

Takara Leben Group
CSR Report 2021



Vision

THINK HAPPINESS AND MAKE THE HAPPINESS

We are most committed to giving thought to the happiness of people and lifestyles, and to realize housing which gives shape to each and every dream.

We think on the happiness of communities and society, and contribute to the development of towns where all people can live at ease.

We are most positive in a happy future, and propose the eco-friendly creation of a sustainable environment.
Think happiness and make the happiness.
This is what we, the Takara Leben Group, do.

Mission

Creating Together

With a Rich Heart

Creating together new value for the market by cherishing our customers with a rich heart.

With Sincerity

Creating together, safety and peace for people and society with sincerity toward partners.

With Power to Act

Creating together perpetual growth into the future, with power to act demonstrated by each and every employee.



Harmonic Circle

The Takara Leben Group's symbol is the Harmonic Circle, which is comprised of three rings, representing customers, partners, and employees and expressing how they are linked to one another and expanding organically to create harmony while supporting each other.

The three rings convey our hope of carrying out our corporate vision to "THINK HAPPINESS AND MAKE THE HAPPINESS" while resonating with one another.

The gradation of striking blue to deep navy expresses the intelligence and sincerity pursued by everyone in the Group.

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Editorial Policy

This report has been designed to provide stakeholders with a deeper understanding of the Takara Leben Group's responsibilities and initiatives for building a sustainable society, and at the same time serve as a form of internal and external communication.

The Takara Leben Group has formulated four CSR themes to be undertaken in the medium-to long-term, to enhance our CSR initiatives with the purpose of offering increased, concrete value to society. Based on these four themes, we are creating new value through our businesses to solve various social issues. Moving forward, we will continue to work on the transparent and timely disclosure of information. We hope you can provide us with your opinions and feedback.

Disclaimer

This report was generated based on data as of the end of March 2021. Opinions and forecasts stated in this report are our assessments at the time this report was generated, and thus their accuracy and completeness are not guaranteed.

Target Period

While the report covers fiscal year 2020 (April 1, 2020 to March 31, 2021), certain information stated in this report falls outside this time period.

Scope

Twelve companies under the Takara Leben Group

Date Published

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For Inquiries

Corporate Planning Department,
Takara Leben Co., Ltd.
TEKKO BUILDING 16F, 1-8-2
Marunouchi, Chiyoda-ku,
Tokyo, Japan 100-0005
+81-3-6551-2130



Proposing Innovation for a New Lifestyle and Contributing to Solutions to Social Issues

Representative Director, CEO and President
Executive Officer
Takara Leben Co., Ltd.

Kazuichi Shimada

Aiming for a Corporate Group that Grows Sustainably

The Takara Leben Group conducts business as a comprehensive real estate developer comprising 12 Group companies based on our corporate vision, "THINK HAPPINESS AND MAKE THE HAPPINESS." We think about the happiness of our customers and all other stakeholders and seek to make their happiness.

In the lead-up to the 50th anniversary in 2022 of the Group's establishment, we adopted "Innovation for a New Lifestyle" as our Group slogan and are undertaking a variety of projects to make that slogan a reality. This slogan incorporates our desire to not simply provide places for people to live, but also to propose optimal lifestyles to the people who live in those homes, guiding society in a better

and more enriching direction. We are proposing innovation previously unexperienced by anyone in order to overcome the problems that society is facing and create a happy future for everyone.

Looking back on 2020, it was a year when COVID-19 required that people around the world adapt to new lifestyles and working styles. The Group has placed the highest priority on the safety and peace of mind of customers, trading partners, and employees and has continued business while taking all possible measures to prevent the spread of infection.

The Group launched its new Medium-Term Management Plan, announced in May 2021, as a growth scenario with the aim of making further progress. We will pursue further growth of the core new built-for-sale condominium

business and sustainable corporate growth by incorporating the perspectives of group synergies, business portfolio, financial foundations, digital transformation (DX^{*1}), and ESG^{*2} (environment, society, governance) into management strategies.

ESG Responses by the Takara Leben Group

The Group will reinforce its ESG responses even further with the aim of enhancing corporate value over the medium to long term.

In August 2020, we signed the United Nations Global Compact and declared our support for the Ten Principles in the areas of human rights, labor, environment, and anti-corruption. In 2021, we also set KPIs for our four key CSR topics —creating lifestyles with value, forming communities, providing comfortable spaces of high quality, and developing environments and cultures—and are now taking action in these areas.

Based on the shared goals of international society including the Sustainable Development Goals (SDGs^{*3}), the Group seeks to establish governance systems that support transparent and fair corporate management and to contribute to the conservation of the global environment and the creation of a better society through its business activities. We will create value that is characteristic of the Takara Leben Group including regional development and revitalization centered on high-quality and safe condominiums as well as local generation of power for local consumption using solar power generation systems while closely monitoring social issues relating to housing and urban development including the declining birthrate and aging population, depopulation of regional cities, hollowing out of city centers, abandoned homes, and depletion of energy resources.

*1 DX refers to the transformation of products, services, and business models based on social needs through the use of digital technologies.

*2 ESG refers to environmental, social, and governance issues that should be emphasized when a business enterprise seeks sustainable growth. ESG is garnering attention, primarily from shareholders and investors, as a non-financial measure for assessing businesses, leading to the expansion of ESG investment, which focuses on investment in environmentally and socially conscious firms.

*3 SDGs are goals adopted at the United Nations summit in 2015 with the aim of solving issues of international society and leading to the development of sustainable societies. The SDGs are comprised of 17 goals and 169 targets. There are calls for business enterprises to take action for achieving the SDGs such as the Japan Business Federation (Keidanren) revising its Charter of Corporate Behavior, a statement of action guidelines for its member companies, indicating that business should incorporate the principles of the SDGs in their business activities.

Beyond the 50th Anniversary of the Group's Establishment

Since the foundation of the Takara Leben Group in 1972, we have consistently offered homes that customers will treasure under the principle of providing ideal, affordable housing that anyone can buy with confidence and peace of mind. During this time, we have adapted to changes in the times by expanding our business scope from the real estate sales business to include stock and fee-based businesses including the real estate management business, electric power generation business, and asset management business.

As we mark the Group's first 50 years in 2022 and move beyond, we will seek further advancement as a corporate group. Turning toward Takara Leben's future, we need to create environments where the human resources who are the Group's future can work with enthusiasm and grow. In addition to undertaking the challenges of innovation, it is important that we properly hand down the strengths we have built up as a company until now. By refining our skills including sales activities tailored to the values of the times, a customer-oriented corporate culture that integrates product planning and sales, and the accumulation of customer data over many years, we will pursue services with even higher added value.

