

Sustainability Report

2024

TOKYO TATEMONO GROUP
Sustainability Report 2024



Message from the President and CEO

ESG Management

- Long-term Vision and Materiality
- Sustainability Promotion Framework
- Material Issue KPIs and Targets
- Stakeholder Engagement
- Participation in Initiatives
- External Evaluation for Sustainability

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- Responding to Natural Disasters
- Biodiversity
- Water Resources
- Promoting a Recycling-oriented Society
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- Sustainability Finance

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- Supply Chain Management
- Improving Quality and Customer Satisfaction
- Revitalizing and Utilizing Real Estate Stock
- Contributing to Our Communities
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- Health Management / Occupational Health and Safety
- Diversity & Inclusion

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Since our founding in 1896, the Tokyo Tatemono Group has worked as a property developer to build a prosperous society through urban development.

With our corporate philosophy of “Trust beyond the era,” under which we have earned our century-old trust, 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 level of trust placed in us for more than a century.

Corporate Stance

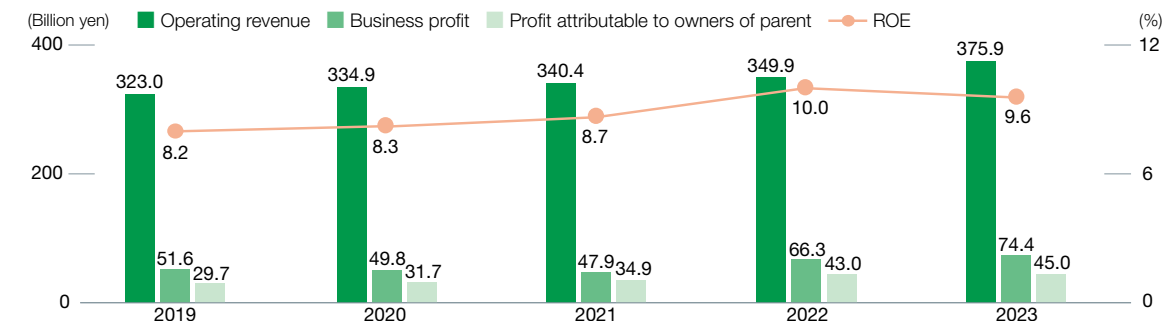
We support affluent and dream-filled living. We aim to create comfortable urban environments. We create worthwhile spaces offering peace of mind.

Company Profile (as of December 31, 2023)

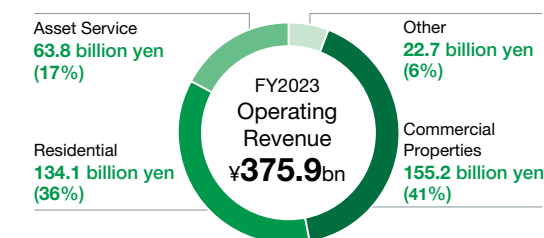
Company Name	Tokyo Tatemono Co., Ltd.
Head Office	Tokyo Tatemono Yaesu Building, 1-4-16 Yaesu, Chuo Ward, Tokyo 103-8285 * The head office location on the commercial registration is 1-9-9
Representative	Hitoshi Nomura, Representative Director, President and Chief Executive Officer
Established	October 1, 1896
Capital	92,451 million yen
Business Segments	Commercial Properties (Urban Development, Office Buildings), Residential (Condominiums for Sale and Lease), Asset Services (CRE Strategy Support, Real Estate Brokerage, Asset Solutions, Leasing and Management of Real Estate, Real Estate Appraisal), Other (Commercial Facilities, Logistics Facilities, Parking Lots business, Leisure, Overseas Business, Real Estate Fund business)
Number of Employees	807
Number of Consolidated Employees	4,661
Number of Consolidated Subsidiaries	32
Number of Affiliates Accounted for by the Equity Method	22

Financial Highlights

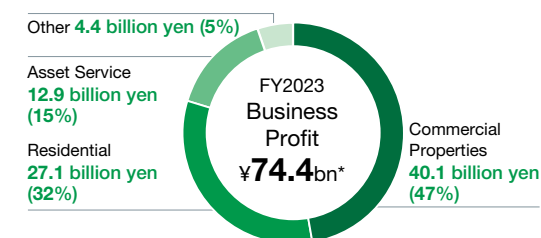
Operating Revenue, Business Profit, Profit Attributable to Owners of Parent, and ROE



Operating Revenue per Segment



Business Profit per Segment



* Business profit includes 72 million yen in eliminations of intersegment transactions other than those above and -10,314 million yen in Group-wide expenses not allocated to each reportable segment, as adjustments to segment profit.

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Otemachi Forest (Otemachi Tower)



Brilia 1st Shinonome Canal Court



T-LOGI Kyoto Fushimi

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 Tokyo Tatemono Group considers important to society and our customers and for each theme, reported on our approach, indicators, and results for fiscal 2023.

Publication Date

June 2024 (previous report published June 2023, next scheduled report June 2025)

Reporting Period

The period covered by this report addresses our activities in FY2023 (January 1, 2023 to December 31, 2023). The report also presents some other information that is not limited to the fiscal year under review. Certain items in the Data section correspond to the period between April and March of the following fiscal year.

Scope of Coverage

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 with reference to the following reporting standards and guidelines:

- The Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
- The SASB Standards of the Sustainability Accounting Standards Board (SASB)
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- The International Organization for Standardization's ISO 30414: 2018 Human Resource Management — Guidelines for internal and external human capital reporting

Third-party Assurance

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

Inquiries

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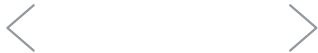
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Message from the President and CEO

Continuing to be a sustainable company both in name and reality by addressing stakeholder needs based on a solid track record and foundation of trust

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

2023 was a year that had a big impact on all our lives. Although COVID-19 was downgraded to a Class 5 disease and economic activity recovered quickly, social unrest continued with the conflicts in Russia and Ukraine and the Middle East, not to mention the energy crisis and rising prices. People's values have changed since the pandemic. Yet, while lifestyles and work styles have diversified, there is a renewed focus on face-to-face communication in the office. In times like these, I feel that the real estate industry has a big role to play.

Taking our sustainability efforts to the next level in 2023

In 2023, for the first time since the pandemic, we visited and met with foreign investors in person. The fact that we raised the Tokyo Tatemono Group's emissions reduction target to the 1.5°C level in October attracted a great deal of attention, and we received words of appreciation from people we met in Europe for our efforts and higher targets.

As well as raising our emissions reduction targets for fiscal 2023, we also abolished the deadline of 2030 for the development and promotion of zero energy homes and buildings (ZEH/ZEB) which we have to

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address through our business. Instead, going forward, we made the decision to develop ZEH/ZEB for all newly constructed office buildings, logistics facilities, for-sale and for-rent condominiums. We have also strengthened and brought forward all targets related to promoting a decarbonized society, which is one of our material issues, including bringing forward the target for a shift to renewable energy in real estate owned by Tokyo Tatemono in its Commercial Properties Business by 20 years. This is not simply an increase in our targets in response to the growing social demands to address climate change, but rather a means to manifest the positive attitude of our employees in tackling environmental issues in all of our internal businesses. We have also introduced an internal carbon pricing system to visualize the amount of CO₂ emissions generated from our business operations as well as the effects of energy conservation and the shift to renewable energy. In addition to predicting and preparing for additional costs that may arise from the carbon pricing system being considered for introduction in Japan, we are also working to further raise environmental awareness among employees.

On the social side, we formulated our Guidelines on the Sustainable Procurement Standards to promote understanding of the purpose and content of the Sustainable Procurement Standards. These Standards were established in 2021 to help us realize sustainable procurement that takes into consideration respect for human rights, occupational health and safety, anti-corruption, and environmental conservation. It is vital that we as a Group work together with our suppliers to build a sustainable supply chain. With these guidelines, we aim to strengthen the effectiveness of our efforts to build a sustainable supply chain.

Community development with stakeholders

Becoming a next-generation developer—this is the Tokyo Tatemono Group’s long-term vision. The word “developer” implies not only to develop real estate (hard aspect), but also to enrich and develop communities by providing various customer services (soft aspect)

offered by our Group companies. It also expresses our determination to become a company that builds community development from both the tangible and intangible aspects by bringing together the strengths of the Group.



The Noto Peninsula earthquake struck on New Year’s Day 2024. Given that Japan is prone to earthquakes and that natural disasters are becoming ever more frequent and severe due to recent climate change, it is only natural and extremely important to have a disaster prevention mindset in order to solve social issues through urban development.

Tokyo Tatemono is working on several redevelopment projects in the Yaesu-Nihonbashi-Kyobashi area, located in front and to the east side of Tokyo Station. Many of the buildings in the redevelopment area are old. The redevelopment project will regenerate the area and the buildings, and will also help to strengthen the town’s disaster preparedness. For example, it will offer emergency storage facilities and space to take in people who are unable to return home.

We are also actively involved in promoting walkability, one of the concepts of urban planning in Japan. The Yaesu Project, which is being built in front of Tokyo Station, is uniquely located as a transportation hub with access to JR and subway lines, as well as to the airport. In this project, Tokyo Tatemono will develop a large-scale bus terminal connecting Tokyo Station to international airports and regional cities, as well as an above-ground and underground pedestrian network that connects Tokyo Station with surrounding urban areas.

The Metropolitan Expressway runs above the Nihonbashi River over which the Nihonbashi Bridge spans, and there are plans to make this expressway underground. The Gofukubashi Project which Tokyo Tatemono is working on along the Nihonbashi River is adjacent to the Metropolitan Expressway. Tokyo Tatemono is collaborating in various ways to make the Metropolitan Expressway underground, and is also developing a waterside space that will become a focal exchange hub along the Nihonbashi River, as well as a pedestrian network that connects Tokyo Station, Nihombashi Station, and Otemachi Station.

These initiatives will undoubtedly improve convenience for people visiting and using the area. This meaningful community development will provide for more advanced urban functions befitting the land gateway to the international city of Tokyo.

In large-scale redevelopment and reconstruction projects, many parties involved in the redevelopment area are involved with various forms of rights. Consensus building is not an easy task, but we will discuss, coordinate, and promote the project with many stakeholders, including landowners and government officials, as well as with those involved in design and construction. Understanding the culture and values that landowners maintain, sincerely addressing their concerns and fears, as well as gaining their



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wholehearted trust and reassurance that they want to work with us, will be a test of our know-how and experience as a developer, and our credibility as a company, that we have cultivated since our founding. I also believe that community development is about coordinating and working with all of these parties.

Urban development does not end with the completion of a building; it is a project that continues over a long period of time, long after the build is complete. Communities don't exist independently, but rather, they mesh and work together in cooperation with the entire area beyond city blocks and even with surrounding areas, to enhance the value and appeal of the region as a whole. These projects that we are working on are a collaborative process and we will continue to communicate with all parties involved, not only from when the redevelopment project begins, but also long after the project ends.



The best talent as a developer

As a developer, an individual's resourcefulness and skills are essential to building relationships of trust with all parties involved. I believe that these human skills are Tokyo Tatemono's greatest strength. Human skills include the element of "likability," or the ability to be liked by others. When employees possess the kind of likeability that makes others want to work or consult with them, it brings the company together to make it strong. In the case of the Tokyo Tatemono Group, I feel that the human skills and likability of each and every employee is reflected in their sincere attitude toward stakeholders, which in turn leads to our credibility and performance as a company.

Human skills and likeability may be innate to some extent, but they can also be acquired by continuing to work in an environment full of likeable people with a good human nature. For the Tokyo Tatemono Group to continue to be a sustainable company, we should not change this corporate culture, which is the foundation of our Group, but instead we should embrace it. On top of this, we are also focused on recruiting mid-career hires, so I hope that people with a broad knowledge-base who have gained experience at other companies will make a positive difference by becoming part of our company.

Continuing to be a sustainable company

The year 2024 marks the final year of our Medium-Term Business Plan (FY2020-2024). I believe that the issue we must focus on going forward is a specific response to climate change. Creating a decarbonized society is one of the most important social issues that requires a global solution. Because the national and corporate goals for this solution are ambitious, there are limits to what can be achieved by individual companies alone. This is why considerable technological innovation is a must. Industries have been affected by soaring construction costs due to the recent labor shortage

and energy problems, among other factors. This has meant that environmental measures, such as wooden constructions, for example, may become costly and may not go as well as planned. I believe that we must raise awareness of this issue throughout the world, making every effort to build a business out of it so that we can move forward as much as possible toward finding a solution.

I also recognize that the promotion of women's success in the workplace is one of the issues that we must address going forward. Although more and more new graduates are being hired and half of all new employees are women, the real estate industry has always been a strongly male-dominated industry. This is why we still see few female employees in management positions and few who get promoted to managerial roles. I would like to make a conscious effort to address this issue, taking into account the ideas and opinions of our external directors.

To all our stakeholders

This year, we are celebrating the 128th anniversary since Tokyo Tatemono was first founded. I believe that these figures are proof that our Group has always been needed by society.

In our long-term vision, we declared our aim to be a good company for all stakeholders. This does not mean that we are the best company for all stakeholders "at all times," but rather that we are seen by all stakeholders as a "good company" because we are improving our corporate value over the medium to long term.

We will continue to promote to an even higher level solving social issues and growing as a company by aiming to be a company that earns even greater trust from our stakeholders. Thank you all for your continued confidence in and support of our Group.

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Long-term Vision and Materiality

Overview of ESG Management at the Tokyo Tatemono Group

The Tokyo Tatemono Group implements sustainability measures throughout the Group, working on an evolved approach to ESG management in order to achieve a greater balance between solving social issues and growing as a company through its businesses.

ESG management has grown ever-more important in recent years, amid intensifying changes in the business environment. In order to consistently promote sustainability measures across the Tokyo Tatemono Group, we formulated a Long-term Vision for the Group in 2020 and established a sustainability promotion framework. In such a way we are working to steadily promote and advance sustainability initiatives within the Tokyo Tatemono Group.

Our Long-term Vision looks ahead to 2030, which is when our current large-scale redevelopment projects will be largely completed and also the target year for the Sustainable Development Goals (SDGs).

Our Approach to the SDGs

The Tokyo Tatemono Group recognizes the demand from society to help achieve the SDGs. As such, we have incorporated the SDGs into our Long-term Vision and Medium-term Business 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.



