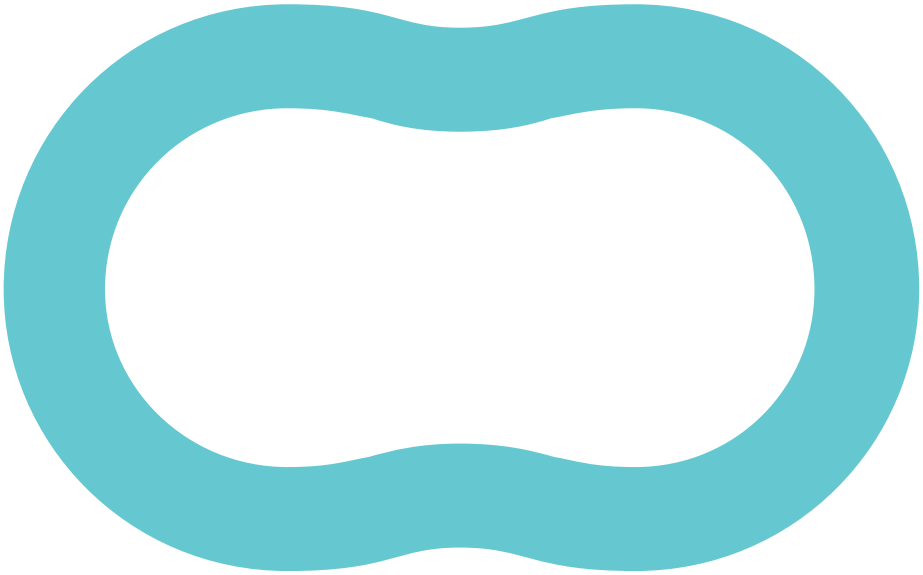
TOSEI
都市に、心を。

TOSEI GROUP
ESG REPORT 2024



TOSEI GROUP ESG REPORT 2024

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■ Reporting Period
Fiscal year 2024
(From December 1, 2023 to November 30, 2024)

Top Commitment



The Tosei Group's corporate philosophy is to "create new value and inspiration in all aspects of real estate." As environmental and social challenges intensify, we recognize that realizing a sustainable society through corporate activities is itself the "creation of new value" expected by society. With climate change emerging as a pressing global issue, companies are being called upon to shoulder even greater responsibility in achieving a decarbonized and circular society, and the need for sustainability management is growing stronger than ever.

Against this backdrop, in January 2019, we established the Tosei Group ESG Policy and ESG Action Guidelines, and put in place a framework for their promotion. Since 2020, we have also recognized the role our Group must play in achieving the United Nations Sustainable Development Goals (SDGs) and have been advancing our business activities accordingly.

Our Group is pursuing corporate growth through portfolio management of six business segments. Among these, we position our Revitalization Business--which helps leverage existing structures and facilities, and reduce environmental impact--and our Development Business--which promotes environmentally conscious and comfort-enhancing initiatives such as energy conservation and the introduction of IoT--as growth drivers. At the same time, in our Rental, Fund and Consulting, Property Management, and Hotel businesses, which we regard as stable businesses, we are likewise committed to addressing environmental and social issues in line with our ESG Policy and ESG Action Guidelines.

Since the outbreak of COVID-19 in 2020, people's values and lifestyles have diversified even further. Going forward, the Tosei Group will continue to respond flexibly to changes in the social environment and remain a company of value to all stakeholders by steadfastly practicing ESG management with a strong focus on sustainability.

Seiichiro Yamaguchi
President and CEO

Message from the Chairman of Sustainability Committee



In November 2023, the Tosei Group identified materiality (key issues) for promoting sustainability and defined the priority themes our Group should address. Furthermore, in January 2024, we formulated our Long-Term Vision 2032 and Medium-Term Management Plan "Further Evolution 2026," announcing our commitment to further evolving as a comprehensive real estate company in order to contribute to the realization of a sustainable society.

In our business activities, we aim to advance sustainability initiatives through product planning and service provision with an awareness of climate change and other environmental issues, as well as social issues such as diversity, disaster prevention, and regional revitalization. In terms of management infrastructure, we are working to strengthen business management and corporate governance with a strong focus on sustainability.

To ensure the smooth implementation of these initiatives, the Sustainability Committee will take the lead in monitoring the progress of related departments, including Group companies, and will work in close collaboration with them so that we can steadily achieve our plans.

Noboru Hirano

CFO and Senior Executive Officer

Chairman of Sustainability Committee

Policies and Regulations

Our Approach to Sustainability

In order to contribute to the realization of a sustainable society through our corporate activities, the Tosei Group has established The Tosei Group ESG Policy and The Tosei Group ESG Action Guidelines and is striving to implement ESG management that takes sustainability into consideration by establishing an ESG promotion system led by the Sustainability Committee.

The Tosei Group ESG Policy

Our mission is to create new value and inspiration in all aspects of real estate as a global-minded group of seasoned professionals. We regard the commitment to the Environment, Social and Governance as a priority management challenge. We will seriously address the social issues associated with real estate to contribute to society and achieve sustainable growth.

The Tosei Group ESG Action Guidelines

1. Carry out business activities that achieve sound growth

We will respond swiftly and appropriately to changes in business circumstances and continue business activities that will ensure sound growth to meet our social responsibility to all stakeholders. We will make concerted efforts to strengthen our structure for enhancing corporate governance and building an internal control system.

2. Comply with laws and regulations

We will not only comply with laws and regulations relating to the environment, society and corporate governance, but we will also provide internal training aimed at improving knowledge and promoting understanding, and we will carry out activities for increasing awareness of compliance among external parties.

3. Take actions that increase the value of real estate

We will act to resolve a range of issues involved in real estate and increase added value with a view to making effective use of real estate and energizing local communities in all our business activities.

4. Carry out business activities with environmental considerations

With the aspiration of building a low-carbon society, we will introduce measures that increase the energy efficiency of real estate we own. We will work to reduce water consumption and waste emissions, and implement reduce, reuse and recycle activities in a positive effort toward building a circular economy.

5. Contribute to tenants, local residents and communities through real estate owned

In order to implement these action guidelines, we will work to collaborate with corporate tenants of real estate owned, business partners such as property management firms, and occupants of residential real estate to ensure harmony with local people and communities.

6. Increase customer satisfaction

We will strive to offer products and services based on safety and reliability and sincerely carry out business activities consistently from the viewpoint of our customers in an effort to increase customer satisfaction.

7. Increase employee satisfaction

Personnel are an essential part of our business and we will continue to develop seasoned professionals. We will create a positive corporate culture in which diverse personnel with different backgrounds respect one another and work with a focus on teamwork to increase employee satisfaction.

8. Disclose ESG information

We will disclose our ESG targets, monitor the status of actions on a regular basis and make their results known to stakeholders on our website and by other means.

Formulated: January 2019

Sustainability Related Policies

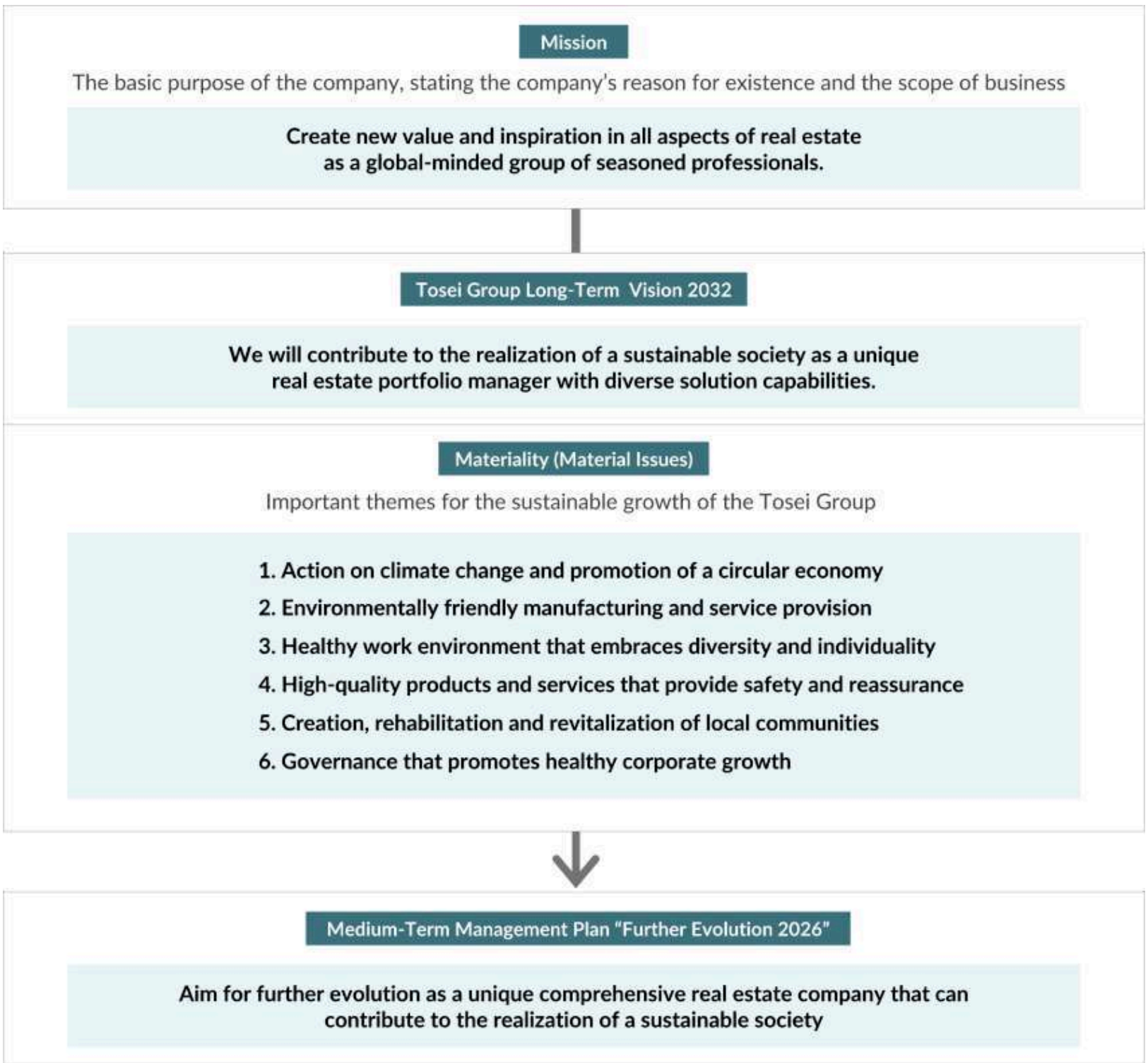
→ The Tosei Group Ethics Code

→ The Tosei Group Human Rights Policy

→ Our Approach and Vision for the Environment

→ Tosei Group Health & Productivity Management Policy

Overview of Sustainability Management



Promotion Structure

The Tosei Group has established the Sustainability Committee to deliberate and decide on ESG-related policies and action plans. The committee is chaired by the Chief Sustainability Officer (Noboru Hirano, CFO and Senior Executive Officer), who is appointed by the President and CEO, and consists of members appointed by the chairperson. Representatives from each of Tosei's related departments and Group companies also participate in the process. The committee reports its deliberations to the Board of Directors on a regular basis and reflects them in business activities in cooperation with related divisions and Group companies.

Sustainability Promotion Structure



Sustainability Committee

Chairman of the Committee	Noboru Hirano, CFO and Senior Executive Officer
Committee Members	Composed of persons appointed by the chairperson (representatives from each relevant department of Tosei and each Group company)
Secretariat	Corporate Planning Department (Public Relations / Sustainability Promotion Section)

Role of the Sustainability Committee

- Formulate policies to promote sustainability management of the Tosei Group
- Formulation of annual activity plan and promotion of each measure related to sustainability promotion
- Monitoring, advising, and guiding the progress of each measure and department
- Collaboration with management, including reporting to the Board of Directors
- Education and training on ESG

Initiatives for Internal Permeation

ESG Training

The Public Relations / Sustainability Promotion Section of the Corporate Planning Department, which serves as the secretariat of the Sustainability Committee, is in charge of conducting ESG training for employees of all Group companies, as well as training for new graduates, promoted sub-managers, and social contribution project members consisting mainly of young employees, with the aim of improving the sustainability literacy of employees.



Materiality for the TOSEI Group

↓ Materiality ↓ Materiality Identification Process

Materiality

The Tosei Group has identified key issues that should be prioritized for the enhancement of the Group's corporate value and the development of a sustainable society.

Theme	Materiality (The value we believe it is important to create)	Contribution to the SDGs
Coexistence with the environment	1 Action on climate change and promotion of circular economy	
	2 Environmentally friendly manufacturing and service provision	
Action to address social issues	3 Healthy work environment that embraces diversity and individuality	
	4 High-quality products and services that provide safety and reassurance	
	5 Creation, rehabilitation and revitalization of local communities	
Solid corporate governance	6 Governance that promotes healthy corporate growth	

As the demand for companies to address social and environmental issues, including climate change, is certain to increase in the future, we will further accelerate our efforts to contribute to the resolution of social and environmental issues for the development of a sustainable society and to promote ESG management for the sustainable growth of the Company.

Coexistence with the environment

1. Action on climate change and promotion of a circular economy

Major Opportunities

- Improvement of product and service quality (decarbonization, energy saving, resource saving, disaster prevention, etc.)
- Promotion of utilization of existing stock, waste reduction
- Visualization of performance through environmental certification, etc.

Major Risks

- Further progression of climate change, increase of natural disasters
- Cost increase due to GHG emissions, disasters, material shortages

Initiatives



Utilization of idle company housing



Utilization of renewable energy



Strengthening resilience

Energy conservation and use of renewable energy	→ Response to climate change (Scope 1, 2, and 3 calculations, GHG emissions reductions, promotion of renewable energy use) → Utilization of renewable energy
Disaster prevention and mitigation	→ Strengthen resilience of owned and entrusted properties
Efficient use of resources	→ Utilization of idle company housing

Related SDGs



Related Links

→ Disclosure Based on TCFD Recommendations

→ Actions for Climate Change

Coexistence with the environment

2. Environmentally friendly manufacturing and service provision

Major Opportunities

- Improvement of product and service quality (decarbonization, energy saving, resource saving, disaster prevention, etc.)
- Promotion of utilization of existing stock, waste reduction
- Visualization of performance through environmental certification, etc.

Major Risks

- Decrease in relative product value
- Increased possibility of decline in market valuation

Initiatives



LED installation



Development of ZEH

Improvement and visualization of environmental performance in both tangible and intangible aspects	→ Promotion of LED installation in all pre-owned office buildings → Promotion of energy conservation in cooperation with tenants
Reduction of environmental impact of revitalization and development	→ Installation of solar panels and storage batteries in revitalized properties → Development of ZEH and installation of energy-saving equipment in development properties

Related SDGs



Related Links

→ Actions for Climate Change

Action to address social issues

3. Healthy work environment that embraces diversity and individuality

Major Opportunities

- Develop and provide new products and services with diverse values and human resources
- Corporate growth through improved employee productivity and retention

Major Risks

- Occurrence of discrimination, harassment, etc.
- Loss of new business opportunities and outflow of human resources

Initiatives



Supporting Tokyo Rainbow Pride



Health promotion program

Utilization of diverse human resources	→ Promotion of women's careers → Initiatives for LGBTQ
Promotion of diverse working styles	→ Introduction of short-time work and staggered working hours → Introduction of working from home
Pursuit of job satisfaction	→ Human resource development based on the Group's corporate philosophy
Respect for human rights	→ Address labor issues → Initiatives to prevent harassment
Promotion of mental and physical well-being	→ Implementation of health promotion programs

Related SDGs



Related Links

→ Occupational Health and Safety / Health Management

→ Human Rights

→ Workstyle and Diversity

→ Human Resource Development

Action to address social issues

4. High-quality products and services that provide safety and reassurance

Major Opportunities

- Improvement of quality of products and services
- Building good relationships with customers and suppliers

Major Risks

- Occurrence of accidents, health hazards, etc.
- Occurrence of occupational accidents in the supply chain

Initiatives



Quality Improvement Conference

Acquisition of ISO9001

Safety and reassurance of customers	→ Quality control and quality improvement
Safety and reassurance of employees and suppliers	→ Employee health and safety → Supply chain management

Related SDGs



Related Links

→ Occupational Health and Safety / Health Management

→ Product Quality Management

Action to address social issues

5. Creation, rehabilitation and revitalization of local communities

Major Opportunities

- Vitalization of local communities through business activities and real estate holdings

Major Risks

- Deterioration of public safety and local economy in the business area

Initiatives



Creation of local communities



Event at hotel

Rehabilitation, creation and revitalization of local communities	→ Community creation in local communities
Revitalization of local economies	→ Contribution to the local economy through cooperation with local businesses

Related SDGs



Related Links

→ Solutions to Social Issues through Products and Services

Enhancing corporate governance

6. Governance that promotes healthy corporate growth

Major Opportunities

- Promote sustainable corporate management by enhancing management quality
- Enhance social credibility and become a company that has value to all stakeholders

Major Risks

- Loss of corporate value and social credibility, etc.
- Customer attrition, hiring difficulties, etc.

Initiatives

Enhancement of corporate governance	→ Fundamental approach toward corporate governance
Compliance	→ Compliance and risk management system
Strengthening risk management	→ Compliance and risk management system

Related SDGs



Related Links

→ Corporate Governance

→ Compliance and Risk Management

Materiality Identification Process

STEP 01 Rough understanding of social issues and their impact on our Group (FY2022)

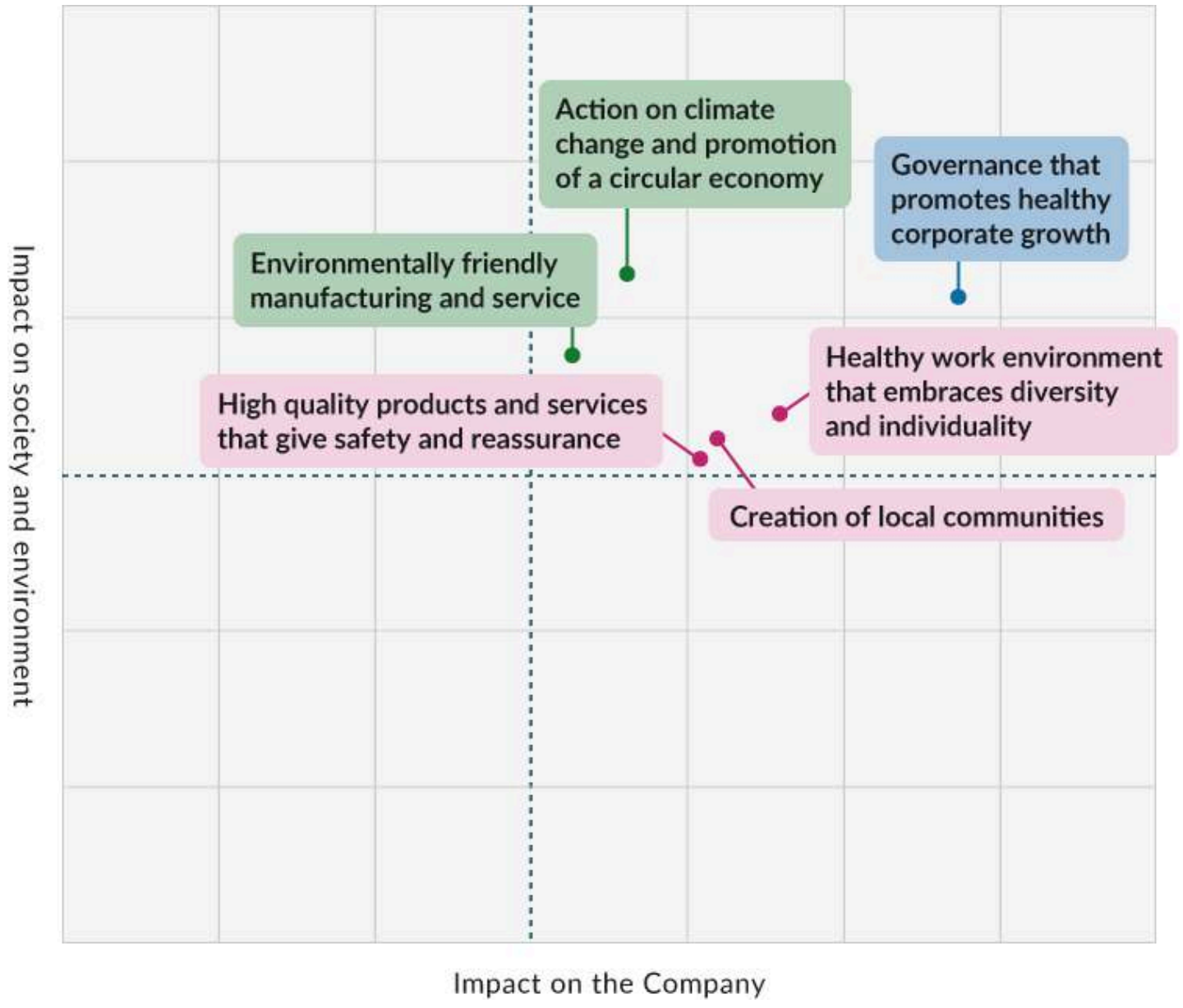
- We referred to various ESG guidelines on global issues and real estate industry issues (such as the GRI Standards and the Practical Guidance of the Ministry of Land, Infrastructure, Transport, and Tourism's Study Group for Promoting ESG Investment to Address Social Issues in the Real Estate Sector) as well as the SDGs and other frameworks to gain a broad understanding of social issues and we identified 64 social issues.
- We organized these issues based on their relevance to us and our business and their impact on us and our impact on them.

STEP 02 Sort out of more specific social issues and implementation of internal survey (FY2023)

- Based on the two axes of impact on the Group and impact on society and environment, we categorized the social issues into 15 key issues.



- For these 15 key issues, we conducted a survey (with the participation of Sustainability Committee members and Group company management) to sort out more concretely the opportunities and risks for the Group and the opportunities and risks for society and to identify the material issues the Group should address as a priority.



STEP 03 Dialogue with internal and external stakeholders (FY2023)

- We reported the aggregated survey results to the Sustainability Committee for discussion.
- We asked third-party experts (CSR Design Green Investment Advisory, Co., Ltd.) for their opinion on the aggregated results and our proposed materiality.
- We prepared a materiality proposal based on the third-party expert advice.

STEP 04 Identification of material issues (FY2023)

- We identified materiality for the Tosei Group.
- Following deliberations by the Sustainability Committee and Directors, the Management Meeting determined materiality for the Tosei Group upon confirming through discussion the comprehensiveness and validity of the themes that the Group should address.

STEP 05 Review of materiality as appropriate (FY2024-)

- We will review our materiality whenever there is a change in the social situation or our business environment or whenever we update out management strategy, etc.

Participation in Industry Initiatives

Supporting the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In November 2021, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the Japan TCFD Consortium. Based on the TCFD recommendations, we will analyze the risks and opportunities posed by climate change to our business, and strive to further enhance information disclosure.

Note: The Task Force on Climate-related Financial Disclosures (TCFD) has fulfilled its remit and was disbanded on October 12, 2023. The monitoring function on the progress of companies' climate-related disclosures was handed over to the IFRS Foundation, which is responsible for the formulation of international financial reporting standards.

Disclosure Based on TCFD Recommendations →

Participation in CDP Evaluation

Since FY2022, we have participated in a questionnaire evaluation by CDP, an international non-profit organization that encourages disclosure of environmental information.

Commitment to Sustainable Development Goals (SDGs)

In order to achieve the United Nations' SDGs, we have formulated our materialities and organized their relationships. Please see below for the relationships between our materialities and SDGs.

Materiality for the TOSEI Group →

Stakeholder Engagement

↓ Basic Approach to Stakeholder Engagement ↓ Policies ↓ Relationship with Stakeholders

Basic Approach to Stakeholder Engagement

The Tosei Group will continue to be a meaningful group to all stakeholders in society, including customers, employees, shareholders, investors, and business partners, by responding quickly and accurately to changes in the business environment and sustaining business activities that realize sound growth.



Corporate philosophy as the basis for corporate value enhancement →

Policies

The Tosei Group will strive to build good relationships with all stakeholders by creating opportunities for dialogue and proactively communicating with them through various materials.

Relationship with Stakeholders

Stakeholders	Relationship with the Tosei Group	Primary Initiatives and Communication
Customers	The Tosei Group will always strive to develop and provide products and services rooted in safety and security from the customer's perspective, and will conduct our business activities with modesty and integrity.	**Pursuit of customer safety and security and customer satisfaction** • Tenant and purchaser surveys • Questionnaire for members • Questionnaire for hotel guests • Inquiry forms on websites, etc. → Product Quality Management → Solutions to Social Issues through Products and Services
Employees	Based on the management philosophy of "continue developing seasoned, true professionals based on people-centered management," the Tosei Group respects human rights and strives to create an environment where diverse human resources can work healthily making the most of their individuality, and to develop human resources.	**Pursuit of diverse human resources and job satisfaction** • Education and training, award system • One-on-one meetings • Periodic personnel interviews **Promotion of physical and mental health** • Health Committee • Health consultation by public health nurses • Health promotion program → Occupational Health and Safety / Health Management → Workstyle and Diversity → Human Resource Development
Business Partners	The Tosei Group will conduct fair transactions with all business partners and strive to ensure the safety and security of suppliers in order to provide safe and secure products and services and to improve quality.	**Providing safe and secure products and services** • ISO9001 • Original quality control system (TOSEI QC10, etc.) • Supplier survey • Quality Improvement Conference, Real estate portfolio management policy → Product Quality Management → Occupational Health and Safety / Health Management

Stakeholders	Relationship with the Tosei Group	Primary Initiatives and Communication
Shareholders / Investors	The Tosei Group strives to disclose information accurately and promptly, emphasizing fairness and soundness in market transactions. In addition, we engage in constructive dialogue with shareholders and investors, and report and discuss opinions identified in such dialogue with management and the Board of Directors in an effort to promote the growth of the company and enhance corporate value.	**Corporate governance to promote healthy growth** **Constructive dialogue with shareholders and investors** • General meeting of shareholders • Briefings on business strategies • Briefings for institutional investors and analysts • IR meetings (in Japan, overseas, etc.) • Briefings for individual investors • Communication through various IR materials • Inquiry forms on websites, etc. → Investor Relations
Nations / Community	The Tosei Group engages in activities that contribute to vitalization, commuity building, environmental conservation, and enhancement of welfare in the areas where real estate holdings are located, mainly in the Tokyo metropolitan area, which is the Company's business area. In the event of a natural disaster, we will also contribute to society by providing support to people in difficult circumstances.	**Creation, rehabilitation and revitalization of local communities** • Dialogue with local residents and government agencies in the planning and development of properties • Volunteer activities such as community cleanups • Interaction through support for children's homes, disaster recovery, etc. • Interaction with local residents through hotel operations, etc. → Contribution to Local Communities

Environmental Management

↓ Tosei Group Environmental Policy ↓ Environmental Management System ↓ Environmental Management

Tosei Group Environmental Policy

As a company that operates in the real estate sector, the Tosei Group takes its corporate responsibility seriously in light of recent changes in the global environment and the urgent need to reduce greenhouse gas emissions. In order to strengthen our environmental initiatives, we established the Tosei Group Eco Declaration and Eco-Mission in April 2009, and in March 2022, the Tosei Group Environmental Policy was established by resolution of the Board of Directors.

Tosei Group Environmental Policy

We have established the following five items as our environmental policy and endeavor to promote environmental efforts in all our corporate activities.

1. Promotion of efforts to create a low-carbon society

We will contribute to the formation of a low-carbon society by actively introducing measures that contribute to energy conservation and reducing energy consumption and greenhouse gas emissions.

2. Promotion of efforts to create a circular economy

We will strive to reduce our environmental impact and contribute to the formation of a circular economy by preventing environmental pollution, promoting resource conservation including reduce, reuse, and recycle, and reducing water consumption and waste emissions.

3. Promotion of efforts conscious of coexistence with the environment

We will contribute to the formation of a prosperous and sustainable society by creating urban environments that are in harmony with nature, taking biodiversity into consideration.

4. Compliance with environmental laws and regulations and raising awareness of environmental conservation

In addition to complying with environmental laws and regulations, we will conduct environmental education and awareness-raising activities to enhance the awareness of Group employees regarding environmental conservation.

5. Promotion of Environmental Communication

We will disclose the status of our environmental efforts to society and engage in dialogue with our various stakeholders.

Environmental Management System

Sustainability Committee

The Group has established the Sustainability Committee to deliberate and decide on ESG-related policies and action plans. The Committee is chaired by the Sustainability Promotion Director (Noboru Hirano, CFO and Senior Executive Officer) appointed by the President and CEO, and consists of members appointed by the chairperson. The contents of the deliberations are regularly reported to the Board of Directors, and are reflected in business activities under the supervision and direction of the directors and in cooperation with related departments of Tosei and Group companies. In the environmental area, the committee deliberates, manages progress, and provides instructions on all measures based on our environmental policy, including compliance with environmental laws and regulations, TCFD compliance, promotion of energy conservation at owned properties, and acquisition of third-party evaluations.



Chairman of the Committee	Noboru Hirano, CFO and Senior Executive Officer
Committee Members	Composed of persons appointed by the chairperson (representatives from each relevant department of Tosei and each Group company)
Secretariat	Corporate Planning Department (Public Relations / Sustainability Promotion Section)

Environmental Management

We are working to reduce the negative impacts of our assets on the environment through our own PDCA cycle, under the direction and supervision of our Sustainability Committee.

PLAN

- Assess energy consumption, GHG emissions, water consumption, etc., of owned assets and establish reduction targets.
- Formulate a plan to promote energy conservation through the installation of LEDs throughout the building.
- Formulate a plan for awareness-raising activities for energy conservation measures in cooperation with tenants.

DO

- Install of high-efficiency equipment such as LEDs throughout the building.
- Introduce renewable energy.
- Energy conservation awareness activities through sustainability guides, tenant surveys, etc., and requests for cooperation.

CHECK

- Energy monitoring, measurement of LED installation effectiveness.
- Tenant survey tabulation, PM / BM sharing.

ACTION

- Sustainability Committee discusses effectiveness measurement verification, tenant survey results, etc., and examines improvement measures.
- Reflect initiatives in next year's renovation work plan, awareness-raising activity plan, etc.

* EMS such as ISO14001 are not currently in place

Disclosure Based on TCFD Recommendations

↓ Supporting the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

↓ Core Elements of TCFD's Recommended Climate-related Financial Disclosures ↓ Governance ↓ Strategy

↓ Risk Management ↓ Metrics and Targets

Supporting the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In November 2021, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the Japan TCFD Consortium. Based on the TCFD recommendations, we will analyze the risks and opportunities posed by climate change to our business, and strive to further enhance climate-related information disclosure.

Note: The Task Force on Climate-related Financial Disclosures (TCFD) has fulfilled its remit and was disbanded on October 12, 2023. The monitoring function on the progress of companies' climate-related disclosures was handed over to the IFRS Foundation, which is responsible for the formulation of international financial reporting standards.

Disclosure Based on TCFD Recommendations (1.0MB)

* Progress after September 28, 2022 is reported as needed on this page.

Core Elements of TCFD's Recommended Climate-related Financial Disclosures

This document discloses climate-related information base on the four thematic areas recommended by the TCFD.