To be a corporate group that is selected by stakeholders, we will continue our efforts to increase corporate value with our feet firmly planted on the ground. We look forward to your continued support in the future.

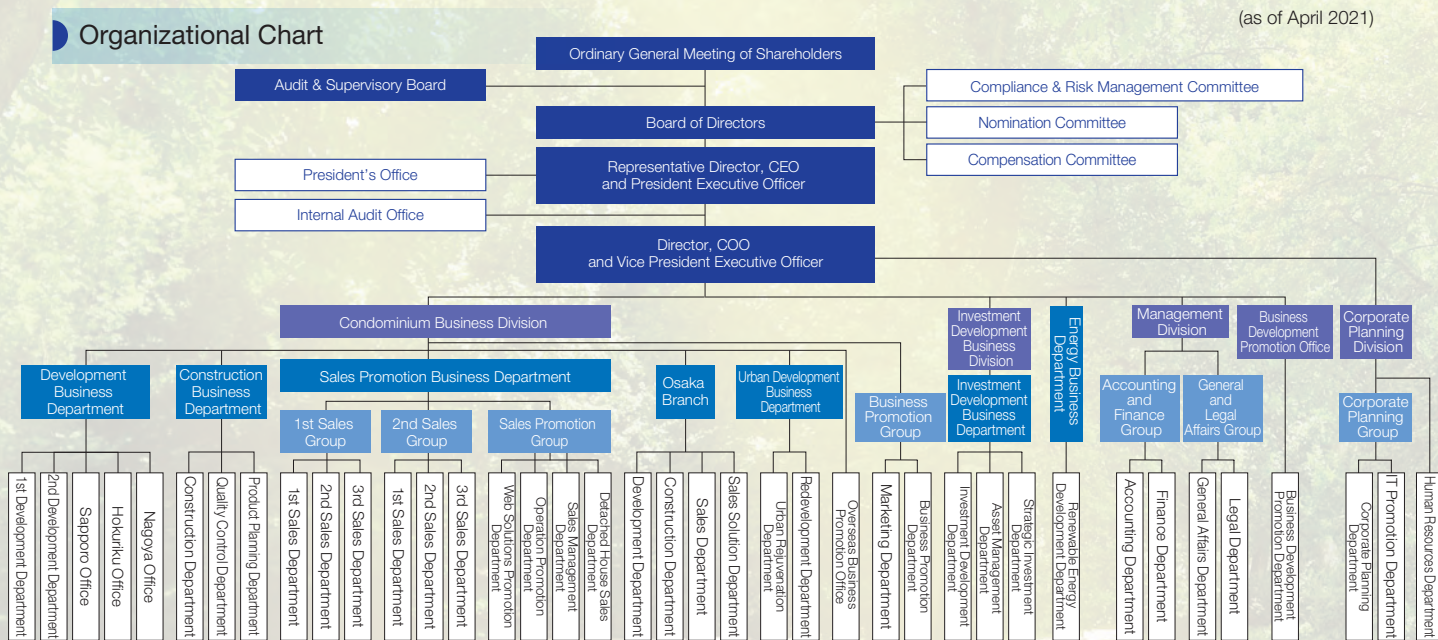


Company Profile

Company Profile

(as of the end of March 2021)		(as of June 2021)	
Company Name	Takara Leben Co., Ltd.	Head Office	TEKKO BUILDING 16F, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo
Representative	Kazuichi Shimada, Representative Director	Takara Leben Group	Leben Community Co., Ltd. Takara Leben Tohoku Co., Ltd. Takara Leben West Japan Co., Ltd. Nikko Takara Corporation Co., Ltd. Takara Leben Realnet Co., Ltd. Leben Zestock Co., Ltd. Leben Trust Co., Ltd. Takara Asset Management Co., Ltd. Takara PAG Real Estate Advisory Ltd. Leben Clean Energy Co., Ltd. (Formerly ACA Clean Energy Co., Ltd.) Sunwood Corporation
Established	September 1972		
Listed on	First Section, Tokyo Stock Exchange (Code: 8897)		
Capital Stock	¥4,819 million		
Net Sales	¥148,397 million (FY2020 consolidated results)		
No. of Employees	365 (292 males, 73 females)		
Average Age	35.8 years old (35.9 for male, 35.5 for female)		

Organizational Chart



The Takara Leben Group's Business Segments

Real Estate Management Business 3.7%

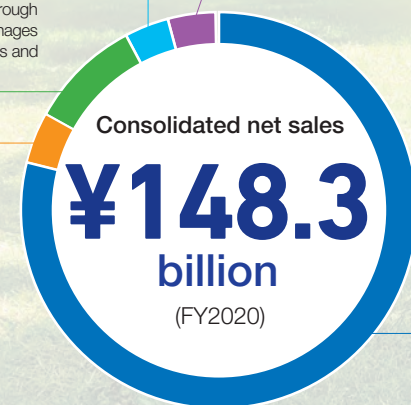
In this business segment, the Group manages and operates properties. In addition to managing our own properties through our unique and detailed services, the Group also manages properties handled by other companies on a contract basis and is steadily growing the number of properties it manages.

Electric Power Generation Business 9.1%

The Group generates a stable flow of earnings by selling the electricity it generates to electric power companies. The Group also works diligently to contribute to society by producing renewable energy. In addition to our electricity sale revenue, the Group also sells power generation facilities to Takara Leben Infrastructure Fund.

Other Businesses 4.4%

The Group engages in other businesses as well, including work involving commissions derived from other segments, construction contracting, and large-scale repair work. As the assets of infrastructure funds and REITs grow, our management fees increase.



Real Estate Rental Business 3.9%

In this business segment, the Group leases Group-owned condominiums, office buildings, hotels, and other real estate. Leveraging the Group's real estate information network to its fullest, we are actively acquiring rental properties throughout Japan. By bringing in rental revenue, this segment is a stable stock business that contributes to both our real estate management business and Group net sales.

Real Estate Sales Business 79.0%

This business segment accounts for roughly 80% of the Group's net sales. Here, the Group's activities largely revolve around the planning, development, and sale of new built-for-sale condominiums while addressing the diverse needs of customers. Among a host of other endeavors, we actively engage in the sale of detached houses, as well as the renovation and resale of condominiums and liquidation business of profit-generating real estate in this segment.