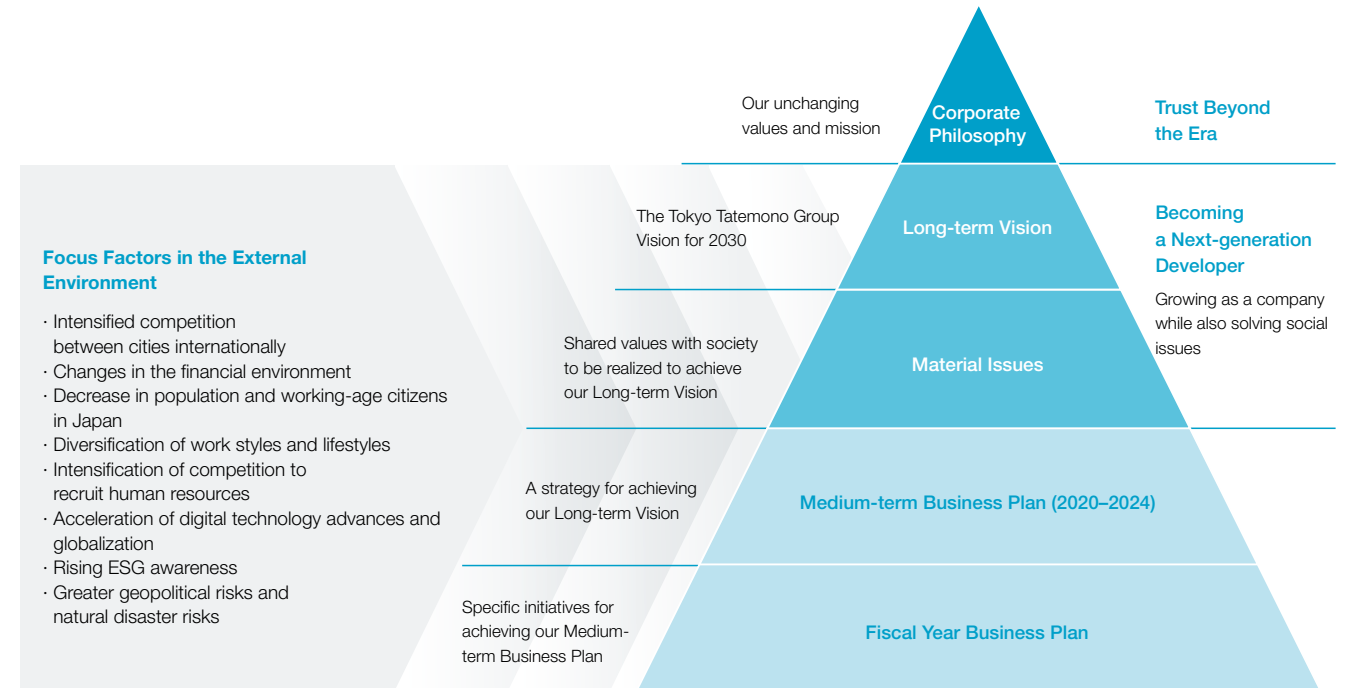
Long-term Vision

Becoming a Next-generation Developer

We live in a time of profound change. We are experiencing shifting demographics, growing diversity among personal values, ever-accelerating technological development, and more. Amidst these uncertainties, a broad range of challenges to achieving social sustainability have emerged.

The Tokyo Tatemono Group understands that the role of developers must also change in fundamental ways. We are committed to using our business to offer better solutions to society's problems and bring our own growth as an enterprise to a higher level. By doing so, we aim to be a good company for all our stakeholders.

◆ Positioning of the Long-term Vision and Focus Factors in the External Environment



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Long-term Vision and Materiality

Materiality of the Tokyo Tatemono Group




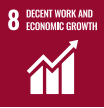













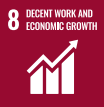



Under our long-term vision, “Becoming a Next-generation Developer,” the Tokyo Tatemono Group aims to achieve a high-level balance between providing solutions to social issues and pursuing growth as a company.

In 2019, the Tokyo Tatemono Group determined a number of material issues for the social issues identified in consideration of international issues (the SDGs) and domestic or industry-specific issues, evaluating their importance in terms of the magnitude of social needs and their affinity with our business.

Since then, we have begun to revise these material issues in response to major changes in the social landscape and people’s values, such as with the outbreak of the corona-virus pandemic. Based on our corporate philosophy and long-term vision, we considered the social issues identified in the SDGs and international guidelines on sustainability, and utilized the knowledge gained through advice from external experts, participation in various initiatives, and communication with stakeholders. Using this information, we held discussions with internal directors and exchanged opinions with external directors regarding themes related to materiality, and in June 2021, we identified 14 current material issues. The Board of Directors has also confirmed the appropriateness of these material issues.

On our path to realizing our long-term vision, the Tokyo Tatemono Group’s materiality has been identified from the perspective of both social value creation and a value creation platform with an awareness of our shared values with society we realize through our business. The Tokyo Tatemono Group will seek to develop solutions to these material issues through its business to maximize our positive impact (opportunities) on society while minimizing our negative impact (risks). In this way, we will help bring about a sustainable society while growing as a company.

◆ Materiality of the Tokyo Tatemono Group

	Material Issues	Shared Values with Society	Contribution to SDGs
Social value creation	 Strengthening Tokyo’s competitiveness as an international city	Creating value of place and value of experience	         
	 Contributing to a safe and secure society		
	 Community building and revitalization		
	 Well-being		
	 Addressing the diverse needs of customers and society		
	 Value co-creation and innovation		
	 Social implementation of technology		
	 Revitalizing and utilizing real estate stock		
Value creation platform	 Promoting a decarbonized society	Coexistence with the Earth and the environment	
	 Promoting a recycling-oriented society		
Value creation platform	 Improve employee growth and job satisfaction	Value-creating talent	     
	 Diversity & Inclusion		
	 Advancement of governance	Realizing sustainability management	
	 Strengthen risk management framework		



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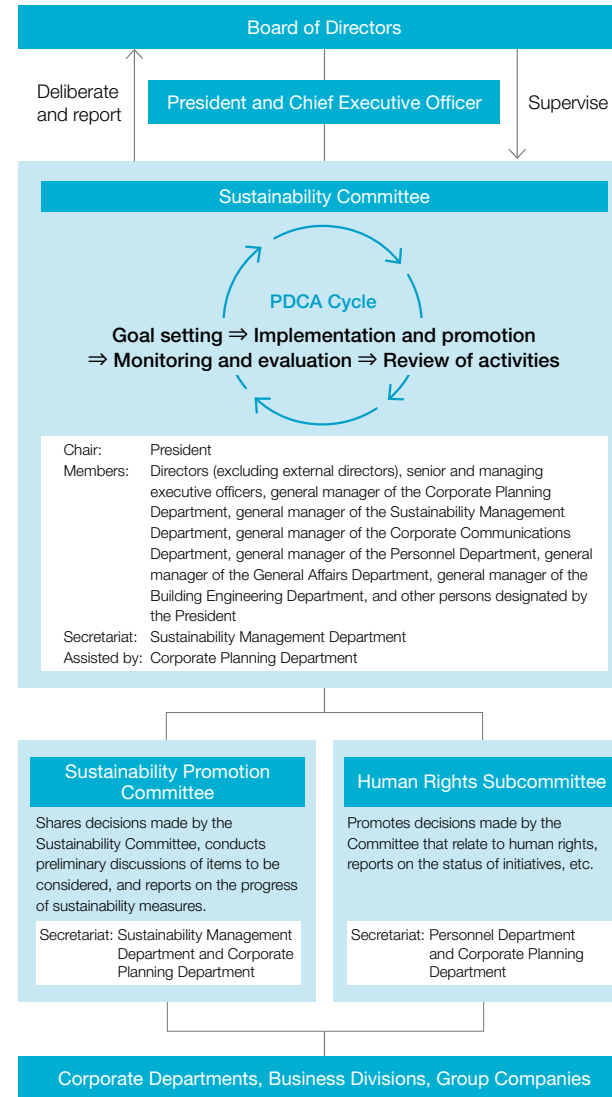
Sustainability Promotion Framework

Governance

To consistently pursue sustainability measures across the entire Group, the Tokyo Tatemono Group established the Sustainability Committee, chaired by our president and CEO. The Sustainability Promotion Committee and Human Rights Subcommittee were also established under the Sustainability Committee.

The Sustainability Committee, like the Executive Committee, Risk Management Committee and Internal Control Committee, is under the direct control of the president and CEO. It meets in principle at least twice a year to deliberate and discuss matters related to the formulation of the Group's sustainability policies, the development of systems, the setting of indicators and targets, and the monitoring and evaluation of progress. Important matters deliberated and discussed by the Sustainability Committee are brought up for discussion or reported to the Board of Directors, which makes decisions on important sustainability-related matters, monitors and supervises the status of actions taken. The Sustainability Promotion Committee shares decisions of the Sustainability Committee, under which it sits, conducts preliminary discussions for consideration, and reports on the progress of the Group's sustainability measures. Similarly, the Human Rights Subcommittee promotes decisions made by the Sustainability Committee, under which it sits, regarding human rights and reporting on the status of initiatives.

Sustainability Promotion Framework Chart



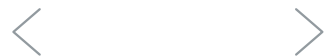
Frequency of Main Meetings Held in FY2023

Organization	Times Held
Sustainability Committee	5
Risk Management Committee	3

Risk Management

Tokyo Tatemono has established a Risk Management Committee chaired by the president to build a system to oversee risk management for the Tokyo Tatemono Group. The Risk Management Committee formulates an annual risk management plan, evaluates and analyzes key management risks for the Group (priority risks), formulates preventive measures and countermeasures, and periodically monitors the status of countermeasures. With regard to sustainability-related risks, the Sustainability Committee, as the risk response organization (risk owner), works with relevant departments and offices to prevent and manage such risks, and reports important matters on the status of implementation to the Risk Management Committee. Important matters from among those deliberated by and reported to the Risk Management Committee are brought up for discussion or reported to the Board of Directors, and the Board of Directors oversees the effectiveness of the Group's risk management.

[Risk Management \(p. 79\)](#)



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Material Issue KPIs and Targets

ESG-related KPIs and Targets; Progress

The Tokyo Tatemono Group believes that an evolved approach to ESG management will help to maximize medium- to long-term profits for stakeholders, and as such, has set KPIs and targets based on the material issues identified in June 2021. In the area of climate change in particular, in response to increasing social demands for companies to address climate change, we set a target in June 2021 of net zero CO₂ emissions by fiscal 2050. And

in October 2023, we accelerated our efforts by raising the target to reduce Scope 1 and 2 emissions by 46.2% by fiscal 2030 compared to 2019 levels, which is the level required to limit the increase in global average temperature to 1.5°C compared to pre-industrial levels. We have also set and are promoting goals related to the development of zero energy buildings and homes, shift to renewable energy, and acquisition of green building certifications as process goals to achieve medium- and long-term targets to reduce greenhouse gas emissions.

In order to achieve these medium- and long-term targets, we have incorporated an action plan with these process goals in mind into the business plans of each business division or unit. Progress is then monitored and tracked by the Sustainability Promotion Committee and Sustainability Committee using the PDCA cycle.

The Board of Directors also monitors and supervises progress toward the targets.

Material Issue KPIs and Targets

◆ Environmental

Material Issues	Items	Scope of Coverage	KPIs and Targets			Unit	FY2021	FY2022	FY2023	Details
			Scope 1, 2 and 3	Net zero CO ₂ emissions by FY2050	CO ₂ emissions					
Promoting a decarbonized society	Reduction in greenhouse gas emissions	All businesses*1	Scope 1, 2 and 3	Net zero CO ₂ emissions by FY2050	CO ₂ emissions	t-CO ₂	1,034,699	1,015,230	984,407	P.27
			Scope 1 and 2	46.2% reduction in CO ₂ emissions compared to FY2019 levels by FY2030*3	CO ₂ emissions	t-CO ₂	71,412	72,213	44,283	
			Scope 3*2	40% reduction in CO ₂ emissions compared to FY2019 levels by FY2030*3	CO ₂ emissions	t-CO ₂	963,287	943,017	940,124	
	Development of zero energy buildings and homes*4	Commercial Properties Business	Develop ZEB for, in principle, all new office buildings and logistics properties*5		Number of ZEB developments	Properties	Not applicable	Not applicable	Not applicable	P.28
					Number of properties in scope	Properties	Not applicable	Not applicable	Not applicable	
		Residential Business	Develop ZEH for, in principle, all new for-sale condominiums and for-rent condominiums*6		Number of ZEH developments	Properties	Not applicable	Not applicable	1	
					Number of properties in scope	Properties	Not applicable	Not applicable	1	
	Shift to renewable energy	All businesses*1	Procure 100% of electricity consumed in business activities from renewable energy sources by FY2050		Percentage of electricity from renewable energy sources	%	1.8	11.2	31.1	P.27
				Commercial Properties Business	Procure 100% of electricity consumed at owned properties from renewable energy sources by FY2030 Procure at least 50% of electricity consumed at owned properties from renewable energy sources by FY2024	Percentage of electricity from renewable energy sources	%	6.9	35.2	
	Acquisition of green building certifications*7	Commercial Properties Business, Residential Business	Acquire green building certification for, in principle, all new office buildings, logistics properties, and for-rent condominiums*8		Percentage of green building certifications acquired	Properties	Not applicable	Not applicable	Not applicable	P.40
				Number of properties in scope	Properties	Not applicable	Not applicable	Not applicable		

*1 Applies to the Tokyo Tatemono Group.
 *2 Applies to Scope 3 categories 11 and 13.
 *3 In FY2019, CO₂ emissions for Scope 1 and 2 were 85,870t-CO₂ and Scope 3 were 902,042t-CO₂.
 *4 In addition to ZEB and ZEH-M, includes Nearly ZEB, ZEB Ready, ZEB Oriented, Nearly ZEH-M, ZEH-M Ready, and ZEH-M Oriented.
 *5 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.
 *6 Applies to new buildings for which design work began in June 2021 or later. Excludes certain properties such as joint venture properties or properties with special uses.
 *7 Mainly refers to DEJ Green Building certification, CASBEE building certification and BELS (Building-housing Energy-efficiency Labeling System) certification.
 *8 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.



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Material Issue KPIs and Targets

Material Issues	Items	Scope of Coverage	KPIs and Targets	Unit	FY2021	FY2022	FY2023	Details	
Promoting a recycling-oriented society	Reduction of waste emissions	Long-term buildings* ⁹	By FY2030, 20% reduction in the rate of waste emissions per unit compared with FY2019	Waste emissions per unit reduction rate	%	5.2	5.3	5.3	P.37
	Waste recycling promotion	Long-term buildings* ⁹	By FY2030, achieve a waste recycling rate of 90%	Waste reuse rate	%	65.7	60.9	58.5	P.38
	Reduction of water use	Long-term buildings* ¹⁰	Reduction of water use intensity compared with previous fiscal year	Water use per unit (diff. from the previous year)	m ³ /m ²	0.68 (—)	0.76 (0.08)	0.79 (0.02)	P.35
	Promotion of use of recycled water	Office buildings with total floor area exceeding 30,000 m ²	By FY2030, install gray water* ¹¹ treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000 m ²	Number of properties with gray water facilities	Properties	Not applicable	Not applicable	Not applicable	P.36
			Number of properties in scope	Properties	Not applicable	Not applicable	Not applicable		
Promoting a decarbonized society / Promoting a recycling-oriented society	Promotion of use of wood materials	Long-term buildings, condominiums for sale or rent	By FY2030, use domestic timber and certified timber in the interior and furniture of common areas of all new office buildings, for-sale and for-rent condominiums	Number of properties using domestic / certified timber	Properties	0	3	1	P.29
			By FY2023, develop for-sale and for-rent condominiums that use CLT for major structural components	Number of properties in scope	Properties	11	20	1	
	Collaboration and co-creation with customers	Long-term buildings	Communicate with tenants about sustainability at least 4 times a year	—	—	—	Achieved	Achieved	P.37
	Condominiums for sale or rent	Communicate with residents to plan and implement sustainability measures	—	—	Achieved	Achieved	Achieved	P.62	

*⁹ Applies to the main long-term buildings and commercial facilities for which we have substantial energy management rights and for which we have submitted plans for the reuse and reduction of waste materials.