Governance	The organization's governance on climate-related risks and opportunities
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

Organization Framework

Tosei Group has established the Sustainability Committee, which reports directly to the Board of Directors, to promote ESG management practices that take sustainability into account. Based on the Tosei Group ESG Policy and ESG Action Guidelines, the Sustainability Committee formulates policies to improve the Group's overall sustainability, including addressing climate change, formulates annual activity plans for ESG promotion, monitors, provides advice and guidance on the progress of each measure and departmental activities.

The Sustainability Committee is chaired by the Sustainability Promotion Director (Noboru Hirano, CFO and Senior Executive Officer) appointed by the President and CEO, and consists of members appointed by the director. In principle, the committee holds six meeting a year, and its deliberations, activity status, and reported matters are reported monthly to the Board of Directors.

The Sustainability Committee identifies, classifies, analyzes, and evaluates risks and opportunities, and formulates organizational measures and response plans for adaptation and mitigation for climate-related risks in accordance with the Regulations for Risk Management Related to Climate Change. The measures approved by the Board of Directors are linked to business strategies under the leadership of the Sustainability Committee and are applied to Group companies and their respective business units.

Role of the Board of Directors

The Board of Directors has the highest responsibility for climate change-related risk management, and shall establish the necessary organizational structure, appropriately supervise it, and provide instructions as necessary. In addition, based on reports from the Sustainability Committee, the Board of Directors appropriately monitors and supervises the progress of each measure and program, reviewing the policies and directing improvements to the promotion system as necessary. In addition, ESG promotion targets, including climate change-related targets, are set as items for evaluation and compensation assessment of full-time directors in charge of ESG.

Management and Supervisory Body about Climate Change Risk	Board of Directors
Person in Charge	Person responsible for climate change-related risk management: Noboru Hirano, CFO and Senior Executive Officer of Administrative Division * This person shall report monthly on matters related to climate change response at the Board of Directors meetings.
Secretariat	Corporate Planning Department

Strategy

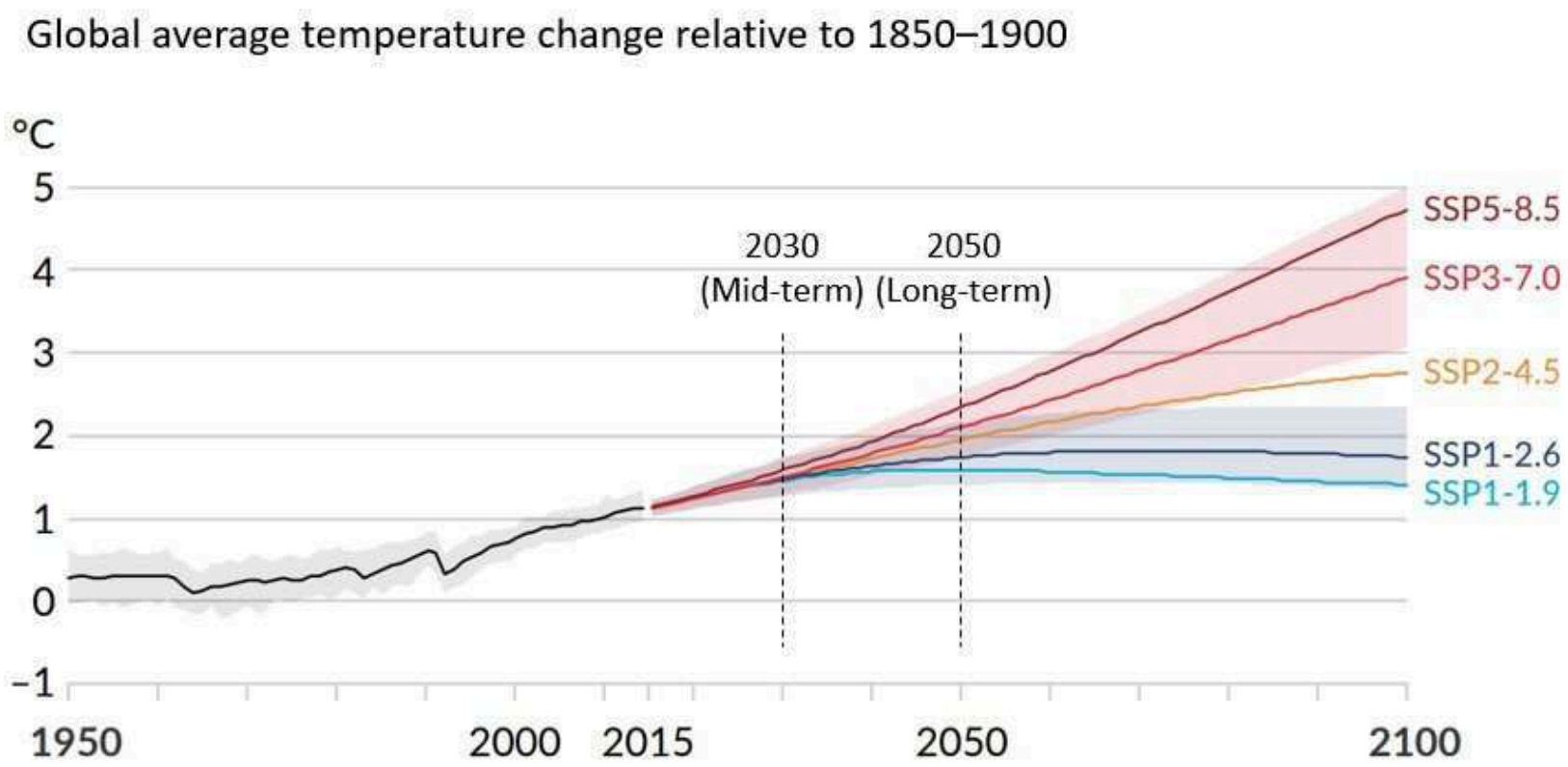
To understand the possible impact of future climate change on the Tosei Group's business and to reflect such impact in our business strategy, we chose multiple future climate change scenarios defined by international institutions and identified risks and opportunities of the hypothetical world under each scenario. The details of the scenario analysis are as follows.

Determining Targets for the Analysis

In this scenario analysis, all businesses of the Tosei Group are included in the target. Regarding the possible impact on real estate holdings, the analysis covers office buildings, commercial facilities, detached houses, apartment buildings, hotels, and logistics facilities as asset classes that are expected to be strongly affected by climate change, while existing condominium units, which have a small impact, were excluded from the analysis.

Determining Time Frames for the Analysis

In analyzing the scenarios, we used 2030 (medium-term) and 2050 (long-term) as time frames for the scenario analysis, considering the effects of climate change assumed in each scenario parameter will materialize in the medium to long term.



The graph is prepared by the company based on Figure SPM.8 in IPCC, 2021: Summary for Policymakers. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*

Assumptions Underlying Each Scenario

The TCFD recommendations advise the use of several scenarios, including a 2°C or lower scenario, to examine the resilience of the organization in an uncertain future.

The Tosei Group used the following two scenarios for its study and analysis.

(1) 1.5°C-2°C increase scenario (high transition risks, low physical risks)

Under this scenario in which regulations and policies are strengthened for decarbonization, measures to address climate change are taken, and temperature rise is expected to be around 1.5 -2°C in 2100.

Companies are strongly required to respond to climate change, and if they do not, customer outflow and reputation risks will increase, resulting in higher transition risks, while physical risks will be relatively low, as the severity of and increase in disasters caused by climate change will be suppressed to a certain extent.

(2) 4°C increase scenario (low transition risks, high physical risks)

Under this scenario climate change measures are not adequately addressed and temperatures rise from pre-industrial levels to about 4°C by 2100.

Physical risks are assumed to increase, including more severe natural disasters, sea level rise, and an increase in extreme weather events. This will increase the competitiveness of products and services with superior BCPs. On the other hand, transition risks will be lower, as government regulations will not be strengthened.

Mainly Referenced Scenario Parameters

	Institutions / Organizations	1.5 - 2°C Scenario	4°C Scenario
Transition Risks	IEA (International Energy Agency)	• WEO2020; Sustainable Development Scenario (SDS) • WEO2021~WEO2024；Net Zero Emissions by 2050 (NZE) • ETP2017; Beyond 2°C Scenario (B2DS)	-
Physical Risks	IPCC (Intergovernmental Panel on Climate Change) NGFS（Network for Greening the Financial System）	• IPCC Sixth Assessment Report; IPCC SSP1-2.6	• IPCC Sixth Assessment Report; IPCC SSP5-8.5 • NGFS (climate-impact-explore RCP8.5)

Future World View of Each Scenario

1.5℃ - 2℃ Scenario

Scenario in which laws and regulations will require companies to take decarbonization and low-carbon initiatives, however, the severity and increase of disaster caused by climate change will be limited to a certain extent.

Policy	Financial Institutions / Investors	Buyer (Real Estate Investors) (Tenant/End user)	Seller (Construction Companies, etc.)
■Regulations on carbon emissions, energy consumption, and the environmental performance of buildings will be tightened.	■In investment and financing decisions, the importance of a company's environmental initiatives and the environmental performance of its buildings will increase.	■Customer will prefer real estate with high environmental performance.	■Decrease in building costs due to improved development technology related to environmental real estate. ■Increase in building costs due to price shifting of environmental measure costs.

Real Estate Industry / Tosei

■Increase in construction and operating costs due to regulatory measures
■Increased sales opportunities for environmentally certified buildings and ZEB/ZEH
■Increased opportunities to obtain financing, investment, and subsidies through expansion of eco-friendly renovation and development initiatives

4℃ Scenario

Scenario in which natural disasters such as typhoons and floods become more severe, sea levels rise due to chronic temperature increase, and material prices rise.

Policy	Financial Institutions / Investors	Buyer (Real Estate Investors) (Tenant/End user)	Seller (Construction Companies, etc.)
■Laws and regulations regarding disaster prevention and mitigation will be tightened.	■Interest in environmental considerations will not increase. ■In investment and financing decisions, the importance of physical risks of buildings will increase.	■Customer will prefer real estate with high safety performance against natural disasters.	■Lack of progress in the development of energy-saving technologies ■Rising temperatures will increase the cost of materials and construction labor.

Real Estate Industry / Tosei
■Decrease in property value in areas where flooding damage is a concern ■Increased occurrence of building damage due to extreme weather events ■Increased sales opportunities for real estate with disaster-prevention features

Identification of Risks / Opportunities Based on Scenario Analysis and Evaluation of Financial Impact

Based on the two climate-related risks and opportunities (Transition risks / opportunities and Physical risks / opportunities) categorized in the TCFD recommendations, we have identified the major risks and opportunities that are expected to have a significant impact on our business for each scenario. For each of the identified risks and opportunities, we evaluated the financial impact using parameters published by international organizations. The degree of impact on the Group was assessed on a four-point scale (major, medium, minor, and minimal) based on the materiality standards of the Tokyo Stock Exchange for timely disclosure, qualitative judgments take into account. Details are as follows.

Transition Risks / Opportunities

Category	Item / Contents	Time Frame	Financial Impact	
			1.5 - 2°C Scenario	4°C Scenario
Regulation / Policy	**Introduction of carbon tax** **Risks** • Operating costs will increase in accordance with GHG emissions due to the introduction of a carbon tax and carbon price.	Medium to long term	Minimal	Minimal
	Tighter GHG emission regulations **Risks** • Tighter regulations will increase construction costs as ZEH (M) / ZEB becomes mandatory for new offices, condominiums, and detached houses. • Tighter regulations will increase renovation costs by requiring existing buildings to be decarbonized (renovation to ZEB Ready levels). **Opportunities** • The spread of ZEB-enabling technologies is expected to reduce the construction cost, which may mitigate the cost increase due to ZEB-enabling measures.	Medium to long term	Medium	Minor

Category	Item / Contents	Time Frame	Financial Impact	
			1.5 - 2°C Scenario	4°C Scenario
	Mandatory adoption of energy efficient labeling system **Risks** • Mandatory energy efficiency labeling will raise awareness of environmental performance and lead to the decrease of asset value and rental income of low energy efficiency real estate. **Opportunities** • The increase of demand for environmental real estate may raise the asset value and rental income of properties that acquired environmental real estate certifications or properties that had environmentally friendly renovation.	Medium to long term	Medium	Minimal

* Financial impact is calculated based on internal data available as of August 2025.

Resilience of the Group and the Results of the Analysis

Results of the scenario analysis indicate that the financial impact on the Group from transition risks, especially in the medium- to long-term time frame, will emerge as a result of changes in the social transformation associated with the transition to a decarbonized society (1.5°C - 2°C Scenario), specifically through the tightening of various government regulations (adoption of carbon taxes, mandatory ZEH / ZEB levels, mandatory energy efficient labeling, etc.), and changes in the behavior and preferences of investors and financial institutions. The Group will shift to using electricity generated from renewable energy sources for its head office and own-operated hotels. We will also promote internal resource and energy conservation efforts to reduce the Group's GHG emissions. Moreover, we will work together and cooperate with suppliers and contractors to reduce GHG emissions during construction as well as to promote ZEH / ZEB in new development projects, renovate existing real estate to environmentally friendly real estate specifications, acquire environmental real estate certifications, and raise awareness among tenants. Through such efforts, we aim to reduce GHG emissions throughout the value chain and minimize risks and maximize opportunities.

Physical Risks / Opportunities

Category	Item / Contents	Time Frame	Financial Impact	
			1.5 - 2°C Scenario	4°C Scenario
Acute	**Increased severity of extreme weather events** **Risks** • Properties located in areas with high inundation risks due to flooding will have lower price appreciation (asset value) due to higher risk premiums for investors. • Repair costs will increase due to more frequent flood damage. **Opportunities** • Enhanced BCP measures for buildings will minimize risks and increase the market competitiveness of the properties.	Short to medium term	Minimal	Medium
Chronic	**Sea level rise** **Risks** • As sea level rises, existing buildings will chronically be inundated.	Medium to long term	Minimal	Minimal
	Decline in labor productivity **Risks** • Construction costs will increase due to extreme heat that causes the decline of productivity in the construction work, which is mainly outdoor work.	Short to long term	Minimal	Minimal
	Supply Chain Confusion **Risks** • Construction costs will rise due to supply chain confusion caused by increased extreme weather events, soaring material prices due to oil dependence, and rising transportation	Medium to long term	Minimal	Medium

* Financial impact is calculated based on internal data available as of August 2025.

Resilience of the Group and the Results of the Analysis

Results of the scenario analysis indicate that financial impact from physical risks on the Group, especially in the medium- to long-term time frame, will emerge as a result of intensifying extreme weather events in society where climate change measures are not sufficiently implemented (4°C Scenario) and supply chain confusion.
Upon acquisition, we make investment decisions only after comprehensively considering various factors, including flood risks. Also, we regularly check the risk status of our property portfolio using hazard maps, and take appropriate business continuity planning (BCP) measures such as reviewing the portfolio and purchasing insurance. Through these efforts, we aim to minimize risks while maximizing opportunities.
Furthermore, we will work together and cooperate with suppliers and contractors to strengthen the supply chain and improve health and safety, and productivity at construction sites.

Strategies and Measures Developed Based on the Results of Scenario Analysis

Considering the aforementioned scenario analysis results, the Group will promote and consider the following measures in its management strategy and financial plan to minimize risks and maximize opportunities.

Major Initiatives

- Reduction of CO2 emission through revitalization business
- Utilization of renewable energy
- Initiatives to reduce GHG emissions in the real estate fund and consulting business
- Development of decarbonized / low-carbon properties
- Promotion of LED installation in existing buildings

Major Initiatives →

Risk Management

Process for Identifying and Assessing Climate-related Risks and Opportunities

The Sustainability Committee, responsible for risk management related to climate change, conducts regular Group-wide surveillance once a year and identifies climate-related risks and opportunities based on the results. The identified climate-related risks and opportunities are evaluated on two scales, "likelihood" and "impact" based on multiple assumptions (scenarios) about future climate change defined by international organizations and others. The results of the analysis are reported to the Board of Directors each time the analysis is performed. Climate-related risks and opportunities in this analysis are based on the following definitions.

1. Transition Risks

Risks associated with the transition to a low-carbon society, which are risks brought about by changes in policies and legal regulations to address climate change, as well as changes in technological development, market trends, market valuations, etc.

(ⅰ) Current Regulations (Policy and Legal)	Risks related to policy initiatives that attempt to constrain actions that contribute to the adverse effects of climate change
(ⅱ) New Regulations (Policy and Legal)	Risks related to policy initiatives that seek to promote adaptation to climate change
(ⅲ) Technology	Risks related to technology that may change or evolve with climate change among suppliers of materials and services related to each of the Group's businesses
(ⅳ) litigation	Risks related to climate-related litigation claims being brought before courts
(ⅴ) Market	Risks associated with changes in the markets relevant to the business of Group companies as society transitions to a low-carbon and decarbonized society in relation to climate change
(ⅵ) Reputation	Risk of changes in the Group's reputation with customers, investors, various suppliers, communities, governments, and others related to the Group in relation to climate change

2. Physical Risks

Risk of exposure to acute or chronic damage from climate change and other causes brought about by climate change.

3. Opportunity

(ⅰ) Resource Efficiency	Opportunities related to improving resource efficiency in the business activities of our Group
(ⅱ) Energy Source	Opportunities from shifting to low-carbon energy sources to meet the energy needs of our Group companies' business activities
(ⅲ) Products and Services	Opportunities arising from low-carbon and climate change adaptive products and services of our Group companies
(ⅳ) Market	Opportunities our Group to enter new markets as we transition to a low-carbon economy
(ⅴ) Resilience	Opportunities arising from enhancing various adaptive capacities of our Group companies to cope with climate change

Processes to Manage Climate-related Risks and Opportunities

Of the identified risks and opportunities, the Sustainability Committee creates a plan for each element that the Tosei Group should address in an organized manner, and the Board of Directors approves the plan. The plan is formulated based on the basic framework of risk management, namely avoidance, acceptance, mitigation, and transfer.
Under the supervision of the Board of Directors and in accordance with the instructions of the Sustainability Committee, the approved risk response plans are implemented by the respective business operation systems of Tosei and its Group companies. The Sustainability Committee also takes the lead in linking the risk management plan to the business strategy by providing instructions to each Group company and their respective business organizations.

Status of Company-wide Risk Management Integration

The Risk and Compliance Committee, which is a committee directly under the Board of Directors, is responsible for centralized and cross-sectional risk management of the Tosei Group. The committee is responsible for implementing basic measures for the Group's risk management, responding to management crises that may occur as risks emerge, and overseeing and managing the various risks surrounding the Group's businesses.
Climate change risks and opportunities, which are of particular importance among the Company-wide risks and should be managed following the framework recommended by the TCFD, are led by the Sustainability Committee under the supervision of the Board of Directors. The Risk and Compliance Committee ensures integrated Enterprise Risk Management by assisting and supporting the Sustainability Committee in its implementation of various measures.

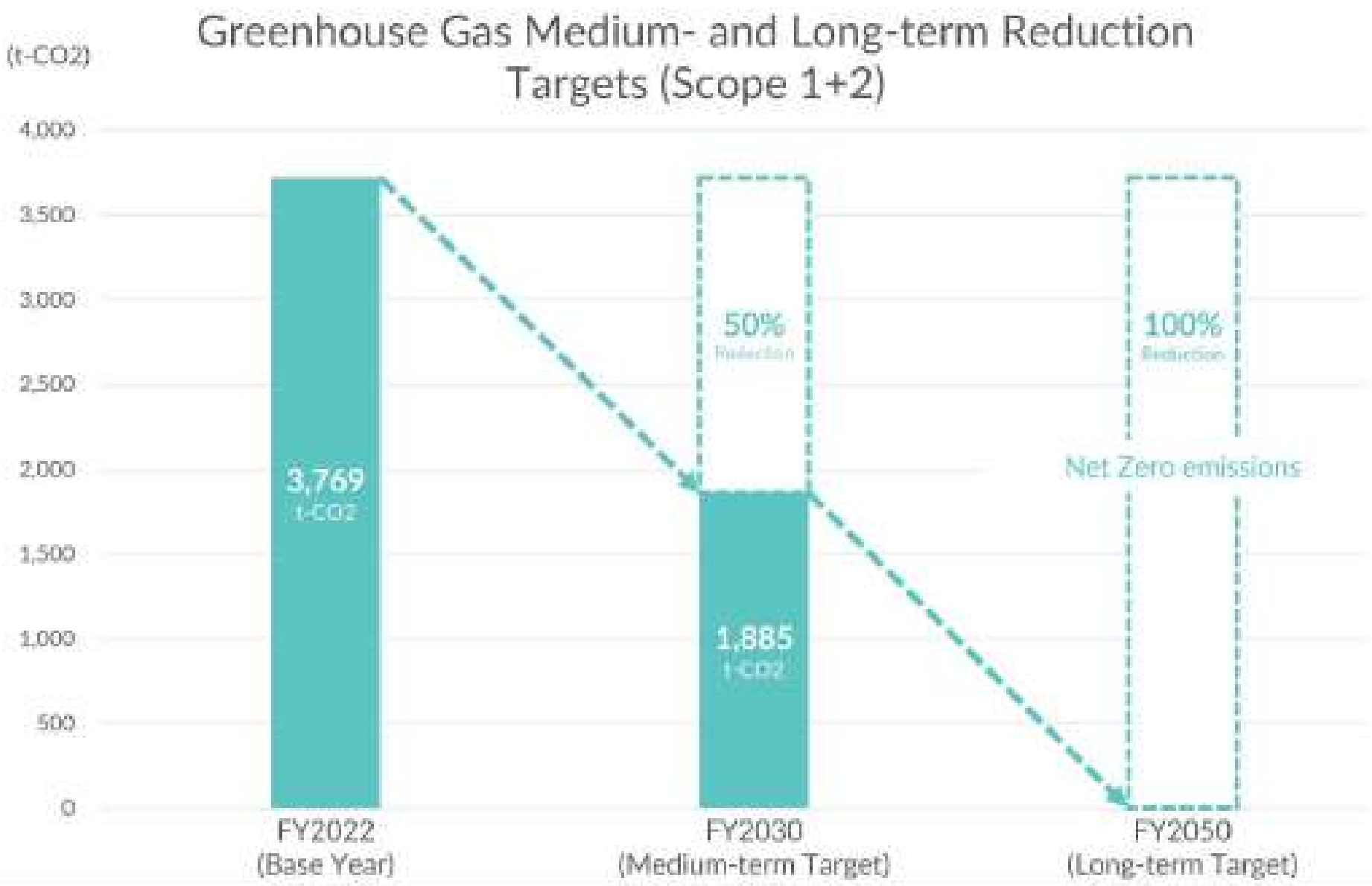
Metrics and Targets

Disclosure Elements of Greenhouse Gas (GHG) Reduction Targets

The Tosei Group has set the goal of achieving net-zero Scope 1 and 2 greenhouse gas emissions in FY2050 to keep the global temperature increase below 1.5°C. In addition, the Company will pursue the following reduction targets over the medium term, with FY2022 as the base year.

Base Year	FY2022（From December 2021 to November 2022）
Reduction Target*	Scope 1: Direct GHG emissions by business operators themselves, such as from combustion of fuel Scope 2: Indirect GHG emissions associated with the use of electricity, heat, and steam
Target Year / Reduction Ratio	Long-term target: Net-zero by FY2050 Medium-term target: 50% reduction from base year by FY2030

* The GHGs emitted by our Group consist of GHGs emitted directly from our Company through the use of city gas at our headquarter, sales offices, and Company-operated hotels and gasoline used in Company vehicles (Scope 1), and GHGs emitted indirectly through the use of electricity at our head office, sales offices, and Company-operated hotels and district heat and cooling used at our head office (Scope 2).



Greenhouse Gas (GHG) Emissions

Item [Unit]		FY2022 Results (Base year)	FY2030 Target (Target year)	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
GHG (CO2) emissions [t-CO2]	Scope 1	480 ✓	-	197	480 ✓	583 ✓	776 ✓
	Scope 2	3,289 ✓	-	1,696	3,289 ✓	2,714 ✓	2,485 ✓
	Scope 1+ Scope 2 Total	3,769 ✓	1,885	1,893	3,769 ✓	3,296 ✓	3,261 ✓
Reduction rate compared to base year (Scope 1+Scope 2 Total)		-	-50%	-	-	-12.5%	-13.5%
Total floor area of the subject [㎡]		61,561	-	49,112	61,561	73,722	72,505

* The indicators marked ✓ are verified by an independent third party, Sustainability Accounting Co., Ltd.
The warranty report :FY2024 / FY2023 / FY2022

* For the FY2021 calculation, the Princess Group, which became a consolidated subsidiary in October 2021, is not included.

* The Group excludes GHGs (CFCs, etc.) other than CO2 due to their extremely small amounts, and calculates and reports only CO2.
* The GHG emission factor is based on the *GHG Emissions Calculating and Reporting Manual* published by Ministry of the Environment and Ministry of Economy, Trade and Industry, and uses the emission factor of the electric power company used by the subject buildings.
* As of November 30, 2024

Actions for Climate Change

↓ The Company's Perceptions of Climate Change Issues

↓ Supporting the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

↓ Targets and Results ↓ Major Initiatives

The Company's Perceptions of Climate Change Issues

Since the Paris Agreement of 2015, climate change has become an urgent global challenge, and the need to address environmental issues has become a common understanding among countries around the world. The current climate system and the scale of the changes observed in the climate are unprecedented in hundreds of thousands of years. The IPCC Sixth Assessment Report, published in 2021, warns that anthropogenic climate change is already leading to many weather and climate extremes in all regions of the world and that unless GHG emissions are significantly reduced over the next few decades, it will cause more severe and frequent natural disasters. The world must hold the increase in global average temperature to below 2°C or even to 1.5°C above the pre-industrial level by the end of the 21st century. Efforts to reduce GHG emissions are being made worldwide, and in Japan, the movement toward the achievement of a decarbonized society has been accelerating since the Japanese government's declaration on Net Zero GHG Emissions by 2050.

Under these circumstances, the Tosei Group recognizes that climate change will cause dramatic changes in the natural environment and social structure, and that it is an issue that will have a significant impact on our business. We also are aware that natural disasters could reduce the value of real estate and stricter government environmental regulations could significantly affect our business activities, strategies and financial plans. Tosei has established the Tosei Group ESG Policy and Action Guidelines and has also included initiatives to address environmental and social issues in its current medium-term management plan, Further Evolution 2026. We will continue to strive to implement ESG management that takes sustainability into consideration and contribute to the realization of a sustainable and decarbonized society through our corporate activities.

The Tosei Group ESG Policy

The Tosei Group has a mission of creating new value and inspiration in all aspects of real estate as a global-minded group of seasoned professionals. We regard our commitment to the Environment, Social and Governance as a priority management challenge. We will seriously address the social issues associated with real estate to contribute to society and achieve our own continuous growth.

Supporting the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In November 2021, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the Japan TCFD Consortium. Based on the TCFD recommendations, we will analyze the risks and opportunities posed by climate change to our business, and strive to further enhance information disclosure.

Note: The Task Force on Climate-related Financial Disclosures (TCFD) has fulfilled its remit and was disbanded on October 12, 2023. The monitoring function on the progress of companies' climate-related disclosures was handed over to the IFRS Foundation, which is responsible for the formulation of international financial reporting standards.

Disclosure Based on TCFD Recommendations →

Targets and Results

GHG (CO_2) Emissions Results

Targets (FY2022 -)

Long-Term Target

Achieve net zero by FY2050

Medium-Term Target

Reduce 50% by FY2030

Subject

Tosei Group Scope 1 and 2

Base Year

FY2022

Item [Unit]		FY2022 Results (Base year)	FY2030 Target (Target year)	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
GHG (CO2) emissions [t-CO2]	Scope 1	480 ✓	-	197	480 ✓	583 ✓	776 ✓
	Scope 2	3,289 ✓	-	1,696	3,289 ✓	2,714 ✓	2,485 ✓
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Reduction rate compared to base year (Scope 1+Scope 2 Total)		-	-50%	-	-	-12.5%	-13.5%
Total floor area of the subject [㎡]		61,561	-	49,112	61,561	73,722	72,505

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* The GHG emission factor is based on the *GHG Emissions Calculating and Reporting Manual* published by Ministry of the Environment and Ministry of Economy, Trade and Industry, and uses the emission factor of the electric power company used by the subject buildings.
* As of November 30, 2024

Energy Use Target

Target (FY2024 -)

Target

Reduce energy use intensity (Crude oil equivalent kl/㎡) by 1% from the previous year

Coverage

Tosei Group *

* Real estate portfolio with substantial energy management title among Tosei-owned fixed assets

Targets (FY2018 - FY2023)

Long-Term Target

Reduce energy use intensity by 5% by FY2023

Short-Term Target

Reduce energy use intensity by 1% per year

Coverage

Tosei owned fixed assets

Base Year

FY2018

Energy Use Results

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Energy use	Total amount [kl]	3,251	3,528	3,415	3,758	4,522	4,581	3,230
	Energy use intensity [kl/㎡]	0.046	0.038	0.036	0.032	0.032	0.032	0.031
Reduction rate compared to base year (Energy use intensity)		-	-18%	-21%	-31%	-30%	-29%	-
Reduction rate compared to last year (Energy use intensity)		-	-	-	-	-	-	-3%
Total floor area of the coverage [㎡]		70,664	93,957	93,957	117,982	140,002	141,306	102,905

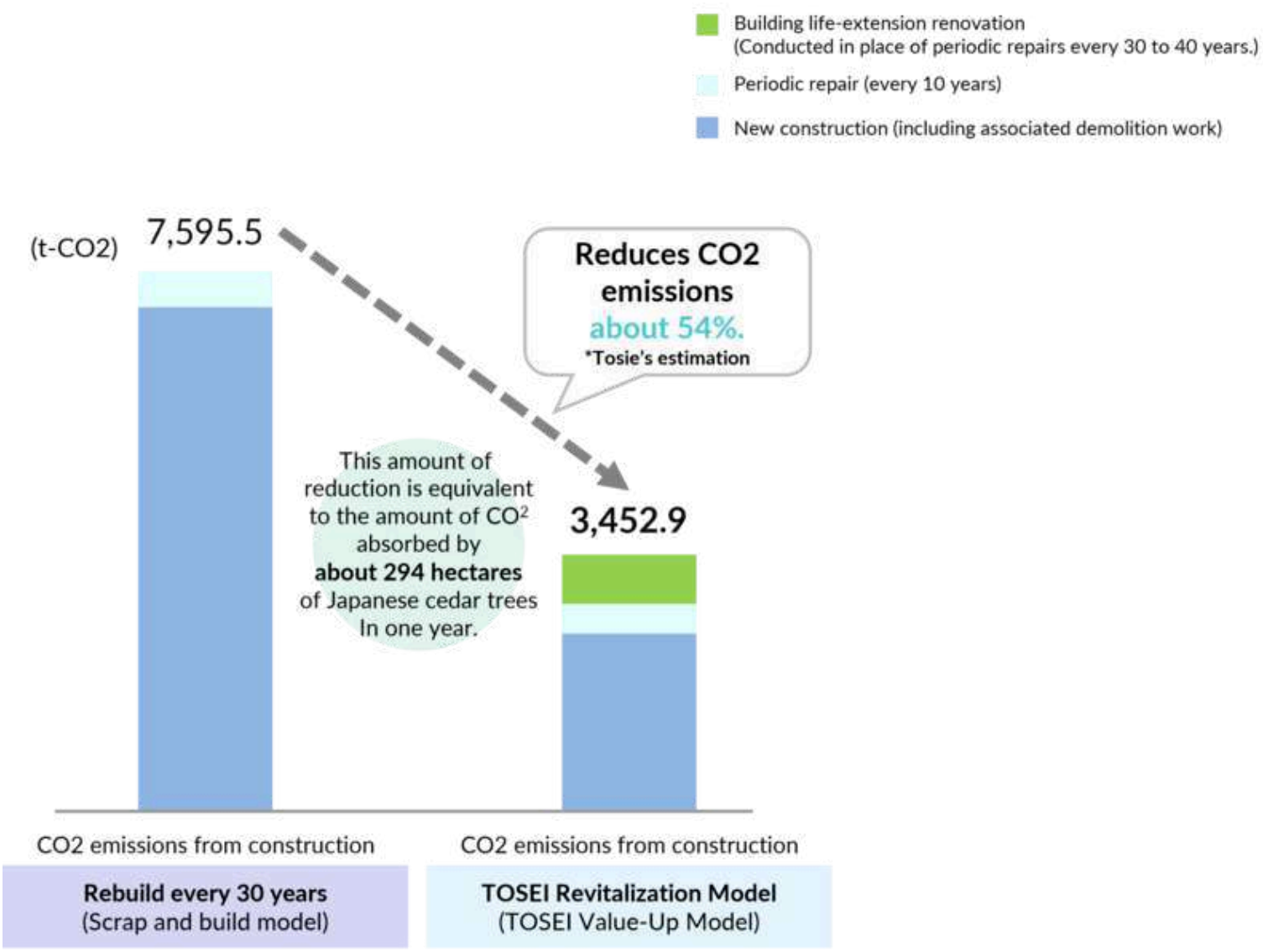
* The coverage through FY2023 is Tosei-owned fixed assets. This excludes those with an energy monitoring period of less than one year, condominium unit ownership properties, and real estate for sale.
  The coverage after FY2024 is the real estate portfolio with substantial energy management title among Tosei-owned fixed assets, and which is subject to the Act on Rationalizing Energy Use.
* Occupancy rate is not taken into account in the calculation of floor area intensity.
* The base year shown in this table is the base year in the old target through FY2023 (FY2018) . There is no base year in the current target.
* As of November 30, 2024

Major Initiatives

Reduce CO2 Emissions through Revitalization Business

Revitalization

Tosei's Revitalization Business is not only attractive as an investment product, but also leads to the utilization and extension of existing resources and is environmentally friendly. This means that, Tosei's model of utilizing existing used properties can reduce total CO2 emissions generated due to construction by 54% in comparison to the scrap and build model over a 100-year period.（According to our estimation）



Assumptions

Assuming that a newly constructed office building (total floor area: 10,000㎡, steel-framed reinforced concrete structure) will be maintained for 100 years*

TOSEI Value-Up Model

Repair and maintenance work to be carried out every 10 years (8 times in total), and life-extension work to be carried out once every 30 to 40 years (2 times in total).