Facts and Figures of the Takara Leben Group

Number of units sold

New built-for-sale condominiums

2,129
(FY2020)

New built-for-sale detached houses

110

Cumulative number of units supplied

34,871

* New built-for-sale condominiums (as of the end of March 2021)



Number of managed housing units

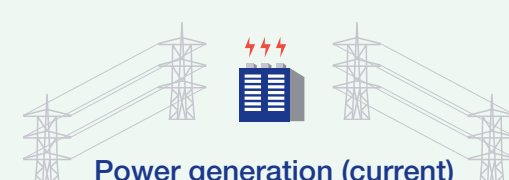
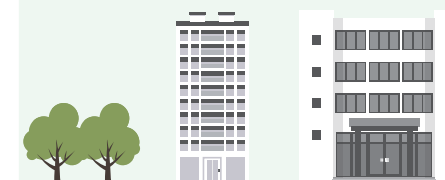
66,037

(as of the end of March 2021)

Rental revenues

¥5.7 billion

(FY2020)



Power generation (current)

About **206 MW**

* Including wholesale portion (as of the end of March 2021)

Power-generation facilities nationwide

62

* Including wholesale portion
* Calculated based on the number of licenses (as of the end of March 2021)



Percentage of women in management

7.34% FY2019 **8.33%**

* Scope of calculation: Takara Leben (as of the end of March 2021)

Percentage of persons with disabilities employed

1.98% FY2019 **2.06%**

* Scope of calculation: Takara Leben (as of the end of March 2021)



Infection Prevention Measures

To protect the health and safety of employees and their families as well as customers, Takara Leben established and is implementing COVID-19 response policies with the Crisis Management Committee playing a central role. Employees are made aware of the response procedures in the case of a cold, illness, or positive PCR test, and in cases where infection of an employee was confirmed, rules on reporting to the head of the employee's department and the health center with jurisdiction and on prohibiting the employee from reporting to work until fully recovered are comprehensively enforced. In addition, strict rules were established regarding PCR testing and other matters for cases where an employee of a trading partner becomes infected. Basic policies on measures to be taken in offices where an infected individual works were clarified.

Show Rooms Customer Contact Systems During the COVID-19 Pandemic

In order to provide customers with peace of mind, Takara Leben takes measures to prevent the spread of infections at show rooms. Inter-personal contact is reduced by setting limits on the number of customers and groups of customers. Other basic anti-infection measures are rigorously enforced including the wearing of masks and gloves, regular ventilation, and disinfection of supplies. We also encourage the use of IT tools and online sales negotiations to provide adequate information to customers who are voluntarily limiting their outings, enabling them to investigate the purchase of a condominium.



Teleworking Encouraged

We encourage employees to engage in telework and make use of flextime systems in order to mitigate the risk of infection while commuting. In March 2020, when COVID-19 infections were spreading, all employees (non-managerial) were made eligible for flextime work. In addition, from April 7 to May 25, 2020, when a declaration of state of emergency was in effect, in principle, all employees who were able to do so worked from home.

COVID-19 Countermeasures at the 48th Ordinary General Meeting of Shareholders

The 48th Ordinary General Meeting of Shareholders was held in June 2020 with COVID-19 infection prevention measures implemented to the greatest extent possible. At the meeting venue, the number of seats was reduced and spacing was increased. In addition, efforts were made to proceed through the agenda in a short time. Takara Leben officers and operating staff wore masks at the meeting, and all attending shareholders were requested to undergo a temperature check, wear a mask, and use sanitizer, and shareholders cooperated with these measures.



COVID-19 Countermeasures in Condominium Management

Leben Community is taking measures to reduce opportunities for contact in condominium management operations. Participation in management association meetings and general meetings is kept to the minimum necessary, and efforts are made to reduce meeting times by distributing materials and collecting opinions and questions in advance. We are also actively holding online meetings in response to customer requests. Various measures are implemented in day-to-day operations with the consent of customers including changing greetings from spoken to gestures, encouraging residents to discuss management issues with building managers through the window of the management office, and conducting inspections using methods that do not require entry to residences.

New Lifestyles for Making It Through the COVID-19 Pandemic

Leben Community issues the Smilax quarterly, which includes ideas and useful information for leading a more comfortable life every day. The 50th issue, released in October 2020, provided useful information on measures to prevent infection such as disinfection methods using household cleaners, ideas to prevent dispersion of the virus, and conduct in common areas.



COVID-19 Countermeasures at My Reha

At My Reha, a senior daycare service specializing in rehabilitation, COVID-19 countermeasures are rigorously implemented in accordance with information from the Ministry of Health, Labour and Welfare and local governments. Facility users are requested to wear masks, wash their hands, gargle, and use sanitizer, and their health status is checked (by measuring temperature and vital signs) while at the facility. Services are provided using sanitized equipment in spaces with constant ventilation. In addition, staff members are urged to reliably practice fundamental infection prevention measures and act cautiously. Furthermore, systems have been established in collaboration with local governments, regional comprehensive support centers (care managers), and sanitation experts to enable use with peace of mind. Training options that can be performed at home are provided to those clients who do not attend to avoid infection.



Support for the Smile Food Project

In conjunction with the spread of COVID-19, Takara Leben backs the Smile Food Project to support the healthcare workers who are regularly exposed to danger on the front lines of healthcare by providing nutritionally balanced and delicious food so that they can enjoy some brief moments of relaxation. From December 2020 to March 2021, prepared meals made by top chefs were sent along with letters to certain healthcare institutions in Tokyo, Kanagawa, Chiba, and Saitama to convey gratitude and encouragement.



Special Feature Runs in The Nikkei

Takara Leben was a sponsor of an urgent special feature entitled "Ganbare! Nippon no Iryo" that ran in The Nikkei newspaper from January to May 2021 to suggest measures that society should take to reduce burdens as much as possible while supporting those in medical fields who are struggling against COVID-19. A portion of the revenue from the advertisements was donated to the National Center for Global Health and Medicine, which provides advanced and specialized medical treatment, the Gavi, the Vaccine Alliance, which contributes to the promotion and development of vaccines, and the Coalition for Epidemic Preparedness Innovations (CEPI).



CSR Basic Policy

The Takara Leben Group will achieve its corporate vision of "THINK HAPPINESS AND MAKE THE HAPPINESS" while working to earn the trust of various stakeholders and society. We will contribute to solutions to social issues and achieving the Sustainable Development Goals (SDGs) by undertaking CSR initiatives through our business including supplying housing and introducing natural energy as we strive for continuous growth.



