenario in which the average temperature rises by about 4 °C compared to pre-industrial levels as a result of failure to introduce stricter government policies and strengthen regulations, such as regulations to curb GHG emissions, and of failure by businesses to take effective action in response to climate change. Acute effects include more frequent extreme weather events and more intense heavy rainfall, while chronic effects include rising sea levels.
Transitional scenario (2°C scenario)	A scenario in which the average temperature rise compared to the pre-industrial levels is kept below 2°C by improving low-carbon technologies, expanding renewable energy, and promoting energy conservation. In this scenario, companies around the world are strongly required to respond to climate change by introducing carbon taxes and strengthening policies to regulate emissions in order to curb GHG emissions.

Risk Analysis Review Process



■ Risk Management

Climate change risk is recognized as one of the most important risks that could have a significant impact on the management of the Tokyo Tatemono Group, and is managed within a company-wide risk management framework. The Sustainability Committee examines each policy and strategy for minimizing risk and targeting opportunities associated with climate change risks. These are reported to the Board of Directors and included in its agenda as necessary.

Identify Risks and Opportunities; Assess Materiality

		Type	Contents	Period of impact
Risk	Physical	Acute	<ul style="list-style-type: none"> ■ Frequent and intense heavy rains Development and Sales: Longer construction periods and higher construction costs for real estate under development Operation and management: Facility failure and suspension of lifeline functions due to flooding at owned properties 	Short term
	Physical	Chronic	<ul style="list-style-type: none"> ■ Temperature rise Operation and management: Failure of machinery and equipment at owned properties due to solar radiation and high heat 	Short term
	Transition	Policies and regulations	<ul style="list-style-type: none"> ■ Carbon pricing Development and Sales: Increase in procurement prices of materials such as steel and cement Operation and management: Increase in energy costs including electricity 	Medium-term
	Transition	Policies and regulations	<ul style="list-style-type: none"> ■ Strengthen environment-related certification standards Development, operation, and management: Procurement of materials and installation of equipment necessary to meet the standards 	Medium-term
Opportunity	Transition	Products & Services	<ul style="list-style-type: none"> ■ Promote energy conservation and efficiency / Spread renewable energy / Raise environmental awareness among customers Development, operation, and management: Increase in demand for green buildings, ZEB and ZEH, etc., and decrease in costs related to supply Increased opportunities to acquire tenants due to strengthened measures to create energy and conserve energy 	Medium-term
	Transition	Products & Services	<ul style="list-style-type: none"> ■ Improved reputation due to strengthening of environmental laws and regulations Development, operation, and management: Improving the reputation of our own environmentally friendly buildings 	Medium-term

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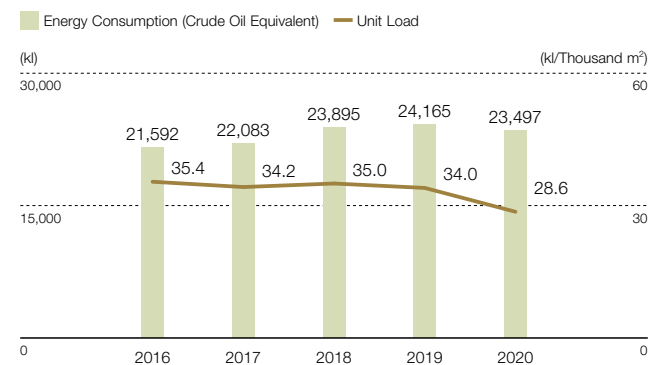
Through the Sustainability Promotion Committee, we will continue to monitor our climate change-related measures. Using a PDCA cycle, we will explore better approaches while also reviewing risks and opportunities.

[Risk Management P.63](#)

Indicators and Targets

The Tokyo Tatemono Group has for some time been conducting quantitative monitoring of GHG emissions and announcing the results of this monitoring. In addition, in May 2021, we have also set the targets shown on the right for addressing climate change and achieving a carbon-neutral society.

Energy Consumption (Facilities subject to the Act on the Rational Use of Energy)



[\(Data\) Energy Consumption and CO₂ Emissions P.68](#)

>> Target for 2050

- Net zero CO₂ emissions*¹
- Ensure that 100% of the electricity consumed in our business activities is from renewable energy sources*².

>> Target for 2030

- A 40% reduction in CO₂ emissions compared to fiscal 2019.
- Ensure that 40% of the electricity consumed by our real estate holdings is from renewable energy sources.
- In principle, develop ZEB*³ and ZEH*⁴ in all new office buildings, logistics facilities, and condominiums.
- In principle, acquire green building certification for all newly developed office buildings and logistics facilities.

*¹ CO₂ emissions: Total emissions from Scope 1, 2 and 3. Scope 1: Direct emissions that occur from the use of fuel by the Group, Scope 2: Indirect emissions that occur from the use of electricity and heat purchased by the Group, Scope 3: Indirect emissions that occur from other business activities (building construction, use of sold real estate, etc.)

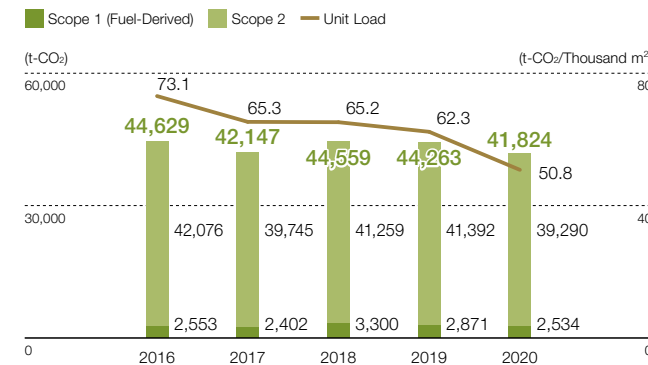
*² Includes consumption of non-fossil fuel certificates categorized as renewable energy.

*³ Zero Energy Buildings (ZEB) is a building that aims to achieve annual primary energy consumption balance of zero by maximizing energy independence through the use of advanced technologies that enable significant energy savings and the introduction of renewable energy. ZEB consists of Nearly ZEB (energy savings of at least 75%), ZEB Ready (energy savings of at least 50%) and ZEB Oriented (energy savings of at least 40% in office buildings and 30% in hotels with a floor space of 10,000m² or more), each of which will be included in the Group's initiatives.

*⁴ Zero Energy Houses (ZEH) reduces total energy consumption through measures such as heat insulation and energy savings as well as generating energy through power generation to balance out the annual primary energy consumption to zero. ZEH-M, the zero energy housing standard for condominiums, consists of Nearly ZEH-M (energy savings of at least 75%), ZEH-M Ready (energy savings of at least 50%) and ZEH-M Oriented (energy savings of at least 20%), each of which will be included in the Group's initiatives.

[\(Data\) KPIs and Targets P.74](#)

GHG Emissions (Facilities subject to the Act on the Rational Use of Energy)



[\(Data\) Energy Consumption and CO₂ Emissions P.68](#)

Climate Change Initiatives in the Commercial Properties Business

Development and Promotion of ZEB

Tokyo Tatemono is registered in the ZEB Leading Owner Registration System and we aim to contribute to the promotion



ZEB Leading Owner Mark



ZEB Ready Certification Label

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of ZEB. The Hareza Tower is the first high-rise, mixed-use building to receive ZEB Ready certification, thanks to the installation of a highly versatile facility system that includes LED lighting, brightness sensor and motion sensor controls, and a high-efficiency air-cooled heat pump package, as well as consideration of appropriate design conditions, such as the selection of 500 lux lighting fixtures for dedicated office areas.

■ Adoption and Upgrading of Energy-saving Equipment and Devices

In the buildings that we own, we are actively adopting and upgrading energy-saving equipment and devices, and in particular, we are systematically promoting the use of LED lighting. As of the end of FY2020, 91% of our buildings had already completed or were in the process of converting to LEDs.

■ Switching Headquarters Building to Renewable Energy

In July 2020, we began using non-fossil fuel certificates to switch all of our electricity consumption at the Tokyo Tatemono Yaesu Building, which serves as our headquarters building, to renewable energy. This initiative involves the supply of electricity using Non-Fossil Fuel Certificates with Tracking, which certify the environmental value of solar power generation. It is expected to reduce annual CO₂ emissions by approximately 1,700 tons.

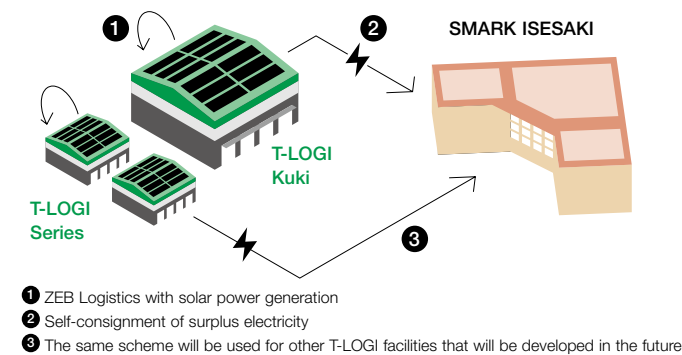
■ Generation and Use of Renewable Energy

In December 2020, we signed a basic agreement with Tokyo Gas Co., Ltd. to implement environmentally friendly initiatives using renewable energy.

As a first step in this initiative, we will install large-capacity solar panels at T-LOGI Kuki, a logistics facility developed by Tokyo Tatemono. The electricity generated will be consumed onsite at the facility, which will acquire ZEB certification as an environmentally friendly logistics facility. In addition, surplus electricity that cannot be fully consumed by T-LOGI Kuki will be self-consigned to SMARK ISESAKI, a commercial facility owned by Tokyo Tatemono.

Similar to T-LOGI Kuki, the T-LOGI series of logistics facilities scheduled for construction in the future will also be equipped with solar panels and promote energy conservation to realize environmentally friendly logistics facilities (ZEB Logistics). In addition, we will build a self-consignment business model in which a number of T-LOGI facilities will supply electricity to a designated facility (SMARK ISESAKI).

Image of Self-Consignment Business



Cooperative Initiatives with Tenants

■ Hold Energy Conservation Promotion Meetings

Tokyo Tatemono holds an Energy Conservation Promotion Council every year in cooperation with tenants at offices subject to the Tokyo Metropolitan Government's Total Volume Reduction System. We explain our energy-saving activities and reduction targets, and introduce tenants' energy-saving efforts. Through this council, we aim to enhance the energy-saving activities of both our company and tenants.

■ Introduction of Green Lease Provisions

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

■ Monitor Displaying Energy Consumption

At Shijo-Karasuma FT Square, in conjunction with the replacement of the central monitoring system in 2019, monitors were installed on the first basement floor and first floor that display the amount of each utility (electricity, gas, and water) being used in the building each day. Visually displaying energy consumption in this way enables Tokyo Tatemono as building manager to work together with our tenants to be environmentally conscious.



Monitor displaying energy consumption

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Climate Change Initiatives in the Residential Business

■ Promote the Development of ZEH-M (ZEH Mansion)

Tokyo Tatemono was registered under the ZEH Developer Registration Program in May 2018. Since then, we have worked as a ZEH Developer to aid the spread of ZEH-M apartments.

Following an open submission process, Brillia Tower Seiseki Sakuragaoka Blooming Residence was selected by the Ministry of Economy, Trade and Industry as the first and only project in the Tokyo metropolitan area for the fiscal 2019 Super-High-Rise ZEH-M Demonstration Project.*

This condominium meets the ZEH-M Oriented standard for high-rise apartments with six or more floors due to its improvement in outer wall insulation performance, the adoption of high-insulation doors, the use of high-efficiency hot water supply equipment, etc.

* The unofficial English translation of the official Japanese name of this METI project is the "Super-High-Rise ZEH-M Demonstration Project of the 2019 Support Subsidy for Promoting Energy-Saving Investment (Project for Promotion of Innovative Energy-Saving Investment Implementation in Housing/Buildings) (Net Zero Energy House Support Project)." This is a key demonstration project necessary to formulate design guidelines for promoting ZEH for multiple-dwelling residences. The project partially subsidizes expenses for ZEH conversion of shared dwellings incurred by operators who provide design specifications and energy performance-related data.

ゼロエネルギーで、暮らそう。



Brillia Tower Seiseki Sakuragaoka Blooming Residence

■ Use of Green Power Certificates

Since May 2016, we have been using the framework of Green Power Certificates to switch to 100% renewable energy sources for the electricity used in our Brillia brand condominium model rooms. In 2020, we utilized Green Power Certificates for approximately 420,000 kWh of electricity.

Development of Mega Solar Business

Tokyo Fudosan Kanri has been involved in the mega solar business since 2012. Through this company, we are developing solar power plants mainly in the northern Kanto region. As of the end of December 2020, we had eight plants with a total power generation capacity of approximately 13MW.



Oyama Solar Power Plant



Iwaki Solar Power Plant



Hatoyama Solar Power Plant

List of Solar Power Plants

Name (Location)	Power generation capacity	Date of operation
Oyama Solar Power Plant (Oyama City, Tochigi Prefecture)	785kW	February 2013
Iwaki Solar Power Plant (Iwaki City, Fukushima Prefecture)	2,454kW	November 2013
Joso Solar Power Plant (Joso City, Ibaraki Prefecture)	672kW	September 2014
Hatoyama Solar Power Plant (Hatoyama-machi, Hiki-gun, Saitama Prefecture)	1,908kW	March 2015
Tochigi Hirai Solar Power Plant (Tochigi City, Tochigi Prefecture)	1,559kW	March 2015
Tochigi Nishikata Solar Power Plant (Tochigi City, Tochigi Prefecture)	1,884kW	June 2015
Shirakawa Solar Power Plant (Tanakura-machi, Higashishirakawa-gun, Fukushima Prefecture)	2,034kW	November 2015
Higashiroshima Solar Power Plant (Higashiroshima City, Hiroshima Prefecture)	1,086kW	December 2015

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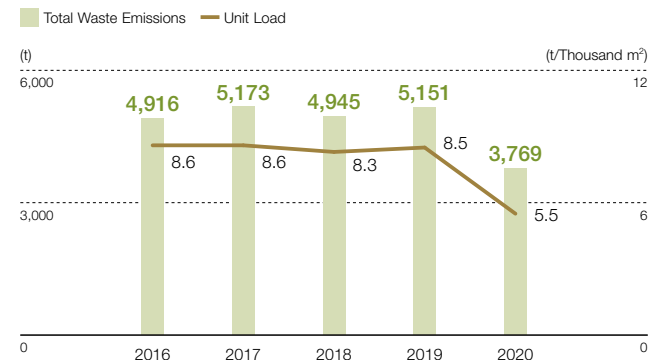
The waste and hazardous substances that are byproducts of our business activities have the potential to impact our stakeholders and our surrounding environment in significant ways.

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. We take every opportunity to save resources by using less materials and reducing waste discharge. We are also working to prevent pollution of the air and water by decreasing the generation of and properly managing waste and hazardous substances.

■ **Environmental Management P.15**

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Waste Emissions (Facilities that have submitted reuse plans)



Waste Reduction and Management Initiatives in our Commercial Properties Business

■ Introduction of a Centralized Waste Management System

For the office buildings owned and operated by Tokyo Tatemono, we strive to limit waste generation and promote recycling through stronger garbage sorting and recycling. In addition, in order to properly and accurately manage and understand waste, we have introduced a centralized waste management system using electronic manifests in 2018.

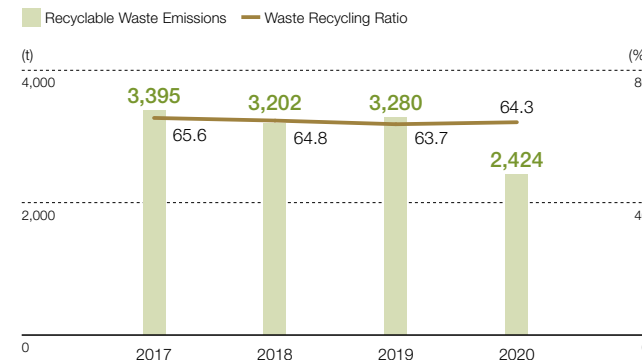
■ Realization of Recycling of Recovered Paper

We collect and recycle used paper discharged from our head office building and reuse it as toilet paper. By putting waste recycling into practice, we plan to foster recycling awareness among our employees and tenants.

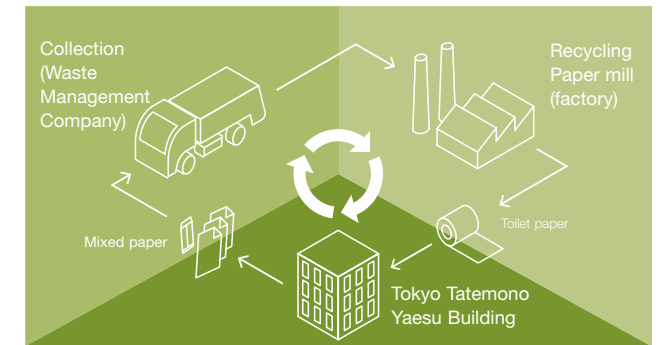
■ Meetings of the Waste Management Committee

We hold regular Waste Committee meetings in cooperation with our tenants to promote the 3Rs (Reduce, Reuse, Recycle)

Recyclable Waste Emissions (Facilities that have submitted reuse plans)



Paper Recycling System



through resource saving and waste reduction, sorting games, and explanations from government of social trends.

■ Initiatives to Reduce Waste Emissions from Tenants

To promote waste separation by tenants, we have created a waste separation chart that can be posted near the waste bins. We are distributing them sequentially to tenants.

