



TOKYO TATEMONO GROUP
CSR REPORT 2019

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[Editorial Policy]

Tokyo Tatemono Group sees the realization of a sustainable society as its duty. The CSR information broadcast to society is for the purpose of communicating the type of initiatives that we are undertaking to all of our stakeholders.

The CSR Communication Book (Booklet) is published in an easy-to-read format to target an even greater number of people. Initiatives including all data are available on our CSR website as well as CSR, which summarize our efforts of each year, and ESG Data Book, which only has data, are available as PDF.

To facilitate understanding from various stakeholders, Tokyo Tatemono Group selects themes considered important to society and our customers and strives to expand our public information items around recent examples of initiatives for those themes.

In addition, the **Feature** section includes initiatives distinct to the Tokyo Tatemono Group that we would like to highlight in particular to all of our stakeholders.

In **Responding to Social Changes**, recent activities that the Tokyo Tatemono Group is focusing on in response to the changing society are reported.

Third person assurance of performance results and GRI standard content index has been added from this report.

Publication Date

June 2019 (Previous: Issued in June 2018, revised in November. Issued once a year)

Period of Reporting

Activities in FY2019 (January 1, 2019 to December 31, 2019) are set as the target period for reporting, but some of the information included in this report is for other fiscal years as well. Environmental data corresponds to a period between April to the following March of each fiscal year.

Scope of Reporting

This report primarily focuses on activities of Tokyo Tatemono Co., Ltd., but some sections report on activities of the entire Tokyo Tatemono Group or Group companies. Activities of Tokyo Tatemono Co., Ltd. are indicated as Tokyo Tatemono and activities of the entire Group are indicated as the Tokyo Tatemono Group.

Referenced Guidelines

GRI Standards: Referenced items are listed on the content index.

Third-Party Assurance

Tokyo Tatemono underwent a third-party quality assurance evaluation by Lloyd's Register Quality Assurance Limited (LRQA) for some of the fiscal 2017 (April 1, 2017 to December 31, 2017) and 2018 (April 1, 2018 to December 31, 2018) environmental and social data to ensure the integrity of the data within the report. The type of data and numerical figures subject to this evaluation are indicated with an asterisk symbol.

Department Supervising Publication

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Message from the President

Aiming to Be a Corporate Group Needed by Customers and Society

Hitoshi Nomura

Representative Director
President and Chief Executive Officer
Tokyo Tatemono Co., Ltd.



Tokyo Tatemono is the oldest comprehensive real estate company in Japan, which was founded by Zenjiro Yasuda of the Yasuda Zaibatsu in 1896. At a time before there was sufficient infrastructure for real estate dealings, Zenjiro Yasuda established Tokyo Tatemono based on the philosophy the customer always comes first and an enterprising spirit according to his belief everyone should be able to feel secure when dealing in real estate. This philosophy is the origin of our business activities and it is been passed down without fail through each generation for almost 120 years.

The Japanese economy today directly faces a variety of changes such as Japan's fierce competition with cities worldwide, a medium- to long-term decline in population, the prevalence of an aging society with a declining birthrate,

and the diversification of values. The Tokyo Tatemono Group takes action for customers by truly understanding the perspective of customers and society in the climate of this generation. I also believe the starting line for everything is to consider what society needs. We have advanced our business activities in 2019, the final year of our five-year Medium-term Business Plan, to continue to be the leading choice.

Tokyo Tatemono owns many assets around Tokyo Station, especially on the east side of the station in the Yaesu, Nihonbashi and Kyobashi area. This area has the largest number of major conglomerates in Japan. These companies act as the engine driving the Japanese economy and bolster the mystique and competitiveness of the area. This contributes to strengthening the earning capacity of Tokyo

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Message from the President

Tatemono in addition to heightening the competitiveness of not only Tokyo as a city but Japan as a whole. The Tokyo Tatemono head office building is part of the Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station. We are participating in this project as the leaseholder, project contractor, and specific business agent. As part of this project, we formulated the District B Urban Redevelopment Committee in January 2019. As a member of this committee, Tokyo Tatemono is working together with all of the rights holders to revitalize the history and culture of Yaesu which was area of townspeople, to promote global urban development suitable to the front of Tokyo Station, which offers extraordinarily convenient transportation in addition to creating a more prosperous place through area management. Tokyo Tatemono is also opening co-working spaces and support facilities for startups in the Yaesu, Nihonbashi and Kyobashi area to attract and support the growth and endeavors of these companies as well as encourage partnerships with major conglomerates. City Lab TOKYO opened in December 2018 as part of this initiative to provide an open innovation center to engage in sustainable urban and social development centered around an axis of the environment. Tokyo Tatemono uses these sites for the purpose of finding solutions to social issues faced by the city while supporting partnerships between major conglomerates and startup companies to enhance the attractiveness and competitiveness of this area. 2019 is the final fiscal year of our medium-term business plan. Unified as a Group, we will strive to achieve our targets and further a broad range of efforts in anticipation of the future. In our Office Buildings Business, we are

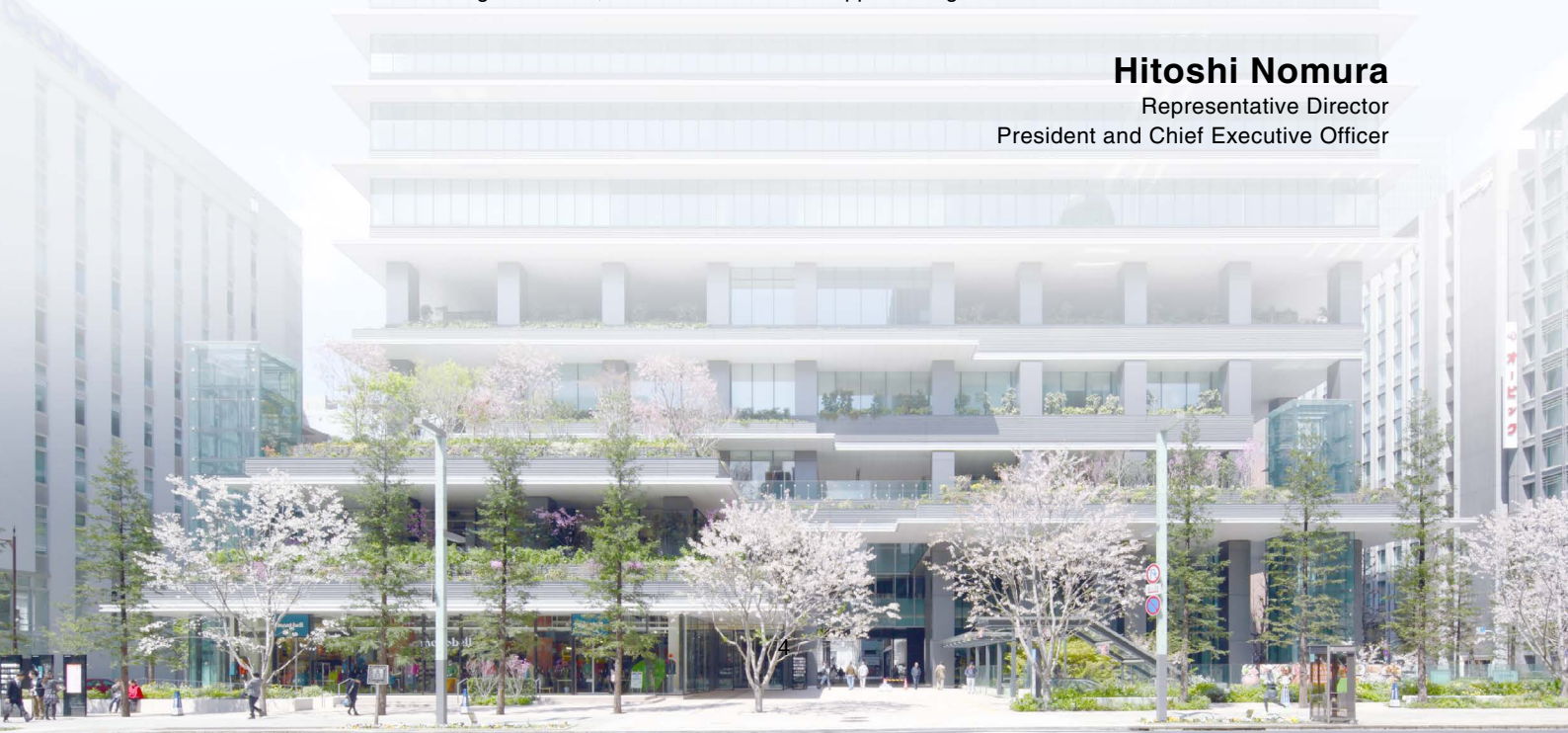
clearly underway with building ventures that include core projects such as Hareza Ikebukuro and the Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station as well as developing various assets such as urban hotels and distribution centers. In our Residence Business, we are further strengthening the Brillia brand while working to provide products and services that clearly anticipate changes in values and lifestyles. This is how Tokyo Tatemono will provide diverse ways for people to spend time and live life. We will also work to drive synergy and enhance earning power throughout the entire Group from providing asset solution services to emphasizing the management of various facilities.

In addition, we will promote higher productivity via work-style innovation and the active participation of women as well as respond to rapid social and economic changes. We will also strive to solve urban and environmental issues while continuing to expand our open innovation initiatives to create new products and services that use ICT.

The Tokyo Tatemono Group will also work to solve problems faced by our customers and society from diverse business perspectives. I believe our efforts contribute to achieving a wide range of objectives such as Goal 11: Sustainable Cities and Communities, which is one of the seventeen Sustainable Development Goals (SDGs) set by the United Nations. Exemplifying our corporate philosophy to trust beyond an era works to sustain and enhance a trusting relationship with our various stakeholders now and into the future. We will work to grow as a corporate group needed by both our customers and society. I ask for your ongoing support and guidance in the future.

Hitoshi Nomura

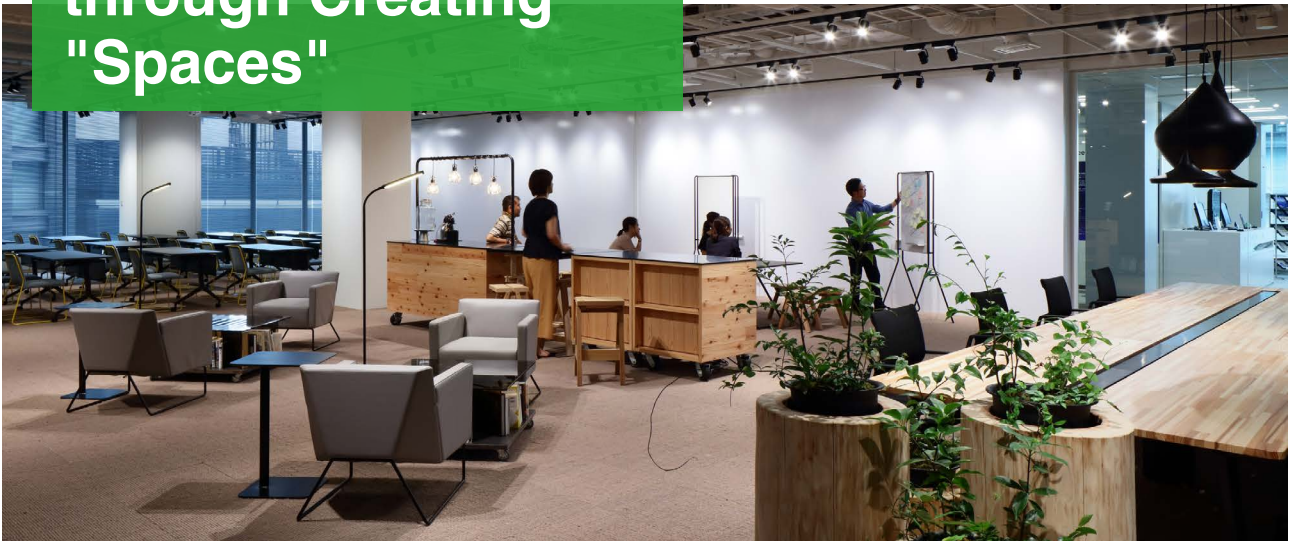
Representative Director
President and Chief Executive Officer



Feature

Learn, Connect, Act Community Building through Creating "Spaces"

We have established City Lab Tokyo in 6th floor of Tokyo Square Garden as a space to engage in building a sustainable city and society. This space is an open innovation platform that provides support through provision of knowledge and supporting community building as well as new business startups.



Solving Social Issues through Solving Environmental Issues

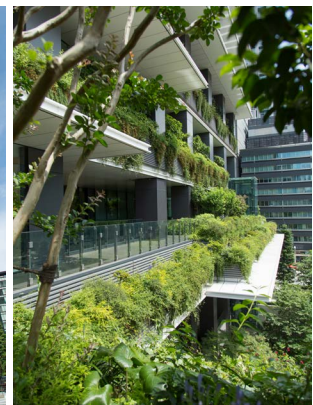
Tokyo Square Garden is a large-scale office building with 24-floor building with four underground floors completed in 2013. Located closed to Tokyo Station and has direct access with Kyobashi Station. The building is highly praised by third parties for its high environmental performance while also offering approximately 30 meter-tall Kyobashi no Oka that stretches to the 4th floor and having an area of approximately 3,000 m² is a place of relaxation in an area where little green space exists. We established Kyobashi Environmental Station in the 6th floor and offer information and consulting about the environment to promote CO₂ reduction in the area.

While large-scale office buildings that consider energy-saving and environmentally-friendliness have become prevalent in the society, many issues that needs to be solved such as climate change, disaster prevention, and super-aging society remain as address in the SDGs. Concentration of population in urban areas are accelerating around the world and many social issues are becoming closely connected to issues in urban areas. As such, finding solutions for issues in urban areas will lead to sustainable community building and are thought to contribute to solving the issues raised in the SDGs.

Tokyo Tatemono renovated section of the Kyobashi Environmental Station and created a new "space" called City Lab Tokyo to engage in solving social issues through community building from perspective of a developer.



Tokyo Square Garden



Kyobashi no Oka that stretches from 1F to 4F



Chuo City Environmental Information Center in Kyobashi Environmental Station

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City Lab Tokyo's Approach of Solving Issues in Urban Areas

City Lab Tokyo is an open innovation platform for building sustainable city and society. It focuses on nine out of the 17 goals of SDGs which are related to building sustainable city as material goals.

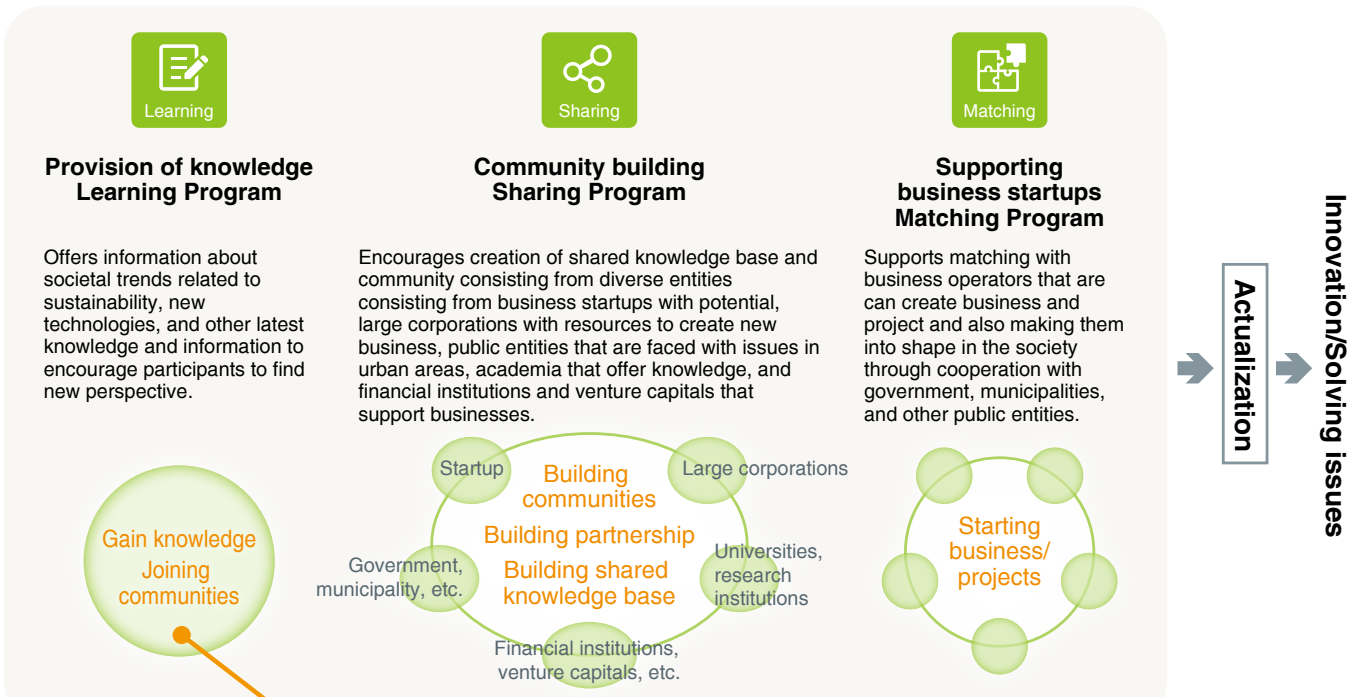
It also provides support programs from three perspectives: provision of knowledge, community building, and supporting business startups. We aim to contribute to solving issues in urban areas through offering programs that enable individuals, companies, and business startups to gain knowledge and community that match their goals; work with public entities that are faced with challenges, venture capitals, or other entities that offer funds to create new

projects or businesses; and bring innovation through making them into shape in the society.

Focused 10 goals of the SDGs



Concept of solving issues through the three programs offered by City Lab Tokyo



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New events and programs are held consistently

Events and regular programs are held by various entities at the City Lab Tokyo. In 2018, Urban Development College program consisting from six courses (five sessions each) hosted by Japan Society of Urban and Regional Planners (JSURP) was offered. Upcoming events, after reports, interview articles, and other information are available on the City Lab Tokyo official homepage and Facebook page.

Official website: <https://citylabtokyo.jp/>

Official Facebook page: <https://www.facebook.com/citylabtokyo/>

City Lab Tokyo: Atmosphere Filled with Relaxing Scent of Wood

City Lab Tokyo is a facility offered for rent to its members, with approximately 300 m² of space consisting from a meeting room that can be used for seminars and saloon and long table for meeting and as individual work space. If the purpose of use is for solving issues in the urban areas, it can be used with reasonable price compared to

general rental meeting rooms in the area. Desks, stools, flooring materials, and carpets all use timber from forest thinning or recycled materials. Ishimaki Stool born from the program to support areas affected by the Great East Japan Earthquake is also used.



The meeting room can be used for seminars and workshops of up to 100 participants. Walls are approximately 15m long white board which images can be projected and written on. Meeting room and saloon can be used flexibly with movable partitions.



Saloon offers movable desks and sofa tables. This enables layout to be changed freely, allowing for discussions while standing or engage in work. Network building parties can be held by using a catering service.



The long table offers open working space. We hope the library specializing in books on sustainability will be an opportunity to discover new perspectives. Staff from Urbanist that operate the facility is present at all times. They will offer various consulting if needed.

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Message from the Key Person of City Lab Tokyo

MESSAGE A Place for Diverse People to Participate in Creating City of Tomorrow



Hideki Koizumi
 Professor, Department of Urban Engineering,
 The University of Tokyo
 Representative of Urbanist

The United Nations estimates that approximately 70% of the world's population will be living in urban areas by 2050. Importance of issues in urban areas is increasing as we enter an age that is unlike what we have ever experienced before. In addition, spread of latest technologies such as ICT*¹, IoT*², and AI*³ is rapidly changing the society. These cause what cities, towns, regions, and society as whole should strive toward. This is why searching for a new goal which communities within urban areas and regions or society as a whole should strive toward is required. Connection with not only urban planning and development with important but also with other fields such as economics; finance; IoT, AI, and other latest technologies; and measures against aging society. It is not an easy task with a simple answer. It will require discussions with people with various stakes. City Lab Tokyo is a place to build a space where people can think about the city of tomorrow in an innovative way. Open innovation isn't always simple. A true open innovation is like creating something from nothing through working on new challenges and bringing in new values. As such, City Lab Tokyo offers programs to support that innovation. I hope people that visit will use it as their stepping stone. How to bring innovation and what roles City Lab Tokyo will take should become clearer as we continue trying. City Lab Tokyo is there to create space and environment where new communities can be built.

*1 ICT: Information and Communication Technology
 *2 IoT: Internet of Things
 *3 AI: Artificial Intelligence

MESSAGE Bringing Astonishing Innovation through Network Building



Masaaki Tomiya
 Business Planning, Commercial Properties
 Tokyo Tatemono
 Project Manager of City Lab Tokyo

I have been participating in this project since its launch. One of the focuses we had since its conceptual stage is "expanding networks". Building network with people and organizations in different industries is sometimes difficult but is very refreshing. At the same time, I truly feel that that kind of network is required. As the term "open innovation" has become familiar, business are required to go beyond its own field and have more flexibility and capability. City Lab Tokyo is a new initiative of the Tokyo Tatemono Group which looks at the future based on social issues, diverging from prior projects centered on greenery and environment. City Lab Tokyo will continue to expand its network while enriching its content to bring astonishing innovations.

MESSAGE Serving as Bridge to Innovation



Kenji Fujii
 Business Planning, Commercial Properties
 Tokyo Tatemono
 Project Director of City Lab Tokyo

I have been involved in the operation of the Kyobashi Environmental Station since its start. It has been five years since its completion and needs for solving social issues has rose drastically. There is now a need to consider economic and social aspects to solve environmental issues. We thought that if we could become a bridge between communities that demand solutions; business startups that have ideas to solve them; and large corporations that see solutions for social issues as a potential market, new businesses would be created. This project is embodiment of that idea. Our roles is not only to offer "space" but also offer opportunities to various connections between communities, universities, companies, and business startups using the networks we built through Kyobashi Environmental Station while holding events and projects with value. I would like to continue taking part in moments which business start and new innovations are made.

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Group Profile

Corporate Data

Company Name	: Tokyo Tatemono Co., Ltd.
Head Office	: Tokyo Tatemono Head Office Building 1-9-9 Yaesu, Chuo-ku, Tokyo 103-8285
Established	: October 1, 1896
Capital	: 92.4 billion yen (As of December 31, 2018)
Number of Employees	: 616 (As of December 31, 2018)
Number of Consolidated Employees	: 5,010 (As of December 31, 2018)

Main Business of the Tokyo Tatemono Group

Tokyo Tatemono Group develops various businesses to support the life of customers and provide attractive value, bringing wonder to customers by pursuing not only quality of assets and buildings, but also high-quality software and services.



Group Companies

Tokyo Tatemono Real Estate Sales Co., Ltd.
Tokyo Fudosan Kanri Co., Ltd.
Tokyo Building Service Co., Ltd.
Shinjuku Center Building Management Co., Ltd.
PRIME PLACE Co., Ltd.
Seishin Service Co., Ltd.
Tokyo Tatemono Amenity Support Co., Ltd.

E-State Online Co., Ltd.
Japan Rental Guaranty Co., Ltd.
Nihon Parking Corporation
Parking Support Center Corporation
Tokyo Tatemono Senior Life Support Co., Ltd.
Tokyo Tatemono Staffing Co., Ltd.
Tokyo Tatemono Resort Co., Ltd.

Tokyo Tatemono (Shanghai) Real Estate Consulting Co., Ltd.
Tokyo Tatemono Asia Pte. Ltd.
Tokyo Tatemono Investment Advisors Co., Ltd.
Tokyo Realty Investment Management, Inc.
Tokyo Tatemono Kids Co., Ltd.

Corporate Philosophy and CSR

As a comprehensive real estate company, it has been the goal of Tokyo Tatemono since its establishment in 1896 to create a rich and comfortable urban environment. Boasting more than a century' worth of confidence, we aim to realize a sustainable society and improve our corporate value as a member of society by finding solutions to various social issues.

Corporate Philosophy

Trust beyond the era.

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

Corporate Stance

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

CSR Philosophy

CSR of Tokyo Tatemono Group is to realize city building that contributes to the future of the city based on corporate philosophy and corporate stance.

In doing so, we promote CSR activities with the four themes of "Safety and Security," "Environment," "Responding to Social Changes" and "Community Involvement."