Lengthening of service life = Large-scale repair work for air conditioning, water supply, elevators, water-saving toilets, etc.

Scrap and Build Model

Repair work every 10 years (9 times in total), and once every 30-40 years, demolish the existing building and build a new similar building (2 times in total).

* In order to extend the life of the building frame up to 100 years, it is assumed that the neutralization diagnosis of the building frame and its treatment have been implemented. In addition, CO2 emissions from the work related to neutralization diagnosis and treatment are not considered.

Creation of Sustainable Value — 3-Point Value Up Code

Revitalization | Development

When we plan new construction and value-add, we consider the use of environmentally friendly equipment in accordance with the characteristics of the property, and actively introduce environmental products from various perspectives, such as energy and resource conservation.

In particular, when we add value to existing properties after acquisition, we consider the adoption of equipment that leads to sustainable energy, cost, and resource savings based on 3-Point Value Up Code consisting of Eco-friendly (ecology & recycling), Well-being (sophistication & comfort), and Resilience (safety & reassurance).



Sustainable Value Up

We revitalize existing properties based on the 3-Point Value Up Code to make the most of their characteristics and enhance their attractiveness. →

Utilize Renewable Energy

Revitalization | Development | Rental | Fund and Consulting | Hotel

To reduce CO2 emissions from the buildings we own, we are working on the use of renewable energy* in addition to energy conservation renovation work.
Tosei's head office building, the Tamachi Tosei Building, and Tosei Hotel COCONE Tsukiji Ginza Premier are powered by renewable energy, and Tosei is also working on local production for local consumption of energy by installing solar panels and storage batteries at T's eco Kawasaki as part of its value-add work to power some common areas as part of its renewable energy utilization in its revitalization business.



T's eco Kawasaki solar panels

* Electricity derived from renewable energy includes the use of non-fossil certificates classified as renewable energy.

Initiatives to Reduce GHG Emissions in the Fund and Consulting Business

Fund and Consulting

In our Fund and Consulting Business, through our asset management services, we promote energy-saving renovation of buildings owned by real estate private placement funds and REITs, acquisition of environment-related certifications, and efforts to reduce GHG emissions.
Tosei Asset Advisors, Inc has established the Green x Value Up Residential Fund (hereinafter the Fund) in FY2023, which aims to reduce whole-building GHG emissions through energy-saving renovations, working with domestic institutional investors.
The Fund operates its properties with the goal of significantly reducing GHG emissions for the whole-building by holding existing rental apartments over the long term and conducting energy-saving renovations not only of common areas but also vacant units. The Company will carry out the renovation work as construction manager, and the value of the property will be increased with a focus on the reduction of environmental impact, thereby revitalizing the property as a rental apartment building that contributes to the realization of a decarbonized society. Specifically, common areas have installed LED lighting and motion sensors, as well as solar power generation equipment on the rooftop and high-reflective paint. In the exclusive areas, water, lighting, and air conditioning equipment will be upgraded to energy- and water-saving models, and a Home Energy Management System (HEMS) will be installed to enable the visualization and optimization of energy use.



Exterior view of subject property



Solar panels

Participation in the Earthquake Resistance and Environmental Real Estate Formation Promotion Project

Fund and Consulting

In 2013, Tosei Asset Advisors, Inc. was selected as the fund manager for the first project managed by the Real Estate Sustainability & Energy-Efficiency Diffusion Organization (Re-Seed Organization) under the Earthquake Resistance and Environmental Real Estate Formation Promotion Project promoted by the Ministry of Land, Infrastructure and Transport and the Ministry of the Environment. Furthermore, new funds were established in 2014 and 2017.

Development of Decarbonized and Low-Carbon Properties

Development

We are working to build houses that meet the ZEH (Net Zero Energy House) standard, and in FY2024, we supplied 12 ZEH and long-life quality housing. We are developing products that incorporate the most advanced housing equipment and systems, including solar power generators, energy- and water-saving equipment, and IoT. We will continue with these efforts to provide houses that combine high energy-saving performance and comfort.



Example of ZEH construction



Solar power generation system



High-performance heat-insulating material



Energy meter

Major Environmentally Conscious Equipment Installations

Development

The Group's development properties actively adopt equipment and materials that contribute to greenhouse gas reduction and energy conservation, as described below.

- Energy-saving water heater (Eco-Jozu, ENE-FARM)
- LED lighting, motion sensor lighting
- Highly insulated sashes
- Rainwater utilization equipment (rainwater tank, water-retaining interlocking)
- Recycled materials
- Electric car charging facilities
- Double-layered glass
- Highly insulated design (equivalent to heat insulation performance grade 4)
- Solar power generation system
- Water-saving faucets, water-saving toilets
- Rooftop greenery, rooftop green / vegetable garden

Promotion of LED Installation in Existing Buildings

Rental | Property Management

The Group is promoting the installation of LED lighting in the fixed assets it owns. To date, we have installed LED lighting throughout 13 existing buildings and reduced electricity consumption by an average of approximately 20% to 30%. This is expected to improve tenant satisfaction by reducing electricity consumption and costs, increasing the brightness of the buildings, and eliminating the need for maintenance.



Shinbashi Frontier BL



Toranomon Tosei BL



Narimasu Tosei BL

Tenant Survey

Rental | Property Management

We conduct an annual survey of all tenants of our buildings (fixed assets) regarding the building management system, facilities, etc.
The survey asks about the level of satisfaction with the comfort and facilities of the buildings they occupy, as well as their evaluation of management services such as cleaning conditions, trouble shooting, and tenant communication, on a 5-point scale from "satisfied" to "dissatisfied".
The quantitative evaluation and open-ended requests obtained from the survey results are discussed at the Sustainability Committees of Tosei Corporation and Tosei Community Co., Ltd. The PDCA cycle, in which items requiring action are individually addressed by the person in charge of the property, and the results are monitored by both committees, is implemented with the aim of improving customer satisfaction.
In FY2024, 91 companies were surveyed.

Green Lease Agreement

Rental | Property Management

For tenants of buildings that have undergone whole-building LED construction, we have entered into green lease contracts with tenants that stipulate that both the owner and the tenant will enjoy the benefits of energy conservation through the installation of energy-saving equipment, and that the tenant will work with the owner on various energy-saving activities that will contribute to improving the environmental performance of the property. As of the end of the fiscal period ended November 30, 2024, green lease contracts were in place for 8 properties, including Shinden Logistics, Awaji-cho Tosei Building, and others.

Energy Conservation Awareness Activities

We are striving to raise building users' awareness of energy conservation and reduce energy consumption by distributing Sustainability Guides, which provide information on energy conservation activities, and by displaying posters to promote energy and resource conservation, waste separation, stairway use, and other activities.



Energy conservation promotion poster



Sustainability guidebooks

Promotion of Acquiring Environmental Real Estate Certification

Rental | Property Management

We are promoting energy-saving renovations, including the installation of LED lighting in buildings. We are also promoting the acquisition of certifications that evaluate the environmental performance and social aspects of real estate and use these certifications to enhance the value of our assets and for leasing.

→ Click here for a list of environmental real estate certifications obtained

Resources and Energy Conservation within the Company

By establishing an IT infrastructure within the Company, meeting materials and documents for approval are being made paperless. In addition, we are continuing steady activities such as using electric fans and halogen heaters instead of relying on air conditioners. We are also actively introducing resource- and energy-saving equipment such as water-saving toilets and motion-sensor lighting. We believe that it is important to make continuous efforts throughout the year to promote resource and energy conservation, and we will continue to educate and implement familiar eco-activities that can be carried out by every employee.

Biodiversity

↓ Our Approach to Biodiversity ↓ Protecting Urban Greenery ↓ Protecting Ecosystems

Our Approach to Biodiversity

In accordance with the Group's environmental policy, we will strive to create urban environments that are in harmony with nature by taking biodiversity into consideration and working to conserve and green the natural environment. We will also actively participate in local volunteer activities to raise employee awareness of biodiversity conservation.

Protecting Urban Greenery

Initiatives through Business

Promotion of Greening

In order to improve the scenery and reduce environmental impact, we are working on greening existing real estate and development properties. Specifically, we are planting trees on the rooftops and walls of office buildings, grounds of condominiums and detached houses to create green spaces. We are also focusing on rooftop greening, with a total of 3,927 square meters of green space planted as of the end of November 2022. We are planning to introduce this system to commercial facilities and hotels under development.



THE PALMS Chofu Manor Garden



THE PALMS Sagamihara Park Brightia



TOSEI HOTEL COCONE Ueno Okachimachi

Symbiosis with Plants

T's garden Nishiterao, a rental apartment that we revitalized, has a variety of plantings in the courtyard and other areas of the property, and QR codes are attached to tall trees to explain tree species. Residents can interact with the plants in their daily lives and enjoy the seasonal changes.



Tree labeled with QR code linking to additional species information

Initiatives around the Head Office

Green Space around the Head Office

Tamachi Tosei Building is an existing building constructed in 1992 that has been renovated and occupied by the Tosei Group as its head office building from 2021. Over 30% of the more than 1,300㎡ of open space is greened, with a diverse mix of tall trees, medium-sized trees, shrubs, and ground cover, allowing workers to enjoy the changes in the seasons. The canal that runs in front of the building is visited by wild birds, creating an environment where one can enjoy the richness of nature even in the heart of the city. The courtyards on the 5th and 13th floors of the head office building are designed to replicate a Japanese garden, with a pond in which carp are kept, and trees in the garden provide perches for wild birds so that one can hear them chirping.



Public open space



Courtyard (5F)

On the rooftop of Toranomon Tosei Building, which was used as the head office building until March 2021, we operated a rooftop vegetable garden in order to mitigate the heat island effect, raise employee awareness of the environment, and revitalize Group communication. We grew flowers and vegetables according to the season and held a harvest festival to raise the environmental awareness of employees through employee-participatory events.



Planting flowers and vegetables

Participation in Minato City Adopt-A-Program

Since October 2022, we have been participating in Minato City Adopt-A-Program and engaging in community cleanup activities. The program is an agreement between Minato City and organizations that live, work, or study in Minato City to collaborate in the maintenance and management of roads, parks, and other facilities. In principle, once a month, employees of our Group pick up trash and remove weeds from the streets and parks around our head office. Through these activities, the Group contributes to environmental preservation and beautification of the Minato City where the head office building is located.

→ Click here to see our most recent activities



Cleaning activity

Social Contribution Activities

Tree-planting Activities

For seven consecutive years from 2009 to 2015, we participated as volunteers in the Umi-no-Mori (Sea Forest) tree-planting event organized by the Tokyo Metropolitan Government. Umi-no-Mori is an initiative to plant saplings on the inner landfill of the central breakwater in Tokyo Bay, which was reclaimed with garbage and construction soil, and transform it into a beautiful forest to create a venue for the 2021 Tokyo Olympic and Paralympic Games. Umi-no-Mori serves as a starting point for winds blowing from the ocean to the city center, and absorbs CO2, thereby reducing global warming and the heat-island effect. It actually was used as a venue for rowing and canoeing competitions at the Tokyo Olympics and Paralympics.



FY2015 Umi-no-Mori tree-planting event

The Green Feather Fundraising Activity

The purpose of this fundraising campaign is to support Tokyo's forest maintenance, training of forest volunteers, and forest and environmental education for children. We have been making donations every year since 2007.

Protecting Ecosystems

Volunteer Seaside Cleanup Activities

We have participated in volunteer cleanup activities since 2009. In 2024, 53 employees of our Group and their families participated in Tokyo Sato-Umi Aid in Nishinagisa an event to clean up floating garbage in Kasai Marine Park. While Kasai Marine Park is a valuable area in Tokyo where one can experience biodiversity close at hand and was registered under the Ramsar Convention in 2018, it has long been plagued by debris drifting from the Kyu-Edo River and Arakawa River. The event also included a tally of the types and quantities of trash collected to help investigate the causes of the drifted trash. Through this activity, we aim to raise employee awareness of environmental and social issues such as trash reduction and ecosystem conservation.


Plastic garbage


Cleaning up


Participants and marine debris collected

Initiatives in Development Properties

We are working to enhance the planting of trees in our urban development of condominiums and detached houses. In selecting tree species, we have taken steps to ensure that residents can enjoy seasonal changes, and we have taken biodiversity into consideration by including fruit trees. The company also emphasizes harmony with the surrounding natural environment, and at THE PALMS COURT Hibarigaoka, a detached house, rich plantings form a green network with the adjacent Nishi-Tokyo Ikoi-no-Mori Park, contributing to the preservation of the local ecosystem. In addition, at THE PALMS Yutenji Master Place, a condominium, existing trees have been transplanted to the plaza on the site to create a streetscape that blends in with the surrounding nature without spoiling the greenery of the land.



Preservation of existing trees



Enrichment of plantings

Environmental Pollution and Resources

↓ Approach to Environmental Pollution and Resource Conservation
↓ Pollution Prevention Efforts
↓ Waste Reduction Efforts
↓ Resource Conservation Efforts

Approach to Environmental Pollution and Resource Conservation

In addition to complying with all applicable laws and regulations regarding environmental pollution and taking appropriate measures, the Tosei Group Environmental Policy stipulates that the Group will strive to prevent environmental pollution, promote resource conservation such as reducing, reusing and recycling, and promote efforts to reduce environmental impact and create a circular economy.

Pollution Prevention

Risk Management

When considering the acquisition of land or buildings, a Real Estate Purchase Check Sheet is completed and reviewed for all projects as part of the property purchase due diligence flow. We conduct a geo-historical survey of the property to be acquired and, if necessary, a soil contamination survey. In addition, depending on the age and structure of the property, we conduct asbestos inspections and other hazardous material inspections to ensure risk management against contamination.

Soil Contamination Countermeasures

As part of the property purchase due diligence, further contamination investigations are conducted according to the results of the geo-historical survey. If the results confirm contamination by hazardous substances, development activities are conducted after appropriate soil improvement measures and measures to prevent spread are taken by a designated contaminated soil treatment company in accordance with the Soil Contamination Countermeasures Act.

Hazardous Materials Treatment

When acquiring an existing property and demolishing or renovating it, we conduct a thorough preliminary confirmation with the demolition or renovation contractor in order to comply with relevant laws and regulations, including asbestos surveys, and take appropriate measures to prevent the dispersal of harmful substances such as asbestos and chlorofluorocarbons. In the event that treatment or management of specially controlled industrial waste becomes necessary at any of our buildings, we will dispose of them appropriately in accordance with laws and regulations. In the development of our buildings, we use building materials that meet JIS and JAS standards for low emissions of formaldehyde, a substance that causes sick building syndrome, in an effort to provide safe and secure housing.

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024
PCB waste [t]	0.76	0	0	0	0

* Coverage: Tosei Corporation

* As of November 30, 2024

Soot and Smoke Measurement

In order to comply with environmental standards under the Air Pollution Control Law, our Group periodically measures soot and smoke at facilities subject to control by law and confirms that emissions standards are met before operating such facilities.

Item [Unit]	FY2021	FY2022	FY2023	FY2024
Nitrogen oxide (NOX) [g/㎥]	0.086	0.100	0.101	0.054

* Coverage: Tosei Corporation

* As of November 30, 2024

Waste Reduction

Waste Reduction Targets

The following reduction targets have been set for waste reduction.

Targets (FY2024 -)

Long-Term Target

Reduce waste discharge intensity (kg/㎡) by 15% by FY2050

Medium-Term Target

Reduce waste discharge intensity (kg/㎡) by 5% by FY2030

Coverage

Tosei Group's head office buildings

Base Year

FY2022

Targets (FY2018 - FY2023)

Long-Term Target

Reduce waste discharge intensity by 2.5% in 5 years

Short-Term Target

Reduce waste discharge intensity by 0.5% in 1 year

Coverage

Tosei Group's head office buildings

Base Year

FY2018

Waste Discharge Results

Item [Unit]		FY2022 Results (Base year)	FY2030 Target (Target year)	FY2050 Target (Target year)	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
Waste discharge	Total amount [t]	126	-	-	60	67	71	100	126	121	107
	Incineration/landfill [t]	87	-	-	22	23	33	49	87	84	76
	Recycle [t]	39	-	-	38	44	38	51	39	37	32
	Waste discharge intensity [kg/㎡]	8.27	7.86	7.03	13.27	14.84	15.70	8.37	8.27	7.95	7.04
Reduction rate compared to base year (waste discharge intensity)		-	-5%	-15%	-	-	-	-	-	-4%	-15%
Total floor area of the coverage [㎡]		15,249	-	-	4,515	4,515	4,515	11,986	15,249	15,249	15,249

* Occupancy rate is not taken into account in the calculation of floor area intensity.

* As of November 30, 2024

Waste Reduction, Sorting, and Recycling

Collection and Donation of Plastic Bottle Caps through the NPO Ecocap Promotion Association

The Group participates in the Ecocap Movement in cooperation with the NPO Ecocap Promotion Association. By collecting and donating used plastic bottle caps from Tamachi Tosei Building, we promote social contribution from various aspects such as recycling into reusable plastic materials, reducing CO2 emissions, supporting medical care, and promoting employment for the disabled and elderly. In FY2024, 65.40 kg of plastic bottle caps were collected and donated.

→ NPO Ecocap Promotion Association

Efforts through Tenant Communication

We conduct periodic surveys of tenants in our properties regarding building management and operation systems, facilities, etc. to understand their needs. In terms of waste reduction, separation, and recycling, we have been taking various measures, such as putting up posters encouraging cooperation in separation and recycling, installing trash cans for separation, and posting information on how to dispose of, separate, and recycle trash at trash disposal sites.



Tenant information poster

Resource Conservation

Water Resource Conservation

In promoting efforts to conserve water resources, the following reduction targets have been set.

Target (FY2024 -)

Target

Reduce water use intensity (m^3/m^2) from the previous year

Coverage

Tosei Group *

* Real estate portfolio with substantial energy management title among Tosei-owned fixed assets

Targets (FY2018 - FY2023)

Long-Term Target

Reduce water use intensity by 2.5% in 5 years

Short-Term Target

Reduce water use intensity by 0.5% in 1 year

Coverage

Fixed assets owned by the Company

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal	Total amount [㎥]	87,889	97,198	70,436	83,161	144,712	174,179	201,742
	Fresh surface water [㎥]	0	0	0	0	0	0	0
	Brackish surface water/sea water [㎥]	0	0	0	0	0	0	0
	Underground water [㎥]	0	0	0	0	0	0	0
	Tap water [㎥]	87,889	97,198	70,436	83,161	144,712	174,179	201,742
	Water withdrawal intensity [㎥/㎡]	1.35	1.23	0.79	0.74	1.05	1.23	1.96
Reduction rate compared to base year (Water withdrawal intensity)		-	-9%	-41%	-45%	-22%	-9%	-
Wastewater	Total amount [㎥]	-	-	67,674	79,859	141,218	170,256	201,740

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Fresh surface water [㎥]	-	-	-	0	0	0	0
	Brackish surface water/sea water [㎥]	-	-	-	0	0	0	0
	Underground water [㎥]	-	-	-	0	0	0	0
	Sewage [㎥]	-	-	67,674	79,859	141,218	170,256	201,740
	Wastewater intensity [㎥/㎡]	-	-	0.76	0.71	1.03	1.20	1.96
Total floor area of the coverage [㎡]		65,304	79,079	88,597	112,622	137,499	141,306	102,905

* Wastewater discharge has been monitored since FY2021.
* The coverage through FY2023 is Tosei-owned fixed assets. This excludes those with an energy monitoring period of less than one year, condominium unit ownership properties, and real estate for sale.
  The coverage after FY2024 is the real estate portfolio with substantial energy management title among Tosei-owned fixed assets, and which is subject to the Act on Rationalizing Energy Use.
* Occupancy rate is not taken into account in the calculation of floor area intensity.
* The base year shown in this table is the base year in the old target through FY2023 (FY2018) . There is no base year in the current target.
* As of November 30, 2024

Installation of Water-Saving Equipment in Owned Properties



Awajicho Tosei Building



Yotsuya Tosei Building



Narimasu Tosei Building

Business Activities in Water Stressed Areas

The Group regularly assesses water stress and water risk in our main business areas (Tokyo, Kanagawa, Chiba, and Saitama prefectures) using Aqueduct, the assessment tool of the World Resource Institute (WRI). As of September 2024, there were no areas classified as "High" or higher for water risk.

Environment-related Violations and Fines

There were no penalties or fines for violations of environment-related laws and regulations (including water-related) or accidents in FY2024.

Initiatives through the Revitalization Business

In our Revitalization Business, existing buildings are utilized to enhance their value, which has less impact on the environment and conserves resources compared to rebuilding. In order to make the most of the individuality of a wide variety of existing properties and further enhance their attractiveness, we consider a revitalization menu with Eco-friendly (ecology & recycling), Well-being (sophistication & comfort), and Resilience (safety & reassurance) as important guidelines, providing optimal value for owners and tenants.

Utilization of Idle Company Housing

In recent years, company housing has been increasingly decommissioned and left vacant as companies reassess their assets, contributing to the growing problem of vacant housing in cities. We are working to supply new rental housing to the market while making effective use of the existing buildings by purchasing unused company housing and enhancing the value of the property.

Case 1: Improvement of soundproofing performance (T-Rhythmic SOKA)

This property was built as a company dormitory and had been vacant. In addition to soundproofing all of the studio units, a lounge for concerts and a storage room were newly built, and the property was revitalized as rental apartments for music lovers.



Lounge where concerts can be held

Case 2: Establishment of new common facilities (T's garden Kitakashiwa)

This large property was once developed as company housing for families. It was transformed into rental apartments with three new common facilities: a study room, kids' room, and party room, which are as extensive as those in condominiums.



Spacious kids' room

Case 3: Renewal to a share house (ARDEN Fujigaoka)

A former company dormitory was extensively renovated and revitalized as a share house. Existing space was effectively utilized by converting an unneeded shared bathroom into a lounge and renovating the hot water supply room into a shower room.



Lounge as a place for socializing

Case 4: Enhancement of disaster prevention and green conservation (T's garden Nishiterao)

The company housing, which had become vacant and nearly abandoned, was acquired, and three themes were established: "green conservation," "disaster prevention and crime prevention," and "energy and resource conservation. The Company aims to contribute to SDGs by upgrading the value of the property with facilities and specifications in line with the themes.



Courtyard with design and functionality

Case 5: Installation of solar panels and storage batteries (T's eco Kawasaki)

The vacant company housing building was value-added as a rental apartment, throughout the entire building with the theme of promoting Eco-friendly, with the installation of LED lighting and other energy-saving equipment in both common and private areas, as well as our first solar panels on the rooftop.



Solar panels installed on the rooftop

Adoption of New Eco-friendly Materials for Employees' Business Cards

The Group changed the material of business cards used by the Group's employees to LIMEX. This material is eco-friendly because almost no water or trees are used. The Group aims to reduce the amount of paper used and raise environmental awareness among employees by replacing business cards, the use of which reaches 500 pieces per person every year, with those made of eco-friendly materials.

Sustainability Finance

↓ Sustainability Linked Loans ↓ Green Loans ↓ Green Bonds ↓ Other ESG Loans

Sustainability Linked Loans

Sustainability Linked Loan Framework

In December 2024, the Group formulated the Sustainability Linked Loan Framework (the Framework hereinafter). We set out Scope 1 and 2 reduction targets to be achieved by FY2030 as Sustainability Performance Targets (SPTs) in the Framework. This Framework has also acquired an independent assessment from Rating and Investment Information, Inc. (R&I hereinafter) to say that it conforms to Sustainability Linked Loan Principles (2023) and Expected Elements of Sustainability Linked Loans of Green Loan and Sustainability Linked Loan Guidelines (2024).

Outline of Framework

KPI	Scope 1 and 2 reduction rate (compared to FY2022)
SPTs*	Reduce Scope 1 and 2 emissions by 50% by FY2030 (compared to FY2022)
Loan characteristics	Step-down interest rate (interest rate changes based on SPT progress)
Reporting	Until the sustainability linked loan is paid off, the Company shall submit reports to the lender and make disclosures on the Company's website regarding the annual KPI results. However, if the lender does not require the submission of reports, the information will be disclosed on the website only.
Verification	The Company will get verification from an independent external organization on an annual basis and disclose the results of the verification on the Company's website.

* It stands for Sustainability Performance Targets, which are targets related to sustainability activities to solve environmental and social issues.

Second Opinion

Please click the button below to view the second opinion obtained by R&I.

Second opinion by R&I

Results of Initiatives

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with MUFG Bank, Ltd. (February 05, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with Kiraboshi Bank, Ltd. (February 28, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with MUFG Bank, Ltd. (March 31, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with the Norinchukin Bank (April 25, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with MUFG Bank, Ltd. (May 30, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with MUFG Bank, Ltd. (August 29, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with Mizuho Bank, Ltd. (August 29, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with the Hokuriku Bank, Ltd. (September 26, 2025)

→ Notice regarding Conclusion of Sustainability Linked Loan Agreement with Sumitomo Mitsui Banking Corporation (October 22, 2025)

Green Loans

The Group is actively engaged in the use of Green Loans, which are evaluated for borrowing for the purpose of financing green projects. In 2021, we obtained a "Green 1" in JCR Green Loan Rating from Japan Credit Rating Agency, Ltd. (JCR) for a loan from Aozora Bank for the construction of a logistics facility.

Item	Details
Property	T's Logi Oume (Sold)
Lender	Aozora Bank
Total amount of loan	5,800 million yen
Procurement date	July 30, 2021
Redemption date	June 30, 2025*1
Use of proceeds	Construction funds for development of a logistics facility, etc.
External evaluation	JCR Green1*2
Status of allocation of proceeds	Fully allocated
Environmental improvement impact	BELS 5-star rating (acquired in October 2022)

As of December 31, 2023

*1 This loan was repaid on December 8, 2023 through the sale of the property.

*2 We received "Green 1" rating, the highest JCR green loan rating, Japan Credit Rating Agency, Ltd. (JCR)

Green Bonds

Tosei Reit Investment Corporation established a Green Finance Framework and issued green bonds in 2021, receiving the highest rating of "Green 1 (F)" from JCR. Through green finance, the corporation aims to further enhance its ESG initiatives and strengthen its fund-raising base by expanding the investor base interested in ESG investment.

Tosei Reit's Green Finance Initiatives

Other ESG Loans

When procuring funds from financial institutions for our Revitalization and Development Business, we take advantage of loan programs under which banks evaluate companies with ESG-conscious management. Under Hokuriku Bank's Eco-Lead Master environmental assessment loan program, we have received an S-rank rating a total of 13 times since 2010, and have received preferential interest rates. In the environmental rank evaluation of the loan system, we were evaluated for our environmentally friendly business activities and ESG-conscious initiatives that were promoted throughout the Group. In addition, in 2021, we received an A-rank for good ESG/SDGs initiatives and information disclosure under SMBC's ESG/SDGs evaluation-type loan.

Environmental Real Estate Certifications

↓ Acquisition of Environmental Real Estate Certification for Fixed Assets

↓ DBJ Green Building Certification

↓ BELS (Building-Housing Energy-efficiency Labeling System)

↓ CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

Acquisition of Environmental Real Estate Certification for Fixed Assets

We promote environmental and social considerations in our revitalization and development real estate, and actively acquire environmental real estate certifications such as "BELS (Building Energy Efficiency and Labeling System)", "DBJ Green Building Certification", and "CASBEE (Comprehensive Assessment System for Built Environment Efficiency)" to demonstrate the performance of our real estate to our stakeholders. The progress rate of acquisition of environmental real estate certification for fixed assets is as follows.