*¹⁰ Applies to the main long-term buildings and commercial facilities for which we have substantial energy management rights.

*¹¹ Recycled water derived from rainwater and miscellaneous wastewater generated in buildings (e.g., wastewater from cooling towers and tenants' kitchens). It is reused for non-potable purposes such as toilet flushing and watering plants.

◆ Social

Material Issues	Items	Scope of Coverage	KPIs and Targets	Unit	FY2021	FY2022	FY2023	Details
Improve employee growth and job satisfaction	Promotion of skills development	Tokyo Tatemono	Average training time per employee: 15 hours or more each fiscal year	Hours	18.3	15.8	15.2	P.63
		Tokyo Tatemono	Career training participation rate: 100% each fiscal year	%	100	100	100	
	Promotion of health management	Tokyo Tatemono	Health checkup rate* ¹ : 100% each fiscal year	%	100	100	100	P.66
			Follow-up test rate* ¹ : 100% each fiscal year	%	83.7	98.0	81.5	
		Tokyo Tatemono	Smoking rate* ² : 12% or less each fiscal year	%	16.0	12.1	13.1	
	Tokyo Tatemono	Percentage of employees maintaining an appropriate weight: 75% or more by FY2028	%	72.8	72.0	72.9		
Diversity & Inclusion	Respect for human rights	Tokyo Tatemono Group	Dissemination of the Human Rights Policy: Deployment to and compliance by group companies	—	Implemented	Implemented	Implemented	P.45
	Work-life balance	Tokyo Tatemono	Average annual paid leave utilization rate: 70% or more each fiscal year	%	57.5	67.8	72.2	P.70
		Tokyo Tatemono	Ratio of male employees taking parental leave* ¹ : 30% or more by FY2025	%	13.0	50.0	78.1	P.71
	Promotion of diversity in our workforce	Tokyo Tatemono	Ratio of women in management positions: 10% or more by FY2030	%	7.2	7.2	9.4	P.72
	Tokyo Tatemono	Employment rate of people with disabilities* ³ : Over the legal employment rate each fiscal year * 2.3% or more until March 2024, 2.5% or more from April 2024 to June 2026, and 2.7% after July 2026	%	2.21	2.33	2.53		

*¹ Totaled from April of each year to March of the following year.

*² As of the end of December of each year.

*³ As of June 1 of each year.



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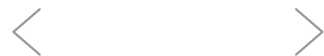
Third-party Assurance

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, executives and employees, shareholders, investors, and business partners. We believe that building long-term relationships of trust with these stakeholders is essential to our business activities. By engaging with our stakeholders and incorporating their input in various ways, we are not only earning their trust but also working to create social value. To ensure that our engagement with stakeholders is effective, we will review its approach and other aspects as necessary.

◆ Stance on and Approach to Dialogue with Our Core Stakeholders

Stakeholders	Stance on Dialogue	Approach to Dialogue
Customers Building tenants, home buyers, users of services	We established various systems to incorporate customer feedback in our business activities. We use these systems to provide valuable products and services that offer safety and peace of mind, while continuously improving customer satisfaction.	<ul style="list-style-type: none"> • Customer satisfaction surveys • Brillia owners hotline (contact for home buyers) • Various questionnaires • Online inquiry forms, etc.
Local community Local community around properties, local governments, NGOs, NPOs, educational institutions, etc.	We work to increase local value and contribute to the local community through efforts that include community development and various community activities.	<ul style="list-style-type: none"> • 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.
Executives and employees All employees working for the Group	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. • Compliance questionnaires, etc.
Shareholders and investors Providers of capital that support the Group's business and those engaged with the business through the exercise of voting rights, etc.	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, Integrated Report • General Meeting of Shareholders • Financial results briefings • Seminars for private investors • IR meetings (Japan/overseas), etc.
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"> • Verifying any signs of mistrust using business partner check sheets • Regular meetings, etc. • Sharing the Supplier Code of Conduct and conducting questionnaire surveys, etc.



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Participation in Initiatives

Highlights of Participation in Initiatives

Initiatives	Purpose of Participation; Our Role and Efforts
<p>United Nations Global Compact (UNGC)</p> 	<p>Tokyo Tatemono is a signatory to the UNGC and registered the Tokyo Tatemono Group as a participating company. By supporting the UNGC, which addresses the four areas of human rights, labor, environment, and anti-corruption, we will help to realize a sustainable society.</p>
<p>TCFD (Task Force on Climate-related Financial Disclosures)</p> 	<p>The Tokyo Tatemono Group endorses and is a signatory to the TCFD recommendations. The Group will strengthen measures to combat climate change while giving greater disclosure in line with the information disclosure framework recommended by the TCFD (governance, strategy, risk management, metrics and targets with respect to climate change risks and opportunities).</p> <p>Disclosure based on TCFD recommendations (p. 23)</p>
<p>SBT Initiative (SBTi)</p> 	<p>The greenhouse gas emission reduction targets set by the Tokyo Tatemono Group for fiscal 2030 have been certified by SBT as being consistent with the levels required by the Paris Agreement (to limit the global average temperature increase due to climate change to 1.5°C compared to pre-industrial levels).</p>
<p>RE100</p> 	<p>The Tokyo Tatemono Group participates in this initiative with the aim of procuring 100% of the electricity consumed in its business activities from renewable energy sources by 2050.</p>
<p>Japan Climate Initiative (JCI)</p> 	<p>Tokyo Tatemono is participating in the JCI, seeing climate change as a social issue that requires global collaboration.</p>

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

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Participation in Initiatives

Collaboration with Industry Associations

Name	Details	Positions held by Tokyo Tatemono officers, etc.
The Real Estate Companies Association of Japan	The organization comprises companies involved in urban development and appealing community development projects. It engages in surveys and research on various real estate-related systems, policy proposals, and social contribution activities with the aim of actively and effectively promoting the supply of high quality offices and housing, as well as the smooth distribution of housing stock. In the area of climate change, we are working toward the realization of a decarbonized society across the whole industry by, for example, helping to formulate the Long-Term Vision for the Real Estate Industry for the Realization of a Decarbonized Society (Vision for 2050), a climate change policy in the real estate industry, and participating as a member of working groups and subcommittees on calculating GHG emissions during construction.	Advisor Vice Chair Chair, Environmental Committee Vice Chair, Compliance Committee
Japan Building Owners and Managers Association	As Japan's only national association of office building operators, this organization engages in surveys, research, and educational activities related to building management and administration.	Vice Chairperson
The Association of Real Estate Agents of Japan	This organization comprises major and medium-sized housing and real estate companies that are involved in real estate distribution. It works to improve various systems related to real estate distribution through surveys, research, and policy proposals.	Director
The Association for Real Estate Securitization	This organization was established for the purpose of ensuring public confidence in real estate securitization products and protecting investors. It makes requests for system improvements and tax system reforms that are necessary to promote the sound development of the real estate investment and securitization market.	Director

Name	Details	Positions held by Tokyo Tatemono officers, etc.
Real Estate Fair Trade Council	This is a self-regulatory organization that administers the Fair Competition Code for Real Estate Representation and the Fair Competition Code on Premium Offers in the Real Estate Industry in the Kanto and Koshin-etsu regions. It constantly monitors real estate advertising, working to promote proper labeling and prevent non-compliant advertising.	Chairperson (Representative Director)
Human Rights Due Diligence Promotion Council for the Construction and Real Estate Sectors	This organization was established by nine construction and real estate companies to fulfill the human rights responsibilities required of companies by the United Nations' Guiding Principles on Business and Human Rights. Regarding human rights issues in the industry, the organization is taking the initiative to collaborate, sharing efforts such as human rights due diligence, and investigating and researching advanced cases.	Sponsor (FY2023)



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Inclusion in Major ESG Indices

FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



Morningstar Japan ex-REIT Gender Diversity Tilt Index

MSCI Nihonkabu ESG Select Leaders Index



MSCI Japan Women's Activity Index (WIN)



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S&P/JPX Carbon Efficient Index



* Tokyo Tatemono is listed on all Japanese stock ESG indices adopted by the Government Pension Investment Fund (GPIF).

Evaluations and Certifications for Sustainability

CDP



GRESB



Eruboshi



Health & Productivity Management Outstanding Organizations Recognition Program



Kurumin



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Policy and Concept

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

Group Environmental Policy

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

- Creating a pleasant city and living with greenery**
 We will create a rich and comfortable environment for Earth and people by utilizing the strength of greenery as much as possible with consideration to biodiversity.
- Climate change prevention that leads the community**
 We will actively implement environmentally-friendly technologies and ideas into our products and services to lead the community in building a low-carbon city.
- Resource-saving activities that are kind to the Earth**
 We will strive to reduce the use of resources and environmental impact through all available opportunities and contribute to creating a recycling-oriented society.
- Developing employees with high environmental awareness**
 We will comply with laws related to the environment and educate and raise the awareness of our employees about the environment.

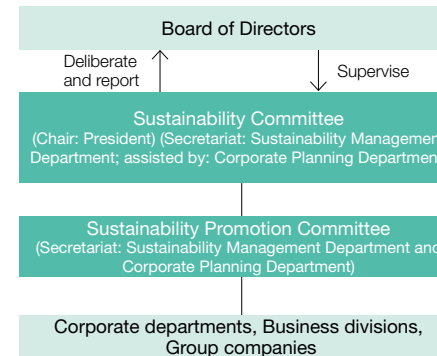
Established January 2011

Environmental Management Framework

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

We have also established an environmental management system for each of our businesses, tailored to their specific characteristics. Under these systems, we create PDCA cycles, formulate environmental measures, share information, support promotion and implementation, provide guidance, manage progress, and carry out improvements to initiatives.

Environmental Management Framework Chart



[Sustainability Promotion Framework \(p. 9\)](#)

Environmental Management in Each Business

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

Environmental Management in the Commercial Properties Business

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

We have set a quantitative indicator in the form of energy consumption per floor area unit to reduce energy consumption. Here, we aim for a 1% annual unit reduction averaged over five years as a target in accordance with the Act on the Rational Use of Energy. We are actively adopting environmental and energy-saving technologies in new buildings. For existing buildings, we promote energy saving by systematically upgrading to energy-saving equipment. From an operating standpoint, we also work with our tenants to conserve energy and reduce environmental impact.

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◆ Environmental Action Plan and Guidelines

Details of Tokyo Tatemono Group KPIs and Targets: [Material Issue KPIs and Targets \(p. 10\)](#)

Area	Environmental Action Plan	Guidelines
 <p>Greening</p>	<p>Creating rich greenery that helps cities transform and thrive</p> <p>Promote rich greenery that evokes a sense of urban transformation and vibrancy.</p>	<p>New construction Aim for greening of at least 5% of the structure area and at least 50% of the exterior area; also promote interior greening and greening proposals for tenants' private areas.</p> <p>New construction / Renovation Promote structure and exterior greening for all buildings, creating rich environments for users and the community.</p> <p>Operations Create and maintain a plant management plan; conduct regular monitoring and proposal of plans for improvement.</p>
	<p>Regenerating ecosystems with biodiversity</p> <p>Regenerate abundant, local natural settings that support rich ecosystems in which diverse organisms compete and coexist.</p>	<p>New construction / Renovation / Operations Acquire and renew SEGES, ABINC, and other certifications for the preservation of existing trees and the conservation of ecosystems; implement ecosystem-friendly measures.</p> <p>New construction / Renovation Devise planting plans that reflect local characteristics and policies; maintain ecosystems by eliminating intrusive species, devising planting plans that aim to conserve native species, and ensuring continuity with surrounding green spaces.</p> <p>Operations Conduct donation and awareness-raising activities.</p>
	<p>Designing tree placement to create pleasant urban environments with dappled sunlight and moist air</p> <p>Help create comfortable urban environments by positioning trees for optimal shadows and heat shielding.</p>	<p>Promote efforts to mitigate the heat island phenomenon.</p> <p>New construction Conduct exterior fluid simulations and explore placement plans that incorporate exterior wind paths.</p> <p>New construction / Renovation Implement measures related to roof, exterior, and ground surfaces; mitigate reflections from buildings on site pedestrian spaces; incorporate equipment for mitigating thermal environment degradation; explore vacant space planning for wind paths; secure appropriate shade; ensure green and water coverage ratios; minimize pavement area.</p>
	<p>Using green assets to improve area value</p> <p>Increase the value of the area by cultivating public spaces for interaction among lush greenery.</p>	<p>New construction / Renovation Plan environments and facilities that evoke a sense of closeness to nature; improve scenery by greening roadsides, etc.</p> <p>Operations Disclose explanatory materials on planting plans and types of plants planted; sponsor events that offer a sense of closeness to nature; participate in management of local plants and other initiatives.</p>

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Environmental Management

Area	Environmental Action Plan	Guidelines
Acquisition and retention of third-party environmental performance certifications	<p>Promote the construction and management of buildings, emphasizing environmental performance. Acquire and retain third-party certification for the environmental performance of these buildings and contribute to sustainable decarbonized urban development.</p> <p>Tokyo Tatemono Group KPIs and Targets</p> <ul style="list-style-type: none"> • Promotion of development of ZEB and ZEH <ul style="list-style-type: none"> ↳ Develop ZEB and ZEH for, in principle, all new office buildings, logistics facilities, for-sale condominiums, and for-rent condominiums. <p>Scope of Coverage Commercial Properties Business and Residential Business</p>	<p>New construction Acquisition of Green Building Certification</p> <p>..... For DBJ Green Building certification, a 5-star or 4-star rating, for CASBEE building certification, an S-rank or A-rank rating, and for BELS certification, a 5-star rating with ZEB certification (DBJ Green Building certification applies to long-term holdings; other certifications apply to all assets).</p> <p>Operations Maintain Green Building Certification; acquire Green Building Certification for buildings that do not yet have it.</p>
Creating buildings with high environmental performance	<p>Develop buildings that offer high environmental performance while supporting the health and comfort of workers.</p> <p>Quantitative Targets</p> <ul style="list-style-type: none"> • 1% reduction in energy consumption in terms of crude oil equivalent per year on a 5-year moving average <p>Scope of Coverage All Tokyo Tatemono-owned properties and facilities</p>	<p>Improve environmental performance.</p> <p>New construction BPI*1 of no more than 0.90, BEI*2 of no more than the target level for acquisition of third-party certification for each property (actively work toward ZEB*3 status).</p> <p>Operations Understand and present actual primary energy consumption unit values.</p> <p>Conduct environmentally friendly planning and management.</p> <p>New construction / Renovation / Operations Use LED lighting and luminance of 500 lx in dedicated areas; consider interior illumination intensity and brightness levels.</p> <p>New construction / Renovation Consider energy conservation when introducing outside air; use energy-saving glass, motion sensors, and automatic lighting control; encourage subdivided lighting zones.</p> <p>Renovation / Operations Study energy conservation measures, including energy conservation checkups.</p> <p>Operations Carry out appropriate filter cleaning.</p>
Adopting environmentally advanced technology initiatives	<p>Actively incorporate advanced environmental technologies and initiatives to promote the realization of environmentally-advanced buildings that lead the community.</p> <p>Tokyo Tatemono Group KPIs and Targets</p> <ol style="list-style-type: none"> Reduction in Greenhouse Gas Emissions <ul style="list-style-type: none"> ↳ Scope 1, 2, and 3: Net zero CO₂ emissions by FY2050. ↳ Scope 1 and 2: 46.2% reduction in CO₂ emissions compared to FY2019 by FY2030. ↳ Scope 3*4: 40% reduction in CO₂ emissions compared to FY2019 by FY2030. Shift to Renewable Energy <ul style="list-style-type: none"> ↳ By FY2050, procure 100% of electricity consumed in business activities from renewable energy sources. ↳ By FY2030, procure 100% of electricity consumed at properties owned by the Commercial Properties Business from renewable energy sources. ↳ By FY2024, procure at least 50% of electricity consumed at properties owned by the Commercial Properties Business from renewable energy sources. <p>Scope of Coverage All businesses</p>	<p>New construction Explore introducing renewable energy plans and using electric air conditioning.</p> <p>New construction / Renovation Install solar power generation systems; explore use of renewable energy, including off-site; adopt passive energy-saving technologies that utilize nature (e.g., leveraging natural lighting/ventilation, geothermal energy); adopt daylight-harnessing technology; incorporate insulation/heat shielding technology; purchase Green Power Certificates, etc.; install CO₂ monitoring systems and high efficiency equipment; utilize subsidies, energy saving diagnosis projects, etc.</p> <p>Renovation Consider updating from gas air conditioning to electric air conditioning.</p> <p>Operations Create and manage manuals for CO₂ monitoring systems; introduce renewable energy plans; grasp the amount of renewable energy generated; consider carbon offsets by purchasing energy certificates.</p>
Using energy management to reduce consumption	<p>Pursue environment-friendly building management in cooperation with various building stakeholders, including customers.</p>	<p>New construction / Renovation / Operations Set target values for overall building energy consumption.</p> <p>New construction / Renovation Introduce BEMS and visualization systems.</p> <p>Operations Disclose environmental data to tenants; create building operation systems and management policies; execute power saving measures.</p>

*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.