Image of Tokyo Tatemono Group's CSR



Realizing City Building that Contributes to the Future of the City

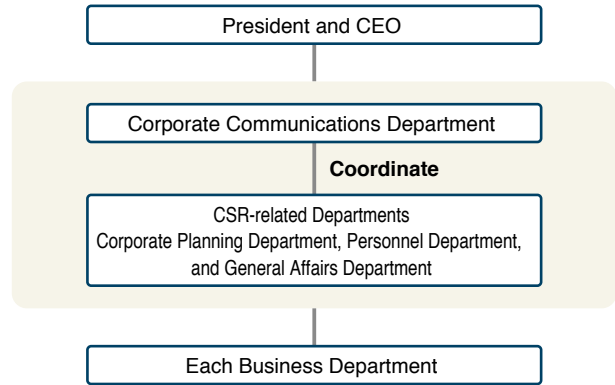
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CSR Promotion System

The Corporate Communications Department acts as the secretariat under the direction of the President and CEO at the Tokyo Tatemono Group and cooperates with the Corporate Planning Department, Personnel Department, and General Affairs Department in all of the Group initiatives.

We define the activities that we should engage in for CSR in each of these business departments, and we are moving those initiatives forward.

CSR Promotion Structure



Stakeholders & Engagement

We are actively promoting communication with a variety of stakeholders at the Tokyo Tatemono Group. We work to create new value by incorporating the feedback of

these stakeholders so that we will realize city building that contributes to the future of the city.

Concepts and Method of a Dialogue with Our Main Stakeholders

Stakeholder	Concept of Dialog	Method of Dialog
Customers (building tenants, home buyers, users of each service)	We are introducing various systems to reflect the feedback from customers in our business activities to provide worthwhile products and services with safety and security as well as work to improve customer satisfaction.	<ul style="list-style-type: none"> • Customer satisfaction surveys • Brilia Owner's Dial (Contact for home buyers) • Various questionnaires • Online inquire form
Local community (local community around properties, local governments, etc.)	We will work to improve regional value and contribute to the local community through efforts such as urban development, community revitalization, 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 such as green activities • Participation in local events and festivals • Support for education and the arts • Disaster reconstruction support
Employees	We are working to realize a satisfying working place where employees can feel their growth while we are striving to develop human resources who can be trusted and who are able to carve out their future.	<ul style="list-style-type: none"> • Various educational training and commendation systems • Regular personnel interviews • Dialogue with labor unions and hosting of events • Individual consultation for childcare and nursing care support, etc.
Shareholders and investors	We aim to build longer-term fiduciary relationships with all of our shareholders and investors as well as earn their proper assessment through sincere and fair informational disclosure and active communication.	<ul style="list-style-type: none"> • IR information on our website • General Meeting of Shareholders • Seminars for private investors • IR meetings (Japan/overseas)
Partners (business operators related to planning, development, management of properties and the provision of services, etc.)	We conduct fair and equal business dealings with all of our partners and strive to realize close communication to build even better relationships with those partners.	<ul style="list-style-type: none"> • Verification of second and third tier subcontractors • Verification through an internal check sheet • Regular meetings

Contribution to SDGs















SDGs stand for Sustainable Development Goals, which are international targets up to 2030 adopted at the United Nations Summit. The 17 sustainable development goals are set for a wide range of fields according to the diverse social challenges in emerging and developed countries,

and these goals are expected to help even companies achieve the targets.

The Tokyo Tatemono Group is sympathetic to the philosophy of these SDGs and contributes to achieving these goals through its business activities as a developer.



Relationship of Tokyo Tatemono Group Initiatives and Relevant SDG Targets

Field	Initiative	Relevant SDG Targets and Description of Contribution
Overall Business Activities		 Tokyo Tatemono contributes to sustainable urban development through all of its business activities as a developer.
Environmental Initiatives	Climate Change → P.19	  We incorporate the latest systems and equipment to drive energy efficiency and heighten our adaptability to the climate change and other large-scale natural disasters.
	Biodiversity → P.23	 We strive for attractive urban development and work to sustain and conserve biodiversity through urban greening and the preservation of green belts.
	Water Resources → P.24	 We reduce water resource use through every opportunity such as the adoption of the latest systems and equipment.
	Pollution Control and Effective Use of Resources → P.25	 We work at resource-saving activities and the reduction of the environmental impact through every opportunity and reduce and appropriately manage the waste and hazardous chemicals that are produced.
Safety & Security Initiatives	Improving Quality and Customer Satisfaction → P.27	 We aim to build inclusive and safe cities by providing buildings and living spaces able to satisfy a variety of customers.
	Disaster Prevention Support → P.34	 We aim to heighten are ability to adapt to large-scale natural disasters through disaster prevention initiatives and provide safe and secure urban development.
Responding to Social Change	Residences for Elderly People → P.36	 We help ensure healthy lifestyles by preparing residences for elderly people and providing nursing care functions.
	Bloomoi Project → P.39	 We improve the quality of life for working women to support the social progress of women and contribute to gender equality.
	Preparation of Childcare Facilities → P.41	 We support households raising children and the children of the future as well as contribute to resolving the issue of children on waiting lists for childcare.
	Revitalization of Aging Condominiums → P.42	 We contribute to the revitalization of communities where people from many generations, such as children and the elderly, can live life safely and securely through reconstruction.
Community Involvement	Co-existing with Communities → P.44	 We support the connection between people in cities through various activities.
	Cultural and Social Contribution Activities → P.47	 We provide inclusive facilities and contribute to the provision of educational opportunities through those facilities. We contribute to sustainable urban development and sustainable production and consumption.

Environmental Initiatives

Policy and System for Environmental Initiatives

Policy and Concept

Tokyo Tatemono Group has formulated the Group Environmental Policy to contribute in building a sustainable society through business activities that consider the environment.

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 in 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.

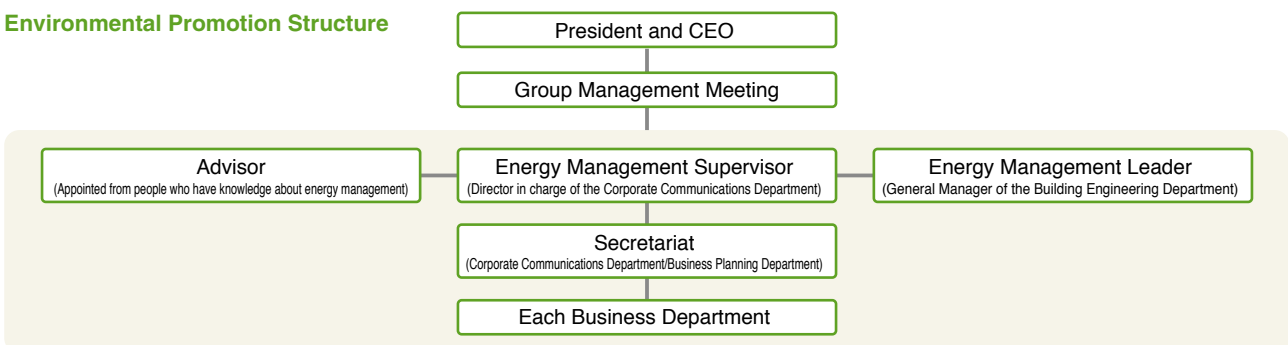
Established January 2011

System

Tokyo Tatemono Group has built a management system that matches the characteristics of each business, an office buildings business that engages in the construction and management of buildings, and a development business that engages in the development of the Brillia brand and other

housing under the Group Environmental Policy. In other businesses and Group companies, business is conducted considering the environment by formulating environmental guidelines for each business based on the Group Environmental Policy.

Environmental Promotion Structure



Environmental Management of Office Buildings

In the business activities of Tokyo Tatemono, the Office Buildings Business that operates and manages office buildings (commercial) uses the most energy. The ratio of energy use makes up 93.9% of Tokyo Tatemono (calculation based on the Energy Conservation Act*). Therefore, reducing the amount of energy used in the Office Buildings Business largely contributes to the reduction of the total amount of energy use at Tokyo Tatemono.

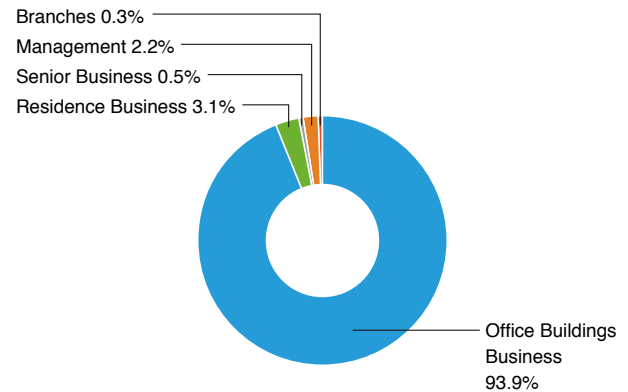
In the Office Buildings Department, we have formulated an environmental execution plan based on a high awareness of energy conservation with consideration to the issue of climate change and strive daily in energy-saving activities. We actively adopt environmental energy-saving technologies in the development of new buildings for the purpose of building environmentally-friendly buildings praised by society. In existing buildings, we promote energy savings by strategically renewing the buildings with energy-saving equipment in addition to efforts to save energy from an operational perspective and reduce the environmental impact with the help of tenants.

Moreover, in the reduction of energy consumption, we have defined unit consumption based on floor area as an

indicator and set 1% unit reduction every year on average over five years as a target in accordance with the Act on the Rational Use of Energy (per unit basis also applies to GHG emissions)

*Act on the Rational Use of Energy

Ratio of Energy Use at Tokyo Tatemono by Business (2018)



Environmental Execution Plan

Field of Initiative	Target	Description of Initiative
1. Energy savings through development	Acquire one of the top two levels in either certification or recertification for the third-party certifications listed in (1) to (3) in new long-term retention buildings; if the certification has already been acquired, the certification shall be maintained and acquired through subsequent certifications. (1) 4 or 5 stars in the CASBEE for Buildings (New Construction) certification* ¹ (2) S-rank or A-rank in the CASBEE for Building (New Construction)* ² (3) 4 or 5 stars in the BELS certification* ³	When formulating plans for new buildings, we carefully consider the matching, cost, and appeal with the characteristics of a property to incorporate environmental energy-saving technologies in design specifications (rooftop greening, reuse of rain water, visualization of tenant's energy usage, etc.) → Climate Change P.19
2. Energy savings through renewal and operational improvements		
Renewal of equipment (4 years between fiscal 2016 to 2019)	Energy reduction target Reduce the average over five years by 1% unit load each year as a crude oil equivalent	Update of equipment related to energy savings (Transition to LED lighting, update of equipment to high-efficiency heat pumps, etc.) → Climate Change P.19
Awareness of environmental investment value and the amount of energy savings		Use a construction history management system to aggregate investment value and energy savings every year
Energy management		(1) Manage energy each month by introducing energy management systems (2) Comprehensively manage the air-conditioning temperature in common areas (3) Use BEMS* ⁴ at offices that have implemented BEMS (4) Share information to realize management that leads to maximum design performance (5) Analyze and review the energy usage status of the previous year (6) Execute energy diagnostics through external institutions → Climate Change P.19
Cooperation with tenants		(1) Save power in summer and winter seasons (2) Distribute informational power saving pamphlets (3) Regularly distribute information about the environment and energy (4) Hold an energy-saving promotion conference once a year at offices that are part of the total reduction policy → Climate Change P.19

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Field of Initiative	Target	Description of Initiative
3. Promotion of recycling waste	Waste reduction target Reduce the unit load of waste emissions 5% by fiscal 2022 compared to fiscal 2017 (equivalent to 1% reduction each year)	(1) Adopt recycle and reuse products (2) Maintain a recycling rate through comprehensive management and the provisions of bins to separate garbage (3) Consider new recycling methods (4) Regularly inspect treatment plants (5) Hold conferences to promote the separation of garbage with tenants → Pollution Control and Effective Use of Resources P.25
4. Water-saving measures	Water reduction target Reduce the unit load of water 5% by fiscal 2022 compared to fiscal 2017 (equivalent to 1% reduction each year)	(1) Upgrade to water-saving equipment (2) Promote use of rain water and greywater → Water Resources P.24
5. Measures to prevent global warming	GHG*5 emission reduction target Reduce the average over five years by 1% unit load each year	(1) Reduce the amount of CO ₂ emissions (2) Consider power with a low CO ₂ emissions factor (3) Proper management and processing of air-conditioning fluorocarbons → Climate Change P.19 → Pollution Control and Effective Use of Resources P.25

*1 The DBJ Green Building Certification is a system established by the Development Bank of Japan to evaluate initiatives for environmental and social awareness of real estates.

*2 CASBEE for Buildings (New Construction) is a system to evaluate the energy savings and environmental impact of general buildings, excluding detached housing, based on the design at the time of new construction. This system is managed by the Japan Sustainable Building Consortium and Institute for Building Environment and Energy Conservation.

*3 The BELS Energy Efficiency Certification is a system to evaluate and label the energy efficiency of non-residential buildings based on guidelines issued by the Ministry of Land, Infrastructure and Tourism. This system is managed by the Jutaku Seinou Hyouka Kyoukai.

*4 Building Management System (BEMS): Building energy management system.

*5 GHG is an acronym that stands for Green House Gases. A generic name used for the various greenhouse gases.

Environmental Management in the Residence Business

In the Residential Development Department, we are formulating Environmentally Conscious Housing Guideline that systematized our environmental measures to promote considerations toward the environment and improve the brand value of Brillia. We design individual properties based

on these guidelines for residential development and strive to reduce the environmental impact. These guidelines continue to be revised according to social changes and technological advancements.

Brillia Environmentally Conscious Housing Guideline

● Three Concepts Underlying All Things

Condominiums are diverse in size, life of the building, and the materials used, which have a large impact on the environment and a wide range of distinct countermeasures. Therefore, we have put in place three concepts to Think Green, Think Lifestyle, and Think Future to incorporate in the entire Brillia series.


I Think Green – Green & Cool residential spaces filled with greenery: Setting up green spaces acts as a heat island countermeasure and brings about a rich natural environment friendly to the ecosystem.

II Think Lifestyle – Introduction of high-efficiency green residential equipment: High-efficiency equipment comfortably saves energy and contributes to disaster prevention in case of an emergency.

III Think Future – Eco Life Cycle Improvement Plan for Energy and Greenery: Resident participation in operation and management as well as community development will continue in a cycle with concepts I and II.

● Ratings for Environmental Performance

Level 1 and Level 2 have been set as two levels for environmental performance to objectively judge at what level a condominium satisfies environmental performance. Each level is equivalent to housing performance evaluation systems and evaluated by acquiring CASBEE® and the Tokyo Green Labeling System for Condominiums. We also put in place optional specifications for even greater consideration toward the environment.

Tokyo Green Labeling for Condominiums											
	<table border="1"> <tr> <td>Building Heat Insulation</td> <td>★ ★ ★</td> </tr> <tr> <td>Equipment Energy Savings</td> <td>★ ★ ★</td> </tr> <tr> <td>Solar Heat Power Generation System</td> <td>★ ★ ★</td> </tr> <tr> <td>Prolonged Building Life</td> <td>★ ★ ★</td> </tr> <tr> <td>Greenery</td> <td>★ ★ ★</td> </tr> </table>	Building Heat Insulation	★ ★ ★	Equipment Energy Savings	★ ★ ★	Solar Heat Power Generation System	★ ★ ★	Prolonged Building Life	★ ★ ★	Greenery	★ ★ ★
Building Heat Insulation	★ ★ ★										
Equipment Energy Savings	★ ★ ★										
Solar Heat Power Generation System	★ ★ ★										
Prolonged Building Life	★ ★ ★										
Greenery	★ ★ ★										
<small>The labeling system is based on the environmental regulations to ensure the health and safety of Tokyoites. 2014 Standards</small>											

Index	Message from the President	Feature	Corporate Philosophy and CSR	Environmental Initiatives
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Supply Chain Initiatives

The Tokyo Tatemono Group actively incorporates environmentally-friendly technology and ideas into its products and services in every stage of its business

activities in accordance with the Group Environmental Policy, and it strives to save resources and use materials that reduce the environmental impact.

Compliance with Environmental Laws and Regulations

Tokyo Tatemono follows the Group Environmental Policy and adheres to all environmental laws and regulations.

There were no violations to environmental laws or regulations or any environmental accidents in 2018.

Item	Unit	2014	2015	2016	2017	2018
Violations of Environmental Laws and Regulations	Incidents	0	0	0	0	0
Environmental Accidents	Incidents	0	0	0	0	0
Environmental Fines	Yen	0	0	0	0	0

Highly Evaluated by the World's Benchmark in Real Estate

Tokyo Tatemono has been highly evaluated by the Global Real Estate Sustainability Benchmark (GRESB)*, which is a benchmark to evaluate efforts in environmental, social, and governance (ESG) performance of real estate centers, with the highest honor of the "Green Star" for four consecutive years. We also earned the high praise of "5 stars" (out of 5 stars) in the GRESB Real Estate Rating that provides a comparative assessment based on a comprehensive score that was introduced in 2016 for two consecutive years.



*Global Real Estate Sustainability Benchmark (GRESB): ESG benchmark that specializes in real estate established through European superannuation funds and other financing.

<http://gresb.com/>

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Acquisition of DBJ Green Building Certification Certifying Environmental and Social Awareness

Currently seven properties from offices to commercial buildings owned and managed by Tokyo Tatemono have acquired the DBJ Green Building Certification Four Stars or Five Stars and received high praise.

The DBJ Green Building Certification is a system established by the Development Bank of Japan to evaluate initiatives for environmental and social awareness of real estates. The certification is ranked* from One Star to Five Stars based on a comprehensive score from five perspectives of environmental performance in the building, comfortability of tenants, risk management, consideration for the surrounding environment and community, and collaboration with stakeholders.

Tokyo Tatemono will continue to respond to social requests related to real estate from its stakeholders, respond to the diversification of tenant's needs, and develop real estate considering the environmental and social impact.

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

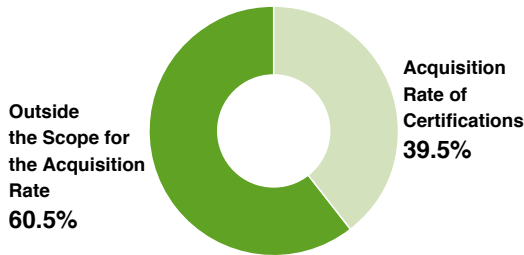
Properties Certified by the DBJ Green Building Certification

Name (Location)	Rank
"Nakano Central Park (South)" (Nakano, Nakano-ku, Tokyo)	2019
"Tokyo Square Garden" (Kyobashi, Chuo-ku, Tokyo)	2019
"Otemachi Tower" (Otemachi, Chiyoda-ku, Tokyo)	2019
"Tokyo Tatemono Nihonbashi Building" (Nihonbashi, Chuo-ku, Tokyo)	2019
"Hareza Tower" (Higashiikebukuro, Toshima-ku, Tokyo)	2019 Plan
"SMARK" (Isezaki, Gunma)	2019
"Brillia ist Tower Kachidoki" (Kachidoki, Chuo-ku, Tokyo)	2019

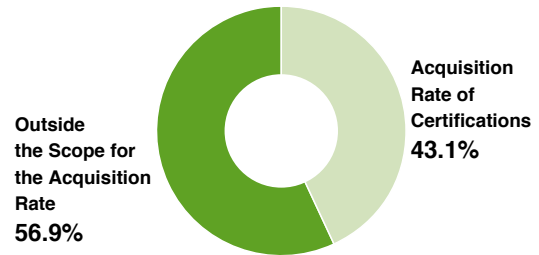
For more information about the DBJ Green Building Certification, see:
dbj.jp/service/finance/g_building/index.html

Acquisition Rate of the DBJ Green Building Certification

Acquisition Rate of Certifications for the Leasing Floor Area of Office Buildings



Acquisition Rate of Certifications for the Leasing Floor Area of Residential Buildings



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Issuing Green Bonds

Tokyo Tatemono will contribute to the expansion of a sustainable society through its businesses while furthering the environmental considerations it has placed focus on up until now. It has also issued public hybrid corporate bonds (green bond) of 50 billion yen based on the Green Finance Framework in March 2019 to diversify its financing methods. Public hybrid corporate bonds issued as green bonds were first case in Japan and its scale was also the largest in history.

Eligibility as a green bond was evaluated as the highest Green 1 of JCR Green Bond Evaluation*1 by Japan Credit Rating Agency, Ltd. (JCR).

All capital acquired through the green bond are planned to be used for the acquisition and refinancing construction capital for Hareza Ikebukuro and Nakano Central Park South, which are green buildings that fulfill the criteria of the green finance framework.

*1 Third party evaluation of green bonds based on green bond principles formulated by International Capital Market Association (IMCA) and green bond guideline 2017 edition formulated by the Ministry of Environment of Japan by JCR. The evaluation evaluates whether the use of the capital is for green projects and also management, operating structure, and transparency of the bonds. These evaluations are then evaluated comprehensively to decide the JCR Green Bond evaluation.

www.jcr.co.jp/greenfinance/

*2 Acquired or plans to acquire one of the top two levels in either certification or recertification for the third-party certifications listed in (1) to (3):
 (1) 4 or 5 stars in the CASBEE for Buildings certification
 (2) S-rank or A-rank in the CASBEE for Building (New Construction)
 (3) 4 or 5 stars in the BELS certification

[Overview of the Green Bonds]

Name	2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds (Green Bonds)
Condition Determination Date	March 8, 2019
Issue Date	March 15, 2019
Redemption date	March 15, 2059
Total Issue Amount	50 Billion Yen
Use of Proceeds	Hareza Ikebukuro Acquisition, Construction Funds and Financing Nakano Central Park South Acquisition, Construction Funds and Financing
Eligible Evaluations	Green1 (JCR)



Conceptual drawing of completed Hareza Ikebukuro

Climate Change

Policy, Concept, and System

As demand for initiatives toward the realization of a low-carbon society with consent to limit the average temperature rise worldwide to 2°C in the Paris Agreement, efforts to reduce greenhouse gases (GHG*) are indispensable not only in the real estate industry but also property holdings and business activities.

Moreover, preparing for the effects of climate change is vital because an increase in natural disasters such as wind and flood damage due to climate change has a dramatic impact on society while at the same time having the potential to impact real estate such as lowering the value.

The Tokyo Tatemono Group raises the **climate change prevention that leads the community** as one aspect in

the Group Environmental Policy to work in developing real estate with superior environmental performance, such as energy-saving equipment, while simultaneously advancing the development of real estate resistant to natural disasters such as wind and flood damage.

We are also striving toward energy savings from a building operation perspective by working with building management companies and tenants after building development.

*GHG is an acronym that stands for Green House Gases. A generic name used for the various greenhouse gases.

→ Policy and System for Environmental Initiatives [P.13](#)

Indicators and Results

In the business activities of Tokyo Tatemono, the Office Buildings Business that operates and manages office buildings (commercial) uses the most energy. The ratio of energy use makes up 93.9% of Tokyo Tatemono (calculation based on the Energy Conservation Act*). Therefore, reducing the amount of energy used in the Office Buildings Business largely contributes to the reduction of energy use of Tokyo Tatemono as a whole and the reduction of GHG. Moreover, in the reduction of energy consumption, we have defined unit load based on floor area as an indicator and set 1% unit reduction every year on average over five years as a target in accordance with the Act on the Rational Use of Energy (unit load basis also applies to GHG emissions). We actively introduced high-efficiency air-conditioning equipment and LED lighting fixtures in existing office buildings to reduce energy consumption but amount of energy usage and unit load increased due to increase from highly energy consuming commercial facilities and hotels starting operations exceeding the amount of reduction.

● Collection Period

- April to the following March each year

● Collection Scope

- Facilities required to provide notification under the Act on the Rational Use of Energy

*The floor area of buildings for reporting changes each year

● Collection Targets

- Amount of energy use and unit load
- Amount of GHG emissions and unit load

Tokyo Tatemono has received third-party assurance by Lloyd's Register Quality Assurance Limited (LRQA) to assure integrity of part of its FY2018 environmental and social data. The type and numerical data assured are marked with *. The third-party quality assurance is included in the ESG Data Book.

