

Tokyo Tatemono Materialities (Critical Issues)

The Tokyo Tatemono Group has identified nine materialities (critical issues) as social issues to be solved through our businesses. We provide three desirable social values through solving these issues.

To move forward with our sustainability measures across the group, we are also engaged in raising the level of ESG management and have set key themes for E (Environment), S (Society), and G (Governance).

Materiality Identification Process

To meet society's needs and achieve sustained development, the Tokyo Tatemono Group believes we must create value for society continually through our businesses. Of all the social issues we solve through our businesses, we have identified those of particular focus as materialities (critical issues). In the process of identifying materialities, we repeatedly examine various social issues in light of related information resources, scrutinizing issues based on internal and external opinions.

► 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)

Future Investment Strategy:

Future Investment Strategy 2018: Transforming into Society 5.0 and a Data-Driven Society. A summary of the strategic fields and measures on which the Japanese government will focus its efforts

Basic Policy on Urban Renaissance:

A summary of the Japanese government's basic policy for revitalizing cities

National Strategic Special Zones Policy:

A summary of the Japanese government's zoning policy for national strategic special zones

► The 17 SDGs

SUSTAINABLE DEVELOPMENT GOALS



▶Process for Identifying Materiality

Step 1

Examine and identify social issues

To obtain a broad grasp get a broad grasp of the social issues relevant to our business, the Tokyo Tatemono Group listed 35 social issues to study. Our list was influenced by international issues (the SDGs), issues unique to Japan (Future Investment Strategy), and issues unique to our industry (Basic Policy on Urban Renaissance, National Strategic Special Zones Policy).

Step 2

Evaluate identified issues

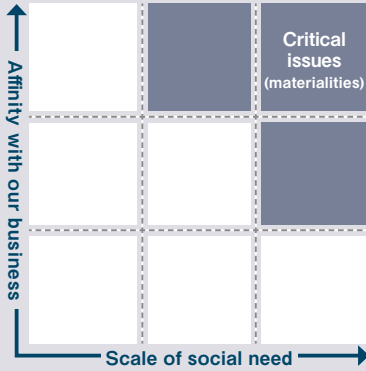
We evaluated 35 social issues and measured their relative importance. In making this evaluation, we incorporated two perspectives: the scale of the social need (whether the issue requires a solution) and the affinity of the issue with our business (whether the issue is closely concerned with our current 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.

<ul style="list-style-type: none"> • Evaluation perspectives • Assigning point values to indicators 	<div style="background-color: #004a7c; color: white; padding: 2px 10px; margin-bottom: 5px;">Scale of social need</div> <ol style="list-style-type: none"> 1 Relationship With the Real Estate Industry 	<div style="background-color: #004a7c; color: white; padding: 2px 10px; margin-bottom: 5px;">Affinity with our business</div> <ol style="list-style-type: none"> 2 Relationship With Our Businesses 3 Relationship With Our Medium-Term Business Plan 4 Director questionnaire results
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Step 3

Map issues based on evaluations

We mapped the issues to narrow them down to those of relatively great importance. We organized these issues into three categories based on their content and identified them as Tokyo Tatemono materialities.






Determining materialities (see P.9)

Step 4

Establish and review materiality-related KPIs

We established KPIs to evaluate results and make concrete progress, ensuring we engage with and achieve our materialities going forward. We also plan to review materialities every three to five years to respond to changes in the business environment, etc.

Tokyo Tatemono Group Materialities

Critical Issues (Materialities)	Target Social Value	Contribution to SDGs
Community development that contributes to Tokyo as an international city attractive to all	Strengthen and enhance city functions <ul style="list-style-type: none"> Promote urban redevelopment, establish facilities for the public good, create lively scenes through area management 	
	Respond to globalization <ul style="list-style-type: none"> Attract global enterprises, establish an environment that is welcoming to foreign visitors in Japan 	
	Promote innovation <ul style="list-style-type: none"> Promote open innovation, use data and information technology 	
Urban development so all can live the lives they please	Use and rebuild real estate stock <ul style="list-style-type: none"> Promote reconstruction/redevelopment projects 	
	Respond to a growing diversity of values and lifestyles <ul style="list-style-type: none"> Create and offer spaces that keep pace with changing times (changes in work styles, family structure, etc.) 	
	Respond to declining birthrate and aging population <ul style="list-style-type: none"> Establish an environment that facilitates child rearing and environments suitable for seniors 	
Sustainable community development considerate of nature and the environment	Harmonize with nature <ul style="list-style-type: none"> Establish environments with greenery, maintain and protect ecosystems 	
	Reduce environmental impact <ul style="list-style-type: none"> Use resources such as energy and water efficiently, reduce waste, promote recycling 	
	Engage in natural disaster emergency response <ul style="list-style-type: none"> Respond to natural disasters stemming from climate change, engage in earthquake countermeasures 	

▶ Key themes to be addressed to raise ESG management

E: Environment	S: Society	G: Governance
Strengthen environmental measures through our business <ul style="list-style-type: none"> Reduce emissions of greenhouse gases Strengthen response to climate change Promote development of eco-friendly real estate 	Secure and develop human resources to support sustained growth <ul style="list-style-type: none"> Raise productivity by promoting work style reform Promote diversity Actively invest in and develop human resources to expand the scope of our business Maintain and strengthen relationships with stakeholders <ul style="list-style-type: none"> Strengthen response to human rights issues Offer products and services that respond to social change 	Increase profitability and management transparency by strengthening governance <ul style="list-style-type: none"> Strengthen risk management framework Strengthen supply chain management Bolster group synergies Review cross-shareholdings policy Increase transparency and effectiveness of management