



 *Activia Properties inc.*

Sustainability Report 2022

Activia Properties Inc.
July 2022

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About This Report

Activia Properties Inc. ("API") and TLC REIT Management Inc. ("TRM") to which API entrusts the management of its assets, are making the best effort to disclose information related to the sustainability initiatives to the investors and other stakeholders. Within this scope, this report is issued to illustrate the ESG (E: Environment, S: Social, G: Governance) initiatives of API and TRM which are essential to contribute to a sustainable society.

Scope of Report

Period	From April 2021 to March 2022 (excl. some data)
Entities	API and TRM

Contact

Dept.	Activia Management Division, TLC REIT Management Inc.
Address	Shibuya Solasta 18th floor, 21-1 Dougen-zaka 1chome, Shibuya-ku, Tokyo, Japan
Phone	+81-3-6455-3377
Hours	9:30 - 18:00 (excl. Saturday, Sunday and holidays)

Top Messages

From Executive Director of API

To build a portfolio with a stable and sustainable demand from our customers, API has promoted since its IPO various initiatives to reducing our environmental footprint and contributing to the surrounding communities and environment, believing that for our portfolio, those elements are just as important as others such as the location, use, scale, and quality of properties.

Since 2013, we are participant to the GRESB Assessment, an ESG benchmark in the real estate sector, and are using the results to continuously improve the effectiveness of our initiatives. In July 2019, we identified our Materiality with publicly announcing our targets in environmental performances and a more practical management policy to achieve them.

To accelerate and develop its sustainability initiatives, API set a series of KPIs including procurement of renewable energy, green bond utilization in debt finance in January 2022, and announced other challenging targets related to renewable electricity and CO2 emission in July 2022. Also, API has made public in this report the information disclosure based on TCFD (Task Force on Climate-Related Financial Disclosures) recommendations and is largely promoting its effort toward environment.

API will further develop its efforts on sustainability, deepening a trustworthy relationship with the stakeholders while investing in and managing real estate capable of sustaining customer demand and gathering people, seeking to become an entity capable of broadly energizing society as the name “Activia” suggests.

I hope this Sustainability Report will provide you with a broader understanding of API’s sustainability initiatives and we will continue to work together with you on social issues.



Nobuhide Kashiwagi
Executive Director
Activia Properties Inc.

From President & CEO of TRM

TLC REIT Management Inc. (“TRM”) is an asset management company aiming to maximize its shareholder value with a philosophy that we should contribute to the development of our society through a reliable relationship with all the stakeholders.

In recent years, issues related to a sustainable society such as climate change, working style reform and relations with local communities are recognized as risks by unitholders and investors of our investment corporations, and preparedness for those challenges is gaining more importance. With a recognition that promotion of ESG (Environment, Social, Government)-related initiatives in a strategic way serves to improve our corporate value, TRM is committed to work on various sustainable efforts.

In April 2019, the “Sustainability Policy”, a basic policy to contribute for a sustainable society, was established, which can be regarded as a milestone in our efforts toward sustainability. Further in July same year, TRM identified the Materiality, the mid- to long-term material issues to be addressed by the company and has implemented different efforts including preparing internal systems.

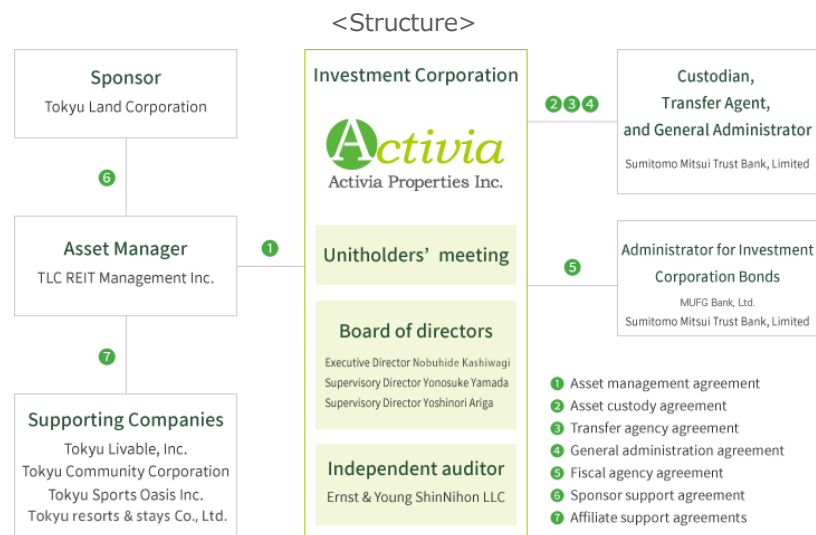
Recently, TRM has strengthened its supportive stance toward international initiatives, as represented by the signatory to PRI (Principles for Responsible Investment) in December 2021, and its endorsement for the recommendations of TCFD from January 2022. TRM, along with API, will continue to sincerely work on the targets set in line with our Materiality such as reduction of environmental impact, with making appropriately disclosure on our visions and achievements to our stakeholders to develop a further trustworthy relationship with you all.



Masaoki Kanematsu
President & CEO
TLC REIT Management Inc.

About API

API is a diversified J-REIT investing in commercial properties and offices sponsored by Tokyu Land Corporation (“TLC” or the “Sponsor”). API intends to maintain a competitive portfolio in the medium to long term with the objective to maximize its unitholder value, by investing primarily in urban retail properties and Tokyo office properties with making these investments upon careful consideration of location, size, quality, specifications, and suitability for use by tenants.



REIT (API)

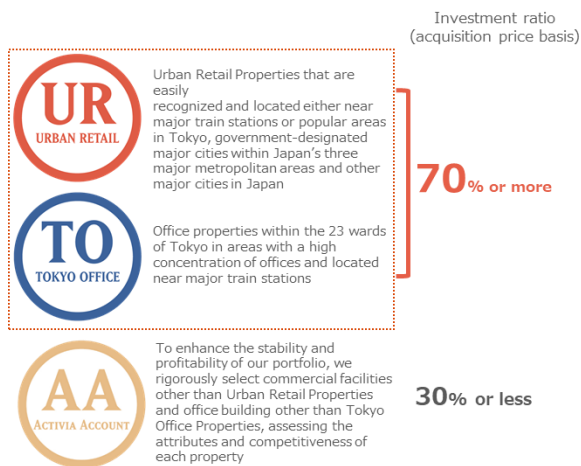
Name	Activia Properties Inc.
Executive Director	Nobuhide Kashiwagi
Address	Shibuya Solasta 18th floor, 21-1 Dozen-zaka 1chome, Shibuya-ku, Tokyo, 150-0043, Japan
Contact	Activia Management Division, TLC REIT Management Inc. Phone: +81-3-6455-3377
Securities Code	3279
Listed Date	June 13, 2012
Fiscal Period End	May 31 and November 30

Asset Manager (TRM)

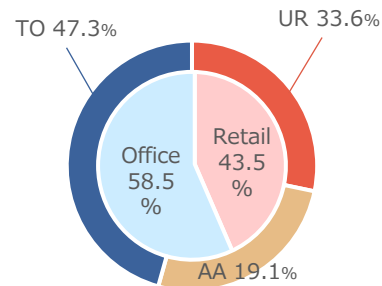
Name	TLC REIT Management Inc.
President & CEO	Masaoki Kanematsu
Address	Shibuya Solasta 18th floor, 21-1 Dozen-zaka 1chome, Shibuya-ku, Tokyo, 150-0043, Japan
Capital	200 million yen
Shareholder	Tokyu Land Corporation (100%)
Business Segment	Investment management
Fiscal Year End	March 31

Basic investment policies

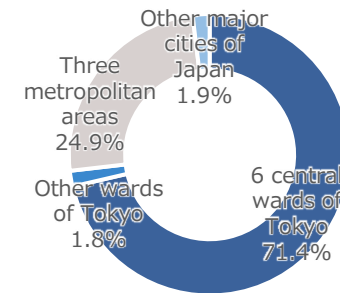
API invests primarily in urban retail and Tokyo office properties utilizing the comprehensive support and capabilities of the Tokyu Fudosan Holdings Group’s value chain and perform strong governance structure aimed at maximizing unitholder value.



Breakdown by category



Breakdown by area



(Note) As of June 30, 2022

Tokyu Fudosan Holdings Group’s value chain

TRM, to which API entrusts management of its assets is one of the member companies of Tokyu Fudosan Holdings (“TFHD”) Group (or the “Sponsor” Group), a comprehensive real estate developer. We take advantage of the TFHD Group’s multi-faceted and comprehensive knowhow and value chain to consistently acquire high-quality properties, as well as to operate and manage the properties so that the value of the properties would be maintained and improved. By doing so, we plan to maximize the unitholder value. While leveraging the value chain of TFHD Group, we also try to ensure and enhance various systems supporting our strong governance structure in order to maximize our unitholder value. The measures include preventive system against conflict of interests in related-party transactions, alignment of interests between investors and the Sponsor, as well as amendment to the asset management fee structure including DPU-linked portion. (Cf. page 18)



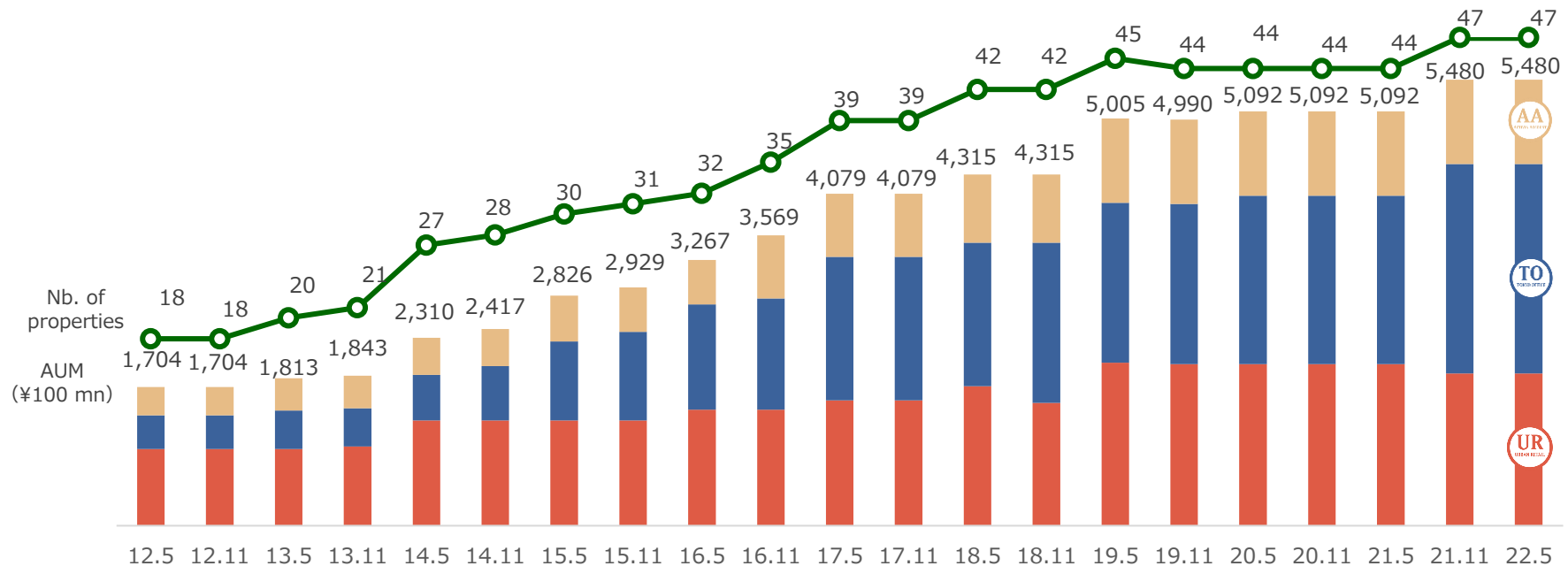
History

Since our IPO in 2012, API has continued to work to build a high-quality portfolio which is carefully selected with a focus on location and property quality and grow and stabilize earnings by expanding assets under management. With a portfolio having grown to over 500 billion yen, API became one of the major diversified J-REITs.

<History of API>

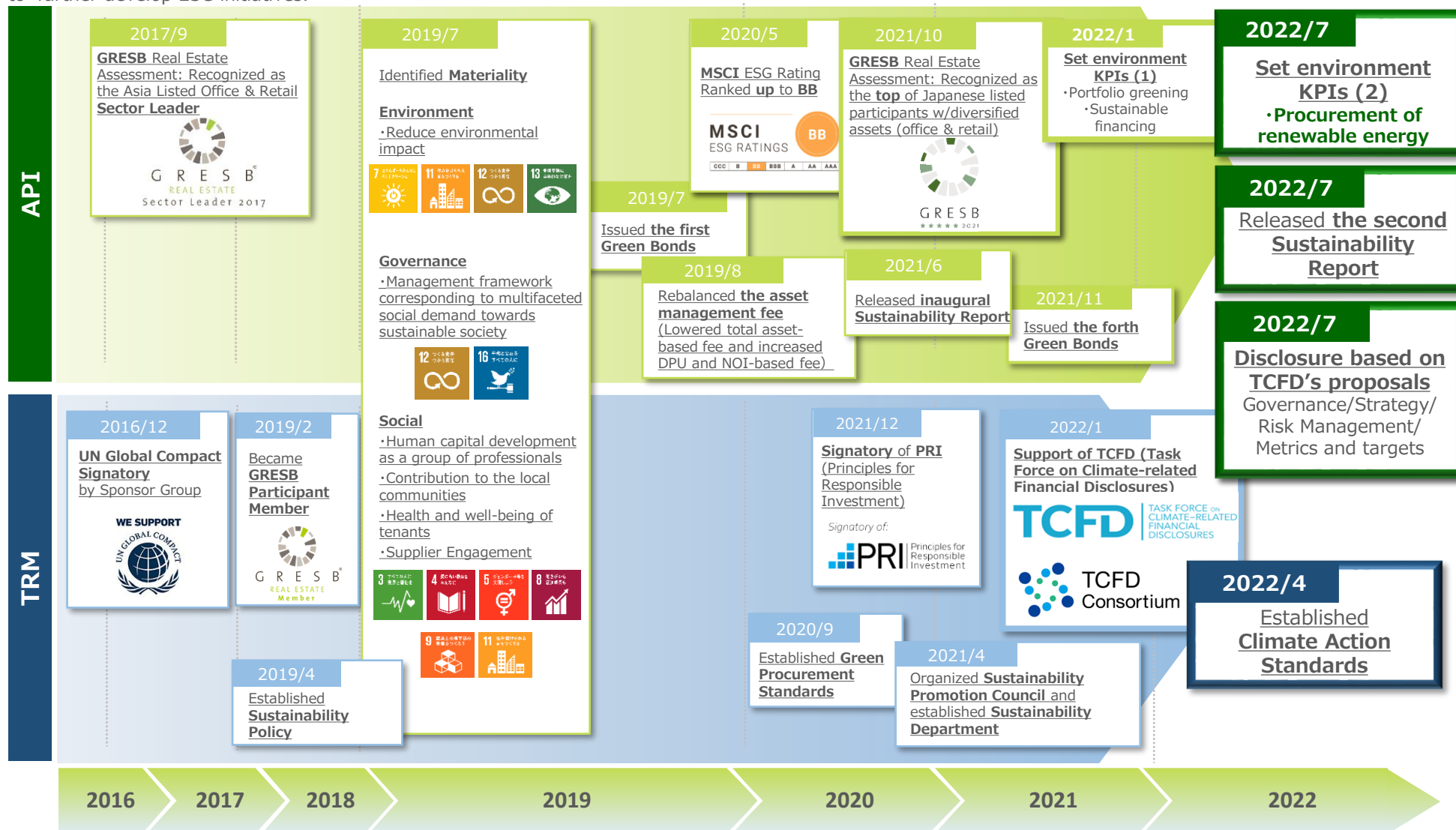
Sep. 7, 2011	Registration of incorporation, and foundation under Article 166 of the Act on Investment Trusts and Investment Corporations
Sep. 20, 2011	Implementation of registration by the Prime Minister under Article 189 of the Act on Investment Trusts and Investment Corporations (registration no.: Director of Kanto Local Finance Bureau No.73)
June 13, 2012	Listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3279)

<Trend in number of properties and assets under management of API>



Initiatives of API and TRM at a Glance

Since its IPO, API has actively promoted initiatives toward a sustainable society in cooperation with TRM, including organization of TRM’s internal system allowing to further develop ESG initiatives.



Sustainability Policy / Structure for Promotion

Sustainability Policy

TRM considers paying consideration to environment and society and strong governance as its mission, and as a member of TFHD Group, it shares the Group's sustainability vision. We believe that tackling these issues is a social responsibility and it should help to realize our management philosophy and contributes to the development of a more sustainable society. The Sustainability Policy has been set to put our beliefs into practice.

For the details of the Sustainability Policy, please refer to [TRM's website](#).

Our structure to promote Sustainability

To enhance TRM's efforts towards the issues related to environmental or societal consideration, etc. based on its Sustainability Policy, the rules on the Sustainability Promotion System require that the President & CEO to be the Chief Sustainability Officer and each department appoint one responsible person from the department. The Sustainability Promotion Council is to be held with the President & CEO as chairperson. Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.







Sustainability Promotion Council

The Sustainability Promotion Council meets regularly with President & CEO as the Chief Sustainability Officer who assumes the ultimate responsibility, and other members from across the organization of TRM and among members, we share relevant information and examine and promote the efforts. External experts are invited to the Council to consult opinions when needed.