Item	Unit	2014	2015	2016	2017	2018	2019 target
Amount of Energy Use (Crude Oil Equivalent)*	kl	19,185	22,822	21,592	22,083*	23,895*	—
Unit Load	kl /Thousand m ²	37.8	36.3	35.4	34.2	35.0	36.0
Ghg Emissions*	t-CO ₂	39,929	45,059	44,629	42,147*	48,888*	—
Scope 1*	t-CO ₂	3,493	3,243	2,553	2,402*	3,300*	—
Scope 2*	t-CO ₂	36,436	41,816	42,076	39,745*	41,259*	—
Scope 3*	t-CO ₂	—	—	—	—	4,329*	—
Unit Load (excluding Scope 3)	t-CO ₂ /Thousand m ²	78.6	71.6	73.1	65.3	65.2	75.1
Floor Area of Scope	Thousand m ²	508	629	611	645	683	—

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Climate Change Initiatives in the Office Buildings Business

The performance of initiatives to reduce greenhouse gas emissions conducted in 2018 at office buildings owned and managed by Tokyo Tatemono is as follows:

*The performance below is from January to December 2018.

[Energy-saving Equipment Adoption and Renewal Initiatives]

- Renewal to high-efficiency air conditioning systems: 3
- Transition to LED lighting in private areas: 16
- Transition to LED lighting in common areas: 20
- Introduction of auto-off air-conditioning and lighting functions linked to security: 5

[Initiatives to Improve Operational Methods]

- Comprehensive management of the air-conditioning temperature in common areas: 26
- Use of BMS at offices that have introduced BEMS: 6
- Informational sharing to realize management that leads to maximum design performance: 1
- Execute energy diagnostics through external institutions: 1
- Lights-out and thinning of backyard lighting

[Initiatives to Cooperate with Tenants (Existing Buildings)]

- Distribute informational pamphlets about energy saving
- Power saving during the winter and summer seasons: 34
- Energy-saving promotion conference held once a year at offices that are part of the total reduction policy: 4

[Energy Saving at the Head Office]

- Lights-out during lunch
- Easing of air-conditioning temperature in summer through the introduction of Cool Biz
- Introduction of LED lighting
- Introduction of task ambient lighting
- Thinning of non-emergency lighting

For more information about the Tokyo Carbon Reduction Reporting Program, see:

www8.kankyo.metro.tokyo.jp/ondanka/ (Japanese Only)

We are submitting Tokyo Carbon Reduction Reports in accordance with the Tokyo Metropolitan Environmental Security Ordinance from the FY2009 results.

TOPICS

Low Energy Consumption Heat Measures

We have installed and begun operation of energy-saving air-conditioning systems and equipment recognized by the programs to promote measures against urban heat islands advocated by the Tokyo Bureau of Environment in July 2018 at Tokyo Square Garden. We are also putting in place low energy consumption heat measures from fine mist generation equipment and heat insulation films on glass eaves to the installation of additional heat reduction materials on benches.

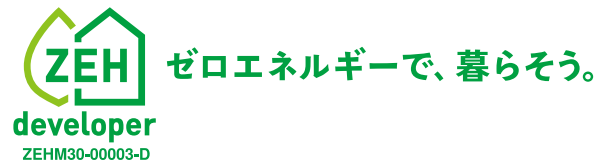


Fine mist decreases the ambient temperature from three to five degrees Celsius without passers by or things nearby getting wet.

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Climate Change Initiatives in the Residence Business

Tokyo Tatemono was registered in the ZEH Developer Registration Program in May 2018 to actively work toward ZEH-M (ZEH-Mansion) in the future. We are gradually putting in place initiatives to popularize ZEH-M. We also aim to standardize ZEH based on the ZEH road map announced by the Ministry of Economy, Trade and Industry in 2018.



*ZEH is an acronym for Net Zero Energy House. A zero energy house has a total energy consumption that reduces energy consumption from measures such as heat insulation and energy savings as well as creates power through power generation to balance out the annual primary energy consumption (air-conditioning/hot water/ventilation) to zero. ZEH-M is the Net Zero Energy Housing standard for multiple-dwelling complexes.

TOPICS

Brillia Tsurumaki: The First ZEH-M from Tokyo Tatemono

Brillia Tsurumaki satisfies the ZEH-M Oriented*1 criteria by improving thermal insulation performance, such as on exterior walls, adopting high-heat insulation sashes, and adopting highly efficient water heating systems. These innovations have earned Brillia Tsurumaki a designation by Tokyo as the first Highrise ZEH-M (ZEH Mansion) Proof-of-Concept Project*2 under the design guidelines to promote net zero energy housing of multiple-dwelling complexes released by the Ministry of Economy, Trade and Industry in fiscal 2018.

*1 Ideal standards for highrise multiple-dwelling complexes with six or more stories as ZEH released by the Ministry of Economy, Trade and Industry in May 2018.

*2 The official name of this project is the Highrise ZEH-M (ZEH Mansion) Proof-of Concept Business as Part of the 2018 Support Subsidy to Promote Energy Savings (Project to Promote the Adoption of Innovative Energy-saving Technologies in Residences and Buildings) (Net Zero Energy House Support Program)



Conceptual drawing of completed Brillia Tsurumaki

Use of Renewable Energy Through Renewable Energy Certificates

The power used in model rooms for Brillia condominiums by Tokyo Tatemono takes advantage of the renewable energy certificate framework and has switched to 100% renewable

energy since May 2016. In 2018, we used renewable energy certificates for approximately 830,000 kWh of power.

Energy Creation Business Through Solar Power Generation Plants

Tokyo Real Estate Management makes energy-saving proposals as a building management company from the perspective of building management in addition to engaging in an energy creation business through solar power generation plants together with the start of a fixed price purchasing system for renewable energy. Solar power energy plants are expanding primarily in the Tohoku region. These eight plants have a total generation capacity of 12,382 kW as of December 2018.

Name (Location)	Generation Capacity	Operation Date
Oyama Solar Power Station (Oyama City, Tochigi)	785kW	February 2013
Iwaki Mega Solar Power Plant (Iwaki City, Fukushima)	2,454kW	November 2013
Joso Solar Power Generation Plant (Joso City, Ibaraki)	672kW	September 2014
Hatoyama Solar Power Generation Plant (Hatoyama Town, Hiki District, Saitama)	1,908kW	March 2015
Tochigi Hirai Solar Power Generation Plant (Tochigi City, Tochigi)	1,559kW	March 2015
Tochigi Seiho Solar Power Generation Plant (Tochigi City, Tochigi)	1,884kW	June 2015
Shirakawa Solar Power Generation Plant (Tanagura Town, Shirakawa District, Fukushima)	2,034kW	November 2015
Higashihiroshima Solar Power Plant (Higashi-Hiroshima City, Hiroshima)	1,086kW	December 2015

Raising Awareness About the Issue of Climate Change

SMARK Isesaki, Kishiwada CanCan Bayside Mall, ABIKO Shopping Plaza and MALera Gifu held Global Environment Festivals for Parents and Children (sponsored by the New Energy Foundation) to bring awareness to the issue of climate change as four commercial complexes operating in prime locations.

Many people participated in events where parents and children alike had fun while learning about the environment from a three-screen multicast video stage, craft and power generation workshops, introductions to corporate initiatives, a quiz rally and more.



Quiz Rally at SMARK Isesaki

Development of Real Estate Resistant to Wind and Flood Damage

In recent years, large-scale wind and flood damage occurs more often due to factors such as climate change. The Tokyo Tatemono Group assumes various disasters will strike such as typhoons, floods and earthquakes in the development of buildings and condominiums and adopts designs and equipment as measures against those disasters.

We are conducting the initiatives below at the Tokyo Tatemono Nihonbashi Building completed in February 2015.

- Adoption of seismic isolation structure (B1 column base seismic isolation)
- Installation of emergency power generators that can operate for up to 72 hours

- Installation of tide prevention plates above potential flooding as a measure against flooding in sudden rain and collapse of the Arakawa embankment
- Setup of a disaster prevention center on the second floor as a core function of buildings
- Installation of transformers and emergency power generators on building roofs (provides an uninterrupted power supply to allow ongoing operations even in the event flooding in the building)

→ Safety & Security Initiatives/Disaster Prevention Support
P.34

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Biodiversity

Policy, Concept, and System

Real estate development is closely related to regional ecosystem services and requires the consideration of the direct and indirect impact the businesses have on the surrounding ecosystem.

Tokyo Tatemono Group has formulated the Group Environmental Policy to contribute in building a sustainable society through business activities that consider the environment. We have raised **creation of a pleasant city and living with greenery** as one part of our Group Environmental Policy for biodiversity and 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.

Therefore, when creating green spaces at properties developed by Tokyo Tatemono Group, we consider the

distribution of vegetation and other life native to the region and select the appropriate plant species.

These initiatives use third-party certification systems such as SEGES and ABINC and are highly evaluated from a fair, third-party perspective.

● Examples of Third-party Certification for Biodiversity



SEGES Building Green/Urban Oasis/ABINC Certification

→ Policy and System for Environmental Initiatives **P.13**

Creating New Greenery in Cities

Artificial greenery is required more than preserving natural greenery when designing a certain scale of greenery in office districts that generally have little greenery. The area surrounding Tokyo Station is an office district that bustles with gigantic buildings, but the imperial palace and ocean are close by with many birds and insects migrating to live. Approximately 3,600 m² of Otemachi Forest was created in Otemachi Tower, which makes up roughly one-third of the entire property. We reproduced a richly diverse forest in Otemachi by gathering natural trees from mountains in the Kanto region based on the concept of a real forest. We also created the Kyobashi Hill as approximately 3,000 m² greenery dynamically linked from the first floor basement to the fifth floor of Tokyo Square Garden.

The greenery at Otemachi Tower and Tokyo Square Garden has been recognized by the Social and Environmental Green Evaluation System (SEGES) third party certification entity that evaluates greenery as space visitors can relax.



Otemachi Forest of Otemachi Tower

Preservation of Original Landscapes in Regions

The preservation of green spaces native to regions is desirable from the perspective of conserving biodiversity. This is able to preserve species of microorganism and plants living in the soil and topography is thought to also have a relationship with conserving the surrounding environment. Brillia Towers Meguro completed in November 2017 realized a new urban block boasting roughly 17,000 square meters in front of Meguro Station. Under the concept to create a forest in front of the station, we devised a square on the premises where roughly 900 trees were planted in addition to building waterways. The property also interconnects with the surrounding environments from Meguro River to the Institute for Nature Study of the National Museum of Nature and Science to contribute to the preservation of biodiversity in the region.



Forest Square of Brillia Towers Meguro

Water Resources

Policy, Concept, and System

As the lack of water worldwide becomes even more severe, developed nations and the rest of the world require ongoing improvements for the efficient use of water.

The Tokyo Tatemono Group has raised **resource-saving activities that are kind to the earth** as one part of the Group Environmental Policy to recognize the importance

of water resources, work at water-saving activities and the reduction of our environmental impact through every opportunity while striving to conserve water resources.

→ Policy and System for Environmental Initiatives [P.13](#)

Indicators and Results

● Collection Period

- April to the following March each year

● Collection Scope

- Facilities required to provide notification under the Act on the Rational Use of Energy

*The floor area of buildings for reporting changes each year

● Collection Targets

- Amount of potable water use/unit load

Tokyo Tatemono has received third-party assurance by Lloyd's Register Quality Assurance Limited (LRQA) to assure integrity of part of its FY2018 environmental and social data. The type and numerical data assured are marked with *. The third-party quality assurance is included in the ESG Data Book.

Item	Unit	2014	2015	2016	2017	2018	2019 target
Amount of Potable water Use	Thousand m ³	486	569	579	584*	654*	—
Unit Load	m ³ /m ²	1.0	0.9	0.9	0.9	1.0	0.9
Area of Scope	Thousand m ²	508	629	611	645	683	—

Water Resource Initiatives in the Office Buildings Business

In the office buildings owned and operated by Tokyo Tatemono, we have formulated a medium- to long-term repair and investment plan in 20-year increments. We promote systematic renovation construction as well as strive to introduce equipment that contributes to a reduction in the environmental impact during that renovation construction.

[2018 Water Resource Initiatives]

- Update to water-saving equipment
- Introduction of automatic flushing devices
- Confirmation of cooling tower reduction and exemption
- Halt of outdoor fountains during rainy weather
- (When developing office buildings) Introduction of equipment to process rain water and greywater inside buildings (re-use for non-drinking purposes)

Pollution Control and Effective Use of Resources

Policy, Concept, and System

The waste and hazardous substances produced through our business activities have the potential to greatly impact related parties and the surrounding environment. The Tokyo Tatemono Group has raised **resource-saving activities that are kind to the earth** as one part of the Group Environmental Policy. We work at resource-saving activities and the reduction of the environmental impact

through every opportunity and strive to prevent pollution and effectively use resources through the reduction and appropriate management of the waste and hazardous chemicals that are produced.

→ Policy and System for Environmental Initiatives **P.13**

Indicators and Results

● Collection Period

- April to the following March each year

● Collection Scope

- Part of office buildings and commercial facilities that are required to provide notification under the Act on the Rational Use of Energy

*The floor area of buildings for reporting changes each year

● Collection Targets

- Total waste emissions and unit load

Tokyo Tatemono has received third-party assurance by Lloyd's Register Quality Assurance Limited (LRQA) to assure integrity of part of its FY2018 environmental and social data. The type and numerical data assured are marked with *. The third-party quality assurance is included in the ESG Data Book.

Item	Unit	2014	2015	2016	2017	2018	2019 target
Total Waste Emissions*	t	3,208	4,685	4,914	5,173*	4,945*	—
Unit Load	t/Thousand m ²	7.4	7.9	8.6	8.6	8.3	8.4
Recyclable waste emissions*	t	—	—	—	3,395	3,202*	—
Area of Scope	Thousand m ²	436	590	571	603	593	—

Waste Reduction and Management Initiatives in the Office Buildings Business

In the office buildings owned and managed by Tokyo Tatemono, we are working to limit the production of waste and promote recycling by strengthening sorting and recycling of garbage. We have also adopted a centralized waste management system that utilizes an electronic manifest in 2018 to properly and accurately control as well as grasp waste emissions.

[2018 Waste Reduction and Management Initiatives]

- Encouragement for the adoption of reuse and recycling products in property management manuals
- Improvement of recycling rate through thorough separation and informational sharing
- Promotion of bottle cap recycling
- Recycling of spent fluorescent tubes and dry cell batteries: 32
- Convening of meetings to promote the separation of garbage for tenants: 4

Measures for Asbestos

Tokyo Tatemono has conducted surveys on the usage status of spraying materials that contain asbestos for all the buildings it owns. In buildings the use of asbestos was

found, we took the proper steps such as the removal and containment and shared information with the tenants.

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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 (CFC, HCFC, etc.), more strictly recover coolants, and thoroughly check for leaks through simplified and regular inspections to limit the release of fluorocarbons into the atmosphere.

Moreover, in renewal of the air-conditioning systems in buildings and in the demolition of buildings, we are properly processing the fluorocarbons of air-conditioning systems that are collected.

Measures Against Volatile Organic Compounds (VOC) in Construction Materials

To maintain the health of tenants and other residents in buildings, Tokyo Tatemono restricts the use of products emitting formaldehydes, which is a substance that is the primary cause of sick building syndrome, in buildings separate to the regulations of the Building Standard Law to

define standards to counter formaldehydes. We measure the concentration of formaldehydes in new buildings in accordance with these standards to verify the safety of the indoor environments.

Proper Processing of Polychlorinated Biphenyl (PCB)

The electronic devices that contain PCBs (transformers, capacitors, and stabilizers) that are no longer used in each building owned by Tokyo Tatemono are collected and managed in a PCB storage room of the designated

building to reduce risks such as loss and leakage accidents. (Electronic devices processed in 2018: 96 drum cans; 10 pail cans)

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

Tokyo Tatemono regularly measures the concentration of Nitrogen Oxide (NOx) and Sulfur Oxide (SOx) as well as other chemicals emitted from equipment producing smoke and soot, such as the cooling and heating systems as well

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

Safety & Security Initiatives

Improving Quality and Customer Satisfaction

Policy and Concept

The Tokyo Tatemono Group believes attention to not only quality from hard aspects such as buildings but also soft aspects such as the services provided to customers in addition to enhancing customer satisfaction are the source of corporate competitiveness.

Therefore, the offices and residences developed by the Tokyo Tatemono Group adopt barrier free and universal

designs for the purpose of realizing usability for a diverse range of customers, including the elderly and persons with disabilities. Moreover, we have introduced various systems that reflect customer feedback into our business activities as well as strive to further enhance quality from the customer perspective and improve the satisfaction of our customers.

Improving Quality and Customer Satisfaction in the Office Buildings Business

Philosophy of Human Building

The Office Buildings Business engages in a wide range of initiatives under the concept of Human Building—People are always in the middle so that the customers who are using our buildings feel safety, security and comfort from not only the hard aspect of quality but also the soft and service aspects.

We instill this concept deeply in the people who work in the Office Buildings Business and have defined the Ideals (Target) and Five Actions (Code of Conduct) valued every day in our work according to the Human Building concept to further drive our efforts.

Improvement Founded in Customer Satisfaction Surveys

In the Office Buildings Business, we are conducting customer satisfaction surveys once every year for the tenants who occupy our office buildings.

We hear from our customers first-hand and are furthering improvements based on the needs of customers from the perspectives of safety, security and comfort. Moreover, by sharing measures for improvements with relevant departments, we are also improving customer satisfaction even further.

● Examples of Measures to Improve Customer Satisfaction

- Distribution of a disaster prevention pocket guide (smartphone/English versions also available)
- Installation of AED and introduction of short courses
- Installation of stockpiling boxes in elevators
- Renovations of common areas such as restrooms and office kitchenettes, etc.

Renovations of a Restroom Leveraging Customer Feedback

[Before renovation]



[After renovation]



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Human Building Competition to Realize the Safety, Security and Comfort of Our Customers

The Tokyo Tatemono Group holds the Human Building Competition annually as an event to facilitate informational sharing and communication in which every company involved with the Office Buildings Business participates. Roughly 500 people participated in the eighth competition held in February 2018.

In this competition, we not only share the corporate policies of the Office Buildings Business but also realize the safety, security and comfort of customers as well as introduce and commemorate many excellent examples that embody the Human Building philosophy of the Tokyo Tatemono Office Buildings Business. By sharing favorable examples and cultivating interaction between Group employees, we expect to realize even greater improvements that connect to the safety, security and comfort of customers.



Human Building competition

Good Job Idea Competition to Strengthen On-site Capabilities

Tokyo Real Estate Management, which conducts building management, has introduced the Good Job Idea Award commendation system since 2015 thanks to an idea suggested internally to heighten customer satisfaction through on-site capabilities.

We are increasing awareness about "kaizen (betterment)" by gathering together many "kaizen activities" conducted at each workplace on a dedicated sheet in addition to enhancing on-site capabilities and improving customer satisfaction by sharing those efforts.

We select and commemorate relevant proposals each quarter on-site, such as at each Group branch, branch

office, and Project Management (PM) business and collected 301 examples in fiscal 2018.

In addition, we are holding a Good Job Idea Competition every November, which selects and announces examples representative of that fiscal year from each site. This competition announces the carefully selected kaizen examples and chooses each winner, including the first prize through a vote. The Good Job Idea Person of the Year Award is also selected to commemorate the person with the largest number of proposals. By sharing kaizen examples through these initiatives, we are heightening awareness about "kaizen" and improving customer satisfaction.

Renewal of Commercial Complexes Incorporating Feedback from Mothers Raising Children

The SMARK Isezaki commercial complex has been renewed to enhance the environmental performance of the facility as it celebrated its tenth anniversary in November 2018. When thinking about the renewal, we launched the [Hapimama PLUS] project to listen to and achieve ideas from the mothers raising children who are the core SMARK customer base. We talked directly with mothers who are raising children to hear their ideas and desires, and then reflected those ideas and desires in the renewal to create a place to spend time comfortably and safely.

● Examples of Ideas Realized Through the [Hapimama PLUS] Project

Food Court

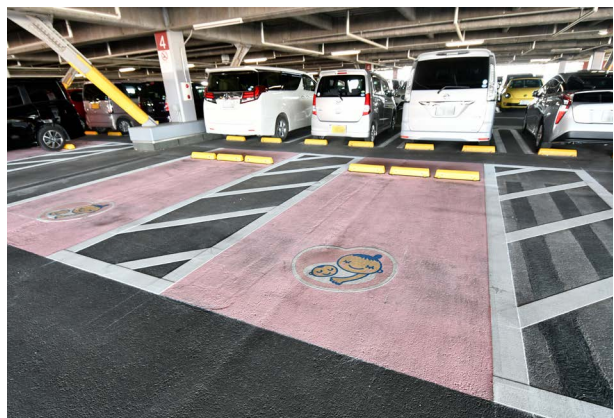
- Booth seating to easily use with strollers
- A space with a raised floor to take off your shoes and relax
- A storage space dedicated to strollers
- Installation of DVD monitors

BABY ROOM

- Installation of garbage cans for each diaper changing station
- Installation of milk preparation stations

Kids Space

- Setup of play areas by age taking into account safety
- Installation of sufficient benches for guardians



Side Parking Spaces for Mothers

Installation of wide parking spaces for children to get in and out of vehicles safely

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Quality and Customer Satisfaction Improvement in the Residence Business

Brillia Concept

The Residence Business is engaged in the residential condominium business that focuses on the Brillia series, which has the brand concepts of refinement and comfort, as well as the residential management business that focuses on the "Brillia ist" rental condominium series, which emphasizes lifestyles suited to the people who pursue their own unique lifestyle. The underlying concept is Tokyo

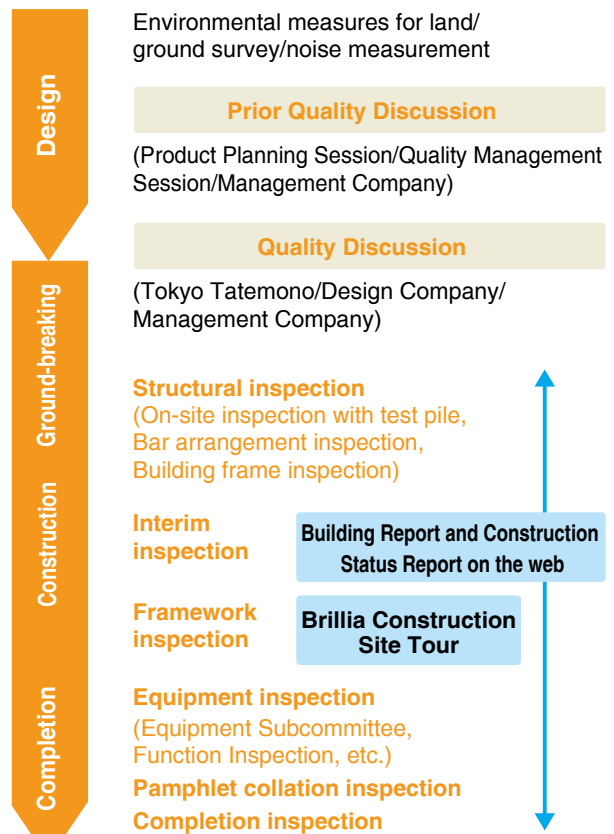
Tatemono Group's unique preference of "Brillia Quality" that constantly aims to achieve and maintain advanced comfort which is difficult to obtain. We have built a unique system to consistently provide various functions that lead to the comfortable life of customers, from planning and development to management, repair, renovation, and brokerage, which is realizing Brillia Quality.

Steadfast in Comprehensive Quality Management

In the Brillia series, we have established design guidelines that realize refinement in addition to strict standards and management systems to offer our customers comfort.

- **Acquisition of the ISO9001 International Quality Standards**
 - **Use of the Housing Performance Indication System**
 - **Quality Checklist with Roughly 1000 Item**
- We have put in place detailed regulations for architecture, construction, and facilities and operate in accordance with this checklist.
- **Quality Discussions to Double-check Quality Until Construction**
- Two quality checks, Prior Quality Discussion and Quality Discussion are conducted before the actual construction. The management and design companies exchange their opinions and work to improve quality.
- **Checks for various inspections (on-site inspections of test piles, building frame inspections, etc.) at each stage**
 - **Reports to Customers (Building Reports)**
- We report the building status to customers who have purchased a property as an initiative related to comfort.

Quality Management until Completion



Brillia Construction Site Tour

In the Brillia series, we implement construction site tours based on the belief that this helps build comfort by providing information to customers. The tour guided by on-site staff explains construction and enables customers to see each stage of construction which cannot be seen after completion. Customers have told us these tours are easy to understand because they provide explanations that use specific examples without technical terminology.



On-site Tour of Framework and Concrete Walls

Brillia Aftercare Support

In the Brillia series, we are providing a variety of services from both hard and soft aspects so that our customers can live comfortably from when they move in through their daily life until they sell under the "comfort after residing" theme.

● Aftercare Support

We are providing unique periodic examinations of residents at the 10, 15, and 20 year marks in addition to periodic repairs every two years. We have also established the industry's top class long-term, five-year aftercare service related to issues with equipment in residential facilities.