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Newly certified properties total floor space [㎡]	3,276	1,583	24,686	12,426	2,851	13,110
Cumulative number of certified properties	2	3	6	8	10	12
Cumulative total floor area of certified properties [㎡]	7,791	9,374	34,060	46,486	49,337	62,447
Percentage of certification progress	10%	10%	32%	40%	42%	53%

* The certification progress rate refers to the percentage of the total floor area of properties that have acquired "BELS (Building-Housing Energy-efficiency Labeling System)" or "DBJ Green Building Certification".
* The certification progress rate is calculated based on the total floor area excluding properties that cannot be certified due to reasons such as planned sale, condominium ownership, or lack of management authority.
* As of November 17, 2025

DBJ Green Building Certification

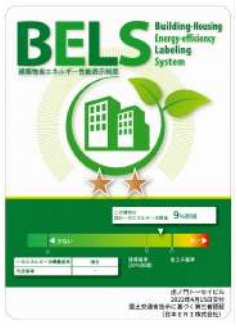
Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
Toranomon Tosei Building	Fixed Asset		DBJ Green Building 2022 ★★ (2 Stars)	May, 2023 (reacquisition)	4,515.24㎡
Koishikawa Tosei Building	Fixed Asset		DBJ Green Building 2022 ★★ (2 Stars)	May, 2023 (reacquisition)	3,275.97㎡
Narimasu Tosei Building	Fixed Asset		DBJ Green Building 2023 ★★★ (3 Stars)	October, 2023	10,459.63㎡
COCONE Tsukiji Ginza Premier	Fixed Asset		DBJ Green Building 2024 ★★★ (3 Stars)	December, 2024	9,369.29㎡
Tamachi Tosei Building	Fixed Asset		DBJ Green Building 2025 ★★★ (3 Stars)	May, 2025	15,722.40㎡

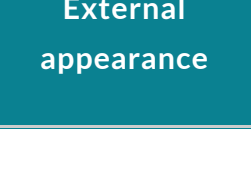
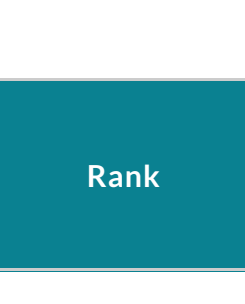
Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
COCONE Ueno-Okachimachi	Fixed Asset		DBJ Green Building 2025 ★★★ (3 Stars)	Novembar, 2025	3,743.78㎡

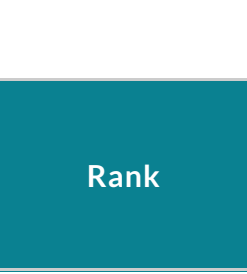
What is DBJ Green Building Certification?

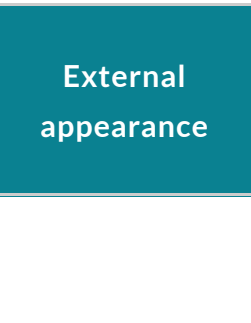
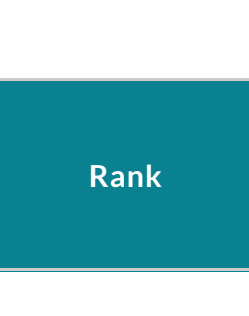
DBJ Green Building Certification is a certification system established by the Development Bank of Japan (DBJ) in April 2011 to serve as a bridge between businesses, financial institutions, and investors through the evaluation of environmentally and socially conscious real estate. In addition to the environmental performance of the building, the program supports ESG initiatives for existing buildings through a comprehensive evaluation that includes consideration of the social demands of the various stakeholders surrounding the property.

BELS (Building-Housing Energy-efficiency Labeling System)

Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
Awajicho Tosei Building	Fixed Asset		 ★★★ (3 Stars)	May, 2021	1,582.79㎡
Shinden Logistics	Fixed Asset		 ★★★★ (4 Stars)	December, 2021	6,384.27㎡
Yotsuya Tosei Building	Fixed Asset		 ★★★ (3 Stars)	April, 2022	3,417.27㎡
Toranomon Tosei Building	Fixed Asset		 ★★ (2 Stars)	April, 2022	4,515.24㎡

Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
T's Logi Sano	Real Estate for Sale		 ★★★★★ (5 Stars) ZEB-Ready	August, 2022	26,937.68㎡
T's Logi Ome	Real Estate for Sale		 ★★★★★ (5 Stars)	October, 2022	27,975.48㎡
Narimasu Tosei Building	Fixed Asset		 ★★★★ (4 Stars)	May, 2023	10,459.63㎡
Koishikawa Tosei Building	Fixed Asset		 ★★★ (3 Stars)	May, 2023	3,275.97㎡

Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
Fujisawa Tosei Building	Fixed Asset		 ★★★ (3 Stars)	March, 2024	1,966.14㎡
Edogawabashi Tosei Building	Fixed Asset		 ★★★★★ (5 Stars)	March, 2024	1,060.64㎡
Nakanosakaue Tosei Building (Former Daishin NS Building)	Fixed Asset		 ★★★ (3 Stars)	October, 2023	1,790.74㎡
Higashi Koganei Tosei Building	Real Estate for Sale		 ★★★ (3 Stars)	March, 2025	1,263.05㎡

Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
Monzennakacho Tosei Building	Real Estate for Sale		 ★★★ (3 Stars)	May, 2025	3,032.02㎡
Takadanobaba Tosei Building	Real Estate for Sale		 ★★ (2 Stars)	June, 2025	3,920.89㎡
Machida Tosei Building	Real Estate for Sale		 ★★★★★★ (6 Stars) ZEB-Ready	August, 2025	2,354.05㎡
Ebisu Tosei Building II	Real Estate for Sale		 ★★★★★★ (6 Stars) ZEB-Ready	October, 2025	844.72㎡

Property name	Property type	External appearance	Rank	Year of acquisition	Total floor area
Kunitachi-yaho Tosei BuildingIII	Real Estate for Sale		 ★★★★ (4 Stars)	October, 2025	408.62㎡

What is BELS (Building-Housing Energy-efficiency Labeling System)?

BELS (Building-Housing Energy-efficiency Labeling System) is one of the third-party certification systems based on the "Guidelines for Energy Efficiency Labeling of Buildings (Guidelines for Labeling Energy Consumption Performance of Buildings)" established by the Ministry of Land, Infrastructure, Transport and Tourism.

CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

Property name	Property type	External appearance	Type of certification	Rank	Year of acquisition	Total floor area
Heiwajima Tosei Building	Real Estate for Sale		CASBEE for New Construction	 Rank A	May, 2009	14,449.47㎡
Kamata Tosei Building	Real Estate for Sale		CASBEE for New Construction	Rank A	December, 2009	8,354.58㎡
Toranomon Tosei Building	Fixed Asset		CASBEE for Real Estate	Rank A	September, 2015	4,515.24㎡
Kokugikan Front Building	Real Estate for Sale		CASBEE for Real Estate	Rank A	September, 2025	7,863.62㎡
Mizonokuchi Tosei Building II	Real Estate for Sale		CASBEE for Existing Buildings	Rank B-	October, 2025	7,277.00㎡

What is CASBEE (Comprehensive Assessment System for Built Environment Efficiency)?

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for evaluating the environmental performance of buildings. In addition to aspects of environmental load reduction such as energy saving, resource saving, and recycling performance, it also includes consideration of indoor comfort, scenery, and biodiversity, and is a comprehensive check from a broad perspective.

* The above includes sold properties and properties for which certification has expired.

Occupational Health and Safety / Health Management

↓ Approach to Safety and Health in the Workplace
↓ Tosei Group Health & Productivity Management Policy
↓ Promotion System
↓ Health Management
↓ Occupational Safety and Health
↓ Data and Achievements

Approach to Safety and Health in the Workplace

We recognize that ensuring health and safety in the workplace is a key management issue, and promote occupational health and safety activities such as the prevention of industrial accidents and the creation of a healthy and safe work environment in which all employees can maximize their abilities. We have established a Health Committee as a system to promote the health of our employees, to create a working environment where employees can work energetically, and to assess risks related to health and safety. The Health Committee meets monthly and reports to the Board of Directors.

Tosei Group Health & Productivity Management Policy

The Tosei Group regards employees' health and safety as a key management issue, builds a workplace environment that inspires employees to work energetically, and takes measures proactively to maintain and promote their health, under our management principle, which states "Continue developing seasoned, true professionals based on people-centered management."

Health and Productivity Management Declaration

1. Promoting employee health

We will drive health and productivity management proactively to build a workplace environment that inspires each employee to work energetically with good physical and mental health.

2. Growth and development of the Group

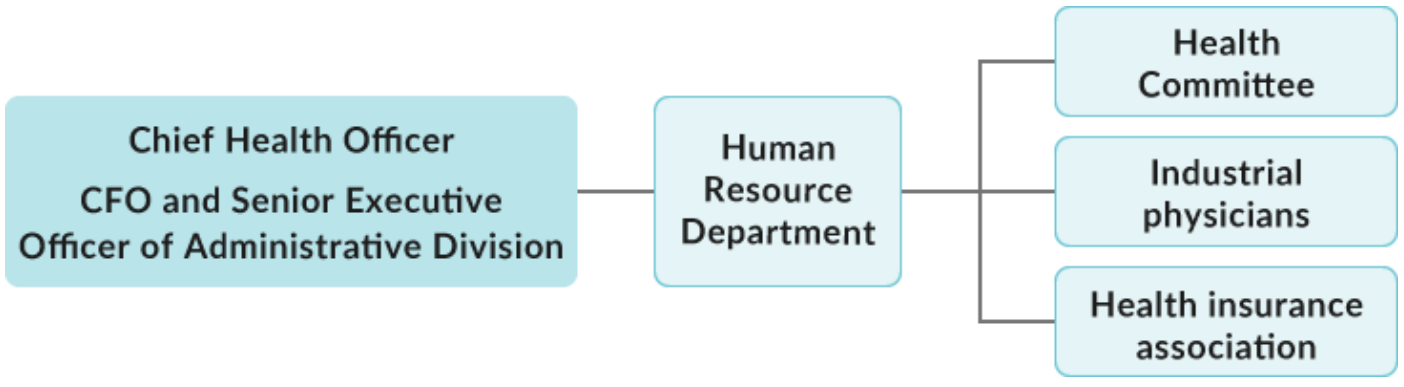
We will work to maintain and promote the health of Group companies' employees, thereby improving the Group's performance for its further growth and development.

3. Contribution to society

Through real-estate-related products and services we provide at the Group, we will work to maintain and promote the health of people living in local communities, thus contributing to building a wealthy, sustainable society.

Promotion System

Health Management Promotion System



The Tosei Group's health management is promoted mainly by the Human Resource Department, with the Senior Executive Officer as the Chief Health Offier. The Health Committee, industrial physicians, and the health insurance association are involved in discussions and information sharing to maintain and promote the health of employees.

Health Committee

Management and supervisory body	Board of Directors
Person in charge and matters of deliberations	Chairman of the Health Committee: Shunsuke Yamaguchi, Director and Managing Executive Officer Representatives from each department participate as committee members, and the meeting is held monthly in the presence of an industrial physician. The Health Committee monitors the overall working environment, including the status of the workplace environment, health checkups received, and overtime hours worked, evaluates risks related to employee health and safety, and provides feedback to employees and takes other actions. Reports are also made to the Board of Directors on a monthly basis.
Secretariat	Human Resource Department

Health Management

Health Checkup

In addition to the legally mandated annual medical checkup, employees aged 35 and over are eligible for a Company-subsidized thorough physical examination to detect illnesses at an early stage and further promote their health.

For FY2024, the health checkup uptake rate was 100% (Tosei Corporation).

→ Social Data: Percentage of employees who had health checkups

Stress Check

The stress check system is implemented once a year for the purpose of primary prevention of mental health problems by helping employees recognize and cope with their own stress and improving the work environment.

The Company has set a target of 90% or more for the stress check inspection rate, and the actual rate for FY2024 was 100% (Tosei Corporation).

→ Social Data: Percentage of employees who had stress checks

Cooperation with Industrial Physician

For employees who work overtime above a certain level, including managers, an interview with an industrial physician is mandatory, a measure that exceeds the legal standard.

Health Promotion Programs

In addition to regular health checkups, we offer health promotion programs that employees can easily participate in on a voluntary basis. In FY2024, we held Health Seminars and a Health Measurement Session by public health nurses and a Seminar on Relaxation with yoga instructors.



Seminar on relaxation



Health measurement session

Mental Healthcare

Questionnaires and training on mental health care are conducted for all employees under the guidance of affiliated industrial physicians. In addition, in cooperation with affiliated hospitals, we have set up a dedicated desk where employees can directly seek health consultation.

Measures to Prevent the COVID-19 Infection

In response to the spread of the COVID-19 infection, we implemented measures to ensure the health and safety of employees, their families, business partners, and others. Measures included requiring the wearing of masks, installing disinfectants, ventilating office and

meeting rooms, encouraging hand sanitization, and installing acrylic panels. In addition, working from home is encouraged, and a teleworking environment has been prepared by distributing mobile terminals, utilizing the cloud, building PCs with external connectivity, and establishing various other infrastructure.

* We are working to continue our flexible working style while changing our measures after the transition to a new Type 5 coronavirus infection in May 2023.

KENKO Investment for Health

We have been certified as a 2025 Outstanding Organization of KENKO Investment for Health (Large Enterprise Category) . The Health and Productivity Management Organization is a system to honor large corporations, small and medium-sized enterprises, and other corporations that practice particularly excellent health management, based on initiatives that meet local health issues and health promotion efforts promoted by Nippon Kenko Kaigi. We have established the Tosei Group Health & Productivity Management Policy and regard the health and safety of employees as an important management issue. We are actively working on measures to maintain and promote health by creating a workplace environment where employees can work with vitality.

Occupational Safety and Health

Our Approach to Safety and Health

We recognize that the creation of a healthy, safe, and comfortable work environment for its employees, suppliers, and all others involved with the Group is an important part of sustainable corporate growth, and promote occupational health and safety activities, including the prevention of occupational accidents, as well as health promotion. In addition to thorough safety management in the workplace, we have a system in place to respond appropriately in the unlikely event of an industrial accident, such as by establishing a close communication system to ensure prompt action in the event of an accident.

Employee Safety and Health

We recognize the importance of a healthy, safe, and comfortable work environment for all employees in order to achieve sustainable corporate growth. Accordingly, we promote occupational health and safety activities, including the prevention of occupational accidents and the promotion of employee health. In the event of an occupational accident, the Human Resources Department, which is the main management department, will promptly confirm the situation and, in cooperation with the department where the incident occurred, report to and consult with various meetings and related organizations in an effort to contain the situation and take appropriate measures. In addition, we promptly formulate and implement countermeasures, ensure that all employees of the Group are fully aware of these measures, and continuously follow up to prevent recurrence.

For FY2024, the number of violations of labor standards was 0 and the number of occupational accidents was 1 (Tosei Corporation).

→ Social Data: Number of labor standards violations

→ Social Data: Number of occupational accidents

Safety and Health in the Supply Chain

Workplace Safety Management

In order to ensure workplace safety management and health promotion throughout the entire supply chain, including contractors, our Group works closely and collaboratively with the government, suppliers, contractors, and other parties at every stage from design, construction, and construction supervision to building operation and management to ensure safety and health in the workplace, construction sites, and other areas. In addition to thorough safety management at construction sites, including the wearing of helmets, etc., a close communication system has been established so that we can respond promptly in the event of an accident.
There were no fatal industrial accidents among all employees and primary suppliers of the Group between FY2020 and FY2024.

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of fatal industrial accidents	0	0	0	0	0

Coverage: All employees and primary suppliers of the Tosei Group

Supplier Survey (ESG Survey)

As part of our supply chain management, we have established a Sustainable Procurement Manual and conduct an annual supplier survey (ESG survey) for important suppliers whose annual order value exceeds a certain amount. The survey checks their respect for human rights. This includes occupational health and safety, prohibition of child labor and forced labor, prohibition of harassment, as well as compliance with laws, environmental considerations, and risk management. The results are reviewed by the Sustainability Committee, which then deliberates on whether or not to continue transactions with the companies. In 2024, we conducted a survey for 4 suppliers in the Revitalization, Development, and Rental Business, and the committee reviewed their initiatives and discussed whether to continue transactions with them. This survey has been conducted since 2021, monitoring a cumulative total of 18 suppliers, accounting for more than 83% of total supplier orders in the relevant businesses.

Quality Improvement Conference

The Tosei Group holds an annual Quality Improvement Conference to raise awareness of safety, quality management and compliance and to build a strong partnership with partner companies, with the aim of improving the quality of operations. This event is hosted by Tosei Community, which operates a property management business. It is a group training session for its primary suppliers, or secondary suppliers to Tosei, which are important business partners, and is part of the supply chain management of the Tosei Group's real estate portfolio. 54 participants from 31 business partners joined the event in 2024.



Conference

Percentage of Offices with OHSAS 18001 Certification

Currently, we have no offices with OHSAS 18001 certification.

Data and Achievements

Please see here for in-depth data regarding occupational health and safety / health management.

Health and Safety Data →

Human Rights

↓ Our Approach to Human Rights ↓ The Tosei Group Human Rights Policy ↓ Efforts to Respect Human Rights

Our Approach to Human Rights

The Tosei Group's approach to respect for human rights, employee ethics and norms, and occupational health and safety is set forth in policies and internal regulations, including the Tosei Group Human Rights Policy and the Tosei Group Ethics Code in order to respect the human rights of all persons working for the Group, tolerate no discrimination or harassment, and create a good work environment. These policies, norms, and regulations were established through meetings of the Management Committee and Board of Directors of Tosei Corporation, and are posted on the Company's website and intranet, as well as distributed in the Risk Compliance Guidebook, to ensure that all employees are fully aware of them. In addition, periodic education is provided to all employees to promote understanding of these policies.

The Tosei Group Human Rights Policy

The Tosei Group respects the fundamental human rights set forth in the International Bill of Human Rights and the Guiding Principles on Business and Human Rights. We support and respect the following items as basic labor rights.

1. Prohibition of discrimination

We prohibit all forms of discrimination based on race, religion, gender, age, sexual orientation, disability, or nationality.

2. Prohibition of harassment

We prohibit all forms of harassment, including sexual harassment and power harassment.

3. Prohibition of child labor

We prohibit all forms of child labor.

4. Prohibition of forced labor

We prohibit all forms of forced labor.

5. Prevention of excessive work

We implement appropriate working hour management to prevent excessive work.

6. Respect for freedom of association and the right to collective bargaining

We respect freedom of association and the right to collective bargaining.

7. Payment of wages above the minimum wage

We comply with the Minimum Wage Law and other labor laws and regulations to pay wages to our employees above the minimum wage.

8. Ensuring health and safety

We strive to prevent occupational accidents and create workplaces where employees can work in good health and safety.

The Tosei Group Ethics Code

→ Compliance and Risk Management (The Tosei Group Ethics Code)

Respecting Human Rights

Addressing Labor Issues

Prohibition of Child Labor

We require applicants to be at least 18 years of age to be considered for employment, and we are required to verify the age of applicants when we receive an application for employment.

Prohibition of Forced Labor

In hiring, we assume that the applicant has applied for the position, and after one or more employment screenings, we notify the applicant of his/her acceptance. Upon entering the Company, working conditions are presented and employment is initiated upon agreement with the applicant.

Prevention of Excessive Work

Working hours are monitored on a daily basis, with an overtime upper limit of 80 hours per month, and if the limit is exceeded, an interview with an industrial physician is conducted. If the limit is approaching, a reminder is sent to the head of the department of the employee. In addition, we are striving to prevent excessive work through measures such as No Overtime Day and encouraging employees to take paid leave.

Payment of Salary above Living Wage

Our basic policy is not only to comply with minimum wage regulations, but also to pay wages that exceed them. For FY2024, the average annual salary was 9.03 million yen (Tosei Corporation).

Respect for Human Rights in the Supply Chain

We confirm the status of our suppliers' efforts to respect human rights in the supply chain. We have established a Sustainable Procurement Manual and conduct an ESG survey for suppliers whose annual transaction value exceeds a certain level, to check their efforts to prohibit child labor, forced labor, and harassment, ensure occupational health and safety, comply with laws and regulations, give consideration to the environment, and implement risk management. The Sustainability Committee then reviews the results and discusses whether or not to continue transactions with them. In 2024, we conducted a survey for 4 suppliers in the Revitalization, Development, and Rental Business, and the committee reviewed their initiatives and discussed whether to continue transactions with them. The same survey has been conducted since 2021, monitoring a cumulative total of 18 suppliers, accounting for more than 83% of total supplier orders in the relevant businesses.

Preventing Harassment

In addition to distributing the Harassment Handbook to all Group officers and employees to provide specific definitions and examples of harassment, we are working to promote understanding and prevent harassment by distributing educational content to the Risk Compliance Portal on the intranet and providing online courses by outside instructors. In addition, Personnel, Labor and Management Training is provided to managers, which includes training on how to respond to incidents of harassment, what they should pay attention to as managers, and how to prepare themselves for harassment prevention.

Harassment Consultation Desk and Working Style Consultation Desk

The Group has established a dedicated consultation desk (via e-mail or telephone) in the human resources sections of each Group company for the purpose of preventing all forms of harassment and responding promptly and appropriately in the event that harassment does occur. This harassment consultation desk is available to all Group employees regardless of their employment status. In resolving the problem, we will confirm the facts through hearings with the reporter, the subject of the report, as well as cooperating parties, etc., and take appropriate measures to prevent recurrence. If you wish to consult or report anonymously, you may do so through the dedicated anonymous consultation desk. In addition, we ensure that the privacy of the informant is protected and that confidentiality is strictly observed so that the informant will not be disadvantaged when using the harassment consultation desk. If an investigation confirms that harassment has occurred, disciplinary action will be taken against the harasser in accordance with the rules on rewards and punishments. In addition to the harassment consultation desk, the Company also provides a consultation desk regarding working styles and personnel systems.

In addition to the harassment consultation desk, we have also established the Tosei Hot Line, a whistle-blowing desk for the entire Group, which accepts reports from employees and officers of the Group on any conduct that violates or may violate laws and regulations, for the

prevention and early detection of violations of laws and regulations and corruption, including bribery.

→ Compliance and Risk Management (Click here for more information about the whistle-blowing system)

Workstyle and Diversity

↓ Our Approach to Workstyle ↓ Work-Life Balance ↓ Diversity ↓ Data and Achievements

Our Approach to Workstyle

Based on our management philosophy of "continue developing seasoned, true professionals based on people-centered management," we consider the creation of an environment in which diverse human resources can work healthily, making the most of their individuality as one aspect of materiality of our human resource strategy, and are focusing on building a personnel system, organizational structure, and work environment in which each employee can make the most of their individuality and maximize their capabilities.

Working Hour Management

Compliance with Labor-related Laws

To reduce long working hours and comply with the 36 Agreements, we comply with the Labor Standards Law, the Industrial Safety and Health Law, and other domestic laws and regulations, and strive to properly manage working hours and the working environment.

Prevention of Excessive Work

- We manage employee working hours on a daily basis through our attendance management system, and notify employees and their supervisors stepwise whose overtime hours exceed 25 hours per month.
- We provide an occupational physician consultation to employees whose overtime hours exceed 80 hours per month.
- We report the results of monthly monitoring of employee overtime and use of paid leave to the Health Committee, and after sharing information, we work to reduce overtime and promote the use of paid leave.
- We are promoting initiatives to reduce overtime and excessive work, such as the introduction of No Overtime Days.

The Company has set an average overtime hours target of less than 30 hours per month, with actual results for FY2024 at 23.3 hours per month (Tosei Corporation).

→ Social Data: Overtime working hours (average per employee)

Work-Life Balance

Encouraging Employees to Take Paid Leave

To create an atmosphere that encourages employees to take paid leave, we have introduced anniversary leave, which allows employees to take a day of paid leave once a year on an anniversary date they voluntarily set, and planned annual leave (1 day), which allows employees to take a summer vacation for a longer period of time.

The Company has set a target of 65% or more for employees taking paid leave, and the actual rate for FY2024 was 67.5% (Tosei Corporation).

→ Social Data: Percentage of paid leave used

Various Leave Systems

To support changes in life due to life stages such as childbirth, childcare, and nursing care, we have established various systems including maternity leave, childcare leave, and nursing care leave.

The Company has set a target of 90% or more for male employees taking childcare leave, etc. In FY2024, 100% of female employees took childcare leave, and 71.4% of male employees took childcare leave (Tosei Corporation).

→ Social Data: Childcare leave utilization

Flexible Working Systems

Flextime

We have introduced a flextime system that allows employees to freely decide when to start and end work. (Core time: 10:00-17:00)

Short-Time Work / Staggered Commute

Employees who care for children in the third grade of elementary school or younger and those who care for family members in need of nursing care* may shorten their working hours by 30-minute increments up to a maximum of two hours per day. In addition to this, employees who care for children in the third grade of elementary school or younger are allowed to stagger their work hours by 30-minute increments, up to a maximum of one hour before or after the start and end of the workday.

* The coverage is three years from the start date of use per family member in need of care.

For FY2024, the number of employees using shortened working hours was 6 (Tosei Corporation).

→ Social Data: Number of employees working short-time

Hourly Paid Leave Program

Paid leave is available in one-hour units.

Paid Vacation Accumulation System

Paid vacations that have expired after two years of validity can be accumulated and used for childcare, nursing care, or other reasons.

Working from Home

As a measure to prevent the spread of the COVID-19, we are promoting the use of cloud services and web meetings to encourage working from home.

* We are working to continue our flexible working style while changing our measures after the transition to a new Type 5 coronavirus infection in May 2023.

Satellite Office System

When out of the office for sales activities, property inspections, etc., employees can work at the satellite office for the purpose of efficient time utilization by using travel time for work without having to return to the head office.

In-House Club Activities

We provide subsidies for in-house club activities to stimulate communication among employees. So far, a total of 10 cultural and athletic clubs have been established, providing valuable opportunities for communication with employees in departments and Group companies with which they have little contact in their daily work.

Family Day

We hold a family day once a year to give children a better understanding of their parents' job and workplace. In 2024, a total of 19 families or 66 family members attended the family day and enjoyed activities such as sticker relay around the headoffice, origami corner using recycled wallpaper and family photo shoot. The day also served as a social occasion for employees and their family members to get to know each other.



Origami corner

* Canceled from 2020 to 2022 because of the COVID-19 pandemic

Employee Satisfaction Survey

We implement employee satisfaction surveys to gain an understanding of employees' attitudes toward their work and the workplace environment, which is reflected in various personnel policies.
The Company has set a job satisfaction* target of 80% or more, and the actual result for FY2024 was 64.0% (Tosei Corporation).

* The percentages of respondents who selected the top two items on the job satisfaction rating scales (5 levels), in the regularly conducted employee satisfaction survey

Diversity

Promotion of Women's Careers

We recognize the promotion of women's careers as one of our important issues, and have announced a target of 10% or more female managers. The ratio of female managers for FY2024 is 5.0% (Tosei Corporation). In addition, we have set a target for the wage differential between men and women (all workers) of no more than 70%, and the actual result for FY2024 was 64.8% (Tosei Corporation).
Specific measures include training on women's specific health-related issues, life events, and career development, and other efforts to create a comfortable work environment for women.

→ Social Data: Employee Data

Age-Appropriate Support for Employees

Life Design Training

With the aim of further enriching the personal and corporate lives of our employees, we provide training on career, health, asset building, and other topics for different age groups to help employees of all ages work actively.

Promotion of Seniors' Careers

We offer post-retirement reemployment to employees aged 60 or older, and have introduced a continuous employment system that allows senior employees with a wealth of knowledge and experience to work until a maximum age of 65. In some cases, we continue to hire employees in the same position after retirement according to their pre-retirement positions and skills, and in other cases, we hire people who have retired from other companies due to retirement or other reasons as our managers, creating an environment in which they can take advantage of their experience and aptitude to work at the forefront of the Company.

LGBTQ Initiatives

Tosei Group prohibits any discrimination related to sexual orientation in our human rights policy. In addition, we have established a contact point (anonymous or otherwise) for consultation in the unlikely event of discrimination or harassment related to sexual orientation, etc., and have built a system to deal with the situation promptly.

Initiatives for Customers and Society

Princess Square Co., Ltd., which handles existing condominiums, has a dedicated LGBTQ representative and promotes various initiatives to support LGBTQ people in finding and purchasing a home. Since 2018, the company has been a co-sponsor of the Tokyo Rainbow Pride and has received the highest Gold rating for five consecutive years since 2020 in the PRIDE Index, which evaluates a company's commitment to LGBTQ individuals.

Initiatives for Employees

Princess Square does not discriminate against our customers or employees based on sexual orientation or gender identity, and we respect diverse values. We aim to be a company where everyone can demonstrate their abilities in a comfortable working environment by encouraging understanding of LGBTQ people and participation in in-house training and events. In-house training sessions are conducted by outside lecturers who are LGBTQ people, who share their experiences and explain definitions of words related to sexual orientation and terms such as ALLY, which means a colleague who supports LGBTQ people's activities, and how those who work at the company should interact with and support LGBTQ people.

Tosei Corporation is also working to deepen understanding of sexual minorities by providing training on LGBTQ issues for managers.



Employment of Persons with Disabilities

As part of our efforts to promote employment of people with disabilities, we established Work Happiness Tosei Mobara Farm in Mobara City, Chiba Prefecture in February 2020.

At the farm, employees with disabilities grow a variety of crops, and the harvested vegetables are delivered to Tosei's head office and distributed free of charge to employees of Group companies.

→ Social Data: Employment Data



Data and Achievements

Please see here for in-depth data regarding workstyle and diversity.

Leaves and Diverse Workstyle Data →

Human Resource Development

↓ Approach to Human Resource Development
↓ Human Resource Development Policy
↓ Human Resource Development System
↓ Education and Training
↓ Support for Acquisition of Qualification
↓ Data and Achievements

Approach to Human Resource Development

Human Resource Development Based on the Group's Corporate Philosophy

In order to realize the Tosei Group's mission of "becoming a group of seasoned professionals who create new value and inspiration in all aspects of real estate," our human resource development goal is to create an organization in which each and every employee can strive to improve their knowledge and skills, and maximize their motivation and abilities. We value diversity in the hiring, development, and promotion of human resources, and provide equal opportunities for growth and success to those who continue to pursue our corporate philosophy, regardless of gender, nationality, or employment history.

Human Resource Development Policy

The Group positions human resource development as a total system that includes the creation of training opportunities for employees, as well as promotion, transfer, and evaluation, and focuses on training from various perspectives, on-the-job training, support for self-development, and cooperation with various personnel systems.

Training from Various Perspectives

In training, employees acquire the ability to perform their jobs specified for each rank or organization and job classification in a systematic, intensive, and experiential manner. Training common to all employees includes various compliance and ESG training programs to raise the sustainability awareness of the entire Group. We are also working to raise awareness of human rights and diversity through training and seminars aimed at deepening understanding of women's health and careers and LGBTQ issues.

On-the-Job Training (OJT)

OJT training is a systematic training program that provides employees with necessary information, knowledge, skills, and experience that are closely related to their work. Through this process of mutual development, we aim to improve the leadership and instructional skills of not only those who receive instruction but also those who promote OJT.

Support for Self-Development

In order to support the self-development of each employee to develop his or her own abilities, we have established a system of congratulatory payments for the acquisition of various qualifications, and support for attendance at courses sponsored by educational and training institutions designated by the Company.

Cooperation with Various Personnel Systems

In order to promote the growth and vitalization of each employee and the organization, we promote opportunities for communication with each individual, such as providing regular feedback on the results of personnel evaluations, regular reports on OJT, and opportunities to meet with managers and the Human Resources Department to discuss career development and job rotations.