Members of the Sustainability Promotion Council	Chairperson: President & CEO Regular members: Directors, Chief Division Officers of Activia Management Division, Comforia Management Division, Broadia Management Division and Corporate Management Division, General Managers of Environmental Engineering Department, and Sustainability Department, Compliance Officer Organizer: Sustainability Department
Meeting frequency	Every quarter in principle
Main issues to be discussed	<ul style="list-style-type: none"> •Amendment and abolishment of the Sustainability Policy •Amendment and abolishment of the Materiality •Matters related to, and common to TRM and investment corporations •Annual activities planning, report on status

Materiality




In line with the Policy and as a member of the Group, TRM recognizes the materiality issues of the Group and identified its own materiality issues by extracting societal items which are important over the medium to long term for a sustainable society, with consideration to the environmental efforts API has already made. This Materiality is shared between TRM and API.





Materiality	Risks (Impact of not addressing materiality)	Opportunities (Business opportunities expected by addressing materiality)	Relevant SDGs
Reducing environmental Impact	Increased physical risk from escalation of climate change (human damage, property damage, economic damage), risks associated with a transition to a decarbonized society	<ul style="list-style-type: none"> Sharing and executing clear commitment to ESG investment with officers and employees should provide opportunities to implement such actions into our business strategy Increased demand for leasing properties focused on environmental performance 	
Human capital development as a group of professionals	Lack of sufficient skilled human resources may hinder business operation, leading to stagnant or lower investor values	Each employee's effort to further realize an ability and maintain mental health and stable living while fulfilling the fiduciary duty required of asset management business and working towards our goal of maximizing unitholder value and enhancing our presence will create a positive cycle and improve our performance	
Contribution to local communities	<ul style="list-style-type: none"> Breakdown of communication with local community at the times of emergency such as disaster may cause reputation risk Risk of loss of liveliness due to the image of the invested region becoming obsolete or due to population decrease 	Show presence by contributing to the safety and security of the region and vitalization of local economy as a member of a corporate group committed to urban development	
Health and well-being of tenants	Facilities with inferior ESG considerations may have risk of losing support from tenants	Contract renewal and repeated selection for relocation by tenants can be expected by creating safe, comfortable and pleasant space for tenants	
Supplier engagement	Impact on management operation and deteriorated credit in case of significant violation against sustainable procurement such as discrimination, exploitation, destruction of nature, contamination and violation of laws by suppliers are recognized	Cooperate with suppliers to satisfy fiduciary duty required of asset management business and contribute to becoming the REIT of choice by the investors	
Management framework corresponding to multifaceted social demand towards sustainable society	Inappropriate response to multifaceted social demands may risk fail in trust concerning sound and effective management business and affect market development	Enhanced commitment to environment and society will further promote establishment of the medium- to long-term business platform, and improvement in financial value can be expected	

SDGs strongly linked to our Materiality

The Materiality that API shares with TRM reflects the magnitude of impact our actions will have on the relevant risks and opportunities. Our aim is to contribute to the Sustainable Development Goals (SDGs) through our approaches to Materiality. For the details of SDGs, please refer to [the website of the Ministry of Foreign Affairs](#).

API's Initiatives

Materiality (E : Environment)		Reducing environmental impact	
Materiality (E : Environment)	Policy	<ul style="list-style-type: none"> Energy use: Medium- to long-term target of 1% average annual reduction in energy use intensity Energy-related CO2 emissions: 100% reduction of CO2 emissions generated by electricity by the end of March 2026, relative to a FY2015 baseline* *Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity as of July 2022. Water conservation: Medium- to long-term target of 0.5% average annual reduction in water use intensity Waste generation: Medium- to long-term target of 0.5% average annual reduction in waste intensity 	
	KPI	<p>[Renewable Energy Procurement]</p> <ul style="list-style-type: none"> Complete transition to renewable electricity in all portfolio properties by the end of March 2026* *Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity as of July 2022. <p>[Portfolio Greening]</p> <ul style="list-style-type: none"> 70% or more green-certified assets by 2030 Promote green leases for 100% of new contracts <p>[Sustainable Finance]</p> <ul style="list-style-type: none"> 100% of new investment corporation bond to be green bonds* *On the condition of issuance based on the issuance within current framework Consider diversification of sustainable finance methods 	
	Status/Examples	<ul style="list-style-type: none"> Proactive introduction of environmentally friendly facilities and technologies Periodic measurement of environmental performance of the portfolio Periodic measurement of environmental performance of each property Constant acquisition of environmental certification , etc. Promotion of tenant engagement through green leases, etc. Periodic and continuous monitoring by Sustainability Promotion Council Promotion of environment-friendly procurement through the Green Procurement Standards 	
	Relevant SDG targets	 7.3 By 2030, double the global rate of improvement in energy efficiency  12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	
Materiality (S : Social)		Human capital development as a group of professionals	
Materiality (S : Social)	Policy	<ul style="list-style-type: none"> Promote human resource strategy that indicates the requirements of desirable resources and facilitate development Commitment to health and well-being of each employee Deployment of measures based on TFHD Group's KPIs (work-style reform, promotion of diversity) 	
	Status/Examples	<ul style="list-style-type: none"> Disclosure of key employee data to present our human resources strategy and status of efforts on employee health and well-being (ratio of female employees, number of female directors and managers, turnover ratio, stress check participation ratio, etc.) Support acquisition of business knowledge, skills, qualifications, and implement various trainings Promote career development through periodic performance evaluation/feedback Periodic Health Committee Introduction of various support systems leveraging on Tokyu Group membership, etc. 	

Materiality (S: Social)	Contribution to local communities	
	Policy	<ul style="list-style-type: none"> Enhance disaster prevention functions Prompt recovery of assets under management following occurrence of a disaster Educational activities on fire and disaster prevention and disaster response Enhanced cooperation with local community
	Status/Examples	<ul style="list-style-type: none"> Publication of capital expenditure/emergency reserves from disaster prevention perspective Improvement of seismic performance, installation of emergency generator, and establishment of BCP Cooperation for disaster prevention, disaster response and infectious disease prevention Sponsorship/participation/cooperation with local events
	Health and well-being of tenants	
	Policy	<ul style="list-style-type: none"> Improve tenant satisfaction
	Status/Examples	<ul style="list-style-type: none"> Extract issues and make improvements based on tenant satisfaction survey
	Supplier Engagement	
	Policy	<ul style="list-style-type: none"> Aim at smooth property management by utilizing expert know-how of Tokyu Land Corporation, Tokyu Community, Tokyu Land SC Management, and the support agreement counterparty Tokyu Fudosan Holdings Group companies Share information and actively work on environmentally friendly procurement with PM/BM companies
	Status/Examples	<ul style="list-style-type: none"> Build/promote collaborative structure through periodic monitoring Conduct training on environment, etc. Promote collaboration with all stakeholders through Green Procurement Standards
	Relevant SDG targets	 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries  12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
Materiality (G: Governance)	Management framework corresponding to multifaceted social demand towards sustainable society	
	Policy	<ul style="list-style-type: none"> Explicitly describe statement on governance of the investment corporation Explicitly describe the investment decision making body, as well as the risk management system for investment management Establish framework for promoting implementation of the Sustainability Policy
	Status/Examples	<ul style="list-style-type: none"> Governance of the investment corporation Investment decision making body and the risk management system for investment management Establishment of Sustainability Promotion Council for the Asset Manager
	Relevant SDG targets	 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature  16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Topics

Setting environmental KPIs

API has set up a series of environmental KPIs to translate its environmental policy aligned with its Materiality into concrete initiatives. And in July 2022, targets related to the KPIs on renewable energy procurement have been concretized: Complete transition to renewable electricity by the end of March 2026 and accordingly reduce 100% CO2 generated by electricity by the same time, relative a FY2015 baseline.

API will further promote its initiatives to reduce environmental impact.

Jan. 2022

Renewable Energy Procurement

- Accelerate procurement of renewable energy
(Plan to set up the target by July 2022 after cost estimation)
- Reduce CO2 emissions through renewable energy

Portfolio Greening

- 70% or more green-certified assets by 2030
- Promote green leases for 100% of new contracts

Sustainable Finance

- 100% of new issuances of investment corporation bond to be green bonds*
- Consider diversification of sustainable finance methods

*On the condition of issuance based on the current framework



Jul. 2022

Renewable Energy Procurement

- Complete transition to renewable electricity in all portfolio properties by the end of March 2026*
- 100% reduction of CO2 generated by electricity by the end of March 2026* relative a FY2015 baseline

*Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity as of July 2022.

Acquisition of ISO14001 certification

API acquired ISO14001, an international standard of Environmental Management System, a system to minimize negative impact of business operations on environment using Plan-Do-Check-Action system, for its EMS in real estate investment management and management of properties. (cf. p.41)



"New Working Style" Project

TRM has constantly worked for optimization of working system and business operation, and in line with that, a "New Working Style" project was launched in October 2021. The project discusses the gap between the traditional working style and the impact of COVID-19 and transforming society, and make proposals to the company management in order to realize a new working style enabling both high productivity and fulfilled personal life.(cf. p.47)



Supporting international initiatives

TRM supports the basic idea of the PRI (Principle for Responsible Investment) and became signatory of PRI in December 2021. For details, please refer "External Evaluation/International Initiatives" (p.16). Also, TRM expressed its support for the recommendations of TCFD (Task Force on Climate-related Financial Disclosures) in January 2022, and prepared the information disclosure for API based on the TCFD recommendations along with establishment of an internal rule related to response to climate change. For details, please refer to "Addressing climate change" (p.27).

Signatory of:



Green bond issuance

API aims to further promote its sustainability initiatives through issuance of green bonds and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment. Since the first issuance in July 2019, API has raised a total of 17.4 billion yen of green bonds.

Additional acquisition by the Sponsor

TLC made an additional acquisition of API's investment units in Spring 2022. Under the volatile market due to the continual COVID-19 pandemic and the uncertainty of global situation, TLC showed anew its supportive stance toward API, which strengthened the principle of same-boat investment.

	Before	Additional acquisition	After
Outstanding investment units	822,754 units (Before cancellation of 10,190 own investment units in May 2022)	-	812,564 units (After cancellation of 10,190 own investment units in May 2022)
Investment units owned by TLC	81,137 units	8,093 units	89,230 units
TLC ownership	9.9%	-	11.0%

External Evaluation / Initial Initiatives

External evaluation

GRESB

API was awarded the highest rank “5 stars” for a 4th consecutive year on GRESB Real Estate Assessment, an overall evaluation of ESG consideration performance. API ranked top among the listed participants with diversified assets (office/retail) in Japan, and second among the listed and unlisted participants with diversified assets (office/retail) in Asia. API also received a recognition of “Green Star” for 8 consecutive years for its advanced framework and practices. Further, it achieved “A rank” in the GRESB Public Disclosure for 4 consecutive years.



GRESB
★★★★★ 2021



GRESB®
Public Disclosure 2021

Considering the need to address the increasing significance of ESG as an asset management company in the investment management industry, TRM became a GRESB Real Estate Company & Fund Manager Member in 2019. As a member of a global initiative, we will network and share information with leading companies in the area of ESG and participate in activities such as introduction of Japanese cases to the world, to improve sustainability.

Other

API was rated “Low Risk” on the Sustainalytics ESG risk assessment in September 2020 and has earned “BB” rating on the MSCI ESG Ratings as of July 2022.



Green Certification of owned properties

For the green certifications acquired by the properties owned by API, please refer p.39.

International initiatives

UN Global Compact (UNGC) signatory

UN Global Compact is a voluntary effort by corporations and organizations to participate in creation of global framework to realize sustainable growth. Corporations and organizations that joined UNGC continue their efforts to realize the ten principles regarding protection of human rights, elimination of unfair labor, environmental preservation and prevention of corruption. TFHD Group has joined the UNGC in December 2016, and as a member of the Group, TRM supports the ten principles of UNGC. (cf. p.51)



Support for TCFD recommendations

Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (“FSB”) at the request of G20, to examine how climate-related information should be disclosed and how financial institutions should respond. In January 2022, TRM expressed its support for the recommendations of TCFD, and also joined the TCFD Consortium which is a group of domestic companies that supports TCFD recommendations.



Principles for Responsible Investment signatory

The Principles for Responsible Investment (PRI) refer to the below-listed six principles proposed in 2006 by then secretary general of the United Nations as a guide for members of the financial sector, and the international network of investors working toward the fulfillment of the principles. PRI is promoted by the United Nations Environment Programme Finance Initiative (“UNEP FI”) and the United Nations Global Compact (“UNGC”). The PRI, which calls for incorporating considerations for environmental, social, and governance (ESG) issues into investment decision making, is designed to improve long-term investment performance for beneficiaries and have fiduciaries to fulfill their duties by having ESG perspectives integrated into the process of investment decision making. TRM supports the basic idea of the PRI and became a signatory in December 2021.

<Six Principles for Responsible Investment (PRI)>

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.


Signatory of:



Governance

Our view on Governance

Under a belief that it is essential for our operation to implement a sincere and fairly compliance management, API and TRM thrive to build an effective decision-making process and a strong corporate governance structure to prevent negative occasions, such as conflict of interests cases that would damage the benefits of all our stakeholders including unitholders. This is derived from a recognition that we are conducting an important and responsible operation of managing assets which belong to the unitholders. Taking our societal responsibility and public missions into consideration, we will continue to make best effort to meet expectations and reliance from our stakeholders including unitholders, customers, business partners, and our local communities by contributing economical and societal development through a healthy business operation.

Materiality (G: Governance)	Management framework corresponding to multifaceted social demand towards sustainable society	
	Policy	<ul style="list-style-type: none"> Explicitly describe statement on governance of the investment corporation Explicitly describe the investment decision making body, as well as the risk management system for investment management Establish framework for promoting implementation of the Sustainability Policy
	Status/Examples	<ul style="list-style-type: none"> Governance of the investment corporation Investment decision making body and the risk management system for investment management Establishment of Sustainability Promotion Council for the Asset Manager
	Relevant SDG targets	 <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p> <p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>



Corporate governance structure to maximize our unitholder value

While leveraging the value-chain of TFHD Group, API and TRM are working to improve and enhance the governance system contributing to maximize unitholder value, including approaches such as measures against conflict of interests with related parties, alignment of interests of unitholders and the Sponsor, and amendment to the AM fee structure with DPU-linked fee.

Alignment of interests of API’s unitholders and TLC

Ownership by the Sponsor

In the Sponsor Support Agreement, TLC has made it clear that when API decides to issue additional units, a subscription of a part of such issuance shall be sincerely considered.

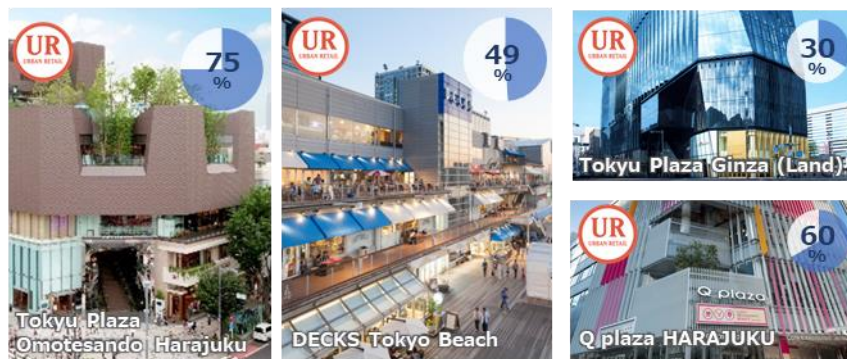
In Spring 2022, TLC made additional acquisition of API’s investment units (cf. p.14). Further support from the Sponsor is expected with reinforced alignment of interests.

**Ownership ratio of
Tokyu Land Corporation (Sponsor)
as of May 30, 2022
11.0%**

Co-ownership of properties with the Sponsor

API holds co-ownership of interests with the Sponsor in the five commercial properties namely Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Q plaza HARAJUKU, and Tokyu Plaza Ginza (Land). We consider that this alignment of interests between the Sponsor and API’s unitholders, deriving from operating revenues of the owned assets including above, should lead to a better property management practice.

<Properties in co-ownership with Sponsor>

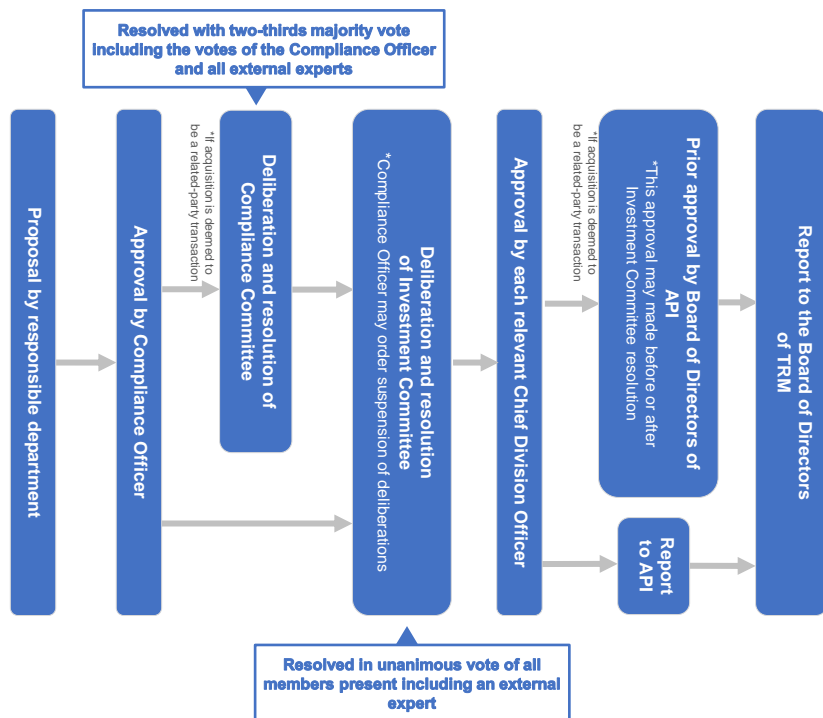


(Note) Percentages of co-ownership interests API holds in the properties.