For more information about our aftercare services, see: <http://brillia.jp/support/> (Available in Japanese Only)

● Brillia Owner's Dial

The Brillia Owner's Dial is a comprehensive contact window where customers can inquire about residences and life via a single telephone number 24 hours a day, 365 days a year. Operators connect customers to the appropriate contact point based on the content of their inquiry.

For more information about our Brillia Owner's Dial, see: http://brillia.jp/support/owners_dial/ (Available in Japanese Only)

● Value Up Service

This service provides either house cleaning, repairs, collection and disposal, tentative measurements, and the acquisition of certifications for compliance with earthquake resistance standards for free to become the preferred choice of customers. By increasing property value, we support our customers in selling their properties.

For more information about the Value Up Service, see: <http://sumikae.ttfuhan.co.jp/sell/valueup/> (Available in Japanese Only)

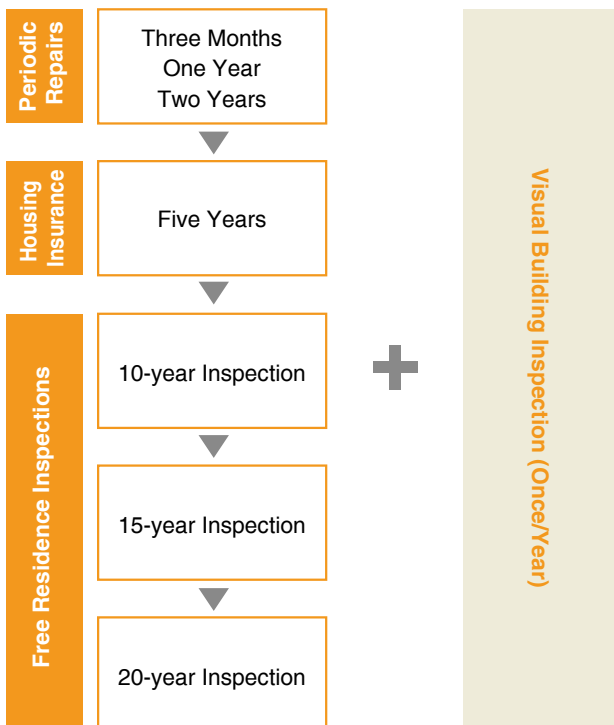
● Brillia-certified Used Condominium Program

In transactions of used Brillia condominiums, a third-party agency inspects the property in advance and issues a certificate to properties that satisfy the specified criteria. Anyone can feel comfort in the sale and purchase thanks to a system to guarantee any problems after delivery for up to five years.

For more information about the Brillia-certified Used Condominium Program, see:

http://sumikae.ttfuhan.co.jp/sell/nintei_chuko/ (Available in Japanese Only)

Aftercare Support



*Free residence inspections and visual building inspections are limited to customers who have outsourced their management operations to Tokyo Tatemono Amenity Support.

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Management Quality of Brillia Condominiums

Property managers and the management company support the daily life of customers who live in condominiums. Tokyo Tatemono Amenity Support, which has been entrusted with the condominium management of the Tokyo Tatemono Group, formulated Brillia Life Support to fully support the life of customers who live in condominiums. Six promises have been made in Brillia Life Support to realize

a refined and peaceful life, which are the brand concepts of Brillia. We will appropriately manage the maintenance of condominiums, work to improve customer services and the response of property managers, properly sustain the value of condominiums, which are a valuable asset of our customers, and support comfortable and peaceful life.

Image of Brillia Life Support

[Six Promises of Brillia Life Support]

Refined Life	Peaceful Life
<p>Living Imagining the Future Sustain and improve the asset value of residences</p> <ul style="list-style-type: none"> • Periodic free residence inspections • Repair construction for comfort conducted by the management company • Creation of long-term repair plans 	<p>Life Visualizing Management Visualization of the actual state of condominium management</p> <ul style="list-style-type: none"> • Visual exterior inspections • Submission of account and operational audit reports • Monthly property manager reports
<p>Astutely Smart Living Provision of services for private areas</p> <ul style="list-style-type: none"> • Housekeeping services • House cleaning • House renovations 	<p>Living Welcoming Each Day Support of property managers and meticulous cleaning</p> <ul style="list-style-type: none"> • Training programs at the Brillia training center (Accredited vocational training school) • Cleaning checks by supervisors
<p>Living Expanding Lifestyles Support of communication events</p> <ul style="list-style-type: none"> • Support of Tanabata festival/Christmas events • Brillia owners' club • Hosting of management association seminars 	<p>Life Providing Comfort Preparations for emergencies, crime prevention and disaster prevention</p> <ul style="list-style-type: none"> • Emergency response service • Support of fire drills • Disaster prevention supplies

Brillia Training Center for Learning and Exchange of Condominium Management

Tokyo Tatemono Amenity Support, which conducts the management of condominiums, has set up the Brillia Training Center to improve the skill and educate managers about the management operations of condominiums. The center, which completely updated equipment and other parts of the facility in January 2016, is retrofitting equipment such as the condominium management office, fire-fighting equipment, plumbing systems and piping in addition to conducting broad specialized training for property managers, janitorial staff, and managers. The center is also holding seminars that play a role in management association operations such as seminars for newly appointed chairpersons and large-scale repair work seminars. Moreover, Tokyo has certified the center as a vocational training school based on the Human Resources Development Promotion Act and nurtures new condominium property managers through high-quality vocational training.



The training utilizes the equipment, tools, and construction materials that are actually used

Level of Brillia Customer Satisfaction

Brillia earned the top ranking for the second consecutive year in the 2018 Oricon Customer Satisfaction Survey on New Metropolitan Condominiums. This survey determined the rankings based on 5,896 answers from people who actually purchased a new condominium within the last 11 years. In terms of the ranking by each item of the survey,

Brillia earned the top ranking in location, structure and design of the condominium, structure and design of the unit, systems in the unit, common facilities, and a reasonable price while earning the second spot in the provision of information, aftercare services and pre-delivery inspections.

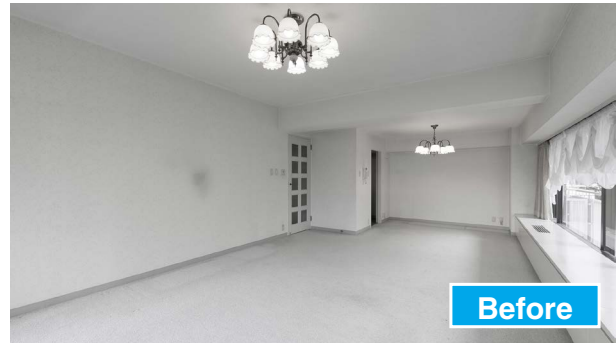
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Brillia Renovations

We provide services in the Brillia brand for reforms, repairs and renovations of the living space tailored to shifts in the lifestyles of our customers. Brillia Renovations is a renovation plan to provide safety and comfort to daily lifestyles by offering original Brillia equipment specifications while living up to quality standards even as households age over time.

Customers are able to choose from two different renovations plans from a clear pricing system. Updating the interior and equipment without changing the layout of the residence can provide a basic renovation to enhance the space and functionality while renewing everything from the piping to the floor plan can provide a skeleton renovation to enhance even the performance hidden throughout the residence.

Brillia Renovations provides the same aftercare service to ensure the same long-term assurances as the standards for new Brillia construction (two-year interior warranty/five-year system warranty) to sustain the Brillia quality and support the peace-of-mind of residence living in the home.



Example Before/After Renovation (Skeleton Renovation) Revised Floor Plan for Spacious Living Space Free of Partition Walls

Brillia Design Award Internal Commendation System

Always improving refinement and comfort, which are brand concepts, is indispensable to continually earn high praise for the Brillia brand.

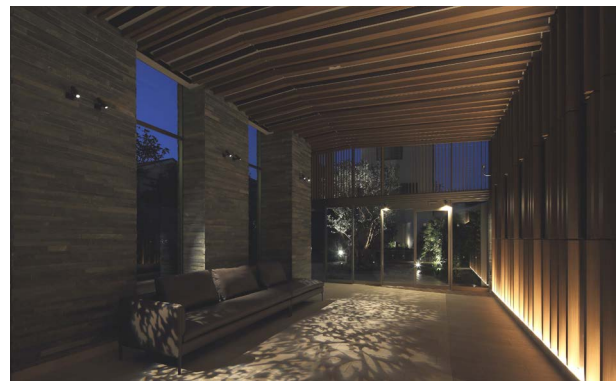
The Residence Business introduced the Brillia Design Award commendation system to facilitate even greater refinement. This commendation system judges the designs every year of condominiums completed each year from January to December and recognizes distinguished properties. In the evaluation, employees of the Tokyo Tatemono Group evaluate condominiums focusing on whether designs are able to realize a high level in six items— (1) overall plan, (2) exterior, (3) approach and entrance, (4) landscape, (5) general common areas, and (6) details.

Through this commendation system, we are sharing excellent examples to facilitate refinement of the Brillia brand in addition to improving the awareness and motivation of employees about design.

At the Brillia Design Award 2018 (properties completed in 2018), Brillia Shinagawa-Togoshi Parks won first prize and Brillia Oyama Park Front won the award for excellence. Brillia Shinagawa Canal Side, which was highly evaluated for the level of refinement in the daily flow of traffic, was awarded a category award as well.



Exterior and Entrance of First Prize Winner Brillia Shinagawa-Togoshi Parks



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Quality and Customer Satisfaction Improvement in the Leisure Business

Regina Resort to Relax Together with Your Beloved Dog

In recent years, pets have come to be seen as a member of the family and the number of accommodations allowing pets is growing. However, this is only a minimum of allowing pets while there are only a few facilities that realize an environment where both people and pets can feel comfortable in the accommodations.

Regina Resort run by Tokyo Tatemono Resort always keeps in mind guests accompanied by their beloved dogs from the planning stage of facilities. This resort hotel is able to accommodate beloved dogs comfortably, from floors resistant to damage and dirt, various amenities, private dog runs for each guest, and insurance systems for indemnification of accidental damage to facilities. As a resort hotel, Regina Resort also brings high-quality and enhanced services in addition to creating new value as a resort where people and beloved dogs can both relax. In 2018, Regina Resort Biwa Lake Nagahama, Regina Resort Kamogawa, and Regina Resort Hakone Sengokuhara newly opened and the total number of resorts became nine in the Kanto Koshinestu area.



Regina Resort Kamogawa is the first Regina Resort to have a dog fitness area. It offers fitness programs such as river pool and tread mill for dogs.

Ofuro no Osama Space Offering Safety, Comfort, and Relaxation

The bath is one simple luxury rooted in Japanese culture, and we believe providing a relaxing space helps build an affluent society.

Ofuro no Osama run by Tokyo Tatemono Resort focuses on heightening community engagement, interaction, and communication as well as aiming to be a health promotion and preventative medicine facility. We are expanding these establishments that combine unique bathing facilities and restaurants to 10 branches in the southern Kanto area. Ofuro no Osama always puts its strength into sanitation management so that we may comfortably accommodate customers. In addition to cleaning, sterilizing and testing the water quality of the baths, we clean the piping three times per year with hydrogen peroxide. We have created a manual for each branch about sanitation management in restaurants and conduct sanitation inspections through specialized external professionals.

Through these types of initiatives, we are striving to provide a space where customers can relax in comfort.



Spacious Open-air Bath (Ofuro no Osama Oimachi shown in the picture)



Water with hydrogen peroxide is cycled to sterilize pipes

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Disaster Prevention Support

Policy and Concept

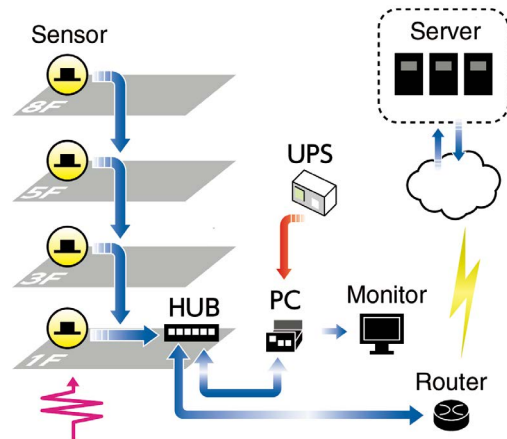
Natural disasters such as large earthquakes and typhoons strike frequently and threaten our way of life. As interest in the safety of the real estate that is the foundation of living grows, the Tokyo Tatemono Group, which provides real

estate services, is furthering resilience against disasters in ordinary times and believes providing safety and comfort to its customers and other stakeholders is an important responsibility.

Introduction of Disaster Damage Determination System to Enhance Disaster Prevention in Buildings

In the Office Buildings Business, we are executing not only hard measures, such as earthquake proofing of the buildings we own as well as enhancement of emergency power sources, but also soft measures, such as the distribution of disaster stockpile goods to tenants and the installation of batteries for recharging mobile phones. We are also strengthening initiatives that include disaster prevention measures and BCP support. When a large earthquake hits, everyone needs to decide quickly whether to seek refuge inside or outside of the building to ensure their safety. Buildings owned by Tokyo Tatemono have adopted systems to determine the deformation (degree of damage) of buildings through multiple sensors, which are able to rapidly confirm the safety of the building after an earthquake strikes. Through the adoption of these systems, we are able to determine the safety and danger when the next large-scale earthquake strikes at a stage during the foreshock, even in foreshock and main shock earthquakes like the ones that hit in the Kumamoto Earthquake.

Image of a System to Determine the Degree of Damage



Multiple sensors automatically calculate the vibrations that are detected to determine the degree of damage. This system collects and stores all of the seismic information that occurs after installation and provides functionality to automatically calculate the cumulative damage of the building structure. Even in an earthquake that strikes with multiple large ongoing foreshocks and earthquakes, the system can determine the level of safety by predicting an earthquake according to the foreshocks.

Self-defense Fire-fighting Training and Life-saving Lectures

The Tokyo Tatemono Group works even in disaster prevention measures from a soft perspective, such as emergency training and lectures, to increase our disaster response capabilities in a disaster. We are holding self-defense fire-fighting training once or twice a year for the purpose of strengthening our independent disaster prevention system. In this training, we conduct practical drills while following the instructions of the fire department, such as the initial response during earthquakes and fires, initial fire-fighting, rescue and firstaid, transport of injured, and evacuation drills. Furthermore, the self-defense fire-fighting squad of Tokyo Tatemono trains on a daily basis and has taken part for many years in the Self-Defense Fire-Fighting Drill Review Board held by the Nihonbashi Fire Department. Our firefighting squad has won at this Review Board the last five years. In addition, 277 employees from Tokyo Tatemono and 526 employees from Tokyo Real Estate Management have completed life-saving lectures such as first-aid (as of December 31, 2018). We have been issued a certificate of

excellence in first-aid from the Tokyo Fire Department to become business establishments encouraging first-aid.



Self-Defense Fire-Fighting Drill Review Board

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Support for Stranded Commuters During Disasters

Transportation functions halt and many commuters may become stranded when a disaster such as a major earthquake strikes. The large-scale office buildings of the Tokyo Tatemono Group have prepared support for tenants who become stranded during their commute in addition to entering into agreements with local municipalities and advancing system architecture and resource stockpiles that expect to house commuters stranded around the area. Tokyo Square Garden participates in the Council to Support Stranded Commuters in Chuo Ward. We have prepared a

manual by assuming people to support stranded commuters will volunteer from the stranded commuters who are taken in to help in the operation of the support facility because staff will be lacking when people are taken in due to the standard number of building managers. Otemachi Tower is engaged in measures such as resource stockpiles that assume stranded commuters will be taken into the large, spacious plaza that connects to Otemachi Station for each subway line.

Disaster Prevention Measures at Brillia

In accordance with the Brillia Disaster Prevention Guidelines in the Residence Business, disaster prevention manuals unique to each property are created, disaster prevention seminars are held, and evacuation drills as well as life-saving lectures are given to management staff. As measures for earthquake resistance and disaster mitigation during disaster, wall bases for preventing furniture from falling and earthquake resistant front doors as well as footlights during blackouts are used for occupied areas, and AEDs are available as standard equipment for communal areas to ensure safety in multiple ways. In addition, we are equipping each residence with Brillia original chair-type disaster prevention backpacks that contain items that play a role at those critical moments, such as a multi-function radio and portable toilet. We have also made available a warehouse to store disaster goods and stockpile items, such as manhole toilets, water purifying plants, and power generators, in common areas as refugee assistance measures so that residents in the community help each other in times of emergencies.

The guidelines received the Good Design Award in the Service Design Category in 2011 for its daily awareness raising about disaster prevention and improving awareness between residents being highly evaluated.



Disaster Prevention Training at Brillia Bunkyo Edogawabashi

Concluding an Agreement to Provide Facilities at Ofuro no Osama in the Event of an Emergency

Ofuro no Osama bathing facilities cultivated by Tokyo Tatemono Resort aims to be a soothing place that must exist while rooted first and foremost in the community. As a means to this end, Ofuro no Osama has concluded an agreement on use of the bathing facilities in the event of an emergency with Ayase City and Ebina City. In the event a large earthquake or disaster strikes, this agreement provides the Ebina, Kozashibuya Ekimae and Seya branches that neighbor Ayase City and Ebina City as bathing facilities to anyone afflicted by the disaster.



Ayase Mayor Masayoshi Koshio (Left)
Representative Director and Chief Executive Officer (at the time)
Shuichiro Koshimizu (Right)

Responding to Social Change

Responding to an Aging Society

Policy and Concept

The birthrate is declining and the ratio of elderly people has been growing in recent years in Japan. It is expected that more than 30% of the total population will be over 65 years of age in 2025. Amid this situation, enhancing ideal final housing or nursing care and medical services are important social issues.

Tokyo Tatemono Group places the Senior Business as the third pillar of business next to the Office Buildings Business

and Residence Business. With Tokyo Tatemono Senior Life Support at the core, we aim to offer a rich life through the integration of housing and services by providing housing services and nursing care for the elderly.

We also take care in building favorable relationships with residents living in the neighborhood from the planning stage and we strive to build an environment that people are able to live for a lifetime as a member of the local community.

Indicators and Results

Index	Up to 2014	2015	2016	2017	2018	Total
Number of newly equipped residences operated for elderly occupants (residence for elderly people with service and nursing care facilities)	647 units	199 units	158 units	482 units	0 units	1,486 units

Index	Up to 2014	2015	2016	2017	2018
Total number of equipped residences operated for elderly occupants (residence for elderly people with service and nursing care facilities)	647 units	846 units	1,004 units	1,486 units	1,486 units

Building Environments for Living a Unique Life Through Housing and Services

To expand the Residence Business for the elderly, the Tokyo Tatemono Group established Tokyo Tatemono Senior Life Support that develops and runs residences for elderly people with nursing care services in July 2014. The company runs 15 residences for elderly people with services* as of the end of 2018.

In the Grapes series of residences for elderly people with services that is growing under Tokyo Tatemono Senior Life Support, we are pursuing an environment where elderly people can live unique lives by providing housing performance and services to realize a lifestyle centered upon people.

*Residences for elderly people with services are rental homes where people who require nursing care can live freely while using the nursing care services rather than paying an expensive admission fee. These residences are regulated by the Act on Securement of Stable Supply of Elderly Persons' Housing. 238,000 units are available as of December 31, 2018, and the supply continues to grow.

● High-quality Living Unique to a Developer

The Grapes series also realizes the high-quality cultivated in the Brillia brand new condominium residence business in addition to offering a barrier-free environment. In addition to

the one room units common to elderly residences, various room types up to a 2LDK are available depending on the property to provide a unique life suitable for each resident. Furthermore, the living environment has been built for the ease of use by elderly people, such as the height settings for switches and other equipment and the adoption of easy-to-clean materials and dimensions.



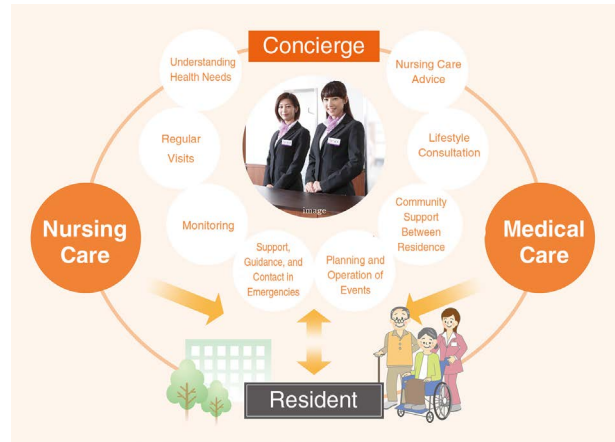
Suitable for Life in a Wheelchair

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● **Soft Services Based on Concierge Services**

A concierge is always present throughout the day to work with in-home long-term care support services and medical institutions as well as provide optimal support tailored to each resident. Even if the level of nursing care required grows, we are able to provide services at the same level as a private retirement home.

In addition to the accessibility of living thanks to no expensive admission fee, residents can live comfortably in this residence as their final home thanks to a lifetime building lease that does not require the lease contract to be renewed.



Strengthening Nursing Care Functions

In June 2018, we established Tokyo Tatemono Staffing Co., Ltd. by integrating four Tokyo Tatemono Group companies—Care Like, Frontier, Frontier Western Japan, and Medical Link—that dispatch and introduce human resources primarily to care giving and nursing care facilities.

The corporate merger reinforced the human resource hiring functions by enhancing the efficiency of advertising efforts while raising awareness in addition to strengthening stable human resource dispatching and professional introductions through optimized matching to respond the the insufficient workforce that continues to decline in the nursing care field.

Expansion of the Nursing Care Facility Business

There are some elderly people who prefer nursing care facilities based on things such as state of their health. Seiaien Co., Ltd. had been operating nursing care facilities until its merger with Tokyo Tatemono Senior Life Support in

July 2018. The nursing care facility business has grown to four facilities as of the end of 2018.

TOPICS

Proposing Sports for Seniors to Enjoy

Boccia is a sport in which players compete by trying to get a soft ball as close as possible to a target. This competitive event was devised for persons with grave disabilities that make vigorous movement difficult, such as cerebral palsy or impaired movement of extremities. However, Boccia is becoming popular recently with young and old alike as a sport anyone can enjoy because it does not rely on physical prowess due to the lack of vigorous movement.

Grapes Tateishi has introduced Boccia as a recreational activity in its day services to take advantage of these features of the sport. The rules have even been arranged to provide a more welcoming experience with competitions verses other day service members or day service members versus the staff. Many people were unfamiliar with the sport of Boccia, but everyone was able to have fun thanks to the lack of vigorous movement and simple rules whether a person in a wheelchair or someone suffering from dementia. New challenges provide stimulation. We saw people who are generally pretty quiet open up and communicate while playing Boccia. The balls used in Boccia are also easy for people lacking grip strength to hold, which makes them perfect for various other recreational activities in the day service.



Day Service Members Enjoying Boccia

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Facility List

Residences for elderly people with service		Nursing care facilities
Owned properties	Management properties	
<ul style="list-style-type: none"> • Grapes Asakusa • Grapes Fujimino • Grapes With Omori-nishi • Grapes Felicity Totsuka • Grapes Kawasaki Shinmachi • Grape Season Totsuka • Grapes Tsujido Nishi-Kaigan • Grapes Tateishi • Grapes Yoga • Grapes Shonan Tsujido • Grapes Setagaya Chitosedai 	<ul style="list-style-type: none"> • Kosha Heim Chitose Karasuyama • Grapes Garden Nishi-arai Daishi • Grapes J Higashi Ikebukuro • Kosha Heim Hirao 	<ul style="list-style-type: none"> • Adonis Plaza Omiya • Sans Souci Kita-Urawa • Sans Souci Owada • Grapes With Yotsuya

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Support for the Empowerment of Women

Policy and Concept

As the empowerment of women progresses and the ideal lifestyle and happiness of women diversifies, support for the changes to the diverse ways of life in both residences and offices is necessary.

The Tokyo Tatemono Group incorporates the point-of-view of women in the development of housing and believes in

supporting the empowerment of women by supporting their lifestyle through housing development.

In addition, we understand their challenges through questionnaires for female employees and incorporate solutions in facility plans for buildings with the aim of a comfortable work-friendly office for women.