Human Resource Development System

Job rotation training	We implement a pre-assignment annual job rotation program for new graduate employees to experience multiple departments prior to their main assignment. The purpose of this program is to experience Tosei as a comprehensive real estate company through exposure to each major business, to build a network across departments, and to prevent mismatches in assignments by assessing aptitude before the main assignment. In addition, each department is staffed with an Elder and an Assistant who provide detailed support and guidance to each freshman.
Education and training programs	We offer a variety of training programs and seminars for employees to acquire the knowledge and skills necessary for their positions, duties, and ages. In addition to knowledge and skills required for work, we also offer a number of training programs to acquire knowledge that is important from the perspective of sustainability, such as work-life balance, human rights and diversity, and compliance.
One-on-one communication	Once every six months, we hold one-on-one meetings that involve the head of the department to discuss performance evaluation. Based on the 5 Key Phrases (learning, discovery, innovation / contemplation, decision, and action) in the monthly action report, we consider each employee's comments on what they have accomplished in the past six months and what they would like to challenge in the future, and link them to their growth.

Education and Training

Induction Training for New Employees

Target group	New graduates and new members who join mid-way
Training objectives	To understand the matters to be complied with as an employee of our Group, business outline, and system operation rules, etc.
Frequency	Annual
Training contents	• Description of the Group's operations • Basics of organization, risk compliance, and IT systems • Basic knowledge of the use of installed IT systems, etc. 

Training for New Sub-Managers

Target group	New sub-managers
Training objectives	To promote understanding of the Tosei Group's business among newly appointed sub-managers in order to develop the next generation and vitalize the organization
Frequency	Annual
Training contents	• History of Tosei • Tosei's six businesses • Finance • Sustainability, DX 

Management Training

Target group	Managers
Training objectives	To deepen understanding of health care, human rights and harrassment, and labor management, which are important for department and unit operations
Frequency	Annual
Training contents	• Work management • Health care (women's health and careers) • Human rights (LGBTQ) • Harassment, etc.

Life Design Training

Target group	Employees turning 30, 40, and 50 years old
Training objectives	To acquire the knowledge required at each age to further enhance personal and company life
Frequency	Annual
Training contents	• Career development • Health promotion • Asset building, etc.

ESG Training

Target group	All employees
Training objectives	To acquire knowledge on ESG and establish sustainability awareness in each employee's work
Frequency	Annual
Training contents	• Tosei Group's ESG promotion system • Corporate governance (fair transactions, etc.) • Environmental issues (climate change, environmental real estate certifications, etc.) • Social issues (human rights, health management, supply chain, etc.)

Compliance Training

Target group	All employees
Training objectives	To foster a culture of legal compliance and increase awareness of compliance
Frequency	Annual
Training contents	• Harassment prevention • Whistle-blowing system • Ethics code (including promotion of fair trade) • Compliance trends, etc.

Information Asset Management Training

Target group	All employees
Training objectives	To raise awareness of information leak prevention and establish internal rules regarding information asset management and insider trading
Frequency	Annual
Training contents	• Definition of information assets • Rules to prevent information leakage • Management of personal and inside information • Basic knowledge and importance of insider trading prevention, etc.

Business Law Training

Target group	All employees of the sales department except Asset Solution Business Promotion Department and Architecture Planning Department * Excludes division managers and above and temporary employees
Training objectives	To acquire basic and applied knowledge of relevant laws and regulations and to foster a culture of legal compliance
Frequency	Annual
Training contents	• Recent judicial precedents on Building Lots and Building Transactions • Revision of Real Estate Brokerage Act based on the Act on the Arrangement of Related Laws for the Formation of a Digital Society • Act on Prevention of Transfer of Criminal Proceeds • Consumer Contract Act • Advertising regulations

Support for Acquisition of Qualifications

The Company is committed to supporting employees in their efforts to acquire qualifications, aiming to encourage their self-development and acquisition of qualifications necessary for the Group's operations, and contribute to human resource development.

Congratulatory Gift Program for Successfully Obtaining Qualifications

The Company provides congratulatory money to employees who newly acquire various qualifications recommended by the Company, such as Real Estate Transaction Specialist.
The number of employees acquiring new qualifications for FY2024 was 30 (Tosei Corporation).

Support for Acquisition of Real Estate Transaction Specialist Qualification

We offer a training course by outside instructors for prospective employees and new graduate employees to acquire the Real Estate Transaction Specialist qualification.



Data and Achievements

Please see here for in-depth data regarding human resource development.

Human Resource Management Data →

Product Quality Management

↓ Management of Product Quality　　↓ Responsible Advertising and Marketing Activities

Management of Product Quality

Approach to Quality Control

The Group is engaged in businesses closely related to the lives of our customers, providing a variety of real estate-related products and services, including office buildings, condominiums, detached houses, commercial facilities, logistics facilities, hotels, and real estate investment products such as crowdfunding. Always from the customer's perspective, we strive to improve customer satisfaction by providing products and services that are rooted in safety and reassurance, and by working to ensure quality. In selling these products and services, we strive to comply with various laws, regulations, and internal rules, and promote responsible advertising and promotional activities from the viewpoint of consumer protection.

ISO9001

Tosei's Architecture Planning Department has acquired ISO9001 certification for the planning, design, construction management, and after-sales service (regular inspections) of condominiums, office buildings, commercial buildings, and detached houses, and conducts strict quality control in accordance with ISO9001. Tosei Community Co., Ltd., a subsidiary of Tosei Corporation, is also an ISO9001-certified entity that undertakes the planning and provision of general management operations for condominiums, office buildings and rental condominiums.

JQA QMA11353

(Updated May, 2022)

Quality Control and Quality Improvement Initiatives

TOSEI-QC-10

All processes related to construction management in the construction of office buildings and condominiums are managed by the three parties of our Company (designers, construction supervisors, and constructors) based on the TOSEI-QC-10 standards, with particular emphasis on inspection and checking areas out of sight of the customers, in order to provide safe and secure products.



Quality Improvement Review Meeting

In construction and renovation of office buildings and condominiums, detailed checks of specifications and in-depth meetings on instructions are conducted by our Company (designers, construction supervisors, and constructors) twice, immediately after the start of construction and before finishing work. While preventing the occurrence of problems, we strengthen cooperation among all parties involved in order to provide better products.

Building Safety Management and Risk Assessment

Tosei Community, a Group company, regularly conducts patrol inspections by the General Support Department and reports the results to the BM and PM Departments as part of safety management and risk assessment initiatives for managed properties. If any items are identified, the department in charge examines and implements preventive measures and corrective actions.

Training Programs to Improve Services

Tosei Hotel Management Co., Ltd. and Tosei Hotel Services Co., Ltd. conduct training programs for all hotel staff. In addition to classroom lectures on revenue management, English language training, and other subjects, the program also includes customer service at the front desk, restaurants, large public baths and saunas, etc., inspection of service content, and group discussions. In addition, we are working to improve services and reflect the results of customer surveys and word of mouth.



Supply Chain Management

Our Approach to Real Estate Portfolio Management

In the management of its real estate portfolio, the Group is committed not only considering social issues with respect to its employees, but also considering and addressing environmental and social issues with respect to its contractors.
In selecting contractors, we evaluate and monitor the status of efforts such as occupational safety, health management, prohibition of bribery and corruption, and fair wage payment through supplier questionnaires. In addition, we are promoting supply chain management in our real estate portfolio by holding the Quality Improvement Conference, group training sessions for suppliers in cooperation with Tosei Community.

Supplier Survey (ESG Survey)

As part of our supply chain management, we have established a Sustainable Procurement Manual and conduct an annual supplier survey (ESG survey) for important suppliers whose annual order value exceeds a certain amount to check their respect for human rights, including occupational health and safety, prohibition of child labor and forced labor, prohibition of harassment, as well as compliance with laws, environmental considerations, and risk management. The results are reviewed by the Sustainability Committee, which then deliberates on whether or not to continue transactions with the companies. In 2024, we conducted a survey for 4 suppliers in the Revitalization, Development, and Rental Business, and the committee reviewed their initiatives and discussed whether to continue transactions with them. This survey has been conducted since 2021, monitoring a cumulative total of 18 suppliers, accounting for more than 83% of total supplier orders in the relevant businesses.

Quality Improvement Conference

The Tosei Group holds an annual Quality Improvement Conference to raise awareness of safety, quality management and compliance and to build a strong partnership with partner companies, with the aim of improving the quality of operations. This event is hosted by Tosei Community, which operates a property management business. It is a group training session for primary suppliers, or secondary suppliers to Tosei, which are important business partners, and is part of the supply chain management of the Tosei Group's real estate portfolio. 54 participants from 31 business partners joined the event in 2024.



Conference

→ Social Data: Quality Improvement Conference

Disaster Prevention Initiatives

Disaster Prevention Training

In response to the increasing importance of disaster prevention and fire prevention management in the wake of the recent increase in natural disasters, we have established a Disaster Response Manual that specifically defines initial responses and evacuation and rescue activities in the event of an earthquake, fire, or other disasters, and have distributed it to all Group employees in order to deepen employees' understanding of disaster prevention. In addition, as part of our disaster countermeasures, our own firefighting team conducts evacuation drills, AED training, and firefighting drills every year.



AED training

Workplace Disaster Preparedness Leaders

We have been registered as Workplace Disaster Preparedness Leaders since February 2024.
Workplace Disaster Preparedness Leaders is a service in which companies, stores, etc. receive daily disaster prevention information and disaster information in the event of a disaster directly from the Tokyo Metropolitan Government. Receiving regular information on disaster prevention measures on a regular basis will promote disaster prevention measures in the workplace in advance.

Responsible Advertising and Marketing Activities

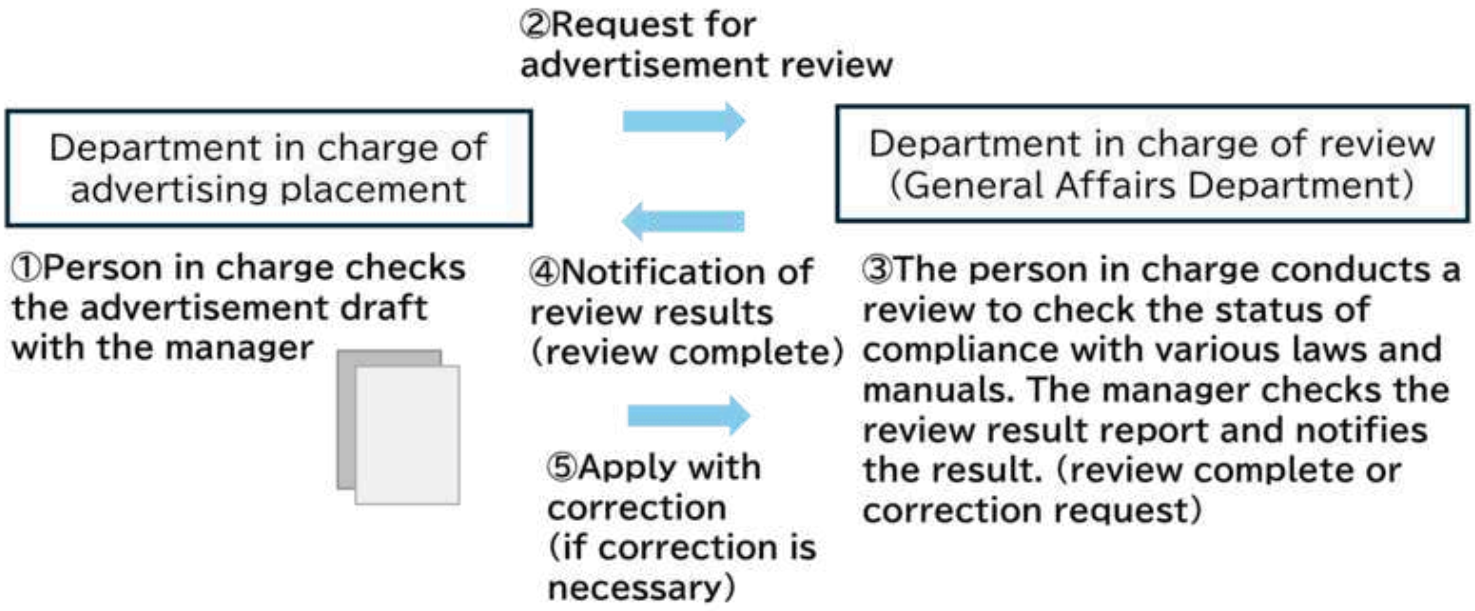
Internal Regulations for Responsible Advertising and Marketing Activities

With respect to various sales promotion activities in advertising and marketing of our products and services, we have established the Regulations Concerning Advertisements and Premium Offers to ensure proper operations in compliance with relevant laws and regulations, and to contribute to consumer protection. In accordance with these rules, we have established the Manual for Review of Advertisements as an operational system for conducting appropriate advertising and marketing activities, and have built a system for review of advertisements by the General Affairs Department, which is responsible for legal affairs, depending on the target of the advertisement and the advertising media to be used. In principle, advertisement reviews are conducted in advance, and compliance with the manual is checked from the perspective of risk management and compliance, and corrective actions or recommendations are made as necessary. The General Affairs Department, which is in charge of advertisement review, prepares and maintains a report on the results of the advertisement review as a record of the review.

Regarding the use of SNS in our business activities, we have established Rules for Management of Social Media Use Related to Business and disclosed our Social Media Policy.

From the viewpoint of risk management regarding internal SNS operation, we conduct SNS training for SNS managers and staff in charge, and have established a system in which only those who have completed the training are involved in SNS operation to ensure proper operation.

Advertisement Review Process




TOSEI
Operation Manual

広告等審査マニュアル

Audits of Advertisement Reviews

The Company's Internal Auditing Department conducts audits on the appropriateness of business execution regarding sales promotion activities of real estate for sale and lease in the periodic audits of Group companies and related departments in the Building Lots and Buildings Transaction Business and Type II Financial Instruments Business.
Audits are conducted to inspect the status of complete implementation of review for advertisements, including compliance with the Manual for Review of Advertisements in the process of creating advertisements for real estate for sale or lease, and with the Fair Competition Code for Real Estate regarding the display of property information, etc.
As a result of the audit, any deficiencies are pointed out and recommendations for correction are made, and follow-up is conducted on an ongoing basis.

Dissemination and Education of Advertising Laws and Regulations

Business Legal Affairs Liaison Meeting

In order to provide safe and secure products and services and promote fair transactions in compliance with related laws and regulations, we have established the Business Legal Affairs Liaison Meeting to confirm the enactment and revision of laws and regulations related to each business of the Tosei Group. At the meeting, we disseminate information on revisions to various laws and regulations and precautions regarding advertising. The meeting consists of general managers and above from each business, including Group companies, and is held monthly under the supervision of the General Affairs Department, which is in charge of legal affairs.

Business Legal Affairs Training

Business Legal Affairs Training is held every year to provide employees of the Sales Department with basic and applied knowledge of laws and regulations related to various businesses and to foster a culture of compliance. The main content of the training is to provide knowledge related to compliance in sales operations, such as information on revisions to related laws and regulations, knowledge of new laws, and the latest precedents regarding building lots and buildings transactions, and to learn advertising-related laws and regulations. The training is designed to acquire and consolidate knowledge for the promotion of responsible advertising and marketing activities.

Solutions to Social Issues through Products and Services

↓ Basic Approach ↓ With Tenants and Customers ↓ With Local Communities

Basic Approach

In the ESG Action Guidelines, the Group has stated that it will contribute to tenants, regions, and communities through the real estate it owns and aims to live in harmony with regions and communities by striving to engage in dialogue and collaboration with all stakeholders. Through our Group's business activities, products and services, we strive to solve social issues and add value related to real estate, and contribute to the creation of local employment, economic vitalization, disaster prevention and mitigation, and sustainable development of the area, as well as to harmony with local and international communities as a good corporate citizen. In the area of disaster prevention, which is one of the most important social issues, we conduct disaster prevention drills in cooperation with our tenants, and we place great importance on dialogue with our tenants. In the area of community revitalization, we are collaborating with local companies, mainly in the hotel business, to procure and support the sale of local specialty products, promote local production for local consumption, and promote the tourism industry. The hotel contributes to the creation of a lively community while providing opportunities for interaction and dialogue with the local community by hosting events in the hotel's lounge in which locals can participate.

With Tenants and Customers

Development with Good Transportation Access

Revitalization Development

In the real estate purchasing process, we conduct property due diligence using the Real Estate Purchase Check Sheet at the time of all property purchases to confirm the transportation accessibility of the property. In developing office buildings, commercial buildings, hotels, and residences, etc., we recognize that transportation access is one of the important items to consider in product planning. In particular, a location near a train station with convenient access to transportation is advantageous in attracting tenants and their reaction after they move in, and leads to improvement of customer satisfaction.

Consideration for Livability and Comfort

Revitalization Development

In the development of products for revitalization and development projects, we give consideration to livability, convenience, and comfort in living and office spaces. In addition to accommodating people with disabilities to the extent required by law, we strive to provide products and services that are convenient and comfortable for a wide variety of people including people with disabilities, by implementing extra specifications in some of our properties through product planning.

Barrier-Free Houses

THE PALMS COURT series of detached houses includes barrier-free houses Withstyle for people with disabilities and the elderly. In these houses, Tosei applies a unique design code consisting of 10 items based on the concept of a permanent residence, to create house designs suitable for any situation in a long life. The features include the installation of a closet that can be converted into an elevator at low cost, if it's necessary in the future and wheelchair-accessible designs.



THE PALMS COURT Hashimoto (Sold)

Initiatives to Improve Convenience and Comfort

Rental | Property Management

We are also promoting efforts to improve convenience and comfort in our residential and office rental and management businesses. In our rental housing, we are creating community spaces and renovating the design of aging common areas, while in our rental offices, we are working to attract shared bicycles and food trucks.



Food trucks



Shared bicycles

Renovation of Company Housing x Satisfying Community Space

We revitalized an idle company housing facility consisting of three buildings and upgraded it into rental apartments for families. Targeting families raising children, we created three community spaces: a kids' room where parents and children can play together without worrying about their surroundings, a party room where friends and relatives can gather and enjoy cooking classes or birthday events, and a study room where residents can have time alone to study or read books. We provide comfortable living spaces for various occasions.



Kids' room

Renovation of Company Housing x Concept Housing for Music Lovers

T-Rhythmic SOKA (Sold) was a vacant company housing building, which we acquired and renovated into rental apartments with improved sound insulation performance. Of the 52 apartments, 24 studio apartments were soundproofed, and the floor used as a cafeteria was converted into a party room, creating a space where residents can gather to hold events and deepen exchanges while relaxing freely with each other.



Party room renovated from cafeteria

Tenant Survey

Rental | Property Management

We conduct an annual survey of all tenants of our buildings (fixed assets) regarding the building management system, facilities, etc.
The survey asks about the level of satisfaction with the comfort and facilities of the buildings they occupy, as well as their evaluation of management services such as cleaning conditions, trouble shooting, and tenant communication, on a 5-point scale from satisfied to dissatisfied.
The quantitative evaluation and open-ended requests obtained from the survey results are discussed at the Sustainability Committees of Tosei Corporation and Tosei Community Co., Ltd. The PDCA cycle, in which items requiring action are individually addressed by the person in charge of the property, and the results are monitored by both committees, is implemented with the aim of improving customer satisfaction.
In FY2024, 91 companies were surveyed.

Resilience (Disaster Prevention and Mitigation)

Rental | Property Management

We are working to strengthen resilience in asset management and property management in the real estate fund business to ensure the safety and reassurance of our tenants through prompt recovery in the event of a disaster. In addition to the Earthquake Countermeasures Manual established by Tosei, the REIT Division and Private Fund Division of Tosei Asset Advisors have established their own BCP (Business Continuity Plan), information disclosure manual in the event of an earthquake, and reporting manual in the event of an emergency, to ensure an appropriate response system in an emergency.

→ For more information on Tosei Asset Advisors' ESG activities, please click here.





Contribution to the SDGs through Housing Creation

Development

In housing developments, we are creating houses with the aim of contributing to the SDGs.

SDGs to Be Addressed by the Entire Block

THE PALMS COURT Hibarigaoka (Sold) aims to contribute to the six SDG targets not only for individual households but also for the entire block, based on the four themes of green conservation, energy conservation and waste reduction, water saving and water resource conservation, and crime and disaster prevention.



Rainwater tank



Agreements regarding lighting



Plantings for four seasons



Exterior tiles

Creation of Comfortable Residences

Development

The project team, which was formed to respond to diversifying lifestyles, plans and proposes comfortable houses for all family members with meticulous thinking from the perspective of real life. The floor plans proposed by the project have been adopted in some of the properties (This activity was completed in FY2023).

THE PALMS COURT Kamakura Shiromeguri

We planned houses where all family members can easily participate in housework with an eye on the moving line, and houses to enjoy hobbies with a large shoe-in closet with a counter for DIY.

THE PALMS COURT Hibarigaoka

We planned houses where women can feel special, equipped with a walk-in closet with a dresser directly connected to the master bedroom and atmospheric indirect lighting in the living room.







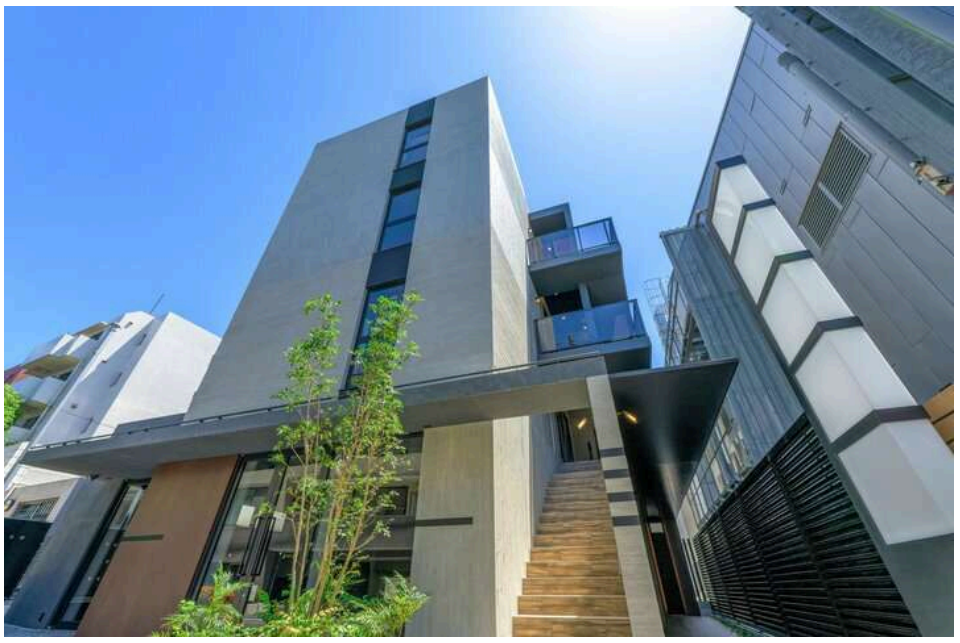
Development of Mixed-use Properties

Development

In our Development Business, we develop apartment complexes that combine residences with offices or stores, and mixed-use buildings that combine commercial facilities with offices, with the aim of reducing travel distances, improving convenience through shared infrastructure, increasing land use efficiency, and revitalization of local economies.
THE PALMS Sagamihara Park Brightia (sold), completed in 2020, is a 243-unit apartment complex with commercial facilities, including a fresh food supermarket, that meets the needs for convenience in daily life, such as shopping and access to clinics.
T'S BRIGHTIA Jiyugaoka II, completed in 2023, is a building complex with the first three floors as retail space and the fourth floor as office space, designed to accommodate a variety of tenants, thereby revitalizing the local economy and contributing to development of nearby areas.



THE PALMS Sagamihara Park Brightia



T'S BRIGHTIA Jiyugaoka II

With Local Communities

Contribution to Local Communities

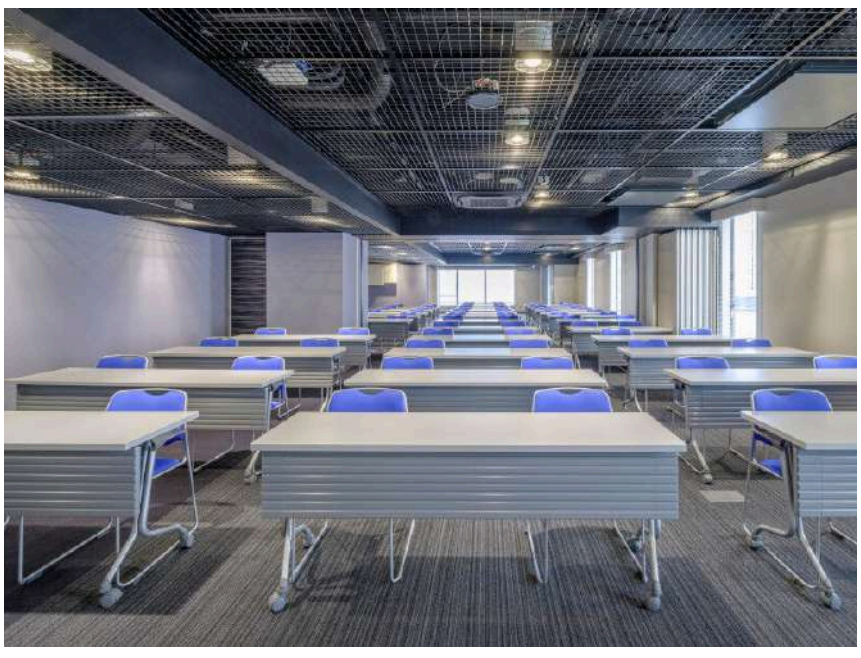
Hotel

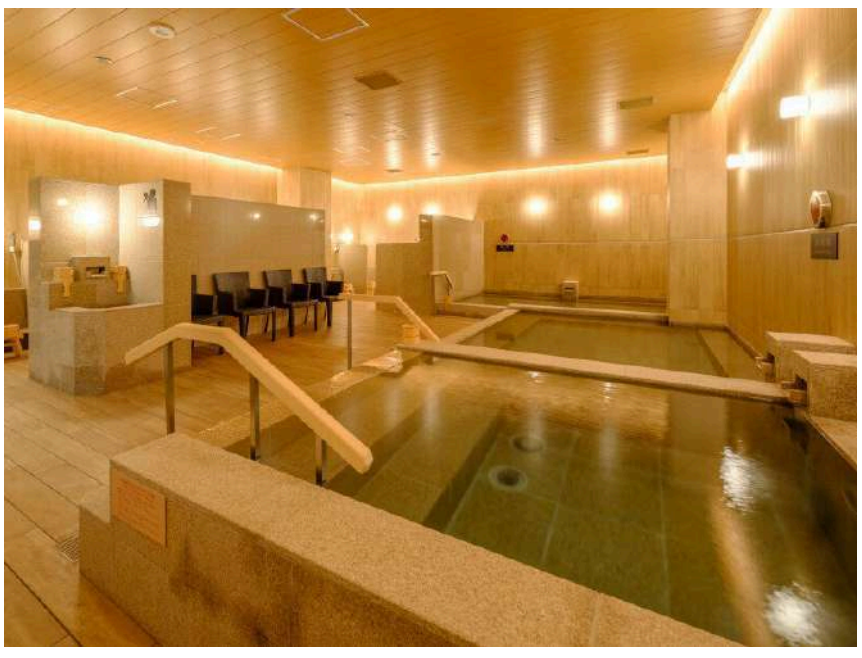
Regional Revitalization, Community Building

Some hotels are collaborating with local tourism operators to contribute to local revitalization. COCONE Kamakura offers a plan that includes Noriorikun, a ticket for unlimited one-day rides on the Enoden train, a plan with an Enoshima Aquarium ticket and Kamakura Japanese goods. COCONE Asakusa Kuramae offers a plan that includes kimono rental and dressing. Tosei Hotel & Seminar Makuhari is also actively involved in activities that contribute to the local community. The restaurant uses local ingredients in its menu for local production for local consumption, and the lobby on the first floor is open to the public, and seasonal social events are held, inviting participation by local residents. In addition, the hotel provides opportunities for guests to casually participate in social contribution activities by introducing donation-type vending machines.









Hotel Revitalization x Contribution to Local Communities

Tosei Hotel & Seminar Makuhari, built in 1992, was an aging accommodation and training facility, was comprehensively revitalized in terms of both tangible and intangible sides through our real estate M&A of the entire management company. The number of accommodation rooms was increased from 79 to 137, and each room was renovated with new toilets, washbasins, and other water facilities to enhance the building's superiority as an accommodation facility. In addition, based on the revitalization concept of a hotel, a seminar house, and a space that contributes to the local community, a lounge open to the local community was created utilizing the



Restaurant renovated from cafeteria

existing space. The lounge promotes seasonal events and also serves as a venue for local traditional performing arts. Restaurants in the hotel offer local production for local consumption menus using local ingredients, so the hotel contributes to the creation of liveliness and local revitalization through its facilities.

→ Click here to see the local revitalization and community building achievements at our hotel (Social Contribution Activities)

Disaster Prevention / Mitigation and Community Creation in Local Communities

Development

Urban Development that Fosters Community

The detached group of houses in THE PALMS COURT Kashiwa Hatsuishi (Sold) are built around a cul-de-sac that cars cannot pass through, not only to foster interaction among residents but also to bring safety. In the condominiums, we actively adopt community spaces that can be freely used for any purpose, for example as a study room, guest room, party room, and moms and kids lounge to create a comfortable environment for residents living various lifestyles.



THE PALMS COURT Kashiwa Hatsuishi

Urban Development Open to the Local Community

In front of the entrance of the condominium THE PALMS Sagamihara Park Brightia, a park has been set up to provide a place for residents and local residents to get close to nature and relax. Three kamado benches that can be used as kamado in the event of a disaster and some solar-powered streetlights have been installed as efforts to help in the time of disasters.



THE PALMS Sagamihara Park Brightia

Redevelopment Project Utilizing the Building Site

We are engaged in the redevelopment of former building sites, acquiring land on which warehouses and other buildings once stood, improving the land, and constructing new buildings to create new communities.
We developed large condominiums on the former warehouse sites of a company engaged in food sales in Chofu City, Tokyo, and a company engaged in construction in Toda City, Saitama Prefecture. All of the condominiums have been designed to create a new community in the area through redevelopment, with enhanced plantings that harmonize with the surrounding environment and common areas designed to create a community of residents.



Warehouse site



Condominium development

Contribution to Local Communities

↓ Approach to Social Contribution
↓ Contributions to Society
↓ Donation Activities
↓ Data and Achievements

Approach to Social Contribution

The Group's ESG policy states that it will contribute to tenants, regions, and communities through owned real estate, etc., and the Group strives to engage in dialogue and collaboration with all stakeholders, aiming to coexist in harmony with regions and communities. Through our Group's business activities, we will strive to solve social issues and add value related to real estate, contribute to the creation of local employment, economic vitality, and sustainable development of the area, as well as promote comprehensive and continuous social contribution activities in harmony with local and international communities as a good corporate citizen.
In our social contribution and donation activities, we will focus on the priority areas of coexistence with local communities, natural environment conservation, and social welfare. Based on our corporate philosophy of "creating new value and inspiration in all aspects of real estate," we will engage in activities that contribute to the revitalization and community building of the regions where our properties are located, the preservation of the natural environment, and the enhancement of welfare, mainly in our business area, the Tokyo metropolitan area. In the event of a natural disaster, we aim to contribute broadly to society by providing assistance to people in difficult circumstances.