Acquisition process securing fairness to protect unitholder value

To realize an effective and transparent management, TRM has an effective decision-making process based on internal regulations including the management guideline and rules on related-party transaction. For instance, asset acquisition from related parties requires deliberation and resolution of Compliance Committee, which includes external experts and an approval by the Board of Directors of API. At board meeting of API, more stringent rules are applied and conducted.

<Acquisition approval process>



Asset management fee structure including DPU-linked fee

Pursuant to the asset management agreement, API pays an asset management fee including DPU-based portion to TRM. This structure is designed to incentivize TRM to enhance API’s unitholder value. Ratio of performance-based fee (type II) was increased from the fiscal period ended May 2020, which would contribute to strengthen incentive to maximization of unitholder value.

<AM fee structure of API>

Asset management fee											
Calculation method	Calculation method										
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API's Corporate Governance

Pursuant to the Act on Investment Trusts and Investment Corporations of Japan ("ITA"), API entrusts its asset management operations to TRM.

API's governance structure

API's organization comprises a unitholders' meeting, a board of directors currently comprised of one executive director and two supervisory directors, and an independent auditor. API has no employees as ITA prohibits REITs to make employment contracts.

<API's governance structure>



Unitholders' Meeting

Matters and issues on API, that are originally stipulated at ITA and other relevant laws & regulations, are to be resolved at a unitholders' meeting.

Executive Director and Supervisory Directors

The executive director represents API and is responsible for the administration of affairs of API. The supervisory directors have a statutory duty to review the executive director's administration of API.

Term of office / brief biographies of directors

The term of office for directors is two years. Please refer to [API's website](#) for the brief biographies of directors.

Eligibility requirements

Candidate for directors must not fall under any disqualification clause as defined in the ITA. Such candidates shall be examined and appointed at a unitholders' meeting.

Compensation

The articles of incorporation of API stipulate that it may pay the executive director up to ¥700,000 per month and each of our supervisory directors up to ¥500,000 per month, and the board of directors of API is responsible for determining the amount for each director.

<Concurrent positions and compensation of directors>

Excerpt from the semi-annual report for the fiscal period ended November 2021

Position	Name	Concurrent positions	Compensation received (¥ thousand / fiscal period)
Executive director	Nobuhide Kashiwagi	Managing Director, Chief Division Officer of Activia Management Division, TLC REIT Management Inc.	-
Supervisory directors	Yonosuke Yamada	Managing Partner of Yamada, Goya and Suzuki law offices	3,300
	Yoshinori Ariga	Ariga Yoshinori Accounting Office	

Board of Directors

At the meeting of the board of directors, the executive director reports on the performance of its duties and the supervisory directors supervise to ensure that API operates the asset management in compliance with legal and regulatory requirements. The meeting frequency of the board should be at least once in three months as stipulated under internal regulations of TRM. However, it is held every month with a 95.6% attendance of directors from April 2021 to March 2022.

Independent Auditors

The independent auditor shall audit the financial statements of API and report to the supervisory directors any improper activity of the executive director. The term of office of the independent auditor comes to an end at the first unitholders’ meeting held after the first financial period closed after one year or more from the appointment date. The auditor shall be reappointed except as otherwise resolved in a unitholders’ meeting.

<Auditor fee>

Excerpt from the semi-annual report for the fiscal period ended November 2021

Position	Name	Compensation (¥ thousand / period)
Independent auditor	Ernst & Young ShinNihon LLC	35,671

(Note) Includes fees for preparing comfort letters related to the issuance of new investment units in September 2021 and new investment corporation bonds in November 2021 .

TRM's Corporate Governance

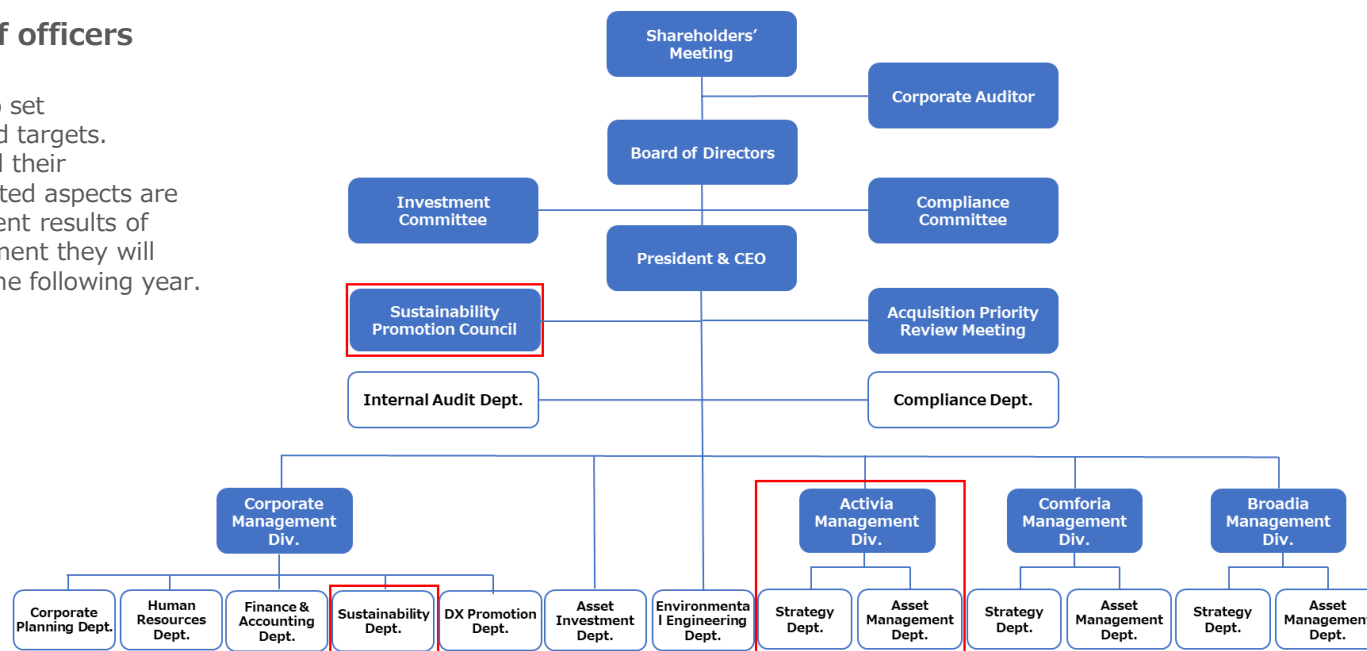
TRM works to enhance corporate governance to exercise a fiduciary duty and a duty of loyalty to API as stipulated in the asset management agreement.

TRM management organization

Under the management organization shown below, TRM exercises its asset management operation, and the Activia Management Division undertakes the management of assets of API. TRM has established the Investment Committee and the Compliance Committee to deliberate matters related to asset management and compliance, and the Acquisition Priority Review Meeting to determine the order of priority for consideration.

In April 2021, TRM established the rules on the Sustainability Promotion System to strengthen the system and expand the functionality of measures. Following this, the Sustainability Promotion Council obtained a more accurate position in the organization. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.

<TRM management organization>



ESG-related performance targets of officers and employees

Officers and employees of TRM are required to set performance targets which include ESG-related targets. The process they took to achieve outcome and their performances in operations including ESG-related aspects are assessed as same as others, and the assessment results of personal performances are linked to the treatment they will receive such as grade, position and salary in the following year.

Compliance

Compliance Policy

Compliance is ensured in the business operation of TRM with the Compliance Committee and the Compliance Department established with objective to carry out our business in compliance pursuant to the TFHD Group's Code of Conduct. The framework is reinforced by the Rules on the Compliance and the Compliance Manual.

Key points of TCFD Group's Code of Conduct

1. Ensure compliance with laws and regulations applicable to our business activities.
2. As TCFD Group employee, treat our customers sincerely to maintain their trust.
3. Generate a corporate culture that enables open-minded communication on difficult issues involving work.
4. Enhance solidarity of TCFD Group and promote mutual understanding with stakeholders.
5. Enforce proper management of information.
6. All employees will understand and focus on ethical conducts and be sensible professionals.
7. Make efforts to create safe workplace and be considerate of the environmental conservation.

Compliance Committee

To perform a compliance reinforced management, TRM holds the Compliance Committee comprised of members including one or more external experts (licensed expert such as attorney) on a regular basis. The committee shall resolve the following matters.

The Committee shall resolve the following matters.

1. Establishment and amendment of basic investment policy concerning asset management by each REIT
2. Determination and change in acquisition or disposal of assets by each REIT and the terms and conditions thereof
3. Establishment and amendment of asset management plan by each REIT
4. Establishment and amendment of basic policy concerning asset management by each REIT
5. Establishment and amendment of basic policy concerning funding, capital policy and dividend policy for each REIT
6. Matters related to transactions with related parties (provided, however, excluding transactions defined as not requiring prior approval by the Compliance Committee)
7. Preparation and amendment of the Compliance Manual and Compliance Program
8. Deliberation and resolution on improvement measures concerning inappropriate acts in terms of regulatory compliance and preventative measures, etc.
9. Any and all matters that the Compliance Officer decided that a discussion at the Compliance Committee should be required

*With respect to 1 to 5, agenda shall be restricted to transactions with related parties and matters deemed necessary to be resolved by the Compliance Officer

Measures to prevent corruption, bribery and malpractice

TRM shares the THFD Group’s anti-corruption policy, and in the belief that corruption creates significant obstacles against sustainable development and corrodes the social structure, recognizes that commitment to prevention of corruption is an important issue for the society and is making the best effort to prevent any unfair practice in the operation. The rules of employment and rules on the compliance stipulate that we shall not conduct those acts, and periodical trainings are implemented to the employees. The effort includes also that compliance verification by supervisors while keeping evidence to make a judgment of compliance is required at a business transaction. Harsh punishment shall be imposed to on the employee who conducted those acts. TFHD Group is a signatory to the United Nations Global Compact (UNGC), and as a member of the Group, TRM supports the ten principles of UNGC. (cf. p.51)

TFHD Group’s Anti-Corruption Policy

TFHD Group recognizes that corruption and bribery are serious risks that could considerably damage the trust and credibility of a company. We are committed to maintaining sound relationships with stakeholders and will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society. Specifically, we will thoroughly implement the following.

- (1) We will never engage or be complicit in any and all forms of bribery, including money laundering, embezzlement, or obstruction of justice, etc.
- (2) In fully understanding laws and regulations about relationships with public offices and other similar persons in Japan or other countries, we will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society and we will never provide monetary or other benefits to gain illicit profits.
- (3) We will not provide or receive business entertainment or gifts from business partners or other parties that deviates from sound business practices or social norms.

We will not use our position or authority to demand personal benefits from our business partners or other parties. In addition, a code of conduct is stipulated in the code of ethics for executive officers approved by the Board of Directors Meeting to counteract all corruption activities including bribery.

Whistleblower system

TRM established the Compliance Helpline Counter as a contact point to report and consult on compliance matters including when harassment and bullying is experienced or observed, enabling all officers and employees to directly report to the Compliance Officer of TRM, General Manager of Legal Affairs Department of TLC, General Manager of Group Legal Affairs Department of TFHD, or external attorneys. Also, a system is already in place to structurally protect the whistleblowers when such reports were conducted.

Measures taken to enhance compliance awareness

Divisional compliance staff

Each year divisional compliance staff are appointed from each division of TRM to perform periodic monitoring on compliance matters. The officers report compliance status in his/her division and share related information.

Corporate ethics / compliance training

In order to ensure compliance and increase awareness of officers and employees to compliance, we provide compliance training two times each year to all of them focusing on the enforcement of the compliance basic policy and standards, and learning applicable laws and regulations, etc. An orientation and follow-up courses (for employees new to the financial instruments business, after six months have passed since hiring) are held as well.

	FY2018	FY2019	FY2020	FY2021
Awareness of Compliance Helpline Counter	90%	87%	90%	88%

Risk Management

Basic Policy on Risk Management

TRM established a basic policy on the strategic targets, as well as risk management rules to implement appropriate management of risks.

Basic Policy on Risk Management

1. Based on the above, and in accordance with our management principles, we aim to secure long-term stable revenue and maximize unitholder value by establishing a management system in accordance with these Rules and implementing appropriate risk management against various risks involved with engaging in investment management business.
2. Officers and employees, etc., shall recognize the importance of risk management, be aware the fact that each is responsible for risk management, understand these Rules and internal rules, etc., and strictly comply with the same.
3. Necessary and appropriated rules, detailed ruled and standards about risk management shall be established. Actual risk management shall be conducted through organizational and human resources oriented countermeasures so that such responsibility of relevant risk management would be clarified.
4. Necessary and appropriate management and supervision shall be implemented for business outsourcing partners as well as to officers and employees, etc.
5. Risk management training, etc., shall be conducted to promote thorough awareness by officers and employees, etc., and to maintain/improve effectiveness of the Basic Policy.
6. Basic Policy stated in this Article shall be reviewed periodically as necessary. A change in our strategic targets would be a good example for such timing.

Risk management framework

TRM conducts sophistication of its risk management framework with a certain support from external experts. Risk management function falls under the responsibility of the Compliance Department supervised by the Compliance Officer. The Compliance Department is a stand-alone department, independent from business operating divisions. It performs a series of risk assessment including operational risk, etc.

Information security

In order to enhance security of information assets and appropriate use of them, TRM has set forth basic rules on information security management which stipulates principal matters related to information protection with clarifying the responsibility for information management. TRM has also established the rules on IT management to stipulate appropriate management of information asset by each officer and employee according to the level of their roles and responsibilities.

Risk management training

TRM provides periodical risk management educational session with all officers and employees by external lecturers and works to improve risk management ability of members of each department.

Business continuity planning




To strengthen its resilience, TRM set a business continuity plan, related rules and manuals, and make updates when necessary, in preparation for unexpected crisis such as disaster and social disruption. In accordance with these rules, we work to prevent and mitigate impact from crisis including recent natural disasters and COVID-19. We also pay close attention to the materials and equipment used in the properties of API and make every effort to prevent incident by staying well informed of defect products and carrying out research.

Environment

Our view on Environment

API considers climate change as a significant risk and identified reducing environmental impact as part of its Materiality. Our medium- to long-term targets are 1.0% average annual reduction in energy use intensity, and 0.5% annual average reduction in water use intensity and waste intensity. And in July 2022, we set a new target of CO2 emissions: 100% reduction of CO2 generated from electricity. We believe that effort to reduce environmental impact to mitigate climate-change related risk such as abnormal climatic conditions and sea-level rise would lead to maximization of our unitholder value. Therefore, we continue to fulfill our mission to reduce environmental impact and provide high energy-saving performance in the owned properties.

API and TRM consider that contribution to the local communities as well as urban revitalization, with environmental consideration, through management of our properties is one of our important missions. With regard to investment in undeveloped site (greenfield), we recognize that act of development will have an impact on the natural environment and ecosystem, and we will continue to make investment in light of such recognition.

Materiality (E : Environment)		Reducing environmental impact	
Policy		<ul style="list-style-type: none"> •Energy use: Medium- to long-term target of 1% average annual reduction in energy use intensity •Energy-related CO2 emissions: 100% reduction of CO2 emissions generated by electricity by the end of March 2026, relative to a FY2015 baseline* *Excludes emissions from the properties having not adopted renewable energy as of July 2022 among those in which API owns co-ownership interests, stratified ownership interests, or only lands. •Water conservation: Medium- to long-term target of 0.5% average annual reduction in water use intensity •Waste generation: Medium- to long-term target of 0.5% average annual reduction in waste intensity 	
KPI		<ul style="list-style-type: none"> •[Renewable Energy Procurement] •Complete transition to renewable electricity in the portfolio properties by the end of March 2026* *Excludes the properties having not adopted renewable energy as of July 2022 among those in which API owns co-ownership interests, stratified ownership interests, or only lands. •[Portfolio Greening] •70% or more green-certified assets by 2030 •Promote green leases for 100% of new contracts •[Sustainable Finance] •100% green bonds for new issues of investment corporation bonds* *Based on the issuance within current framework •Consider diversification of sustainable finance methods 	
Status/Examples		<ul style="list-style-type: none"> •Proactive introduction of environmentally friendly facilities and technologies •Periodic measurement of environmental performance of the portfolio •Periodic measurement of environmental performance of each property •Constant acquisition of environmental certification, etc. •Promotion of tenant engagement through green leases, etc. •Periodic and continuous monitoring by Sustainability Promotion Council •Promotion of environment-friendly procurement through "Green Procurement Standards" 	
Relevant SDG targets		 7.3  12.5	By 2030, double the global rate of improvement in energy efficiency By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature



Addressing Climate Change

1. How we look at and address climate change

(1) Our perception of and basic approach to climate change

We are well aware that climate change is a critical issue that has a great impact on our business activities.

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), published in 2021, firmly concludes that humans have warmed the atmosphere, ocean, and land. The report attributes increases in greenhouse gas (GHG) concentrations including carbon dioxide since around 1750 to human activities such as heavy consumption of fossil fuels. At the 26th United Nations Climate Change conference (COP26) also held in 2021, participating countries formally agreed that they will pursue efforts to limit temperature increase to 1.5°C. This agreement came amid growing awareness that limiting the increase in the global temperature to 2°C above levels in the Industrial Revolution, the maximum allowable level under the Paris Agreement of 2015, will not preclude tremendous negative impacts. Given the global temperature has already risen by more than 1°C, however, we believe that achieving this target requires bold actions, including social and structural changes.

We need to adapt to emerging waves of change generated by these increasing impacts of climate change, more solid global frameworks for climate change, and transition to a decarbonized society. We also need to secure both stable earnings and steady growth in assets under management over a medium to long term. To these ends, it is important for us to predict risks and opportunities that climate change may present to our business, to work with our investors and other stakeholders, and to reflect such risks and opportunities in our investment strategies and property management.