CSR Promotion Framework

To link CSR activities to the improvement of corporate value for all Group companies, the Takara Leben Group is building a promotion framework which spans across all companies. We are also building a vertical promotion framework unifying management with business activities by making decisions and reporting at our Executive Committee meetings as appropriate. In addition, we are organizing training for executives of all Group companies and staff in charge of CSR. We are also providing opportunities for information sharing and discussion with ground staff. Moving forward, we will further strengthen our activities and create new value by creating environments where employees can take ownership in working on CSR activities, and by reaffirming awareness of critical issues.

Representative Director
Executive Committee Frequency: Once each month Participants: Directors, auditors, and executive officers Content: Decision on measures; confirmation of progress
Executive in charge of CSR
CSR Promotion Team Scope of work: Formulation of direction; proposal of measures; implementation and awareness-raising of measures; progress management
Takara Leben Group CSR staff Business activities: Execution of policies and progress management

Process of Selecting Key CSR Themes and Identifying Key Issues

At the Takara Leben Group, we have identified key CSR themes and key issues through the following steps.

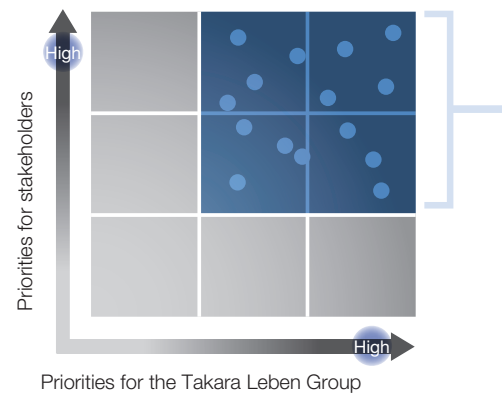
STEP 1 Grasp and organize social issues
We identified 31 issues relating to the business environment based on GRI, SDGs, SASB and other international guidelines, as well as our Group philosophy and Medium-Term Management Plan and demands from our customers, shareholders and investors, local communities, employees and other stakeholders.

STEP 2 Evaluate significance from the Takara Leben Group's perspective
We utilized questionnaires completed by all employees including management and officers to identify relations between social issues and our business and Group philosophy, and rank them in accordance with priority.

STEP 3 Evaluate importance from our stakeholders' perspectives
We utilized questionnaires completed by customers, shareholders and investors, and business partners and drew on international guidelines such as the GRI and the SDGs to rank issues.

STEP 4 Identify key issues
Priorities were revised from the perspectives of the Takara Leben Group and our stakeholders, a review was conducted by management, and then the key issues were identified.

STEP 5 Set policies for key CSR themes
Policies were set for the four key CSR themes.



The 15 Issues Identified	
1 Support for diversifying lifestyles and globalization	8 Providing safe, secure products and services
2 Responses to changes to business models brought by an ageing society and depopulation	9 Improving customer satisfaction
3 Urban development and creating towns	10 Improving value of buildings
4 Construction and maintenance of a corporate governance system	11 Providing buildings and spaces that consider the environment and culture
5 Promoting compliance	12 Responses to global warming
6 Employee health management	13 Initiatives for renewable energy
7 Encouraging the strong roles of diverse human resources	14 Effective use of resources
	15 Responses to disasters

GRESB

Takara Leben Infrastructure Fund took part in the fiscal 2020 GRESB* Infrastructure Assessment and was rated four out of five Stars in the Infrastructure Fund Assessment for the second consecutive year in recognition of its initiatives relating to ESG information reporting systems, risk assessments, and building relationships with stakeholders.

In the Infrastructure Asset Assessment, Takara Leben Infrastructure Fund received three Stars for its infrastructure assets as well as the establishment of CSR strategies by Takara Leben, the operator of those assets, and its initiatives. In addition, Takara Leben Real Estate Investment Corporation received a Green Star in the fiscal 2020 GRESB Real Estate Assessment for the second consecutive year as a result of high evaluations for both management and performance relating to ESG.



* GRESB (Global Real Estate Sustainability Benchmark) GRESB is the name of the benchmarks used to measure the environmental, social, and governance (ESG) performance of real asset (real estate, infrastructure facility, etc.) portfolios, established by a group of major European pension funds that led the Principles for Responsible Investment (PRI), as well as the name of the organization that manages this benchmarking.

Takara Leben Signs UN Global Compact

In 2020, the Takara Leben Group signed the United Nations Global Compact promoted by the UN and registered as a participating company. We will continue our efforts to achieve the Ten Principles of the UN Global Compact in four areas: human rights, labour, environment, and anti-corruption.

The Ten 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 corruption in all its forms, including extortion and bribery.



Message from Executive in Charge of CSR

The Takara Leben Group has contributed to urban and community development through the provision and management of residences. Among our long-standing ESG initiatives are business in clean energy fields including development of solar power condominiums as well as development and operation of mega solar power generation facilities. As the ideals of society and lifestyles undergo major changes amidst increasingly severe climate change issues and the spread of COVID-19, the roles demanded of companies and the expectations of stakeholders are increasing in conjunction with the spread of the SDGs, and we are being required to make ever greater reforms. The Takara Leben Group addressed ESG responses in the previous Medium-Term Management Plan, by identifying key issues, linking them with key CSR topics for the Group and the SDGs, and formulating policies. Actively addressing ESG is one element of the new Medium-Term Management Plan announced in May 2021, and we have set KPIs for this fiscal year in order to steadily implement measures. We believe that in order to carry out more effective measures, it is extremely important that each employee have an awareness of the roles of their own jobs within society and the significance of those roles, and further, that we create environments where Takara Leben Group employees can work with vitality and transform the Group into an organization with more diverse values. With our corporate vision—THINK HAPPINESS AND MAKE THE HAPPINESS—in mind, we will contribute to solving society's issues through our business in a way that links to sustainable growth. We look forward to your continued support in the future.