*4 Applies to Scope 3 categories 11 and 13.



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Area	Environmental Action Plan	Guidelines
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. Tokyo Tatemono Group KPIs and Targets 1. Reduction of Waste Emissions ↳ By FY2030, 20% reduction in the rate of waste emissions per unit compared with FY2019. Scope of Coverage Long-term buildings 2. Promoting Waste Recycling ↳ Achieve a waste recycling rate of 90% by FY2030. Scope of Coverage Long-term buildings	<p>New construction / Renovation / Operations Implement trash weighing systems and kitchen waste weight/volume reduction and composting.</p> <p>New construction / Renovation Plan appropriate recycling stations; plan stock spaces enabling separation of multiple types of waste; prevent unused interior waste; identify construction waste and consider how to reduce it; confirm construction waste management policies, recycling rates, etc.</p> <p>New construction / Operations Introduce waste disposal pay-as-you-throw schemes for tenants; implement measures to reduce unused interior waste when tenants vacate.</p> <p>Operations Separate and reuse waste; conduct educational activities on waste reduction, separation, recycling, etc. through meetings with tenants, etc.; establish contracts with waste collection, transportation, and disposal companies that include provisions on recycling; implement measures to promote collection of recyclables; implement systematic collection plans, etc., for valuable materials; implement and manage waste reduction measures; computerize waste disposal manifests; implement tours of waste disposal sites based on the Act on Waste Management and Public Cleaning; implement tenant tours of waste disposal sites.</p>
	Use water conservation and rainwater utilization to help reduce our environmental impact. Tokyo Tatemono Group KPIs and Targets 1. Reduction of Water Use ↳ Reduce water use per unit compared with previous fiscal year. Scope of Coverage Long-term buildings 2. Promotion of Use of Recycled Water ↳ By FY2030, install gray water 10 treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000m ² . Scope of Coverage Office buildings with total floor area exceeding 30,000m ² .	<p>New construction / Renovation Use water-saving equipment in wash basins, hot water heaters, etc.; use water-saving toilets; reuse rainwater and miscellaneous wastewater (gray water); implement rainwater runoff control measures; comply with discharge standards such as the Water Pollution Prevention Act and Sewerage Act; conserve water through the introduction of drought-resistant plants; introduce irrigation facilities that contribute to water conservation (smart irrigation facilities); monitor water use with metering for each system; prevent water leakage; prevent water leakage; treat rainwater on-site.</p> <p>Renovation / Operations Examine and ascertain the volume of water saved through renovations.</p> <p>Operations Ascertain actual water use and cooling tower water use; examine water conservation related to cooling towers.</p>
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.	<p>New construction Create long-term repair plans; ensure the strength of core building frames; plan for easy separation of finishing materials from building frames; plan rooms and finishes in consideration of upkeep and maintenance; adopt ducting/piping that ensure long service lives.</p> <p>New construction / 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; create facility upgrade plans and secure upgrade routes; ensure maintainability of structures and deploy backup equipment, etc., when upgrading facilities.</p> <p>New construction / Operations Create medium- and long-term repair plans at the time of building construction; implement maintenance and repairs based on these plans.</p> <p>Operations Share medium- to long-term repair plans with building management companies; calculate planned costs and energy-savings based on the medium- to long-term repair plans.</p>
Proactive use of eco-materials and recycled materials	Work to create a cycle of recycling by utilizing eco-materials and recycled materials. Tokyo Tatemono Group KPIs and Targets • Promotion of use of wood materials ↳ By FY2030, use domestic timber and certified timber in the interior and furniture of common areas of all new office buildings, for-sale and for-rent condominiums, etc. Scope of Coverage Long-term buildings, for-sale and for-rent condominiums	<p>New construction Consider reuse of construction building frames; use recycled materials for major structural components; use recycled materials outside of building frame materials; reduce use of materials which release chemical substances; use inert gas fire extinguishers; regulate the ozone depletion potential and global warming potential of insulation materials used.</p> <p>New construction / Renovation Use domestic and certified timber.</p>
Dissemination of information on the environment and spread/improvement of environmental conservation awareness	Share information about the environment to promote environmental conservation awareness among stakeholders such as employees, communities, and customers. Tokyo Tatemono Group KPIs and Targets • Collaboration and co-creation with customers ↳ Communicate with tenants about sustainability at least 4 times a year. Scope of Coverage Long-term buildings	<p>New construction / Renovation / Operations Disclose our sustainability initiatives.</p> <p>Operations Hold events focusing on sustainability.</p>
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.	<p>Operations Conduct regular surveys related to energy and environmental conservation; sponsor on-site cleanup activities; hold energy conservation meetings; green leases offered to tenants of underlying property portfolio; conduct energy conservation efforts in cooperation with tenants; formulate environmental policies and manage properties based on them; grasp environmental data and confirm certification status upon the purchase of properties; determine the energy reduction rates and costs of energy and water conservation renovation work upon their implementation.</p>



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Environmental Management in the Residential Business

In the Residential Business, we have established the Brillia Environmental Guidelines. These guidelines provide standards for carrying out environmental measures consistently under the Brillia series condominium brand we are developing while aligning with changing social conditions. They also enable us to communicate our environmental measures clearly to customers and society. The guidelines define a set of environmental performance ratings with four levels of environmental friendliness. In addition to the specifications to be met for each level, at each stage of the project from planning to design, we also check details such as the environmental certification rankings (CASBEE, etc.) and CO₂ emission reduction for each level.

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

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

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

Brillia Environmental Guidelines Overview

1. Creating a lush green living environment

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

2. Creating residences with lower environmental impact

- Aim to achieve low-carbon residential buildings by proactively adopting equipment and services that contribute to global warming prevention and resource conservation.
- Actively develop ZEH-M (ZEH condominiums), which reduce 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 educate tenants regarding environmental considerations.

Environmental Impact Assessment

When executing new development projects in Japan and overseas, we conduct the necessary environmental impact assessments (environmental assessments) in accordance with laws and regulations. We also create plans that leverage our expertise to consider how each project affects the environment.

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

Brownfield Redevelopment

When we develop commercial or residential properties on land that has been significantly underutilized compared to its potential value or lain unused due to the presence or concern of the presence of soil contamination, we conduct soil surveys and implement other specialized measures to deal with soil contamination, properly treating any contamination before proceeding with the project.

Compliance with Environmental Laws and Regulations

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

There were no environmental incidents or violations of environmental laws or regulations in FY2023.

[\(Data\) Environmental Incidents and Violations of Environmental Laws or Regulations \(p. 89\)](#)

Collaboration with External Parties in Environmental Initiatives

We are leading the promotion of environmental action in the real estate industry, including producing multiple chairs of the Environmental Committee of the Real Estate Companies Association of Japan, and are working with industry associations to preserve the environment.

[Participation in Initiatives \(p. 13\)](#)



Promoting a Decarbonized Society

Policy and Concept

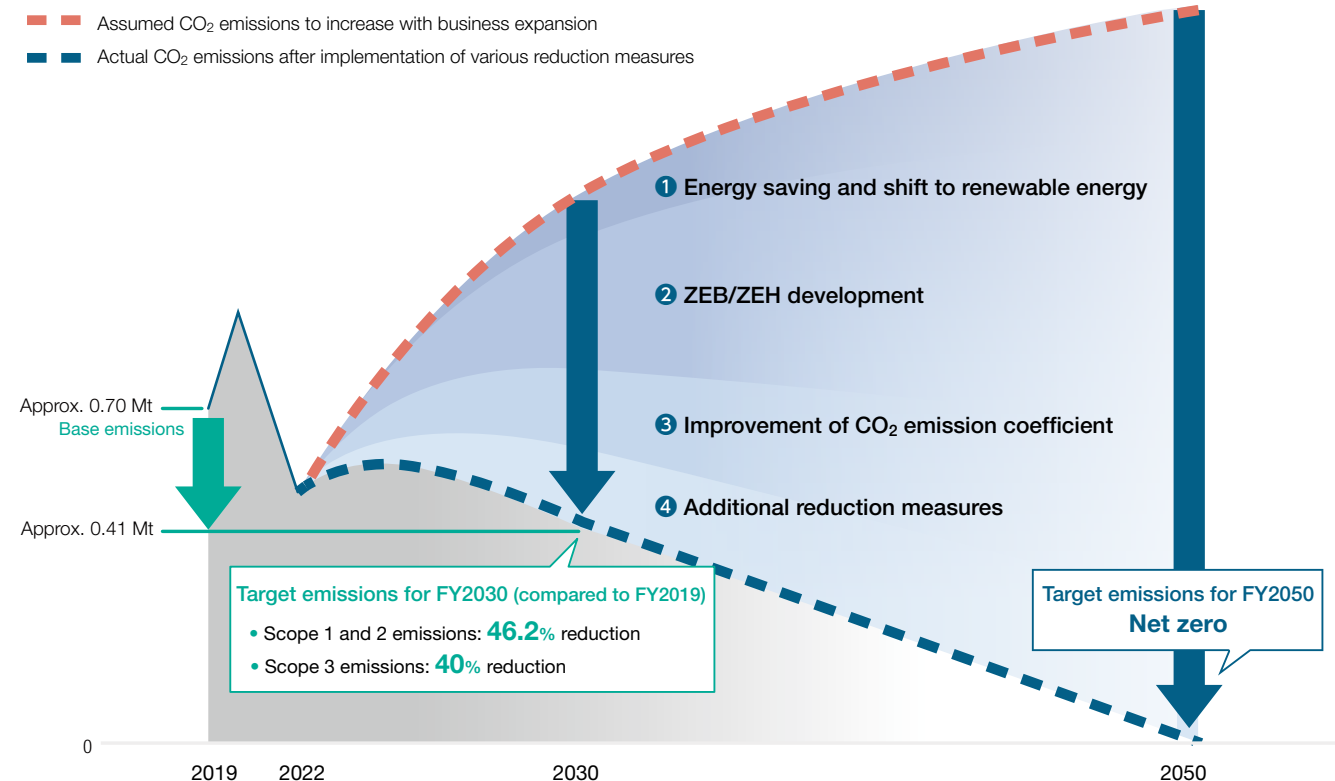
Realizing a decarbonized society is a social issue that calls for global solutions. The real estate industry must also strive to reduce greenhouse gas (GHG) emissions derived from real estate holdings and business activities. The Tokyo Tatemono Group further believes that the intensification of storms,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

The Tokyo Tatemono Group Environmental Policy calls for us to lead the community in the prevention of global warming. In addition, we have identified the promotion of a decarbonized society as a material issue, and in order to address this issue through our business, we have set KPIs and targets related to the promotion of a decarbonized society. We are also accelerating our efforts to reduce GHG emissions, etc.

In October 2023, we raised our target for GHG emission reductions by FY2030 to the 1.5°C level. Based on these assumptions, we put in place a roadmap (action plan) for reducing GHG emissions in the Group toward FY2050.

- ☐ [Material Issue KPIs and Targets \(p. 10\)](#)
- ☐ [Participation in Initiatives \(p. 13\)](#)
- ☐ [Environmental Management \(p. 17\)](#)
- ☐ [Responding to Natural Disasters \(p. 31\)](#)
- ☐ [External Evaluation and Certification for Green Buildings \(p. 40\)](#)

• Roadmap for Reducing Greenhouse Gas Emissions



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Disclosure Based on TCFD Recommendations

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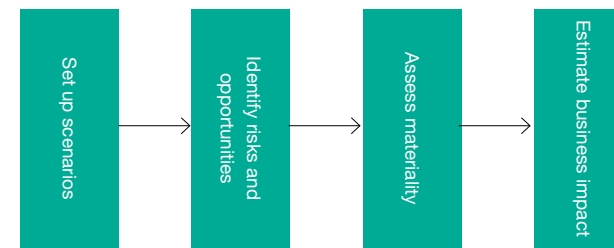
The Tokyo Tatemono Group has established the Sustainability Committee, chaired by the President, and the Sustainability Promotion Committee as a subordinate organization to promote sustainability with regard to areas such as climate change.

The Sustainability Committee, like the Executive Committee, Risk Management Committee, and Internal Control Committee, is under the direct control of the President. It meets in principle at least twice a year to deliberate and discuss matters related to the formulation of the Group's sustainability policies, the development of systems, the setting of indicators and targets, and the monitoring and evaluation of progress. The Sustainability Committee deliberates and discusses important matters concerning climate change, such as the identification of risks and opportunities, greenhouse gas (GHG) emissions reduction targets and policies, and the status of initiatives to address climate change. Important matters discussed and deliberated by the Sustainability Committee are brought up for discussion by or are reported to the Board of Directors, which makes decisions on important sustainability-related matters and monitors and supervises the status of their promotion. The Sustainability Promotion Committee, which sits under the Sustainability Committee, is a cross-sectional organization composed of corporate departments and business divisions. It shares the decisions of the Sustainability Committee, conducts preliminary discussions for consideration, shares and considers the Group's sustainability measures, and reports on and discusses the progress of the Group's sustainability efforts.

Strategy (Scenario Analysis)

The Tokyo Tatemono Group identifies risks and opportunities related to climate change, assesses their significance, and conducts analyses of the impact different scenarios could have on the Group's business profit using scenarios it has set.