TRM, the asset manager to which API entrusts the management of its assets, is mindful of the need for environmental and social considerations and strong governance. And, as a member of the TFHD Group, TRM shares [the Group's Sustainability Vision](#).

TRM believes that addressing these needs constitutes part of its social responsibilities and is also an avenue to practice its management philosophy. It also believes that doing so will contribute to development of a sustainable society. To put this belief into practice, TRM has identified material issues under its Sustainability Policy and shares them with API. For more information on the Sustainability Policy and the material issues, please refer to TRM's [Sustainability Initiatives](#).

The escalation of climate change has a huge impact on our efforts toward "reducing environmental impact," one of our material issues. For this reason, we demonstrate to our suppliers our commitment to environmentally preferable purchasing with our Green Procurement Standards, established in September 2020. We join hands with our suppliers in taking action based on mutual understanding.

To redouble its efforts to address these issues, TRM has signed on to the Principles for Responsible Investment (PRI), joined GRESB as a member, and embraced the UN Global Compact (UNGC) in conducting business activities.

(2) Support for the TCFD Recommendations

TCFD stands for “Task Force on Climate-related Financial Disclosures,” a unit established by the Financial Stability Board (FSB) at the request of the G20. With the recognition that climate change poses a serious risk to the global economy, the TCFD is tasked with examining how climate-related information should be disclosed as well as what action should be taken on the part of financial institutions.

In January 2022, TRM announced its support for the TCFD Recommendations. Also, TRM became a member of the TCFD Consortium, an association of Japanese businesses that endorse the recommendations.



2. Organizational governance for addressing climate change

(1) Our structure to promote sustainability

For information on the implementation setup at TRM (including responses to climate change; hereinafter the same), please refer to [Our Structure to Promote Sustainability](#).

(2) Sustainability Promotion Council

As part of its efforts to address sustainability issues, TRM convenes the Sustainability Promotion Council regularly to share sustainability-related information (including responses to climate change) and discuss measures to take on these challenges and implement them. The Council also monitors progress in our sustainability efforts regularly and continuously. For more information about the Council, please refer to [“Sustainability Promotion Council” under “Our Structure to Promote Sustainability.”](#)

(3) Our ISO 14001-certified environment management system

API and TRM have in place a unique environment management system (EMS) that builds on a PDCA cycle to reduce environmental impacts of their business, including the management of properties owned by API. By taking advantage of this EMS, we have been making efforts to build up a framework to manage and promote sustainability initiatives. These efforts, which involved holding regular divisional meetings and reporting to management, and as needed, to the Sustainability Promotion Council, eventually paid off. In April 2022, this particular EMS was certified to have met the international standard in two categories of service: real estate investment management and proprietary property management. For information on how API uses the EMS in asset management, please refer to [“Environment Management System” under “Initiatives to Reduce Environmental Impact”](#).

(4) Climate Action Standards

For matters related to addressing climate change, TRM has in place a set of climate action standards, under which it has built its structure to promote sustainability and established an action policy that builds on the TCFD framework. For information on the management of risks and opportunities related to climate change, see “4. Managing Risks and Opportunities Related to Climate Change.”

(5) Reporting on performance

Meeting entity	Convening entity	Meeting frequency
ESG meeting at Activia Management Division	TRM	Three times or more a year
Sustainability Promotion Council	TRM	Four times a year
TRM’s Board of Directors meeting	TRM	Once a year (reporting)
API’s Board of Directors meeting	API	As needed (reporting)

3. Strategy that factors in risks and opportunities related to climate change

(1) Scenario analysis assumptions

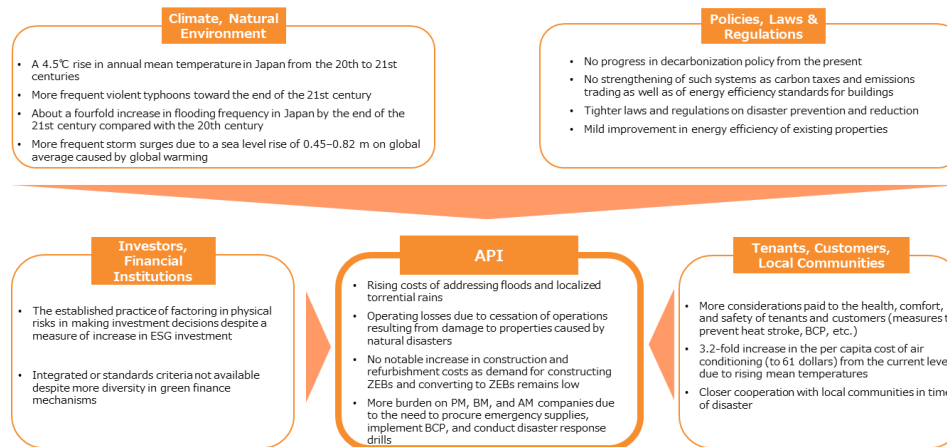
Climate change risks can be largely divided into transition risks and physical risks. API has analyzed three scenarios: 1.5°C, 2°C, and 4°C scenarios, using future climate predictions announced by two international organizations*.

These scenario analyses have used two timeframes during which we will continue to be affected: mid-term (2030) and long-term (2050).

* International Energy Agency (IEA), World Energy Outlook 2021
 UN Intergovernmental Panel on Climate Change (IPCC), The Fifth Assessment Report (AR5)

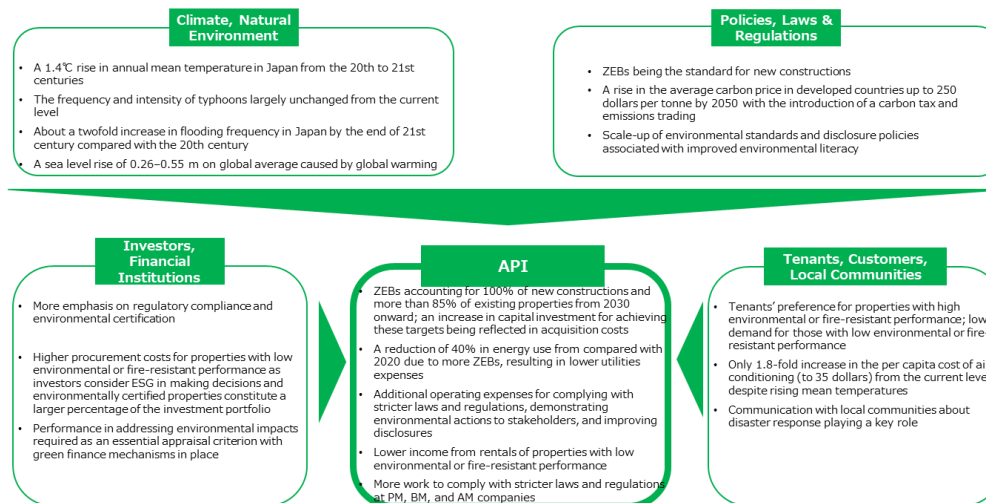
Global outlook under 4°C scenario

In this scenario, GHG emissions remain high due to a lack of progress in decarbonization action, resulting in more frequent natural disasters. Actions need to be taken to address physical risks rather transition risks, which are outweighed by the former.



Global outlook under 2°C and 1.5°C scenario

In these scenarios, GHG emissions are curbed thanks to various environmental regulations, and there are more ZEBs. Actions need to be taken to address transition risks rather than physical risks.



(2) Analytical procedure

The analysis of the 4°C scenario, which assumes a world in which physical risks need to be addressed more than transition risks, has involved identifying and analyzing long-term (2050) risks, which outweigh mid-term (2030) risks. The analysis of the 2°C and 1.5°C scenarios, which assumes a world in which transition risks need to be addressed more than physical risks, has involved identifying and analyzing both mid-term (2030) and long-term (2050) risks and opportunities for each scenario. In both analyses, financial impacts have been analyzed and assessed both quantitatively and qualitatively.

The analyses, both qualitative and quantitative in nature, have been conducted in light of the status of API's asset holdings, with reference made to currently available scenarios as published by the IEA and the IPCC and to objective projections published by other third-party specialized institutions. The impact assessments thus made assume some risk factors and their uncertainties; therefore, they do not guarantee their accuracy or safety that they may suggest.

Risk Category	Type	Item	Description of Risks and Opportunities	Category	Financial Impact				
					4°C	2°C		1.5°C	
					2050	2030	2050	2030	2050
Transition Risks	Policies, Laws & Regulations	Increased pricing of GHG emissions	Cost arising from carbon tax levy	Risk		Minor	Moderate	Minor	Moderate
			Higher efficiency due to shift to properties with higher eco performance	Opportunity		Minor	Minor	Minor	Minor
		Mandates on and regulation of existing products and services	Increased construction costs arising from compliance with ZEB-related and other environmental regulations	Risk		Minor	Major	Minor	Major
			Increased verification costs arising from compliance with ZEB-related and other environmental regulations	Risk		Minor	Minor	Minor	Minor
			Higher efficiency due to shift to properties with higher eco performance	Opportunity		Minor	Minor	Minor	Minor
			Substitution of existing products and services with lower emissions options	Risk		Minor	Major	Minor	Major
	Technology	Substitution of existing products and services with lower emissions options	Higher efficiency due to shift to properties with higher eco performance	Opportunity		Minor	Minor	Minor	Minor

Risk Category	Type	Item	Description of Risks and Opportunities	Category	Financial Impact				
					4°C	2°C		1.5°C	
					2050	2030	2050	2030	2050
Transition Risks	Market	Changing customer behavior	Higher vacancy of properties with lower environmental performance	Risk		Minor	Minor	Minor	Minor
			Lower demand due to little shift to properties with higher fire-resistance	Risk		Minor	Minor	Minor	Minor
		Shift to high-efficiency properties	Opportunity		Major	Major	Major	Major	
	Reputation	Increased stakeholder concern or negative stakeholder feedback	Divestment or poor access to capital markets	Risk		Minor	Minor	Minor	Minor
		Changing customer behavior	Lower demand due to little shift to properties with higher fire-resistance	Risk		Minor	Minor	Minor	Minor
Physical Risks	Acute	Increased severity of extreme weather events	Costs incurred from the need to address torrential rain disasters, etc.	Risk	Moderate				
			Loss of sales opportunities due to torrential rain disasters, etc.	Risk	Minor				
	Chronic	Rising mean temperatures and sea levels	Increased costs of air conditioning due to rising temperatures	Risk	Minor				
			Inundation due to sea level rise	Risk	Minor				

(Note) Risks are represented in orange and opportunities in blue. The scale of the financial impact (minor, moderate, major) is expressed by the depth of color: the deeper the color is, the larger the impact is.

(3) Analysis findings

Both the 2°C and 1.5°C scenarios entail substantial transition risks. In these two scenarios, the introduction of a high carbon tax designed to curb CO2 emissions in Japan is likely to mean higher operational costs stemming from, for example, a heavier tax burden on CO2 emissions from proprietary properties. Stricter environmental regulations with regard to ZEBs, energy saving standards, and the like are likely to translate into additional costs of refurbishments needed to comply with them.

Tighter regulations will have a tremendous impact on tenants' choice of properties. It is expected that in comparing properties of different real estate agencies, demand for properties with lower energy efficiency will decline.

With an eye on a transition to a decarbonized society under the scenarios of 2°C or lower, API is committed to addressing these risks and maintaining its competitive edge. To these ends, API will take a number of actions. These include deploying renewables, switching over to LED lighting in a systematic manner, and retrofitting its properties with more energy efficient equipment. To make its portfolio greener, API will also increase the proportions of environmentally certified properties and green lease agreements with new tenants.

Under the 4°C scenario in which little progress will be made in decarbonization, API expects damage to its proprietary properties due to increased severity of extreme weather events and resultant increases in repair expenses. It is worth noting here that API's buildings are originally disaster-resistant and that API's investment focuses on properties in areas resistant to inundation and other risks. With regard to chronic changes such as rising mean temperatures, API is committed to reducing CO2 emissions by, for example, deploying renewables and considering and replacing existing key equipment such as electric and air conditioning equipment with more energy-efficient equipment wherever possible when it reaches its end of life.

4. Managing risks and opportunities related to climate change

Matters related to material issues regarding climate-related risks and opportunities and adaptation and resilience to climate change are regarded by TRM as matters related to climate action in accordance with its climate action standards. They also constitute specific sustainability initiatives and are therefore part of the matters related to promoting sustainability.

In January 2022, we announced our support for the TCFD Recommendations, which prompted us to conduct scenario analyses described above. The analyses were aimed at identifying risks and opportunities arising from the impact climate change may have on API, assessing the impacts of these risks and opportunities on our business, and making changes to our future strategies as needed. Risks of particular importance were singled out in light of how likely they emerge, when they emerge if ever, and how they may impact our finances.

Based on the analysis findings, we will improve on our initiatives. To this end, we will execute function management with the help of the EMS and monitor API's actions and their progress through the Sustainability Promotion Council.

5. Setting metrics and targets related to climate change

(1) Metrics and Targets

API has identified its metrics and targets related to climate change under the category of "reducing environmental impact," one of [the material issues](#) it shares with TRM. For the purposes of identification, API assessed risks and opportunities presented by the impacts of climate change as well as the importance of specific actions aimed at addressing these impacts.

API has also set out a policy for reducing environmental impact. The policy covers four key areas: energy use, energy-related CO2 emissions, water conservation, and waste generation. To translate the policy into specific actions, API has set new key performance indicators (KPIs) for climate action in two categories: renewable energy procurement and portfolio greening, as shown below:

Renewable energy procurement

- **Complete transition to renewable electricity in all portfolio properties by the end of March 2026***
- **100% reduction of CO2 generated by electricity by the end of March 2026***

*Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity as of July 2022.

Portfolio greening

- **70% or more green-certified assets by 2030**
- **Promote green leases for 100% of new contracts**

- Green certified assets refer to the properties certified to the Certification for CASBEE for Real Estate, BELS Certification, Tokyo Low-Carbon Small and Medium-Sized Model Building Certification, and DBJ Green Building Certification.
- The figure is calculated based on the floor area of our properties excluding land with limited proprietary rights.
- API concludes green lease agreements with tenants in light of the need for energy efficiency and environmental considerations, thus sharing with them its ideals for improving and maintaining building-wide comfort and productivity.

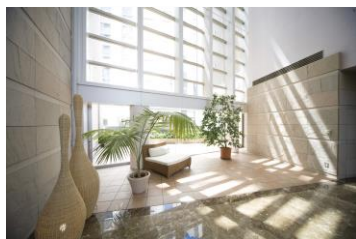
(2) Progress toward Targets as Well as Practices

API regularly discloses information on Environmental Performance with regard to energy consumption, CO2 emissions, water consumption, and waste generation; Environmental Certifications; and Environmental Impact Reducing Works. It also provides relevant information on the annual Sustainability Report and Financial Statements as part of ESG-related information.

Consideration in Real Estate Investment

Environmental risk assessment in acquisitions

When API is acquiring a new property, TRM conducts due diligence using third party experts to assess environmental risks regarding toxic substances (usage/storage of asbestos, PCB, CFC, other chemical substances, soil contamination, etc.) before investment decisions.



Renewable Energy Procurement

In the fiscal period ended May 2022, API has started with four properties the 100% procurement of renewable electricity. Three of them are using the electricity from TFHD Group's generation.

It also determined to complete transition to 100% renewable electricity to be used in the properties by March 2026.

*Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity as of July 2022.

Sponsor's initiatives

TLC started renewable energy business such as solar and wind power generation in 2014. In 2019, it became member of RE100* as a first Japanese real estate developer. To achieve RE100, it advanced the initial target year to complete 100% transition of 2025 to 2022 and accelerates the initiatives toward climate change.

*RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity.

ReENE

東急不動産の再生可能エネルギー事業 [リエネ]

Number of
projects
82

Rated
capacity
1,325MW

Equivalent to power
consumed by approx.
c. 630k households

(As of May31, 2022)



Wind energy plant in
Hokkaido



Photovoltaic power
plant in Chiba

Measures Taken in Owned Properties

Tokyu Plaza Omotesando Harajuku

In the one of API's flagship properties, various environmental efforts are taken including CO2 emission reductions through wind-power generation, conservation of water resources as well as resource saving by using recycling materials.

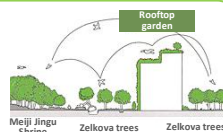
1 Reducing CO2 emissions

- Use of natural energy through wind-power generation and top light
- Energy-saving equipment (LED lighting, motion sensors, outdoor sprinklers)
- Mitigation of the heat-island effect through rooftop garden



2 Conservation of Biodiversity

- Attracting living creatures (watering place for birds and birdhouses)
- Contributing to an ecological network nearby



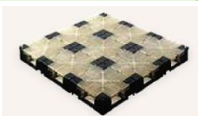
3 Conservation of Water Resources

- Water-saving equipment (water-saving toilets, water-saving faucets)



4 Resource Saving

- Use of recycled materials (wood decks made of recycled wood, carpets made of recycled materials)



5 Attention to Health

- Reducing harmful substances (using building materials emitting less VOCs)
- Rooftop gardening for psychological healing and the cleanup of air (absorbing dust)



For more measures taken in each property, please refer [API's website](#).

Consideration to Urban Greening and Biodiversity

In management of API's owned properties, we respect biodiversity through efforts toward conservation of and improvement in ecosystem in urban greening and natural area in the premises or neighborhood. API does not invest in new development project, though carefully considers biodiversity and efforts include acquisition of ABINC certification related biodiversity.

On the rooftop named the "Forest of Omohara", a nature-friendly environment with water mountain for birds has been created. A large-sized rooftop garden with tall trees, such as zelkova and Katsura trees, in the center of Omotesando and Harajuku areas, is registered as a "Birdpia" (a word coined by combining bird and utopia) by the Japanese Society for Preservation of Birds. As part of a "green network" consisting of Meiji Jingu shrine and zelkova trees near the property, the Forest of Omohara links the urban area with a natural environment that is home to many birds and other living creatures.