Indicators and Results

Index	Up to 2014	2015	2016	2017	2018	Total
Number of new properties participating in Bloomoi	5 properties	2 properties	4 properties	2 properties	9 properties*	22 properties

*Including renovation properties

Index	Up to 2014	2015	2016	2017	2018
Cumulative number of properties participating in Bloomoi	5 properties	7 properties	11 properties	13 properties	22 properties*

*Including renovation properties

Project Bloomoi: Thinking About Housing that Brings More Happiness to Working Women

Tokyo Tatemono has carefully researched the insights of working women and has been advancing the Brillia Bloomoi Project since 2012 to consider and promote the realization of housing that responds to the diversified needs. We hope to broadly support not only working women but include women who are engaging in household affairs, childcare, nursing care, community contribution, and learning at schools in this project.

The members of this project mostly made up of female employees of our company value sympathy, dialogue, and co-creation and believe in lifestyles in which working women can live unique lives with more happiness. Bloomoi, a word coined by combining bloom and moi (me), incorporates the meaning of seeing the many smiles and talent of working women fully bloom with grace.

In this project, we not only conduct product development in the floor plans of the condominiums and the housing facilities but also expand it from the soft perspective, including management and aftercare services, to continually bring out products that take advantage of the Bloomoi idea.

● Searching for Co-creation Needs

Working women in fact have a wide range of life styles. Bloomoi builds new business schemes of building through the co-creation process. We examine the insights of working women through efforts such as events, dialogue, and Facebook and bring those insights into product planning.

The floor plans and facilities designed based on the survey results and feedback we receive will brush up planning after an exchange of ideas with working women.

Official website:

<https://www.brillia.com/bloomoi/>

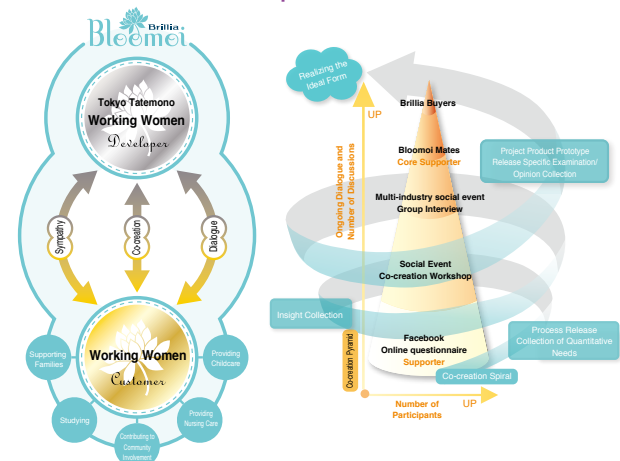
Official Facebook page:

<https://www.facebook.com/BrilliaBloomoi/>

Official Instagram page:

https://www.instagram.com/brillia_bloomoi/

Bloomoi Co-creation Concept Bloomoi Co-creation Process



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● **Adoption of Multiple Bloomoi Project Products at Brillia Oyama Park Front**

Brillia Oyama Park Front completed in October 2018 is located in a convenient location within a 2 km distance from the city center of Ikebukuro on the Fukutoshin line that is progressing with the re-development project, and many of the residents are working women. This property has adopted facilities developed in the Bloomoi project in each location so that working women will live with more happiness.

In addition to Bloomoi Pocket and Bloomoi Library, we have equipped the interior of the model room with an L-shaped sofa and wall storage. Moreover, select kitchens and washstands chosen to match lifestyles with a track-record of use in many other Brillia buildings have also been adopted.



Bloomoi Library

A workspace to conduct small tasks when there is extra time such as breaks during cooking has been installed next to the kitchen. This can become a sleek space by closing the door when visitors show up suddenly. (Left: When open/Right: When closed)

TOPICS

Work Opinion Poll Through the Bloomoi Project

The Bloomoi Project conducted a Work Opinion Poll for 400 men and women between their 20s and 50s in an effort to support work-style innovation through the living space.

What comes to mind when you hear work-style innovation? More than 60% of all the respondents answered "reforms to long working hours" (61.0%). People have the strong impression that work-style innovation is limited to reforms in the workplace and are unaware of changing work styles such as telework and telecommuting where someone can work from anywhere.

On the other hand, we discovered women were more aware than men about telework options, such as 48.0% of women in their 20s responding that they would like to telecommute if possible. Moreover, we found the demand for a work-friendly environment in the living space with many people responding that a network and other infrastructure (54.6%) as well as an environment for concentration (53.8%) were vital in accommodating telework at home.

We reflected the results of this survey during the planning for Brillia Tsurumaki and equipped the condominiums with wireless LAN as a standard option in addition to arranging a Bloomoi Library central to the living space to fully support work-style innovation. This plan created an environment conducive to concentration with sliding doors while providing a view of the living space through glass. We also provided a sleek, smooth flow to and from bathrooms and kitchens.



Brillia Tsurumaki Bloomoi Library

Responding to the Increase of Children on Waiting Lists

Policy and Concept

In recent years, an issue of children on waiting lists for nursery schools is worsening due to the lack of childcare facilities caused by a concentrated population and an increasing number of double-income households in urban areas. Many problems manifest as social issues due to the

lack of nursery schools, such as a delay of women returning to work because childcare is not available for their children. Tokyo Tatemono Group is working to expand the childcare business and to establish a childcare environment for households raising children and for the children of our future.

Indicators and Results

Index	2017	2018	2019	Total
Number of People Accommodated by Childcare Facilities (Capacity Base/Capacity with New Facilities)	50 people	259 people	185 people	494 people
Number of New Childcare Facilities Opening	3 facilities	5 facilities	4 facilities*	11 facilities

*Ohayo Child Care Kameido Tokyo-certified Nursery School closed at the end of 2018 to reopen in April 2019 as an authorized nursery of Tokyo. (Capacity 20 to 45)

Index	2017	2018	2019
Total Number of People Accommodated by Childcare Facilities (Capacity Base/Capacity with New Facilities)	50 people	309 people	494 people
Total Number of New Childcare Facilities Opening	3 facilities	8 facilities	11 facilities*

*Ohayo Child Care Kameido Tokyo-certified Nursery School closed at the end of 2018 to reopen in April 2019 as an authorized nursery of Tokyo. (Capacity 20 to 45)

Expansion of Ohayo Child Care Kameido

We established Tokyo Tatemono Kids in August 2017 with the cooperation of the Global Kids Company Corp, which is expanding as a nursery business.

Tokyo Tatemono Kids opened eight nursery schools over two years between 2017 and 2018 with four new nursery schools opening in April 2019 (*one of these four nursery schools transitioned from a certified to an authorized nursery school).

Based on the childcare philosophy to nurture abilities to live fully, we prepare an environment where children think for themselves and independently work at things.



Kindergarten Building Children Spend Time Comfortably with Facilities and Specifications that Set Safety as the Top Priority

Ohayo Child Care run by Tokyo Tatemono Kids

Tokyo Metropolitan Area

- Ohayo Child Care Kameido Tokyo-authorized Nursery School
- Ohayo Child Care Minami-Sunamachi Tokyo-authorized Nursery School
- Ohayo Child Care Omorimachi Tokyo-authorized Nursery School
- Ohayo Child Care Shiinamachi Tokyo-authorized Nursery School
- Ohayo Child Care Nishi-Sugamo Tokyo-authorized Nursery School
- Ohayo Child Care Kiyosumi Shirakawa Tokyo-authorized Nursery School
- Ohayo Child Care Oyamanishicho Small-scale Nursery School Certified by Itabashi (Type A)
- Ohayo Child Care Machinoma Omori Tokyo-authorized Nursery School

Yokohama City

- Ohayo Child Care Yokohama Negishi Yokohama City Small-scale Nursery School
- Ohayo Child Care Mitsuzawa Shimocho Corporate-lead Nursery School
- Ohayo Child Care Hanasakicho Yokohama City-authorized Nursery School

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Revitalization of Aging Condominiums

Policy and Concept

Condominiums built all over Japan that supported the rapid growth after World War II have aged and are in need of reconstruction. In addition to aging of the building, residents of condominiums which were full of childrearing families are also aging and declining in number. Solitary death has been raised as a social issue and revitalization of a community that brings the residents together is necessary.

Tokyo Tatemono Group places long-term reconstruction and focus on the re-development business as an important strategy of the Residence Business in the mid-term management plan. We will contribute to revitalizing the local community by renewing the existing stock of condominiums and buildings as well as creating new values that match the coming generation at the same time.

Indicators and Results

Index	Up to 2014	2015	2016	2017	2018	Projects in development
Before rebuilding Cumulative total number of units	664 units	794 units	874 units	874 units	874 units	5,528 units
After rebuilding Cumulative total number of units	1,298 units	1,503 units	1,617 units	1,617 units	1,617 units	10,242 units (tentative)

Brillia Koganei Sakuracho Condominium Revitalization



This is the full view of Koganei Sakuracho. The building layout has been changed with the aim of bringing the feel of light, greenery and the breeze to the L-shape of the south and east wings.

Points of the Brillia Koganei Sakuracho Condominium Revitalization

- (1) Comprehensive comparison to examine large-scale repairs versus reconstruction
- (2) Dramatic improvement in residential performance through reconstruction
- (3) Planting and provision of parks to achieve both a richly green environment and crime prevention

Brillia Koganei Sakuracho completed in May 2016 was born rebuilding a Koganei apartment building located in the richly green area of Musashino.

The building had already passed more than the roughly 50-year mark upon the initial inspection for the revitalization of the condominium. The residents were getting older and the deterioration of the building was progressing. The decision to rebuild was made in 2013 by comprehensively comparing the functional improvements via large-scale repairs and reconstruction because the building had issues from the aspects of functionality and crime prevention, such as the lack of elevators and auto-locks.

Property Data

Project overview	(Before rebuilding) Koganei apartment building	(After rebuilding) Brillia Koganei Sakuramachi.
Address	2-chome, Sakura-cho, Koganei, Tokyo	
Construction period	Completed 1964/1965	Completed 2016
Site area	5,356.35 m ²	5,219.46 m ²
Standard building-to-land ratio	No change	
Allowable volume rate	No change	
Floor space	4,914.57 m ²	9,081.48 m ²
Number of buildings	Total 3 buildings/4 floors	Total 1 building/8 floors
Number of units	80 units	114 units (61 subdivided units)
Unit floor space	54.24 to 54.44 m ²	46.75 to 84.96 m ²
Floor plan	2DK/3DK	1DK to 4LDK

Thereafter, we directly confronted challenges, such as the review of business plans through skyrocketing building costs, and held ongoing talks with all of the residents. Approval of the exchange of equivalent rights* plan was granted in 2014 and the project was completed without any problems.

Mobility became easy with the installation of elevators after largely improving the residential functionality through rebuilding. The condominium also offered easier living for children and the elderly, such as heightened crime prevention performance by changing the layout of the residential buildings.

*Exchange of equivalent rights: Exchange of sectional rights and site usage rights to rights in the new condominium and issuance of monetary payments. A consensus between residents is necessary because the appraised value between the old building differs from the new. The exchange of rights plan needs approval by the mayor of the local government.

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Initiatives in Brillia Tama New Town Condominium Redevelopment



This is the full view of Brillia Tama New Town. The redevelopment preserves existing green spaces while realizing the largest reconstruction project in Japan.

Points of the Brillia Tama New Town Condominium Redevelopment

- (1) Largest condominium reconstruction project in Japan (640 units to 1,249 units)
- (2) Revitalization of the community by changing the resident structure
- (3) Preservation of the living environment by preserving green spaces

Brillia Tama New Town, completed in October 2013, is a community that was brought new life after a history of approximately 40 years as Tama New Town Suwa 2-chome Housing through the reconstruction business. We have worked on the project for six years in cooperation with right holders and related parties since 2007. As a result, we realized a total of 1,249 housing units in 7 buildings while preserving green spaces and securing public open spaces. As the deterioration of the aging condominium worsens, the reconstruction project for Brillia Tama New Town has evoked interest in the social significance of revitalizing the historic

Property Data

Project overview	(Before rebuilding) 2-chome, Suwa condominium	(After rebuilding) Brillia Tama New Town
Address	2-2 and 4-2 (Street Number) Chome Suwa, Tama, Tokyo	
Construction period	Completed 1971	Completed 2013
Site area	64,399.93 m ²	
Standard building-to-land ratio	10%	60%
Allowable volume rate	50%	200% (150% based on district plan)
Floor space	34,037.13 m ²	124,904.05 m ²
Number of buildings	Total 23 building/ 5 floors	Total 7 building/ 11 and 14 floors
Number of units	640 units	1,249 units (684 subdivided units), Associated facilities 3 subdivisions
Unit floor space	48.85 m ²	43.17 to 101.44 m ²
Floor plan of all units	3DK	2DK to 4LDK

Tama New Town and has garnered great attention. This has not only been inspected by customer but also management associations of properties thinking about rebuilding as well as local governments.

The ratio of age composition before the reconstruction was weighted towards elderly but age composition became slightly younger as about 70% of those that newly purchased housing units were between the age groups of 20s to 40s. Today, events are continually planned such as summer festivals to further nurture a community with the participation of a number of people regardless of whether a new or previous resident.

Brillia Tama New Town introductory website:
<https://www.b-tamant.com>

TOPICS

Condominiums and Housing Complexes in the Works

The rebuilding project underway with the Itohpia Hamarikyuu management association in the Minato Ward of Tokyo was approved in October 2018. The property had aged in the 39 years since it was completed, and we found areas unfit for earthquake performance. Rebuilding a property that faces an arterial road is also clearly a social responsibility to ensure an emergency transportation route if a disaster strikes.

(Tentative) Kita-Aoyama 3-chome District Redevelopment Private Venture Project currently in development on the former Toei Aoyama Kitamachi Apartment grounds in Kita-Aoyama, Minato Ward, Tokyo began construction in March 2018 (joint venture). This project has taken the form of a mixed land area in the heart of the district by developing the lots created privately in stages through rebuilding of the decrepit Aoyama Kitamachi Apartments. We earned an approximately 70-year fixed term lease to the site to establish rental apartments, senior residences that include services, and shops which respond to a wide range of lifestyles. We also will create a roughly 3,500 m² forest area (green space) to revitalize the rich nature essential to Aoyama.



Conceptual drawing of completed (tentative) Kita-Aoyama 3-chome District Redevelopment Private Venture Project

Community Involvement

Co-existing with Communities

Policy and Concept

The Tokyo Tatemono Group believes improving regional value through various community and volunteer activities is not only part of community development but connects to the sustainable growth of our own business. Therefore, we are working to conduct various community

and volunteer activities by gathering participants from inside our Group, such as running events as city clean-up activities and community vitalization, to improve regional value in areas such as Yaesu, Nihonbashi, and Kyobashi where we own and manage real estate.

Yaesu, Nihonbashi, and Kyobashi Development Activity Results

List contributions in community development activities (January to December 2018)

Event name	Content of activity (contribution)	Group companies' employee participants
Sanno Festival	Carrying the portable shrines Sanno Festival, one of the three major festivals of Japan (Jun. 8 to 10)	3 days Total 656 participants
Sakura Festival	Holding rugby and other events (Apr. 6 to 8)	3 days Total 25 participants
Tokyo Station area clean-up team	Cleaning the Tokyo Station area (voluntary activity by Tokyo Tatemono Community Building Promotion Office Feb. 23, Apr. 20, Sep. 28)	3 days Total 531 participants
Chuo-dori clean walk (picking up garbage, re-planting flowers)	Picking up garbage and re-planting flowers beds in the Chuo-dori (Participated as office staff as well. Mar. 22, Jul. 19, Dec. 12)	3 days Total 55 participants
La Folle Journée TOKYO2018	Held area concert at Tokyo Square Garden (May 3 to 4)	2 days Total 8 participants
Tokyo Ekimachi Kirapika Project	Cleaning areas around Tokyo Station (Jul. 19, Nov. 29)	2 days Total 297 participants
Nihonbashi/Kyobashi Festival	Special sponsor, executive committee, organizing rugby team (Oct. 28)	1 day Total 11 participants
Art & Craft Market	Holding event at Tokyo Square Garden (once per month)	12 day Total 24 participants

Introduction of Clean-up Activities

The Tokyo Tatemono Group is regularly conducting cleanup activities by using time such as that before the start of work for urban beatification in multiple areas that include Yaesu where our the Tokyo Tatemono head office is located, Nihonbashi, and Kyobashi. These activities have been praised and received a letter of appreciation from the Nihonbashi Clean Business Cooperative.



Morning Cleaning Activities

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

The Tokyo Tatemono Group actively participates in the Sanno Festival, an important event in the area where the head office of Tokyo Tatemono is located, to pass down the traditional culture. The Sanno Festival is counted as one of the three major festivals in Japan along with the Tenjin Festival in Osaka and the Gion Festival in Kyoto. Many Group employees participate during the marching of 12 portable shrines through the Yaesu, Nihonbashi, and Kyobashi area. The Group employees take part in carrying the portable shrines and boasting the festival with members of local neighborhood association members.

CSR Website Feature: Tokyo Tatemono Urban Development Activities (Published 2017)

<https://www.tatemono.com/csr/special/townplanning.html>



Sanno Festival

Partnering with Non-profit Organizations

Tokyo Tatemono helps take care of flower beds of sidewalks along Chuo-dori as a member of the NPO Hana Kaido. We also work with the Cheering Supporters for the Woods of "Chuo City" to help use the trimmings from the woods in the Chuo Ward at other sites of their activities. We produced planter filler from the trimmings while contributing to the beautification of the city, such as setting up roughly 100 flower beds on sidewalks around construction sites through the NPO Hana Kaido.



Replanting Flower Beds Along Chuo-dori

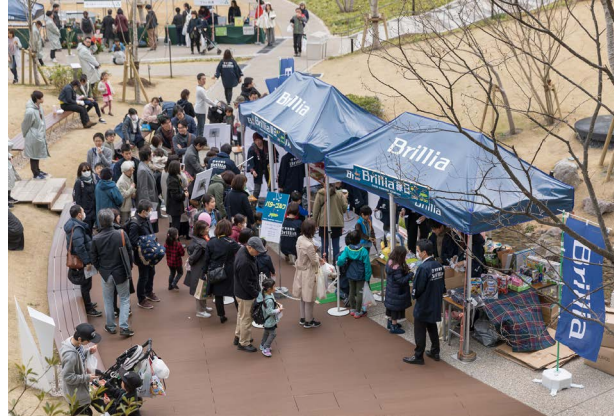
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Bustling Creation in the Region

The Tokyo Tatemono Group holds various events to drive bustling creation as a way to contribute to the growth of the region.

Nakano Central Park uses the approximately 3 ha of richly green open space (open public space, etc.) provided together with the neighboring university and government agencies to hold events, such as flea markets and workshops. This initiative that effectively uses and brings excitement to this open space received the Good Design Award in the Design of Community Development category in 2014.

Tokyo Square Garden has regularly held the Kyobashi Market since August 2018 to sell fresh vegetables and processed foods by using the 1F connecting corridor. Brillia Towers Meguro redevelopment association proposed and held the Meguro Hanabusayama Foresta 2018 as an event to celebrate the new town. The Tokyo Tatemono Group also acted as a founding sponsor and opened a booth.



The Tokyo Tatemono booth at the Meguro Hanabusayama Foresta 2018 offered a ring toss for both adults and children to enjoy.

Developing Communities in Regions People Will Call Home

The on-site model room for Brillia Shinagawa Minamioi that opened in October 2018 set up the Loco-café "oooi" as a community gathering place everyone in the neighborhood may use inside a sales center before construction began on the condominium with the hope of quickly developing a community in the region for everyone who planned to buy one of the units. The café added a contact point with everyone from the local community. We also held other events to encourage interaction with everyone who planned to buy a unit at Brillia Shinagawa Minamioi in addition to renting a gathering space for the local community. These efforts supported the smooth and rapid development of a community for everyone who planned to buy one of these Brillia units by encouraging interaction with the local community.



Inside Loco-café "oooi"

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Cultural and Social Contribution Activities

Policy and Concept

The Tokyo Tatemono Group believes realizing an affluent society through various cultural and social contribution activities helps the sustainable growth of our own businesses. Therefore, we engage in a variety of social contribution

activities, such as cultural and arts activities, educational support, sports promotion, and disaster recovery support. We contribute urban development, community building in addition to building an affluent society as a member of the local community.

Artist Support at THE GALLERY in the Brillia LOUNGE

Tokyo Tatemono is providing support for various cultural activities such as arts and sports. As part of these activities, we operate THE GALLERY as an exhibition space setup in a corner of the Brillia LOUNGE on the first floor of the Tokyo Tatemono Yaesu Building as a place to introduce up-and-coming artists and their artwork. THE GALLERY introduced works from four groups of artists in 2018. In addition, the Brillia ART AWARD 2019 was held to determine the artists to introduce the next year through a public offering. This award not only judges complete artworks but also production plans. Winners are given a production grant of 200,000 yen and the grand prize winner receives 300,000 yen. The works that are created are rotated and displayed every three months throughout 2019.

For more information about THE GALLERY in Brillia LOUNGE and Brillia ART AWARD, see:
<https://brillia.com/brillia/topics/>
<https://www.brillia.com/artaward/index.html>



Works by Artists Introduced in 2018

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Opening Locations to Support Sustainable Urban Development

Tokyo Square Garden owned and managed by Tokyo Tatemono has opened a location to advocate low carbonization of the city called Kyobashi Environmental Station on the sixth floor. The Kyobashi Environmental Station exhibits environmental technologies as well as holds seminars about the environment and urban development. We also opened the City Lab Tokyo as a sustainable city development site as part of the renovations done in December 2018. City Lab Tokyo offers both co-working space and conference room functions while contributing to cultivating a start-up community and business development.

→ Please also see Feature Learn, Connect, Act Community Building through Creating "Spaces" **P.5**

More Information About City Lab Tokyo
 Official website: <https://citylabtokyo.jp/>
 Official Facebook page
<https://ja-jp.facebook.com/citylabtokyo/>



City Lab Tokyo Co-working Space

Supporting Disabled Sports

Tokyo Tatemono has been an official partner of Japan Parasports Association since August 2015 as part of its social contribution activities.

We will actively support para-sports through initiatives to popularize para-sports and take part in realizing the philosophy of para-sport for creating a vibrant coexisting society.

In 2018, we promoted people to watch the events by broadcasting event and competition information inside the Group and reaffirmed the recognition of para-sports in an even greater number of employees by watching and cheering on the competitions.

Moreover, we acquired the naming rights to the Shin-Toyosu Brillia Running Stadium track and field facility that opened in December 2016 and cooperate in operating the facility. The Shin-Toyosu Brillia Running Stadium combines an artificial sports leg development laboratory where people with disabilities can train side-by-side with everyone else.



Interested Employees Gathered to Watch a Competition



Shin-Toyosu Brillia Running Stadium

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Earthquake Reconstruction Support Through Rice Planting

The Tokyo Tatemono Group aims to build an affluent society through reconstruction after the Great East Japan Earthquake and interaction between the city and farming villages, and it supports rice planting activities for the local Teneimai rice from Ten-ei village in Fukushima Prefecture. Hatoriko Highland Regina Forest Co., Ltd. owned by Tokyo Tatemono Group up until 2016 was located on the outskirts of Ten-ei Village, which began support and other activities with roughly 100 employee volunteers participating. Employees and their families experience farming such as the rice-planting in spring, cutting weeds in summer, and the harvest in fall while interacting with the local farmers. The company and these individuals are unified in deepening their understanding of Ten-ei Village and supporting the reconstruction of Fukushima from Ten-ei Village through these activities.



Participants of harvesting rice

Supporting Patients with Incurable Diseases and Their Families

Apartments Tower Kachidoki rental condominiums owned by Tokyo Tatemono has concepts to both support the raising of children and to co-exist with the community. The building provides facilities such as certified childcare, family house, pediatric clinic, and residence for a generation raising children.

The family house, which is operated by the NPO Family House*, is a second home to use as a residence facility for families that travel to urban hospitals from afar to care for their children with intractable diseases such as pediatric cancer.

Tokyo Tatemono is empathetic to this activity and provides a 130 m² house free of charge that is equipped with two Japanese-style rooms and a common room in the Apartments Tower Kachidoki close to the National Cancer Center Hospital and St. Luke's International Hospital.

*A certified non-profit organization (NPO) is an organization that receives tax incentives to encourage donations to the organization. NPOs can only be established through the certification system, but the organization must have a certain activity periods and needs to pass an evaluation by a competent authority.



Common Room for Two Families to Spend Leisure Time

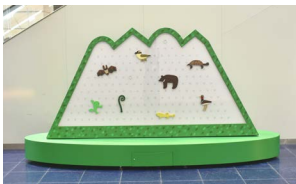
Donations for Damage from the Torrential Rains in Western Japan

Tokyo Tatemono Group has donated five million yen through the Japanese Red Cross to support reconstruction after

the grave damage suffered in the torrential rains that struck primarily western Japan in July 2018.