Contributions to Society

Environmental Preservation and Beautification

Participation in Tokyo Sato-Umi Aid in Nishinagisa

We have participated in volunteer cleanup activities since 2009. In 2024, 53 employees of our Group and their families participated in Tokyo Sato-Umi Aid in Nishinagisa an event to clean up floating garbage in Kasai Marine Park. The type and amount of trash collected was counted to help in the investigation of the cause of the floating garbage. Through this activity, we aim to raise awareness of social issues such as trash reduction and marine resource conservation.



Plastic waste



Cleaning in progress



Participants and collected debris

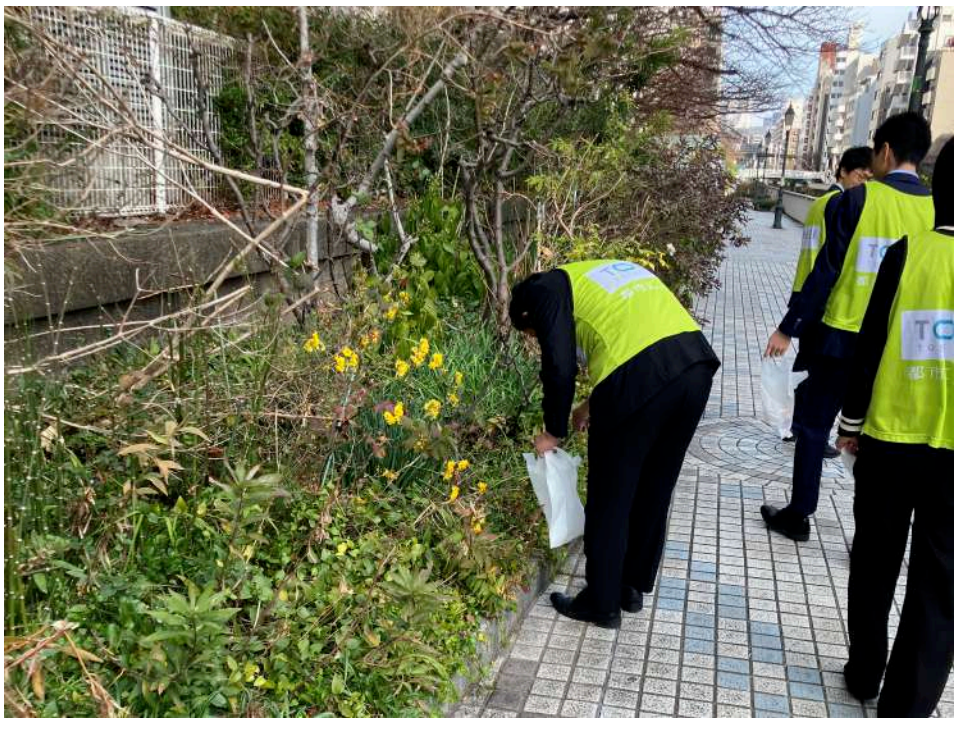
FY2024 Activity Results

Date of activity	Number of participants	Garbage collected
November 23, 2024	53 persons	270ℓ

Participation in Minato City Adopt-A-Program

Since October 2022, we have been participating in Minato City Adopt-A-Program and engaging in community cleanup activities. The program is an agreement between Minato City and organizations that live, work, or study in Minato City to collaborate in the maintenance and management of roads, parks, and other facilities. In principle, once a month, employees of our Group pick up trash and remove weeds from the streets and parks around our head office. Through these activities, the Group will contribute to environmental preservation and beautification of Minato City where the head office building is located.





FY2024 Activity Results

Date of activity	Number of participants	Garbage collected
December 7, 2023	10 persons	20.0ℓ
January 18, 2024	12 persons	20.0ℓ
February 15, 2024	17 persons	20.0ℓ
March 14, 2024	13 persons	10.0ℓ
April 18, 2024	21 persons	20.0ℓ
May 15, 2024	17 persons	15.0ℓ
June 20, 2024	11 persons	10.0ℓ
July 17, 2024	6 persons	10.0ℓ
August 22, 2024	6 persons	10.0ℓ
September 19, 2024	9 persons	15.0ℓ
October 17, 2024	11 persons	15.0ℓ
November 14, 2024	10 persons	15.0ℓ
Total	143 persons	180.0ℓ

Local Revitalization and Community Building

Tosei Hotel & Seminar Makuhari not only welcomes guests for sightseeing and business, but also serves as a community-based hotel that provides a place for communication and recreation for families living in the surrounding area and local residents.

In addition to the use of local ingredients in restaurant menus as local production for local consumption, the hotel provides opportunities for local residents and hotel guests to casually participate in social contribution activities by introducing vending machines for which a portion of sales are donated to specified causes.

The hotel also accepts students from junior high schools in Narashino City for work place experience.



Work Place Experience



Art na Christmas (Christmas of Art)

Event Track Record

Event	Date of the event	Number of participants
Work place experience	November 1, 2024	2 junior high school students
Corporate social gathering (cooperation: the Minato-cho Bakamen Odori Preservation Society)	January 25, 2023	Organizers: 10 persons / Spectators: 115persons
Art na Christmas (Christmas of Art)	December 18, 2022	9 groups / 28 persons

Support for Children's Homes

Since FY2021, we have been providing volunteer support to Ayumi Gakuen, a children's home in Hanyu City, Saitama Prefecture. In FY2024, we participated in the school festival by providing administrative support and a traditional new year's event. We will continue to consider and implement support activities.



Traditional new year's event



School festival

Disaster Support

In 2011, immediately after the Great East Japan Earthquake, the Tosei Group began support activities by volunteers, inviting experts and making donations. One year after the earthquake, we began support activities in cooperation with an NPO, the Association for the Support of Children's Homes, based in Higashimatsushima City, Miyagi Prefecture, that conducts volunteer activities.

Main Activities



Ground maintenance



Rust removal and painting of nursery playground equipment



Booth operation at the opening event of the town

We collected donations from our Group employees and other voluntary members and donated 28 taiko drums to Naruse Mirai Junior High School, which had just opened in Higashimatsushima City. In this city, taiko performances have long been popular at elementary and junior high schools, but many were lost due to tsunami damage. The school and community members were very delighted that the donated taiko drums enabled them to perform at the school festival.



Donated Japanese drums (taiko)

Donation Activities

Donation through the NPO Japan Platform

In 2024, we donated 5.48 million yen through a NPO, Japan Platform, for the purpose of supporting the Noto Peninsula Earthquake.

Donation to Children's Home

In 2024, we donated 2 refrigerators and 1 washing machine to the children's home Ayumi Gakuen. They said they were very pleased to see that the children are now able to live more comfortably and enjoyably. We will continue to listen to the needs of the home and consider support that is really needed.

Donation through the NPO Association for Support of Children's Homes

Since the Great East Japan Earthquake in 2011, we have donated 1 million yen annually to the Association for the Support of Children's Homes, an NPO that supports children living in children's homes. In addition to supporting children's homes, the donations are also used to support the areas affected by the disaster.

Collection and Donation of Plastic Bottle Caps through the NPO Ecocap Promotion Association

The Group participates in the Ecocap Movement in cooperation with the NPO Ecocap Promotion Association. By collecting and donating used plastic bottle caps from the Tamachi Tosei Building, we promote social contribution from various aspects such as recycling the caps into reusable plastic materials, reducing CO2 emissions, supporting medical care, and promoting employment for the disabled and elderly. In FY2024, 65.40 kg of plastic bottle caps were collected and donated.

→ NPO Ecocap Promotion Association

The Green Feather Fundraising Activity

This activity aims to provide support for a range of programs, such as the maintenance of forests, development of forestry volunteers and provision of forestry and environmental education for children.

Donations and Contributions Data

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024
Total amount of donations and contributions [¥]	2,000,000	1,448,000	2,519,864	2,694,733	6,482,000

Recipient	Purposes
Association for the Support of Children's Homes (NPO)	Support for disaster-affected areas and children's homes (2011～2024)
The Japanese Red Cross Society	Support for victims of the Western Japan heavy rainfall disaster, Typhoons Faxai and Hagibis (2019)
Higashimatsushima City Naruse Mirai Junior High School	Donation of Japanese drums (2018)
Tokyo Coronavirus Medical Support Fund	Support for medical institutions in dealing with COVID-19 (2020)
Ayumi Gakuen (children's home)	• Donation of 2 TVs and an air conditioner (2021) • Donation of 2 recorders and 2 refrigerators (2022) • Donation of TV, TV stand, rice cooker, vacuum cleaner, etc. (2023) • Donation of 2 refrigerators and 1 washing machine (2024)
Japan Platform (NPO)	• Humanitarian assistance to Ukraine (2022) • Support for the areas affected by Turkey-Syria Earthquake (2023) • Support for the areas affected by Noto Peninsula Earthquake (2024)

Data and Achievements

Please see here for in-depth data regarding contribution to local communities.

Data on contribution to local communities →

Corporate Governance

↓ Fundamental Approach Toward Corporate Governance
↓ Corporate Governance Report
↓ Corporate Governance System
↓ Policy for Appointment of Directors
↓ Independent Officers' Remuneration
↓ Internal Control System

Fundamental Approach Toward Corporate Governance



Our Group aspires to be a valuable contributor to all of our stakeholders in society including the shareholders, the employees, the business partners and others, by promptly and appropriately responding to the changes in the business environment and continuing operational activities which enable the Group to achieve a sound growth. For this purpose, the Group has placed the greatest importance on enhancement of corporate governance, and in particular, fully cultivating a compliance mindset, enhancing risk management and conducting timely disclosure as three key initiatives. Furthermore, the Group is determined to make efforts in a unified manner, from the top management down to each employee of the Group companies, led by the Board of Directors, to develop an internal control system as required by the Companies Act and the Financial Instruments and Exchange Act, as well as to set up a system which is credible to investors, as a financial instruments business operator.

Three Important Items in Corporate Governance

Compliance

We place compliance at the top of our agenda and raise awareness of it from top management to all employees of the Group companies.

Risk Management

Assuming every possible risk, we prepare and practice responses under normal times and emergencies.

Information Disclosure

We practice disclosure and communication appropriately and on a timely basis to all stakeholders including shareholders.

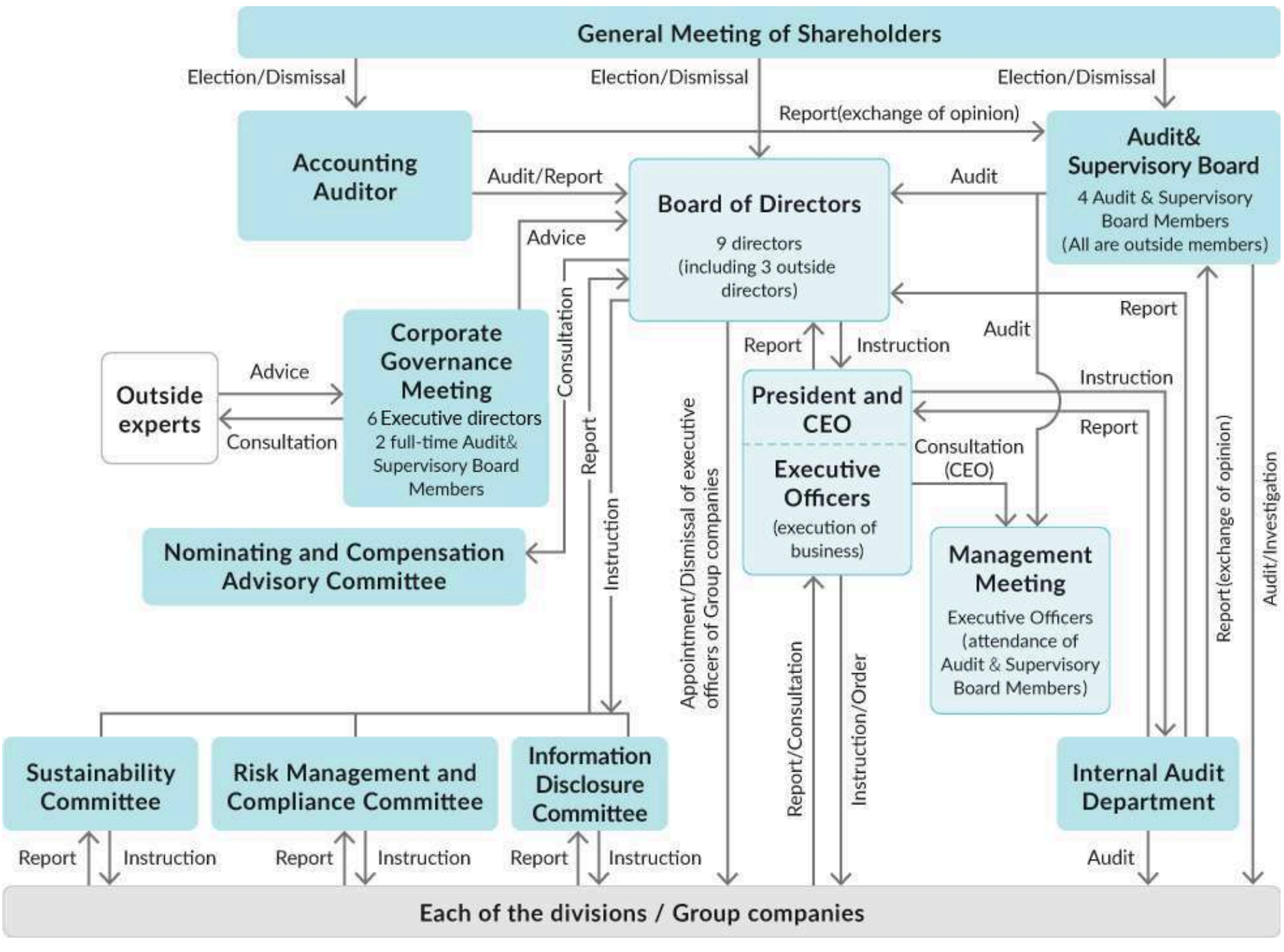
Basic Policy on Corporate Governance

→ Basic Policy on Corporate Governance (217KB)

Corporate Governance Report

→ Corporate Governance Report(505.2KB)

Corporate Governance System



As of February 27, 2025

Reasons for Adopting the Current Corporate Governance System

The Company has set up the Board of Directors and the Audit & Supervisory Board. While appointing from outside its outside directors and all of its Audit & Supervisory Board members, it has also adopted an executive officer system, for the purpose of operating its businesses with high transparency. All of the Audit & Supervisory Board members of the Company have been outside Audit & Supervisory Board members since the time of listing. The Audit & Supervisory Board members have always performed audits of the business management of the Company from the viewpoints of ensuring and increasing the Company's corporate value and the common interests of its shareholders. The Company further enhances its supervisory function over its management by inviting outside directors to the Board of Directors. On the management side, the Company has employed the executive officer system so as to achieve optimal distribution of decision-making functions and operational duties, as well as encouraging the delegation of authority in executing the businesses, in an attempt to strengthen its corporate governance.

Board of Directors

The Board of Directors is composed of nine directors, three of whom are outside directors. Based on the regulations of the Board of Directors, regular meetings of the Board of Directors are held every month and extraordinary meetings are held as necessary. As the highest management decision-making body, the Board of Directors makes resolutions on management policy and important matters, and also supervises the execution of duties by directors. In addition, outside directors (independent directors) offer advice and suggestions to help secure adequate and appropriate decision making by the Board of Directors by stating opinions from an objective standpoint and taking other measures.

Nominating and Compensation Advisory Committee

The Company has set up the Nomination and Compensation Advisory Committee as a voluntary advisory body for the Board of Directors for the purpose of ensuring appropriateness and transparency of each resolution of the Board of Directors on the process of selecting candidates proposed in a proposal for appointing directors that is submitted to the General Meeting of Shareholders and on allocation of remuneration, etc. for individual directors. The constituent members of the committee include outside director(s) (independent director(s) , one person or more) , a full-time audit & supervisory board member (outside audit & supervisory board member, one person) , a representative director (one person) , and an Executive director (one person) . An outside director who is a committee member will assume the office of the chair of committee.

To monitor the legality of each decision-making process, the Company's Basic Policy on Corporate Governance stipulates that the committee shall include an independent outside Audit & Supervisory Board member and that independent Outside Directors and independent outside Audit & Supervisory Board members shall be a majority of the committee. To ensure the independence and objectivity of the committee, four of the six committee members are independent officers, and the chairperson is an independent Outside Director.

Audit & Supervisory Board

The Company has adopted the Audit & Supervisory Board member system and has the Audit & Supervisory Board with two full-time and two part-time Audit & Supervisory Board members, all of whom are outside Audit & Supervisory Board members. They audit the operation of the Board of Directors and execution of duties of Directors from an independent and objective standpoint, and provide constructive advice and recommendations for the increase of corporate value with their knowledge.

Executive Officer System

The Company has adopted the executive officer system in order to more clearly segregate the monitoring / supervision of the Company's business management, which is the duty and responsibility of the directors, from the execution of the business. The executive officers are appointed at the board meetings and will adhere to the Company's internal rules and regulations as well as to the resolutions of the Board of Directors in executing and controlling the business operations of the Company. In addition, the representative director and president has assumed the position of the chief executive officer and holds the management meetings twice a month as a general rule to seek for consultation on the material issues to be decided by him, and to discuss the matters to be resolved at the board meetings in advance.

Corporate Governance Meeting

With the aim of continuously strengthening of corporate governance, the Company holds corporate governance meetings consisting of Executive Directors and full-time Audit & Supervisory Board Members. At the meetings, the Directors and the Audit & Supervisory Board Members check and deliberate over corporate governance concerns for improving corporate value and items regarding internal control. Where necessary, the Company receives advice from outside experts such as corporate attorneys and certified public accountants.

Cooperation Among the Audits by Audit & Supervisory Board Member, Internal Audit Member, and Audits by Accounting Auditors (Three-pronged Auditing Structure)

Audits by corporate auditors	The auditing activities by the Audit & Supervisory Board members are performed in accordance with an annual audit plan. By cooperating with the accounting auditors as well as with the Internal Auditing Department, the Company has developed an efficient and viable auditing system. The full-time Audit & Supervisory Board members holds regular meetings with each of the directors and officers in charge of each department to fully understand the status of the business execution as well as to regularly exchange opinions with the outside directors.
Internal audits	The Internal Audit Department under the direct supervision of the chief executive officer, performs audits for the entire Group's overall business activities from the perspective of legality and adequacy, etc. in accordance with their annual auditing plan. In the event any inadequacy is discovered, recommendations for corrective actions are made to the audited departments. The internal Audit Department discusses with the audited departments for issues in need of corrective actions, and follows up with specific guide which leads to the provision of effective audits.
Audits by the accounting auditor (Shinsoh Audit Corporation)	The audit of the Company's accounts is performed based on the annual audit plan. In addition to the full-year audit performed at the end of the fiscal year, Company's Audit Company (Shinsoh Audit Corporation) conducts reviews at the end of each quarter. The periodic replacement and re-engagement of the accounting auditor in accordance with the rules and regulations of the audit corporation under the Certified Public Accountants Act are operated as follows; • The Engagement Partner may not be involved in the company's auditing operations for more than seven accounting periods. • The Engagement Partner may not be involved in the company's auditing operations for two accounting periods after being replaced.

Constituent Member by Board (as of Feb. 27, 2025)

→ Please read here for the list of the management team
(◎Chairperson, ○Constituent member, △Observer)

Name	Position	Attribute	Meeting of Board of Directors	Audit & Supervisory Board	Nominating and Compensation Advisory Committee	Corporate Governance Meeting
Seiichiro Yamaguchi	President and CEO		◎		○	◎
Noboru Hirano	CFO and Senior Executive Officer		○		○	○
Hideki Nakanishi	Director, COO and Senior Executive Officer		○			○
Shunsuke Yamaguchi	Director, Managing Executive Officer		○			○
Hiroyasu Yoneda	Director, Managing Executive Officer		○			○
Shigehiro Takami	Director, Executive Officer		○			○
Kenichi Shohtoku	Outside Director	Independent	○		◎	
Hiroyuki Kobayashi	Outside Director	Independent	○		○	
Mai Ishiwatari	Outside Director	Independent	○		○	
Hitoshi Yagi	Outside Audit & Supervisory Board member (full-time)	Independent	△	◎	○	○

Name	Position	Attribute	Meeting of Board of Directors	Audit & Supervisory Board	Nominating and Compensation Advisory Committee	Corporate Governance Meeting
Toshinori Kuroda	Outside Audit & Supervisory Board member (full-time)	Independent	△	○		○
Tatsuki Nagano	Outside Audit & Supervisory Board member	Independent	△	○		
Satoshi Ikeda	Outside Audit & Supervisory Board member	Independent	△	○		

Attendance of Each Constituent at Meetings of the Board of Directors, Nomination and Compensation Advisory Committee
FY 2024 (December 1, 2023 - November 30, 2024)

Name	Position	Board of Directors Meetings (Attendance/Number of meetings)	Nominating and Compensation Advisory Committee (Attendance/Number of meetings)	Audit & Supervisory Board (Attendance/Number of meetings)
Seiichiro Yamaguchi	President and CEO	22/22	5/5	-
Noboru Hirano	CFO and Senior Executive Officer	22/22	5/5	-
Hideki Nakanishi	Director, COO and Senior Executive Officer	22/22	-	-
Masaaki Watanabe *1	Director, Managing Executive Officer	7/7	-	-
Shunsuke Yamaguchi	Director, Executive Officer	22/22	-	-
Hiroyasu Yoneda *2	Director, Managing Executive Office	15/15	-	-
Hitoshi Oshima	Director, Executive Officer	22/22	-	-
Kenichi Shohtoku	Outside Director	22/22	5/5	-
Hiroyuki Kobayashi	Outside Director	21/22	5/5	-
Masao Yamanaka *1	Outside Director	7/7	3/3	-
Mai Ishiwatari *2	Outside Director	14/15	2/2	-
Hitoshi Yagi	Outside Audit & Supervisory Board member (full-time)	22/22	5/5	16/16
Toshinori Kuroda	Outside Audit & Supervisory Board member (full-time)	22/22	-	16/16

Name	Position	Board of Directors Meetings (Attendance/Number of meetings)	Nominating and Compensation Advisory Committee (Attendance/Number of meetings)	Audit & Supervisory Board (Attendance/Number of meetings)
Tatsuki Nagano	Outside Audit & Supervisory Board member (part-time)	20/22	-	15/16
Osamu Doi	Outside Audit & Supervisory Board member (part-time)	22/22	-	16/16

*1 Attendance until their retirement on February 27, 2024.

*2 Attendance since their appointment on February 27, 2024.

Policy for Appointment of Directors

Basic Policy

The Board of Directors places importance on diversity in terms of gender, internationality, work experience, age, etc., and is comprised of Directors who are familiar with the Group's philosophies, the details of finance and business, etc., Directors overseeing management from an objective standpoint, and Independent Outside Directors having a wide range of experience and knowledge, and being independent.

When nominating candidates for Executive Directors, those who have the necessary knowledge as Directors and are familiar with the Group's finances, business, and other aspects of the Group are nominated for Directors who execute the business. For Directors other than Executive Directors (including Outside Directors) , appoints persons who can oversee the management from an independent and objective standpoint and be expected to provide constructive advice and recommendations to Executive Directors. The candidates are determined based on the result of discussion regarding appropriateness of nomination of candidates at the Nominating and Compensation Advisory Committee.

In addition, for the nomination of candidates for the Audit & Supervisory Board members, the Company has a basic policy to nominate persons who can audit the operation of the Board of Directors, execute duties of directors from an independent and objective standpoint, and provide constructive advice and recommendations to enhance corporate value with their knowledge. The Board of Directors determines the candidates based on the result of discussion at the Nominating and Compensation Advisory Committee with the consent of the Audit & Supervisory Board. The Audit & Supervisory Board members of the Company are all appointed from outside since the time of listing.

Skill Matrix for the Board of Directors

The Company nominates candidates for Directors who have high levels of expertise, with an eye on the balance of knowledge, experience, and competence within the Board of Directors as a whole and the composition of the Board of Directors that considers diversity and scale.

Name	Execution of Business/ Outside	Specialty, knowledge, and experience								Nominating and Compensation Advisory Committee	Sustainability Committee
		Corporate management	Real estate business	Finance / Accounting	Global business	ESG	IT / DX	Human Resource / Labor	Compliance / Risk management		
Seiichiro Yamaguchi	Execution of Business	●	●	●		●			●	Member	
Noboru Hirano	Execution of Business	●		●		●		●	●	Member	Chairperson
Hideki Nakanishi	Execution of Business		●			●					
Shunsuke Yamaguchi	Execution of Business					●	●	●	●		Member
Hiroyasu Yoneda	Execution of Business	●		●							
Shigehiro Takami	Execution of Business		●								
Kenichi Shohtoku	Outside (Independent)	●		●	●					Chairperson	
Hiroyuki Kobayashi	Outside (Independent)	●		●		●		●		Member	Observer
Mai Ishiwatari	Outside (Independent)	●			●		●		●	Member	

Status of Independent Officer

The Company appoints Outside Directors and Outside Audit & Supervisory Board Members based on the Independence Standards established by the Company, in addition to the independence standards established by the Tokyo Stock Exchange. Furthermore, in electing independent outside directors, a person who has a wide range of experience and knowledge, and can provide frank, lively, and constructive opinions, advice, and recommendations at meetings of the Board of Directors is nominated. The Company's Independence Standards are stated in the Tosei Corporation Basic Policy on Corporate Governance.

→ Basic Policy on Corporate Governance

Reasons for Election of Outside Directors and Outside Audit & Supervisory Board Members

Reasons for Election of Outside Directors

Name	Independent Officer	Reason for the election
Kenichi Shohtoku	○	Outside Director Kenichi Shohtoku, a certified public accountant, he has an extensive experience and knowledge including those relating to overseas business. He has provided invaluable advice on various occasions such as the Board of Directors' meetings of the Company, liaison meetings with the Audit & Supervisory Board Members of the Company, etc. and has worked energetically to enhance the governance system of the Company and the Group as well as to ensure the appropriateness of financial reporting. The Company considers that he is indispensable for the maintenance and improvement of corporate governance structure for further expansion of the Group and enhancing the checking functions in the future while paying attention to ESG issues.
Hiroyuki Kobayashi	○	Outside Director Hiroyuki Kobayashi, has extensive experience and expert knowledge, accumulated mainly at major financial institutions. With his objective monitoring and proposals based on his abundant experience and expertise, he has been contributing to more active discussion at Board of Directors meetings and improvement of its effectiveness. The Company considers that he is indispensable for the maintenance and improvement of corporate governance structure for further expansion of the Group and enhancing the checking functions in the future while paying attention to ESG issues.
Mai Ishiwatari	○	Outside Director Mai Ishiwatari possesses a high level of expertise and global knowledge of corporate legal affairs accumulated mainly at domestic and international law firms. Accordingly, we believe that she will be able to provide objective supervision and proposals that will contribute to legal compliance of the Group's business. Furthermore, she has been involved in corporate management at multiple companies in recent years. The Company believes that she will

Outside Audit & Supervisory Board Members

Name	Independent Officer	Reason for the election
Hitoshi Yagi	○	Full-time Outside Audit & Supervisory Board member Hitoshi Yagi has extensive experience in the auditing divisions of major financial institutions and professional insight based on his qualifications as a Certified Internal Auditor (CIA) and a Certified Information Systems Auditor (CISA) . Utilizing such experience and knowledge, the Company believes that he can perform his role to ensure the adequacy and appropriateness of the Company's management.
Toshinori Kuroda	○	Full-time Outside Audit & Supervisory Board member Toshinori Kuroda has abundant experience at major financial institution as well as specialist knowledge based on his qualification as Master of Business Administration (MBA) and Certified Internal Auditor (CIA) . Utilizing such experience and knowledge, the Company believes that he can perform a role in ensuring the adequacy and appropriateness of the Company's management.
Tatsuki Nagano	○	Outside Audit & Supervisory Board member Tatsuki Nagano has experience at major financial institutions and continues to be involved in corporate management. Based on his extensive experience and high level of expert insight, the Company believes he can perform a role in ensuring the adequacy and appropriateness of the Company's management.
Satoshi Ikeda	○	Outside Audit & Supervisory Board Member Satoshi Ikeda will contribute to the Company in ensuring the adequacy and appropriateness of the business management of the Company with his high level of expertise in corporate legal affairs as an attorney, as well as his extensive financial knowledge based on his experience working at a major financial institution and his insight on system development.

Independent Officers' Remuneration

Outline of the Remuneration System for Directors and Policy for Determining Remuneration

The Company has a basic policy to properly determine remuneration, through a combination of fixed remuneration based on job responsibility, a performance-based bonus, stock options that allow exercise of rights after a certain period, and the Company's share-

based compensation depending on the performance result of a certain period in order to realize the medium- to long-term growth of the Group.

Remuneration for Executive Directors consists of monetary remuneration, comprising a fixed salary which is scaled according to duties, performance evaluation remuneration which is based on the achievement of individual goals such as the performance of each Executive Director, and Directors' bonuses which are linked to consolidated profit before tax, share-based compensation which are linked to consolidated profit before tax, and stock options which are aimed to increase the desire and motivation to contribute to the medium- to long-term enhancement of corporate value.

Due to the emphasis on their supervisory function from a standpoint independent of the execution of business, Outside Directors' remuneration is composed of a fixed salary, share-based compensation which amount is fixed, and stock options only. No performance evaluation remuneration or directors' bonuses are paid to Outside Directors.

The representative director and president drafts proposals for each Director's remuneration within the limit, which are discussed by the Nomination and Compensation Advisory Committee, before being decided by resolution of the Board of Directors.

Officers' Remuneration System

Position	Fixed salary	Short-term Incentive		Medium- to Long-term Incentives	
		performance-linked renumeration *			Non-monetary remuneration
		performance evaluation remuneration	directors' bonuses	share-based compensation (restricted share-based compensation)	Stock Options
Executive Directors	○	○	○	○	○
Outside Directors	○	-	-	○ (fixed amount)	○
Audit & Supervisory Board members	○	-	-	-	-

* The ratio of fixed salary to performance-linked renumeration (including share-based compensation) for Executive Directors is approximately 60:40.

Fixed Salary

On the basis of comparisons with the results of surveys of Directors' remuneration at listed companies, conducted by external specialist agencies, and surveys of the levels of Directors' remuneration at the Company's competitors, conducted by the Company, as well as comparison with the highest amounts of remuneration paid to employees of the Company, the Company has established fixed salary scaling guidelines, based on Directors' duties and posts held by Directors concurrently serving as Executive Officers. Remuneration for each individual Director is discussed by the Nomination and Compensation Advisory Committee, before being decided by the Board of Directors.

Performance Evaluation Remuneration (Performance-linked Renumeration)

The performance evaluation remuneration for Executive Directors is based on their individual achievement of single-year performance targets. A standard evaluation remuneration amount equal to 33% of the fixed salary is paid monthly together with the fixed salary. Where there is an adjustment based on the achievement of performance targets (of between +55% and -50% of the standard evaluation remuneration) , this is added to and paid together with Directors' bonuses or deducted from Directors' bonuses after the conclusion of the Ordinary General Meeting of Shareholders held during the fiscal year. Remuneration for each Director is evaluated by the Nominating and Compensation Advisory Committee, where the level of contribution to the governance practices and the pursuit of sustainability of the Company as well as the Group as a whole, achievement of the department in charge, and degree of maintenance / improvement of consolidated management indicators (ROE, stock price, etc.) .