We have also distributed to tenants eco-bags that we created to reduce plastic waste, which has become a particular problem in recent years.



Garbage Separation Table
(Noncombustible Rubbish)

Measures Against Asbestos

Tokyo Tatemono has conducted surveys on the usage status of spraying materials that contain asbestos for all the buildings we own. In buildings where asbestos was found to be in use, we

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took appropriate steps in response, including removal or containment and sharing information with the building tenants.

Proper Processing of Fluorocarbons

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

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

Measures Against Volatile Organic Compounds (VOC) in Construction Materials

Formaldehydes are the primary substances behind sick building syndrome. To maintain the health of its tenants, Tokyo Tatemono restricts the use of products emitting formaldehydes in buildings and stipulates standards for action against formaldehydes in conjunction with the regulations of the Building Standards Act. In order to maintain the health of our tenants and other building occupants, we have established a formaldehyde countermeasure standard that prohibits the use of formaldehyde-emitting products, which are the main cause of sick building syndrome, in buildings in addition to the provisions of the Building Standards Law. We measure the concentration of formaldehydes in new buildings in accordance with our own standards to verify the safety of indoor environments.

Proper Processing of Polychlorinated Biphenyls (PCBs)

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

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

Tokyo Tatemono identifies, measures, and appropriately manages air pollutants emitted from our businesses. Tokyo Tatemono regularly measures the concentration of nitrogen oxide (NOx), sulfur oxide (SOx), and other chemicals emitted from equipment producing smoke and soot, including cooling/heating systems and boilers that are in use in some of our

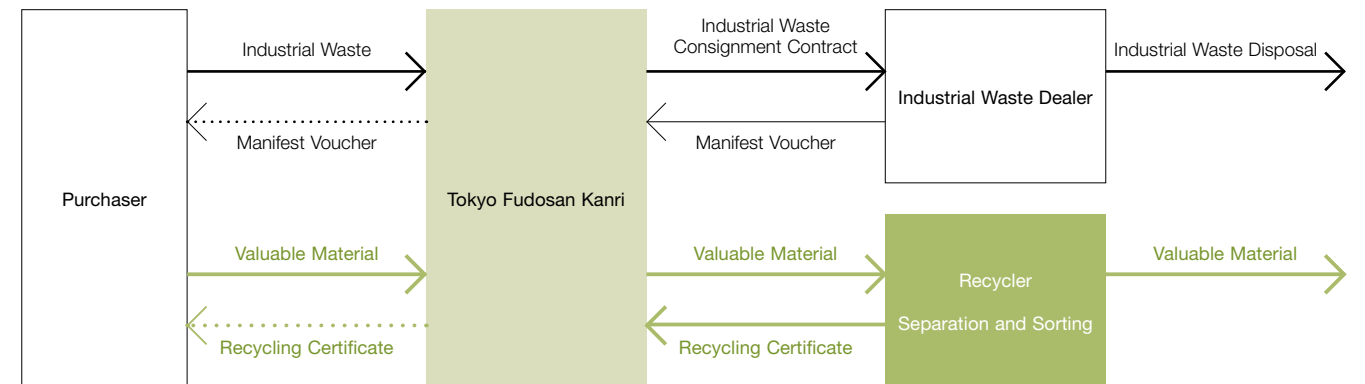
office buildings. We also comply with the environmental standards defined in the Air Pollution Control Act in the operation of these systems.

Valuable Recycling of Waste

Tokyo Fudosan Kanri recycles construction industrial waste as valuable materials*, using resources more effectively. The company sells a number of waste items to recyclers as valuable goods, sorting and separating products for reuse. These materials include wires from restoration construction, move-in construction, equipment restoration, etc., air conditioner refrigerant piping, OA floors, fluorescent lamps, flexible aluminum ducts, and other metal and plastic materials.

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

Path of Industrial Waste Disposal to Recycling as a Valuable Material



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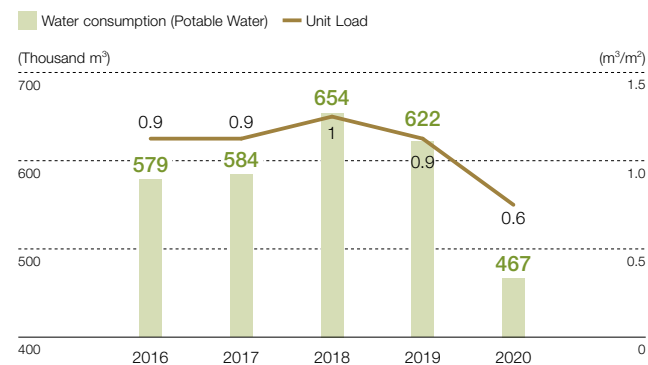
As water shortages become even more severe worldwide, developed nations and the rest of the world face demands to improve water consumption efficiency.

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the earth. As a developer, we recognize that water resources are an essential element for the continued creation of rich and comfortable spaces. We will strive to reduce the use of resources and environmental impact through all available opportunities and conserve water resources.

📖 **Environmental Management P.15**

📖 **(Data) Water Resources: Indicators and Results P.69**

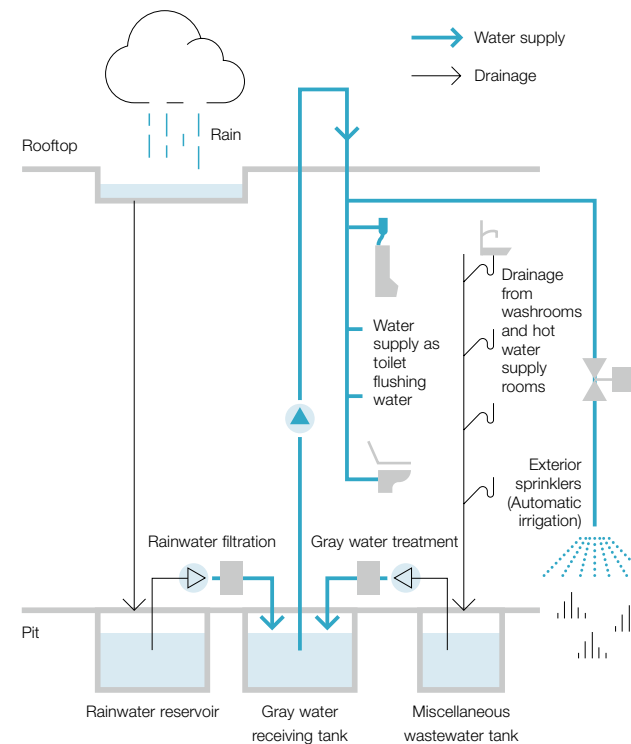
Water consumption (Facilities subject to the Act on the Rational Use of Energy)



Water Resource Initiatives in the Commercial Properties Business

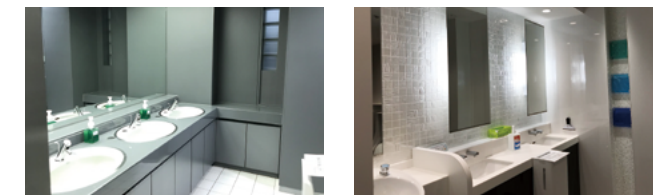
■ Effective Use of Gray Water

We are proactively introducing facilities to treat rainwater and gray water in our buildings. For example, we are promoting the reduction of water resources by reusing “gray water” from treated wastewater and rainwater from cooling tower blowing water, tenant kitchens, etc., for non-potable uses such as toilet flushing and sprinkling water for planting in exterior areas.



■ Installation of Water-saving Devices

We have established a medium- to long-term repair and investment plan on a 20-year span. In addition to systematically promoting renovation work, we are striving to reduce water consumption by upgrading to water-saving devices and installing automatic flushing systems when renovating toilets.



Tokyo Tatemono Umeda Building, restroom renewal work
Left: Before renovation Right: After renovation

■ Prevention of Water Pollution

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

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

Tokyo Tatemono Group is working toward a vision of creating a pleasant city and living with greenery, a commitment that is included in our Group Environmental Policy. We are striving to create a rich and comfortable environment that takes biodiversity into consideration, by maximizing the power of greenery, surveying local vegetation and the distribution of organisms, and selecting tree species to plant. Our efforts have been evaluated by impartial third parties, including ABINC, a third-party certification system for biodiversity conservation, and SEGES, a third-party certification system for green space creation.

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Examples of third-party certification related to biodiversity conservation and green space creation



ABINC certification



SEGES "Creating Green"



Urban Oasis

New Initiatives to Restore Urban Biodiversity

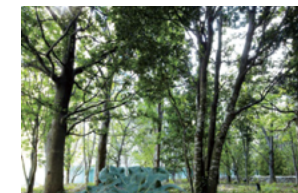
The Otemachi Forest in Otemachi Tower (Chiyoda-ku, Tokyo) is a genuine forest that covers about one-third of the entire site

(about 3,600m²). To develop it, we secured an experimental pre-forest facility of woodland covering 1,300m² in Kimitsu City, Chiba Prefecture. Over a three-year period, construction methods, plant growth, and appropriate management methods were verified in the same kind of growth environment as the planned site. After the soil and plants had been cultivated in Kimitsu, they were transplanted to the building site.


About 100 species of trees and ground cover plants were initially planted. A biodiversity monitoring survey conducted about a year and a half later revealed that this number had increased to some 300 species of plants. Many of these species are thought to have grown from seeds contained in the soil. Among them are rare species included on the national and metropolitan governments Red List.

While the surrounding area is an office district densely packed with tall buildings, the nearby Imperial Palace is home to a large number of birds and insects. This serves to increase diversity every year and contribute to the local ecosystem through a network with the surrounding green spaces. Several bird species have already taken root and migratory birds have been confirmed. Insects include many dragonflies, which appear to have flown in from the Imperial Palace.

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



Otemachi Forest

 **Sustainability Website Special Back Number: "Otemachi Tower" - Regeneration of the City and Nature (published in 2016) (Only available in Japanese)**

Maintaining and Preserving Ecosystems through the Creation of Urban Greenery

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

Tokyo Square Garden (Chuo-ku, Tokyo) is a new environmentally friendly building complex that features a 3,000m² multi-story green space called Kyobashi-no-oka, along with solar power generation and high-efficiency heat source equipment. The Tokyo Square Garden has received ABINC certification for biodiversity conservation and SEGES (Social and Environmental Green Evaluation System) certification as an urban oasis.

This initiative is not limited to our Commercial Properties Business; we are also actively working on advancing it in our Residential Business. Based on the concept of creating a forest in front of the station, Brillia Towers Meguro (Shinagawa Ward, Tokyo) features a forested space on the property, with approximately 900 trees planted and a dredged waterway. In cooperation with the nearby Nature Study of the National Museum of Nature and Science, we aim to contribute to the preservation and growth of the local ecosystem.

Status of Implementation of Risk Assessment for Biodiversity

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

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

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

Developing Resilient Real Estate

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

The Tokyo Tatemono Nihonbashi Building (Chuo-ku, Tokyo; completed in February 2015) has a seismic isolation structure (first basement floor: column-head seismic isolation) to ensure high earthquake resistance. The building is equipped with an emergency generator that can operate for 72 hours, supplying 15 VA/m² of power in the event of a power failure. The building also features countermeasures against guerrilla rains and the Arakawa River flooding its banks. The disaster prevention center, its central function, is located on the second floor. The electrical substation and emergency power generator are installed on the roof, enabling continuous operation of the power supply without interruption, even in the event of flooding.

Brillia Shonan Tsujido Seaside Park (Fujisawa City, Kanagawa Prefecture; completed in March 2019) is the first private condominium in Fujisawa City to receive a subsidy for the construction of tsunami evacuation facilities. It features a 400m² tsunami evacuation facility that can be used by nearby residents. The rooftop evacuation facility will allow not only condominium residents but also members of the local community to evacuate in the event of a tsunami. With capacity for approximately 660 people, the facility provides a safe location to wait until the tsunami recedes.



Tokyo Tatemono Nihonbashi Building



Brillia Shonan Tsujido Seaside Park

Implementing a Disaster Damage Measurement System to Guard Buildings Against Disasters

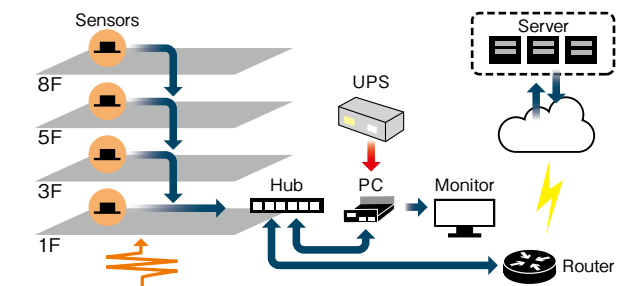
In the Commercial Properties business, we implement both hard measures (earthquake-proofing of the buildings we own as well as enhancement of emergency power sources, etc.) and soft measures (distribution of disaster stockpile goods to tenants and the installation of batteries for recharging mobile phones, etc.) for disaster response. We are working to enhance these disaster prevention policies, BCP support, and other measures.

Buildings owned by Tokyo Tatemono are equipped with systems using an array of sensors to rapidly determine building deformation (degree of damage) and confirm the safety of the

building after an earthquake. This system allows us to determine the safety and danger of an upcoming earthquake at the foreshock phase, even for a series of major foreshocks and shocks such as those that hit during the 2016 Kumamoto Earthquake.

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

Disaster Damage Determination System



This system uses data from multiple vibration-detecting sensors to calculate and determine the degree of damage. After installation, this system collects and stores all information from subsequent seismic events, automatically calculating the cumulative damage to the building structure. Even for an earthquake with multiple, strong foreshocks and shocks, the system can make a determination of the safety level of the earthquake based on foreshocks.

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Support for Stranded Commuters During Disasters

When major earthquakes or other disasters occur, public transportation functions may halt, stranding commuters. At the large-scale office buildings managed by the Tokyo Tatemono Group, we have prepared support mechanisms for tenants. We have entered into agreements with local municipalities and developed systems, structures, and resource stockpiles in anticipation of scenarios in which stranded commuters require housing.

>> Facilities with capacity for receiving stranded commuters

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



Tokyo Square Garden



Training for accommodating stranded commuters at Tokyo Square Garden

Strengthening of Disaster Prevention Measures in the Residential Business: Introduction of the Brilliia Disaster Prevention Guidelines

As part of the Comfort From Day One theme, the Brilliia brand offers disaster prevention measures unique to each property. Actions are divided into three phases to ensure appropriate action: normal, disaster, and post-disaster.

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

We have implemented a number of measures to increase earthquake resistance and mitigate disasters to ensure safety. These include wall bases that prevent furniture from falling, earthquake-resistant unit doors, and emergency lights at floor level during power outages. AED stations are also standard equipment in communal spaces. In addition, we have equipped each residence with Brilliia-original chair-style disaster prevention backpacks, packed with key items that will help in critical moments, such as a multi-function radio and portable toilet.

It is also important that community residents help each other in times of disaster. We have set up stock areas for disaster goods and stockpiled items, including manhole toilets, water purifiers, and power generators. These items are placed in common spaces for mutual aid during evacuations.

These guidelines received the Good Design Award in the Service Design Category in 2011, highly commending our efforts in raising awareness about disaster prevention on a daily basis, as well as our improvement of mutual prevention awareness between residents.

>> Phase 1: Normal Times (Prepare)

- Disaster prevention briefings
- Making original prevention backpacks standard equipment for all units
- Creating original disaster prevention manual

>> Phase 2: Disaster (Protect)

- Installation of foot lights in corridors
- Installation of elevators with earthquake countermeasure functions
- Installation of wall bases to prevent falling furniture
- Unit doors with quake-resistant frames

>> Phase 3: Post-Disaster (Preserve)

- Storage of emergency supplies in emergency stock areas
- Installation of AED (Automated External Defibrillator) units



Original prevention backpacks

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Emergency Bath Facilities

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

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



Ofuro no Osama, Ebina Store



Ofuro no Osama, Kozashibuya Ekimae Store



Ofuro no Osama, Seya Store (exterior)



Ofuro no Osama, Seya Store (indoor bath)

Fire Brigade Training and First-Aid Courses

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

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

Furthermore, the Group company fire squad trains on a daily basis. For many years, the squad has participated in the Self-Defense Fire-Fighting Drill Review Board held by the Nihonbashi Fire Department, earning five wins to date. (The competition was cancelled in 2020 due to the coronavirus pandemic.)

As of the end of December 2020, 299 Tokyo Tatemono employees and 604 Tokyo Fudosan Kanri employees have completed the lifesaving course, which includes first aid. Tokyo Tatemono has received a certificate of excellence from the Tokyo Fire Department, in recognition for promoting first aid training among its employees.



Self-Defense Fire-Fighting Drill Review Board

Joint Training for Earthquake Disaster Response (Including Group Companies)

The Tokyo Tatemono Group has established a basic policy for earthquake response, called the Basic Plan for Earthquake Measures. We have prepared manuals for initial response, stockpiling, and employee safety confirmation.

Each October, group companies conduct joint drills on earthquake countermeasures to confirm chain of command, division of responsibilities, information gathering and communications, and employee safety confirmation. In 2020, in anticipation of the declaration of a state of emergency to prevent the spread of COVID-19, we used online communication tools to remotely set up an earthquake countermeasure headquarters (i.e., set up an earthquake countermeasure headquarters that could be operated by staff working from home).

In recent years, climate change and other factors have been causing greater wind and flood damage. We have therefore been conducting windstorms and floods drills that simulate the flooding of the Arakawa River in order to improve our ability to respond to windstorms and floods.