Fundraising Activities Integrating Art

SMARK Isesaki began a new social contribution activity that takes into consideration contributions to the local region by integrating art in conjunction with the renewal for the 10-year anniversary in 2018. We installed the "coins" Communication Art Collection Box for Jomo-Sanzan (Mt. Akagi, Mt. Haruna, and Mt. Myogi in Gunma Prefecture) created by Artist Jin Hasegawa. We donate the money that is collected to environmental organizations in Gunma Prefecture in conjunction with the commemorative festival held every November.



coins Myogi (Upper Left)
coins Haruna (Upper Right)
coins Akagi (Lower Left)

Utilization of Human Resource Assets

Diversity & Inclusion

Policy and Concept

With the declining birthrate and growing proportion of elderly people as well as a declining workforce, effectively using a workforce that includes women and senior citizens is more important than ever before. In addition, as customer needs diversify, we believe contributing to the provision of services from an even broader point-of-view and greater decision making relates to providing high-quality services.

Tokyo Tatemono upholds the realization of a satisfying working place where employees can feel their growth in the Human Resource Policy, and it is building an environment where diverse human resources can feel motivated while dedicating themselves to their job free from obstacles. Moreover, through the participation of a variety of human resources, we aim to provide services that respond to more sophisticated and diversified customer needs.

System

The Tokyo Tatemono Personnel Division links the departments in charge of administration at each Group Company to promote various measures in the Tokyo

Tatemono Group and supports these measures horizontally across the Group so that diverse human resources can continually grow free from obstacles.

Indicators and Results

Tokyo Tatemono has received third-party assurance by Lloyd's Register Quality Assurance Limited (LRQA) to assure integrity of part of its data. The type and numerical data assured are marked with *.

● **Collection Period:**

- January to December each year. Data is as of December of each year unless stated otherwise.

● **Collection Scope:**

- Tokyo Tatemono Co., Ltd.

Item	Unit	2014	2015	2016	2017	2018
Number of Full-time Employees (total)	People	543	576	584	687	719
Men	People	456	458	461	542	548
Women	People	87	118	123	145	171
Female Full-time Employee Rate	%	16.0	20.5	21.1	21.1	23.8
Female Employee Rate	%	29.1	24.9	25.8	26.6	27.7
Number of Managers	People	274	281	295	339	350
Men	People	269	275	287	328	334
Women	People	5	6	8	11	16
Female Management Rate	%	1.8	2.1	2.7	3.2	4.6
Female Director Rate	%	0	0	0	0	0
New Hires (Total)	People	11	15	14	19	22
Men	People	7	10	10	15	14
Women	People	4	5	4	4	8
New Female Hiring Rate	%	36.4	33.3	28.6	21.1	36.4
Difference in Average Tenure Between Male and Female Employees	Year	—	3.9	2.6	1.9	2.7
Employment Rate of Persons with Disabilities*	%	2.06 (June)	2.06 (June)	1.88 (June)	1.98* (June)	1.87* (June)
Re-employment Rate of Employees at Retirement Age	%	60.0	66.7	75.0	91.7	87.5

Promotion of Women to Take Active Roles

Tokyo Tatemono is working to build a workplace and appoint diverse human resources as a way to fully drive the potential of the individual skills and personalities of women as well as their ambition.

In December 2018, our female employment rate was 28%, which increased seven points from 2015.

We have established various policies as systems for maintaining careers with flexibility to life events when building a women-friendly workplace progress.

● Leave Systems for Pregnancy, Childbirth, Child Rearing and Nursing Care as well as Re-employment Policies for People Who Have Resigned

We have established leave systems both female and male employees may use for pregnancy, childbirth, child rearing and nursing care in addition to re-employment policies for

employees who have resigned from their post for the same reasons.

● Policy to Accompany a Spouse Transferred Overseas

Opportunities for both male and female employees to work overseas are growing as globalization and equal opportunities for employment for both men and women progress. If the spouse of an employee has been transferred overseas and the employee will accompany their spouse to live overseas, Tokyo Tatemono provides a system to approve leave for up to three years to facilitate a full family life of that employee. Employees who have resigned for this reason are also able to take advantage of the re-employment policy for employees who have resigned. This system can be used regardless of whether the employee is a man or a woman.

Expanding the Child Rearing Support Policy

Tokyo Tatemono expanded the child rearing support policy in January 2019 for the purpose of establishing a workplace environment that allows both the growth of the employee and society. This expansion extends the applicable period

of the various systems for child rearing so that employees can take advantage of the policies more easily, such as broadening the work forms that can be chosen under the short-work hour system.

Overview of the Child Rearing Support Policy

- Policy for Both Men and Women
- Policy for Women

*Areas indicated in white are designated by the law or health insurance.

*Red text indicates areas expanded by Tokyo Tatemono this year.

*Some policies designate a certain length of tenure or have other requirements.

During Pregnancy

Policy	Overview
Flextime System	The employee may use the flextime system. Salary: Same wages as the standard flextime system
Carry Over Paid Leave Policy	The employee may use the carry over paid leave policy. Salary: Paid leave
Re-employment Policy for Employees Who Have Resigned Due to Pregnancy, Childbirth, Child Rearing or Nursing Care	The employee may be re-employed by Tokyo Tatemono if they express the desire to work for the company again after resignation.

Before/After Childbirth

Policy	Overview
Carry Over Paid Leave Policy	The employee may use the carry over paid leave policy. Salary: Paid leave
Re-employment Policy for Employees Who Have Resigned Due to Pregnancy, Childbirth, Child Rearing or Nursing Care	The employee may be re-employed by Tokyo Tatemono if they express the desire to work for the company again after resignation.
Leave Before/After Childbirth	The employee may take leave for up to six weeks before childbirth and eight weeks after childbirth. Salary: Paid leave
Child Rearing Leave	The employee may take leave until March 31st plus an additional month after their child has reached the age of three. Salary: Unpaid (compensation is provided by employment insurance)
Child Rearing Leave Benefits	The employee receives an equivalent of 67% of their salary during child rearing leave (50% after six months from when leave begins) Period: Until the child reaches one year of age (Special cases: 1-year and 6-months to 2-years old)
Exemption from health insurance and employee benefit premiums	The employee is exempt from health insurance and employee benefit premiums during child rearing leave. Period: Until the child reaches three years of age

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Policy	Overview
Special Leave for Childbirth	The employee may take one day of special leave. Salary: Paid leave
Congratulatory Money for Childbirth	The employee receives 50,000 yen as congratulatory money for childbirth.
Lump Sum for Childbirth/Child Rearing (Lump Sum for Family Childbirth/Child Rearing)	The employee is paid 420,000 yen as a lump sum for childbirth/child rearing. The employee receives this lump sum for multiple children.
Childbirth Expense Benefits Policy	The employee may borrow a lump sum for childbirth/child rearing at no interest (legal payment).
Income Tax Exemption for Childbirth Expenses	The employee may write off the cost incurred during childbirth as a medical exemption for their income taxes.

During Child Rearing

Policy	Overview
Flextime System	The employee may use the flextime system. Salary: Same wages as the standard flextime system Period: Until the day the child completes third grade [extended]
Carry Over Paid Leave Policy	The employee may use the carry over paid leave policy. Salary: Paid leave
Re-employment Policy for Employees Who Have Resigned Due to Pregnancy, Childbirth, Child Rearing or Nursing Care	The employee may be re-employed by Tokyo Tatemono if they express the desire to work for the company again after resignation.
Short-work Hour System	The employ may work six hours as their normal working hours. Choose between five types of work forms [target expanded] Period: Until the child completes third grade [extended]
Leave Related to Child Rearing	The employee may take leave for one full day or divide the leave by hour. Salary: Unpaid Period: Until the child reaches one year of age
Restrictions on Overtime for Child Rearing	The employ is limited to no more than 24 hours of overtime per month and must not exceed 150 hours of overtime per year. Period: Until the day the child completes third grade [extended]
Restrictions on Late Night Work for Child Rearing	The employee may be restricted from working between 10:00 p.m. to 5:00 a.m. Period: Until the day the child completes third grade [extended]
Exemption from Overtime for Child Rearing	The employ may be exempt from exceeding the fixed overtime. Period: Until March 31st plus an additional month after the child has reached the age of three.
Nursing Care Leave for a Child	The employee may take up to five days leave for their first child or up to ten days for their second child between April 1 to March 31 to care for injured or sick children (leave may be taken in half-day increments). Salary: Unpaid Period: Until the day the child completes third grade [extended]
Pediatric Expense Benefits	The employee receives assistance for expenses incurred for medical care of their child.
Child Allowance	The employee receives a child allowance.
Special Babysitter Discount	The employee receives a special discount on babysitter fees if they use a welfare service.

Promotion of Seniors to Take Active Roles

Tokyo Tatemono has introduced a re-employment policy for employees at retirement age so that employees who have reached the age of 60 can take active roles by leveraging their career up to that point. In addition, the Personnel Division consults with employees who have put off retirement and works so that they can leverage the career they have built up to that point to take an active role in-line with their desire to work based on a life plan for each and every person.

Re-employment Status of Employees at Retirement Age

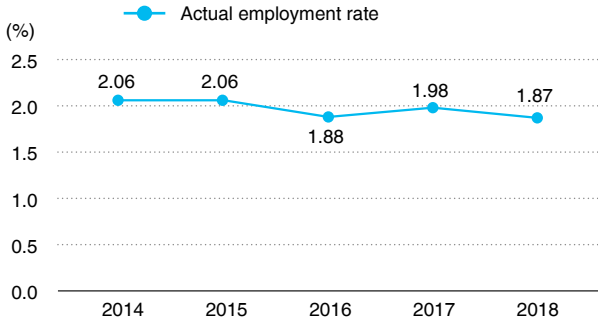
	Employees at retirement age	Re-employment
2018	8	7 87.5%
2017	12	11 91.7%
2016	4	3 75.0%
2015	6	4 66.7%
2014	5	3 60.0%

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Promotion of People with Disabilities to Take Active Roles

Tokyo Tatemono actively strives to employ people with disabilities. We have prepared a system in which people with disabilities will have long-term stable employment, such as assigning them to the most appropriate department, conducting regular consultations with the Personnel Division, and setting working hours considering the level of disability.

Trends in the Employment Rate of People with Disabilities (as of June each year)



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Work-Life Balance

Policy and Concept

Realizing a work-life balance and increasing productivity have become important issues in the sustainable development of employees and companies amidst concerns about issues of long working hours and mental health grow. The Tokyo Tatemono Group is conducting initiatives to sustain and improve the health of executives and employees based on the Group Health Management Declaration.

In terms of overtime, we prevent overwork in accordance with labor agreements such as the 36 Agreement while striving to control overtime.

We also support a better work-life balance through recreational activities outside working hours such as club activities.

Tokyo Tatemono Group Health Management Declaration

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

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

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

I will strengthen environment to achieve this as the chief executive officer in charge of health management, and I vow that we will endeavor in health management unified as a Group.

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

System

We have established Health Committee made up of members from the Personnel Division, industrial physicians, and representatives from each office. The Health Committee generally convenes once a month for the purpose of improving standards of occupational health in

the workplace and encouraging employees to maintain and improve their health.

Moreover, we are working to maintain and improve health throughout the entire Group through exchange between Tokyo Tatemono Group companies.

Indicators and Results

Tokyo Tatemono has received third-party assurance by Lloyd's Register Quality Assurance Limited (LRQA) to assure integrity of part of its data. The type and numerical data assured are marked with *.

● Collection Period:

- April to the following March each year. (Turnover rate is from January to December)

● Collection Scope:

- Tokyo Tatemono Co., Ltd.

Item	Unit	2014	2015	2016	2017	2018
Turnover Rate (Only for Personal Circumstances)*	%	1.7	2.2	1.4	1.4	2.6*
Rate of Health Check-ups* ¹	%	100	100	100	100*	100*
Average Number of Paid Leave Days Taken* ¹ 2020 Target: 30% Increase Compared to 2015 (11.4 days)	Days	8.6	8.8	8.7	8.8*	9.9*
Number of Lost Time Injury* ²	Incidents	1	2	1	0*	1*

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Item	Unit	2014	2015	2016	2017	2018
Total Days Lost Due to Absence*	Days	86	138	47	81*	137*
Employees Unionized Rate	%	100	100	100	100	100

*1 Other leave systems such as summer leave and national holidays are also provided (these days are not included in the above figures)

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

Health Management Initiatives

Tokyo Tatemono is conducting various initiatives based on the Group Health Management Declaration.

● Third-party Evaluation of Health Management

Our sincere efforts toward health were evaluated and received the highest rank in 2014 for distinguished initiatives with the health considerations of employees in the DBJ Health Management Rating run by the Development Bank of Japan.

We were recognized under the Certified Health and Productivity Management Organization Recognition Program (White 500), a program in which the Ministry of Economy, Trade and Industry certifies companies practicing excellent health management, for the third consecutive year since the program was founded in 2017.

Moreover, Tokyo Tatemono and eight group companies have been recognized by the National Federation of Health Insurance Societies (Kenporen) in Tokyo as an outstanding organization under the Health & Productivity Management Outstanding Organizations Recognition Program and were issued Silver certifications as outstanding organizations.



● Health Improvement Initiatives

Tokyo Tatemono aims to have a check-up rate of 100% for periodic health examinations, and is advancing initiatives to raise greater awareness in all employees about health management (100% rate is sustained since 2011). We coordinate with health insurance associations to conduct a wide range of initiatives for improving health management. We also understand the health risk attributes of employees in addition to actively engaging in preventative measures against severe illnesses for non-obese and young people not eligible for special screenings with the purpose of improving health through preventative and early-term treatment. We have also been introducing group dental check-ups since 2017 as part of our efforts in health management.

As daily health measures, we are strengthening support to maintain the health of employees by ensuring that the costs required for voluntary health management such as physical examinations, various cancer screenings, medical treatment, pharmaceuticals, and health management programs are covered in the Welfare Cafeteria Plan*. We had also been subsidizing the cost for influenza vaccines up until recently, but we have strengthened the prevention of mass infection during the influenza season by inviting physicians to the company to provide vaccinations from 2016.

*This plan assigns a set number of points to each employee and they can individually choose a menu of their own within the set number of points. This provides a benefit of being able to put together a menu suitable to individual health needs.

● Mental Health Initiatives

Tokyo Tatemono conducts stress tests through an online service every year for all of its employees to properly and easily grasp the stress levels of each employee. In addition, we are providing mental health counseling via health insurance associations and these counseling services have been made available to employees who have unstable mental health. We started linking to psychiatric advisors in 2016 and have put in place a support system that includes return to work training.

As mental health enlightenment activities, we are conducting training in self-care and employee care overseen by line managers, and newly appointed managers in particular are required to participate in the training for employee care overseen by line managers (100% attendance rate). We invite sports trainers as lecturers for new employees and conduct training all employees participate. We understand the importance of mental health for all of our employees and strive in the early diagnosis and prevention of mental health problems.

CSR Website Feature: Health Management Ensuring Results (Published 2017)

<https://www.tatemono.com/csr/special/healthcare.html>

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Labor and Management Dialogue

Tokyo Tatemono supports the right for freedom of association and collective bargaining. All of our employees except for core management have formed and are members of the Tokyo Tatemono Labor Union (as of January 1, 2019).

The Union and Tokyo Tatemono have concluded a labor agreement and work to solve a diverse range of challenges through a dialogue between labor and management.

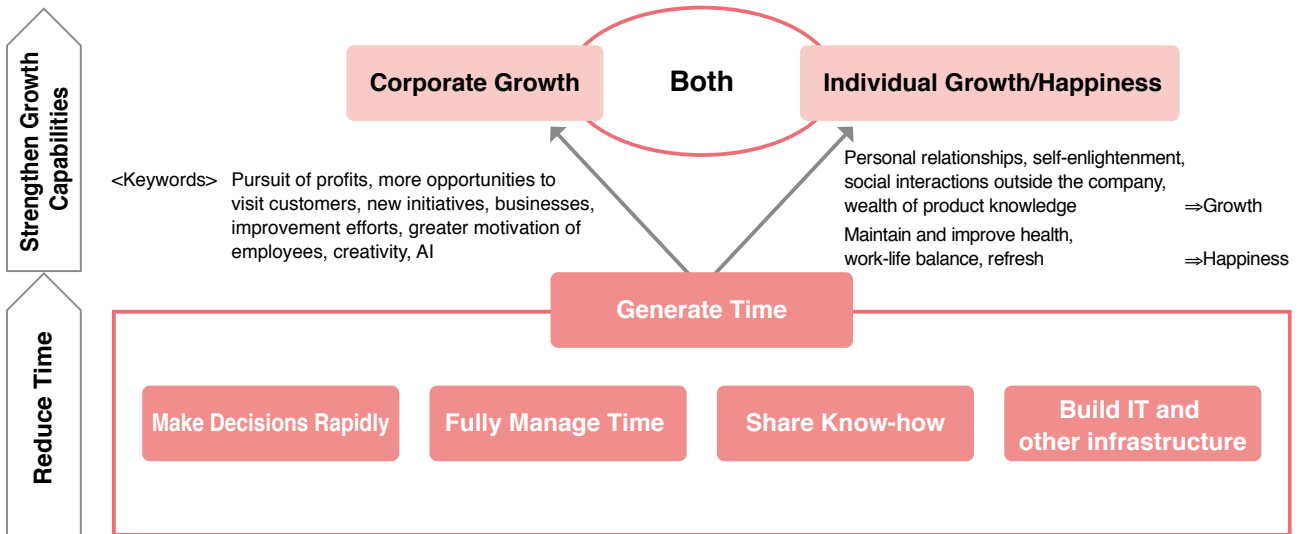
Endeavoring for Work-style Innovation Together as Labor and Management

Tokyo Tatemono established a Work-Style Innovation Labor-Management Review Meeting with the labor union in 2017. This meeting committee structure anticipates the accomplishment of the Group medium-term business plan and growth thereafter and aims to further improve productivity and efficiency in business execution. We know conducting work-style innovation suitable to Tokyo Tatemono is necessary and have setup specific measures for debate between labor and management.

We shared the purpose and goals intended by work-style innovation and engaged in a lively debate between labor and management. Since 2018, we have been conducting telework trials in an effort to further the introduction of specific measures geared toward enhancing productivity.

[Tokyo Tatemono Work-Style Innovation Concepts]
The ideal goal of work-style innovation is to bring about more time, such as more efficiency, to aid in corporate growth as well as individual growth and happiness.

Image of Tokyo Tatemono Work-Style Innovation

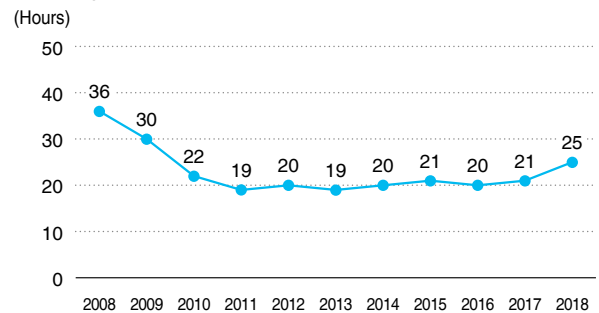


Initiatives to Reduce Overtime

Tokyo Tatemono has continued measures to prevent overtime since 2008 from the perspectives of work-life balance and employee health management. We have adopted a system to shut down computers at the standard end of the working day in 2010 to control late-night working hours and prevent overwork. Furthermore, in departments long-working hours occur, we have implemented a framework to fight back by requiring direct supervisors to report improvement measures. Through this type of PDCA cycle, we are striving to reduce overtime (outside working hours).

Transitioning to Fixed Overtime per Month

*1 The fixed regular working hours per day is 7.5 hours (statutory working hours is 8).



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Occupational Health and Safety

Tokyo Tatemono works to ensure employee safety by advancing a wide range of initiatives for the guarantee of a work-friendly environment as stated in the Compliance Manual. Although we have not acquired the OHSAS18001

or other external certifications related to occupational health and safety, we work to ensure safety by conducting risk assessment and improvement activities.

Support of Club Activities

Tokyo Tatemono put in place approval and subsidy rules for club activities in 2014 and has introduced systems to support the outside activities of employees. Currently, we are subsidizing rental fees of activity venues and participation costs in competitions for the 12 clubs that have been approved. Employees of Group companies are also participating, and we are conducting Group-wide activities that go beyond corporate barriers. Furthermore, each club participates in athletic competitions held by local public organizations and actively communicates with the local community.



The music club performed at Grapes Tateishi and Grapes With Omorinishi senior residences that include services.

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Human Resource Development

Policy and Concept

Tokyo Tatemono actively strives to develop the skills of employees based on the belief that the employees themselves are the foundation of sustainable corporate growth.

We have revised various systems related to human resources in 2012 for the purpose of strengthening workplace building that creates added value and human resource development and innovating organizational culture with not only optimization of individuals and departments but also the entire organization. As part of the innovation, the Human Resource Policy was formulated and used as a foundation to build a human resource development system.

Human Resource Policy

1. Developing ideal human resource
Ideal human resource: person that is trusted and that opens new avenue for the future
2. Realization of a satisfying working place where employees can feel their growth

System (Human Resource Development System)

Tokyo Tatemono has set the first five years after joining the company as a time to focus on developing young employees by implementing a collective training program that includes basic business training (logical thinking, marketing, management strategy, etc.). Furthermore, for the purpose of experiencing and gaining the broader knowledge required for employees of a comprehensive real estate company, they are rotated around to experience about three departments in the ten years after joining the company for new graduate recruits. To strengthen the OJT development cycle in the workplace, training for managers who are the instructors and counseling system for new recruits have been implemented. The operation status of these initiatives is monitored through regular interviews by the Personnel Division. We are providing enhanced programs such as volunteer

type internal training and external dispatch training as well as multi-industry social training for mid- and higher level employees to cultivate a self-learning climate for employees.

Training for managers includes training to enhance daily line management such as training for evaluators and mental health and line care training, in addition to dispatching employees to external training agencies such as business schools to enhance their strategic perspective and management capabilities.

In addition, we have established self-enlightenment programs and support systems to acquire certifications to assist in independent learning through all levels of employment. Furthermore, we support learning English and Chinese and dispatching employees to overseas training considering future global expansion.

2019 Annual Training System (Summary)

	Stratified Training	Global Training	Self Enlightenment External Deployment	Support Systems to Acquire Certifications
Executives	Executive Training			
General Managers	New General Manager Training	Attending Language School	Support for Attending Business or Graduate School	Building Lots and Buildings Transaction Business
Group Leaders	New GL Training	Overseas On-sight Observation	Business School Dispatching to Complete Single Subject Training	The Official Business Skills Test in Bookkeeping
Managers	New Manager Training	Overseas Deployment Training	Cross Industry Training	The Japan Business Law Examination
Assistant Managers	New Assistant Manager Training	Local Subsidiary Internships	Distance Learning	Certified Building Administrator
Senior Employees	Strategic Communication, Presentation, Accounting, Finance, Marketing, Management Strategy, and Third-year Group Training.		Outside Seminars	Real Estate Consulting Induction
New Employee Training	New Employee Training and Basic Practical Real Estate Training Logical Thinking and IT			Association for Real Estate Securitization Master
				Redevelopment Planner
				Real Estate Appraiser
				First-class Architect

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Collective Group Workshops for New Employees for Group Synergy

Tokyo Tatemono Group has positioned providing amazing value through innovative group synergy as one important strategy based on the Medium-term Business Plan to continue to be the leading choice. We are conducting Group workshops for junior employees as one initiative to drive Group synergy. In 2018, we conducted camp-style introductory training (four days and

three nights) right after new graduates joined the company and held a Group athletic meet for the purpose of improving the power of unity after six months of employment. Furthermore, we have prepared various collective training programs for the third year after joining the company to support the building of relationships able to drive Group synergy.

TOPICS

Third-year Collective Group Workshops Together with Group Companies to Drive Group Synergy

In January 2018, 51 third-year employees from five Tokyo Tatemono Group companies (Tokyo Tatemono, Tokyo Tatemono Real Estate Sales, Tokyo Tatemono Amenity Support, Tokyo Real Estate Management and Nihon Parking Corporation) gathered over two days for training to learn how to create a foundation for Group synergy. In this large collective training for new third-year employees, we were able to deepen the understanding of the businesses that are being cultivated at each company and debate topics such as the ideal form of the entire Group and the business environment as individual teams. On the last day of training, each team presented ways to drive Group synergy in addition to new businesses and services to realize in the next five years for an audience which included executives and general managers.