• Risk Analysis Review Process



• Setting Up the Scenarios

For our scenario analysis, we set up future worlds (scenarios). To create our scenarios, we made use of scenarios published by the IPCC*1 and the IEA*2. In our 4°C scenario, in which current policies are maintained, the average temperature rises by 4°C or more compared to pre-industrial levels by 2100. In our 2°C scenario, a delayed transition scenario, the average temperature increase is limited to less than 2°C. In our 1.5°C scenario, the average temperature increase is kept below 1.5°C.

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

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

• The Scenarios Used in the Analysis

Scenarios	Scenario Analysis	Reference Scenarios
4°C scenario	A scenario in which the average temperature rises by about 4°C compared to pre-industrial levels as a result of failure to introduce stricter government policies and strengthen regulations, such as regulations to curb GHG emissions, and of failure by businesses to take effective action in response to climate change. Acute effects include more frequent extreme weather events and more intense heavy rainfall, while chronic effects include rising sea levels.	IPCC SSP5-8.5 (RCP 8.5) IEA STEPS
1.5°C/2°C scenario	A scenario in which the average temperature rise compared to pre-industrial levels is kept below 1.5°C or 2°C by improving low-carbon technologies, expanding renewable energy, and promoting energy conservation. In this scenario, companies around the world are strongly required to respond to climate change by introducing carbon taxes and strengthening policies to regulate emissions in order to curb GHG emissions.	IPCC SSP1-1.9 (RCP 2.6) IEA NZE IEA SDS

Promoting a Decarbonized Society

Identifying Risks and Opportunities/Assessing Materiality

Looking at the Tokyo Tatemono Group's core businesses—the Commercial Properties Business and Residential Business—and based on the areas where we develop and own buildings as well as the conditions of each business phase (development, operation and management, and sale), we identified the main risks and opportunities concerning climate change for each and assessed their materiality in terms of their expected degree of impact on the Group's finances and likelihood of occurrence. The period of impact was categorized into short-term (1-5 years), medium-term (5-10 years), and long-term (>10 years).

Identified Risks, Opportunities, and Materiality Concerning Climate Change

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

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• Estimating Business Impact

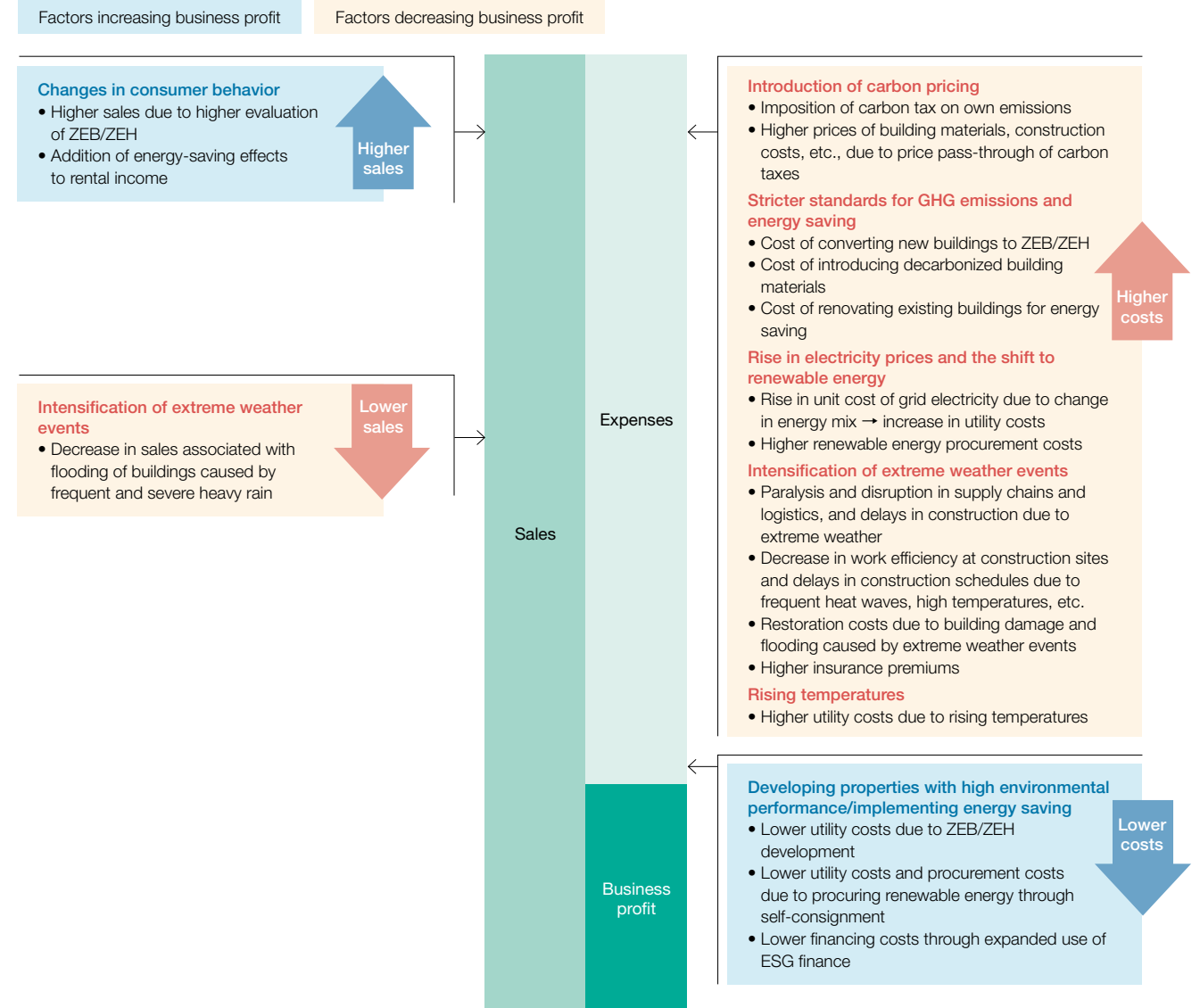
We quantitatively assess the identified climate change risks and opportunities for their impact on the Tokyo Tatemono Group's FY2030 financials. For risks and opportunities for which quantitative data is not readily available, we carry out a qualitative analysis.

• Countermeasures

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

Specific measures are described in [□□ Initiatives to Achieve GHG Emission Reductions \(p. 27\)](#).

• Impact on the Tokyo Tatemono Group's Business Profit



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Promoting a Decarbonized Society

Risk Management

Tokyo Tatemono has established a Risk Management Committee chaired by the President to build a system to oversee risk management for the Tokyo Tatemono Group. The Risk Management Committee formulates an annual risk management plan, evaluates and analyzes key management risks for the Group (priority risks), formulates preventive measures and countermeasures, and periodically monitors the status thereof. For risks other than priority risks, the heads of departments, offices, and branches as well as various committees act as risk response organizations (risk owners) to prevent and manage such risks.

With regard to sustainability-related risks, the Sustainability Committee, as the risk response organization (risk owner), works with relevant departments, offices, and branches to prevent and manage such risks, and reports important matters on the status of implementation to the Risk Management Committee. Important matters from among those deliberated at Risk Management Committee meetings are brought up for discussion by or are reported to the Board of Directors, and the Board of Directors oversees the effectiveness of the Group's risk management, including risks concerning sustainability.

[Risk Management \(p. 79\)](#)

Indicators and Targets

The Tokyo Tatemono Group has set medium- and long-term targets for the promotion of a decarbonized society, identified as one of the Group's material issues. In 2021, we established net zero CO₂ emissions by FY2050 as the goal for our greenhouse gas (GHG) emission reductions, and set a target of reducing our Scope 1, 2, and 3 CO₂ emissions by 40% compared to FY2019 levels by FY2030.

Thereafter in 2023, in response to increasing societal demand for companies to address climate change, such as the COP26 Glasgow Climate Pact, we accelerated our efforts by raising the target to reduce Scope 1 and 2 emissions by 46.2% by FY2030 compared to FY2019 levels, which is the level required to limit the increase in global average temperature to 1.5°C compared to pre-industrial levels.

We have also set goals related to promoting the development of ZEB and ZEH, shifting to renewable energy, and acquiring green building certifications as process goals to achieve our medium- and long-term targets. In 2023, we brought forward our targets for the electricity consumed at the real estate holdings of our Commercial Properties Business by 20 years, setting a target of 100% procurement from renewable energy sources by FY2030 (and at least 50% by FY2024). We have also brought forward and strengthened other targets for promoting the development of ZEB and ZEH and acquiring green building certifications, such as including new for-rent condominiums in these targets.

Item	Scope of Coverage	KPIs and Targets		
Reduction in greenhouse gas emissions	All businesses*1	Scope 1, 2, and 3	Net zero CO ₂ emissions by FY2050	
		Scope 1 and 2	46.2% reduction in CO ₂ emissions compared to FY2019 levels by FY2030	
		Scope 3*2	40% reduction in CO ₂ emissions compared to FY2019 levels by FY2030	
Promotion of development of ZEB and ZEH*3	Commercial Properties Business	Develop ZEB for, in principle, all new office buildings and logistics facilities*4		
	Residential Business	Develop ZEH for, in principle, all new for-sale and for-rent condominiums*5		
Shift to renewable energy	All businesses*1	By FY2050, procure 100% of electricity consumed in business activities from renewable energy sources		
		Commercial Properties Business	By FY2030, procure 100% of electricity consumed at owned real estate from renewable energy sources	
		By FY2024, procure at least 50% of electricity consumed at owned properties from renewable energy sources		
Acquisition of Green Building Certification*6	Commercial Properties Business, Residential Business	Acquire green building certification for, in principle, all new office buildings, logistics properties, and condominiums*7 for rent, etc.		

*1 Applies to the Tokyo Tatemono Group.

*2 Applies to Scope 3 categories 11 and 13.

*3 In addition to ZEB and ZEH-M, includes Nearly ZEB, ZEB Ready, ZEB Oriented, Nearly ZEH-M, ZEH-M Ready, and ZEH-M Oriented.

*4 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.

*5 Applies to new buildings for which design work began in June 2021 or later. Excludes certain properties such as joint venture properties or properties with special uses.

*6 Mainly refers to DEJ Green Building certification, CASBEE building certification and BELS (Building-housing Energy-efficiency Labeling System) certification.

*7 Applies to new buildings for which design work began in January 2023 or later. Excludes certain properties such as joint venture properties or properties with special uses.

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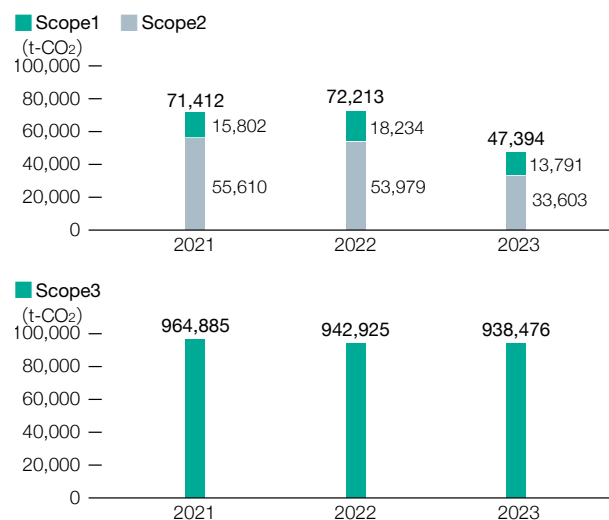
Third-party Assurance

Promoting a Decarbonized Society

Initiatives to Achieve GHG Emission Reductions

The CO₂ emissions of the Group in FY2023 were 985,870 t-CO₂ (Scope 1 and 2: 47,394 t-CO₂, Scope 3: 938,476 t-CO₂). We will continue to promote efforts to reduce our GHG emissions.

CO₂ emissions (Tokyo Tatemono Group)



Shift to Renewable Energy

Generation and Use of Renewable Energy from Solar Power

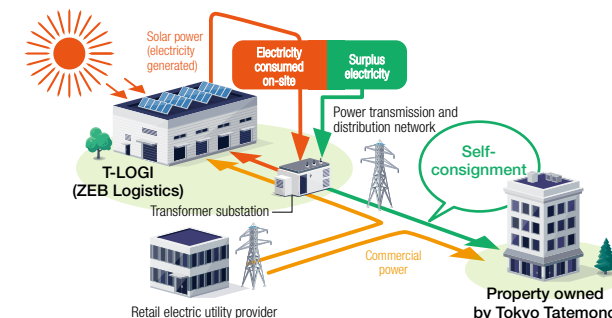
Some of the office buildings, for-sale condominiums, and logistics facilities that we have developed use electricity generated by solar panels installed on their rooftops (self-consumption).

Of particular note is the T-LOGI series of logistics facilities that we develop. In several areas, by design, each facility generates more electricity from renewable energy sources than they consume. The surplus is self-consigned to commercial facilities and office buildings owned by Tokyo Tatemono. We expect the amount of

electricity generated by the T-LOGI series to increase as the number of developments increases, and we will continue to increase our transmission of renewable energy from the suburbs to city centers.

[T-LOGI logistics facilities website \(only available in Japanese\)](#)

Image of On-Site Consumption and Self-Consignment



TOPICS

Reception of a Minister of the Environment Award for Climate Action 2023

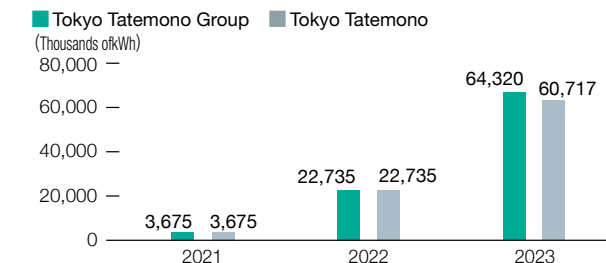
Our T-LOGI series' self-consignment initiative was first presented with the 2023 Achievement Award of the Real Estate Institute of Japan, organized by the Real Estate Institute of Japan. This was followed by a Minister of the Environment Award for Climate Action 2023 (advanced introduction and proactive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



Switching to Renewable Energy

In our commercial properties and facilities as well as for-rent condominiums, we are working to switch to renewable energy. As part of this effort, we use power that has Non-fossil Fuel Certificates with Tracking. Provided by power companies, these certificates verify the environmental value of electricity generated from solar power, biomass, or the like.

Renewable Energy (electricity) Usage Amount



Promoting Renewable Energy Use through On-site PPAs

Brillia Shinyurigaoka (Kawasaki City, Kanagawa Prefecture; scheduled for completion in April 2025) will be the first Brillia project to incorporate an on-site PPA*1 model for solar power generation to supply electricity to the condominium's private and common areas. Tsunagu Network Communications Inc. will be the PPA provider. In addition, electricity regarded as renewable energy*2 will be used to cover power needs that cannot be met with solar power generation, supplied through a high-voltage bulk power receiving system, effectively achieving 100% renewable energy for the condominium's electricity. These mechanisms not only eliminate the need for residents to pay for the installation and maintenance of solar power generation equipment, but also enable residents to pay lower base and electric rates than under ordinary individual power supply contracts thanks to the high-voltage bulk power receiving system.