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Voluntary Turnover Rate
(as of December 31, 2020)

2.2 %



Average Number of Paid Leave Days
Taken (FY2020)

9.3 days



Ratio of Employees Who Underwent
a Health Check-up (FY2020)

100 %

Social

Diversity & Inclusion

Policy and Concept

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

Tokyo Tatemono established a Human Resource Policy that includes creating a fulfilling, rewarding workplace in which employees can experience growth and feel satisfaction from their work. We pursue the creation of an environment in which diverse human resources are motivated and dedicated in their work, acting freely without obstacle. We believe that these efforts will inspire innovations for providing customer-focused services and enhancing productivity, which will lead to corporate growth.

System

The Tokyo Tatemono Personnel Department works with all group company departments, overseeing labor affairs in a group-wide support system. This Department engages in measures to ensure a diverse base of human resources can challenge themselves to grow continuously, acting freely without obstacles.

In January 2020, Tokyo Tatemono established the Human Resources Development Group and Health Management and Diversity Promotion Group to respond to the ever-increasing

importance of human resource development and the rising social demand for health management and the promotion of diversity.

[\(Data\) Diversity and Inclusion Indicators and Results P.70](#)

Promoting the Success of Women

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

Our ratio of women employees was 30.2% as of December 2020, up 4.4% from 2016. The percentage of management positions held by women reached 6.0%, up 3.3 percentage points.

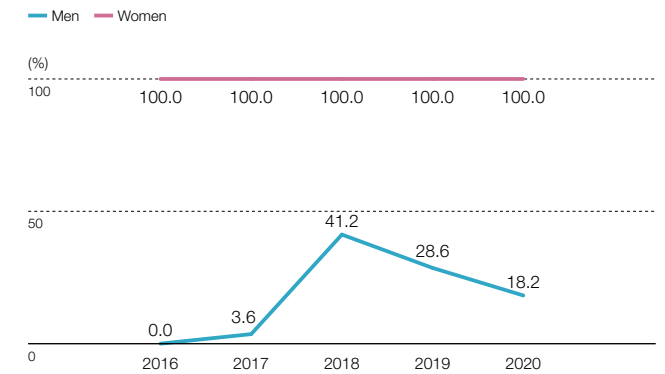
■ Leave Systems for Pregnancy, Childbirth, Childcare and Nursing

In addition to maternity leave, we have established leave systems for both women and men employees to use in the case of childcare and nursing care. We have also set up a re-employment system for former employees who resigned from their jobs for the aforementioned reasons.

[\(Data\) Childcare Leave P.71](#)

[\(Data\) Rehiring of Retirees P.39](#)

Changes in the Ratio of Employees Taking Childcare Leave



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Overview of Childbirth and Childcare Support Systems

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

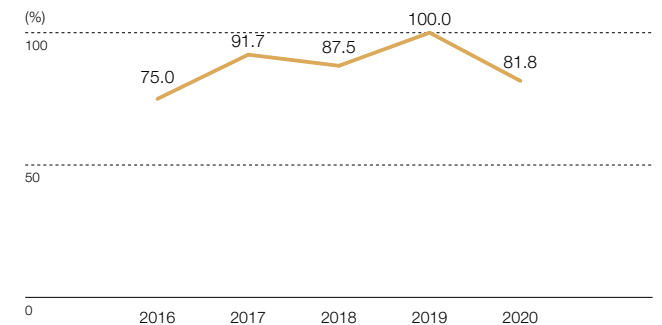
* Some policies carry conditions such as length of service

Promoting the Success of Seniors

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

In 2019, we launched career design training programs for experienced line managers. These programs help line managers have a positive experience in making career choices on post-retirement-age rehiring.

Ratio of Employees Rehired at Retirement Age



(Data) Rehiring of Employees at Retirement Age P.71

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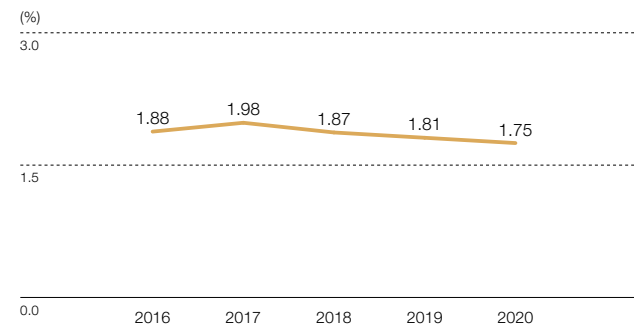
Promoting the Success of People with Disabilities

Tokyo Tatemono promotes the success of people with disabilities through hiring activities throughout the year.

We have prepared systems that allow people with disabilities to enjoy long-term, stable employment. We accomplish this through optimal department assignment based on the individual's particular qualities, through regular consultations with the Personnel Department, and through working hours set appropriately to the particular circumstances of each disability.

The employment rate of people with disabilities in 2020 was 1.75%, but as of March 2021, the mandatory number of employees was met and the rate was 2.28%. We will continue our efforts to employ people with disabilities.

Ratio of Employees with Disabilities



* As of the end of June each year

[\(Data\) Headcount P.70](#)

Promoting the Success of Non-Japanese Employees

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

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

[\(Data\) Headcount P.70](#)

System to Accompany Spouse on Overseas Transfer

With globalization as a backdrop, opportunities to work overseas are increasing. Tokyo Tatemono allows employees to take up to three years of leave of absence to accompany their spouse on an overseas assignment. The policy is designed for employees who wish to remain with the company but also want to share their life with their family. By giving consideration to the work-life balance of employees in this situation, we hope to enable them to lead a fulfilling life. In addition, employees who have left the company due to reasons such as their spouse's transfer are eligible to rejoin under the rehiring system for retired employees.

[\(Data\) Rehiring of Retirees P.39](#)

Rehiring of Retirees

We have introduced a rehiring system for retired employees who had to leave the company due to life events or family reasons, such as pregnancy, childbirth, childcare, or nursing care. This enables them to return to the company and resume leveraging the knowledge and experience they obtained during their tenure.

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Policy and Concept

Amid mounting concern about long working hours and mental health issues, it is vital for each employee to maintain a good balance between work and his or her personal life. This is a key requirement for feeling fulfilled in one's work and performing well. Implementing work style innovation will improve efficiency and enable a better work-life balance. We believe that this will in turn lead to increased productivity and sustainable growth for employees and companies.

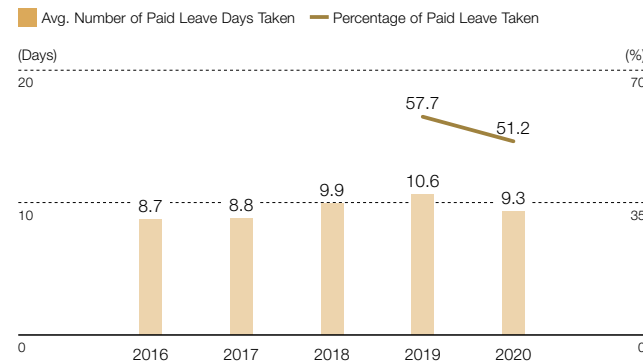
》》 Tokyo Tatemono Work-Style Innovation Concepts

The goal of work-style innovation is to create more time by increasing efficiency, bringing about both corporate and individual growth as well as the happiness of the individual.

■ Promoting the Use of Paid Leave

In addition to the regular paid leave policy, we have established a paid leave carryover policy. This policy allows employees to use

Use of Paid Leave



their expired paid leave for purposes such as childcare, nursing care and medical treatment. We actively encourage employees to use their paid leave, having established a paid leave promotion period to make it easier for employees to take time off. We also provide refreshment leave to employees when they reach a certain number of years of continuous service to create a working environment in which each employee can shine.

📖 (Data) Paid Leave Status P.71

Labor-Management Cooperation in Work-Style Innovation

Tokyo Tatemono established the Work-Style Innovation Labor-Management Review Meeting with the labor union in 2017 (hereinafter referred to as the Study Council). The Study Council was established to enable labor and management to examine the necessary concrete measures to execute work-style innovation that is appropriate for Tokyo Tatemono. The

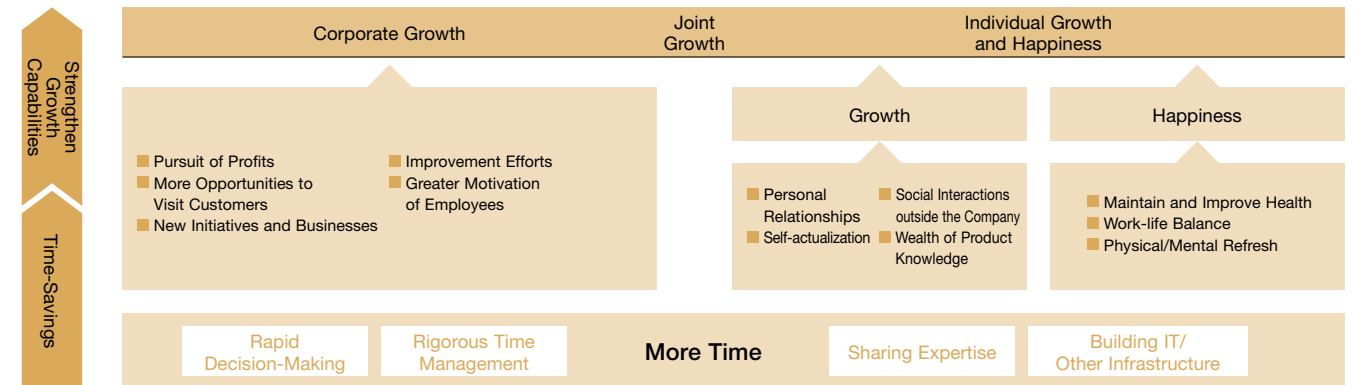
overall aim is to further improve productivity and efficiency in the execution of business operations in order to ensure the sustainable growth of our Group.

The Study Council also shares the purpose of and goals to be achieved through work-style innovation, engaging in broad-based discussions between labor and management. We have been conducting telework trials since 2018. We continued this use of telework in 2020 as part of our measures to prevent the spread of COVID-19. In addition to working from home, we aim to further improve productivity through the use of external satellite offices and increased adoption of various ICT tools.

》》 Specific Measures for Work Style Innovation Discussed between Labor and Management

- 1 Thorough implementation of paperless processes
- 2 Use of various ICT tools
- 3 Conducting telework trials

Diagram: Tokyo Tatemono Work-Style Innovation



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Dialogue between Labor and Management

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

📖 (Data) Percentage of Unionized Employees P.71

■ Conclusion of Agreement on Overtime and Holiday Work

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

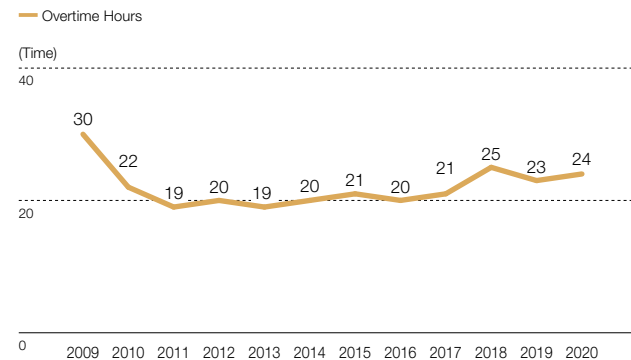
Initiatives to Reduce Overtime Work

Tokyo Tatemono has been engaged in ongoing measures to prevent overtime since 2008 from the perspective of work-life balance and employee health management.

In 2010, we adopted a system to shut down computers at the standard end of the working day to limit late-night working hours and prevent overwork. Furthermore, in departments where long-working hours occur, we have implemented a framework to address this issue by requiring direct supervisors to report on improvement measures and provide feedback to upper management. Through this PDCA cycle, we are striving to reduce overtime hours (overtime work hours).

These efforts paved the way for the labor-management work-style innovation that we began from 2017. Now more than ever, we are striving to improve efficiency and time management so that we can create more time for each of us.

Changes in Overtime Hours Worked per Month



TOPICS

TIMEWORK, a Space-Sharing Service for Corporations

The need for remote work among companies is increasing due to the progress of work style reforms and the impact of the coronavirus pandemic. This trend has spurred a rapid increase in the number of facilities offering shared and serviced offices.

However, the use of shared offices, meeting rooms, or other spaces operated by different entities generally requires a contract with each individual business as well as specific procedures for the use of each location. This presents a hurdle for companies that want to use many facilities as part of their work environment infrastructure.

To eliminate this obstacle, Tokyo Tatemono has partnered with companies such as Nippon Steel Kowa Real Estate Co., Ltd. and Nippon Tochi-Tatemono Co., Ltd. to launch TIMEWORK, a new shared office space-sharing platform. The service connects multiple facilities of different operators with user companies under a single contract, with the aim of providing a more convenient service for both user companies and member facilities. From November 2019, we launched a service that allows companies (users) to use, on an hourly billing basis, any facility from among the member-registered shared offices.

As of the end of December 2020, we have expanded to 106 locations.



Shared Office (+OURS Shinjuku)

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Policy and Concept

Tokyo Tatemono strives to develop the skills of employees, reflecting our belief that employees are the foundation from which sustainable corporate growth is built.

In 2012, we revised a number of human resources systems to better cultivate talent and create workplaces capable of creating added value. At the same time, we strive to innovate ourselves into a highly optimized organizational culture beyond individual or departmental optimization. As part of our innovation, we formulated our Human Resource Policy, based on which we have built our human resource development system.

>> Human Resource Policy

① Developing ideal human resource

Ideal human resource: a person that is trusted and that opens new avenues for the future

② Realization of a satisfying working place

where employees can feel their growth

System (Human Resource Development System)

From the time a new graduate joins Tokyo Tatemono, we take a keen interest in their development. We provide a collective training program offering basic business training (covering topics such as logical thinking, marketing and management strategy).

To provide experience and broader knowledge required for employees of a comprehensive real estate company, we rotate new graduate hires among three departments to gain experience in their first ten years of employment. To strengthen

the OJT development cycle in the workplace, we have set up training for managers responsible for instructing others, as well as a new employee counselor system. The operation status of these initiatives is monitored through regular interviews by the Personnel Department.

For mid-career employees, we provide enhanced programs to foster a culture of learning. This includes voluntary in-house training, external dispatch training, and cross-industry exchange training, providing a system that empowers employees to consider the knowledge and skills they need and choose accordingly.

Training for managers includes training to enhance daily line management, including training for evaluators, mental health

and line care training, as well as dispatch training programs to external training agencies such as business schools to enhance their strategic perspectives and management capabilities.

In addition, we have established self-development programs and support systems to aid employees in acquiring certifications. These are to help employees enjoy independent learning at all stages of employment. We also offer special support for learning the English and Chinese languages, as well as for dispatching employees to overseas training in consideration of global business expansion.

Summary 2021 Training Programs

	Training per Management Level	Global Training	Self-Edification/ External Dispatch	Support Systems for Acquiring Certifications
Executives	Executive Training	<ul style="list-style-type: none"> Attending language schools Overseas on-site observation Overseas dispatch training Internships with local subsidiaries 	<ul style="list-style-type: none"> Support for attending business/graduate school Single-subject business school training dispatch Cross-industry training Distance learning External seminars 	<ul style="list-style-type: none"> Real Estate Broker The Official Business Skill Test in Bookkeeping Japan Business Law Exam Certified Building Administrator Real Estate Consulting Master Exam Real Estate Securitization Master Urban Renewal Planner Real Estate Appraiser First-class Architect
General Managers	New General Manager Training			
Group Leaders	New Group Leader Training			
Managers	New Manager Training			
Assistant Managers	New Assistant Manager Training			
	Electives <ul style="list-style-type: none"> Coaching: Basics Coaching: Advanced Strategic OJT Leadership Business Development Data Science Design Thinking Negotiation Action Learning Breakthrough Lectures by Outside Experts 			
Senior Employees	<ul style="list-style-type: none"> Strategic Communication Accounting Management Strategy Presentation Finance Marketing Third-year Group Training 			
New Employees	<ul style="list-style-type: none"> New Employee Training Logical Thinking Basic Practical Real Estate Training IT Training 			

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Group-Wide New Employee Workshops for Improving Group Synergies

Through the array of businesses we operate, Tokyo Tatemono is building an organization that can demonstrate group synergies to our customers and other stakeholders.

To achieve group synergies, we must first develop a sense of kinship, learn about the business of each group company, and build deeper personal relationships. For this reason, we conduct a joint group training program for young employees. We provide various joint training programs in addition to the four-day orientation training that takes place immediately after a new hire joins the company, and the exchanges at the annual field day every fall. These additional programs continue until the third year after an employee joins the company. Through this approach, we aim to aid the formation of personal connections that will help us achieve group synergy.

Overseas Training for Global Human Resource Development

Tokyo Tatemono conducts overseas training to foster heightened global mindsets among our employees as we continue our global business expansion. (Past destinations include China and Malaysia, etc. This training was put on hold in 2020 due to the pandemic.)

Going forward, we will continue to support the growth of highly motivated people who want to take on the challenge of creating new value globally, both in Japan and overseas.

Acceptance of Interns

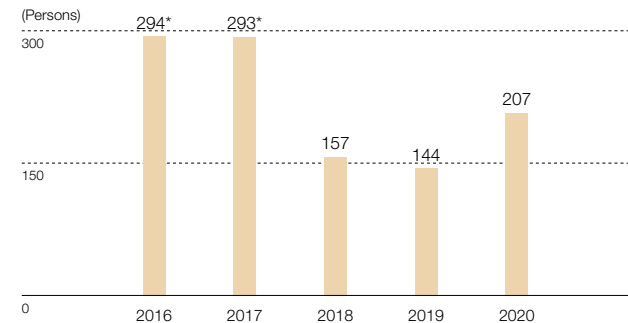
We accept undergraduate and graduate students for internships. The internship program is held twice a year, once in the summer and once in the winter. In 2020, a total of 207 interns were accepted.