Presentations

Overseas Training for Global Human Resource Development

Tokyo Tatemono conducts overseas training for the purpose of heightening a global mind as business expands more and more globally. Furthermore, as a more practical program in 2018, we deployed interns to our local Chinese subsidiary and we conducted training where these interns were able to

learn local culture and business trends through actual work experience. In the future, we will also support the growth of human resources who have a desire to take on the challenge of creating new value on a global scale regardless of country

Improving Management System

Corporate Governance

Policy and Concept

To enhance the corporate value of Tokyo Tatemono, we strive to build optimal corporate governance while securing soundness and transparency of management and increasing its effectiveness.

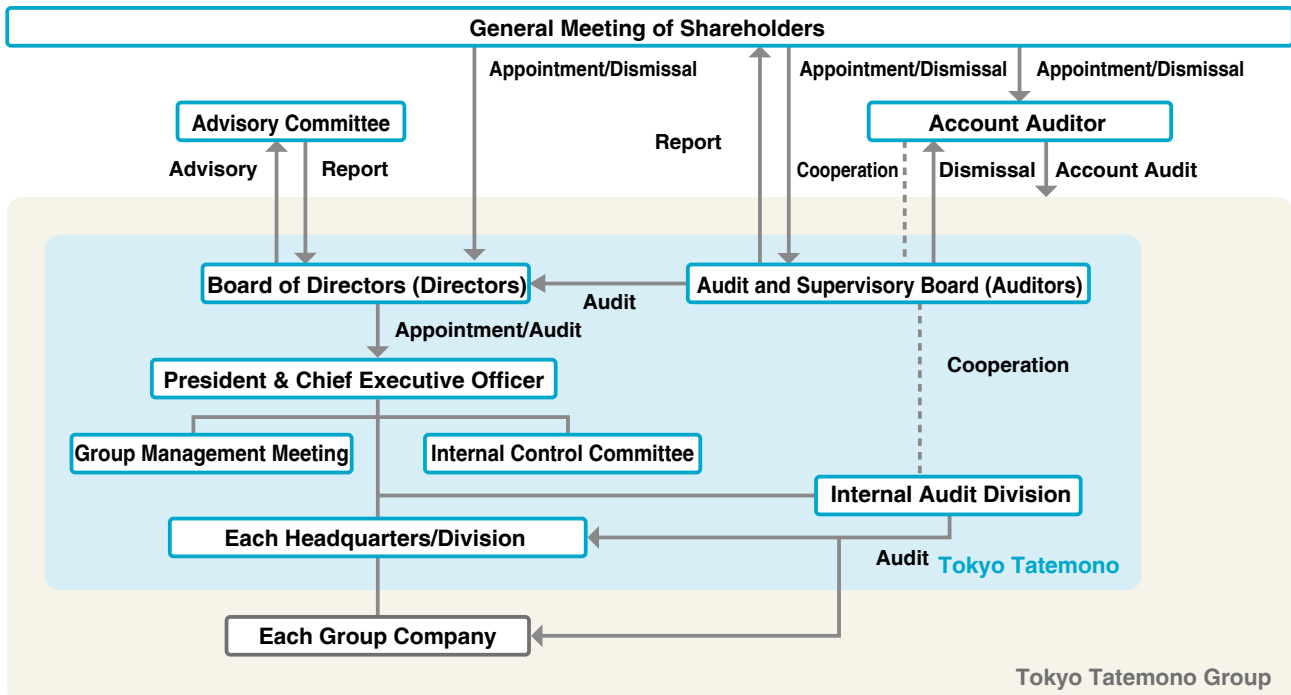
[Corporate Governance Report](https://tatemono.com/ir/library/governance.html)
<https://tatemono.com/ir/library/governance.html>

System

Tokyo Tatemono has adopted a corporate governance system as the structure for corporate governance and we have established a board of directors and an audit and supervisory board. In addition, we clarified the division of functions for management and the execution of operations to strengthening the auditing functions and business execution functions. We are also strengthening the auditing

functions and transparency of management by appointing external directors and auditors. We believe that we have built a system able to sufficiently execute the supervising and auditing functions of management and directors. Furthermore, we established the Group Management Meeting in an effort toward efficient and sound Group management.

Corporate Governance Structure



●Directors (Board)

There are 12 directors and four are external directors. As a general rule, Tokyo Tatemono holds a regular Board of Directors meeting once a month and an extraordinary meeting when a need arises to decide on important matters

related to execution of operations and auditing of the operations of the directors. Auditors also attend Board of Directors meetings and share their opinion when necessary. (Number of members as of January 2019)

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● Auditors (Audit & Supervisory Board)

Audit & Supervisory Board consists from four auditors (two full-time auditors) and two external auditors.

● Executive Officers

Executive Officer System is implemented to stimulate the Board of Directors by separating management and execution of operations and to accelerate decision making process related to operations.

● Group Management Meeting

Group Management Meeting consisting of executive officers assigned roles is implemented to deliberate on important matters related to the management of the Group.

In addition, full-time auditors participate in the Group Management Meeting to grasp the situation of the deliberations and share opinions when necessary.

● Internal Control Committee

Internal Control Committee discusses and monitors management of internal control (promoting compliance management and internal management risks), etc. and reports to the Board of Directors, Audit & Supervisory Board, and other bodies when necessary.

→ Risk management **P.63**

● Advisory Committee

An advisory committee was put in place as a body to advise the Board of Directors when deliberating matters such as the selection of director candidates and the chief executive officer as well as the remuneration for directors (excluding external directors). Committee members are appointed from the directors, but we appoint more than half of the total of five directors as external directors to guarantee objectivity and transparency of procedures while leveraging the knowledge and advice of these external directors.

Indicators and Results

● Collection Period

- January to December each year. Data is as of December of each year unless stated otherwise.

● Collection Scope

- Tokyo Tatemono Co., Ltd.

Item	Unit	2014	2015	2016	2017	2018
Number of Board Meetings	Meetings	13	13	13	12	13
Number of Directors	People	7	9	9	11	12
Number of Executive Officers on Board	People	5	6	6	7	7
Number of Non-executive Officers on the Board (Excluding External Directors)	People	1	0	0	1	1
Number of External Directors	People	1	3	3	3	4
Board Meeting attendance	%	97.9%	94.6%	100%	100%	100%
Average Tenure of Directors (Including External Directors)	Year	9.3 (March)	6.7 (March)	5.3 (March)	5.0 (March)	5.8 (March)

Supporting System for External Directors and Auditors

The Planning Division, which acts as a Board of Directors Secretariat, provides explanations and information as necessary to support the external directors and auditors at Tokyo Tatemono.

In addition, personnel are assigned as a staff of the auditors upon request from the Audit & Supervisory Board to smoothly execute the auditing duties.

Furthermore, full-time auditors participate in important meetings including the Group Management Meeting in addition to the Board of Directors meeting while receiving relevant reports from the accounting auditor, directors, and the employees of each division to build a system that enables the exchange of opinions with individual bodies at any time.

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Evaluation for the Effectiveness of the Board of Directors

Tokyo Tatemono conducts a questionnaire about the constitution, proposals and management of the Board of Directors for all directors and corporate auditors once a year. The Board of Directors analyzes and deliberates the results of this questionnaire.

We have been able to sufficiently ensure and verify the effectiveness as a Board of Directors.

Evaluation Items

Field	Description
Structure	Ratio, number, and diversity of external directors
Proposals	Number, content, and financial criteria of proposals
Operation	Number and length of meetings, ideal form of advanced explanations, materials and time for explanations, time for debate, and content of matters to report
Other	Support systems and ideal form of training

Policy on Remuneration and Calculation Method

The remuneration for directors is set to less than ¥35 million a month (equivalent to ¥420 million a year)^{*1} as fixed compensation and 1% of consolidated recurring income and less than 2% of the income^{*2} of the previous fiscal year is set as performance based remuneration as decided during the Board of Directors meeting.

Today, we have further clarified the link between remuneration, such as that for directors, and the share price of the company, and we have adopted a stock remuneration system via a stock bond trust at the 200th General Meeting of Shareholders held March 28, 2018 for the purpose of heightening awareness about the

contribution to growth in the medium to long term corporate value. By adopting this policy, remuneration, such as that for directors, is composed of three types of payments; fixed remuneration, performance based remuneration, and share based remuneration. We limit payment of share based remuneration (excluding external directors) to a maximum of 40,000 points (equivalent to 40,000 shares) per each fiscal year.

Remuneration for auditors is limited to basic remuneration based on the role of the full-time and temporary auditors and it set to be less than ¥8 million a month (equivalent to ¥96 million a year).

Status of Director and Auditor Remuneration (December 2018)

Executive Class	Employee Salary (People)	Total Amount by Type of Remuneration			Total Salary (Million Yen)
		Fixed Compensation (Million Yen)	Performance Based Remuneration (Million Yen)	Share Based Remuneration (Million Yen)	
Directors	12	314	155	35	505
(External Directors)	-4	-27	(-)	(-)	-27
Auditors	4	64	-	-	64
(External Auditors)	-2	-12	(-)	(-)	-12
Total	16	379	155	35	570
(External Executives)	-6	-39	(-)	(-)	-39

*1 Based on resolutions at the 190th General Meeting of Shareholders held on March 28, 2008

*2 Based on resolutions at the 195th General Meeting of Shareholders held on March 28, 2013

Risk Management

Policy and Concept

The Tokyo Tatemono Group strives to manage risks that have the potential to impact the businesses of the Group to heighten the stability of corporate value. We put in place a risk management system to continually monitor and control risk and provide comprehensive risk management. We have established risk management regulations and put in place a risk management structure to monitor and control ongoing risks as well as fully manage risk.

Furthermore, in the preparation of the risk management structure, we referred to the ISO-31000 international risk management standards and the JIS-Q-31010 Japanese standards.

Internal Control Report

<https://tatemono.com/ir/library/control.html>

System

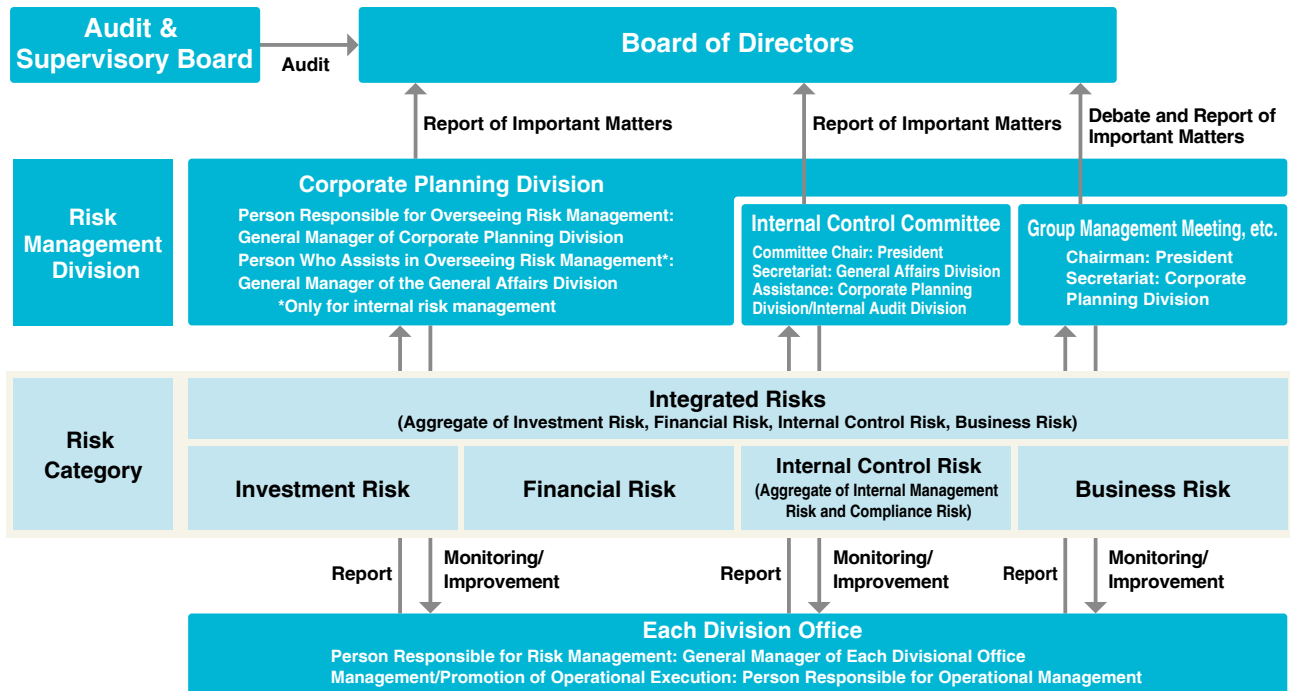
We categorize and manage investment risks, financial risks, operational risks, internal control risks and general risks that are aggregate risks as vital risks that have a potential to greatly impact the management of the Tokyo Tatemono Group.

General risks are stored in the Corporate Planning Division, which is the department in charge of managing risk, and the Internal Control Committee debates and manages the internal control risks (internal control risks and compliance risks) among those general risks with the President as chair.

We also review policies to respond to general business risks through the Group Management Meeting and other means. Furthermore, important matters related to these risks are reported to the Board of Directors as necessary and audited by the Audit & Supervisory Board.

We are thoroughly managing risk through a series of processes that include monitoring and improving the operational status of this risk management.

Risk Management Structure



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Joint Training in Earthquake Measures with Group Companies

The Tokyo Tatemono Group defined basic policies when an earthquake strikes in the Basic Plan of Earthquake Measures and prepared a manual that includes the initial response, stockpiling and safety confirmation.

In October every year, we conduct collective training in earthquake measures unified with each Group company and confirm procedures such as the chain of command, the division of roles, informational collection and distribution and safety confirmation.

Comprehensive Informational Management

The Tokyo Tatemono Group has defined informational management rules, rules for the handling of personal information, and rules for handling personally identifiable information in order to properly handle the information handled in our operations. Furthermore, we have put in place an informational management system with the person

responsible for supervising the management of information at the core. We are also strengthening management such as that of personal information and confidential information through informational management audits through the Internal Audit Division.

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Compliance

Policy and Concept

Tokyo Tatemono Group defines compliance as complying not only with laws but also social standards and corporate ethics to gain everlasting trust from society, and it continues engaging in sound corporate activities. Corporations need to respond to the expectations of customers, business partners, shareholders, investors, local society, employees, and other stakeholders, and responding to the needs of these stakeholders with integrity is important.

Tokyo Tatemono Group has established the Compliance Charter to promote corporate activities that observe compliance in June 2009, and it is advancing those efforts.

Tokyo Tatemono Group Compliance Charter

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

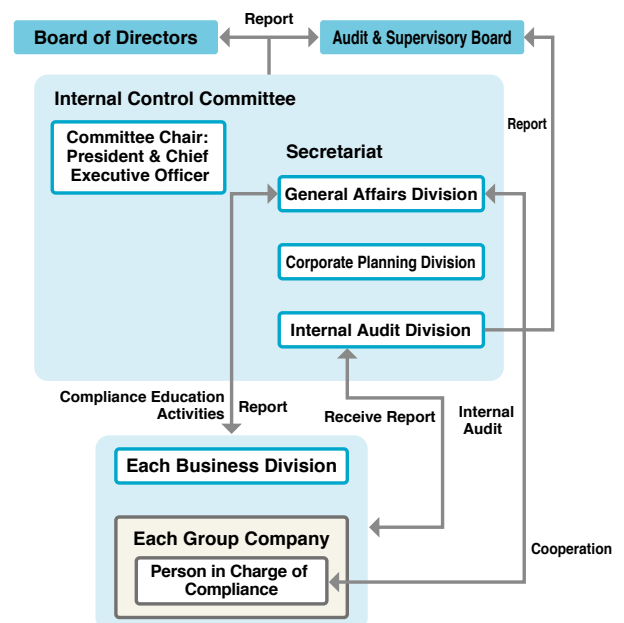
- We adhere to laws, regulations, and other rules and engage in fair, sound corporate activities.
- We act faithfully by thinking from the customers' standpoint.
- We contribute to making society better through corporate activities.
- We respect the personalities and values of each other and maintain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

Established June 2009

System

We established the Tokyo Tatemono Group Internal Control Committee that discusses Group compliance as well as general internal control risks, including the prevention of fraud and corruption, and as a framework to promote compliance and to supervise Group compliance activities. In addition, the General Affairs Division of Tokyo Tatemono supports and instructs Group companies on their operations related to compliance while coordinating with Group companies to improve the compliance function of the entire Group.

Compliance Promotion System



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Indicators and Results

● Collection Period

- January to December each year. Data is as of December of each year unless stated otherwise.

● Collection Scope

- Tokyo Tatemono (Number of reports and consultations to Helpline for the Tokyo Tatemono Group)

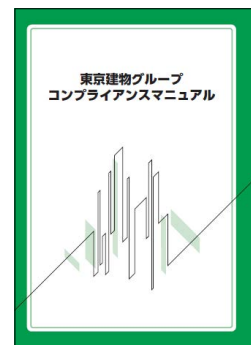
Item	Unit	2014	2015	2016	2017	2018
Number of Students and Completion Rate of Compliance (e-Learning) Training	People	646	657	814	847	860
Completion Rate of Compliance Training	%	99.7	99.4	98.8	98.5	99.3
Return Rate of Compliance Surveys	%	80.9	77.0	71.2	80.5	80.2
Number of Reports and Consultations to Helpline	Incidents	23	28	15	44	59

Compliance Manual

We formulated the Tokyo Tatemono Group Compliance Manual to ensure the practice of the Compliance Charter throughout the Tokyo Tatemono Group.

The Compliance Manual stipulates 16 compliance items as a code of conduct for all people engaged in operations of offices of Group companies regardless of their employee classification, office organization or the employment system. All employees who work in operations at offices in Group companies are given the Compliance Manual as a booklet or it is posted at each office to fully raise awareness. Tokyo Tatemono also posts case examples on the intranet divided into 16 compliance items as reference for the Compliance Manual, introduces case studies about the

LGBT and actual bribery that has occurred in an effort to prevent corruption, bribery and discrimination.



Compliance Manual

<Compliance Items>

- | | | |
|--|---|--|
| 1. Observance of Laws and Regulations | 7. Ban on Relationships with Antisocial Forces | 11. Guarantee of a Comfortable Working Environment |
| 2. Proper Relationships with Partners | 8. Timely/Proper Informational Disclosure and Appropriate Tax Reporting | 12. Proper Management of Information |
| 3. Moderate Gifts and Entertainment | 9. Restriction of Insider Trading | 13. Restriction of Conflicts of Interest |
| 4. Sincere Response to Customers | 10. Respect for Human Rights/Restriction of Discrimination and Harassment | 14. Co-existing with Local Communities |
| 5. Environmental Considerations | | 15. Management of Information System |
| 6. Proper Relationships with Politics and Government | | 16. Respect for Corporate Assets |

Preventing Corruption and Bribery

The Tokyo Tatemono Group has declared to adhere to laws, regulations, and other rules and engage in fair, sound corporate activities in its Compliance Charter. We work to raise awareness and thorough compliance with the compliance items defined in the Compliance Manual through training and other education to prevent corruption such as bribery or fraud. In 2018, there were no incidents of corruption that resulted in penalties such as fines.

<Relevant Items in the Compliance Manual>

1. Observance of Laws and Regulations
2. Proper Relationships with Partners
3. Moderate Gifts and Entertainment
6. Proper Relationships with Politics and Government
13. Restriction of Conflicts of Interest

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Preventing Anti-competitive Practices

The Tokyo Tatemono Group has declared to adhere to laws, regulations, and other rules and engage in fair, sound corporate activities in its Compliance Charter. We work to raise awareness and thorough compliance with the compliance items defined in the Compliance Manual through training and other education to prevent anti-competitive practices such as prohibiting monopolistic conduct.

In 2018, there were no incidents of anti-competitive practices that resulted in penalties such as fines.

<Relevant Items in the Compliance Manual>

1. Observance of Laws
2. Regulations and Proper Relationships with Partners

Compliance Training

The Tokyo Tatemono Group conducts joint Group e-learning training every year. In 2018, we gained knowledge about overall compliance, harassment prevention, informational management such as the prevention of insider trading in addition to the prevention of corruption, the Building Lots and Buildings Transaction Business Law and the Act on Prevention of Transfer of Criminal Proceeds such as the prevention of money laundering, as well as brushed up our knowledge following amendments to the laws and regulations for roughly 2,800 executives and employees in 13 Group companies, in addition to our foundation in compliance that includes the Compliance Charter and compliance items. In addition, we have introduced stratified training, such as collective training for new Group employees, harassment prevention training for executives,

general managers and managers, training for new Tokyo Tatemono employees, and training for newly appointed supervisors as well as training to prevent insider trading. We also design corruption and bribery prevention, use the corporate intranet, and include spotlight articles about the prevention of insider trading, drinking in moderation and proper relationships with public officials to raise awareness throughout the Group.

Furthermore, we hold seminars by inviting outside experts as lecturers around themes regarding the law and regulation field as well as taxes that have great importance in operations and share the latest judicial examples, tax amendments and other information related to our businesses throughout the entire Group.

Implementation of Compliance Surveys

The Tokyo Tatemono Group conducts compliance surveys to periodically understand and review the awareness and penetration about compliance of Group employees every year since 2009.

This survey was held for 7,162 employees from 13 Group companies in 2018 with a collection rate of 80.2%.

We analyze the survey results for overall trends and traits

of each Group company, and then report that information to the Internal Control Committee while providing feedback to each Group company. These results play a role in resolving issues before they happen and in compliance education activities as well as being reflected in the compliance system.

Setup of a Helpline

The Tokyo Tatemono Group setup the Tokyo Tatemono Group Helpline that can be used throughout the Group as a consultation and reporting window to prevent violations to the laws and illegal acts. Furthermore, the helpline establishes a contact window with an external law office to create a system for easy consultation and reporting. All employees who engage in the businesses of any of the Group companies can use this helpline.

Consultations and reports received at each contact window are reported to the Tokyo Tatemono Internal Audit Division

(organization under the direct control of the President) and the facts are reviewed and verified in accordance with the content from an objective standpoint.

We appropriately respond to actions that violate compliance, such as immediate corrective measures as well as steps to prevent recurrence. The Internal Control Committee is convened for more important matters to consider the response.

Furthermore, in accordance with the Whistleblower Protection Act, we properly protect whistleblowers.

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Supply Chain Initiatives

The main flow of business at a real estate developer moves from the acquisition of a lot to the development and then lease or sale of the property. We directly procure the materials and purchased goods according to the land acquisition and leasing or sales activities during this process. However, the development operations involve not only Tokyo Tatemono but also a bulk order to a construction company for procuring a large amount of materials as well as for staffing to accommodate the construction.

Understanding the traits of the business, the Tokyo Tatemono Group defines the respect of human rights, restriction of acts of discrimination and harassment, and the guarantee of a work-friendly environment in the Compliance Manual as items related to human rights in addition to

occupational health and safety. We have also defined proper relationships with business partners, moderate gifts and entertainment, and environmental considerations as items related to procurement and orders. These measures strive to build a suitable supply chain that considers an environment free from corruption and bribery.

We actively incorporate environmentally-friendly technology and ideas into our products and services in every stage of our business activities even in terms of the environmental considerations related to procurement in accordance with the Group Environmental Policy, and it strives to save resources and use materials that reduce the environmental impact.

Responding to Anti-social Forces

Our ban on any relationship with anti-social forces has been clarified in the Exclusion of Anti-social Forces Rules of the Tokyo Tatemono Group and we have stipulated specific procedures for checks in the Anti-social Forces Check Manual.

Furthermore, we cooperate with external experts such as the police and attorneys at law to respond with a firm attitude to anti-social forces.

Respect of Human Rights

Policy and Concept

The Tokyo Tatemono Group respects the basic human rights as outlined in the Constitution of Japan and the Universal Declaration of Human Rights, upholds international labor standards advocated by the International Labor Organization (ILO), and affirms its respect for the individuality and beliefs of each person in the Compliance Charter.

We formulated the Tokyo Tatemono Group Compliance Manual to ensure the Compliance Charter is put into practice, which defines compliance as a code of conduct related to the respect of human rights, the restriction of acts of discrimination and harassment based on race, creed, gender, sexual orientation, age, appearance, ability or disability, educational background or social status, or origins, and the guarantee of a work-friendly work environment. In addition to the Minimum Wage Act, we will adhere to various labor laws and vow to pay a wage higher

than minimum wage to our employees.