Kazuyuki Shimizu
Director, COO and
Vice President Executive Officer

Key CSR Themes	Related SDGs	Policies	Key Issues	KPI	Target for FY2021
<p>Creating Lifestyles with Value</p> <p>We contribute to improving the richness of people's lifestyles by creating new value.</p>		<ul style="list-style-type: none"> Provide products and services that respond to changing social issues and needs. Provide lifestyles that harmonize residents and surrounding environments, such as the LEBEN or NEBEL brands. 	<ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Responses to changes to business models brought by an ageing society and depopulation 	<ul style="list-style-type: none"> Propose new services for lifestyles Provide new built-for-sale condominiums overseas Provide NEBEL properties 	<ul style="list-style-type: none"> 5 proposals 3 properties (FY2024) 3 properties
<p>Forming Communities</p> <p>We form communities with stakeholders—such as local communities, trading partners, and employees—and aim for growth together.</p>		<ul style="list-style-type: none"> Contributing to the revitalization of regional areas through our regional city revitalization business, which connects urban and regional areas. Improve our ability to respond to risk through thorough risk assessment and management. Provide opportunities and environments where a diverse range of people can work energetically. Corporate activities that can respond to social needs with an emphasis on dialogues with our stakeholders. 	<ul style="list-style-type: none"> Urban development and creating towns Construction and maintenance of a corporate governance system Promoting compliance Employee health management Encouraging employment of diverse human resources 	<ul style="list-style-type: none"> Number of redevelopment projects Support for local communities Evaluate the effectiveness of the Board of Directors Enhance and reinforce corporate governance systems Investigate introducing clawback provisions Conduct anti-corruption education and training Promote understanding by officers and employees of human rights issues Number of incidents of disadvantageous treatment Use questionnaire surveys to determine rates of awareness of internal whistle-blowing systems Medical examination rate Stress check rate Paid leave utilization rate Percentage of persons with disabilities employed Percentage of women in management Rate of return to work after taking maternity or childcare leave Training time per employee Sales staff questionnaire satisfaction rate 	<ul style="list-style-type: none"> 2 10 projects 0 100% 100% 70% 2.30% 9.5% (FY2024) 100% 24 hours 90%
<p>Providing Comfortable Spaces of High Quality</p> <p>We support the comfortable and safe living of our customers by providing products bringing great satisfaction to our customers.</p>		<ul style="list-style-type: none"> Improve customer satisfaction levels through the use of our proprietary Service Quality Management System (SQMS®). Create housing that combines both design and habitability, pursuing the performance of housing. Improve building value through regular repairs and renovations to improve building comfort, functionality, and safety. 	<ul style="list-style-type: none"> Providing safe, secure products and services Improving customer satisfaction Improving value of buildings 	<ul style="list-style-type: none"> Number of nonconformities relating to business processes and quality standards Hold briefings concerning preventive measures SQMS® Master certifications (other than operations management departments) Housing performance evaluation report acquisition rate Accident frequency rate; lost time injury frequency rate (scope: employees) Number of lost time injuries (scope: employees) Implement customer satisfaction surveys Safety Conferences Special patrols (safety confirmation) Number of safety and health training sessions (scope: employees) Supplier survey results Accident frequency rate; lost time injury frequency rate (scope: suppliers) 	<ul style="list-style-type: none"> No more than 10 At least 5 At least 2 employees 100% 0% 0 Once annually 4 times annually Twice annually A-rank acquisition rate: 90% No more than 1.83%
<p>Developing Environments and Cultures</p> <p>We contribute to a sustainable society by actively working on environmental issues, and at the same time, contribute to improving quality of life by providing opportunities for mental activities such as learning and practicing the arts.</p>		<ul style="list-style-type: none"> Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business. Provide seismic-resistant and fire-resistant housing that can withstand natural disasters. Provide opportunities for cultural activities to our stakeholders. 	<ul style="list-style-type: none"> Providing buildings and spaces that consider the environment and culture Responses to global warming Initiatives for renewable energy Effective use of resources Responses to disasters 	<ul style="list-style-type: none"> Formulate an environmental policy Determine and disclose CO₂ emissions volume Set CO₂ emissions reduction targets Energy-saving rank (Flat 35) acquisition rate Support for cultural development Acquisition of ZEH condominium certification Acquisition of CASBEE certification New mega solar power generation facility capacity brought online Total power generation Maximize effective use of resources and water Create BCP countermeasures manual 	<ul style="list-style-type: none"> 100% of detached houses 5 projects 1 property 1 property with A-rank or higher certification 20 MW 360 MW (FY2024)

Lifestyle

Creating Lifestyles with Value

The Takara Leben Group aims to create lifestyles with value through providing housing pursuing comfort and design under the concept of realizing the optimal form of harmony between occupants and the surrounding environment. Our initiatives to achieve this aim have received recognition from many parties, and several initiatives have received the Good Design Award.



Development of the Overseas Condominium Business

THE MINATO RESIDENCE Project

Takara Leben is also working to contribute to regional revitalization and urban development through the provision of residences overseas. THE MINATO RESIDENCE is the first large-scale condominium development project by an all-Japanese consortium in Hai Phong, Vietnam's third most populous city. Under the concept of Eternal Value, a condominium complex that includes commercial facilities (with 26 stories, 924 residential units, and a site area of 12,760 m²) is being constructed in the new Water Front City area, which is expected to be a center of future development.

In July 2020, Minato Vietnam Co., Ltd. (a joint venture of Takara Leben and Fujita Corporation) and Toyota Nankai Hai Phong Co., Ltd. held the 2020 Japan Omotenashi Festival. Sales promotion activities were conducted while the nearly 300 participants experienced Japanese hospitality and culture including food and dance.



Leben Community Vietnam Established

In December 2019, Leben Community established Leben Community Vietnam Co., Ltd. as a local subsidiary to carry out condominium management operations for THE MINATO RESIDENCE.

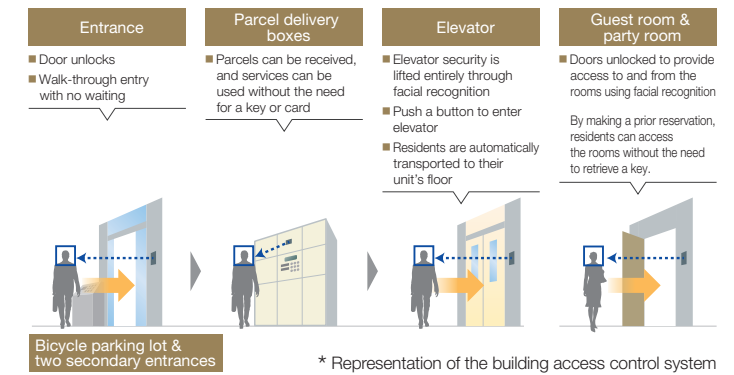
In the years to come, the Takara Leben Group will meet housing needs in Hai Phong, which is expected to grow significantly as an international port city, thereby contributing to Vietnam's urban development.

Adapting to New Lifestyles

Facial Recognition Security System at Leben Fujieda

Amidst ever increasing demands for residential safety and peace of mind, Takara Leben strives to provide condominiums that offer comfort, good design, and reliable security. We introduced Japan's first* facial recognition security system at Leben Fujieda PRIOR in Shizuoka Prefecture, sales for which began in June 2020. Advanced access control systems that automatically open and close doors using facial recognition were installed at seven locations, achieving a high level of security.