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



Acceptance of interns

Number of Interns Accepted



* Figures for 2016 and 2017 include participants in seminar-based one-day internships.

TOPICS

Group-Wide Training for Improving Group Synergies: Third-Year Employees

In February 2020, 42 employees in their third year of employment from six of our group companies (Tokyo Tatemono, Tokyo Tatemono Real Estate Sales, Tokyo Tatemono Amenity Support, e-State Online, Nihon Parking, and Prime Place) gathered for a two-day training program aimed at laying the groundwork for group synergies.

This training is the culmination of the Group's joint training program that is provided to employees over their first three years after joining the company. The aim of this training is to deepen the participants' thinking not only about the businesses of each company, but also about the next-generation developer that Tokyo Tatemono Group should aim to become. Forming separate teams, the participants discussed SDGs, which are the common goals of the international community. On the last day of the training, each team made a presentation about new initiatives through which the Group can contribute to the achievement of SDGs.



A presentation at the training program

Examples of Presentation Themes

“From an unusable place to a useful place”

Providing a platform application to connect underutilized spaces.



“Enriching people's spare time”

Developing a mobile lounge business that provides a place for personal learning and relaxation.



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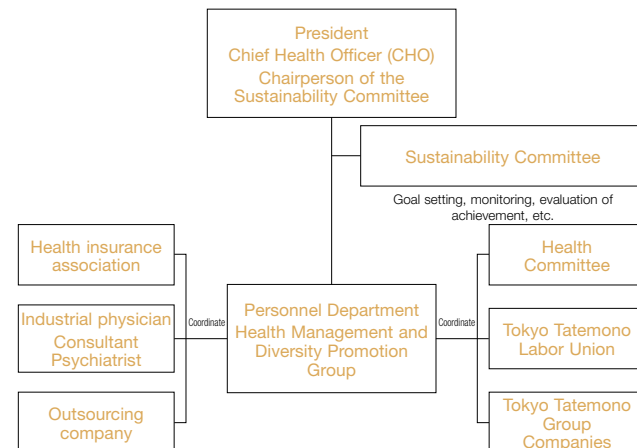
Policy and Concept

To enable our executives and employees to reach their full potential, Tokyo Tatemono Group strives to support and improve the health of each individual in accordance with the Group Health Management Declaration.

System

Tokyo Tatemono established the Health Committee, which consists of representatives from the Personnel Department and each office/location, as well as industrial physicians. The Health Committee generally convenes once a month for the purpose of improving standards of occupational health in the workplace and encouraging employees to maintain and improve their health. Moreover, we work to maintain and improve health

Health Management Promotion System



throughout the Tokyo Tatemono Group via exchanges between group companies.

Monitoring of the setting of targets and progress, as well as evaluation of the achievement of the targets, will be reported to the Board of Directors through the Sustainability Committee.

(Data) Health Management / Occupational Safety and Health Indicators and Results P.71

» Tokyo Tatemono Group Health Management Declaration

The corporate philosophy of Tokyo Tatemono is “Trust beyond the era,” which incorporates our will to strive for the growth of the company and the creation of a prosperous society, taking pride in the trust placed in us that extends over a century.

To embody this corporate philosophy, we believe the health of our executives and employees, as well as their families, is vital.

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

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

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

Third-Party Evaluation of Health Management

In 2014, the Development Bank of Japan, Inc. DBJ Employees Health Management Rating awarded Tokyo Tatemono the highest possible accolade for our earnest efforts toward health. The recognition cited our outstanding initiatives toward the health considerations of our employees.

In 2017, Tokyo Tatemono and four other group companies were recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, a program in which the Ministry of Economy, Trade and Industry certifies companies practicing excellent health management.

In addition, ten group companies were recognized by the National Federation of Health Insurance Societies (Kenporen) in Tokyo, receiving Silver and Gold certifications as outstanding health organizations under the Health & Productivity Management Outstanding Organizations Recognition Program.



Status of Certification as an Outstanding Health Management Company

	2018	2019	2020	2021
Tokyo Tatemono	Certified (White 500)	Certified (White 500)	Certified	Certified (White 500)
Tokyo Tatemono Real Estate Sales	—	—	—	Certified
E-State Online	—	Certified (White 500)	Certified	Certified
Tokyo Fudosan Kanri	—	—	Certified (White 500)	Certified
Tokyo Realty Investment Management	—	—	—	Certified

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Health Improvement Initiatives

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

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

■ Employee Health Management

Tokyo Tatemono has set a goal for 100% regular medical checkups for our employees, and we are advancing initiatives to raise greater awareness of health management among all employees. We have achieved this goal every year since 2011. Since 2017, we also conduct group dental examinations. (In 2020, it was cancelled due to the coronavirus pandemic.)

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

Furthermore, we offer subsidies to cover the cost of vaccinations to prevent widespread infection during flu season. Since 2016, we have invited doctors to our facilities to provide vaccinations for better disease prevention.

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

 (Data) Health Management-related Measures P.71

■ Smoking Prevention

In 2019, we launched a smoke-free environment in our office. We are striving to lower our current 20% smoking rate to 12% or less by the end of fiscal 2022 (the same level as the goal set out in the Basic Plan to Promote Cancer Control (Third Term)). In 2020, the smoking rate was 17%, a significant decrease from 21% the year before.

 (Data) Health Management-related Measures P.71

■ Mental Health Initiatives

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

In addition, we provide mental health counseling via health insurance associations. These counseling services are made available to employees with mental health concerns. In 2016, we launched a partnership with psychiatric advisors, creating a support structure that includes training to help employees return to work.

We conduct self-care and line care training to promote mental health awareness. This training is mandatory for new managers in particular. Currently, this training boasts a 100% attendance rate. We also invite sports trainers to teach company-wide training for all new employees. We work not only to help all of our employees understand the critical importance of their mental health, but also for early detection and prevention of mental health issues.

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

 Health Management Initiative (Only available in Japanese)

Occupational Health and Safety Initiatives

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

 (Data) Lost Time Injuries P.72

■ Maintaining the Work Environment

We are working to ensure a work-friendly environment by reducing fatigue and stress caused by work. This helps to prevent occupational accidents and health problems. With the relocation of our head office functions to the Tokyo Tatemono Yaesu Building, we are putting into practice our approach of creating an office where employees can work comfortably.

Improvement of Working Environment at Tokyo Tatemono Yaesu Building

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

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Policy and Concept

The Tokyo Tatemono Group supports the Universal Declaration of Human Rights in the International Bill of Human Rights, international labor standards such as the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

The Group's approach to ensuring respect for human rights throughout its business activities was until recently based on the Tokyo Tatemono Group Compliance Manual. To further reinforce our efforts regarding human rights, however, we have established the Tokyo Tatemono Group Human Rights Policy, which is based on the Guiding Principles on Business and Human Rights. When formulating the policy, we received advice from outside experts as well as approval from the Board of Directors. With regard to our supply chain, we have established "Sustainable Procurement Standards" and we are working together with our business partners to promote these initiatives.

 [Sustainable Procurement Standards P.67](#)

Human Rights Policy

All persons engaged in the Tokyo Tatemono Group's operations must comply with the Human Rights Policy. We are also engaging with our business partners and other stakeholders and we expect them to comply with the policy. The Group strongly recognizes the importance of respecting the human rights of all stakeholders involved in our business. Based on this policy, we will conduct human rights due diligence to identify, mitigate, correct, and remedy any human rights issues in our business.

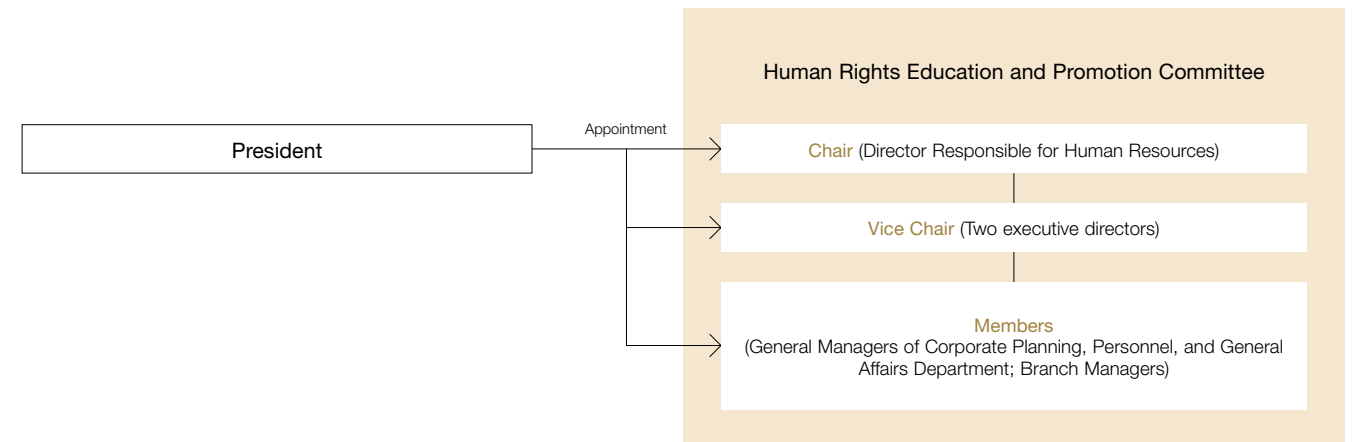
 [Human Rights Policy](#)

System

Issues related to human rights are raised at the Sustainability Committee, which discusses measures to address them. In January 2019, we engaged in a progressive reorganization of our Anti-Discrimination Promotion Committee to establish the Human Rights Education and Promotion Committee. This committee will plan, implement, and inspect educational programs and training sessions on human rights issues.

 [ESG Management Promotion Framework P.6](#)

Human Rights Education and Promotion Structure



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Initiatives for Human Rights Due Diligence

The Tokyo Tatemono Group is working to establish a human rights due diligence system. In 2020, with the help of external experts, we identified and assessed (through risk mapping) the risks that could have a negative impact on human rights for our major businesses and their value chains. Based on these results, we will determine the priorities for the Group.

■ Participation in Human Rights Due Diligence Study Group for Construction and Real Estate Sector

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

* Mitsubishi Estate, NTT Urban Development, Tokyu Land Corporation Holdings, Tokyo Tatemono, Nomura Real Estate Holdings, Obayashi Corporation, Shimizu Corporation, Taisei Corporation.

Responding to Human Rights and Discrimination Issues

Due to the nature of the real estate business, the Tokyo Tatemono Group is in no small way susceptible to potential discrimination issues. For this reason, we provide ongoing training to ensure a proper understanding of human rights and discrimination issues, as well as to ensure appropriate responses in our activities, to prevent situations that could lead to human rights violations (in 2020, we did not provide this training due to social distancing measures during the coronavirus pandemic).

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

Compliance Training that Includes Human Rights

The Tokyo Tatemono Group’s compliance manual stipulates “respect for human rights, prohibition of discrimination and harassment,” and “ensuring a comfortable working environment,” and we ensure that all employees are aware of these principles. We also conduct compliance training, including human rights training, for employees and managers as appropriate.

 [Compliance Training P.65](#)

 [Compliance Surveys P.66](#)

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Policy and Concept

The Tokyo Tatemono Group strives to offer services and mechanisms improving quality and customer satisfaction, with the aim of promoting safety and security in urban development.

We believe that our attention to quality both in hard (finished products, e.g., buildings) and soft (services offered) aspects of our business, as well as our ongoing work to improve customer satisfaction, are the source of our corporate competitiveness.

Therefore, the Group has adopted a barrier-free, universal design for the offices and residences we develop. Our purpose here is to achieve usability for all customers, including the elderly and persons with disabilities.

Moreover, in response to customer feedback, we have implemented a number of varied mechanisms in our business activities, striving to further enhance quality from the customer's perspective to improve satisfaction.

Improving Quality and Customer Satisfaction in the Office Buildings Business

The Human Building Philosophy

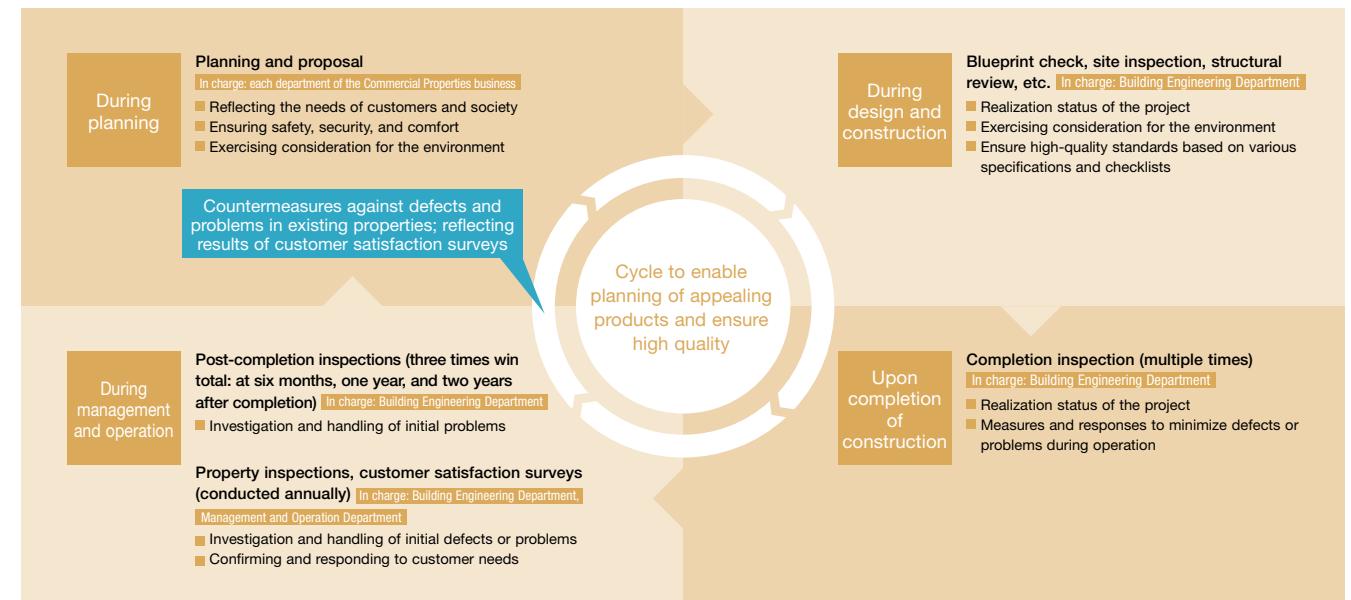
In the Commercial Properties business, we are guided by the concept of the "Human Building," in which people are always at the center. We want our customers to feel safe, secure, and comfortable across both the hard and the soft aspects of our services. To ensure that all employees in the Commercial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

Quality Control Initiatives in the Commercial Properties Business

To deliver an experience that makes customers feel safe, secure, and comfortable, we have established a quality control system and standards for each phase of the Commercial Properties business, from planning and design through to construction and operation. In addition, we quickly respond to any defects or problems after construction and implement the PDCA cycle to develop the next property.

Initiatives in the Planning and Construction Stages

For quality control of the hard aspects of the business, the Building Engineering Department plays a central role in the system we have established to check each phase of planning, design, and construction. In the long process from property development to operation, performance and criteria requirements often change. We continually check whether we are reflecting the needs of society and our customers at each stage.



* This cycle is also implemented in large-scale renovations of aging buildings.

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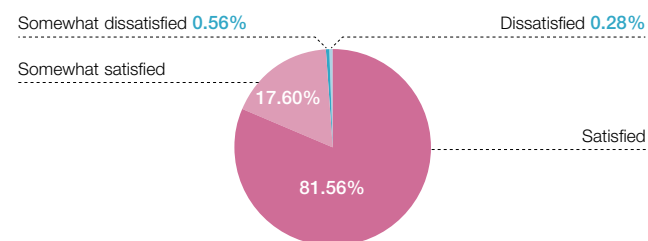
>> Initiatives in the Management and Operation Phase

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

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

Through these check systems, we strive to deliver a customer experience that feels safe, secure, and comfortable. In this way, we aim to enhance the value of our buildings.

Office Building Customer Satisfaction Survey Results (FY2020)



Customer Satisfaction Survey, Response Ranking (FY2020)

Satisfied	#1	Common area cleaning status
	#2	Fire and disaster prevention systems in buildings
	#3	Disaster prevention center emergency support
Dissatisfied	#1	A/C temperature and humidity
	#2	Divided smoking/non-smoking environments
	#3	Cellular signal reception

■ Refining Our Work with Customer Satisfaction Surveys

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

For example, we have improved PC screen operability and detailed zoning during construction for air conditioning equipment in buildings, offering greater control. We have also worked to install e-cigarette smoking rooms and adopt measures related to blind zones for mobile phones. In 2020, we also conducted a customer survey regarding our response to the coronavirus pandemic. By reflecting new needs in our building operations, we received positive feedback from our customers.

📖 (Data) Office Building Customer Satisfaction Survey Results P.72

■ Examples of Satisfaction Improvement Measures Enacted

>> Use of Digital Signage

Digital signage was installed in Nagoya Prime Central Tower and Tokyo Tatemono Higashi-Shibuya Building. In addition to providing the usual information such as news and weather forecasts, the signage also serves as a means of encouraging cooperation in environmental activities, one example being the promotion of correct waste separation using a quiz format. The signage has been well received by customers.