<Features of Forest of Omohara>



The Forest of Omohara is a resting place where anyone can relax, enjoying the changing seasons.



More than 30 medium-tall and tall trees are planted, including zelkova and Katsura trees, which are also growing along the Omotesando street nearby.



There are six birdhouses in the forest, of which two were hand-created by pupils of an elementary school nearby.

Resource recycling programs

In Tokyu Plaza Omotesando Harajuku, we collect and compost raw garbage generated in the restaurants in the properties. Manure is utilized to grow strawberries in the rooftop garden. Visitors can enjoy menus prepared with the strawberries.

We participate also in a project “Pool Project Tokyo” which collects and recycle plastic materials in retail facilities in Tokyo and verifies recycle system for packaging waste from clothing and apparel shops.



DECKS Tokyo Beach

The property cooperated in “Make Tokyo ODAIBA Beach Swimmable, Restart! ORAOBA PLAGE 2022” hosted by the Minato ward office.

These initiatives were introduced including underwater screens and water-quality forecasting system for the beach in Odaiba prior to the sea bathing event “ODAIBA PLAGE” to be resumed in the summer of 2022.



Environmental impact reducing works

In accordance with the medium- to long-term asset management plan, in every fiscal period, API undergoes engineering works to reduce environmental impacts such as installation of LED lightings and energy-saving air-conditioners. Not only common areas, but tenant spaces also get renovated occasionally in the event of the tenant replacements.

<Examples of engineering works to reduce environmental impact>

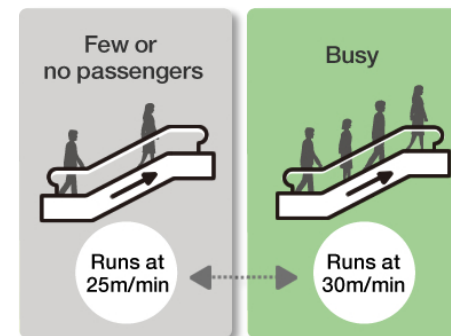
Commercial Mall Hakata

New air conditioners introduced in common areas and backyard are conform to the Premium Standard of the Ministry of the Environment and 37% CO2 emissions were reduced.



A-FLAG SHIBUYA

New elevators capable to control speed depending on the number of users reduced 20% electricity consumption due to inverter controlled by microcontroller.



Environmental Performance

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Energy consumption per year (Note 2)	Actual (MWh)	86,660	102,039	104,804	112,120	116,744	48,774 (107,339)	34,943 (101,800)
	Intensity (MWh/m ²)	0.23	0.25	0.22	0.22	0.21	0.29 (0.20)	0.21 (0.19)
Renewable energy generation per year (MWh)		0.05	0.03	0.03	0.04	0.02	0.14	0.1
CO2 emissions per year (Note 3)	Actual (total) (t-CO2)	34,197	37,285	40,910	46,172	45,347	40,683	42,274
	Scope 1 (direct emission)	-	-	-	-	-	1,465	2,612
	Scope 2 (indirect emission)	-	-	-	-	-	18,037	13,464
	Scope 3 (emission from tenants)	-	-	-	-	-	21,181	26,198
	Intensity (total/Scope 1&2) (t-CO2/m ²)	0.093	0.090	0.087	0.089	0.083	0.116 (0.07)	0.091 (0.08)
Water consumption per year	Actual (m ³)	526,515	533,757	591,392	675,847	701,847	443,885	414,775
	Intensity (m ³ /m ²)	1.42	1.29	1.25	1.30	1.29	0.82	0.75
Recycled water (Grey water and Drainage) (m ³)		-	3,492	6,667	18,992	30,768	15,549	13,292
Waste generation per year (t) (Note 4)		2,824	3,209	3,665	4,262	4,367	2,899	2,558
Third-party assurance statement		-	-	-	-	-	-	-

(Note 1) Principally the figures shown above are the cumulative amounts of the entire portfolio (excluding those in which API owns only land) during each fiscal year. (Number of properties: FY2015 : 30, FY2016 : 37, FY2017 : 40, FY2018 : 42, FY2019 : 43, FY2020 : 41, FY2021 : 45)

(Note 2) The figures shown are total amount of consumption fuel (gas, heavy oil, etc.), electricity and district heating / cooling of the properties.

From FY2020, the actual amounts cover the area of the properties for which API has operational control of energy consumption. Figures in parentheses include emissions by tenants, same as the previous fiscal years.

(Note 3) The factor and the method applied to the calculation are in accordance with "GHG Emissions Accounting, Reporting and Disclosure System" of the Ministry of the Environment. Figures reported as Scope 3 fall under category 13 and are limited to the data

which was able to be collected from tenants.

Figures for intensity from FY2015 to FY2019 as well as those in parenthesis from FY2020 are calculated based on the total area of the properties with reference to the occupancy. Figures from FY2020 are total of the intensity for Scope 1 and

(Note 4) Excludes waste directly generated by tenants. Figure for FY2016 excludes properties of which data were not available (Figure represents 91.5% of the entire portfolio).

Green Certifications

API works to improve the ratio of the green-certified properties in belief that an environmental-friendly portfolio will lead to enhancement of unitholder value in the medium to long term.

<Overview of green certifications>

CASBEE

CASBEE (Comprehensive Assessment System for Built Environmental Efficiency) is an evaluation system that ranks buildings and structures in terms of their environmental performance. In addition to each building's ability to reduce its environmental impact across a variety of areas including energy and resource conservation as well as recycling, this system comprehensively evaluates the environmental performance of each building and structure including its aesthetic appeal. The evaluation result is represented in 5 ranks (from one "★" to five stars "★★★★★").

BELS

BELS assessment is provided under a public evaluation system, which evaluates the energy conservation performance of houses and buildings, established in April 2014 by the Ministry of Land, Infrastructure, Transport and Tourism. Third parties evaluate the performance of buildings based on the primary energy consumption defined in energy saving act, regardless of whether a building is new or not, and the evaluation result is represented by a number of stars (from one "★" to five stars "★★★★★").

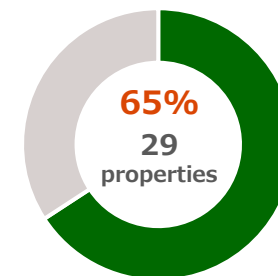
Tokyo Low-Carbon Small and Medium-sized Model Building

Tokyo Low-Carbon Small and Medium-Sized Model Building is a building ranked A1 or higher level by the Tokyo Metropolitan Government, evaluating CO2 emission intensity with the self-assessment indicator (CO2 emission benchmark) established by the government in 2012 with an aim to promote a real estate market in which low-carbon buildings with fewer emissions of CO2 have higher value.

DBJ Green Building

DBJ Green Building Certification, offered by Development Bank of Japan Inc. (DBJ), is a comprehensive evaluation system which includes not only an environmental perspective but also a social one (owner response to social needs of the diverse stakeholders of the properties), DBJ identifies and certifies "Green Buildings", which are essential in today's real estate market.

Green-certified assets



(GFA basis, as of May 31, 2022)

DBJ Green Building	
Shiodome Building	★★★★★

Tokyo Low-Carbon Small and Medium-Sized Model Building	
Luogo Shiodome (Note)	A1

BELS	
Tokyu Plaza Omotesando Harajuku	★★★★★
icot Nakamozu (Konan bldg.)	★★★★★
Commercial Mall Hakata	★★★★★
Kyoto Karasuma Parking Building	★★★★★
A-PLACE Ebisu Higashi	★★★
A-PLACE Shibuya Konnoh	★★★
Q plaza EBISU	★★
Q plaza HARAJUKU (Bldg.A / Bldg.B)	★★
A-PLACE Yoyogi	★★
A-PLACE Ikebukuro	★★
A-PLACE Gotanda	★★
OSAKI WIZTOWER	★★
Umeda Gate Tower	★★
A-PLACE Shinagawa	★
icot Nakamozu (Bank bldg.)	★

CASBEE		CASBEE	
Tokyu Plaza Omotesando Harajuku	★★★★★	Q plaza EBISU	★★★★
A-FLAG BIJUTSUKAN DORI	★★★★★	A-FLAG SHIBUYA	★★★★
A-FLAG DAIKANYAMA WEST	★★★★★	Q plaza SHINSAIBASHI	★★★★
A-PLACE Ebisu Minami	★★★★★	TLC Ebisu Building	★★★★
A-PLACE Yoyogi	★★★★★	Luogo Shiodome (Note)	★★★★
A-PLACE Aoyama	★★★★★	A-PLACE Ikebukuro	★★★★
OSAKI WIZTOWER	★★★★★	A-PLACE Gotanda	★★★★
A-PLACE Shinagawa Higashi	★★★★★	A-PLACE Shinagawa	★★★★
icot Mizonokuchi	★★★★★	A-PLACE Ebisu Higashi	★★★★
Osaka Nakanoshima Building	★★★★★	A-PLACE Shibuya Konnoh	★★★★
Market Square Sagami-hara	★★★★★	Ebisu Prime Square	★★★★
Umeda Gate Tower	★★★★★	icot Nakamozu	★★★★
		A-PLACE Kanayama	★★★★

(Note) Luogo Shiodome is planned to be disposed of in three stages: 20% co-ownership interests on November 30, 2022, 29% co-ownership interests on May 31, 2023, and the remaining 51% co-ownership interests on June 1, 2023, respectively.

Initiatives with Suppliers and Tenants

TFHD Group’s Sustainable Procurement Policy

As a member of TFHD Group, TRM shares the Group’s Sustainable Procurement Policy published on January 31, 2020 and works on challenges to environmental crisis such as climate change. Our objective is to work on this goal, together with all the stakeholders including our suppliers.

TFHD Group’s Sustainable Procurement Policy

1) Legal compliance	1)-1 Total compliance with relevant laws and regulations	4)Ensuring proper business ethics	4)-1 Preventing corruption 4)-2 Preventing contact with organized crime 4)-3 Ensuring fair trade practices 4)-4 Appropriate response to conflicts of interest 4)-5 Responsible political involvement 4)-6 Protection of intellectual property rights 4)-7 Maintaining confidential information and disclosure 4)-8 Compliance hotline and whistleblower protection
2) Respect for human rights	2)-1 Compliance with and respect for international human rights and labor standards 2)-2 No tolerance of discrimination 2)-3 No tolerance of harassment 2)-4 Respect for local residents 2)-5 Respect for minority rights	5)Environmental measures	5)-1 Combatting climate change 5)-2 Biodiversity protection 5)-3 Protection of pollution 5)-4 Effective use of resources 5)-5 Proper water use 5)-6 Ensure appropriate use of forest resources
3) Ensuring a work environment based on safety, health and well-being	3)-1 Freedom of association, collective bargaining rights 3)-2 No tolerance of forced labor 3)-3 No tolerance of child labor 3)-4 Fair wages 3)-5 Elimination of excessive working hours 3)-6 Workplace health and safety measures 3)-7 Emergency preparedness 3)-8 Prevention of occupational accidents and illness 3)-9 Industrial Hygiene measures 3)-10 Measures for physically demanding work 3)-11 Proper sanitary facilities, meals and housing 3)-12 Protection of foreign and migrant worker rights	6)Improving service and quality	6)-1 Ensuring safety 6)-2 Quality control and quality assurance systems 6)-3 Proper information disclosure for products and services
		7)Proper information management	7)-1 Proper information management
		8)Business Continuity Planning	8)-1 Business Continuity Planning
		9)Contributing to local communities	9)-1 Contributing to local communities
		10)Extension of the Sustainable Procurement Policy	10)-1 Extension to business partners 10)-2 Cooperation for monitoring

Environment Management System

Green Procurement Standards

In line with the Group's Procurement Policy, TRM established the Green Procurement Standards to translate the policy into practical measures. This standard broadly states to suppliers that environment-friendly procurement is to be carried out, and together with them, TRM works to promote more sophisticated efforts based on the Policy. The scope of application of this standard includes direct or indirect transactions related to products, services, raw materials, and design/construction procured by TRM and API.

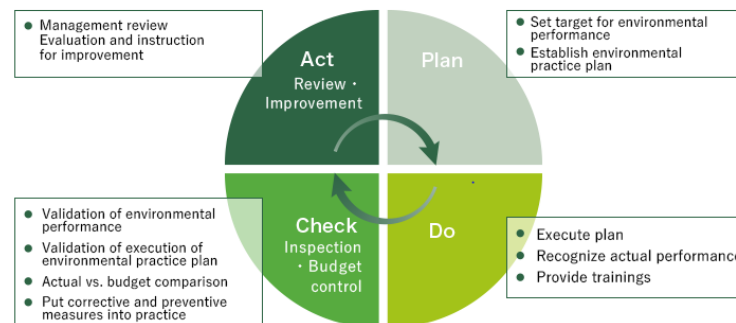
Green lease agreement

API and its tenants have concluded agreements which includes the green clause and share the importance of preservation and improvement of the comfort and productivity of tenants and properties. The green clause states that they should share information and work together for green certification acquisition, environmental target setting, response to environmental regulations, etc.

API and one of its tenants have signed the memorandum of understanding on a green lease linked to refurbishment works. It stipulates that when the tenant enjoys profit from energy-saving effect of the refurbished equipment the property owner invested in, the tenant shall return a reward to the owner.

In January 2022, we have set a target of 100% green lease included in the new lease agreements. We keep making effort to reduce environmental impact in cooperation with tenants such as information sharing.

TRM established a unique environment management system (EMS) which applies PDCA cycle to continuously approach to environmental challenges. We are working to continuously reduce environmental impacts in the management operation for API, through the cycle of four steps; set targets (P), assess performance (D), analyze budget vs. actual (C), and implement countermeasures for a better performance (A). The Asset Management Department of Activia Management Division reviews actual performances in its monthly meeting and reports the results to the management once a year, then receives feedbacks and instructions for further improvement for the following year, from the management.



Acquisition of ISO14001

In April 2022, API acquired ISO14001 for its EMS in real estate investment management and management of portfolio properties.



<Overview of certification>

Applicable standard: ISO14001:2015, JIS Q 14001:2015

Certification scope: Real-estate investment management and management of portfolio properties

Certification institution: EQA

Registration No: EA220076

Sustainable Finance

Green bond

To build a portfolio with a stable and sustainable demand from our customers, we believe that in addition to the location, use, scale, and quality of properties, reducing our environmental footprint and contributing to the surrounding communities and environment are important.

API aims to further promote its sustainability initiatives through issuance of green bonds and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment.

In January 2022, API has set a target of 100% of new issuances of investment corporation bond to be green bonds*. We will also consider diversification of sustainable finance methods to support initiatives in debt finance.

* On the condition of issuance based on the current framework

Green bond framework

Use of proceeds

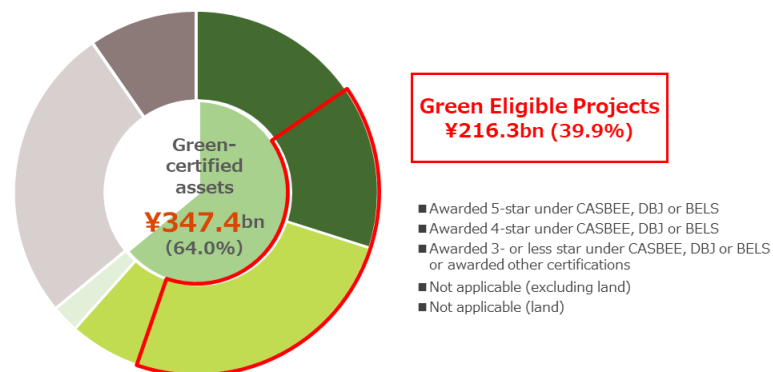
The proceeds from the green bonds will be allocated to funds for (i) acquisition of the Eligible Green Projects which are existing or new buildings fulfilling the item A of the Eligibility Criteria defined below, or (ii) refurbishments fulfilling the item B of the Eligibility Criteria, or (iii) refinancing the existing loans/investment corporation bonds which have been allocated to funds to acquire Eligible Green Projects or refurbishments.

Eligibility criteria

The proceeds of the green bonds will be allocated to the projects that conform to one or more of the following criteria.

A. Eligible Green projects

Buildings that have achieved the top two levels of one or more of the third-party green building certifications/recertifications listed below within 36 months prior to the payment date of green bonds or are expected to achieve: Certification for CASBEE for Real Estate (A or S rank), DBJ Green Building (4 or 5 stars), BELS (4 or 5 stars)



(Note) Based on the book value at the end of Period ended May 2022 (47 properties)

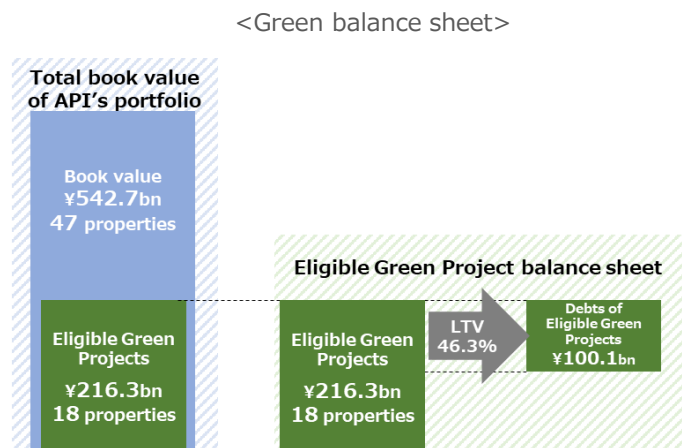
B. Refurbishments

Refurbishments with a primary purpose of achieving one of the targets listed below and are completed within 36 months prior to the payment date of green bonds or are expected to be completed:

- 1 Refurbishments with more than 10% reduction in CO2 emissions or energy consumption
- 2 Refurbishments with more than 10% reduction in water consumption
- 3 New achievement of the top two levels of one or more of the green building certifications listed in the item A or one or more levels of star/rank improvement in such certifications

Management of proceeds

API calculates the amount of debts of Eligible Green Projects by multiplying the calculable total book value of the Eligible Green Projects* at end of the financial period immediately preceding each date of bond issuance by its LTV (Loan to Value / interest-bearing debt to total assets) ratio. API will then monitor to ensure that the total amount of unredeemed green bonds does not exceed the amount of debts of Eligible Green Projects.