Director's Bonuses (Performance-linked Renumeration)

Executive Directors' bonuses are determined based on the pre-determined level of consolidated pretax profit, plus an additional amount if the consolidated pretax profit target for a single fiscal year is achieved and are paid after the close of the Ordinary General Meeting of Shareholders for the relevant fiscal year. As a director of a listed company, engaged in consolidated management, maintaining and increasing the level of consolidated profit before tax and achieving the pre-tax profit target for each fiscal year are important missions, therefore the Company has adopted this indicator.

Share-based Compensation

Share-based Compensation (Performance-linked Renumeration for Executive Directors)

In order to clarify the linkage between remuneration for Executive Directors and the Company's business performance and share value, and to continuously improve the Company's corporate value, share-based compensation for Executive Directors is granted in the form of a number of ordinary shares of the Company after the close of the Ordinary General Meeting of Shareholders for the relevant fiscal year, corresponding to an amount determined according to the level of consolidated pre-tax profit for a single year predetermined by the Board of Directors after discussion at the Nomination and Compensation Advisory Committee, plus an additional amount if the consolidated pretax profit target for a single fiscal year is achieved.

Share-based Compensation (Fixed salary for Outside Directors)

In order to continuously improve the Company's corporate value, share-based remuneration for Outside Directors is granted in the form of the Company's ordinary shares after the close of the Ordinary General Meeting of Shareholders for the relevant fiscal year, subject to the achievement of the amount of consolidated pre-tax profit for a single fiscal year predetermined by the Board of Directors after discussion at the Nomination and Compensation Advisory Committee.

The ordinary shares granted to Executive Directors and Outside Directors are subject to certain transfer restrictions such as the restriction to transfer until the date of their resignation from the position as Directors or Executive Officers of the Company. Furthermore, for these individuals, the Company may forfeit (malus) the rights to receive the delivery of shares in the event of a serious violation of laws or internal rules and regulations.

Stock Options

Stock Option for Executive Directors is in order to pursue corporate management with a focus on enhancing corporate value over the medium- to long-term, the President and Representative Director drafts proposals for the number of stock options to be granted to each Director, based on the Director's duties as well as posts held concurrently by the Director as Executive Officer, for each medium-term management plan. These proposals are examined by the Nomination and Compensation Advisory Committee, before being decided by the Board of Directors. A fixed number of stock options are also granted to Outside Directors, considering the importance of their management monitoring and supervisory function aimed at enhancing corporate value.

Auditor's Remuneration

Audit & Supervisory Board members, considering their role, are remunerated with a fixed salary only. Remuneration for each Audit & Supervisory Board member is decided through discussion of the Audit & Supervisory Board, within the limits of the maximum total amount.

Amount of Remuneration for Executive Officers (FY2023)

Position	Total amount of remuneration,etc. [¥ thousand]	Total amount by type of remuneration, etc. [¥ thousand]					Number of recipients [Person]
		Basic remuneration	Performance-linked remuneration			Non-monetary remuneration, etc.	
			Performance evaluation remuneration	Bonus	Share-based Compensation	Stock Options	
Directors (of which outside directors)	323,369 (20,872)	175,017 (19,803)	51,738 (-)	48,066 (-)	42,894 (738)	5,652 (330)	11 (4)
Audit & Supervisory Board members (of which outside audit & supervisory board members)	34,863 (34,863)	34,863 (34,863)	- (-)	- (-)	- (-)	- (-)	4 (4)

* The number of eligible Directors and the amount of remuneration in the table above includes one retired Executive Director and one retired Outside Director.
* The ratio of fixed remuneration to performance-linked remuneration for Executive Directors is kept around 60:40 and for the 75th term, the ratio was 52:48.

Total amount of consolidated remuneration, etc. (only for officers for whom the total amount of remuneration, etc. is ¥100 million or more) by each officer of the Company is stated in the Annual Securities Report for the Fiscal Year Ended November 30, 2024, released on February 27, 2025.

→ Securities Report

Internal Control System

The Company has established a Basic Policies of Internal Control Systems by resolution of the Board of Directors, and under this basic policies, in a continuous effort to develop the internal control system, the Company establishes plans for implementation and operation of the internal control system annually taking into consideration of revisions of relevant laws and regulations, changes in the business environment of the Group, expansion of the businesses, etc. Also, in ensuring the adequacy of financial reporting, an internal control system structure (so-called J-SOX with reference to the COSO-ERM framework (COSO Enterprise Risk Management - integrated framework) that complies with the Financial Instruments and Exchange Act has been established and is in operation.

Compliance and Risk Management

↓ Compliance and Risk Management Promotion System ↓ Risk Management ↓ Compliance

↓ Education and Training

Compliance and Risk Management Promotion System

Compliance and Risk Management System

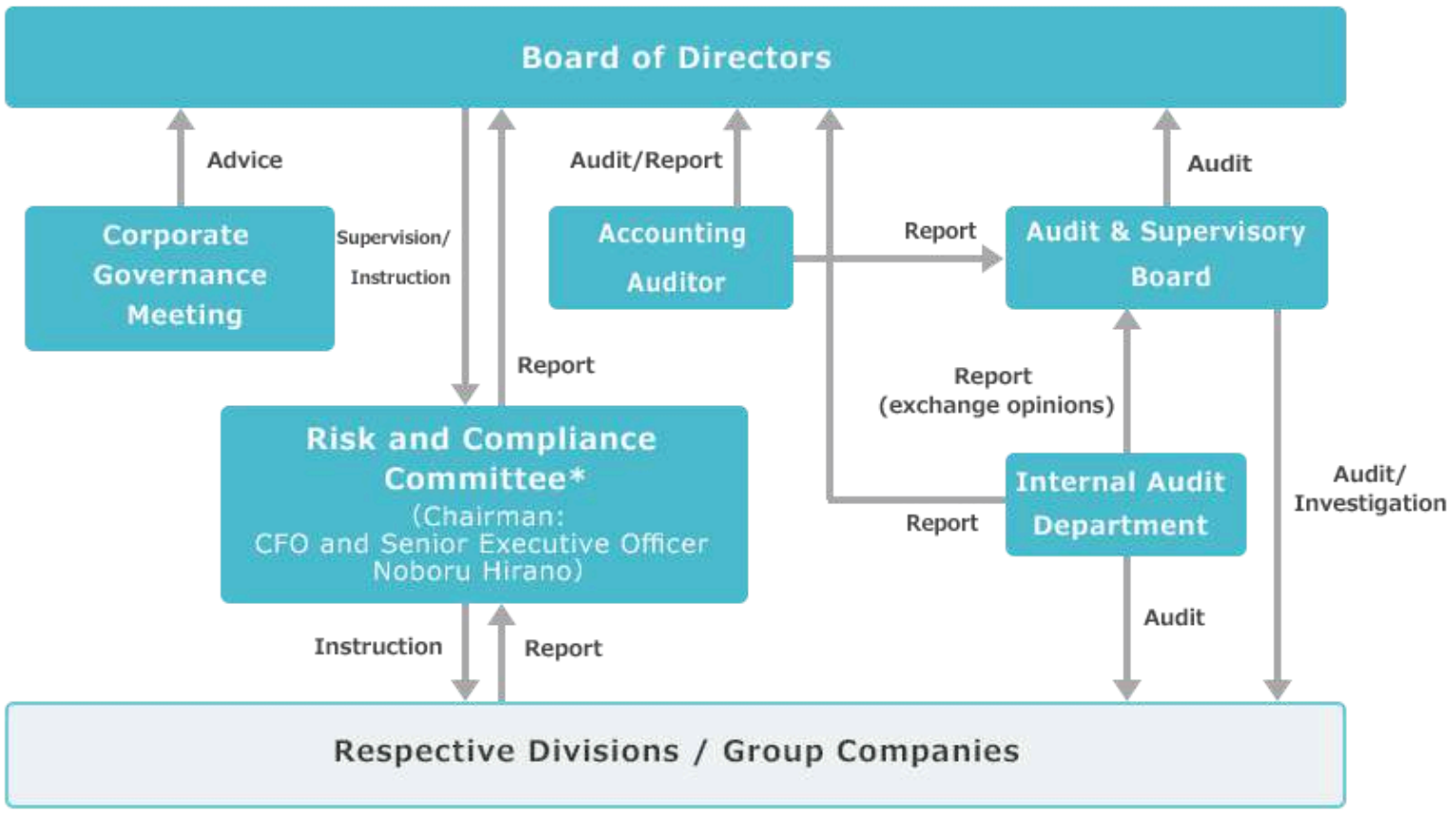
The Group has established the Risk and Compliance Committee under direct supervision of the Board of Directors, to promote integrated and cross-sectional risk management and compliance, including sustainability related matters, across the Tosei Group. This committee examines the company-wide policy, annual plan and other matters for risk management and compliance. Along with this, it oversees and manages the various risks surrounding the Group's businesses through the implementation of the Risk Management and Compliance Program and assesses the status of risk management and compliance of each group company. The committee is chaired by CFO and Senior Executive Officer who oversees all administrative divisions except the Internal Audit Department.

As a subordinate body of the Committee, the Business Law Liaison Committee, attended by all heads of the operational divisions, are held every month, during which participants are duly made familiar with amendments to laws and regulations. In case of occurrence of a contingency, a natural disaster, etc., a crisis management office directed by the President and CEO as the head will be established to collect information, confirm facts and circumstance, consider and implement countermeasures, and properly disclose information in a timely manner. The Board of Directors receives monthly reports on the results of deliberations and progress of the Risk Compliance Committee, and appropriately supervises the operation and compliance Risk Management System of these committees.

Regarding each Group company, the Company's Executive Directors, Executive Officers in the Administrative Division, and the members of the Internal Audit Department, etc. are concurrently appointed as Directors or Audit & Supervisory Board Member for each group company to monitor and supervise each Group company's responses to risks. Every month, each Group company reports important management issues, management conditions, their responses to risks, and potential risks at the meeting of the Board of Directors or pre-Board meeting discussions of the Company, and the Risk Management and Compliance Committee's meeting. Moreover, the response of these Group companies and the results thereof are continuously audited or monitored by the Company's Internal Audit Department, which may also conduct checks using external agencies as necessary, and then we have the Internal Audit Department report the results at the Board of Directors' meeting. In addition, we have a communication system in place where employees are required to promptly report any risk materializing or any sign thereof upon identifying it to the chairman of the Risk Management and Compliance Committee, so that such information is communicated smoothly and simultaneously with full-time Audit & Supervisory Board Members of each Group company and full time Audit & Supervisory Board Members of the Company.

Climate Change Risks and Opportunities, which are of particular importance among the company-wide risks and should manage following the framework recommended by the TCFD, are led by the Sustainability Committee under the supervision of the Board of Directors. The

Risk and Compliance Committee ensure the integrated Enterprise Risk Management by assisting and supporting the Sustainability Committee in its implementation of various measures.



→ * See here for more information on risk management related to climate change

Risk Management and Compliance Committee

Tosei has established the Risk and Compliance Committee, which consists of the Executive Officers, heads of each department, officers responsible for risk management and compliance at each Group company, and full-time Audit & Supervisory Board Members (observers), as a body to examine risk and compliance in Tosei Group in a centralized and cross-sectional manner. The committee deliberates on the recognition, analysis and evaluation of risks of each Group company, information gathering and discussion of countermeasures for individual events, and promotion of compliance. According to the "Risk Management and Compliance Program" formulated each fiscal year, we are strengthening our compliance awareness, implementing the PDCA cycle for risk management, and strengthening monitoring.

Promotion of Compliance and Risk Management

Risk Management and Compliance Program

In order to promote compliance and accurately manage the various risks surrounding our business, the Group formulate and implement a group-wide Risk Management and Compliance Program every fiscal year. This program is approved by the Board of Directors after evaluating the effectiveness and functionality of the risk management process and through discussions by the Risk Management and Compliance Committee. In addition to the Program, Tosei and its Group companies formulate and implement individual programs that take into account the business environment and organizational structure of each company, and regularly report their progress to the Risk and Compliance Committee.

Risk Management and Compliance Program

(1) Identify, analyze and evaluate risks

(2) Formulate and implement measures to address identified risks

(3) Monitoring the effectiveness and functionality of countermeasures

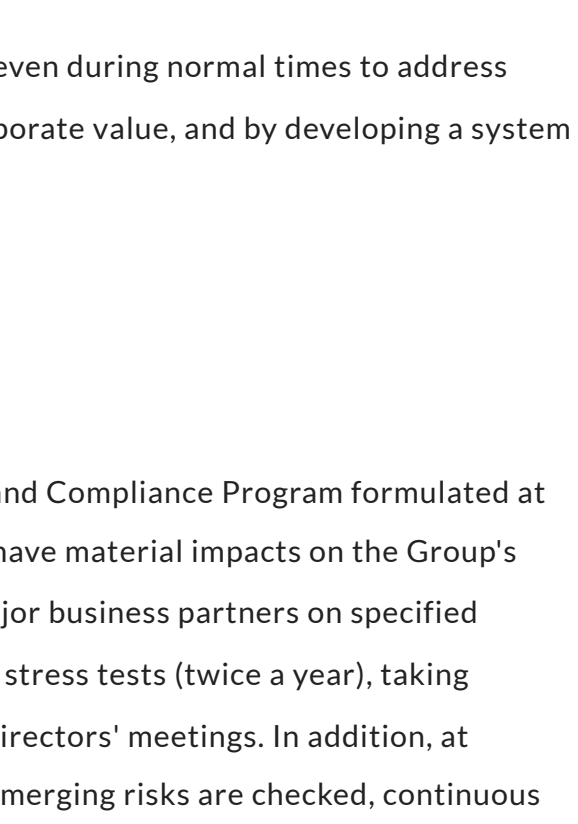
(4) Management cycle plan to inform the employees of measures to handle risks

(5) Measures and training plans to enhance compliance awareness

(6) Plans for education, training, seminars, and other activities for risk management and promotion of compliance

Risk Management and Compliance Guidebook

The Group Risk and Compliance Guidebook is distributed to all Tosei Group officers and employees as a specific guide to ensure that they correctly understand risk and compliance and conduct business with awareness of compliance. The Guidebook explains the Tosei Group Ethics Code, specific points to note regarding compliance with laws and regulations, and the internal reporting system, and will be revised as necessary. In addition, the Company strives to enhance employees' awareness of compliance by informing them through training and other programs conducted every year.



Risk Management

The Group aims to earn trust from stakeholders by drawing up plans and implementing measures even during normal times to address risks that might prevent it from conducting business activities and maintaining and improving corporate value, and by developing a system for minimizing losses.

Business Risks Management

As for the recognition, analysis and evaluation of risks, in accordance with the Risk Management and Compliance Program formulated at the beginning of each fiscal year; 1. implement a survey to identify about 30 significant risks that have material impacts on the Group's business (once a year), 2. with regard to the external environment, we conduct interviews with major business partners on specified themes in order to monitor real estate market conditions and transaction conditions, and conduct stress tests (twice a year), taking account of the financing status of financial institutions. The results are reported at the Board of Directors' meetings. In addition, at monthly Risk Management and Compliance Committee's meeting, the states of our responses to emerging risks are checked, continuous efforts to gather information on potential risks are made, and the details are reported at the Board of Directors' meeting held each

month, in addition to which the outcomes of the responses are monitored by the Internal Audit Department. We have also instructed each Group company to formulate plans for managing risks and promoting compliance in light of each company's business operations, focusing on ensuring that the parent company organization appropriately supports these plans.
In addition, we have a communication system in place where employees are required to promptly report any risk materializing or any sign thereof upon identifying it to the chairman of the Risk Management and Compliance Committee, so that such information is communicated smoothly and simultaneously with full-time Audit & Supervisory Board Members of each Group company and full-time Audit & Supervisory Board Members of the Company.

Major Business Risks Recognized by the Group and Supervised by the Board of Directors

- Economic conditions
- Calamity etc.
- Dependency on interest-bearing debt and interest rates
- Personnel and labor related matters
- Sustainability (environmental, social and governance risks, climate change risks, etc.)

→ See here for business and other risks

Action in the Event of a Crisis or Disaster

In the event of contingencies, calamities, grave breaches of laws and regulation, serious incidents, etc., the company would set up Crisis Management Headquarter headed by the CEO, and would take action to control the situation in collaboration with the Risk Management and Compliance Committee members and relevant departments. We have also established a Crisis PR Manual to speed up and facilitate corporate communication activities in the event of a crisis and are working to raise awareness about dealing with crises properly. In addition, we have established a Disaster Response Manual that details the steps from gaining a basic understanding of the disaster to making an initial response in the event of earthquake, fire, or other disaster, right down to conducting evacuation and relief activities. Furthermore, based on the assumption of large-scale earthquakes, fires, etc. we conduct regular evacuation drills, AED practice drills, in-house fire-fighting team fire drills, etc. in order to be prepared to act calmly and appropriately in case of occurrence of a contingency.



AED practice drills

Action to Ensure Business Continuity

The Company has formulated a Business Continuity Plan (BCP) to ensure that, in the event of a natural disaster, incident, accident or other event that forced the Company to suspend its core business operations or that made business activities under the normal organizational / personnel structure difficult, the Group would be able to swiftly implement measures to continue business or resume business quickly.

Information Asset Management

Recognizing that information asset is one of our most important management resources, we have set out provisions for developing and maintaining information management environments in order to properly protect and efficiently utilize information in the Basic Policy on Information Asset Management, and we have established Information Asset Management Regulations and Personal information Protection Rules. In addition, every fiscal year we implement training for the information asset management, including personal information, and for the prevention of insider trading for all employees of the Company, and by doing so, we have continued to educate and inculcate rules for the handling of important information. In addition, to reduce the risk of information leakage and information isolation due to targeted attack e-mails, etc., we conduct mock drills and network vulnerability assessments by external third-party organizations. Regarding to the state of compliance with rules for the handling of information assets (printed and electronic information), in addition to self-inspections implemented at all departments and audits conducted by the Internal Audit Department, we have strengthened the penalties for breaches and continued targeted guidance for those who infringe the rules.

In FY2024, as in previous years, we conducted mock drills related to targeted e-mail attacks and vulnerability assessments of our internal network by an external third party to reduce the risk of information leaks and information isolation triggered by network crimes which are becoming more complex and sophisticated.
During the fiscal year under review, the Company made efforts to strengthen automated information management by, for example, promoting further replacement of paper-based internal request procedures with electronic procedures and adding a user authentication function to all multifunction printers for internal use to prevent inappropriate use.

Compliance

The Group considers compliance to be one of its most important management issues and has established The Tosei Group Ethics Code and The Tosei Group ESG Action Guidelines to be followed by all directors and employees of the Group. We are working to strengthen our compliance by ensuring that all employees are fully aware of the code and guidelines.

The Tosei Group Ethics Code

The Group has established the Tosei Group Ethics Code, matters to be complied with when employees carry out operational activities, and keeps them informed of and complied with the code through distributing the Tosei Group Risk and Compliance Guidebook and training, etc. In addition, we conduct a questionnaire survey to all directors and employees of the Group annually to assess the degree of penetration of compliance and the Group Philosophy and to regularly check its effectiveness, and revise the code and training programs.

The Tosei Group Ethics Code

To fulfill our corporate social responsibility, we will always attach importance to a high standard of ethics and a law-abiding spirit while pursuing our corporate philosophy, and will conduct our business activities in accordance with the following Code.

1. Sustainable economic growth and resolution of social issues

We will strive for sustainable growth and the resolution of social issues by always putting ourselves in our customers' shoes and positioning safety and reassurance at the heart of the products and services we develop and provide, and by forever remaining humble and conducting business activities in good faith.

2. Fair Information Disclosure

We will disclose the necessary corporate information in a fair, timely and appropriate manner in order to obtain proper evaluation and understanding from investors and wider society.

3. Fair and transparent decision-making

We will make decisions based on appropriate and explainable reasoning, in accordance with laws, regulations and internal rules.

4. Thorough compliance with laws and regulations and fair dealings

We will understand both domestic and international laws and regulations and will never engage in any conduct that violates such legislation, or in any fraudulent conduct. We will also engage in fair and free competition and appropriate transactions, and will avoid becoming involved in bribery or other similar giving or receiving of unfair advantage in any way.

5. Comprehensive crisis management

We will not have any relationships with anti-social forces and will conduct thorough and organized crisis management to prepare for a terrorism, cyber-attack, natural disaster or other crisis.

6. Protection of confidential information

We will protect and strictly manage the material information of the Tosei Group, the personal information of customers, the information of business partners, and other confidential information.

7. Respect for human rights and creation of positive work environments

We will respect human rights and will not tolerate any behavior which violates the dignity of individuals including discrimination and harassment. We will also strive to develop human resources and create working environment with mutual trust and decency.

8. Initiatives to address environmental issues

We will contribute to the realization of a sustainable society by implementing initiatives to reduce our environmental impact, recycle resources and address the risk of climate change, based on a strong awareness of the importance of environmental issues.

9. Social contribution

We will seek harmony with local communities and the global community as a good corporate citizen and actively and continuously promote activities that contribute to society.

10. Commitment of top management

The Tosei Group's top management recognizes that it falls to them to embody the spirit of this Code and, in the event of a violation of this Code, top management will proactively take charge of resolving the issue, endeavor to identify the cause and prevent a recurrence, demonstrate accountability, including the disclosure of information to markets and society in a timely and appropriate manner, and fairly and strictly punish those involved, including themselves.

Enhanced Compliance

- To ensure awareness regarding compliance with laws and regulations, at the beginning of each fiscal year the Risk Management and Compliance Program is drawn up, and training in the relevant laws and regulations, measures to cultivate awareness of legal issues have been implemented. In addition, Risk Management and Compliance Committee's Meeting and Business Law Liaison Meeting are held every month, during which participants are duly made familiar with trends in amendments to laws and regulations, etc., and notices from ministries with jurisdiction, etc. Furthermore, a compliance and corporate philosophy questionnaire is circulated every fiscal year to all officers and employees of the Group in order to identify issues and consider responses to such issues, and reflect them to each measure for the next fiscal year's Program.
- In order to strengthen the screening function for violations of laws and regulations, the Company confirms signs and occurrences of violations of laws and regulations, gives instructions on how to respond to such violations, and reports the status of such violations at the Board of Directors meetings and other important meetings and committees attended by Executive Directors. Moreover, full-time Audit & Supervisory Board Members conduct business audits on the Company's businesses and investigations of subsidiaries, while the Internal Audit Department conducts internal audits on Group-wide business activities and the Group companies and self-inspections at the departmental level are implemented. Meanwhile, the Company continues to operate the whistle-blowing system providing three points of contact, internal, external and through Audit & Supervisory Board Members, and to conduct training sessions to promote an understanding of the system including protection of whistle-blowers.

Fair Business Practices

The Tosei Group promotes sound business activities under the Tosei Group Ethics Code, which states ensures compliance with laws and regulations and fair business practices.

(Excerpt from the Tosei Group Ethics Code)

4. Thorough compliance with laws and regulations and fair dealings

We will understand both domestic and international laws and regulations and will never engage in any conduct that violates such legislation, or in any fraudulent conduct. We will also engage in fair and free competition and appropriate transactions, and will avoid becoming involved in bribery or other similar giving or receiving of unfair advantage in any way.

The Tosei Group Risk Compliance Guidebook clearly outlines our commitment to fair business practices and compliance with laws and regulations from a global perspective. In addition to compliance with the Anti-Monopoly Act, the Subcontract Act, the Building Lots and Buildings Transaction Business Act, the Financial Instruments and Exchange Act, and other laws, the guidebook specifically outlines actions that impede fair, transparent, and free competition, and strives to foster compliance awareness.

Response to Anti-Social Forces

The Company always treats any association with anti-social forces as a critical matter and takes countermeasures to refuse any transaction with such. In the event any dispute arises between the Company and anti-social forces, we will stand firmly against them and have formulated a manual for acting against anti-social forces. Further, the Company carries out trainings on action against anti-social forces for all officers and employees of the Group and distributes Tosei Group Risk Compliance Guidebook in order to raise their awareness of the importance of elimination of transactions with anti-social forces. In addition, the Company conducts thorough screening of counterparties prior to the inception of transactions, as well as periodic screening for continued transactions to confirm whether the Company should or should not continue transactions to eliminate any relationship with anti-social forces in our daily operations.



Training for response to anti-social forces

Prevent Bribery and Corruption

The Tosei Group Ethics Code prohibits bribery or other similar giving or receiving of unfair advantage in any way. All types of activities which lead to corruption such as money laundering and illegal political contributions and donations are prohibited, such as entertaining, gift-giving, and the giving and receiving of cash or a cash equivalent to customers or business partners for the purpose of offering undue or improper advantage or enjoying preferential treatment.

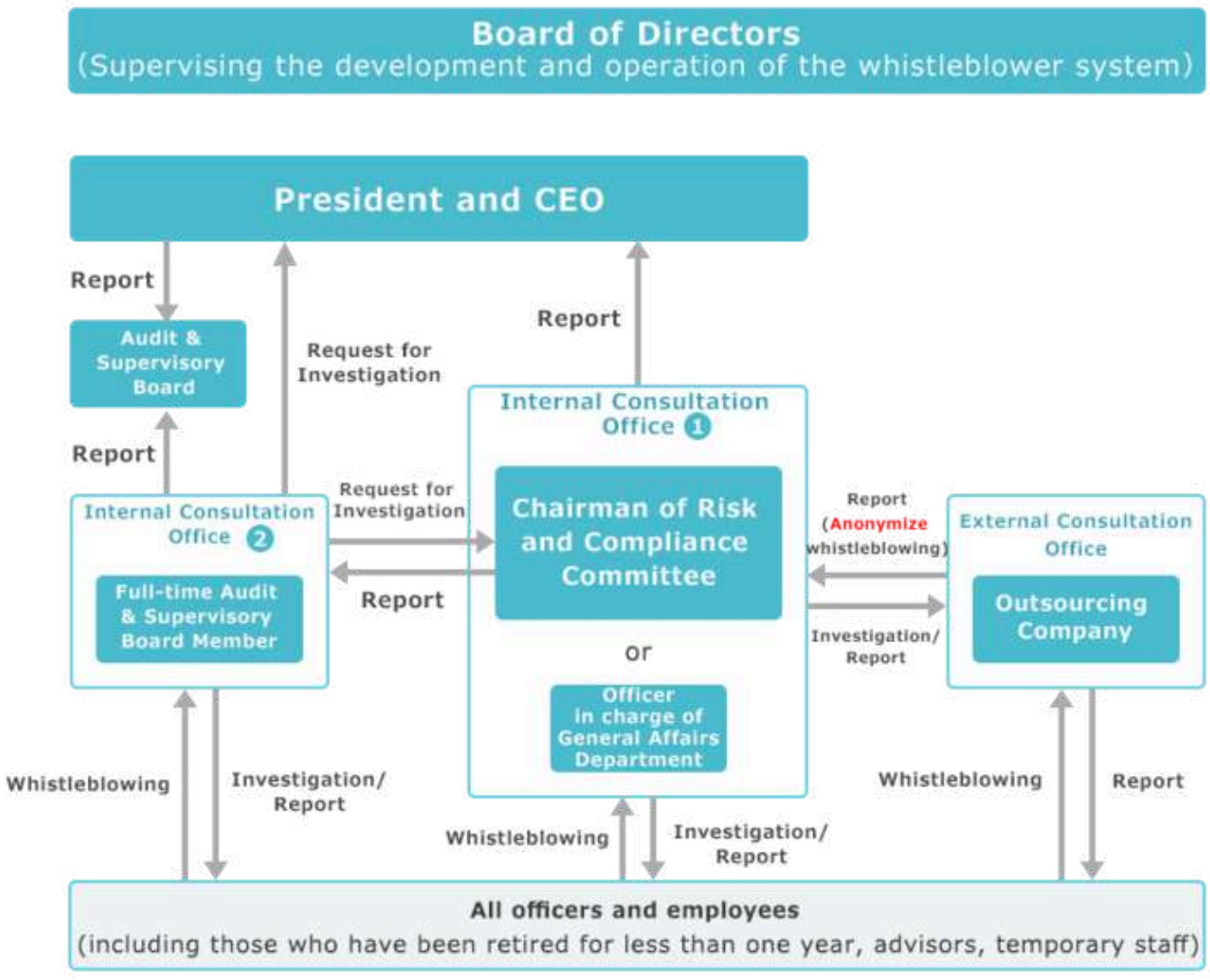
Anti-Corruption Initiatives

- With regards to all types of activities that lead to corruption, such as bribery and money laundering, examples of illegal activities and specific action to be taken as part of business activities, including procedures for verifying compliance with laws and regulations at the beginning of the transactions and for reporting detected breaches are detailed in the Tosei Group Risk Management and Compliance Guidebook. By distributing this guidebook and through ESG trainings for all employees including officers and contract employees, the Company strives to ensure the awareness of the prohibition of all types of activities that lead to corruption.
- For business affairs judged to involve high potential risks of corruption (specified business affairs / specified transaction in building lots and buildings transaction business, financial instruments business and real estate specified joint enterprise pursuant to the Act on Prevention of Transfer of Criminal Proceeds), the Group has developed a management system for verification at the time of transaction and suspicious transaction reports. For transactions that are considered particularly high-risk, we regularly review risk assessments based on the contents of the Risk Assessment Report on Transfer of Criminal Proceeds published annually by the National Public Safety Commission and our past reports of suspicious transactions, and the general manager approves the execution of transactions after conducting rigorous confirmation at the time of transaction. Further, whilst the Group has little involvement in public projects, its internal regulations prohibit entertaining and gift-giving in relation to public officials in light of the risk of bribery. Additionally, receiving excessive gifts or entertainment from business partners and contractors is prohibited, and any officer or employee found to have engaged in such corrupt practices shall be subject to disciplinary action or other punishment in accordance with internal regulations.
- The Group asks business partners (contractors) with which annual transactions exceed a certain amount to complete a questionnaire to verify compliance with laws and regulations including bribery and corruption, and determines whether or not to continue transactions based on verification results.
- The Risk and Compliance Committee monitors any signs of breaches of laws and regulations or misconduct including anti-corruption, and promptly takes corrective measures and recurrence prevention measures when fact-finding investigations reveal a breach or potential breach. The Board of Directors receives monthly reports from the Risk Compliance Committee and appropriately supervises these implementation and operation of the system.

Status of Violation of Laws and Regulations Related to Corruption

- The Group has not been in violation of any laws or regulations or incurred any fines or penalties related to corruption or bribery. Furthermore, the Company does not provide illegal donations or political contribution. When providing support for the activities of political organizations, the Company conducts them appropriately in accordance with the Political Funds Control Act and Public Office Election Act.

Whistleblowing System (Tosei Hot Line)



Outline of Whistleblowing System

The Group established the Tosei Hot Line as a whistleblowing hot line, which Group officers and employees (including those who have been retired for less than one year, advisors, temporary staff) can use to report any identified breaches of the Tosei Group Ethics Code or identified breaches or potential breaches of laws and regulations including corrupt practices. Whistleblowing reports are treated in confidence. There is also the option of using an external hot line to make reports anonymously. Whistleblowers are protected under the Whistleblower Protection Act and the Risk and Compliance Regulations, to ensure that they do not suffer any detriment as a result of making a whistleblowing report. When investigating the facts, the Group uses external experts, such as legal advisors and certified public accountants, where necessary, and promptly takes corrective measures and recurrence prevention measures in the event of discovery of a breach or potential breach. The Group follows up by verifying whether the corrective measures and recurrence prevention measures worked effectively and by making sure that whistleblowers did not suffer any detriment. The Board of Directors appropriately supervises the maintenance and operation of the whistle-blowing system by receiving regular reports from the Risk and Compliance Committee on the operation of the whistle-blowing system.