Raising awareness of waste separation through quiz-style activities

>> Utilization of IoT in Office Building Toilets

At Nakano Central Park, we partnered with VACAN, Inc. to make effective use of the spare time needed to use the restroom. A visual display of the congestion status is available to office workers on their smartphones, while advertisements are displayed on monitors installed in the cubicles. In times of congestion, cubicle occupants are encouraged to be conscious of their usage time by a display showing their elapsed time on the monitor.



Monitor display during times of congestion

>> Renewal of the Deck Space

At Nakano Central Park, to secure a sufficient number of seats in the refreshment space for customers, we renewed the deck in the commercial area, converting it into an open space with the top half of the windows open. The space is well ventilated, which has helped its popularity during the pandemic.



Deck after renovation

>> Installation of Scented Air Conditioning System with Sanitizing Function

We introduced a full-scale scented air-conditioning system with a sanitizing function at the first-floor entrance of the Osaka Center Building. The aim is to enable customers to use the offices with peace of mind, even during the pandemic. This is the first time in Japan for the system to be installed in the common area of an office.

During the day, the system provides a relaxing and

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comfortable space with the use of carefully selected green scents, which have stress-reducing effects. At night, when there are no people around, sanitizing solutions are dispersed by remote control to create a hygienic and safe space.

>> Renovation of Building Common Areas (Shijo-Karasuma FT Square)

At Shijo-Karasuma FT Square, we renovated various sections of the common areas with the aim of giving tenants a sense of Kyoto, as well as reversing some of the effects of the aging of the building and improving its functionality.

In each restroom, a tooth brushing corner was installed. A styling corner was added to women's restrooms, as well as small lockers for storing personal care items. The doors of the restrooms were decorated with various traditional Japanese patterns. Explanations of the meaning of each pattern are posted at the restroom entrances, conveying a sense of the tradition of Kyoto. The carpet tiles in the common corridors were previously renovated to incorporate patterns reminiscent of cobblestones and a dry landscape garden. The shape of the light fixtures in these corridors was also changed as part of a switch to LED lighting. The synergistic effect of these subtle changes has combined to create a visually new space that is balanced and comfortable.

The elevator hall on the first floor has also been enhanced to improve the comfort for people even during the short time spent waiting for the elevator. This was achieved by blocking the inflow of outside air and installing air conditioning vents.



After renovation

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

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

Through this competition, we not only communicate the management policies of the Office Buildings Business, but also achieve safety, security, and comfort for our customers. Further, we introduce and celebrate examples of outstanding implementations of our Human Building philosophy. By sharing these positive examples and cultivating interaction among group employees, we expect to see more improvements leading to safety, security, and comfort for our customers. In 2020, we decided not to hold the event due to the impact of the coronavirus pandemic. However, we instead held the event online as a way of motivating staff who had to continue to carry out their work on-site. A total of three awards were presented, including one that recognizes outstanding demonstration of group synergies by responding to an accident in a way that transcends organizational boundaries. Presentations of case studies were also delivered.



Video stream of the Human Building Competition

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

In 2015, building management firm Tokyo Fudosan Kanri introduced the Good Job Idea Award commendation system, which is aimed at improving customer satisfaction in areas such as improved safety, security, and comfort, or proposals for energy-saving measures.

Every six months, we select and award examples of good practices provided by each of our locations with the Good Job Idea Award. In fiscal 2020, 179 ideas were submitted of which 154 were recognized with awards.

In addition, we hold the Good Job Idea Competition annually. Here, we present and award especially superior examples that happened during that year. Through these efforts, we raise awareness of improvement at each work site, sharing improvement actions throughout the company to improve quality and service levels.

■ Renovation of Commercial Complexes Incorporating Feedback from Mothers Raising Children

To mark the 10th anniversary in November 2018 of the SMARK ISESAKI commercial complex, we conducted a renovation to improve the environment of the facility. As part of this, we launched the “Happimama♪Plus” project, with the aim of directly listening to and realizing the voices of mothers raising children, who are the core customer base for the facility. We reflected this feedback in the renovation to create a space in which our customers can feel comfortable and safe.

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■ TFK Training Center for Building Management Improvement

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

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

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



TFK Training Center

Improving Quality and Customer Satisfaction in the Residential Business

■ The Brillia Concept

The Residential Business is engaged in two major businesses. One is the residential condominium business, focused on the Brillia series and the Brillia brand of refinement and comfort. The second is the residential leasing business, focused on the Brillia ist series of rental condominiums for those seeking unique lifestyles. The underlying concept of both is the Tokyo Tatemono Group's unique disposition toward Brillia Quality, a constant aim for achieving and maintaining the elusively exquisite comfort that comes from high-quality products and services. We have built a unique system to consistently provide functions that lead to a more comfortable life for our customers. This system, which spans planning and development, management, repair, renovation, and brokerage, is what allows us to deliver Brillia Quality.

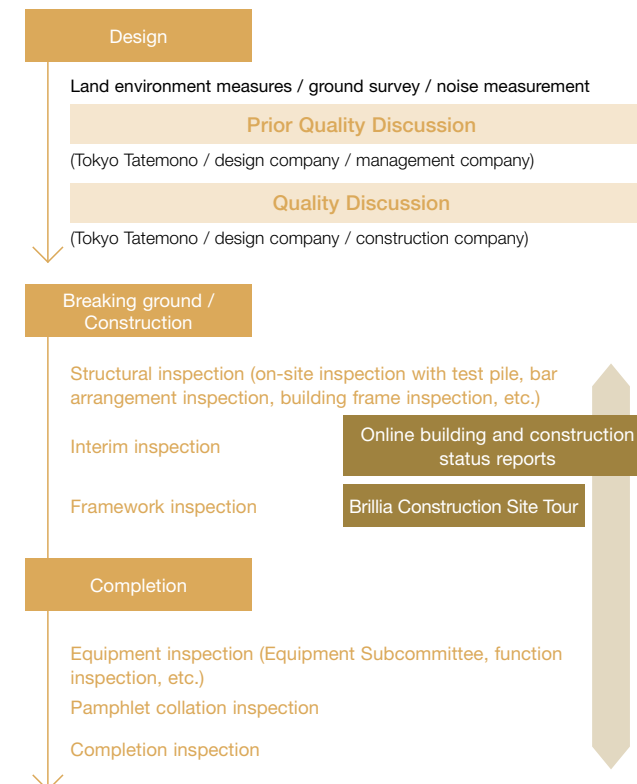
■ Steadfast in Comprehensive Quality Management

Our Brillia residential condominium business maintains design guidelines for refinement and rigorous standards and management systems to offer comfort to our customers.

- >> Use of housing performance display systems
- >> Quality checklists including approx. 1,000 items
We have established detailed regulations for architecture, construction, and facilities, and we operate in accordance with related checklists.
- >> Quality discussion groups double-check quality throughout construction
We conduct two stages of quality checks before actual construction is complete: the Quality Pre-Review and the Quality Review. Here, management and design companies exchange opinions and work to improve quality.

- >> Inspections at various stages (on-site test pile inspections, building frame inspections, etc.)
- >> Reports to customers (building reports)
As an initiative for comfort, we report the status of a given building to customers who have purchased property within it.

Quality Management Through Completion of Construction



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■ **Brillia Construction Site Tour**

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

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

■ **Responding to Defects or Areas for Improvement as They Arise**

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

Brillia Aftercare Support

With the Brillia series, we offer a variety of both hard and soft services for customers to live comfortably from the day they move in until the day they sell their property. This is the Comfort from Day One theme of the Brillia brand.

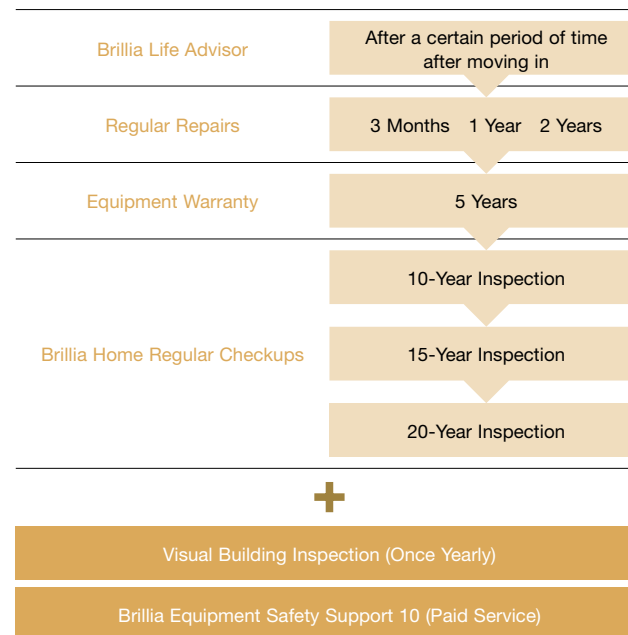
■ **Aftercare Support**

In addition to regular repairs through the second year of residence, we provide unique regular checkups with our residents at the 10-, 15-, and 20-year marks. We offer a long-term after-sales service period of 10 years for defects such as

cracks or breakage in portions of the concrete frame such as the foundation, pillars, or beams, which are the main parts of the building's structural capacity. We have also established an industry-leading five-year aftercare service for defects in the function or operation of equipment such as intercom devices, water heaters, and ventilation fans.

In April 2020, we introduced a new service, Brillia Equipment Safety Support 10, through which we repair and replace housing equipment for which the after-sales service period has expired.

Aftercare Support



📄 **Brillia Strengths (Brillia After Support)**
(Only available in Japanese)

■ **Brillia Owner's Hotline**

Brillia provides the Brillia Owner's Dial, a comprehensive help desk through which customers can inquire directly to an operator about various matters relating to their residence and lifestyle. The service is available 24/7/365.

■ **Value Up Service**

When a property is being sold, we offer customers their choice of one of the following services free of charge: house cleaning, repair, collection of unused items, a provisional survey, or certification of compliance with earthquake resistance standards. This service increases the value of the property and supports the sale of the property by the customer.

📄 **Value Up Service (Only available in Japanese)**

■ **Brillia-Certified Used Condominium Program**

A third-party agency inspects the Brillia condominiums for sale in advance and issues a certificate to properties that satisfy the specified criteria. Both purchaser and seller can enter transactions with greater confidence under this system, which guarantees against issues for up to five years after transaction.

📄 **Brillia-Certified Used Condominium Program**
(Only available in Japanese)

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■ Brillia Condominium Management Quality

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

Brillia Life Support makes six promises to residents ensuring a refined and peaceful life, which are the core concepts of the Brillia brand. The service offers appropriate upkeep and maintenance of condominiums, works to improve customer services and support by property managers, properly sustains condominium value (a key financial asset for our customers), and supports a comfortable, peaceful life.

Brillia Life Support: The Six Promises of Brillia Life Support

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

■ Brillia Training Center for Education of and Exchange in Condominium Management

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

The center features equipment actually used in facilities (condominium management offices, fire-fighting facilities, plumbing facilities and piping facilities, etc.), enabling a wide range of specialized training for management staff. The center also holds seminars that aid management association operations, including seminars for newly appointed chairpersons and large-scale repair construction seminars.

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

■ Brillia Renovations

Brillia provides services related to remodeling, repairs, and renovations of living spaces, tailored to changes in the lifestyles of our customers. Brillia Renovations is a series of renovation plans providing safety and comfort to daily lifestyles under Brillia-original equipment specifications and quality standards, even as homes age over time.

Customers choose one of two different renovation plans under a clear pricing system. The basic renovation plan updates the interior and equipment without changing the layout of the residence, improving the quality and functionality of the space. The more complete skeleton renovation plan renovates everything from piping to floor plan, improving even the invisible elements of the property.

Brillia Renovations provides the same long-term warranty

(two years for interior, five years for equipment) in its aftercare service as new Brillia constructions. This ensures we maintain Brillia quality and support customer security in their residences.



Living Room Before Renovation



Living Room After Renovation

■ Brillia Design Award Internal Commendation System

A key facet for continuing to earn high praise for the Brillia brand is consistent and continuous improvement of refinement and comfort, two major brand concepts.

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

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

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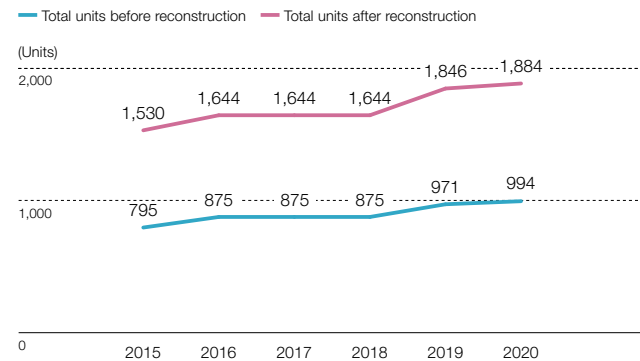
Revitalizing and Utilizing Real Estate Stock

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.

Revitalizing Housing Complexes



(Data) Revitalizing and Utilizing Real Estate Stock: Indicators and Results P.72
 Tokyo Tatemono Condominium Reconstruction (Only available in Japanese)

Revitalizing Housing Complexes

Shakujii Koen Apartment Complex Reconstruction Project

At Shakujii Koen Apartment Complex, one of the largest and oldest housing complexes in Tokyo, it was decided after more than 10 years of deliberation to rebuild the property due to the deterioration of the buildings and facilities and the aging of the residents. Demolition of the buildings began in 2020. Tokyo Tatemono served as a project collaborator, providing support in areas such as planning of new facilities that will meet the wishes of the residents of the housing complex to maintain the community. Through this reconstruction business, which will account for eight buildings and 844 condominiums by 2023, we will enable the creation of communities where multiple generations can live together with peace of mind.

>> Project Characteristics

- (1) One of the largest scale reconstruction projects in Tokyo to be carried out under the Act on Facilitation of Reconstruction of Condominiums
- (2) All buildings face south; greenery plan
- (3) Facility planning aims to ensure that the new condominiums maintain a sense of continuity for the community



Demolition work in progress

Project Overview	Before reconstruction	After reconstruction.
	Shakujii Koen Apartment Complex	Undecided
Location	3 Kami-shakujii, Nerima-ku, Tokyo	
Construction period	1967	September 2023
Site area	42,365m ²	37,730m ²
Standard building-to-land ratio	60%	60%
Allowable floor space index	200%	200%
Floor space	31,358m ²	68,413m ²
Number of buildings	9 buildings, 5 stories	8 buildings, 8 stories
Number of units	490 units	844 units
Unit floor space	Average 56m ² unit	Scheduled to be mainly in the 65m ² to 70m ² range
Floor plans	3DK to 3LDK	1LDK to 4LDK

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■ Itopia Hamarikyu Condominium Complex Reconstruction Project

Itopia Hamarikyu, located near JR Hamamatsucho Station, was in urgent need of reconstruction due to its aging and a need for greater resilience against earthquakes. With some 80% of the right holders being outside residents, it was difficult to reach a consensus on reconstruction. However, the decision to rebuild was made in 2015. Tokyo Tatemono has been involved as a

»» Project Characteristics

- (1) Rebuilding of large-scale condominium in the city center, mainly comprising one-room units
- (2) Contribute to the development of the property as a rare place to live in an area where office and commercial facilities are being developed
- (3) Creation of green spaces where people can feel at ease; introduction of childcare support facilities




Rendering of property after construction


project collaborator since 2016. The main building construction began in September 2020. We will continue to promote the project together with the association's board of directors and right holders. Completion of the project as Brillia Tower Hamarikyu is slated for 2023.

Project Overview	Before reconstruction	After reconstruction
	Itopia Hamarikyu	Brillia Tower Hamarikyu
Location	1 Kaigan, Minato-ku, Tokyo	
Construction period	1979	September 2023
Site area	2,820m ²	2,820m ²
Standard building-to-land ratio	60%	60%
Allowable floor space index	400%	700%
Floor space	11,193m ²	29,590m ²
Number of buildings	1 building, 14 stories	1 building, 32 stories
Number of units	328 units	420 units
Unit floor space	Average 26m ² unit	25–80m ² units
Floor plans	1R to 3LDK	1R to 3LDK


Tokyo Tatemono Condominium Complex Reconstruction Project Results

Tama New Town Suwa 2-chome Housing Reconstruction Project (Rebranded as Brillia Tama New Town)		
	Location	2-chome, Suwa, Tama City, Tokyo
	Units after reconstruction	1,249 (previously 640)
	Completed	October 2013

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

Senri-Tsukumodai A Condominium Complex Reconstruction Project (Rebuilt as Brillia City Senri Tsukumodai)		
	Location	3, Tsumodai, Suita City, Osaka Prefecture
	Units after reconstruction	202 (previously 96)
	Completed	November 2019

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

Hiratsuka-cho Housing Reconstruction Project (Rebuilt as Brillia Hatanodai)		
	Location	6-chome Hatanodai, Shinagawa-ku, Tokyo
	Units after reconstruction	38 (previously 23)
	Completed	November 2020

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

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Policy and Concept

The Tokyo Tatemono Group believes that community engagement and volunteer activities contribute not only to community development, but also to sustainable business growth. With this in mind, we conduct a variety of activities to help connect people living in urban environments.

In the various regions where our Group operates, we recruit employees to drive local revitalization events and participate in community cleanup activities, using these community and volunteer activities to raise the value of our local communities.

As a member of the local community, we pursue urban development and community development. Through these activities, we help build a prosperous society.

Co-Existing with Communities

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

At the Tokyo Tatemono Group, we believe it is important for community development that we help in passing down culture and instilling awareness in our employees about the people of our communities. Our employees take what they learn and pass it on to future generations.