Information about the freedom of association and the rights to collective bargaining are included in Work-Life Balance → (P.56).

From the Compliance Charter (P.65)

- We respect the personalities and values of each other and maintain a comfortable working environment.

From the Compliance Manual (P.66)

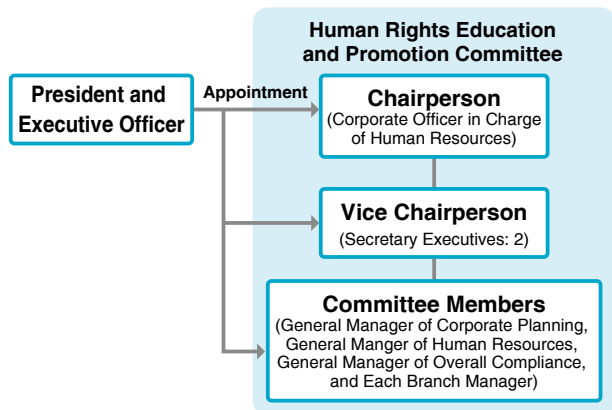
<Compliance Item> 10. Respect for Human Rights/ Restriction of Discrimination and Harassment

System

We established the Internal Control Committee to discuss general internal control risk, including compliance of the Tokyo Tatemono Group, to promote human rights and other compliance issues. The Internal Control Committee supervises the Group compliance activities.
→ Compliance System (P.65)

We also understand the flow to promote solutions to social human rights issues, including SGDs. Therefore, we established the human Rights Education and Promotion Committee by fundamentally restructuring the conventional Anti-Discrimination Promotion Committee in January 2019. To establish a corporate body for the respect of human rights, the committee made up of committee members each appointed by the President plans, executes and verifies the educational programs and training workshops related to human rights issues.

Human Rights Education and Promotion System



Human Rights Initiatives

The Tokyo Tatemono Group defines the restriction of acts of discrimination and harassment as well as the guarantee of a work-friendly environment as part of the Compliance Manual, which is a code of conduct to put into practice the Compliance Charter. We fully raise awareness about compliance by distributing the Compliance Manual to employees and posting it at offices. Furthermore, we are conducting the proper compliance training for employees and management every year that encompasses human rights.

We are also preventing and quickly resolving harassment

and other issues through the Tokyo Tatemono Group Helpline, which is a common consultation and reporting window throughout the Group, and Compliance Surveys while also taking the appropriate response to the consultations and reports we receive on the helpline and the survey results.

Please see the pages below for specific initiatives.

- Compliance Training (P.67)
- Compliance Surveys (P.67)
- Setup of a Helpline (P.67)

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Responding to Human Rights and Discrimination Issues

Developers are susceptible to discrimination due to the nature of the real estate business. The Tokyo Tatemono Group correctly understands issues related to human rights and discrimination, and continually holds training to handle these problems in its business activities. In 2018, 50 primarily first and second-year Group employees participated in training led by an instructor from the Tokyo Metropolitan Human Rights Promotion Center.

Furthermore, we appointed the general manager of human resources as the person who promotes honest recruitment and human rights enlightenment to prevent any human rights issues, including discrimination, in its recruitment activities.



Participating in the Construction and Real Estate Human Rights Due Diligence Study Group

In September 2018, Tokyo Tatemono participated in the Human Rights Due Diligence Study Group launched by eight construction and real estate firms (Mitsubishi Estate, NTT Urban Development, Tokyu Fudosan Holdings, Tokyo Tatemono, Nomura Real Estate Holdings, Obayashi Corporation, Shimizu Corporation, and Taisei Corporation) at the request of Mitsubishi Estate.

This study group identifies the impact on human rights and conducts surveys and research on subjects such as countermeasures to fulfill the responsibility of companies to "avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved" required by the United Nations Guiding Principles of Business and Human Rights.

We learn from experts on human rights, such as international human rights standards and human rights initiatives expected of corporations, exchange information with NGOs and other outside experts and conduct research on methods to identify and specifically address actual human rights risks.

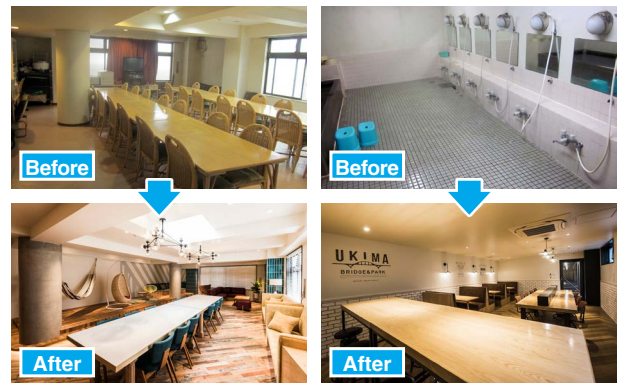
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Topics

Revitalizing and Utilizing Real Estate Stock that Meet the Needs of Time

Individual values and how companies operate are changing drastically as SNS become popular and innovations in work-styles. As such, requirements for real estate is changed along with this shift. On the other hand, in Japan where its population is aging and declining, moving away from scrap and build approach and utilizing pre-owned and aged real estate is a social issue that needs to be addressed from environmental protection perspective. NEIGHBORS Ukima Park opened in June 2018 which was previously an employee dormitory which Tokyo Tatemono Real Estate Sales purchased and renovated to offer new value and new use that match the changing way of living and working and maximize its economic value. With convenient access to the metropolitan area, it offers lounges, entrance area, co-working space, and multi-purpose space for workshops and seminars, allowing comfortable working environment and opportunities to build a community for freelance and nomad workers to communicate with each other. The park was reborn as a building that cater to the needs of the time.

We will continue to revitalize and utilize real estate stocks that cater to the changes and stimulate the communities.



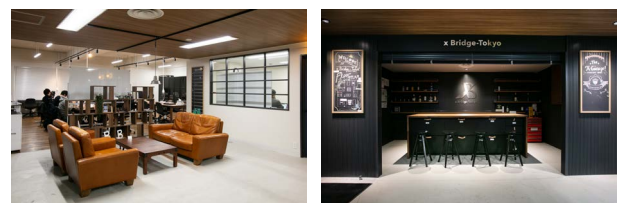
Cafeteria (top left) was changed to a lounge that encourage communication (bottom left) and large bath room (top right) was change to co-working space (bottom right) where work and meetings can be held.

Community Building through Creating Place for Startup Development

Innovations are said be the key to solving social issues such as those addressed in the SDGs and sustainable development of the society. In addition, making Yaesu, Nihonbashi, and Kobashi areas located around the Tokyo Station where large corporations gather to be more vibrant requires a new industry.

In April 2018, Tokyo Tatemono opened xBridge-Tokyo, a facility to support business startups, in its headquarters building. The facility is operated with XTech Co., Ltd., a company that create business startups through combining existing industry and technology, and creates and develops business startups. A year has passed since starting with 12 companies residing, and there are currently 26 companies including venture capitals.

The facility acts as a bridge to bring large corporations in the Yaesu, Nihonbashi, and Kobashi areas with business startups and create more opportunities for business startups to gather in the area and create innovation through transaction between the two parties.



xBridge-Tokyo



x Bridge-Tokyo

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GRI Standard Content Index

This report uses GRI Standards as reference.

Materials used to create this content index.

1. CSR REPORT 2019

URL <https://www.tatemono.com/csr/english/reports/>

2. ESG DATA BOOK 2019

URL https://www.tatemono.com/csr/uploads/esgdata_2019_01.pdf

3. Annual Review 2018

URL <https://www.tatemono.com/english/ir/library/ar.html>

4. Corporate Governance Report

URL <https://www.tatemono.com/english/ir/library/governance.html>

5. 201st Term Internal Control Report (Japanese only)

URL <https://www.tatemono.com/ir/library/control.html>

6. Notice of the 201st Ordinary General Meeting of Shareholders

URL <https://www.tatemono.com/english/ir/stock/meeting.html>

7. Tokyo Tatemono Tokyo Tatemono Tokyo Tatemono Group Medium-term Business Plan (FY2015-FY2019)

URL <https://www.tatemono.com/english/ir/management/management.html>

	Disclosure	Tools and pages referred
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	Group Profile (9)
102-2	Activities, brands, products, and services	Group Profile (9)
102-3	Location of headquarters	Group Profile (9)
102-4	Location of operations	Group Profile (9)
102-5	Ownership and legal form	Group Profile (9)
102-6	Markets served	Group Profile (9)
102-7	Scale of the organization	Group Profile (9)
102-8	Information on employees and other workers	Group Profile (9), Diversity & Inclusion > Indicators and Results (50), Work-Life Balance > Indicators and Results (54), ESG Data Book 2019
102-9	Supply chain	Environmental Initiatives > Supply Chain Initiatives (16), Improving Management System > Supply Chain Initiatives (68)
102-10	Significant changes to the organization and its supply chain	Annual Review 2018 (2), Notice of the 201st Ordinary General Meeting of Shareholders (44), Tokyo Tatemono Group Medium-term Business Plan (9)
102-11	Precautionary Principle or approach	-
102-12	External initiatives	Contribution to SDGs (12)
102-13	Membership of associations	-
Strategy		
102-14	Statement from senior decision-maker	Message from the President (3)
102-15	Key impacts, risks, and opportunities	Risk Management (63), Annual Review 2018 (31)
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Corporate Philosophy and CSR (10), Stakeholders & Engagement (11), Policy and System for Environmental Initiatives (13), Improving Quality and Customer Satisfaction > Policy and Concept (27), Brilia Concept (29), Disaster Prevention Support > Policy and Concept (34), Responding to an Aging Society > Policy and Concept (36), Support for the Empowerment of Women > Policy and Concept (39), Responding to the Increase of Children on Waiting Lists > Policy and Concept (41), Revitalization of Aging Condominiums > Policy and Concept (42), Co-existing with Communities > Policy and Concept (44), Cultural and Social Contribution Activities > Policy and Concept (47), Diversity & Inclusion > Policy and Concept (50), Work-Life Balance > Policy and Concept (54), Human Resource Development > Policy and Concept (58), Corporate Governance > Policy and Concept (60), Risk Management > Policy and Concept (63), Compliance > Policy and Concept (65), Compliance Manual (66), Respect of Human Rights (69)
102-17	Mechanisms for advice and concerns about ethics	Compliance > System (65), Setup of a Helpline (67)

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Governance		
102-18	Governance structure	Corporate Governance (60)
102-19	Delegating authority	CSR Promotion System (11)
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Promotion System (11)
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholders & Engagement (11)
102-22	Composition of the highest governance body and its committees	Corporate Governance (60)
102-23	Chair of the highest governance body	Corporate Governance Report (4)
102-24	Nominating and selecting the highest governance body	Advisory Committee (61)
102-25	Conflicts of interest	Compliance > Preventing Corruption and Bribery (66)
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance (60)
102-27	Collective knowledge of highest governance body	Corporate Governance (60)
102-28	Evaluating the highest governance body's performance	Evaluation for the Effectiveness of the Board of Directors (62)
102-29	Identifying and managing economic, environmental, and social impacts	Risk Management > System (63)
102-30	Effectiveness of risk management processes	Risk Management > System (63)
102-31	Review of economic, environmental, and social topics	Risk Management > System (63)
102-32	Highest governance body's role in sustainability reporting	CSR Promotion System (11)
102-33	Communicating critical concerns	Annual Review 2018 (31)
102-34	Nature and total number of critical concerns	Annual Review 2018 (31)
102-35	Remuneration policies	Policy on Remuneration and Calculation Method (62)
102-36	Process for determining remuneration	Policy on Remuneration and Calculation Method (62)
102-37	Stakeholders involvement in remuneration	Policy on Remuneration and Calculation Method (62)
102-38	Annual total compensation ratio	-
102-39	Percentage increase in annual total compensation ratio	-
Stakeholder engagement		
102-40	List of stakeholder groups	Stakeholders & Engagement (11)
102-41	Collective bargaining agreements	Labor and Management Dialogue (56)
102-42	Identifying and selecting stakeholders	-
102-43	Approach to stakeholder engagement	Stakeholders & Engagement (11)
102-44	Key topics and concerns raised	-
Reporting practice		
102-45	Entities included in the consolidated financial statements	Annual Review 2018 (12)
102-46	Defining report content and topic Boundaries	Editorial Policy, Period of Reporting, Scope of Reporting (2)
102-47	List of material topics	-
102-48	Restatements of information	-
102-49	Changes in reporting	-
102-50	Reporting period	Period of Reporting (2)
102-51	Date of most recent report	Publication Date (2)
102-52	Reporting cycle	Publication Date (2)
102-53	Contact point for questions regarding the report	Department Supervising Publication (2)
102-54	Claims of reporting in accordance with the GRI Standards	-
102-55	GRI content index	GRI Content Index (72)
102-56	External assurance	ESG Data Book 2019, Third-Party Assurance (P81)

Disclosure	Tools and pages referred
GRI 200 Economic Standard Series	
Economic Performance	

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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Annual Review 2018 (5, 29), Notice of the 201st Ordinary General Meeting of Shareholders (5)
201-2	Financial implications and other risks and opportunities due to climate change	-
201-3	Defined benefit plan obligations and other retirement plans	Annual Review 2018 (43)
201-4	Financial assistance received from government	Annual Review 2018 (7, 19)
Market Presence		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
Indirect Economic Impacts		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Medium-term Business Plan (11-20)
203-2	Significant indirect economic impacts	Medium-term Business Plan (11-20)
Procurement Practices		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	Supply Chain Initiatives (68)
103-3	Evaluation of the management approach	Compliance > System (65), Implementation of Compliance Surveys (67)
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	-
Anti-corruption		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	Preventing Corruption and Bribery (66)
103-3	Evaluation of the management approach	Compliance > System (65), Implementation of Compliance Surveys (67)
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Preventing Corruption and Bribery (66)
205-2	Communication and training about anti-corruption policies and procedures	Compliance Manual (66), Preventing Corruption and Bribery (66), Compliance Training (67)
205-3	Confirmed incidents of corruption and actions taken	Preventing Corruption and Bribery (66)
Anti-competitive Behavior		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	Preventing Anti-competitive Practices (67)
103-3	Evaluation of the management approach	Compliance > System (65), Implementation of Compliance Surveys (67)

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GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Preventing Anti-competitive Practices (67)
Disclosure		
Tools and pages referred		
GRI 300 Environmental Standards Series		
Materials		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Policy and System for Environmental Initiatives (13)
103-2	The management approach and its components	Policy and System for Environmental Initiatives (13), Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Supply Chain Initiatives (16)
103-3	Evaluation of the management approach	Policy and System for Environmental Initiatives (13), Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15)
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	-
301-2	Recycled input materials used	-
301-3	Reclaimed products and their packaging materials	-
Energy		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Policy and System for Environmental Initiatives (13)
103-2	The management approach and its components	Policy and System for Environmental Initiatives (13), Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Climate Change > Policy, Concept, and System (19)
103-3	Evaluation of the management approach	Policy and System for Environmental Initiatives (13), Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Climate Change > Policy, Concept, and System (19)
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Climate Change > Indicators and Results (19)
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	Climate Change > Indicators and Results (19)
302-4	Reduction of energy consumption	Climate Change (19-22)
302-5	Reductions in energy requirements of products and services	Climate Change (19-22)
Water		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Water Resources (24)
103-2	The management approach and its components	Water Resources (24)
103-3	Evaluation of the management approach	Water Resources (24)
GRI 303: Water 2016		
303-1	Water withdrawal by source	Water Resources (24)
303-2	Water sources significantly affected by withdrawal of water	-
303-3	Water recycled and reused	-
Biodiversity		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Biodiversity (23)
103-2	The management approach and its components	Biodiversity (23)
103-3	Evaluation of the management approach	Biodiversity (23)
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (23)

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304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity (23)
304-3	Habitats protected or restored	Biodiversity (23)
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
Emissions		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Climate Change (19)
103-2	The management approach and its components	Climate Change (19)
103-3	Evaluation of the management approach	Climate Change (19)
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Change > Indicators and Results (19)
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change > Indicators and Results (19)
305-3	Other indirect (Scope 3) GHG emissions	-
305-4	GHG emissions intensity	Climate Change > Indicators and Results (19)
305-5	Reduction of GHG emissions	Climate Change (19-22)
305-6	Emissions of ozone-depleting substances (ODS)	Pollution Control and Effective Use of Resources (26)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollution Control and Effective Use of Resources (26)
Effluents and Waste		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Pollution Control and Effective Use of Resources (25)
103-2	The management approach and its components	Pollution Control and Effective Use of Resources (25)
103-3	Evaluation of the management approach	Pollution Control and Effective Use of Resources (25)
GRI 306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	-
306-2	Waste by type and disposal method	Pollution Control and Effective Use of Resources (26)
306-3	Significant spills	Pollution Control and Effective Use of Resources (26)
306-4	Transport of hazardous waste	Pollution Control and Effective Use of Resources (26)
306-5	Water bodies affected by water discharges and/or runoff	-
Environmental Compliance		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Compliance with Environmental Laws and Regulations (16)
103-2	The management approach and its components	Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Compliance with Environmental Laws and Regulations (16)
103-3	Evaluation of the management approach	Environmental Management of Office Buildings (14), Environmental Management in the Residence Business (15), Compliance with Environmental Laws and Regulations (16)
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Compliance with Environmental Laws and Regulations (16)
Supplier Environmental Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Supply Chain Initiatives (16)
103-2	The management approach and its components	Supply Chain Initiatives (16)
103-3	Evaluation of the management approach	Supply Chain Initiatives (16)

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GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	-
308-2	Negative environmental impacts in the supply chain and actions taken	-

	Disclosure	Tools and pages referred
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GRI 400 Social Standards Series

Employment

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Diversity & Inclusion (50), Work-Life Balance (54), Human Resource Development (58)
103-2	The management approach and its components	Diversity & Inclusion (50), Work-Life Balance (54), Human Resource Development (58)
103-3	Evaluation of the management approach	Diversity & Inclusion (50), Work-Life Balance (54), Human Resource Development (58)

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	Diversity & Inclusion > Indicators and Results (50), Work-Life Balance (54)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
401-3	Parental leave	Expanding the Child Rearing Support Policy (51)

Labor/Management Relations

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Labor and Management Dialogue (56)
103-2	The management approach and its components	Labor and Management Dialogue (56)
103-3	Evaluation of the management approach	Labor and Management Dialogue (56)

GRI 402: Labor/Management Relations 2016

402-1	Minimum notice periods regarding operational changes	-
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Occupational Health and Safety

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Health Management Initiatives (55)
103-2	The management approach and its components	Health Management Initiatives (55)
103-3	Evaluation of the management approach	Health Management Initiatives (55)

GRI 403: Occupational Health and Safety 2016

403-1	Workers representation in formal joint management-worker health and safety committees	Endeavoring for Work-style Innovation Together as Labor and Management (56)
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Work-Life Balance > Indicators and Results (54)
403-3	Workers with high incidence or high risk of diseases related to their occupation	-
403-4	Health and safety topics covered in formal agreements with trade unions	-

Training and Education

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Human Resource Development (58)
103-2	The management approach and its components	Human Resource Development (58)
103-3	Evaluation of the management approach	Human Resource Development (58)

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	-
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development (58-59)
404-3	Percentage of employees receiving regular performance and career development reviews	Human Resource Development (58)

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Diversity and Equal Opportunity		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Diversity & Inclusion (50)
103-2	The management approach and its components	Diversity & Inclusion (50)
103-3	Evaluation of the management approach	Diversity & Inclusion (50)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Diversity & Inclusion > Indicators and Results (50)
405-2	Ratio of basic salary and remuneration of women to men	-
Non-discrimination		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Respect of Human Rights (69)
103-2	The management approach and its components	Respect of Human Rights (69)
103-3	Evaluation of the management approach	Respect of Human Rights (69)
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	-
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Labor and Management Dialogue (56)
103-2	The management approach and its components	Labor and Management Dialogue (56)
103-3	Evaluation of the management approach	Labor and Management Dialogue (56)
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
Child Labor		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Respect of Human Rights (69)
103-2	The management approach and its components	Respect of Human Rights (69)
103-3	Evaluation of the management approach	Respect of Human Rights (69)
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	-
Forced or Compulsory Labor		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Respect of Human Rights (69)
103-2	The management approach and its components	Respect of Human Rights (69)
103-3	Evaluation of the management approach	Respect of Human Rights (69)
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	-
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-

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GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	-
Human Rights Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Respect of Human Rights (69)
103-2	The management approach and its components	Respect of Human Rights (69)
103-3	Evaluation of the management approach	Respect of Human Rights (69)
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	-
412-2	Employee training on human rights policies or procedures	Respect of Human Rights (69-70)
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
Local Communities		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Co-existing with Communities (44)
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Co-existing with Communities > Yaesu, Nihonbashi, and Kyobashi Development Activity Results (44)
413-2	Operations with significant actual and potential negative impacts on local communities	-
Supplier Social Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Supply Chain Initiatives (68)
103-2	The management approach and its components	Supply Chain Initiatives (68)
103-3	Evaluation of the management approach	Supply Chain Initiatives (68)
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	-
414-2	Negative social impacts in the supply chain and actions taken	-
Public Policy		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 415: Public Policy 2016		
415-1	Political contributions	-
Customer Health and Safety		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Improving Quality and Customer Satisfaction in the Office Buildings Business (27), Quality and Customer Satisfaction Improvement in the Residence Business (29), Disaster Prevention Support (34)
103-2	The management approach and its components	Improving Quality and Customer Satisfaction in the Office Buildings Business (27), Quality and Customer Satisfaction Improvement in the Residence Business (29)
103-3	Evaluation of the management approach	Improving Quality and Customer Satisfaction in the Office Buildings Business (27), Quality and Customer Satisfaction Improvement in the Residence Business (29)
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-

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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	-
103-2	The management approach and its components	-
103-3	Evaluation of the management approach	-
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	-
417-3	Incidents of non-compliance concerning marketing communications	-
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Comprehensive Informational Management (64)
103-2	The management approach and its components	Comprehensive Informational Management (64)
103-3	Evaluation of the management approach	Comprehensive Informational Management (64)
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-
Socioeconomic Compliance		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Compliance (65-68)
103-2	The management approach and its components	Compliance (65-68)
103-3	Evaluation of the management approach	Compliance (65-68)
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	-

Third-Party Assurance



LR Independent Assurance Statement

Relating to Tokyo Tatemono Co., Ltd.'s Environmental and Social Data within its ESG Data Book 2019 for the fiscal year 2018

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

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Tokyo Tatemono Co., Ltd. ("the Company") to provide independent assurance on its environmental and social data within its ESG Data Book 2019 ("the report") for the fiscal year 2018, that is, from 1 April 2018 to 31 March 2019, against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064 - 3 for greenhouse gas ("GHG") data.

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

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

Environmental indicator^{1 2}

- Energy consumption (in kilo-liter of crude oil equivalent)
- Scope 1 GHG emissions (tonnes CO₂e)
- Scope 2 GHG emissions (Market-based) (tonnes CO₂)
- Scope 3 GHG emissions (Category 1, 3, 5) (tonnes CO₂e)
- Tap water consumption volume (m³)
- Total waste generated (tonnes)

Social indicator

- Employment rate of persons with disabilities³
- Rate of health check-ups
- Average number of paid leave days taken⁴
- Rate of paid leave days taken
- Number of lost time injury
- Total days lost due to absenteeism
- Turnover rate (Only for Personal Circumstances)

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

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

LR's Opinion

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

- Met the requirements above
- Disclosed accurate and reliable performance data

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

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance

¹ GHG emissions covers the real estate owned by the Company and subject to reporting obligations under the Act on the Rational Use of Energy.

² GHG quantification is subject to inherent uncertainty.

³ Employment rate of persons with disabilities is as of 1 June 2018.

⁴ Turnover rate covers 1 January to 31 December 2018.



obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

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

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical Environmental / Social data and records for the fiscal year 2018; and
- Visiting Nihonbashi Building and Tokyo Square Garden to assess whether the data management systems have been effectively implemented.

Observations

The company has demonstrated improvement in its data management system compared to that of last fiscal year. However, the Company should maintain the reliability of its future environmental and social performance data. And, regarding its Scope 3 GHG emissions which began to be disclosed this fiscal year, this is particular to expand the reporting boundaries of its Scope 3 GHG emissions across its entire value chain.

LR's standards, competence and independence

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

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

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

Signed

Dated: 24 July 2019

Norihiko Kinoshita
 LR Lead Verifier
 On behalf of Lloyd's Register Quality Assurance Limited
 10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN
 LR reference: YKA00000704

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Published: June 2019