*"Eligible Green Projects as at the end of the financial period immediately preceding each date of bond issuance" refer to the properties having achieved the top two levels of one or more of the third-party green building certifications/recertifications within 36 months prior to the end of the financial period immediately preceding each date of bond issuance.

Reporting

As far as there is unallocated amount of funds, API will disclose on its website the list of financed/refinanced Eligible Green Projects and refurbishments, allocation status including the amount of unallocated proceeds, allocation schedule and managing method of net proceeds of green bonds at end of May each year. API also disclose that the amount of unredeemed green bonds does not exceed the amount of debts of the Green Eligible Projects. After the issuance, as long as there is an unredeemed balance of the green bonds, API will disclose the amount of total book value of the Eligible Green Projects and the amount of debts of Green Eligible Projects, as well as amount of unredeemed green bonds at end of May each year.

Impact reporting

If there is unredeemed balance of green bonds, API will annually disclose the summary, progress and levels of certifications of the Eligible Green Projects. Additionally, API will annually provide the following indicators of the Eligible Green Projects where API has control over energy usage: Energy consumption, CO2 emissions, water consumption, and waste generation.

<Impact reporting>

	Energy consumption per year (MWh)(Note 2)	CO2 emissions per year (t-CO2) (Note 3)			Water consumption per year (m3)	Waste generation per year (t)
		Actual	Scope 1 (Direct emission)	Scope 2 (Indirect emission)		
FY2018	52,171	22,614	-	-	271,021	1,994
FY2019	44,669	18,125	-	-	247,458	2,056
FY2020	26,585 (60,318)	22,963	58	11,077	226,405	1,913

- (Note 1) Principally the figures shown above are relevant to the amounts of consumption, emissions or generation from the Eligible Green Assets (qualified as of the end of May of the following year) based on the cumulative amounts for a fiscal year from April to March of the entire portfolio excluding lands.
- (Note 2) Total amount of consumption fuel (gas, heavy oil, etc.), electricity and district heating / cooling of the properties. For FY2020, the amount covers the area of the properties for which API has operational control of energy management. Figure in parentheses includes emissions by tenants, same as the previous fiscal years.
- (Note 3) The factor and the method applied to the calculation conform to "GHG Emissions Accounting, Reporting and Disclosure System" of the Ministry of the Environment. For FY2020, figure reported for Scope 3 falls under category 13 and is limited to the data which was able to be collected from tenants.



<Green bond summary>

	Total issued amount (¥ mn)	Interest rate	Issuance date	Redemption date	Description
The 10th unsecured investment corporation bonds (green bonds)	5,000	0.220%	2019/7/9	2024/7/9	Unsecured, non-guaranteed
The 11th unsecured investment corporation bonds (green bonds)	4,000	0.530%	2019/11/18	2029/11/16	Unsecured, non-guaranteed
The 12th unsecured investment corporation bonds (green bonds)	4,500	0.510%	2020/10/21	2030/10/21	Unsecured, non-guaranteed
The 14th unsecured investment corporation bonds (green bonds)	3,900	0.400%	2021/11/16	2031/11/14	Unsecured, non-guaranteed
Total	17,400	-	-	-	-

Social

Our view on Society

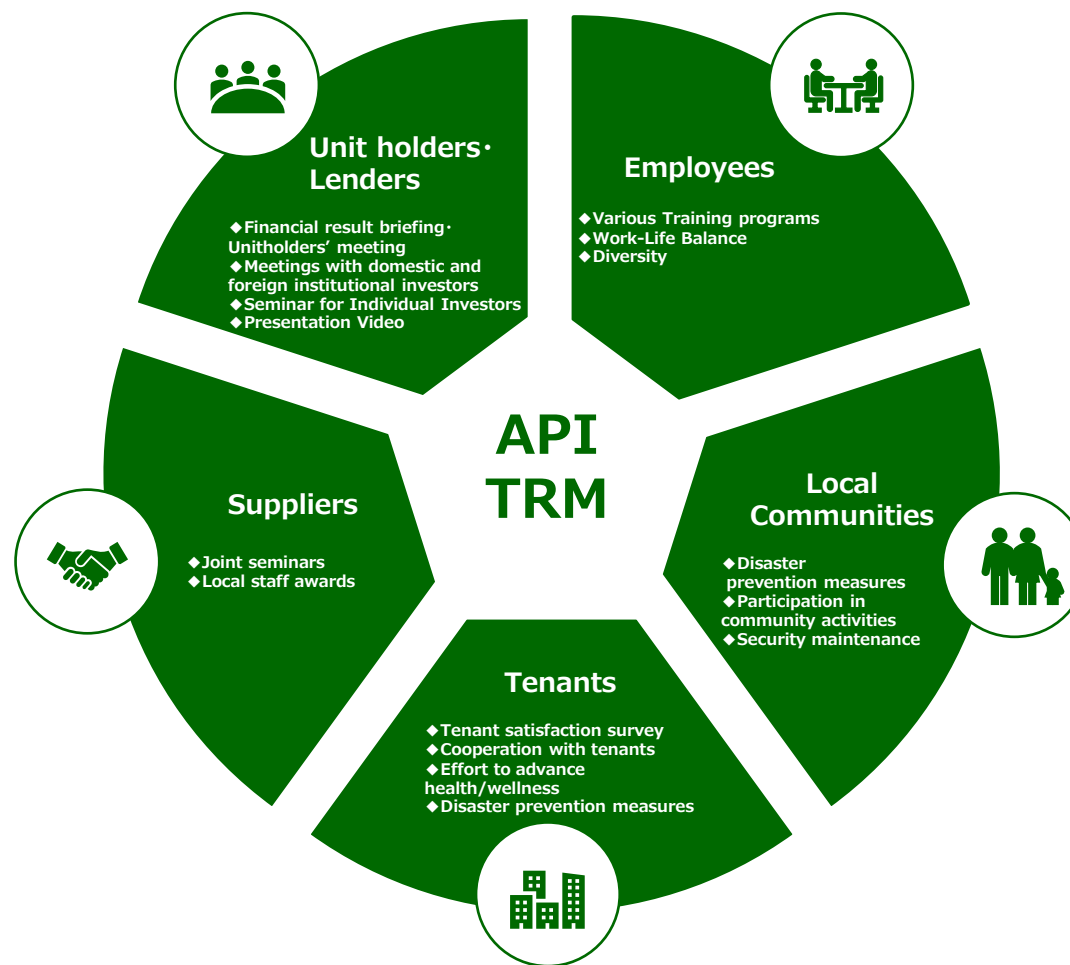
We believe that engagements with all our stakeholders including unitholders, employees, local communities, tenants, and suppliers are essential for API and TRM to continue businesses. Fostering a good relationship with them in the medium to long term is one of the significant elements to maximize the unitholder value of API. Believing real estate as social instrument, which connect people living in the city with other people, we are on a mission to continue our business in compliance with social responsibility.

Materiality (S : Social)		Human capital development as a group of professionals
Policy		<ul style="list-style-type: none"> Promote human resource strategy that indicates the requirements of desirable resources and facilitate development Commitment to health and well-being of each employee Deployment of measures based on TFHD's KPIs (work-style reform, promotion of diversity)
Status/Examples		<ul style="list-style-type: none"> Disclosure of key employee data to present our human resources strategy and status of efforts on employee health and well-being (ratio of female employees, number of female directors and managers, turnover ratio, stress check participation ratio, etc.) Support acquisition of business knowledge, skills, qualifications, and implement various trainings Promote career development through periodic performance evaluation/feedback Periodic Health Committee Introduction of various support systems leveraging on Tokyu Group membership, etc.
Contribution to local communities		
Policy		<ul style="list-style-type: none"> Enhance disaster prevention functions Prompt recovery of assets under management following occurrence of a disaster Educational activities on fire and disaster prevention and disaster response Enhanced cooperation with local community
Status/Examples		<ul style="list-style-type: none"> Publication of capital expenditure/emergency reserves from disaster prevention perspective Improvement of seismic performance, installation of emergency generator, and establishment of BCP Cooperation for disaster prevention, disaster response and infectious disease prevention Sponsorship/participation/cooperation with local events
Health and well-being of tenants		
Policy		<ul style="list-style-type: none"> Improve tenant satisfaction
Status/Examples		<ul style="list-style-type: none"> Extract issues and make improvements based on tenant satisfaction survey
Supplier Engagement		
Policy		<ul style="list-style-type: none"> Aim at smooth property management by utilizing expert know-how of Tokyu Land Corporation, Tokyu Community, Tokyu Land SC Management, and the support agreement counterparty Tokyu Fudosan Holdings Group companies Share information and actively work on environmentally friendly procurement with PM/BM companies
Status/Examples		<ul style="list-style-type: none"> Build/promote collaborative structure through periodic monitoring Conduct training on environment, etc. Promote collaboration with all stakeholders through "Green Procurement Standards"
Relevant SDG targets		 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries  12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature



Stakeholder Engagement

In the pursuit of API's and TRM's businesses, our relationships with investors and various other stakeholders, including employees, local communities, tenants, and suppliers such as property managers ("PM"), building managers ("BM"), engineering report issuers, and real-estate appraisers are absolutely vital. We also recognize that building favorable relations with these stakeholders in the medium-to long-term is an essential factor in our aim of maximizing unitholder value, which is CRR's priority. We will continue to pursue our business as a member of society and work to further strengthen our relationships of trust with all stakeholders involved with CRR's and TRM's activities.



Employee Engagement

API, as a J-REIT, cannot have employees as stipulated under the Act on Investment Trusts and Investment Corporation of Japan. Therefore, the figures and descriptions provided herein refer to those of TRM, the asset manager. As a group of experts in real estate management, TRM provides high-quality asset management services with objective to maximize the value of its shareholders, and to that ends, we promote our own human-capital strategy in view of the importance of human capital development. TRM is making continuous effort to have various systems to form a working environment and organization enabling to realize and promote the health and comfort of employees.

Human capital development & retention

Employee skill development

TRM provides a wide variety of training systems and offers self-learning menu for the company's better investment management. Those training systems are not only for permanent employees but also for contract employees.

Training program examples

Position-based trainings:

Examples include orientation training for mid-career hires on wide range of knowledge on asset management business and understanding of regulatory compliance; management training for senior management and medium level employees; business skills training and anti-harassment seminar for all employees

ESG training:

As part of awareness program on ESG investment, we invite external experts to provide employees with periodic training for their deeper understanding of ESG and introduction to new trends.

Courses to improve computer skill, English conversation and other lessons are also provided.

Recruitment website

In December 2021, TRM launched in the company's website a career page to attract candidates by broadly presenting the company's businesses, features, and culture, etc. The contents include interviews with current employees, round-table talk, career paths possible to take in the company.



Support for acquiring business related qualifications

We support acquisition of necessary qualifications by employees in various measures including financial aid for examination fees and class fees. We also hand in monetary reward once employees pass specified examinations.

<Status of employees' qualifications>

Qualification	Nb. of employees (as of June 2022)	Use of qualification support system (FY2021)
Real Estate Broker	90	9
ARES* Certified Master	67	23
Certified Building Administrator	18	0
Certified Property Manager	14	4
Chartered Member of the Securities Analysts Association of Japan	2	0
Real Estate Consulting Master	3	0
Real Estate Appraiser	7	0
First-class Architect	7	1

*Association for Real Estate Securitization

For Work-life Balance & Health of Employees

Personal system

We have regular communication opportunities with employees including one-on-one session with the direct supervisor and review staff's performance based on the objective of career development set by each. We encourage each staff to have their own career plan and to acquire skills that are competent inside and outside of the company. ESG-related efforts and relevant items are included in the annual target to set.

Human resource exchange

TRM receives staff seconded from the Sponsor or group companies and dispatches its employees to the Sponsor to provide its employees with varied professional experiences. Based upon the fact that the number of employees of TRM had increased to a certain size, partly because of the merger happened in 2017, we decided to conduct shuffling of employees among different divisions in order to raise career development of our employees. Meanwhile when conducting such occupational relocation, we pay close attention to the information firewall between the different business divisions.

Exchange with university students

API and TRM participated in 2019 in the IR presentation competition organized by USIC, a university students' investment union and provided them with an opportunity to learn. The Sponsor organizes intern programs and creates opportunities to communicate with students. TRM is not hiring new graduates, though those from the Sponsor are seconded to TRM. Through such efforts, we will continue to work to retain talented employees and activate our organization.



Working-style reform

Recently, under the working-style reform trend including rectifying the practice of working long hours, TRM actively takes approaches to introduce more flexible working style of employees with objective to improve their work-life balance.

“New working style” project

A team of employees voluntary launched in October 2021 a new project aiming to design how to work effectively with three key words: “office and digital environment”, “communication”, and “in-company systems”, and is working to create a company where they can achieve more their best performances and professionally grow further. Proposals are made to the company, and as a result of accepting one of them, online suggestion box has been set up.

Paid-leave usage encouragement

Every year, employees are required to set up so-called “commitment holidays”, a seven-day paid leave (five days in a row + two days immediately before or after that week) and to share such committed calendar within the teams they belong to. TRM is also creating business environment for the employees to digest their allocated paid leaves, by proactively setting up recommended days to use paid leaves.

Flex-time work system

We have introduced a flex time working system for all employees. Core time is set between 11:00 and 15:00, and employees are free to set start and finish of their work hours around the core time to support more flexible working style considering the wide variety of living environment of each individual.

Work-from-home system

The Covid-19 outbreak pulled the need for introduction of work-from-home, and we are working to improve productivity with reducing commuting time to workplace. Use of serviced office space is also allowed under preset rules.

Effort to reduce overtime

In order to prevent excessive long working hours, TRM is taking necessary measures. The employees are required to set an upper limit of overtime working hours at the beginning of the fiscal year, and such objectives are regularly monitored and reminded. In certain cases, we intentionally raise them as a meeting agenda if the working hours are excessively long.

Welfare Programs

TRM values its employees, their well-beings, and healthy performance in work, and provides staff with various welfare programs to improve their satisfaction.

Cafeteria plan

To support self-support and independence of permanent employees, we provide them with financial aid for medical fees, subsidies for use of sports facilities, studying, volunteer activities, employee shareholding program, and use of the facilities Tokyu group companies operate.

Welfare programs

-Various systems are in place to provide support for employees at each stage of life, such as maternity leaves, childcare leaves, child medical leave, nursing-care leave.

-We support asset formation by permanent employees, by inviting external financial planners to offer introductory sessions on topics including defined contribution pension matching program which TRM offers and the insurance system by the Tokyu group.

-We increased the number of available facilities to enable more employees to use the popular exclusive resort membership "Tokyu Harvest Club."

Cumulative unit investment program

We provide employees with an opportunity to invest in the investment units of API and Comforia Residential REIT as well as the share of TFHD. We support to build their personal assets through offering financial incentives and encourage them to raise their consciousness of those management performance. The program should also lead to the continual growth of API and enhancement of API's unitholder value.

Internal communication

TRM periodically organizes employee satisfaction surveys and explanatory sessions on the corporate annual objective and medium- to long-term vision, for a more profound understanding between the company and employees, expecting to develop the productivity of our organization where employees can deliver their best performance.

Employee study groups

Younger employees have led voluntary organization of cross-divisional study groups to share information on businesses unique to each division, and on necessary knowledge/skills.

Support for company circle activities

Financial support is provided to employees for company club activities.

Luncheon

To enhance communication among employees, regular luncheons by groups of a small number of staff have been organized.



Employee Health & Comfort

TRM is making effort to maintain the workplace healthy and comfortable, encouraging employees to show the best performance.

Working environment

Workplace of TRM is in Shibuya, an exciting and innovative city where the areas people live and play are closely connected.

Employees can take beverages for free and use individual spaces, and a space for refreshment is created with green on the terrace of the building where TRM is located, Shibuya SOLASTA. The building earned the CASBEE Wellness Office, a recognition of the building's ability to promote health and comfort of people work in the building.



Healthcare

Employees are obliged to take annual medical checkups. There is also a mental health consultation desk.

Health Committee

Health Committee is established to improve employees' occupational health. The Committee examines labor-related problems occurred in the company, reports the results of investigation on comfort and safety in the workspace, and takes measures to increase awareness for mental and physical health by poster, etc. Lectures by industrial physicians on related themes are held.

One-on-one session with HR

Once a year, employees have one-on-one session with HR department, where they can discuss and share their career development plan and explain their troubles and expectations related to the relationship with supervisors and colleagues.

Employee satisfaction survey

Every year, TRM conducts an employee satisfaction survey with a third-party partner. Based upon the results of the survey, we are taking variety of means to improve employee satisfaction level.

	FY2020	FY2021
Employee engagement level*	60.8	62.8
Nb. of responses / Nb. of eligible employees	96/98	100/100
Participation rate	98%	100%

*Quantifies the attachment and trust between employees and the company

Diversity

TFHD Group accepts the difference in a variety of attributes such as gender, age, nationality and handicap and brings about innovation by showing individual ability to the maximum and continues to create value through its business activities. TRM is working to make a workplace without any discriminatory treatment and compensation due to different attributes, where all employees can rely on.

Human Right Policy

TRM shares the Human Right Policy published in January 2020 by TFHD Group and carries out its business in belief that respect the human rights of stakeholders of the group including employees is essential and it is what all companies are expected to do.