The Group is an active participant in passing down traditional culture through the Sanno Festival, a key event for the neighborhoods of the Yaesu, Nihonbashi, and Kyobashi areas located around our headquarter building. Traditionally called the Tenka Festival, this event is held on even-numbered years, and is one of Japan's three major festivals, alongside Osaka's Tenjin Festival and Kyoto's Gion Festival

A number of group employees participated in the festival. After gathering at Hie Shrine and on Chuo-dori, the employees helped to carry some of the 12 portable shrines in a spirited, lively procession alongside members of local neighborhood associations. (In 2020, the procession was canceled due to the coronavirus pandemic.)

 **Sustainability Website**
Special Back Number: Tokyo Tatemono Urban Development Activities (published 2017)
(Only available in Japanese)



Sanno Festival

Community Outreach Activities in Yaesu, Nihonbashi, and Kyobashi Neighborhoods (2020)

Event name	Our Group's Activities and Contributions	No. of group employees participating*
Sakura Festival	Sakura viewing, concert, rugby event	Canceled (Total 91 over 3 days)
Tokyo Station area clean-up team	Morning clean-up of Yaesu, Nihonbashi, Kyobashi areas	Canceled (Total 227 over 2 days)
Chuo-dori Clean Walk	Picking up garbage, replanting flower beds along the Chuo-dori street (the Group also served as office staff)	4 (Total 53 over 3 days)
La Folle Journée TOKYO	Held local concert at Tokyo Square Garden	Canceled (Total 8 over 2 days)
Tokyo Ekimachi Kirapika Project	Cleaning areas around Tokyo Station	Canceled (Total 247 over 2 days)
Nihonbashi/Kyobashi Festival	Special sponsor, executive committee members, rugby team organizers	Canceled (Total 9 over 1 day)
Arts & Crafts Market	Held events at Tokyo Square Garden	Total 9 over 9 days (Total 6 over 6 days)
Kyobashi Marche	Held events at Tokyo Square Garden	—

* In 2020, many events were canceled or scaled back due to the coronavirus pandemic. Figures in parentheses represent results for 2019.

■ Clean-Up Activities

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



Morning Clean-Up Activities

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■ Partnering with Non-Profit Organizations

Tokyo Tatemono takes care of sidewalk flower beds along the Chuo-dori street as a member of NPO Hana Kaido.

We also collaborated with the Cheering Supporters for Woods of Chuo Ward, an NPO, to make planter covers out of tree trimmings from the forests of Chuo Ward. Through the Hana Kaido NPO, we installed about 100 of them on the sidewalks of construction sites thereby contributing to the beautification of the city.



Chuo-dori Path Flower Beds

■ Encouraging Lively Communities

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

In Nakano Central Park, many events such as flea markets and workshops are held throughout the year, using about 3 hectares of lush green open space (public vacant land, etc.) developed together with neighboring universities and the government. This initiative to use open spaces in creating a lively atmosphere received the 2014 Good Design Award in the category of Design of Community Development.

Since August 2018, the Kyobashi Marche market has been held regularly at Tokyo Square Garden; it was held 16 times in 2020. The market occupies space in the connecting corridor on the first floor, offering fresh vegetables and prepared food items.



Flea Market Held in Nakano Central Park

■ Developing Communities in Places People Can Call Home

At Brillia properties, various initiatives are pursued to encourage people living in newly developed condominiums to integrate smoothly with their local communities, promoting regional revitalization.

Brillia Higashi Nakano Parkside Hills (Nakano-ku, Tokyo) is a condominium project that utilizes the former Higashi Nakano Elementary School site owned by Nakano Ward. This project aims to encourage the settlement of family households by improving the environment for childcare and helping foster a sense of community among residents. We have added shared facilities open to the community and developed a park on an adjacent ward-owned site. We also established an authorized nursery school “Ohayo Hoikuen Higashi Nakano” operated by Tokyo Tatemono Kids, a group company. In addition, as a

measure to deepen the understanding of the project among local residents, we held an online event with local residents to reminisce about the memories of Higashi Nakano Elementary School and talk about the future of the community.



Brillia Higashi Nakano Parkside Hills



Adjacent Okanoue Park

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TOPICS

Brillia Tower Ueno Ikenohata and Brillia City Senri Tsugumodai Receive Good Design Awards

Brillia Tower Ueno Ikenohata (Taito Ward, Tokyo)

A Way for Tower Apartments to Coexist with Some of Japan's Greatest Scenic Spots:

Creating New Urban Landscapes and Human-Scale Townscapes in Scenic Areas

The site is located in Ueno Ikenohata, a highly utilized area, directly facing Shinobazu Pond, a scenic spot. The site location calls for due consideration for the landscape and nature. However, the area around the site and along the road was itself lacking in greenery and open space.

To address the problem of how to create a tower condominium that befits such a scenic location, we created a lattice-like façade design. This imbues the building with a certain Japanese aesthetic,

which compliments the surrounding urban landscape and human-scale neighborhood. In addition, to provide a place for local residents to interact with each other, we created an open space connecting the west side district and the Kyu-Iwasaki-tei Gardens with Shinobazu Pond.



Brillia Tower Ueno Ikenohata



Open space surrounded by greenery

Brillia City Senri-Tsukumodai (Suita City, Osaka)

A Housing Complex Connecting Senri New Town's 60 Years to the Future—

Co-creation with Right Holders Opens Up New Possibilities for Reconstruction Projects

Senri New Town, where this property is located, has maintained its greenery even 60 years after the opening of the town. However, the town as a whole has had to face the issue of aging residents and deteriorating buildings. Rebuilding this condominium involved preserving the environment of New Town, while also respecting the wishes of the residents of the former site. Guided by a theme of co-creation, we engaged in many dialogues with the landowners from the planning stage. The result is a development that is in harmony with the surrounding townscape.

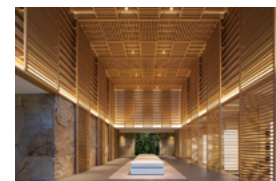
The exterior of the building is designed with white eaves and mullions to delineate the surface. The palette uses subtle browns, reflecting the natural beauty of Senri-Minami Park, which is located next to the building.

Inside the building, we planned a space that evokes a sense of abundance. The entrance uses as a motif the senbongoshi style of grid-like lattice work, as well as many natural materials. In the

common area, we installed art made of scrap wood, based on the theme of connecting time. Cherry trees from the previous housing complex were used for the main entrance art and other materials. Selection of the trees was led by the landowners. As a result of these measures, we were able to create a condominium that while new, also inherits the history of the former property to maintain harmony with Senri New Town. On the soft side, we engaged with a business that operates a café in the park to implement a resident community building program. The program uses the property's common areas and the café as venues for activities aimed at building connections between the property, the park, and the residents.



Brillia City Senri Tsugumodai



Entrance with senbongoshi lattice work

Community Revitalization Through Our Leisure Business

Regina Resort

Regina Resort, operated by Tokyo Tatemono Resort, is a special accommodation facility where dogs and their owners lodge together. Eight Regina Resorts are in operation.

In recent years, pets have become recognized as members of the family and more accommodations are accepting pets. Regina Resort was planned from the ground up with dogs in mind. Considerations included floors not easily scratched or dirtied, a number of useful amenities, private dog runs for guests, insurance for accidental damage to facilities, and so on.

These resorts offer guests a sense of ease as they stay with their dogs, creating new demand for tourism and contributing to the economic development of their regions.



Regina Resort Karuizawa Mikageyosui



Regina Resort Hakone Ungaiso

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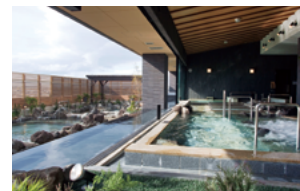
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■ Ofuro no Osama Bathhouses

The Ofuro no Osama chain of bathhouses operated by Tokyo Tatemono Resort is designed to enhance local cohesion, interaction, and communication. These bathhouses serve as a facility for health promotion and preventive medicine as well. Each of these 9 unique hot bath facilities also features restaurants and other amenities.

The ofuro, or hot bath, is a leisure activity deeply rooted in Japanese culture. The Tokyo Tatemono Group believes that providing a relaxing space helps to create a more abundant society. In addition, we focus untiringly on hygiene management so customers can use our facilities with confidence. Beyond daily cleaning, sterilization, and water quality inspection, we perform pipe cleaning with hydrogen peroxide three times a year for our baths. For hygiene management at our restaurants, we have created manuals for each location and partner with external specialists who conduct hygiene inspections.

By providing a space where customers feel at ease, we contribute to revitalizing local communication and promoting the health of local residents.



Ofuro no Osama,
Koza Shibuya Ekimae Store



Ofuro no Osama, Ebina Store

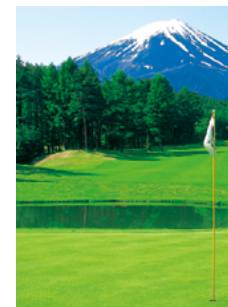
■ Golf Business

Tokyo Tatemono Resort currently operates 12 golf courses, ranging from membership courses with a full club life experience to public courses with a casual atmosphere.

We believe that a golf course is not only a place for sport, but also a place for recreation, health care, and communication, offering a space where members of the local community can relax. We also believe that, by properly managing the green spaces that spread across the vast site, we can help enrich the local natural environment.

To provide a pleasant club life experience for our customers, we actively gather customer feedback through various means such as surveys. We circulate these opinions and requests to all our golf facilities. In addition, we exercise consideration for the environment in the operation of these facilities, through measures such as the installation of power monitoring displays and water-saving shower fixtures to reduce the environmental impact of these facilities.

We will continue to work in harmony with nature, the environment, and the local community so that as many people as possible can enjoy golf.



Kawaguchiko Country Club

Cultural and Social Contribution Activities

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Average Attendance Rate of Board of Directors (FY2020)

100 %

Proportion of External Directors (FY2020)

33 %



Compliance Training (E-Learning) Completion Rate (FY2020)

99.9 %



Governance

Corporate Governance

Policy and Concept

Tokyo Tatemono strives to build optimal corporate governance, aiming to enhance efficiency while ensuring the soundness and transparency of management to increase corporate value. In addition, we actively and appropriately disclose information for shareholders and other stakeholders to understand the company's business activities accurately.

Corporate Governance Report

System

Tokyo Tatemono has selected a Company with Audit and Supervisory Board format as our corporate management system. We have also established a Board of Directors and an Audit and Supervisory Board. Our executive officer system clarifies the separation of functions between management and business execution. This system strengthens management and supervisory functions and business execution functions at Tokyo Tatemono. Furthermore, we appoint external directors and external Audit and Supervisory Board members who help us operate under stronger management supervision and ensure transparency.

In our effort to strengthen Group governance in accordance with the Group Business Management Standards, we have established a structure that enables managers and directors to fully exercise their monitoring and supervisory functions.

Integrated Report

■ Directors (Board of Directors)

Tokyo Tatemono has 12 directors, four of whom are external directors (one of whom is a female member). As a general rule, Tokyo Tatemono holds regular Board of Directors meetings once a month and other extraordinary meetings as deemed necessary. The Board of Directors is chaired by the Chairman, who does not concurrently serve as an executive officer.

Audit and Supervisory Board members attend board meetings and offer opinions as necessary. (Numbers are as of March 2021.)

■ Audit and Supervisory Board Members (Audit and Supervisory Board)

The Audit and Supervisory Board consists of four members, two of whom are external members of the Audit and Supervisory Board (one of whom is a female member).

■ Executive Officers

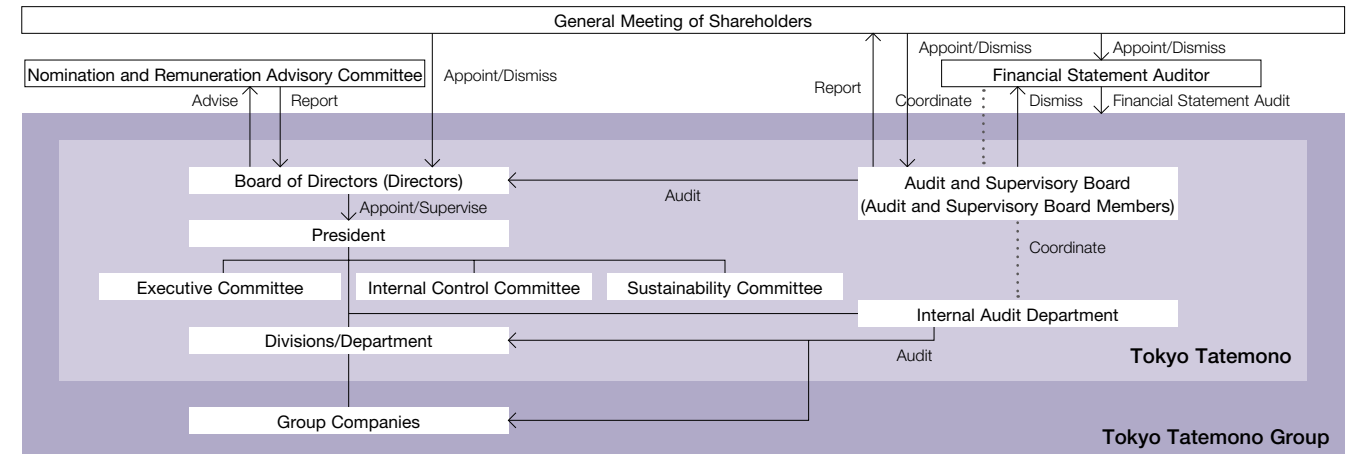
Tokyo Tatemono has adopted an executive officer system to energize our Board of Directors and speed up decision-making through the separation of management functions and business execution functions. The term of office for executive officers is two years.

■ Executive Committee

The Executive Committee consists of executive officers with specific responsibilities. This meeting is held to discuss matters important to group management.

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

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Internal Control Committee

The Internal Control Committee discusses and monitors internal control risks (compliance risks and internal management risks). If necessary, the committee reports risks to the Board of Directors, the Audit and Supervisory Board, and others as necessary.

Risk Management P.63

Nomination and Remuneration Advisory Committee

The company has established this committee to select candidates for directors and recommend remuneration levels for the same (excluding external directors), serving as an advisory body for the Board of Directors. Committee members are appointed from among directors. To ensure objectivity and transparency in the procedures, more than half of the seven members are external directors who provide expertise and advice.

Sustainability Committee

To encourage sustainability measures across the Tokyo Tatemono Group, we have established a council that reports directly to the president. The Committee works with the subordinate organization, the Sustainability Promotion Committee, which comprises personnel from each business Department, to continuously advance sustainability policies. It does this by setting goals, monitoring progress, and evaluating achievements related to sustainability policies.

Board of Directors Related Data

Item	Unit	2016	2017	2018	2019	2020
Number of Board Meetings	Meetings	13	12	13	15	14
Number of Directors	Persons	9	11	12	12	12
Number of Executive Officers on Board	Persons	6	7	7	7	7
Number of Non-Executive Officers on Board (Excluding Independent External Directors)	Persons	0	1	1	1	1
Number of Independent External Directors	Persons	3	3	4	4	4
Proportion of External Directors	%	33	27	33	33	33
Average Board Meeting Attendance	%	100	100	100	99	100
Average Tenure of Directors (Including Independent External Directors)	Years	5.3 (March)	5.0 (March)	5.8 (March)	3.8 (March)	4.8 (March)

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

▶ Data Collection Scope: Tokyo Tatemono

Remuneration of Directors and Members of the Audit and Supervisory Board (Fiscal Year Ended December 2020)

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 Outside Directors)	8	254	156	33	444
Members of the Audit and Supervisory Board (Excluding External Members*)	2	52	—	—	52
External Directors	6	54	—	—	54
Total	16	360	156	33	550

* Two External Members

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Policy and Concept

The Tokyo Tatemono Group strives to manage risks that affect the Group's business to achieve stable improvement in corporate value. We have established risk management regulations and created a risk management system, by means of which we monitor and control risks constantly to ensure consistent risk management.

In developing our risk management system, we referenced ISO 31000 (international standard for risk management) and JIS Q 31010 (Japanese standard for risk management).

 [Internal Control Report \(Only available in Japanese\)](#)

System

We have identified and classified risks that may have a significant impact on the Tokyo Tatemono Group business: business risk, investment risk, financial risk, climate change risk, and internal control risk.

Of these, integrated risk, particularly that involving business risk or investment risk, is managed by the Corporate Planning Department, which is the division in charge of risk management. Internal control risk (internal management risk and compliance risk) and climate change risk are discussed and reviewed by the Internal Control Committee and Sustainability Committee, which are chaired by the President,

and measures are enacted accordingly. The Executive Committee considers policies related to general business risk.

Important matters related to these risks are reported to the Board of Directors as necessary. The Audit and Supervisory Board is responsible for conducting audits related to these risks.