* The security service, which incorporates facial recognition technology with auto locks at the entrance, elevator, guest room, party room, bicycle parking lot, two secondary entrances, and parcel delivery boxes, is the first for a condominium developer in Japan (according to research by Fulltime System Co., Ltd.).



BOCCO emo Communication Robot

As a housing provider, the Takara Leben Group seeks to contribute to the development of communities that support long-term residence. Nikko Takara Corporation proposes living spaces with the BOCCO emo communication robot installed to reduce the burdens of housework and provide childcare support in response to the increase in working couple households. With BOCCO emo present, effects including improvements in the rhythm of daily life through the provision of notification, reduction of parental anxiety by watching over children and providing support when parents are away from home, and development of good study habits by children can be expected. As a result of these proposals, Nikko Takara Corporation became the first business selected for the Sustainable Building Design Pioneering Project (Next-Generation Housing) * of the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2020.

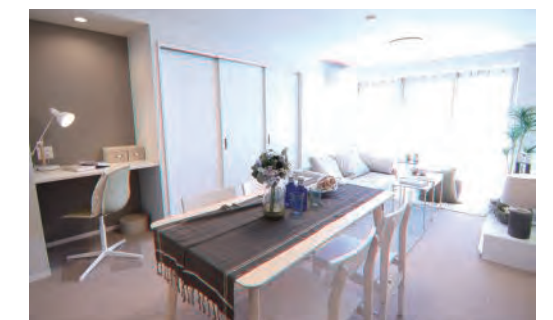
BOCCO emo



* A project to support leading residential and building projects that contribute to improvements in the quality of housing and residential lifestyles and the creation and expansion of new business markets relating to residential lifestyles using the Internet of Things (IoT) and other technologies.

Adapting to Diversifying Needs

Leben Zestock provides high-quality used condominiums that have been adapted to diversifying lifestyles. The company purchases used condominiums that are being rented, and after the residents vacate, performs renovations tailored to the times and the locality to transform them into appealing condominiums. It provides previously unavailable renovated condominiums that incorporate the good design and livability of LEBEN brand new construction condominiums.



VOICE



Leben Zestock purchases and resells used condominiums, and the sales department investigates the details of renovations while discussing the local characteristics of the property and its sale price.

We also strive at all times to gather information concerning what customers want by visiting the show rooms of merchandise manufacturers and show rooms. In response to influences from the recent increase in working from home, we have been renovating units by changing the layouts to create rooms for remote work and installing desks.

These innovations have been well received, and we have heard comments from purchasers indicating that they selected our condominiums because they wanted a place where they could focus on work or that they are just right for their children to study.

As lifestyles change on a daily basis in the future, we will continue to search for methods of developing appealing properties that are suited to the times.

Mika Aoyagi, Product Planning Department, Investment Business Division, Leben Zestock Co., Ltd.

INNOVATION DEVELOPMENT Project

The Takara Leben Group is working to create new lifestyles through the concerted efforts of every employee. In the lead-up to the 50th anniversary of its establishment, the Group launched the Takara Leben Group INNOVATION DEVELOPMENT Project to create new business, products, and services under its “Innovation for a New Lifestyle” slogan. As a part of this project, we conducted Innovation Idea Competitions in October 2019 and January 2020, leading to the creation of numerous plans that embody the “Innovation for a New Lifestyle” concept and received 40 submissions from 22 groups. Following screenings by all employees and directors, outstanding ideas relating to condominium management and residential products are being investigated for implementation.



LEBEN CRAFT Project

One program conducted as a part of the LEBEN CRAFT Project is the Premium Market, which enables the residents of our condominiums to directly see and feel the quality of various outstanding products from outlying areas. These events contribute to regional development and reflect our desire to share moving experiences with as many people as we can through the treasures (both products and experiences) that we have discovered through our condominium development activities across the country. In fiscal 2020, we held the Premium Market at Leben Takaoka MID RISE TOWER (Toyama Prefecture) over two days, promoting exchange between the producers of agricultural products and crafts and the residents of our condominiums.



LEBEN LABO ETHICAL ACTION

LEBEN LABO ETHICAL ACTION is an organization within the Company that was launched to put into practice the various feedback from our customers based on the theme of contributing to society by doing good things. In recognition of our sincere efforts to increase the happiness of people and their lifestyles, led by our corporate vision of “THINK HAPPINESS AND MAKE THE HAPPINESS,” we have been awarded the Good Design Award for four consecutive years. Four of the organization’s projects were selected in 2019.

USE OF SHOW ROOMS AND SALES CENTERS AS DISASTER RESPONSE SITES Project

The show rooms created when selling built-for-sale condominiums show customers what completed built-for-sale condominiums will be like and serve as sales negotiation sites. However, they are frequently built for individual condominiums and torn down after all units are sold. In this project, we outfitted show rooms with supplies and equipment needed in the event of a disaster; water, a living essential; charging facilities for mobile phones, etc., using in-house generators, and the like, and opened them to the general public as disaster response sites. Efforts began in fiscal 2019 and installation was completed at 23 sites as of March 31, 2021. We will actively use our expertise in efforts such as supplying condominium unit buyers with disaster kits, and will further expand these sites.

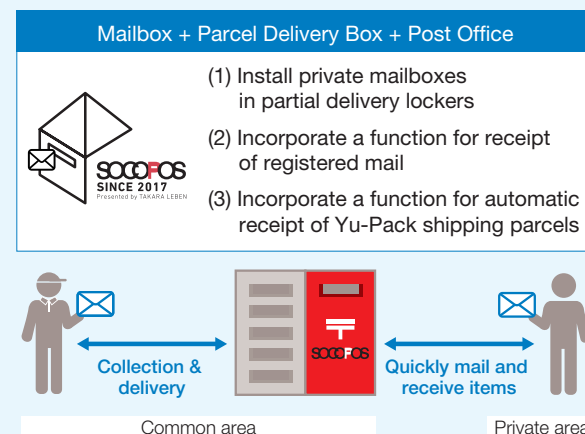


SOCOPOS Project

SOCOPOS is a highly convenient facility that incorporates private mailboxes into parcel delivery lockers to recreate the functions of a post office within a condominium building. SOCOPOS enables a variety of functions to make life more convenient including receipt of registered mail, automatic receipt of Yu-Pack shipping parcels, and collection of outgoing postal items within the condominium building.

The rapid increase in integrated logistics and delivery items is causing social problems and the need to improve delivery company systems. Rather than unilaterally demanding that businesses that handle delivery parcels and postal items make improvements, we want to create a mutually beneficial balance in society by improving the infrastructure of both beneficiaries and users. These efforts began in fiscal 2017, and SOCOPOS has been installed in 11 properties as of March 31, 2021.