*1 PPA (Power Purchase Agreement): A system in which electricity is generated by a solar power generation system and supplied for a fee. The solar power system is installed by a PPA provider who owns and manages solar power generation facilities on the roofs of buildings and idle land where solar power generation facilities can be installed.

*2 Electricity that incorporates environmental value and is backed by non-fossil certificates.

Promoting a Decarbonized Society

• 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 2023, we utilized Green Power Certificates for approximately 0.83 million kWh of electricity.

• Development of Mega Solar Business

Tokyo Fudosan Kanri, a Tokyo Tatemono Group company, 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 fiscal 2023, we had eight plants with a total power generation capacity of approximately 13 MW.

Promotion of Development of ZEB and ZEH

We have established and are currently moving forward with the goal of developing ZEB/ZEH for, in principle, all new office buildings, logistics facilities, for-sale condominiums, and for-rent condominiums.

In the Commercial Properties Business, Tokyo Tatemono has been a registered ZEB Leading Owner with the Sustainable Open Innovation Initiative (SII) since the year in which the initiative was established. As such, we are committed to helping promote ZEB. In the Residential Business, Tokyo Tatemono is actively involved in developing ZEH-M (ZEH condominiums), having been among the first to join the ZEH Developer Registration System established in May 2018.

In FY2023, we developed seven ZEB/ZEH projects, including four of the highest-level ZEB logistics facilities, for a total of 18 ZEB/ZEH projects to date.

[Material Issue KPIs and Targets \(p. 10\)](#)

[External Evaluation and Certification for Green Buildings \(p. 40\)](#)

• ZEB/ZEH Classifications

	ZEB Oriented	ZEB Ready	Nearly ZEB	ZEB
ZEB classification	Energy saving only	Energy saving only	Energy conservation + energy generation	Energy conservation + energy generation
Basic building	30% or more 40% or more	50% or more	75% or more	100%
ZEH-M classification	Energy saving only	Energy conservation + energy generation	Energy conservation + energy generation	Energy conservation + energy generation
Basic building	20% or more	50% or more	75% or more	100%
	ZEH-M Oriented	ZEH-M Ready	Nearly ZEH-M	ZEH-M

• Main ZEB/ZEH Development Achievements

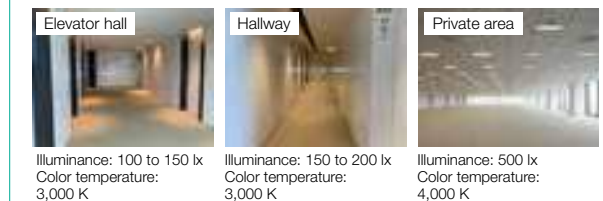
2018	• Brillia Tsurumaki became the first building in the Tokyo metropolitan area to be selected for the Ministry of Economy, Trade and Industry's Fiscal 2018 High-rise ZEH-M Demonstration Project (buildings with 6 to 20 floors for residential use), and achieved ZEH-M Oriented status.
2019	• Hareza Tower became the first mixed-use high-rise building to achieve ZEB (ZEB Ready) status. • Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE was selected for the Ministry of Economy, Trade and Industry's Fiscal 2019 Ultra High-rise ZEH-M Demonstration Project (buildings with 21 floors or more for residential use), and achieved ZEH-M Oriented status.
2022	• Brillia Jiyugaoka was selected for the Ministry of the Environment's 2022 Mid- and High-Rise ZEH-M Support Project, and achieved ZEH-M Oriented status.
2023	• Brillia Fukasawa Hatchome was selected for the Ministry of Land, Infrastructure, Transport and Tourism's 2023 Sustainable Building Leadership Project (Leadership in CO ₂ Reduction), and achieved ZEH-M status. (Scheduled for completion in March 2025)

• Example Initiatives in ZEB/ZEH Development

Initiatives Which Contributed to the Achievement of ZEB Ready Status at Hareza Tower

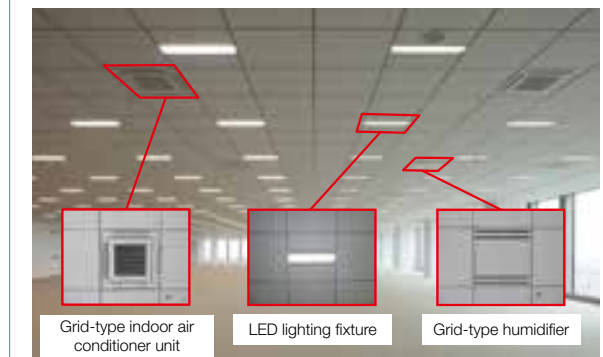
• Lighting

The interior lighting of offices was set at 500 lx, which is lower than usual. However, rather than simply reducing the illumination level, it was designed so that there would not be any negative impact on the brightness of spaces through such means as the use of carpet tiles with high light reflectance and the creation of differences in illumination level and color temperature between common areas and private areas.



• Air Conditioning

Grid-type air conditioners and grid-type humidifiers developed with the manufacturer were used, reducing delivery power compared to conventional concealed-type air conditioners. In addition, a system was employed using sensor data, including for outdoor air temperature and the difference between the indoor temperature and set temperature, to enable highly efficient and optimal operational control of air conditioners.



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Promoting a Decarbonized Society

Other Initiatives to Reduce GHG Emissions

• Adoption and Upgrading of Energy-saving Equipment and Devices



We have set a short-term target of reducing our energy consumption per unit of production by 1% each year on a five-year moving average basis, and are working to conserve energy and reduce our environmental impact. In our long-term buildings and for-rent condominiums, we are actively adopting and upgrading energy-saving equipment and devices. As of the end of FY2023, the conversion to LED lighting has already been implemented or is in the process of being implemented at all long-term buildings. Tokyo Tatemono has been certified as an S-class operator—the highest level in the business classification evaluation system of the Act on the Rational Use of Energy—for nine consecutive years since fiscal 2016.

• Building Management Systems in Place Measuring Energy Efficiency of Properties



In order to promote efficient energy use in office buildings and for-sale condominiums, we are promoting the installation of building management systems for measuring the energy efficiency of properties to enable real-time monitoring of energy use.

Building type	Type of energy management system	Main properties introduced at
Office building	BEMS	<ul style="list-style-type: none"> Shinjuku Center Building (Shinjuku-ku, Tokyo; completed in October 1979) Tokyo Square Garden (Chuo-ku, Tokyo; completed in March 2013) Otemachi Tower (Chiyoda-ku, Tokyo; completed in April 2014) Hareza Tower (Toshima-ku, Tokyo; completed in May 2020)
For-sale condominium	HEMS	<ul style="list-style-type: none"> Brillia Tsurumaki (Setagaya-ku, Tokyo; completed in December 2019) Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE (Tama City, Tokyo; completed in September 2022)

• Installation of Smart Meters



Smart meters are installed, in principle, at all for-sale condominiums we develop.

We are also moving forward with the installation of electricity meters capable of remote meter reading in the office buildings, etc. we develop.

• Promotion of Use of Wood Materials



Tokyo Tatemono believes in the importance of using wood appropriately as a construction material. Wood not only absorbs CO₂ and stores (fixes) carbon, it also requires less energy than steel and reinforced concrete during manufacturing, processing, and construction, which helps curb CO₂ emissions. It is also a recyclable resource that can be reused as building materials after buildings are demolished.

We believe it is important to utilize wood appropriately, as it helps to address the Tokyo Tatemono Group's material issues of promoting a decarbonized society and promoting a recycling-oriented society.

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

Brillia ist Oimachi (Shinagawa-ku, Tokyo; completed in January 2024) utilizes domestic timber, including Japanese ash from Hokkaido, for the entrance hall's designer walls, counters, and stools. In addition, scraps of domestic wood from the production processes of the counters and the like are reused as part of the art and accessories displayed in the entrance hall.

With regard to the promotion of use of wood materials, our goal was to develop for-sale condominiums and for-rent condominiums that use CLT for major structural components, but this was not achieved by the target year of FY2023. Regardless of the specific methods, we will continue to promote the use of wood in the development of for-sale condominiums and for-rent condominiums in the future.



Brillia ist Oimachi entrance hall furnishings



Brillia ist Oimachi entrance hall art

• Introduction of Internal Carbon Pricing System

Tokyo Tatemono has begun introducing internal carbon pricing. This works by converting CO₂ emissions into monetary values to visualize the impact of the CO₂ emitted through our operations and the effects of energy-saving measures and the shift to renewable energy. The purpose is to forecast and prepare for the additional costs of introducing a carbon pricing system in Japan in the future and to accelerate efforts to promote a decarbonized society.

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Promoting a Decarbonized Society

Collaboration and Co-creation with Customers in GHG Emissions Reduction

Communicating with Tenants/Occupants

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

In the Commercial Properties Business, we hold SDGs promotion meetings in cooperation with tenants every year, sharing information on and discussing general sustainability issues such as energy-saving measures, switching to renewable energy, and waste separation and recycling. We also introduce tenants' energy-saving efforts and explain the Tokyo Tatemono Group's energy-saving activities and GHG emissions reduction targets, aiming to enhance activities for reducing both our own and our tenants' environmental impact.

Introduction of Green Lease Clauses

We have adopted green lease clauses in the lease agreements we conclude with tenants and residents of our buildings and for-rent condominiums, and are working with tenants and residents to reduce their environmental impact through energy conservation and waste reduction. As of the end of fiscal 2023, the adoption rate of green lease clauses is approximately 41% of all properties owned by Tokyo Tatemono.

Smart Meters Used in Underlying Property Portfolio

By visually displaying the consumption of electricity and other forms of energy, we aim to enhance the shared awareness of environmental considerations between tenants and building management companies.

Examples of Smart Meters Used in Underlying Property Portfolio

Tokyo Tatemono Yaesu Building	<ul style="list-style-type: none"> Introduction of a system for visualizing electricity usage Provides tenants with graphical data on electricity consumption by year, month, and day, as well as comparisons with the previous year.
Shijo-karasuma FT Square	<ul style="list-style-type: none"> Smart meters used in underlying property portfolio Daily energy (electricity, gas, and water) usage for the building is displayed on monitors in common areas.



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Responding to Natural Disasters

Policy and Concept

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

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

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

Developing Real Estate That Is Resilient to Natural Disasters

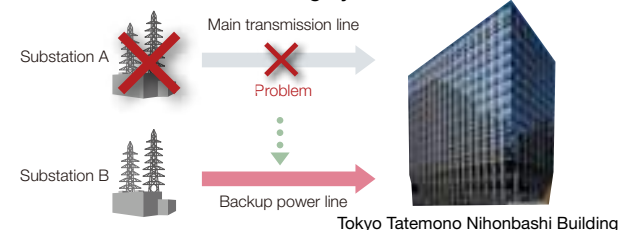
There has been an increase in recent years in the number of large-scale natural disasters identified as having been caused by climate change among other factors. The Tokyo Tatemono Group has employed designs and equipment in our commercial and residential properties in preparation for presumed future disasters, including typhoons, floods, and major earthquakes.

Securing the Supply of Power in Emergencies

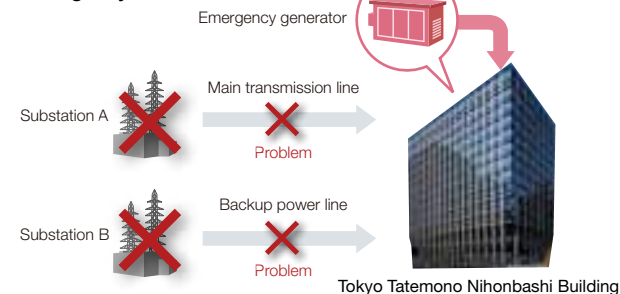
The Tokyo Tatemono Nihonbashi Building (Chuo-ku, Tokyo; completed in February 2015) has a double-circuit power receiving system connected to a main line and a backup power line supplied by different substations, ensuring continuous operation without power interruption even during earthquakes and floods. If a power outage should occur on the main line due to a disaster or transmission accident, the power supply is automatically switched to the backup power line, ensuring a highly reliable supply of power. The building also employs a seismic isolation

structure (first basement floor: column-head seismic isolation) to ensure high earthquake resistance. Further, the building features countermeasures against flooding caused by intensifying torrential downpours and typhoons. A disaster prevention center, functioning as the building's central nervous system, is located on the second floor, and transformer equipment and an emergency generator are installed on the roof. In the event of a power outage, the emergency generator can supply power to the building's private areas for 72 hours at 15 VA/m².

Double-circuit Power Receiving System



Power Supplied by Emergency Generator



Installation of Emergency Generators for Power Supply to Office Spaces

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

In new office buildings under development over a certain size, it is possible for emergency power to be supplied not only to common areas but also to tenant office spaces. At Tokyo Square Garden (Chuo-ku, Tokyo; completed March 2013), emergency power was initially supplied only to the common areas. But after considering the disaster preparedness needs of tenants, we installed a generator to supply power to tenant office spaces as well. The system now in place has the capacity to supply, at additional cost to tenants, 15 VA/m² for up to 72 hours. This enables us to support our tenants' business continuity planning for power outages.



Emergency generator

Reducing Vibrations Caused by Strong Wind and Earthquakes

Hareza Tower (Toshima-ku, Tokyo; completed in May 2020) features HiDAX-R®* (Revolution), a new-generation vibration control oil damper incorporating the world's first Vibration Energy Recovery System (VERS) in the building frame. This damper temporarily stores a building's earthquake-induced vibration energy in an auxiliary tank and uses it as additional power to increase damping efficiency, thereby enabling vibration control that far exceeds the limits of conventional vibration control oil dampers. The system can handle wind-induced shaking and large earthquakes measuring up to 7 on the Japanese scale of seismic intensity. The system has been demonstrated to be highly effective for earthquakes measuring 4 to 5 on said scale and for long-period seismic motion, halving the maximum amplitude of building shaking and significantly shortening the duration of post-earthquake swaying.

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

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Responding to Natural Disasters

Tsunami Evacuation Facility on the Rooftop of a For-sale Condominium



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



Brillia Shonan Tsujido Seaside Park



The tsunami evacuation facility unveiling ceremony

Preparations for Responding to Natural Disasters Strengthening Disaster Preparedness throughout Our Businesses



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

In addition, we equip our buildings with a system that uses data from multiple sensors to determine the degree of deformation and damage and immediately confirm safety after an earthquake. After installation, the system collects all information from subsequent

seismic events, automatically calculating the cumulative damage to the building structure. In addition, even for earthquakes with a mainshock that is preceded by multiple, strong foreshocks—like the earthquake that occurred in Kumamoto in 2016—the system can anticipate the mainshock and determine the safety level at the foreshock stage.

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

In the Residential Business, for-sale condominiums under the Brillia series condominium brand we are developing offer “Triple Safety” three-phase (normal, disaster, and post-disaster) disaster preparedness measures. As part of our services which place an emphasis on providing peace of mind from day one, these measures are based on the Brillia Disaster Prevention Guidelines, which were created to provide a practical disaster response policy.