In the compliance training sessions regularly held, video recording of a lecture on the whistle-blowing system by the Company's Director was widely distributed, in an effort to explain in detail the Company's emphasis on protection of whistle-blowers when a whistle-blowing has been made.
During the fiscal year under review, the Company checked how each company has developed its own whistle blowing system and focused on ensuring consistency with the group-wide reporting system.

Moreover, separate from the whistleblowing hot line, the Group has established the Harassment and Work-Style Consultation Hotline in the personnel organizations of each Group company for the purpose of preventing harassment and speeding up its detection, and dealing with inquiries about work-style reform and personnel systems.

Response to Compliance Violations

In case an investigation of the facts reveals a violation or potential violation of laws and regulations, the Company will take disciplinary action against the violator, as well as other appropriate measures, corrective actions, and measures to prevent recurrence, and report the matter to relevant administrative agencies and taking legal action as necessary.

Data Related to Compliance

Item [Unit]		FY2021	FY2022	FY2023	FY2024
Number of whistleblowing cases	Total	2	4	5	7
	Number of whistleblowing cases which lead to violation of laws/ regulations covered by Whistleblower Protection Act	1	0	1	2
	Others	1	4	4	5
Number of compliance violations related to the Company's business		0	0	0	1
Number of violations of laws or regulations related to corruption or bribery		0	0	0	0
Number of employees punished or dismissed by the rules and regulations or codes related to corrupt prevention		0	0	0	0
Fines or penalties related to corruption or bribery [¥]		0	0	0	0
Political contribution [¥ thousand]		720	960	680	580
Material provisions for fines or settlements related to ESG issues likely to arise in the future [¥]		0	0	0	0

Coverage: Tosei Group as a whole

Education and Training

Based on Risk Management and Compliance Program drawn up at the beginning of each fiscal year, trainings related to relevant laws and regulations and measures to cultivate awareness of legal issues have been implemented. In addition, compliance and corporate philosophy

questionnaire is circulated every fiscal year to all officers and employees of the Group in order to identify issues and consider responses to such issues, and reflect them to each measure for the next fiscal year's Program.

In FY2024, the Group conducted various types of training based on the Risk Management and Compliance Program approved by the Board of Directors. Specifically, the Company had legal advisors offer a training course to help deepen our understanding of laws and regulations relevant to our business and prevent harassment, and had an external specialist offer a training course in a workshop format attended by all officers and employees to cultivate a sense of moral based on the Management Principles and Ethics Code. Furthermore, the Company provided Antisocial Forces Response Training aimed at eliminating ties with anti-social forces, Financial Instruments and Exchange Act Training for employees engaged in financial instruments business, and training related to information asset management (including personal information management and prevention of insider trading training) to educate and inculcate rules for handling important information. Also, ESG Training was provided to raise sustainability awareness throughout the Group and strived to promote the understanding of environmental and social issues, as well as ethic codes and compliance in general (including prohibition of all types of activities that lead to corruption). The Company made efforts to promote legitimate and appropriate business activity and to raise awareness of compliance with laws and regulations by distributing video lecture by Executive Directors on the Group's philosophy and the whistleblowing system.

To further foster employees' compliance awareness, instructions from the officers during morning meetings, display of compliance slogans in offices, simple videos on the group-wide internal website are provided. Through such activities, the Group also continuously sought to increase the understanding of the Tosei Group Ethics Code and the Whistleblowing Hot Line and to promote understanding of relevant business acts and insider trading rules, prohibited activities that directly lead to breaches such as harassment and bribery to further foster employees' compliance awareness and to penetrate the Group's common rules.

Disclosure

Initiatives for Shareholders and Investors

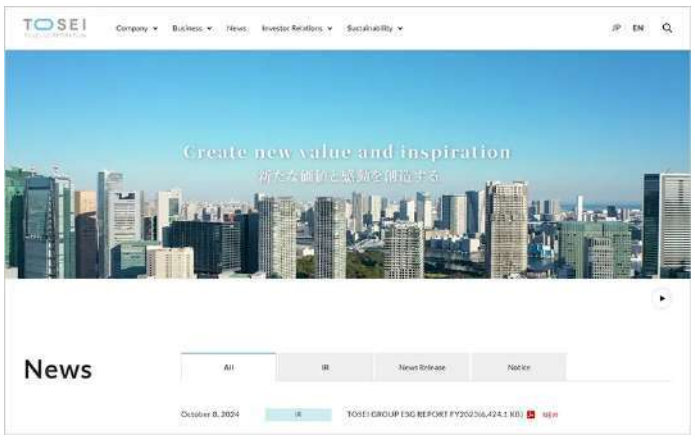
Timely and Appropriate Disclosure

In addition to information disclosed under the Companies Act, the Financial Instruments and Exchange Act, among other laws and regulations, and rules of stock exchanges, the Tosei Group provides corporate information in a timely and appropriate manner to stakeholders, such as shareholders, investors, and business partners, through IR activities and the website.

→ Disclosure Policy

External Evaluation of Disclosure

As a result of the listing of our shares on the Singapore Exchange, we now simultaneously disclose information in English and Japanese. We endeavor to convey how our earning results briefing went to those who were unable to attend by posting the video of our earning results briefing and the corresponding presentation materials on our website and we try to enhance the information we disclose. We also release corporate information for a wide range of stakeholders, including ESG information, and share and shareholder information.



Our website

→ See here for a list of external disclosure ratings

Holding of Financial Results Presentations and Briefings for Individual Investors

We hold earning results briefings by top management twice a year (in the second quarter and at the end of the fiscal year) , mainly for institutional investors and analysts.
We also hold individual meetings with institutional investors and briefings for individual investors to ensure two-way communication, and actively conduct IR activities by visiting overseas institutional investors in Europe and Singapore. Through these initiatives, we are striving to gain a better understanding of our company from our stakeholders.



Briefings for individual investors (Online)

External Evaluations

↓ ESG Assessment ↓ Environmental Real Estate Certification ↓ Health and Safety
↓ Management Infrastructure ↓ Disclosure and Website

ESG Assessment

FTSE Blossom Japan Index Series

We have been selected as a constituent member of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. Both indices incorporate Japanese companies that demonstrate outstanding environmental, social, and governance (ESG) performance and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

MSCI Nihonkabu ESG Select Leaders Index

We have been selected as a constituent of the MSCI Nihonkabu ESG Select Leaders Index, an index adopted by the Government Pension Investment Fund (GPIF) as a benchmark for ESG investment. The index consists of the top 50% of high ESG evaluation stocks in each industry selected from the MSCI Nihonkabu IMI Index.

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

GRESB Real Estate Assessment

This global real estate company benchmarking system, which was established in 2009 by a group of major European pension funds that led the Principles for Responsible Investment (PRI), evaluates the ESG considerations of companies and funds that own and manage real estate. We have participated in the assessment since 2019, and in 2022, we obtained a "2 Star" and "Green Star" rating under the GRESB Ratings.

GRESB 2022

Environmental Real Estate Certification

See here for a list of Environmental Real Estate Certifications already obtained.

→ Environmental Real Estate Certifications

BELS (Building-Housing Energy-efficiency Labeling System)

BELS is a certification system in which a third-party evaluation organization assesses the energy-saving performance of buildings and evaluates energy consumption performance at multiple levels based on guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism. BELS is an abbreviation for Building-Housing Energy-efficiency Labeling System. We have acquired certification for 14 of our properties, including Awajicho Tosei Building.



DBJ Green Building Certification

DBJ Green Building Certification is a comprehensive evaluation by DBJ that includes not only the environmental performance of a building, but also consideration of social demands from various stakeholders, such as crime prevention, disaster prevention, convenience, and comfortability. We have acquired certification for 6 of our properties, including Toranomon Tosei Building, our former headquarters.

DBJ Green Building
2024

Health and Safety

KENKO Investment for Health

We have been certified as a 2025 Outstanding Organization of KENKO Investment for Health (Large Enterprise Category). The KENKO Investment for Health is a system to honor large corporations, small and medium-sized enterprises, and other corporations that practice particularly excellent health management, based on initiatives that meet local health issues and health promotion efforts promoted by Nippon Kenko Kaigi. We have established the Tosei Group Health & Productivity Management Policy and regard the health and safety of employees as an important management issue, and we are actively working on measures to maintain and promote health by creating a workplace environment where employees can work with vitality.

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門

Management Infrastructure

DX Certification

Based on the DX Certification System established by the Ministry of Economy, Trade and Industry, we obtained certification as a DX Certified Operator as of October 1, 2021.

Digital Transformation
Certification

Disclosure and Website

IR Site Ranking

In external evaluations that award investor and sustainability information of listed companies, we received high evaluations in several site rankings for the quality of information and usability of our website.

Latest IR / ESG Site Ranking Awards











GRESB Public Disclosure Assessment

In the GRESB disclosure evaluation, which measures the level of ESG information disclosure, we received a "Level A" rating, the highest level in 2022, for our ESG information disclosure efforts.

(Appendix)ESG Data

Environment

GHG (CO2) Emissions

Targets (FY2022-)

Long-Term Target Achieve net zero by FY2050
Medium-Term Target Reduce 50% by FY2030
Subject Tosei Group Scope 1 and 2
Base Year FY2022

Item [Unit]		FY2022 Results (Base Year)	FY2030 Target (Target Year)	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
GHG(CO2) emissions [t-CO2]	Scope 1	480✓	-	197	480✓	583✓	776✓
	Scope 2	3,289✓	-	1,696	3,289✓	2,714✓	2,485✓
	Scope 1+Scope 2 Total	3,769✓	1,885	1,893	3,769✓	3,296✓	3,261✓
Reduction rate compared to base year (Scope 1+Scope 2 Total)		-	-50%	-	-	-12.5%	-13.5%
Total floor area of the subject [㎡]		61,561	-	49,112	61,561	73,722	72,505

*The indicators marked ✓ are guaranteed by an independent third party, Sustainability According Co., Ltd.
The warranty report: FY2024 / FY2023 / FY2022
*For FY2021 calculation, the Princess Group, which became a consolidated subsidiary in October 2021, is not included.
*The Group excludes GHGs (CFCs, etc.) other than CO2 due to their extremely small amounts, and calculates and reports only CO2.
*The GHG emission factor is based on the "Emission Factor by Electric Power Company" published by Ministry of the Environment and Ministry of Economy, Trade and Industry, and uses the emission factor of the electric power company used by the subject building.
*As of November 30, 2024

Renewable Energy Introduction

Item [Unit]	FY2022	FY2023	FY2024
Renewable energy use [Mwh]	0	1,312	3,011
Renewable energy ratio [%]	0	18	37

*Renewable energy ratio: percentage of electricity derived from renewable energy sources in total electricity consumption in the Scope 2 coverage area
*As of November 30, 2024

Scope of Aggregation (GHG (CO2) Emissions / Renewable Energy Introduction)

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024
Number of target properties	8	11	28	30	29
Total floor area [㎡]	29,345	49,112	61,561	73,722	72,505

*As of November 30, 2024

Energy Use

Target (FY2024-)

Target Reduce energy use intensity (Crude oil equivalent kl/㎡) by 1% from the previous year

Coverage Tosei Group*

*Real estate portfolio with substantial energy management title among Tosei-owned fixed assets

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Energy use	Total amount [kl]	3,251	3,528	3,415	3,758	4,522	4,581	3,230
	Energy use intensity [kl/㎡]	0.046	0.038	0.036	0.032	0.032	0.032	0.031
Reduction rate compared to base year (Energy use intensity)		-	-18%	-21%	-31%	-30%	-29%	-
Reduction rate compared to last year (Energy use intensity)		-	-	-	-	-	-	-3%
Total floor area of the coverage [㎡]		70,664	93,957	93,957	117,982	140,002	141,306	102,905

*The coverage through FY2023 is Tosei-owned fixed assets. This excludes those with an energy monitoring period of less than one year, condominium unit ownership properties, and real estate for sale.
The coverage after FY2024 is the real estate portfolio with substantial energy management title among Tosei-owned fixed assets, and which is subject to the Act on Rationalizing Energy Use.

*Occupancy rate is not taken into account in the calculation of floor area intensity.

*The base year shown in this table is the base year in the old target through FY2023 (FY2018). There is no base year in the current target.

*As of November 30, 2024

Water Use

Target (FY2024-)

Target Reduce water use intensity (㎥/㎡) from the previous year

Coverage Tosei Group*

*Real estate portfolio with substantial energy management title among Tosei-owned fixed assets

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal	Total amount [㎥]	87,889	97,198	70,436	83,161	144,712	174,179	201,742
	Fresh surface water [㎥]	0	0	0	0	0	0	0
	Brackish surface water/sea water [㎥]	0	0	0	0	0	0	0
	Underground water [㎥]	0	0	0	0	0	0	0
	Tap water [㎥]	87,889	97,198	70,436	83,161	144,712	174,179	201,742
	Water withdrawal intensity [㎥/㎡]	1.35	1.23	0.79	0.74	1.05	1.23	1.96
Reduction rate compared to base year (Water withdrawal intensity)		-	-9%	-41%	-45%	-22%	-9%	-
Wastewater	Total amount [㎥]	-	-	67,674	79,859	141,218	170,256	201,740
	Fresh surface water [㎥]	-	-	-	0	0	0	0
	Brackish surface water/sea water [㎥]	-	-	-	0	0	0	0
	Underground water [㎥]	-	-	-	0	0	0	0
	Sewage[㎥]	-	-	67,674	79,859	141,218	170,256	201,740
	Wastewater intensity [㎥/㎡]	-	-	0.76	0.71	1.03	1.20	1.96
Total floor area of the coverage [㎡]		65,304	79,079	88,597	112,622	137,499	141,306	102,905

*Wastewater discharge has been monitored since FY2021.

*The coverage through FY2023 is Tosei-owned fixed assets. This excludes those with an energy monitoring period of less than one year, condominium unit ownership properties, and real estate for sale.
The coverage after FY2024 is the real estate portfolio with substantial energy management title among Tosei-owned fixed assets, and which is subject to the Act on Rationalizing Energy Use.

*Occupancy rate is not taken into account in the calculation of floor area intensity.

*The base year shown in this table is the base year in the old target through FY2023 (FY2018). There is no base year in the current target.

*As of November 30, 2024

Waste Discharge

Targets (FY2024-)

Long-Term Target Reduce waste discharge intensity (kg/㎡) by 15% by FY2050

Medium-Term Target Reduce waste discharge intensity (kg/㎡) by 5% by FY2030

Subject Tosei Group's head office buildings

Base Year FY2022

Item [Unit]		FY2020 Results (base year)	FY2030 Target (Target year)	FY2050 Target (Target year)	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
Waste discharge	Total amount [t]	126	-	-	60	67	71	100	126	121	107
	Incineration / landfill [t]	87	-	-	22	23	33	49	87	84	76
	Recycle [t]	39	-	-	38	44	38	51	39	37	32
	Waste discharge intensity [kg/㎡]	8.27	7.86	7.03	13.27	14.84	15.70	8.37	8.27	7.95	7.04
Reduction rate compared to base year (waste discharge intensity)		-	-5%	-15%	-	-	-	-	-	-4%	-15%
Total floor area of the coverage [㎡]		15,249	-	-	4,515	4,515	4,515	11,986	15,249	15,249	15,249

*Occupancy rate is not taken into account in the calculation off floor area intensity.

*As of November 30, 2024

Hazardous Substance Discharge

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024
PCB waste [t]	0.76	0	0	0	0
Nitrogen Oxide (NOX) [g/㎡]	-	0.086	0.100	0.101	0.054

*Coverage : Tosei Corporation

*As of November 30, 2024

Environmental Real Estate Certifications

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Newly certified properties total floor space [㎡]	3,276	1,583	24,686	12,426	2,851	9,366
Cumulative number of certified properties	2	3	6	8	10	11
Cumulative total floor area of certified properties [㎡]	7,791	9,374	34,060	46,486	49,337	58,703
Percentage of certification progress	10%	10%	32%	40%	42%	49%

*The certification progress rate refers to the percentage of the total area of properties that have acquired "BELS (Building-Housing Energy-efficiency Labeling System)" or "DBJ Green Building Certification".

*The certification progress rate is calculated based on the total floor area excluding properties that cannot be certified due to reasons such as planned sale, condominium ownership, or lack of management authority.

*As of January 17, 2025

Environmental Violations and Fines

Item [Unit]	FY2021	FY2022	FY2023	FY2024
Costs of fines and penalties related to violations of environmental laws and regulations (including water-related) and accidents	0	0	0	0

Social

Employee Data

Item [Unit]			FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees		Male	294	314	345	411	430	201(474)	209(529)
		Female	137	143	164	227	233	67(253)	73(280)
		Total	431	457	509	638	663	268(727)	282(809)
Percentage of employees [%]		Male	68	69	68	64	65	75(65)	74(65)
		Female	32	31	32	36	35	25(35)	26(35)
Employees by age group	20s	Male	50	56	70	84	96	55(101)	61(118)
		Female	32	30	47	64	64	22(64)	25(69)
		Total	82	86	117	148	160	77(165)	86(187)
	30s	Male	89	103	98	125	115	54(129)	58(149)
		Female	50	54	50	81	92	17(102)	21(110)
		Total	139	157	148	206	207	71(231)	79(259)
	40s	Male	110	101	111	124	119	44(124)	36(119)
		Female	42	41	50	66	61	20(64)	16(69)
		Total	152	142	161	190	180	64(188)	52(188)
	50s	Male	40	53	58	67	84	33(103)	38(122)
		Female	11	13	15	13	13	7(22)	9(30)
		Total	51	66	73	80	97	40(125)	47(152)
	60s and over	Male	5	4	8	11	16	15(17)	16(21)
		Female	2	2	2	3	3	1(1)	2(2)
		Total	7	6	10	14	19	16(18)	18(23)
Number of managers		Male	101	104	101	124	136	63(156)	61(146)
		Female	6	5	8	13	14	4(12)	3(14)
		Total	107	109	109	137	150	67(168)	64(160)
Percentage of managers [%]		Male	95	95	92	90	91	94(93)	95(91)
		Female	5	5	8	10	9	6(7)	5(9)
Number of female directors			0	0	0	2	1	0(1)	1(2)

*Figures from FY2018 to FY2022 are for the Tosei Group as a whole. Figures from FY2023 are for the Tosei Corporation on a non-consolidated basis. Figures in () are for the Tosei Group as a whole.
Coverage of the Tosei Group as a whole: Tosei Corporation, Tosei Asset Advisors, Inc., Tosei Community Co., Ltd., Tosei Logistics Management Co., Ltd., Tosei Hotel Management Co., Ltd.,Tosei Hotel Service Co., Ltd., Princess Square Co., Ltd., Kishino Corporation, Masuda Kenzai-ten Co., Ltd., Isogo Asset Management Co., Ltd., Shibaura Residential Co., Ltd., TOSEI-R, Inc., Tosei Proptech Co., Ltd.

Employment Data

Item [Unit]			FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of new graduate hires		Male	7	7	7	10	10	14	16
		Female	5	3	3	3	5	6	5
		Total	12	10	10	13	15	20	21
Number of mid-career hires		Male	21	19	13	15	30	29	17
		Female	3	3	7	11	13	5	6
		Total	24	22	20	26	43	34	23
Number of non-regular hires		Male	2	2	3	2	0	18	23
		Female	7	8	16	7	6	4	8
		Total	9	10	19	9	6	22	31
Percentage of employees with disabilities [%]			0.36	0.35	1.64	1.33	1.63	2.24(1.10)	2.13(1.24)
Average number of years of service		Male	4.9	5.3	5.4	5.0	5.2	5.3	5.6
		Female	6.7	7.0	6.4	6.5	5.6	6.2	6.0
		Whole	5.5	5.8	5.7	5.4	5.5	5.6	5.7
Gender wage gap [%] *1 *2	All employees		-	-	-	-	69.0	69.5(67.9)	64.8(66.4)
	Regular employee *3	Whole	-	-	-	-	68.5	70.5(67.6)	66.4(67.1)
		Management	-	-	-	-	82.5	85.1(82.4)	84.0(77.1)
		General	-	-	-	-	82.0	85.0(80.4)	82.2(80.8)
	Fixed-term employee *4		-	-	-	-	86.2	52.7(74.6)	48.4(57.7)
Number of employees who left for personal reasons			15	18	20	14	24	20(104)	21(96)
Turnover rate for personal reasons [%]			7.6	8.2	9.1	8.6	9.3	8.4(15.5)	7.9(13.1)

Coverage: Tosei Corporation. Figures in () are for the Tosei Group as a whole.

Coverage of the Tosei Group as a whole: Tosei Corporation, Tosei Asset Advisors, Inc., Tosei Community Co., Ltd., Tosei Logistics Management Co., Ltd., Tosei Hotel Management Co., Ltd.,Tosei Hotel Service Co., Ltd., Princess Square Co., Ltd., Kishino Corporation, Masuda Kenzai-ten Co., Ltd., Isogo Asset Management Co., Ltd., Shibaura Residential Co., Ltd., TOSEI-R, Inc., Tosei Proptech Co., Ltd.

*1 Percentage of women's wages to men's wages of 100 in the average annual wage

The Company applies the same wage system to both male and female employees and treats them equally within the same grade.

In addition, personnel evaluations are based on the same standards for both male and female employees, and there are no differences between male and female employees in the personnel system.

*2 Wages: Includes fixed salary, remuneration for overtime, bonuses, etc., and excludes retirement allowance, commuting allowance, etc.

*3 Regular Employee: Excluding seconded employees

*4 Fixed-term Employee: Excluding temporary employees

Leaves and Diverse Workstyle Data

Item [Unit]		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Overtime working hours (Average per employee)		32:01	29:03	25:55	26:29	24:45	24:18	23:16
Percentage of paid leave used [%]		44.4	65.1	60.3	65.4	68.3	66.1	67.5
Number of employees who used childcare leave	Male	0	0	0	1	4	3	5
	Female	3	3	3	3	4	0	3
	Total	3	3	3	4	8	3	8
Acquisition rate of childcare leave [%]	Male	0	0	0	7	40	43	71
	Female	100	100	100	100	100	0	100
Percentage of employees who returned to work after childcare leave [%]	Male	0	0	0	100	100	100	100
	Female	100	100	100	100	100	100	100
Number of employees who used nursing care leave	Male	0	0	0	0	0	1	0
	Female	0	0	0	0	0	0	0
	Total	0	0	0	0	0	1	0
Number of employees working short-time	Male	0	0	0	0	0	1	0
	Female	3	6	4	6	6	9	6
	Total	3	6	4	6	6	10	6

Coverage: Tosei Corporation

Health and Safety Data

Item [Unit]	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of labor standards violations	1	0	0	2	0	0	0
Absentee rate [%]	0.20	0.15	0.04	0.10	0.33	0.22	0.16
Percentage of employees who had health checkups [%]	100	100	100	100	100	100	100
Percentage of employees who had stress check [%]	100	100	100	100	100	100	100
Number of occupational accidents	0	0	0	1	0	0	1
Number of fatal disasters	0	0	0	0	0	0(0)	0(0)
Lost-time incident rate [%]	0	0	0	0	0	0(0)	0(0.67)
Injury rate [%]	0	0	0	0.50	0	0	0
Lost day incident rate [%]	0	0	0	0	0	0	0
Lost-time injury frequency rate [%]	0	0	0	0	0	0	1.89
Number of employees trained in health and safety	-	-	-	48	66	88	175

Coverage: Tosei Corporation. Figures in () are for the Tosei Group as a whole.

Coverage of the Tosei Group as a whole: Tosei Corporation, Tosei Asset Advisors, Inc., Tosei Community Co., Ltd., Tosei Logistics Management Co., Ltd., Tosei Hotel Management Co., Ltd.,Tosei Hotel Service Co., Ltd., Princess Square Co., Ltd., Kishino Corporation, Masuda Kenzai-ten Co., Ltd., Isogo Asset Management Co., Ltd., Shibaura Residential Co., Ltd., TOSEI-R, Inc., Tosei Proptech Co., Ltd.

Formula for calculating the lost-time incident rate [%]: Number of lost time incidents / (annual prescribed working hours x number of employees*) x 1,000,000

*Coverage: Tosei Corporation. Figures in () are for the Tosei Group as a whole.

Human Resource Management Data

Item [Unit]	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who newly acquired qualifications *1	14	13	14	19	28	23	30
Number of students hosted for internships *2	26	145	72	30	90	49	167
Total annual company-wide training hours	-	-	-	5,403.5	15,743.2	12,186.2	15,050.7
Annual training hours per employee	-	-	-	25.1	64.5	45.5	53.4
Annual training days per employee	-	-	-	3.14	8.07	5.68	6.67
Total annual expenses for the entire company [¥ thousand]	-	-	-	4,367	6,400	7,706	8,840

Coverage: Tosei Corporation

*1 Number of employees who acquired encouraged qualifications

*2 Includes seminar-type 1-day internship

Participation in Tokyo "Sato-Umi" Aid in Nishinagisa

Item [Unit]	FY2022	FY2023	FY2024
Number of participants	39	46	53
Garbage collected [ℓ]	300	180	270

Participation in Minato City Adopt-A-Program

Item [Unit]	FY2022	FY2023	FY2024
Activity frequency [times]	2	11	12
Number of participants	18	119	143
Garbage collected [ℓ]	62	192	180

Donations and Contributions Data

Item [Unit]	FY2020	FY2021	FY2022	FY2023	FY2024
Total amount of donations and contributions [¥]	2,000,000	1,448,000	2,519,864	2,694,733	6,482,000

Supplier Survey *1

Item [Unit]	FY2021	FY2022	FY2023	FY2024
Number of implementation [companies] *2	11	9	10	4
Supplier converge ratio (order value basis) [%] *3	88	92	84	84

*1 Survey for important business partners whose annual order value for target transactions exceeds a certain level to confirm their status of respect for human rights, such as occupational health and safety, prohibition of child labor, forced labor and harassment, including compliance with laws and regulations, environmental considerations, and risk management initiatives.

*2 Contractors for renovation, demolition, development work, PM, BM, etc., which have not been surveyed in the past three years are selected each year.

*3 Companies with annual transaction value of 100 million yen or more are selected in FY2021 and FY2022, and 50 million yen or more are selected in FY2023 and thereafter.

Tenant Survey *1

Item [Unit]	FY2021	FY2022	FY2023	FY2024
Number of implementation [companies]	52	54	81	91

*1 Questionnaire to all tenants occupying fixed assets owned by the Company to confirm their level of satisfaction with the building management system, facilities, etc.

Quality Improvement Conference *1

Item	FY2023	FY2024
Number of participating companies	51 participants from 29 business partners	54 participants from 31 business partners

*1 Group training sessions organized by Tosei Community Co., Ltd. for suppliers to improve the quality of operations

Governance

Composition of the Board of Directors

Item [Unit]		FY2021	FY2022	FY2023	FY2024
Number of directors	Male	9	9	9	8
	Female	0	0	0	1
	Total	9	9	9	9
Of which, number of outside directors	Total	3	3	3	3
Of which, number of independent directors	Total	3	3	3	3

Coverage: Tosei Corporation

Composition of the Audit & Supervisory Board

Item [Unit]	FY2021	FY2022	FY2023	FY2024
Number of auditors	4	4	4	4
Of which, number of outside auditors	4	4	4	4
Of which, number of independent auditors	4	4	4	4

Coverage : Tosei Corporation

Attendance of Each Constituent at Meetings of the Board of Directors, Nomination and Compensation Advisory Committee

FY2024 (December 1, 2023 - November 30, 2024)

Name	Position	Borad of Directors Meetings (Attendance / Number of Meetings)	Nominating and Compensation Advisory Committee (Attendance / Number of Meetings)	Audit & Supervisory Board (Attendance / Number of Meetings)
Seiichiro Yamaguchi	President and CEO	22/22	5/5	-
Noboru Hirano	CFO and Senior Executive Officer	22/22	5/5	-
Hideki Nakanishi	Director, COO and Senior Executive Officer	22/22	-	-
Masaaki Watanabe *1	Director, Managing Executive Officer	7/7	-	-
Shunsuke Yamaguchi	Director, Managing Executive Officer	22/22	-	-
Hiroyasu Yoneda *2	Director, Managing Executive Officer	15/15	-	-
Hitoshi Oshima	Director, Executive	22/22	-	-
Kenichi Shohtoku	Outside Director	22/22	5/5	-
Hiroyuki Kobayashi	Outside Director	21/22	5/5	-
Masao Yamanaka *1	Outside Director	7/7	3/3	-
Mai Ishiwatari *2	Outside Director	14/15	2/2	-
Hitoshi Yagi	Outside Audit & Supervisory Board member (full-time)	22/22	5/5	16/16
Toshinori Kuroda	Outside Audit & Supervisory Board member (full-time)	22/22	-	16/16
Tatsuki Nagano	Outside Audit & Supervisory Board member (part-time)	20/22	-	15/16
Osamu Doi	Outside Audit & Supervisory Board member (part-time)	22/22	-	16/16

*1 Attendance until their retirement on February 27, 2024.

*2 Attendance since their appointment on February 27, 2024.

Amount of Remuneration for Executive Officers(FY2024)

Position	Total amount of remuneration, etc. [¥ thousand]	Total amount by type of remuneration, etc. [¥ thousand]					Number of recipients [Person]
		Basic remuneration	Performance-linked remuneration			Non-monetary remuneration, etc.	
			Performance evaluation remuneration	Bonus	Share-based Compensation	Stock Options	
Directors (of which outside directors)	323,369 (20,872)	175,017 (19,803)	51,738 (-)	48,066 (-)	42,894 (738)	5,652 (330)	11 (4)
Audit & Supervisory Board members (of which outside audit & supervisory board members)	34,863 (34,863)	34,863 (34,863)	- (-)	- (-)	- (-)	- (-)	4 (4)

* The number of eligible Directors and the amount of remuneration in the table above includes one retired Executive Director and one retired Outside Direc
* The ratio of fixed remuneration to performance-linked remuneration for Executive Directors is kept around 60:40 and for the 75th term, the ratio was 52

Compliance Data

Item [Unit]		FY2021	FY2022	FY2023	FY2024
Number of whistleblowing cases	Total	2	4	5	7
	Number of whistleblowing cases which lead to violation of laws/regulations covered by Whistleblower Protection Act	1	0	1	2
	Others	1	4	4	5
Number of compliance violations related to the Company's business		0	0	0	1
Number of violations of laws or regulations related to corruption or bribery		0	0	0	0
Number of employees punished or dismissed by the rules and regulations or codes related to corrupt prevention		0	0	0	0
Fines or penalties related to corruption or bribery [¥]		0	0	0	0
Political contribution [¥ thousand]		720	960	680	580
Material provisions for fines or settlements related to ESG issues likely to arise in the future [¥]		0	0	0	0

Coverage: Tosei Group as a whole

TOSEI

TOSEI CORPORATION

【Inquiry】
Tosei Corporation
Corporate Planning Department
TEL:+81-3-5439-8807
FAX:+81-3-5439-8809

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