TFHD Group’s Human Rights Policy

TFHD Group solves social issues through our business activities and works with stakeholders to realize a sustainable society and growth. The Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations.

1. Adherence to International Human Rights Standards: The Group upholds and respects human rights as outlined in the International Bill of Human Rights (Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the ILO Declaration on Fundamental Principles and Rights at Work. It promotes responsible management according to the UN Guiding Principles on Business and Human Rights, as well as the principles of the UN Global Compact. Whenever there is a conflict between internationally recognized human rights standards and the laws of a country in which it operates, the Group seeks ways to uphold global human rights principles.
2. Importance of this Policy: The Group states “Respect human rights” in its Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. In addition to respecting basic human rights in compliance with the local laws and regulations implemented in the regions where it has bases, it takes steps to prevent discriminatory behavior and speech, sexual harassment and power abuse while making efforts to respect the diverse values, individually, and privacy of individuals. The Tokyu Fudosan Holdings Group Human Rights Policy (the “Policy”) serves as a detailed explanation concerning the requirement to respect human rights in the Group Code of Conduct.
3. Scope: This Policy applies to all Group officers and employees, and the necessary education and training is provided. The operating officer in charge of human resources is responsible for the application of this Policy. Business partners of the Group are expected to support this Policy and to work with the Group to protect human rights.
4. Human Rights Due Diligence and Remedies: The Group carries out human rights due diligence to identify any actual or potential impacts that business activities may have on human rights, and the Group then prevents or mitigates the. Whenever it is discovered that the Group’s activities have caused or contributed to adverse impacts on human rights, the Group will work to remedy the situation. The Group will make efforts to rectify any business or service that may be linked to adverse impacts on human rights through the actions of business partners or other relevant parties. A mechanism will also be established that allows internal and external stakeholders to report and consult on Group activities that may affect human rights.
5. Stakeholder Dialogue: As the Group’s wide-ranging business areas, including real estate, largely affect communities and society, it is essential to work closely with a variety of stakeholders. With this in mind, the Group engages in dialogue with its stakeholders, including employees, local communities, business partners, and customers. It also shares the progress of its efforts on its website and in its integrated reports.
6. Priority Human Rights Issues: In order to avoid any infringement of human rights as a result of business activities, the Group will maintain a close dialogue with stakeholders and external experts concerning social and environmental changes and its business direction, and it will identify priority human rights issues as they arise.

UN Global Compact

Respecting basic labor rights and aiming at coexistence and co-prosperity with employees, TFHD Group supports and respects the OECD Guidelines for Multinational Enterprises, international labor standards and Guiding Principles on Business and Human Rights. In December 2016, the Group stated its support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to a sustainable society. TFHD’s support for UN Global Compact shall apply to all group companies including TRM.

The 10 Principles of the UN Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour: Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

Fundamental rights in hiring and employment of TFHD Group

TFHD Group will respect the following matters as a set of fundamental rights in hiring and employment in order to achieve co-existence and co-prosperity with employees.

- 1.Prohibition of discrimination: We will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment.
- 2.Prohibition of harassment: We will never engage in sexual harassment, power harassment, or any other form of harassment toward people in the workplace. We will also never tolerate language or actions related to harassment.
- 3.Prevention of forced labor: We will strive to eliminate and prevent all forms of forced labor.
- 4.Curtailment of overwork and reduction of overtime: We will establish a fundamental policy on work management to curtail overwork and reduce overtime work giving consideration to employees’ work-life balance and their health maintenance/improvement. In Japan, we will comply with the “Article 36 Agreement.”
- 5.Prevention of child labor: We will support and practice the effective abolishment of child labor.
- 6.Respect for freedom of association and the right to collective bargaining: In recognizing that the freedom of association and the right to collective bargaining are fundamental human rights that must be respected by a company, in countries and regions where the formation of labor unions is allowed, we fully recognize employees’ right to organize, right to collective bargaining and right to strike in labor agreements. In addition, even in countries and regions that do not allow the formation of labor unions due to laws or practice, we will effectively promote conflict resolution through dialogue involving management and labor with the purpose of securing the freedom of association and the right to collective bargaining.
- 7.Payment of wages above and beyond the minimum wage: We will comply with labor laws and regulations and adopt a fundamental policy on labor management in which we will pay wages to employees above and beyond the minimum wage for acceptable living conditions.

Key Employee Data

	Apr. 30, 2020	Apr. 30, 2021	Apr. 30, 2022
Number of employees*1	97	106	103
Male	55	59	60
Female	42	47	43
Of which permanent staff	47	53	56
Male	25	30	32
Female	22	23	24
Of which contract staff	12	14	13
Male	1	1	1
Female	11	13	12
Of which temporary staff	7	8	9
Male	1	2	3
Female	6	6	6
Of which seconded from TLC	38	39	34
Male	29	28	27
Female	9	11	7
Number of Directors*2	4	4	4
Male	3	4	2
Female	1	0	2
Number of senior management	29	31	32
Male	26	26	27
Female	3	5	5
Number of employees aged 60 or more	1	3	2
Male	1	3	2
Female	0	0	0
New hire	8	6	6
Male	5	5	5
Female	3	1	1
Turn over*3	1	0	5
Male	1	0	3
Female	0	0	2
Avg. aggregated years of service*4	3.9 yrs	4.4 yrs	4.8 yrs
Male	3.4 yrs	3.6 yrs	4.0 yrs
Female	4.4 yrs	5.5 yrs	5.9 yrs

*1 Permanent staff, contract staff and staff seconded from TLC

*2 Includes contract and temporary staff

*3 Permanent staff

*4 Includes the years working at the asset managers before merger to TRM in July 2017

	FY2019	FY2020	FY2021
Health check participation	96.0%	94.7%	100.0%
Stress check participation	100.0%	98.9%	100.0%
Annual paid leave per capita	11.5 days	9.9 days	11.1 days
Ratio of handicapped employee	1.2%	1.0%	1.0%
Monthly avg. overtime per capita	21.2 hours	19.4 hours	24.0 hours
Work-related injury and death	0	0	0
Absentee rate	0.5%	0.4%	0.3%
Ratio of employees on leave	0.0%	0.0%	1.0%
Childcare leave users	0	3	6
Childcare short working hour /Childcare off-peak commuting users	1	0	5
Nursing-care leave users	0	0	0
Home office utilization rate*1	100.0%	100.0%	100.0%

*1 For FY2019, the rate represents the ratio of employees utilized home office from March to April 2020

*2 Financial year from April of the year to March of the next year

	FY2021
Training hours per capita	26.5 hours
Training expense per capita	¥89,736

*1 Trainings include those for human capital development, personal skill development and essential trainings related to ESG, compliance and risk management.

*2 ESG trainings are mandatory for all employees and participation rate for FY 2020 is 100%.

*3 Financial year from April of the year to March of the next year

Contribution to Local Communities

API and TRM believe that contribution to local communities lead to the improvement in value of the API's owned properties and ultimately by the unitholder value. We make a variety of efforts in the owned properties to enhance communication with the local communities with an expectation that our business operation is to serve an important role for the society.

Measures taken in owned properties

Tokyu Plaza Omotesando Harajuku

In the "Forest of Omohara" at the rooftop terrace of Tokyu Plaza Omotesando Harajuku, we set a water fountain for birds and created an environment comfortable for them and other living creatures.

A variety of experiences are proposed to local communities including an installation of bird houses hand-crafted by kids from a neighborhood elementary school and vegetable harvest experience by a group of kindergarten children.



DECKS Tokyo Beach

We created a playground for kids in the floor for children's wear and products, and installed furniture and green area on the Seaside Deck, offering visitors from inside and outside of Japan a refreshing space.



In Spring 2022, an exhibition of students and graduates' pieces was held in the property in collaboration with Tokyo Design Academy. The event provided a place for students who have lost exhibition opportunities during the pandemic, and also contributed to revitalizing the property.



Shiodome Building

We create a community in the area through participation to the local events. Vacant spaces of the property are offered to the "HAMASITE Summer Festival", a traditional summer event, which is joined by various stakeholders in the area including residents, workers, tenants, PM and BM, etc.



Preparation for disasters

In the owned properties of API, we hold disaster drills to test rapid response under emergency and implement BCP-purposed renovation works.

The properties are equipped with AEDs (Automated External Defibrillator), other emergency supplies, and fixtures.

Further, the premise of Ebisu Prime Square is designated by Shibuya ward one of temporary gathering sites for people living or working in the area in the event of a disaster.



Donation through regional revitalization support tax payment

As part of the effort to the “contribution to local communities” that TRM shares with API as one of its Materiality, it participated a fundraising program to the Hokkaido prefecture utilizing the regional revitalization support tax payment system in 2020 and 2021. We expect that the participation to the program helps to further strengthen relationship with the community, TRM and API.



(Source) Hokkaido pref. website

Tenant Engagement

API believes that its owned properties should always meet tenant preferences to enhance the medium- to long-term value of our unitholders, and therefore tenant satisfaction serves an essential role for that. To that end, we consistently communicate with them to understand their needs and reflect them for our asset management operation.

Satisfaction survey

API makes effort to improve tenant satisfaction by regularly conducting third-party surveys to understand their needs and complaints. In a previous year, the results scored low in terms of cleanliness of the office buildings, and after providing intense training to building keepers and performing renovation work of toilets and kitchenettes, there was a significant satisfaction improvement in the survey held in the following year. Survey has originally targeted office tenants and a part of retail tenants, but the number of retail respondents has recently extended.



Tenant awards / customer service competition

Three times a year, we award a commercial tenant with the best tenant prize to with an aim to encourage operations of all the tenants and to raise employee motivations. Customer service competition and training are also organized with objective to further raise the level of the customer service of tenant company staff and therefore increase customer satisfaction.

Effort to advance health / wellness

We regularly implement renovation works at common area to provide our tenants with comfort working space, which reflects the results of tenant satisfaction survey and discussion with PMs. Our efforts for tenants' health and comfort include renovation of areas catching people's attention such as restrooms, mini kitchens, elevators and escalators, and as preventive measures against COVID-19, installation of antiseptic solution, temperature inspection, anti-virus coating on the walls, etc.

Cooperation with tenants

As part of approaches for cooperation with tenants, we created a sustainability-guidance leaflet and distributed to them. The guidance introduces our initiatives presenting practical examples with a view on environment and health and wellness of working people. API continue to enhance sustainability effort in cooperation with tenants.

Green lease agreement (cf. p.41)

Measures taken in owned properties

Perks for tenant employees working in API's office properties

Various perks are offered to tenant employees such as discount coupon for the Sponsor group's commercial facilities and hotels. It enables tenant companies to enhance employee benefits which represents an opportunity for API to be tenants' first choice.



Supplier Engagement

TRM recognizes the importance of cooperation with its suppliers, as stated in the Sustainability Policy, that it provides initiatives and procurement with consideration to the environment and society, through engagement to suppliers such as property managers. As part of the initiatives, TRM established the Green Procurement Standards and monitors ESG consideration in the operation of its important suppliers including property managers.

ESG trainings toward PMs

We work to foster a culture that ESG initiatives are to be taken by our entire supply chain, not limited to the officer and employees of TRM. To that end, ESG training sessions are organized for PMs. In FY2021, TRM organized also virtual seminars themed ESG trend, Materiality and application of the Green Procurement Standards.



PM awards

This award recognizes the outstanding performance of property management staffs contributing to upward rent revision, lease-up, prevention of lease cancellation and downward rent revision, contracting green lease, implementation of renovation works to reduce environmental impact, etc.

We expect that this award helps to foster a unified partnership between TRM and property managers.

Cooperation through the Green Procurement Standards (cf. p.41)

TRM communicates the principle of the Green Procurement Standards to its direct and indirect suppliers it works with, aiming to further enhance its initiatives on a basis of mutual understanding.

Introducing label-free bottles: 3R (reduce, reuse, recycle) practice based on Green Procurement Standards

Since April 2022, TRM has introduced label-free pet bottles. Label-free bottles serve to reduce use of plastic and simplify the sorting of waste.

We use the label-free bottles when holding meetings and receiving visitors and procure them from suppliers who are committed to work for a sustainable society and environment. We believe that a daily purchase of supplies with a view of sustainability will contribute to support the sustainability.



Initiatives toward Unitholders and Investors

API and TRM view appropriate information disclosure to and proactive dialogue with investors as essential tasks. Based on the policy described above, TRM holds regular meetings with institutional investors in Japan and from abroad (Europe, North America, Asia, etc.). In addition, it is engaged in proactive information disclosure by holding briefings for individual investors, participating in events and online seminars aimed at individual investors, publishing presentation videos of financial result briefings, and more.

For institutional investors

During the pandemic, API and TRM remain proactive to carry out investor relation activities utilizing teleconference and videoconferences. From July 2021 to August, we had 66 dialogues with domestic and foreign investors for the financial results of the fiscal period ended May 2021, and over 110 dialogues from January to April 2022 for the fiscal period ended November 2021. Also, we respect the fair disclosure principle for the foreign investors by preparing the financial result presentation videos in Japanese and English and publishing them at the same time.



For retail investors

We are maintaining opportunities to communicate with individual investors through participation to webinars organized Nikkei and Nihon Securities Journal, etc.



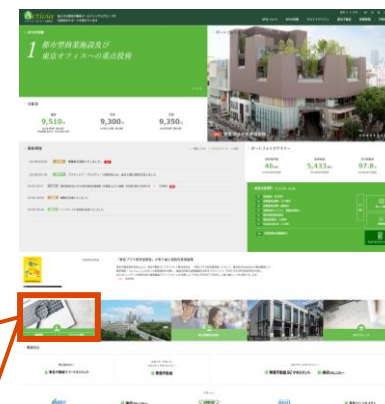
<March 2021, March 2022>
Nikkei J-REIT Infrastructure Fund Forum Web Seminar



<April 2022>
Nihon Securities Journal "J-REIT online seminar"

J-REIT glossary on API's website

Glossaries for J-REITs in general and API-specific vocabularies are posted on our website. (Japanese only)



GRI Index

The latest version of the table is on [API's website](#) as well.

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
GRI 100: Universal Standards				
102: General Disclosures 2016				
1. Organizational Profile				
102-1 Name of the organization				
a Name of the organization	https://www.activia-reit.co.jp/en/about/company.html	Profile	https://www.tokyu-trm.co.jp/en/profile/	Profile
102-2 Activities, brands, products, and services				
a A description of the organization's activities.	https://www.activia-reit.co.jp/en/features/index.html	API Features	https://www.tokyu-trm.co.jp/en/profile/	Profile
Primary brands, products, and services, including	https://www.activia-reit.co.jp/en/features/index.html	API Features	https://www.tokyu-trm.co.jp/en/index.html	Home
b an explanation of any products or services that are banned in certain markets.	https://www.activia-reit.co.jp/en/ir/library.html	Portfolio List	https://www.tokyu-trm.co.jp/en/profile/	Profile
	https://www.activia-reit.co.jp/en/ir/library.html	Asset Management Report		
102-3 Location of headquarters				
a Location of the organization's headquarters.	https://www.activia-reit.co.jp/en/about/company.html	Profile	https://www.tokyu-trm.co.jp/en/profile/	Profile
102-4 Location of operations				
Number of countries where the organization operates, and the names of countries where it	https://www.activia-reit.co.jp/en/about/company.html	Profile	https://www.tokyu-trm.co.jp/en/profile/	Profile
a has significant operations and/or that are relevant to the topics covered in the report.				
102-5 Ownership and legal form				
a Nature of ownership and legal form.	https://www.activia-reit.co.jp/en/about/structure.html	API Structure	https://www.tokyu-trm.co.jp/en/profile/	Profile
102-6 Markets served				
a Markets served, including:	https://www.activia-reit.co.jp/en/about/company.html	Profile	https://www.tokyu-trm.co.jp/en/profile/	Profile
i. geographic locations where products and services are offered;	https://www.activia-reit.co.jp/en/finance/capital.html	Total unitholders' capital	https://www.tokyu-trm.co.jp/en/profile/	Profile
ii. sectors served;	https://www.activia-reit.co.jp/en/about/structure.html	API Structure	https://www.tokyu-trm.co.jp/en/profile/	Profile
iii. types of customers and beneficiaries.	https://www.activia-reit.co.jp/en/finance/capital.html	Capital and Major Investors	https://www.tokyu-trm.co.jp/client/	Customer-first Business Operation Policy (in Japanese)

Disclosure		API		TRM	
		Location or reason for omission		Location or reason for omission	
102-7	<p>Scale of the organization</p> <p>a Scale of the organization, including:</p> <p>i. total number of employees;</p> <p>ii. total number of operations;</p> <p>iii. net sales (for private sector organizations) or net revenues (for public sector organizations);</p> <p>iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;</p> <p>v. quantity of products or services provided.</p>	<p>https://www.activia-reit.co.jp/en/about/structure.html</p> <p>Due to legal restrictions, there are no employees in the investment corporation, and management is entrusted to the asset management company, TLC REIT Management Inc.</p> <p>1(Head Office only)</p> <p>https://www.activia-reit.co.jp/en/ir/highlight.html</p> <p>https://www.activia-reit.co.jp/en/finance/debt.html</p> <p>https://www.activia-reit.co.jp/en/portfolio/data.html</p> <p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>API Structure</p> <p>Financial Highlights</p> <p>Interest-Bearing Debt</p> <p>Portfolio Data</p>	<p>https://www.tokyu-trm.co.jp/en/profile/</p> <p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>1(Head Office only)</p> <p>https://www.tokyu-trm.co.jp/en/profile/</p> <p>https://www.tokyu-trm.co.jp/en/attention/</p>	<p>Profile</p> <p>Key Employee Data</p> <p>Profile</p> <p>About Financial Transactions</p>
102-8	<p>Information on employees and other workers</p> <p>a Total number of employees by employment contract (permanent and temporary), by gender.</p> <p>b Total number of employees by employment contract (permanent and temporary), by region.</p> <p>c Total number of employees by employment type (full-time and part-time), by gender.</p> <p>Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.</p> <p>Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).</p>			<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>The asset management company solely operates at the Head Office, there is no regional difference by region.</p> <p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>Not applicable (major part of activities are performed by employees)</p> <p>No significant variations in the numbers reported.</p>	<p>Key Employee Data</p> <p>Key Employee Data</p>
102-9	<p>Supply chain</p> <p>a A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.</p>	<p>https://www.activia-reit.co.jp/en/features/feature_02.html</p> <p>https://www.activia-reit.co.jp/en/about/structure.html</p>	<p>Tokyu Fudosan Holdings Group's Comprehensive Value Chain</p> <p>API Structure</p>	<p>https://www.tokyu-trm.co.jp/en/index.html</p>	<p>SDGs strongly related to materiality</p>