The SOCOPOS Concept



SMART TORISETSU (SMART MANUAL) Project

When people buy built-for-sale condominiums, they receive various instruction manuals for installed residential equipment. They are a tremendous amount of material in total, making them difficult to use—they can be difficult to find when needed, and it can be difficult to find contact information within them.

This service digitizes these instruction manuals so they can be viewed on smartphones and centrally managed. This idea helps reduce the number of inquiries to property management companies, saves resources by making the manuals paperless, and helps preserve the asset value on resale through appropriate document management. The service has been adopted at NEBEL Mitaka (Tokyo).



SMART GARBAGE STORAGE 6M Project

This project reconceptualized garbage pickup areas in condominiums as common areas, like entrance halls, using environmental design to change their negative image and help reduce garbage disposal. Condominium garbage areas, parts of peoples’ living environments, are seen as smelly, scary, and dirty. We thought about what Takara Leben could do about this, and introduced beautiful “Garbage Stations” in our new condominiums. We have made further advances in this effort, carrying out a “6M” Project with the aims of promoting garbage volume reductions and spurring individual action to reduce garbage disposal to as close to zero as possible. This project has been instituted at NEBEL URAWA (Saitama Prefecture) and other condominiums.

* The 6Ms refers to *mottainai* (wasteful), *motto kurikaeshi tsukau* (use articles more times), *mo ichido tsukau* (use articles again), *mo niowanai* (no longer smelly), *mo kowakunai* (no longer scary), and *mo kitanakunai* (no longer dirty).



Representation

MODIFIABLE DESIGN CONDOMINIUM COMMON AREA Project

The usage rates of common areas such as lounges and children’s rooms have a tendency to fall as residents’ lifestyles change over time. To address this, Takara Leben has developed two-stage modifiable condominiums that adapt to growth stages, with future renovation plans built in from the very start. By creating condominium common areas and facilities that can be updated based on customer requests after a certain period of time, we not only meet customer needs, but also help revitalize communities and maintain condominium asset values. This project has been carried out at Leben Kemigawahama GRANVARDI (Chiba Prefecture).



Community Forming Communities

The Takara Leben Group works on regional revitalization—such as participation in redevelopment and local events—and the strengthening of communications with customers, employees, and shareholders. We build ties with stakeholders, and contribute to the formation and growth of communities.



Relationships with Stakeholders

Main Stakeholders Definition	Expectations and Requests	Major Responses of the Group
Customers (corporations and individuals) Contracting parties and tenants of condominiums and detached houses Users of tenant buildings Users etc. of various services	<ul style="list-style-type: none"> Supply of valuable products and services Improvement of customer satisfaction in all areas, including quality and cost Supply of environmentally friendly products Provision of accurate and appropriate information concerning products and services 	<ul style="list-style-type: none"> Introduction of online consultation system Introduction of online condominium show room system Provision of “clean air and spaces” Provision of properties with ZEH-M Oriented certification Administration of sales staff questionnaire Publication of “Smilax” quarterly
Local communities Local communities, residents, local governments, etc. related to Takara Leben Group business	<ul style="list-style-type: none"> Prevention of accidents and disasters Collaboration and coordination in solving social issues Securing of employment Participation in social contribution activities 	<ul style="list-style-type: none"> Participation in and sponsorship of local events Holding of community events at managed properties Implementation of social contribution activities Regional revitalization through rebuilding and redevelopment business
Trading partners Construction contractors Businesses etc. related to the provision of various services	<ul style="list-style-type: none"> Fair and evenhanded transactions Information sharing and collaboration with the aim of ensuring customer satisfaction and CSR procurement 	<ul style="list-style-type: none"> Fair and evenhanded transactions Collaboration and coordination in operations
Employees Takara Leben Group employees and their families	<ul style="list-style-type: none"> Creation of prosperous lives for employees and their families Human resource utilization and development Appropriate evaluation and compensation Respect for human rights, personality, and individuality Creation of workplaces in which diverse personnel can thrive Attention to occupational health and safety 	<ul style="list-style-type: none"> Implementation of training programs Implementation of human resource and evaluation interviews Operation of help line desks Introduction of a Telework System Promotion of staggered commuting times and reduced working hours Establishment of a Health Committee
Shareholders and investors Individual and institutional investors	<ul style="list-style-type: none"> Maintenance and improvement of corporate value Securing of stable profits and appropriate return of profits Enhancement of corporate governance system Creation of risk management systems Appropriate disclosure of corporate information at appropriate time 	<ul style="list-style-type: none"> Holding financial briefings and General Meetings of Shareholders Holding individual meetings with institutional investors in Japan and overseas Implementation of shareholder questionnaires Participation in investor relations fairs Disclosure of investor relations information on websites Acquisition of external certification

Together with Local Communities

Participation in Project for Use of Public Land in Front of South Exit of Higashi-Kawaguchi Station

In September 2020, Takara Leben and SaitamaKenko Construction Inc. entered into a basic agreement with the local government to participate in a project for use of public land in front of the south exit of Higashi-Kawaguchi Station. The project plan provides for integrated development of an administrative center, police box, and apartment building under a basic policy of establishing an administrative base with low financial burdens, enhancing the safety and convenience of local residents, and developing permanent urban residences.

This will be the first PPP project* in which the Takara Leben Group participates.

* A PPP project is a public-private partnership project. It is a new form of public-private collaboration whereby private sector parties provide public services.

Koiwa Station Area Management Association Begins Full-Scale Operations

Multiple large-scale development projects are currently underway in the Koiwa district, which has a history of more than 100 years since Koiwa Station opened. In January 2021, the Koiwa Station Area Management Association (known as “KOITTO”), of which Takara Leben is a special supporting member, opened the KOITTO TERRACE on the first floor of the JR Koiwa Station south exit FIRSTA I building and began full-scale area management in the vicinity of Koiwa Station.



* KOITTO is a general incorporated association established in November 2020 to perform area management in the vicinity of Koiwa Station.

Large-Scale Public-Private Redevelopment Project in Furukawa, Osaki City

A multi-purpose redevelopment project is being carried out through collaboration by the public and private sectors with the aim of revitalizing the city center, which has led development of the area in the vicinity of the City Hall in Osaki City, Miyagi Prefecture. The Leben Furukawa Nanokamachi THE STATE, a 14-story premium residential complex being developed by Takara Leben Tohoku, will become a new landmark in the evolving neighborhood through the integration of knowledge from the public and private sectors. Show rooms opened and sales activities started in January 2021.