• Examples of Triple Safety Measures

Phase 1: Prepare (Normal Times)

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

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

- Installing elevators with earthquake countermeasure functions
- Installing studs to prevent falling furniture
- Installing blocking for securing furniture to prevent tip-overs
- Installing automated external defibrillator (AED) units

Phase 3: Preserve (After a Disaster)

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

Fire Brigade Training

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

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

In addition, as of the end of fiscal 2023, 194 Tokyo Tatemono employees and 622 Tokyo Fudosan Kanri employees have completed a lifesaving course which includes first aid. Tokyo Tatemono has received a certificate of excellence from the Tokyo Fire Department in recognition of its promotion of first aid training among its employees.



Self-defense Fire-fighting Drill Review Board

Support for Stranded Commuters During Disasters

Community Support in the Event of a Disaster (p. 62)

Biodiversity

Policy and Concept

The 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 endeavor to understand the direct and indirect impacts we have on the local ecosystems and natural environments that are intrinsically linked to our real estate development projects, and to give appropriate consideration to these issues. We are striving to create a rich and comfortable environment that takes biodiversity into consideration, and our efforts include maximizing the power of greenery by transplanting trees on our properties in line with their development plans, surveying local vegetation and the distribution of organisms, and selecting tree species to plant.

We have established environmental guidelines for both our Commercial Properties Business and Residential Business. Both sets of guidelines establish policies for greening buildings and sites, using greening to mitigate the heat island effect, preserving biodiversity and ecosystems including links to the surrounding greenery, and using greenery for communication with tenants and residents as well as the surrounding area. In addition, we have acquired third-party certifications for the preservation of existing trees and the conservation of ecosystems such as ABINC^{*1} and SEGES^{*2} for our properties that are capable of implementing initiatives of a certain scale.

^{*1} A system for evaluating and certifying biodiversity conservation efforts in the use of land for office buildings and housing complexes. It is based on the Association for Business Innovation in harmony with Nature and Community[®] Promotion Guidelines and the Land Use Score Card[®], evaluation standards created by the Japan Business Initiative for Biodiversity (JBIB).

^{*2} An evaluation system for green spaces that contribute to society and the environment by the Urban Greenery Research Institute, which visualizes the social and environmental value of green spaces.

☐ External Evaluation for Sustainability (p. 15)

☐ Environmental Management (p. 17)

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



ABINC Certification



SEGES "Creating Green"



SEGES "Urban Oasis"

Initiatives Related to Biodiversity and Ecosystems

Status of Implementation of Risk Assessment for Biodiversity and Ecosystems

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

Commitment Concerning Greenfield Development

When developing real estate on unutilized or underutilized lands, we gain an understanding of the direct and indirect impacts the project will have on the local ecosystem and natural environment and give appropriate consideration to these impacts.

Collaboration with External Parties on Biodiversity and Ecosystems

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

Biodiversity" established by Keidanren and other organizations.

Further, we have produced multiple chairs of the Real Estate Companies Association of Japan's Environmental Committee. The Real Estate Industry Environmental Action Plan formulated by the Environmental Committee lists conserving the natural environment and biodiversity as one of its environmental action goals.

☐ Participation in Initiatives (p. 13)

Urban Initiatives

Restoration of Nature

Tokyo Tatemono owns Otemachi Forest, a green space which covers roughly one third (approximately 3,600 m²) of the entire site of Otemachi Tower (Chiyoda-ku, Tokyo; completed in April 2014). This initiative to recreate a "real forest" in an office district bristling with high-rise buildings has been evaluated very positively, including receiving ABINC Certification for biodiversity conservation, as well as SEGES "Urban Oasis" certification, which recognizes initiatives that provide comfortable and safe urban green spaces.

In 2023, Otemachi Tower received recognition for the contribution it will make toward achieving the Ministry of the Environment's 30 by 30^{*1} target and was certified as a nature symbiosis site.^{*2}

^{*1} A goal that seeks to effectively conserve at least 30% of the land and sea as healthy ecosystems by 2030 toward the goal of halting biodiversity loss and restoring biodiversity by 2030 (nature positive).

^{*2} One of Japan's 30 by 30 initiatives based on the "G7 2030 Nature Pact" agreed at the G7 Summit in June 2021. The Ministry of the Environment certifies areas where biodiversity conservation is being promoted through private-sector initiatives, etc.



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Biodiversity

◆ Features of Otemachi Tower's Otemachi Forest

The Recreation of a "Real Forest"

We secured an experimental pre-forest facility of woodland covering 1,300 m² in Kimitsu City, Chiba Prefecture and created a growing environment identical to that of the planned site. Over a three-year period, we engaged in the verification of construction methods, plant growth, and appropriate management methods. After the soil and plants had been cultivated in Kimitsu, they were transplanted to the building site.

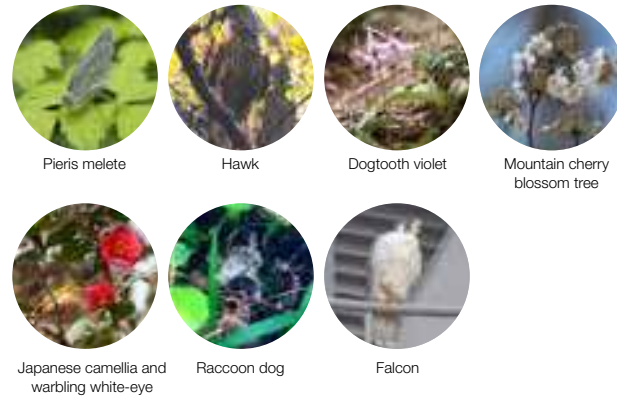
Species Monitoring Surveys

Around 100 species of trees and ground cover plants were initially planted at the site. However, a monitoring survey in 2021, conducted after natural selection had taken hold, recorded roughly 200 species of trees and ground cover plants. Some of the species identified are rare and included in the Red Lists of the national and metropolitan governments.

Contributing to the Preservation of Ecosystems in Surrounding Green Spaces

While the surrounding area is an office district densely packed with tall buildings, the nearby Imperial Palace is home to a large number of birds and insects. This serves to contribute to the local ecosystem through a network with the surrounding green spaces. Several bird species have already settled in, and around 130 species of animals have been identified at the site, including dragonflies thought to have flown in from the Imperial Palace as well as migratory birds.

◆ Examples of Flora and Fauna Observed in Otemachi Forest



Pieris melete Hawk Dogtooth violet Mountain cherry blossom tree
Japanese camellia and warbling white-eye Raccoon dog Falcon

Maintaining and Preserving Ecosystems through the Creation of Urban Greenery

To provide a certain scale of greenery in urban areas where it is limited, we are not only preserving green space but also actively creating it.

◆ Example Green Space Creation Initiatives

<p>Tokyo Square Garden Kyobashi-no-oka (completed in March 2013)</p>	<ul style="list-style-type: none"> • Creating a three-dimensional green space extending from the first basement floor to the fifth floor (approx. 3,000 m²) • Concentrating greenery to create a cool spot in the center of the city and contribute to combating heat islands
<p>Brillia Towers Meguro (completed in December 2017)</p>	<ul style="list-style-type: none"> • Creating a forested space on the site, planting approximately 900 trees, and building a waterway • Cooperating with the nearby Nature Study of the National Museum of Nature and Science and others to contribute to the preservation and growth of the local ecosystem
<p>Nonoayama Building (completed in May 2020)</p>	<ul style="list-style-type: none"> • Creating a large-scale, approximately 3,500-m² green space and biotope leveraging Aoyama's topography and groundwater veins • Creating a forest with a planting plan that takes into consideration the extant vegetation and ecosystem of the surrounding area, such as Meiji Jingu Shrine
<p>Brillia City Nishi-waseda Inner Forest (completed in May 2022)</p>	<ul style="list-style-type: none"> • Establishing approximately 680 m² of green space on the site based on the concept of living with a forest inside the Yamanote Line • Selecting and planting native species based on surveys of plant and animal ecology conducted by the local government, etc.
<p>Meiji Park Forest of Pride (opened in October 2023)</p>	<ul style="list-style-type: none"> • Planting approximately 700 new evergreen and deciduous trees spanning some 60 species • Promoting "half-made forest development" by preparing the soil, spreading fallen leaves and other materials to stimulate the ecosystem, and nurturing the growth of a forest over time together with the residents of Tokyo • Utilizing Tokyo's First Private Finance Initiative (Park-PFI) (p. 61)



Tokyo Square Garden Kyobashi-no-oka



Brillia City Nishi-waseda Inner Forest



Nonoayama Building green space biotope

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Water Resources

Policy and Concept

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

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the Earth. In addition, we have identified the promotion of a recycling-oriented society as one of our material issues and have also established KPIs and targets concerning water resources in order to address the resolution of this issue through our business activities. With the aim of conserving water resources, we are striving to reduce our environmental impact and engage in resource-saving activities such as taking every opportunity to conserve water and reusing rain water and miscellaneous wastewater.

KPIs and Targets

- **Reduction of water use**

Reduce water use intensity compared with previous fiscal year
 [Scope of Coverage] Long-term buildings*

- **Promotion of use of recycled water**

Install gray water treatment facilities at, in principle, all new office buildings with a total floor area of more than 30,000 m² by FY2030
 [Scope of Coverage] Office buildings with total floor area exceeding 30,000 m²

* Applies to the main long-term buildings and commercial facilities for which we have substantial energy management rights.

📄 [Material Issue KPIs and Targets \(p. 10\)](#)

📄 [Environmental Management \(p. 17\)](#)

📄 [\(Data\) Water Use / Intensity \(p. 88\)](#)

Creation of Management Plans for Water Resources

We have created management plans for water use for all of the properties we own in our Commercial Properties Business (representing 89.2% of our total leased space). The amount of water used is monitored monthly for each property. If there is a large increase or decrease compared to the amount used in the same month of the previous year, we take measures such as identifying the reason for the increase or decrease. This helps to ensure appropriate water use in the future.

Conducting Water Stress and Water Risk Assessments

Using Aqeduct, an assessment tool developed by the World Resources Institute (WRI), as of the end of fiscal 2023, we had conducted water stress and water risk assessments for all properties owned and operated by the Tokyo Tatemono Group in Japan and overseas. No properties in Japan or overseas were located in areas rated “High” or higher, and therefore no water was withdrawn or used in high-risk areas. Regular monitoring will continue in the future.

Initiatives Related to Water Resources

Reduction of Water Use through the Installation of Water-saving Devices, Etc.



We actively employ water-saving devices at all of the properties we develop, own, and operate.

In the Commercial Properties Business, in addition to stating our commitment to reducing our environmental impact through water conservation and the use of gray water in our Environmental Action Plan and Guidelines, we have established 10-year repair and investment plans for existing buildings, and are systematically switching to water-saving devices in conjunction with renovation work. We also work with our partners and tenants to conserve water in our daily operations and management. In fiscal 2023, the water use intensity of our long-term buildings increased by 0.02 points.

◆ Example of Water-saving Devices Installed at Shijo-karasuma FT Square

Construction period	2019-2021
Overview	Restroom renovation work • Installation of water-saving sanitary equipment
Water Use	Reduction to 9,913 m ³ in FY2021 compared to 23,261 m ³ in FY2018 (57.3% reduction rate*)

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

In the Residential Business, the Brillia Environmental Guidelines for the Brillia for-sale condominiums and Brillia 1st for-rent condominiums that we develop require that kitchen faucets, bathroom shower faucets, and wash basin faucets be hot-water-saving faucets as a standard. This requirement contributes to the supply of for-sale and for-rent condominiums with a reduced environmental impact.



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Water Resources

Promoting Resource Recycling through the Use of Recycled Water



In buildings above a certain size, we are actively introducing equipment that can treat rainwater and miscellaneous wastewater from tenants' kitchens into gray water within the building. The water which has been treated to gray water is reused for non-potable purposes such as toilet flushing and watering exterior plants.

◆ Major Buildings with Gray Water Treatment Facilities (Total Floor Area over 30,000 m²)

- Kasumigaseki Common Gate (Chiyoda-ku, Tokyo; completed in September 2007)
- Osaki Center Building (Shinagawa-ku, Tokyo; completed in March 2009)
- Nakano Central Park South (Nakano-ku, Tokyo; completed in May 2012)
- Tokyo Square Garden (Chuo-ku, Tokyo; completed in March 2013)
- Otemachi Tower (Chiyoda-ku, Tokyo; completed in April 2014)
- Hareza Tower (Toshima-ku, Tokyo; completed in May 2020)

Compliance with Laws and Regulations on Water Use



We have installed wastewater treatment facilities in buildings that are subject to water pollution laws and ordinances. We treat wastewater to ensure that it complies with standards before discharging it into public water bodies such as sewers, rivers, and the sea. There were no violations of water use-related laws or regulations (such as those governing water quality and quantity) in FY2023.



Promoting a Recycling-oriented Society

Policy and Concept

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

The Tokyo Tatemono Group Environmental Policy includes a call for resource-saving activities that are kind to the Earth. In addition, we have identified the promotion of a recycling-oriented society as one of our material issues, and have also established KPIs and targets related to waste in order to address the resolution of this issue through our business activities. We are striving to reduce our environmental impact through our businesses and contribute to creating a recycling-oriented society. In the development of buildings, we engage in planning, designing, and construction plan formulation in a way that considers environmental and life-cycle assessments. In operation and management, we reduce waste while curbing and properly managing hazardous substances.

KPIs and Targets

• Reduction of waste emissions

By FY2030, 20% reduction in waste emissions per unit of floor area compared with FY2019

Scope of Coverage Long-term buildings*

• Waste recycling promotion

By FY2030, achieve a waste recycling rate of 90%

Scope of Coverage Long-term buildings*

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

📄 [Material Issue KPIs and Targets \(p. 10\)](#)

📄 [Environmental Management \(p. 17\)](#)

📄 [\(Data\) Waste Emissions and Recycling Amount / Recycling Rate \(p. 89\)](#)

Waste Reduction Initiatives

In all aspects of its business activities, the Tokyo Tatemono Group is committed to reducing its environmental impact through waste reduction, recycling, and effective use of resources. In FY2023, we were able to reduce waste emissions per unit of floor area by approximately 27% (compared to FY2019).

Introduction of a Centralized Waste Management System



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

Collaboration and Co-creation with Customers in Waste Reduction



The Tokyo Tatemono Group carries out a range of initiatives aimed at reducing waste through collaboration and co-creation with the tenants of the office buildings owned and operated by Tokyo Tatemono as well as the residents of Tokyo Tatemono's for-sale and for-rent condominiums, such as promoting the 3Rs (Reduce, Reuse, and Recycle).

In the Commercial Properties Business in 2023, in order to reduce waste from the take-out containers used by food trucks at Nakano Central Park, we collaborated with Kirin Holdings Co., Ltd. and Marui Group Co., Ltd. to conduct a demonstration test of a container sharing service in which disposable takeout containers were replaced with reusable Megloo containers from Kaman, Inc. In the Residential Business in 2024, we launched the Waste Not Life Project



to contribute to the reduction of various types of waste, with measures including the collection of waste cooking oil as well as clothing and miscellaneous small goods at for-sale condominiums we have sold or plan to sell in the future. We will continue to strive to create an environment where residents can actively engage in waste reduction.

• Example Initiatives from the Waste Not Life Project

Collection of waste cooking oil

We collect waste cooking oil because, when properly processed, it can be recycled into fertilizer, feed, soap, and SAF (aviation fuel). We place collection boxes in condominium common areas, a method which minimizes the burden for residents.