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
102-10 Significant changes to the organization and its supply chain a Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;	https://www.activia-reit.co.jp/file/en-news-024389594b32514520574e8af085bb4cda67ee62.pdf	Notice Concerning Changes in Organizational Structure of the Asset Management Company		
	https://www.activia-reit.co.jp/file/en-news-119b982f73dfc4cfb0b24bd7292c2d23f76490d2.pdf	Notice Concerning Changes in Organizational Structure, etc. and Directors		
	https://www.activia-reit.co.jp/file/en-news-a239ef3c7766ff7874c31858c23e0bee4e06e32c.pdf	Notice Concerning Change of President & CEO and Appointment of Chairman and Directors of the Asset Management Company	https://www.activia-reit.co.jp/file/en-news-a239ef3c7766ff7874c31858c23e0bee4e06e32c.pdf	Notice Concerning Change of President & CEO and Appointment of Chairman and Directors of the Asset Management Company
	https://www.activia-reit.co.jp/file/en-news-97ae7adc3cbc694a785068615291ee9bb603b85.pdf	Notice Concerning Changes to Articles of Incorporation and Appointment of Directors		
ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);	https://www.activia-reit.co.jp/file/en-news-32645f76d33573b52f69306ea511e4099d9910bf.pdf	Notice Concerning Completion of Additional Acquisition of API's Investment Units by Tokyu Land Corporation	No significant changes	
iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	No significant changes		No significant changes	
102-11 Precautionary Principle or approach a Whether and how the organization applies the Precautionary Principle or approach.	https://www.activia-reit.co.jp/en/sustainability/index.html	Sustainability Policy	https://www.tokyu-trm.co.jp/en/sustainability/index.html https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Sustainability Policies Risk Management

Disclosure		API		TRM	
		Location or reason for omission		Location or reason for omission	
102-12	External initiatives A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	TLC REIT Management Inc., the asset management company of the investment corporation, is a GRESB Member, and Tokyu Fudosan Holdings Corporation is a signatory of the United Nations Global Compact. The investment corporation is operated along with the support for these initiatives.		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c5	International Initiatives
102-13	Membership of associations A list of the main memberships of industry or other associations, and national or international advocacy organizations.			The Investment Trusts Association, Japan The Association for Real Estate Securitization GRESB Real Estate	
2. Strategy					
102-14	Statement from senior decision-maker A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	https://www.activia-reit.co.jp/en/about/index.html	Message	https://www.tokyu-trm.co.jp/en/message/	Message
102-15	Key impacts, risks, and opportunities A description of key impacts, risks, and opportunities.	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
3. Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior A description of the organization's values, principles, standards, and norms of behavior.	https://www.activia-reit.co.jp/en/features/index.html	API Features	https://www.tokyu-trm.co.jp/en/philosophy/	Philosophy
102-17	Mechanisms for advice and concerns about ethics	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4 https://www.tokyu-fudosan-hd.co.jp/english/about/compliance/	Establishment of whistle-blowing system Establishment of Compliance Helpline
4. Governance					
102-18	Governance structure Governance structure of the organization, including committees of the highest governance body.	https://www.activia-reit.co.jp/en/about/management.html https://www.activia-reit.co.jp/en/about/structure.html	Management	https://www.tokyu-trm.co.jp/en/profile/	Profile
	Committees responsible for decision-making on economic, environmental, and social topics.	https://www.activia-reit.co.jp/en/sustainability/index.html	API Structure	https://www.tokyu-trm.co.jp/en/organization/	Organization
102-19	Delegating authority	https://www.activia-reit.co.jp/en/sustainability/index.html https://www.activia-reit.co.jp/en/about/structure.html	Our Structure to Promote Sustainability Our Structure to Promote Sustainability API Structure	https://www.tokyu-trm.co.jp/en/sustainability/ https://www.tokyu-trm.co.jp/en/sustainability/	Promotion System Promotion System

Disclosure		API Location or reason for omission	TRM Location or reason for omission	
102-20	Executive-level responsibility for economic, environmental, and social topics Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.	Due to the organizational characteristics, the responsible officer is appointed in the asset management company. https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability https://www.tokyu-trm.co.jp/en/sustainability/	Promotion System
a	Whether post holders report directly to the highest governance body.	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability https://www.tokyu-trm.co.jp/en/sustainability/	Promotion System
102-21	Consulting stakeholders on economic, environmental, and social topics Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.	https://www.activia-reit.co.jp/en/sustainability/material.html	SDGs strongly linked to our Materiality https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c2 https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c2	Commitment to Environment Commitment to Society
102-22	Composition of the highest governance body and its committees	https://www.activia-reit.co.jp/en/about/structure.html	API Structure https://www.tokyu-trm.co.jp/en/organization/ https://www.tokyu-trm.co.jp/en/profile/	Organization Executive Board
102-23	Chair of the highest governance body	https://www.activia-reit.co.jp/file/ir_library_other_file-6b6b9bc49fab02aafb56fef3913196c49141507a.pdf	Articles of Incorporation (in Japanese) https://www.tokyu-trm.co.jp/en/profile/	Executive Board
102-24	Nominating and selecting the highest governance body Nomination and selection processes for the highest governance body and its committees.	https://www.activia-reit.co.jp/file/ir_library_other_file-6b6b9bc49fab02aafb56fef3913196c49141507a.pdf	Articles of Incorporation (in Japanese)	
	Criteria used for nominating and selecting highest governance body members, including whether and how:	https://www.activia-reit.co.jp/file/ir_library_other_file-6b6b9bc49fab02aafb56fef3913196c49141507a.pdf	Articles of Incorporation (in Japanese)	
	i. stakeholders (including shareholders) are involved;			
	ii. diversity is considered;			
	iii. independence is considered;			
	iv. expertise and experience relating to economic, environmental, and social topics are considered.			
102-25	Conflicts of interest Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	https://www.activia-reit.co.jp/en/features/feature_03.html	Governance Structure To Maximize Unitholder Value Report on Management Structure of the REIT Issuer (in Japanese)	Compliance
a	Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	https://www.activia-reit.co.jp/file/ir_library_other_file-c5d20a55705e5ea471b1cbe311dcc1db0af06e6.pdf	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4 https://www.tokyu-trm.co.jp/en/profile/	Profile
b	i. Cross-board membership;			
	ii. Cross-shareholding with suppliers and other stakeholders;			
	iii. Existence of controlling shareholder;			
	iv. Related party disclosures.			

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
102-26 Role of highest governance body in setting purpose, values, and strategy Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/	Promotion System
102-27 Collective knowledge of highest governance body Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.			https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Performance Evaluation Process
102-28 Evaluating the highest governance body's performance Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.			https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Performance Evaluation Process
102-29 Identifying and managing economic, environmental, and social impacts Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
b identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
102-30 Effectiveness of risk management processes	https://www.activia-reit.co.jp/en/features/feature_03.html	Governance Structure To Maximize Unitholder Value	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4	Efforts on Governance
102-31 Review of economic, environmental, and social topics Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/index.html	Promotion System
102-32 Highest governance body's role in sustainability reporting	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/index.html	Promotion System
102-34 Nature and total number of critical concerns	No critical concerns reported during the reporting period.		No critical concerns reported during the reporting period.	

Disclosure		API	TRM
		Location or reason for omission	Location or reason for omission
102-35	Remuneration policies Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.	https://www.activia-reit.co.jp/file/r_library_other_file-6b6b9bc49fab02aafb56fef3913196c49141507a.pdf	Articles of Incorporation (in Japanese)
5. Stakeholder Engagement			
102-40	List of stakeholder groups a A list of stakeholder groups engaged by the organization.	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives
102-41	Collective bargaining agreements a Percentage of total employees covered by collective bargaining agreements.	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.	100%
102-43	Approach to stakeholder engagement The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives
102-44	Key topics and concerns raised	No key topics or concerns raised	No key topics or concerns raised
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	None	TLC REIT Management Inc.is 100% subsidiary of Tokyu Fudosan Holdings Corporation and subjected to consolidated financial statements.
102-46	Defining report content and topic Boundaries a An explanation of the process for defining the report content and the topic Boundaries.	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
102-47	List of material topics a A list of the material topics identified in the process for defining report content.	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
102-48	Restatements of information	Nothing in particular	Nothing in particular
102-49	Changes in reporting	Nothing in particular	Nothing in particular
102-50	Reporting period	https://www.activia-reit.co.jp/en/sustainability/gri.html	Sustainability information disclosure and GRI Index
102-51	Date of most recent report	Not applicable	Not applicable

Disclosure		API		TRM	
		Location or reason for omission		Location or reason for omission	
102-52	Reporting cycle	https://www.activia-reit.co.jp/en/sustainability/gri.html	Sustainability information disclosure and GRI Index	https://www.tokyu-trm.co.jp/en/sustainability/gri.html	Sustainability information disclosure and GRI Index
102-53	Contact point for questions regarding the report	https://www.activia-reit.co.jp/en/contact/	Contact us	https://www.tokyu-trm.co.jp/en/contact/	Contact Us
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability reporting is prepared with reference to GRI standards		Sustainability reporting is prepared with reference to GRI standards	
102-55	GRI content index	GRI Content Index (this table)		GRI Content Index (this table)	
102-56	External assurance	None		None	
GRI 200: Economic Management Approach					
103-1	Explanation of the material topic and its Boundary	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
103-2	The management approach and its components	https://www.activia-reit.co.jp/en/sustainability/approach.htm	API's Initiatives	https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Our Commitment
103-3	Evaluation of the management approach	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/	Promotion System
201: Economic Performance 2016					
201-2	Financial implications and other risks and opportunities due to climate change Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: a	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
205: Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption a Total number and percentage of operations assessed for risks related to corruption. b Significant risks related to corruption identified through the risk assessment.	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		1 (The asset management company solely operates at the Head Office), 100%	
205-2	Communication and training about anti-corruption policies and procedures d Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4	Compliance Training
205-3	Confirmed incidents of corruption and actions taken	No incidents		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4	Compliance Training
				No incidents	

Disclosure		API		TRM	
		Location or reason for omission		Location or reason for omission	
206: Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents		No incidents	
GRI 300: Environmental Management Approach					
103-1	Explanation of the material topic and its Boundary	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
103-2	The management approach and its components	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives	https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Our Commitment
103-3	Evaluation of the management approach	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/index.html	Promotion System
302: Energy 2016					
302-1	Energy consumption within the organization	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
302-2	Energy consumption outside of the organization	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
302-3	Energy intensity	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
303: Water 2018					
303-3	Water withdrawal	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
303-5	Water consumption				
	^a Total water consumption from all areas in megaliters.	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
305-2	Energy indirect (Scope 2) GHG emissions	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
305-3	Other indirect (Scope 3) GHG emissions	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
305-4	GHG emissions intensity	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
306: Effluents and Waste 2016				
306-2 Waste by type and disposal method	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Performance		
307: Environmental Compliance 2016				
307-1 Non-compliance with environmental laws and regulations	No violations during the reporting period		No violations during the reporting period	
GRI 400: Social Management Approach				
103-1 Explanation of the material topic and its Boundary	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
103-2 The management approach and its components	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives	https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Our Commitment
103-3 Evaluation of the management approach	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/index.html	Promotion System
401: Employment 2016				
401-1 New employee hires and employee turnover	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.			
a Total number and rate of new employee hires during the reporting period, by age group, gender and region.			https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	New Hire
b Total number and rate of employee turnover during the reporting period, by age group, gender and region.			https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Turnover ratio
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Employee welfare programs (representative examples)
401-3 Parental leave	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Status of Work-Style Reform and Diversity Promotion

Disclosure		API	TRM
		Location or reason for omission	Location or reason for omission
403: Occupational Health and Safety 2018			
403-2	<p>Hazard identification, risk assessment, and incident investigation</p> <p>A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:</p> <p>a A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html</p> <p>Health Committee</p> <p>Implementation of health committee, feedback through workplace inspections by industrial doctors, confirmation of working hours of all officers and employees, implementation of feedback and lectures based on periodic stress checks, etc.</p> <p>Lectures by industrial doctors, individual interviews with industrial doctors, and feedback to superiors</p>
403 -4	<p>Worker participation, consultation, and communication on occupational health and safety</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>Employees also take part in the health committee disclosed below.</p> <p>Health Committee</p>
403-5	<p>Worker training on occupational health and safety</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>Carrying out lectures by industrial doctors and planned classes related to harassment.</p> <p>Various employee training programs</p> <p>Health Committee</p>
403-6	<p>Promotion of worker health</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>Carrying out stress checks and regular health checks.</p> <p>Our Commitment</p> <p>Status of Work-Style Reform and Diversity Promotion</p>
403-9	<p>Work-related injuries</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>Status of Work-Style Reform and Diversity Promotion</p>
403-10	<p>Work-related ill health</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>Status of Work-Style Reform and Diversity Promotion</p>
404: Training and Education 2016			
404-1	<p>Average hours of training per year per employee</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>Various employee training programs (examples of representative cases)</p>
404-2	<p>Programs for upgrading employee skills and transition assistance programs</p>	<p>Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.</p>	<p>https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3</p> <p>Employee Development</p>

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
404-3 Percentage of employees receiving regular performance and career development reviews	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.		Both contracted employees and regular employees receive performance and career development reviews in the same structure, and aim to set the goals and communicate with superiors. https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Performance Evaluation Process
405: Diversity and Equal Opportunity 2016 405-1 Diversity of governance bodies and employees			100%	
a Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.				
a Percentage of individuals within the organization's governance bodies in each of the following diversity categories:	https://www.activia-reit.co.jp/en/about/management.html	Management	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
i. Gender;	https://www.activia-reit.co.jp/en/about/management.html	Management	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	https://www.activia-reit.co.jp/en/about/management.html	Management	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
b Percentage of employees per employee category in each of the following diversity categories:	Since the investment corporation does not have employees due to legal restrictions, implementations by the asset management company's employees are applicable to this topic.			
i. Gender;			https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;			https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).			https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Key Employee Data Status of Work-Style Reform and Diversity Promotion
405-2 Ratio of basic salary and remuneration of women to men	There is no gender difference for each employee category.		There is no gender difference for each employee category.	
406: Non-Discrimination 2016				
406-1 Incidents of discrimination and corrective actions taken	No incidents during the reporting period		No incidents during the reporting period	

Disclosure	API		TRM	
	Location or reason for omission		Location or reason for omission	
411: Rights of Indigenous Peoples 2016				
411-1 Incidents of violations involving rights of indigenous peoples	No incidents during the reporting period		No incidents during the reporting period	
413 : Local Communities 2016				
413-1 Operations with local community engagement, impact assessments, and development programs	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives	https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Our Commitment
Note: We report information on our properties in consideration of the purpose of this standard.	https://www.activia-reit.co.jp/en/sustainability/social.html	Contribution to the Local Communities	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Contribution to the region
414 : Supplier Social Assessment 2016				
414-1 New suppliers that were screened using social criteria	No suppliers were screened during the reporting period			
414-2 Negative social impacts in the supply chain and actions taken	No suppliers were screened during the reporting period			
415: Public Policy 2016				
415-1 Political contributions	No political contributions provided		No political contributions provided	
416 : Customer Health and Safety 2016				
416-1 Assessment of the health and safety impacts of product and service categories	https://www.activia-reit.co.jp/en/sustainability/social.html	Tenant Engagement		
419: Socioeconomic Compliance 2016				
419-1 Non-compliance with laws and regulations in the social and economic area	No violations during the reporting period		No violations during the reporting period	
GRI G4: Construction and Real Estate Sector Disclosures Management Approach				
103-1 Explanation of the material topic and its Boundary	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality	https://www.tokyu-trm.co.jp/en/sustainability/materiality.html	Materiality
103-2 The management approach and its components	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives	https://www.tokyu-trm.co.jp/en/sustainability/esg.html	Our Commitment
103-3 Evaluation of the management approach	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability	https://www.tokyu-trm.co.jp/en/sustainability/index.html	Promotion System
CRE				
CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	https://www.activia-reit.co.jp/en/sustainability/environment.html	Environmental Certification		

Independent Assurance Statement



Independent Assurance Statement

June 30, 2022

Mr. Nobuhide Kashiwagi
Executive Director
Activia Properties Inc.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Activia Properties Inc. ("the Investment Corporation") to provide limited assurance on the Investment Corporation's following data of all properties owned during April, 2021 to March, 2022, 39.7GWh of energy consumption, 1.70kt-CO₂ (Scope 1), 13.6kt-CO₂ (Scope 2, market-based), 26.0kt-CO₂ (Scope 3 category 13), 2.56kt of waste emissions, 441 thousand m³ of water use (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards. The Investment Corporation's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out include:

- Interviewing the Investment Corporation's responsible personnel to understand the Investment Corporation's standards and reviewing the Investment Corporation's standards.
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Investment Corporation's standards.

We have no conflict of interest relationships with the Investment Corporation.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.