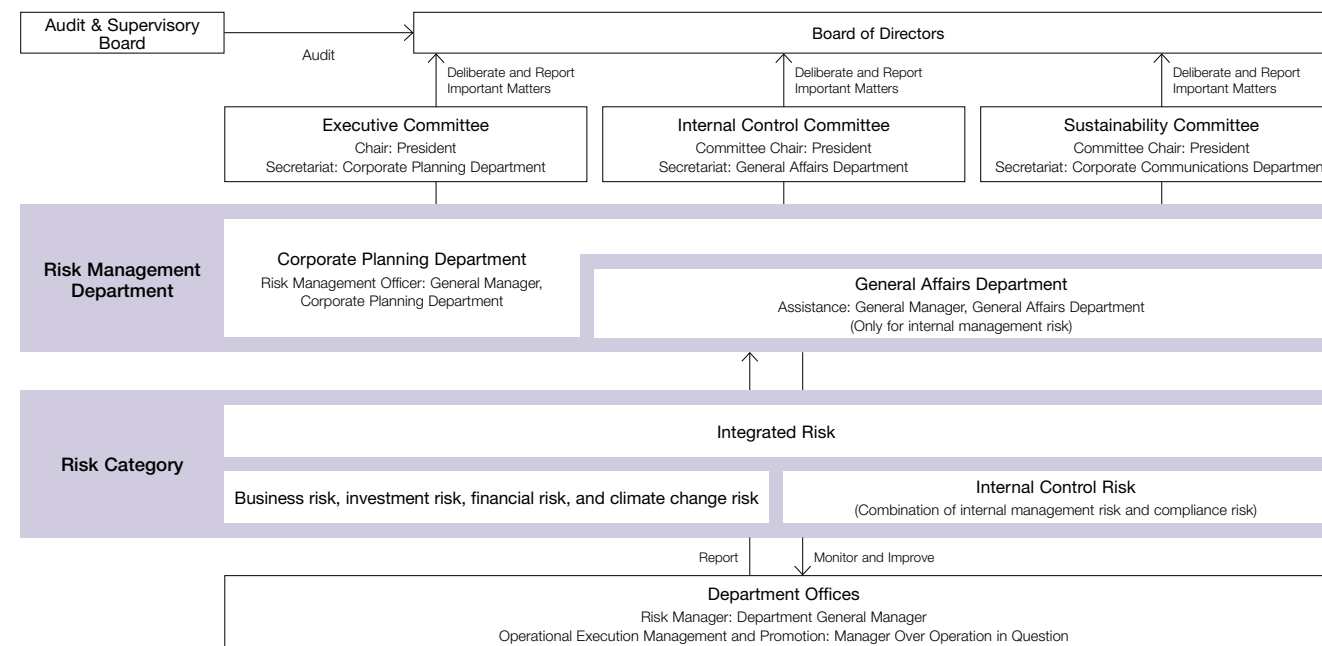
We engage in detailed risk management through a series of processes that include monitoring and improving the status of risk management operations.

Comprehensive Information Management

To ensure that information collected through our business is managed appropriately, the Tokyo Tatemono Group has established information management regulations and rules for handling personal information. Established regulations include rules for handling social security number-related information. We have also established an information management system coordinated by an individual in charge of information management. In addition, we are working to strengthen the management of personal information and confidential information through regular annual self-inspections.

We have established a system for responding to matters relating to personal data in our possession. The system enables us to appropriately and promptly address various personal data issues, from disclosure requests or other inquiries, such as those from the individuals themselves, to the occurrence of leaks of personal information or detection of the signs of such leaks.

Risk Management Structure



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Policy and Concept

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

>> Compliance Charter

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

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

Established June 2009

System

The Tokyo Tatemono Group established an Internal Control Committee as part of our system to promote compliance. This committee discusses internal management risks, including group compliance, fraud, and anti-corruption, overseeing group

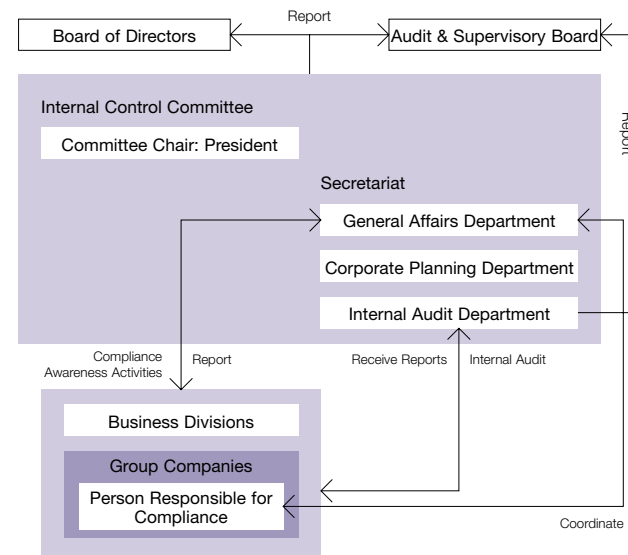
compliance activities.

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

Responding to Compliance Violations

In the event that a matter is discovered that may be deemed to pose a compliance problem, the matter is reported to the Chairman of the Internal Control Committee and other relevant parties. An investigation team is set up to investigate the facts

Compliance Structure



and promptly take the necessary measures to rectify the matter and prevent recurrence.

[\(Data\) Compliance Indicators and Results P.73](#)

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

An amount is estimated at the end of the fiscal year for fines and settlements that are likely to arise from events that occurred prior to the current fiscal year, and provisions are made accordingly. No significant provisions were made at the end of fiscal 2020.

Formulation of a Compliance Manual

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

We distribute the Compliance Manual to all employees engaged in work at group companies. In addition to the Compliance Charter, this document contains 15 standards of conduct, including the Compliance Action Guidelines, the Group Environmental Policy, and the Group Anti-Bribery Policy.

We distribute the Compliance Manual to all employees engaged in work at group companies. We may also post the manual in certain locations on an office-by-office basis.

Tokyo Tatemono has posted a collection of cases that are useful as references for the Compliance Manual



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on our corporate intranet, categorized by code of conduct. We strive to prevent corruption, bribery, and to prohibit discrimination by sharing case studies related to bribery and LGBT issues.

>> Compliance Codes of Conduct

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

Preventing Corruption and Bribery

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. We have in place Tokyo Tatemono Group Anti-Bribery Guidelines and prohibit the provision of economic benefits to public officials or deemed public officials. In addition, through training and other means, we are working to ensure that employees are fully aware of the Compliance Codes of Conduct regarding anti-corruption and Tokyo Tatemono Group

Anti-Bribery Guidelines.

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

The Tokyo Tatemono Group was not assessed any fines or other penalties related to corruption in fiscal 2020. In addition, in fiscal 2020, the Internal Control Committee did not receive any reports of bribery nor any convictions or administrative actions for bribery. Accordingly, there were no employee disciplinary actions or dismissals resulting from violations of the Tokyo Tatemono Group Anti-Bribery Guidelines.

>> Relevant Compliance Codes of Conduct

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

Preventing Anti-Competitive Practices

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

The Tokyo Tatemono Group was not assessed any fines or other penalties related to corruption in fiscal 2020.

>> Relevant Compliance Codes of Conduct

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

Compliance Training

Every year, the Tokyo Tatemono Group conducts training via e-learning. During 2020, approximately 3,900 managers and employees across 15 companies participated in the training (a participation rate of 98.1%). The training provided employees with an opportunity to learn about a range of topics, while updating their knowledge about various revisions in laws and regulations. Training topics included: general compliance including anti-corruption; harassment prevention; information management including prevention of insider trading; and the Real Estate Brokerage Act and the Criminal Proceeds Transfer Prevention Act including prevention of money laundering. Other online training programs were provided that were specific to certain levels of employees, including anti-harassment training, training for directors and department heads, and training for newly appointed leaders.

To prevent corruption and bribery, we use the Tokyo Tatemono intranet to raise awareness about these issues throughout our organization by publishing a series of monthly compliance news articles that includes articles on preventing insider trading, fraud, and harassment.

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

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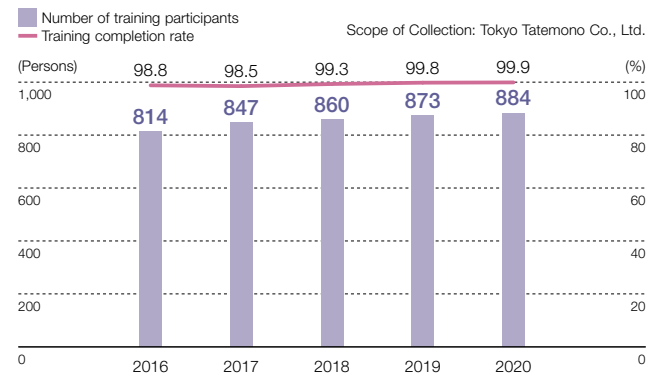
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tax reforms, and other information related to business activities throughout the Group.

Data Related to Compliance Training (E-learning)



Compliance Surveys

Since 2009, the Tokyo Tatemono Group has conducted an annual compliance survey to understand and verify the degree of compliance awareness and acceptance among group employees. In 2020, 8,660 employees from 18 group companies were surveyed—a response rate of 74.8%.

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

[\(Data\) Compliance Training and Return Rate of Compliance Surveys P.73](#)

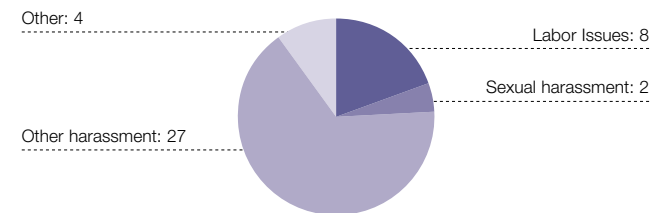
Establishment of a Helpline

The Tokyo Tatemono Group established the Tokyo Tatemono Group Helpline, a shared group resource. Using the Helpline, employees can report to and seek consultation with an external contact for matters such as harassment, to prevent legal issues or fraud, or to take early action in addressing such matters. All workers throughout the Group are entitled to use the helpline. The privacy of anyone who uses the helpline is protected.

The reports and consultations received through this system are reported to the Tokyo Tatemono Internal Audit Department (an organization that reports directly to the president). Depending on the case, the investigation and fact-checking is conducted by the Internal Audit Department, by the reporting desk at each Group company, or by the harassment response desk of each company. As a result of the investigations, we take appropriate measures to address actions that constitute compliance violations, such as promptly taking corrective measures and measures to prevent recurrence.

The Internal Control Committee convenes to consider responses to the most serious cases.

Number of Helpline Calls and Consultations (FY2020)



Data Collection Scope: Tokyo Tatemono Group

In the spirit of the Whistleblower Protection Act, we take appropriate measures to ensure the protection of whistleblowers.

[\(Data\) Reports and Consultations to the Helpline P.74](#)

Response to Anti-Social Forces

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

Tax Compliance

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

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

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Policy and Concept

The basic pattern of business for a real estate developer is land acquisition, followed by property development, and then lease or sale. Collaboration with many business partners, including design and construction companies, is an essential aspect of the business activities of the Tokyo Tatemono Group. Our activities have an impact on the environment and society through the procurement of materials and employment associated with construction. This is true not only of our Group, but also of each of our business partners. Due to the nature of our business, we must work toward the realization of a sustainable society by addressing social issues such as human rights, labor issues, and environmental conservation throughout the supply chain.

In our effort to build a sustainable supply chain, we are working to ensure that our business partners understand the Group's approach so that they will respect it and put it into practice.

■ Sustainable Procurement Standards

As well as ensuring respect for human rights, the Tokyo Tatemono Group recognizes the need to ensure commitment throughout the entire supply chain to sustainable procurement that considers environmental conservation. In May 2021, the Group formulated the Sustainable Procurement Standards to clearly set forth the Group's approach and to gain further understanding and cooperation from business partners. We obtained advice from external experts when formulating the plan, to ensure our correct understanding of the demands and requirements of society. The plan has also been approved by the Board of Directors.

These standards are intended for business partners involved in the Group's business, and reflect our commitment to

managing our entire supply chain. We request that business partners understand and comply with the nine items listed in the standards (Observance of Laws and Regulations; Respect for Human Rights; Assurance of Sound Labor Practices and Working Environments; Fair Business Activities; Assurance and Improvement of Safety and Quality; Environmental Considerations, Co-existing with Local Communities; Formulation and Creation of BCP; Collaboration in the Supply Chain). We also ask that they make improvements as necessary.

Going forward, we plan to explain these standards to our business partners to gain their understanding and to conduct

questionnaires to check the status of their compliance.

Sustainable Procurement Standards

Raising Awareness Among Employees

We provide training to our employees on the background of the formulation of the Sustainable Procurement Standard and its concept, to enable them to recognize social issues in the supply chain.

» Summary of the Sustainable Procurement Standards

- 1 Observance of Laws and Regulations**
Compliance with the laws and regulations of the countries and regions in which we operate
- 2 Respect for Human Rights**
Ensuring respect for basic human rights based on international standards / Elimination of discrimination and harassment
- 3 Assurance of Sound Labor Practices and Working Environments**
Ensuring freedom of association and the right to collective bargaining / Eliminating and preventing forced labor and child labor / Eliminating discrimination in working conditions / Complying with laws and regulations governing minimum wages, overtime pay, benefits, etc. / Eliminating illegal overtime and excessive labor / Creating a safe and healthy working environment
- 4 Fair Business Activities**
Prohibition of bribery and other corrupt practices / Prohibition of unfair and anti-competitive transactions / Blocking relationships with antisocial forces / Protection and appropriate management of personal information and confidential matters / Protection of confidentiality of information related to reporting and the anonymity of whistleblowers
- 5 Assurance and Improvement of Safety and Quality**
Ensuring and improving the quality of products and services and disclosing related information / Responding sincerely to requests and complaints
- 6 Environmental Considerations**
Reduction of greenhouse gas emissions / Promotion of 3R, efficient use of resources, reduction of waste generation / Prevention of pollution of air, water, soil, etc., and appropriate management and disposal of chemical substances / Preservation of biodiversity / Elimination of illegal raw material procurement
- 7 Co-existing with Local Communities**
Building good relationships with local communities / Understanding and respecting the culture and customs of local communities
- 8 Formulation and Creation of BCP**
Formulate a business continuity plan (BCP) and build a system to implement it
- 9 Collaboration in the Supply Chain**
Encourage business partners to understand, comply with, and improve these procurement standards.

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

The collection period and scope are indicated for each item of the data. Point-in-time data is provided as of the last day of the last month of the collection period. In addition, in the aggregate scope, the coverage rate of data marked as Tokyo Tatemono is 63%.

Environment (Data Collection Period: April to March of the following year)

■ Responding to Climate Change: Indicators and Results

Energy Consumption and CO₂ Emissions (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Category	Unit	2016	2017	2018	2019	2020	2020 Target
Energy Consumption (Crude Oil Equivalent)†	kl	21,592	22,083†	23,895†	24,165†	23,497†	—
Unit Load	kl/Thousand m ²	35.4	34.2	35.0	34.0	28.6	34.6
Scope 1 (Fuel-Derived)†	t-CO ₂	44,629	42,147†	44,559†	44,263†	41,824†	—
Scope 2†	t-CO ₂	2,553	2,402†	3,300†	2,871†	2,534†	—
Scope 3†	t-CO ₂	42,076	39,745†	41,259†	41,392†	39,290†	—
Unit Load	t-CO ₂ /Thousand m ²	73.1	65.3	65.2	62.3	50.8	67.8
Floor Area within Scope of Reporting	Thousand m ²	611	645	683	710	823	—

CO₂ Emissions (Scope of Collection: Tokyo Tatemono Group)

Category	Unit	2019	2020
CO ₂ Emissions†	t-CO ₂	1,100,693	1,288,946†
Scope 1 (Fuel-Derived)†	t-CO ₂	15,050	11,981†
Scope 2†	t-CO ₂	115,897	104,736†
Scope 3†	t-CO ₂	969,745	1,172,229†
1. Purchased goods and services	t-CO ₂	19,171	16,790†
2. Capital goods	t-CO ₂	227,580	198,205†
3. Fuel and energy-related activities not included in Scope 1 and 2	t-CO ₂	22,335	20,554†
4. Transportation and distribution (upstream)	t-CO ₂	—	—
5. Waste generated in operations	t-CO ₂	18,532	11,181†
6. Business travel	t-CO ₂	1,482	715†
7. Employee commuting	t-CO ₂	1,575	1,570†
8. Leased assets (upstream)	t-CO ₂	—	—
9. Transportation and delivery (downstream)	t-CO ₂	—	—
10. Processing of sold products	t-CO ₂	—	—
11. Use of sold products	t-CO ₂	667,565	912,151†
12. Disposal of sold products	t-CO ₂	11,505	11,061†
13. Leased assets (downstream)	t-CO ₂	—	—
14. Franchises	t-CO ₂	—	—
15. Investments	t-CO ₂	—	—

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

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Energy Generated from Solar Power (Scope of Collection: Tokyo Tatemono facilities subject to the Act on the Rational Use of Energy)

Category	Unit	2016	2017	2018	2019	2020
Solar power panel installation rate	%	41.4	41.6	38.3	37.8	39.7
Energy generated	kWh	59,185	59,200	59,975	46,422	56,355

Amount of Energy Generated from Solar Power (Data Collection Period: January to December each year. Scope of Collection: mega solar facilities managed by Tokyo Fudosan Kanri)

Category	Unit	2016	2017	2018	2019	2020
Number of facilities	Facilities	8	8	8	8	8
Energy generated	Thousands of kWh	14,312	15,493	15,311	14,592	14,240

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

Category	Unit	2016	2017	2018	2019	2020	2020 Target
Water Consumption (Potable Water)†	Thousand m ³	579	584†	654†	622†	467†	—
Unit Load	m ³ /m ²	0.9	0.9	1.0	0.9	0.6	0.9
Floor Area within Scope of Reporting	Thousand m ²	611	645	683	710	823	—

Pollution Control and Resource Recycling: Indicators and Results Waste Emissions and Recyclable Waste Emissions (Scope of Collection: Tokyo Tatemono facilities that have submitted reuse plans)