Waste oil being collected (Brillia Tama Center)

Collection of clothing and miscellaneous small goods

In order to reuse clothing that can still be worn as well as toys and other miscellaneous small items that can still be used, PASSTO—a service provided by ECOMMIT Co., Ltd. that streamlines the collection, sorting, and redistribution of unwanted items—was instituted in condominium common areas. The collected unwanted items are re-distributed as gently-used goods in Japan and overseas by ECOMMIT. Those that can't be reused due to damage, etc. are recycled through recycling partners.



PASSTO collection boxes

GOMMY, a Garbage Disposal Area That People Will Enjoy Using

When talking with residents, one constant point of discussion was the garbage sorting and sanitation environment. Taking a look at the issue from a different perspective, we wondered whether changing garbage disposal areas might change people's awareness, and took on the challenge of creating a solution through space planning. In addition to using the same warm colors for lighting as in our properties' living rooms, we made extensive use of pictograms and included English signage to make it easier for people of all ages as well as diverse backgrounds to dispose of their waste.



Example GOMMY disposal area (Brillia Nishi-kunitachi)

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◆ Other Examples of Waste Reduction Initiatives with Customers

SDGs promotion meetings

Engaging in Information Sharing and Opinion Exchange on Overall Sustainability, Including Waste Separation and Recycling, with Tenants (p. 62)

Using Reusable Bottles to Eliminate the Use of Paper Cups

We are reducing paper cup waste by using reusable bottles throughout the Tokyo Tatemono Group, including at branch offices. In 2022, in a demonstration experiment conducted in collaboration with Thermos K.K., Panasonic Corp., Apex Corp., and Ajinomoto AGF, Inc., approximately 300 employees working on the seventh floor of the Tokyo Tatemono Yaesu Building used reusable bottles. Over a two-month period, this achieved a reduction of roughly 50 kg (equivalent to 300 kg annually) in paper cup waste. Based on these results, we distributed reusable bottles to all officers and employees working for Tokyo Tatemono and promoted the use of such bottles throughout the Group. This in turn led to an annualized reduction in paper cup waste of 766 kg at our Head Office.

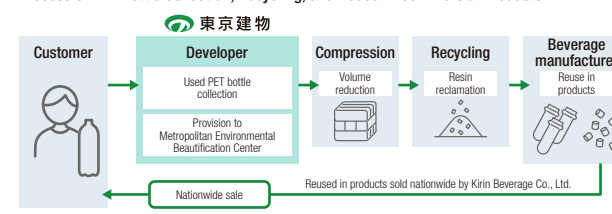
Recycling Waste Materials

At the office buildings owned and managed by Tokyo Tatemono, we are conducting various demonstration experiments and trials aimed at recycling and reusing waste. By actually putting waste recycling into practice, we plan to not only reduce waste but also foster and increase recycling awareness among our employees and tenants. In FY2023, we achieved a waste recycling rate of 58.5%.

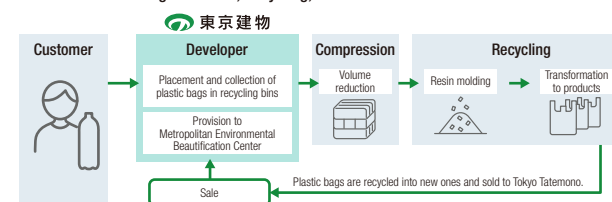
In 2023, we launched a bottle-to-bottle initiative in cooperation with Kirin Beverage Company, Ltd., a domestic beverage manufacturer, to collect used PET bottles and recycle them into new PET bottles. In Japan, once PET bottles are recycled into something other than a PET bottle, it is technically difficult to recycle them back into PET bottles. Waste and other foreign matter in collected used PET bottles also hinder bottle-to-bottle implementation. As a result, the stable supply of high-quality used PET bottles suitable for recycling is a pressing issue. Through this initiative, we created a resource recycling scheme in which recycling bins are placed in

Nakano Central Park, where the Kirin Group has its headquarters, to collect used PET bottles. These bottles then undergo intermediate processing to make them suitable for use as a recyclable resource. They are then recycled into new PET bottles that are used for products sold by Kirin Beverage throughout Japan. With the aim of reducing waste plastic and establishing a sustainable resource recycling scheme, we will also establish a horizontal recycling scheme whereby the plastic bags used in the recycling bins are recycled into new plastic bags which we will then purchase. In the future, we plan to expand the scope of this initiative and place recycling bins in other buildings and facilities owned by Tokyo Tatemono.

Process of PET Bottle Collection, Recycling, and Reuse in Commercial Products



Process of Plastic Bag Collection, Recycling, and Transformation to Commercial Products



◆ Initiatives to Recycle Waste at Individual Office Buildings

Property name	Details of initiatives
Tokyo Tatemono Yaesu Building, others	Created a resource recycling scheme in which toilet paper is purchased from a mill that collects and recycles the building's waste paper
Shinjuku Center Building	Conducted a demonstration experiment in which organic waste generated and incinerated at the office building is converted into fuel
Otemachi Tower	Food scraps and kitchen waste generated by restaurant tenants are collected and recycled as compost at a recycling center
Tokyo Square Garden	Conducted a demonstration experiment for recycling waste plastic in which PET bottles and other plastic waste from tenants' offices were sorted and processed into pellets for use as a raw material for new plastic office supplies

Recycling Valuable Materials from Waste

Tokyo Fudosan Kanri, a Tokyo Tatemono Group company, previously disposed of waste generated by move-in construction, restoration, and facility renewal work as construction industry waste. Now, however, materials primarily made of metal, such as steel partitions, OA floors, lighting fixtures, air conditioners, electric wires, cables, piping, and ducts, are sold by the company to recyclers as valuable materials,* after which they are dismantled and sorted for reuse in new products.

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

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Promoting a Recycling-oriented Society

Control and Proper Management of Hazardous Substances

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

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

📄 (Data) Hazardous Substance Emissions (p. 89)

Measures Against Volatile Organic Compounds (VOC)

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

Measures Against Asbestos

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

📄 (Data) Hazardous Substance Emissions (p. 89)

Proper Processing of Fluorocarbons

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

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

Proper Processing of Polychlorinated Biphenyls (PCBs)

We have completed the proper disposal of waste containing PCBs (such as transformers, capacitors, and stabilizers) that were stored in our buildings.

📄 (Data) Hazardous Substance Emissions (p. 89)

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External Evaluation and Certification for Green Buildings

Policy and Concept

The Tokyo Tatemono Group recognizes that, to meet the expectations and demands of our tenants, investors, and other stakeholders, it is essential that we develop and operate real estate while taking into consideration the reduction of our environmental impact as well as the comfort and diversity of our users. It is also key that we provide open disclosure of our performance and initiatives related to such real estate.

The Tokyo Tatemono Group has identified the promotion of a decarbonized society as one of its material issues, and has established KPIs and targets for promoting the development of ZEB and ZEH as well as acquiring green building certifications in order to address this issue through its business activities. In addition to new buildings, we are actively obtaining external green building evaluations and certifications for our existing office buildings and for-rent condominiums.

KPIs and Targets

- **Promotion of development of ZEB and ZEH**
 - ↳ Develop ZEB for, in principle, all new office buildings and logistics facilities
Scope of Coverage Commercial Properties Business
 - ↳ Develop ZEH for, in principle, all new for-sale and for-rent condominiums
Scope of Coverage Residential Business
- **Acquisition of green building certifications**
 Acquire green building certifications* for, in principle, all new office buildings, logistics facilities, and for-rent condominiums
Scope of Coverage Commercial Properties Business / Residential Business

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

- Material Issue KPIs and Targets (p. 10)
- External Evaluation for Sustainability (p. 15)
- (Data) Acquisition Rate of Green Building Certification for Owned and Managed Properties (p. 89)

Promoting the Acquisition of External Evaluations and Certifications for Green Buildings

The Tokyo Tatemono Group is promoting the acquisition of external green building evaluations and certifications,*1 such as the DBJ Green Building certification.*2

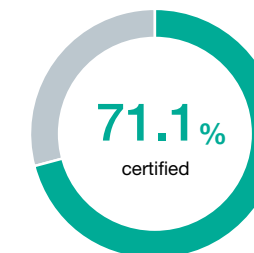
In fiscal 2023, six office buildings, four logistics facilities, and three for-rent condominiums newly received external green building evaluations and certifications. We will continue to contribute to the realization of a decarbonized society through the development of green buildings.

*1 Evaluation by rank:
 Five Stars (top 10%): Building with the top class environmental and social awareness in Japan
 Four Stars (top 30%): Building with exceptionally high environmental and social awareness
 Three Stars (top 60%): Building with excellent environmental and social awareness
 Two Stars (top 85%): Building with high environmental and social awareness
 One Star (top 100%): Building with satisfactory environmental and social awareness
 *2 DBJ Green Building Certification, CASBEE Building Certification, etc.

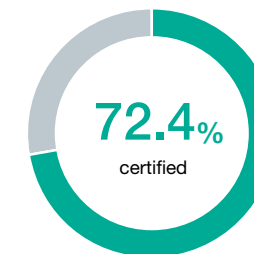


Brillia 1st Shinonome Canal Court (acquired 5-star rating in the FY2023 edition of the DBJ Green Building certification)

Acquisition Rate of External Evaluation and Certification for Green Buildings (As of the End of FY2023)



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



Acquisition Rate of Certifications for the Leasable Area of Office Buildings



Acquisition Rate of Certifications for the Leasable Area of Residential Buildings

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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 asset portfolio. We aim to channel these efforts toward our sustainable growth as a company.

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

Sustainability Finance Framework

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

Use of Proceeds

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

Process for Project Evaluation and Selection

The Finance and Sustainability Management Departments select projects that meet the eligibility criteria. The final decision is made by the President or the Chief Financial Officer.

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 officer in charge of the Finance Department or the general manager 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 disclose the allocation status of proceeds, environmental improvement impacts, and social benefits on our website once yearly until all proceeds classified for allocation reporting are fully allocated.

Achievements in Sustainability Finance

Japan's First Green Bond Issuance and the World's First in the Real Estate Sector

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 50.0 billion yen. As the largest green bond issue in Japan and with a record number of investment commitments, it also won the Silver Prize (Minister of the Environment's Prize) in the bond category of the first ESG Finance Awards Japan* for its environmental improvement effects and high level of transparency in the use of funds.

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

First Issuance of Sustainability Bonds in the Real Estate Sector in Japan

In July 2020, in a first for the real estate sector in Japan, Tokyo Tatemono issued sustainability bonds worth a total of 40 billion yen, becoming the largest-ever issue amount and gaining the largest number of investors by a company not operating in finance for this bond type in the country.

The issued sustainability bonds involved a package of funds to cover the overall urban development of the Yaesu-Nihonbashi-Kyobashi area of central Tokyo. The proceeds were 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. As an initiative that was groundbreaking even by global standards, Tokyo Tatemono received the Gold Award in the fundraiser category of the 2nd ESG Finance Awards Japan.

We have since continued to issue sustainability bonds, totaling 50.0 billion yen in 2021 and 20.0 billion yen in 2023.



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◆ Overview of Green Bonds and Sustainability Bonds

Name	2nd Series Subordinated Bonds (Green Bonds)	31st and 32nd Unsecured Corporate Bonds (Sustainability Bonds)	3rd Series Subordinated Bonds (Sustainability Bonds)	34th Unsecured Corporate Bonds (Sustainability Bonds)	33rd Unsecured Corporate Bonds (Sustainability Bonds, for individual investors)
Issue date	March 15, 2019	July 16, 2020	February 10, 2021	July 6, 2023	July 30, 2021
Redemption date	March 15, 2059	July 16, 2025 (31st), July 16, 2030 (32nd)	February 10, 2061	July 6, 2033	July 28, 2028
Issue amount	50.0 billion yen	20.0 billion yen each (31st issue, 32nd issue)	40.0 billion yen	20.0 billion yen	10.0 billion yen
Framework eligibility criteria	<p>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.</p> <p>① 4 or 5 stars in the DBJ Green Building certification ② A or S rank in the CASBEE Building certification (new buildings) ③ 4 or 5 stars in the BELS certification</p>	<p>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.</p> <p>① 4 or 5 stars in the DBJ Green Building certification ② A or S rank in the CASBEE Building certification (new buildings) ③ 4 or 5 stars in the BELS certification</p>	<p>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 ④ below.</p> <p>① 4 or 5 stars in the DBJ Green Building certification ② A or S rank in the CASBEE Building certification (new buildings) ③ 4 or 5 stars in the BELS certification ④ ZEB certification: ZEB, Nearly ZEB, ZEB Ready, or ZEB Oriented</p>		<p>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 ④ below.</p> <p>① 4 or 5 stars in the DBJ Green Building certification ② A or S rank in the CASBEE Building certification (new buildings) ③ 4 or 5 stars in the BELS certification ④ ZEB certification: ZEB, Nearly ZEB, ZEB Ready, or ZEB Oriented</p>
Use of Proceeds	<ul style="list-style-type: none"> Funding for acquisition, construction, and refinancing of Hareza Tower Refinancing of the acquisition and construction of Nakano Central Park South 	<p>Urban development of the Yaesu-Nihonbashi-Kyobashi area next to Tokyo station, as a contribution to solving social issues</p> <p>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</p>	<p>Projects that contribute to any of the following ① to ③.</p> <p>① Basic infrastructure development and access to essential services ② Socioeconomic improvement and empowerment ③ Food safety</p>		<p>Urban development that creates value of place and value of experience by meeting the diverse needs of customers and society, etc.</p> <p>① Hareza Tower ② Nakano Central Park South ③ Brillia ist Tower Kachidoki ④ Nonoaoyama Building (residences for the elderly, daycare facilities)</p>
External evaluation	Green 1 (JCR)	SU1 (F) (JCR)			



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Green Loan Financing

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

◆ Green Loan Overview

Name	1st Green Loan	2nd Green Loan	3rd Green Loan	4th Green Loan	5th Green Loan
Borrowing date	June 28, 2022	December 23, 2022	December 23, 2022	September 29, 2023	December 22, 2023
Repayment date	June 28, 2032	December 28, 2029	December 23, 2032	September 29, 2028	December 27, 2030
Loan amount	10.0 billion yen	1.0 billion yen	10.0 billion yen	1.0 billion yen	1.0 billion yen
Framework eligibility criteria	<p>Green Project Eligible properties are those that have already acquired or are scheduled to be certified/recertified in any of the third-party certification bodies listed in ① to ⑤ below.</p> <ul style="list-style-type: none"> ① 3, 4, or 5 stars in the DBJ Green Building certification ② A or S rank in the CASBEE Building certification (new buildings) ③ 4 or 5 stars in the BELS certification ④ ZEB certification: ZEB, Nearly ZEB, ZEB Ready, or ZEB Oriented ⑤ ZEH certification: ZEH-M, Nearly ZEH-M, ZEH-M Ready, or ZEH-M Oriented 				
Use of Proceeds	① Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg. ② Refinancing the acquisition and construction of T-LOGI Narashino	Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.	Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.	Refinancing the acquisition and construction of Tokyo Tatemono Sendai Bldg.	Refinancing the acquisition and construction of SMARK Isesaki
External evaluation	Green 1 (F) (JCR)				