Category	Unit	2016	2017	2018	2019	2020	2020 Target
Total Waste Emissions†	t	4,916	5,173†	4,945†	5,151†	3,769†	—
Unit Load	t/Thousand m ²	8.6	8.6	8.3	8.5	5.5	8.3
Recyclable Waste Emissions†	t	—	3,395	3,202†	3,280†	2,424†	—
Valuable Recycling of Waste	%	—	65.6	64.8	63.7	64.3	—
Floor Area Within Scope of Reporting	Thousand m ²	571	603	593	606	691	—

Environmental Management Indicators and Results Environmental Incidents and Violations of Environmental Laws or Regulations (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Category	Unit	2016	2017	2018	2019	2020
Violations of Environmental Laws or Regulations	Incidents	0	0	0	0	0
Environmental Incidents	Incidents	0	0	0	0	0
Environmental Fines	Yen	0	0	0	0	0

Green Building External Evaluation and Certification Indicators and Results Acquisition Rate of Green Building Certification (as of December 31, 2020. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Category	Unit	2016	2017	2018	2019	2020
Acquisition Rate of Certification for the Leasable Area of Office Buildings						
Certification Acquired	%	—	—	—	36.3	41.4
Not Certified	%	—	—	—	63.7	58.6
Acquisition Rate of Certification for Leasable Area of Residential Buildings						
Certification Acquired	%	—	—	—	39.1	22.2
Not Certified	%	—	—	—	60.9	77.8

* DBJ Green Building Certification or CASBEE Building

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■ Diversity & Inclusion Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Headcount

Category	Unit	2016	2017	2018	2019	2020
Full-Time (FT) Employees (Total)	Persons	584	687	719	749	772
Men	Persons	461	542	548	563	575
20 to 30 years old	%	13.2	12.2	13.1	15.1	16.7
31 to 40 years old	%	26.7	28.2	25.2	22.0	21.0
41 years old and above	%	60.1	59.6	61.7	62.9	62.3
Women	Persons	123	145	171	186	197
20 to 30 years old	%	17.1	17.2	20.5	19.9	19.8
31 to 40 years old	%	39.0	34.5	33.3	31.7	28.4
41 years old and above	%	43.9	48.3	46.2	48.4	51.8
Ratio of FT Women Employees	%	21.1	21.1	23.8	24.8	25.5
Ratio of Women Employees	%	25.8	26.6	27.7	28.9	30.2
Ratio of Foreign Regular Employees	%	0.3	0.3	0.3	0.3	0.3
Ratio of Employees with Disabilities*†	%	1.88	1.98†	1.87†	1.81†	1.75†
Number of Managers	Persons	295	339	350	360	367
Men	Persons	287	328	334	342	345
Women	Persons	8	11	16	18	22
Ratio of Management Positions Held by Women	%	2.7	3.2	4.6	5.0	6.0
Ratio of Director Positions Held by Women	%	0	0	0	0	0

* Ratio of Employees with Disabilities is as of the end of June each year.

Turnover

Category	Unit	2016	2017	2018	2019	2020
Voluntary Turnover Rate†	%	1.4	1.4	2.6†	2.1†	2.2†
Job Leavers (Total)	Persons	9	10	20	17	18
Men	Persons	3	8	11	9	6
Of which FT Employees	Persons	3	7	8	9	5
Of which Contract Employees	Persons	0	1	3	0	1
Women	Persons	6	2	9	8	12
Of which FT Employees	Persons	2	0	0	1	3
Of which Contract Employees	Persons	4	2	9	7	9

Employment Status

Category	Unit	2016	2017	2018	2019	2020
New Hires (Total)	Persons	14	19	22	21*	20
Men	Persons	10	15	14	14*	15
Women	Persons	4	4	8	7*	5
Ratio of Women among New Hires	%	28.6	21.1	36.4	33	25
Ratio of Mid-career Hires to Regular Employees	%	26.3	32.1	29.0	41.7	57.4
Average Years of Service	Years	10.5	10.6	10.8	11.3	11.7
Men	Years	11.7	11.6	12	12.5	13
Women	Years	9.1	9.7	9.3	10.4	10.2
Difference in Average Tenure between Male and Female Regular Employees	Years	2.6	1.9	2.7	2.1*	2.8

* Following an examination of past figures, some figures for 2019 have been revised.

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Rehiring of Employees at Retirement Age

Category	Unit	2016	2017	2018	2019	2020
Employees at Retirement Age	Persons	4	12	8	8	11
Rehires	Persons	3	11	7	8	9
Ratio of employees at retirement age who were rehired	%	75.0	91.7	87.5	100.0	81.8

Childcare Leave

Category	Unit	2016	2017	2018	2019	2020
Total Number of Employees Who Have Taken Childcare Leave	Persons	14	17	25	29	26
Men	Persons	0	1	7	6	4
Women	Persons	14	16	18	23	22
Percentage of Childcare Leave Taken	%	43.8	38.6	71.4	65.9	59.1
Men	%	0.0	3.6	41.2	28.6	18.2
Women	%	100.0	100.0	100.0	100.0	100.0

Work-Life Balance Indicators and Results (Data Collection Period: April to March each fiscal year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Paid Leave Status

Category	Unit	2016	2017	2018	2019	2020
Average Number of Paid Leave Days Taken† 2020 Target: 30% Increase vs. 2015 (11.4 Days)	Days	8.7	8.8†	9.9†	10.6†	9.3†
Percentage of Paid Leave Taken	%	—	—	—	57.7†	51.2†

* Other leave policies provide for vacations such as summer leave and national holidays (not included in the above figures)

Percentage of Unionized Employees

Category	Unit	2016	2017	2018	2019	2020
Percentage of Unionized Employees	%	100	100	100	100	100

Human Resource Investment and Development Indicators and Results (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Average Hours of Training per Year per Employee

Category	Unit	2016	2017	2018	2019	2020
Average annual training hours	Time	—	—	12.0	14.4	12.2

Percentage of Workers Receiving Regular Performance Reviews

Category	Unit	2016	2017	2018	2019	2020
Percentage of Employees Receiving Regular Performance Reviews	%	100	100	100	100	100
Men	%	100	100	100	100	100
Women	%	100	100	100	100	100

Acceptance of Interns

Category	Unit	2016	2017	2018	2019	2020
Total number of interns accepted	Persons	294*	293*	157	144	207

* Includes participants in seminar-based one-day internships.

Health Management / Occupational Safety and Health Indicators and Results (Data Collection Period: April to March each fiscal year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

Health Management-related Measures

Category	Unit	2016	2017	2018	2019	2020
Ratio of employees who underwent a health check-up†	%	100	100†	100†	100†	100†
Ratio of employees who smoke	%	24.0	23.8	22.5	21.0	17.2

* Smoking rates for 2018 or earlier are for executives and employees 35 years of age and older. Smoking rates from 2019 onward are for all executives and employees.

Changes in Overtime Hours Worked per Month (Data Collection Period: January to December each year.)

Category	Unit	2016	2017	2018	2019	2020
Overtime hours	Hours	20	21	25	23	24

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Lost Time Injuries

Category	Unit	2016	2017	2018	2019	2020
Number of Lost Time Injuries†	Incidents	1	0†	1†	0†	0†
Of which FT Employees	Days	1	0	0	0	0
Of which Contract Employees	Incidents	0	0	1	0	0
Total Days Lost Due to Absence†	Days	47	81†	137†	122†	7†
Ratio of Absenteeism	%	—	—	—	0.06†	0†
Number of Deaths	Persons	0	0	0	0	0
Of which FT Employees	Persons	0	0	0	0†	0†
Of which Contract Employees	Persons	0	0	0	0	0
Frequency	—	—	—	—	—	—
Severity	—	—	—	—	0	0

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

Improving Quality and Customer Satisfaction Indicators and Results Office Building Customer Satisfaction Survey Results

	Unit	2014	2015	2016	2017	2018	2019	2020
Satisfied	%	62.15	65.83	70.96	74.28	80.00	79.35	81.56
Somewhat satisfied	%	34.84	31.98	26.80	24.70	18.43	18.21	17.60
Somewhat dissatisfied	%	2.82	2.03	2.06	1.02	1.37	2.17	0.56
Dissatisfied	%	0.19	0.16	0.17	0.00	0.20	0.27	0.28

Revitalizing and Utilizing Real Estate Stock: Indicators and Results Revitalizing Housing Complexes

Category	Unit	2015	2016	2017	2018	2019	2020	Under reconstruction
Total units before reconstruction	Units	795	875	875	875	971	994	4,154
Total units after reconstruction	Units	1,530	1,644	1,644	1,644	1,846	1,884	8,008

Details on Revitalization of Housing Complexes (Properties Whose Reconstruction Has Been Completed or Started)

	Property name	Location	Year of completion of original construction	Site area before reconstruction	Total units before reconstruction	Year of completion of reconstruction	Site area after reconstruction	Total units after reconstruction
Completed	Suwa 2-chome Housing Condominium Reconstruction Project	Brillia Tama New Town	Suwa 2-chome, Tama-shi, Tokyo	64,399m ²	640 units	October 2013	64,399m ²	1,249 units
	Heights Komagome Apartments Reconstruction Project	Brillia Komagome Rikugien	6-chome, Honkomagome, Bunkyo-ku, Tokyo	940m ²	25 units	July 2014	940m ²	49 units
	Fujisaki Housing Condominium Reconstruction Project	Residence Momochi	2 Momochi, Sawara-ku, Fukuoka-shi, Fukuoka	9,946m ²	130 units	February 2015	9,946m ²	232 units
	Koganei Condominium Reconstruction Project	Brillia Koganei Sakuracho	Sakura-cho 2-chome, Koganei-shi, Tokyo	5,356m ²	80 units	April 2016	5,219m ²	114 units
Started	Senri-Tsukumodai A Condominium Complex Reconstruction Project	Brillia City Senri Tsukumodai	3, Tsukumodai, Suita City, Osaka Prefecture	7,256m ²	96 units	December 2019	7,256m ²	202 units
	Hiratsuka-cho Housing Reconstruction Project	Brillia Hatanodai	6-chome Hatanodai, Shinagawa-ku, Tokyo	1,829m ²	23 units	November 2020	1,829m ²	38 units
	Itopia Hamarikyū Condominium Complex Reconstruction Project	Brillia Tower Hamarikyū	1 Kaigan, Minato-ku, Tokyo	2,820m ²	328 units	September 2023	2,820m ²	420 units
	Shakujii Koen Apartment Complex	Undecided	3 Kami-shakujii, Nerima-ku, Tokyo	42,365m ²	490 units	September 2023	37,730m ²	844 units

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Governance (Data Collection Period: January to December each year. Scope of Collection: Tokyo Tatemono Co., Ltd.)

■ Corporate Governance Indicators and Results Board of Directors Related Data

Category	Unit	2016	2017	2018	2019	2020
Number of Board Meetings	Meetings	13	12	13	15	14
Number of Directors	Persons	9	11	12	12	12
Number of Executive Officers on Board	Persons	6	7	7	7	7
Number of Non-executive Officers on the Board (Excluding Independent External Directors)	Persons	0	1	1	1	1
Number of Independent External Directors	Persons	3	3	4	4	4
Proportion of External Directors	%	33	27	33	33	33
Average Board Meeting Attendance	%	100	100	100	99	100
Average Tenure of Directors* (Including Independent External Directors)	Years	5.3	5.0	5.8	3.8	4.8

* Average length of tenure of directors is as of March 31 of each year.

Remuneration of Directors and Members of the Audit and Supervisory Board (Fiscal Year Ended December 2020)

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)	
Internal Directors	8	255	156	33	444
Members of the Audit and Supervisory Board (Excluding External Members*)	2	53	—	—	53
External Members	4	38	—	—	38
Total	14	346	156	33	535

* Two external corporate auditors

■ Compliance Indicators and Results

Violation of Laws or Regulations and Related Sanctions

Category	Unit	2016	2017	2018	2019	2020
Number of incidents related to bribery	Incidents	0	0	0	0	0
Number of incidents related to antitrust or anti-competitive behavior	Incidents	0	0	0	0	0
Number of incidents related to other compliance violations	Incidents	0	0	0	0	0

Violation of Laws or Regulations in the Field of Socioeconomic Activities

Category	Unit	2020
Number of Violations of Laws or Regulations in Socioeconomic Activities	Incidents	0
Of which total amount of significant fines	Yen	0
Of which total number of sanctions other than fines	Incidents	0

Compliance Training and Return Rate of Compliance Surveys

Category	Unit	2016	2017	2018	2019	2020
Number of Students and Completion Rate of Compliance (e-Learning) Training	Persons	814	847	860	873	884
Compliance Training (e-Learning) Completion Rate	%	98.8	98.5	99.3	99.8	99.9
Return Rate of Compliance Surveys	%	71.2	80.5	80.2	75	74.8

Violations Related to Product and Service Information and Labeling

Category	Unit	2016	2017	2018	2019	2020
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	0	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

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Violations Related to Marketing Communications

Category	Unit	2016	2017	2018	2019	2020
Number of Violations	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in fines or penalties	Incidents	0	0	0	0	0
Examples of regulatory violations that resulted in warnings	Incidents	1	0	0	0	0
Examples of violations of voluntary norms	Incidents	0	0	0	0	0

Reports and Consultations to the Helpline

Category	Unit	2016	2017	2018	2019	2020
Number of Reports and Consultations to the Helpline (FY2020)	Incidents	16	44	59	56	41
Reports, Consultation Category						
Report	Incidents	15	39	49	48	30
Consultation	Incidents	1	5	10	8	11
(Breakdown)						
Labor Issues	Incidents	3	13	11	16	8
Sexual harassment	Incidents	1	3	1	3	2
Other harassment	Incidents	7	26	39	34	27
Other	Incidents	5	2	8	3	4

>> KPIs and Targets

Environment-related

Item	Operations included	KPIs and targets
Reduction in greenhouse gas emissions	All operations	By 2050, net zero CO ₂ emissions By 2030, a 40% reduction in CO ₂ emissions compared to fiscal 2019.
Shift to renewable energy	All operations	By 2050, ensure that 100% of the electricity consumed in our business activities is from renewable energy sources.
	Commercial Properties Business	By 2030, ensure that 40% of the electricity consumed by our real estate holdings is from renewable energy sources.
Promote development of ZEB and ZEH	Commercial Properties Business and Residential Business	In principle, develop ZEB and ZEH in all new office buildings, logistics facilities, and condominiums by 2030.
Acquisition of Green Building Certification	Commercial Properties Business	In principle, acquire green building certification for all newly developed office buildings and logistics facilities by 2030.

Society-related

Item	Scope	KPIs and targets
Promotion of skills development	Tokyo Tatemono	Average training time of 15 hours or more of training per employee per year Career training participation rate: 100% each year
Promotion of health management	Tokyo Tatemono	Health checkup and reexamination rates: 100% each year Smoking rate: 12% or less by 2022
Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate: 70% or more each year Ratio of male employees taking parental leave: 30% or more by 2025
Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions: 10% or more by 2030 Employment rate of persons with disabilities: 2.3% or more each year
Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy to all Group companies and compliance

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LR Independent Assurance Statement Relating to Tokyo Tatemono Co., Ltd.'s Environmental and Social Data for the fiscal year 2020

This Assurance Statement has been prepared for Tokyo Tatemono Co., Ltd. in accordance with our contract but is intended for the readers of this report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Tokyo Tatemono Co., Ltd. ("the Company") to provide independent assurance on its environmental and social data ("the report") within its Sustainability Report 2021 and its corporate website for the fiscal year 2020, that is, from 1 April 2020 to 31 March 2021 against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3:2006 for greenhouse gas ("GHG") emissions.

Our assurance engagement covered the Company and its subsidiaries' operations and activities in Japan and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:

Environmental indicator ¹

[Property subject to reporting obligations under the Act on the Rational Use of Energy] ²

- Energy consumption (in kilo-liter of crude oil equivalent)
- Scope 1 GHG emissions (tonnes CO₂e)
- Scope 2 GHG emissions (Market-based) (tonnes CO₂)
- The amount of renewable energy generated (kWh) ³
- Tap water consumption volume (m³)
- Recycled water amount (m³)
- Total waste generated (tonnes)
- Recycled waste amount (tonnes)
- Ratio of recycled waste (%)

[the Company and its subsidiaries' operations and activities in Japan]

- Scope 1 GHG emissions (tonnes CO₂e)
- Scope 2 GHG emissions (Market-based) (tonnes CO₂)
- Scope 3 GHG emissions (Category 1-15) (tonnes CO₂e)

Our assurance engagement excluded the data and information of the Company's subsidiary companies, suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Company has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable environmental and social data

¹ GHG quantification is subject to inherent uncertainty.

² The scope covers the real estate owned by the Company and subject to reporting obligations under the Act on the Rational Use of Energy.

³ Renewable energy generation covers the amount of solar power generated at the company's own properties.

⁴ Employment rate of persons with disabilities is as of 1 June 2020.

⁵ Turnover rate covers 1 January to 31 December 2020.



The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with ISAE3000 and ISO 14064-3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical Environmental / Social data and records for the fiscal year 2020; and
- Visiting Tokyo Tatemono Otemachi Tower and Tokyo Tatemono Yaesu Building to assess whether the data management systems have been effectively implemented.

Observations

The Company's practices to expand the reporting boundary from the parent company to the group including its subsidiaries considering the stakeholders' concerns is highly evaluated. It is recommended the Company will continue to maintain the high level data management systems and to ensure accurate aggregation and calculation of environmental and social data.

LR's standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LR for Company and as such does not compromise our independence or impartiality.

Signed

Dated: 25 June 2021

Jun Yasumoto

LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA00000704

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