Participation in THREE Excellent Building Development Project in the Shinmachi 1-Chome District of Aomori City

Takara Leben Tohoku is participating in the THREE Excellent Building Development Project in the Shinmachi 1-Chome district of Aomori City (at the site of the former Nakasan Department Store Aomori main store) being undertaken by Shinmachi Machizukuri K.K. and MiK Co., Ltd. By acquiring floors reserved for residences in the THREE residence (a 14-story structure with a total of 86 condominium units on the fifth and higher floors), which integrates four core functions: apparel, healthcare, food, and residences, and conducting condominium development, Takara Leben Tohoku is contributing to the revitalization of city centers in Aomori City.

The lower floors of the building will feature a clinic mall, supermarket, and food court and will be connected by a passageway to an annex with a drive-in parking garage, thereby facilitating living without the stresses of snow, even though it is a heavy snowfall region. This project will serve as a new model for department store revitalization in regional cities.

VOICE



The Furukawa Nanokamachi area of Osaki City was a post town and commercial district since the Edo Period, and the Shinmachi area of Aomori City had a local department store, and each prospered as central districts of their respective communities. They have both declined in recent years because of changes in consumption as well as aging populations and declining birthrates in city centers, but people are being drawn back as a result of multi-purpose development of commercial facilities and residences through Type 1 Urban Redevelopment Projects and Excellent Building Development Projects, and efforts are being made to restore vitality to these areas.

This type of project involves more people, requires more time and effort, and there are many issues that need to be addressed compared to general development and sales projects, but for the community, the level of attention is extremely high and the project is highly significant. For these reasons, we hope to continue contributing to the revitalization of city centers in regional cities through the provision of this type of residence in the years to come.

*Yosuke Akiyama, Development Department, Development Division, Takara Leben Tohoku Co., Ltd.**
** Currently seconded to the Development Business Department, Condominium Business Division, Takara Leben*

Together with Our Customers

Sales Staff Questionnaire

Since fiscal 2019, Takara Leben has been administering questionnaires to show room visitors to gauge their impressions of sales staff and the company with the aim of building stronger relationships. These questionnaires seek to evaluate sales staff service from all perspectives, such as whether they made proposals that met customer needs, whether explanations were clear and of appropriate length, and whether they were considerate and polite.

In fiscal 2020, the questionnaire response format was changed from a post-card to using an iPad, resulting in a higher response rate and receipt of opinions from more customers.

Feedback based on the tabulated results is provided to each show room on a monthly basis and shared within departments, leading to prompt improvement in customer service and the provision of even more comfortable spaces.

In addition, opinions received from customers concerning property designs and facility specifications are useful for product planning through collaboration with relevant departments.



Regarding response by sales staff responsible for making proposals to customers	FY2019						Total
	Dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Satisfied	No response	
Time required for overall explanation and allocation of time	2%	5%	11%	26%	57%	0%	1894 responses
Explanations and proposals based on understanding of customer needs	1%	2%	6%	27%	63%	1%	1894 responses
Promptness of explanations and responses to customer doubts (concerns)	1%	2%	5%	26%	65%	1%	1894 responses
Amount of information and understandability concerning details of the property and nearby environment	1%	1%	7%	29%	61%	1%	1894 responses
Explanation of financing plans and life plans	1%	2%	19%	24%	52%	2%	1894 responses
Explanation of management and after-sales service	1%	2%	18%	28%	49%	2%	1894 responses
Consideration for the customer and thoroughness of responses	1%	1%	3%	19%	74%	1%	1894 responses

	FY2020						Total
	Dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Satisfied	No response	
	2%	5%	9%	25%	58%	0%	1986 responses
	1%	2%	7%	25%	65%	0%	1986 responses
	1%	1%	6%	23%	69%	0%	1986 responses
	1%	1%	7%	28%	63%	0%	1986 responses
	1%	2%	19%	25%	53%	1%	1983 responses
	1%	1%	18%	27%	52%	1%	1984 responses
	1%	1%	4%	17%	76%	0%	1983 responses

Leben Community's Community Activities

Resident Get-Togethers

As a part of its community development efforts, Leben Community holds various types of events that bring adults, children, and whole families together while enjoying snacks and games, such as resident get-togethers where residents of new condominiums can get to know each other.

In condominiums made up of multiple buildings, we also provide support for joint summer festivals with games, food stalls and other stalls, and workshops for children that will be lifelong summer memories. In fiscal 2020, resident get-togethers were suspended to prevent the spread of COVID-19.



Representation

COVID-19 Responses in Community Events

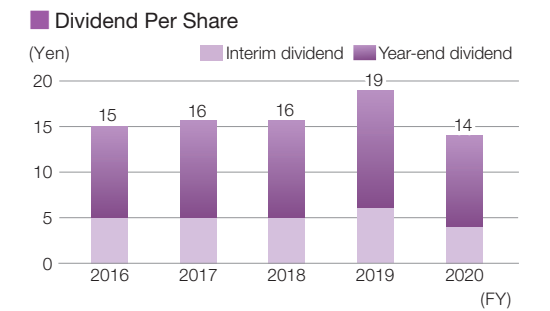
Leben Community, which provides condominium management services, believes that building direct personal relationships with condominium residents as part of everyday life not only produces greater livability, but also helps prevent crime and fosters greater assistance and support in times of need. For this reason, it supports community development among residents by holding various events. In fiscal 2020, events where large numbers of residents gather were postponed to prevent the spread of COVID-19, but seasonal events that did not lead to the 3Cs (closed spaces, crowded places, and close-contact settings) such as decorating for *tanabata* (a traditional star-themed festival) were held.



Together with Our Shareholders

Policy and Past Performance Regarding Dividends

Our basic decisions on dividends are not biased toward the dividend payout ratio, but are comprehensive and take into consideration factors such as dividend on equity (DOE) and dividend yield. We seek to be an appealing company so that our shares can be held stably not in the short term but in the long term, and can be held for long without being affected by fluctuations in share prices.



Shareholder Questionnaires

We periodically conduct questionnaires to facilitate dialogue with shareholders. The valuable opinions received through the questionnaire responses are presented to stakeholders through semi-annual reports, and we make efforts to reflect those opinions in subsequent investor relations measures.



Shareholder Privilege Program

Takara Leben positions shareholder returns among its highest priority issues. In accordance with this principle, we will maintain stable dividends based on financial results while securing the appropriate internal reserves important for continued growth. At the same time, we give out rice coupons to all shareholders possessing at least one unit (100 shares) stated or registered in our shareholder registry or substantial shareholder list as of March 31 each year.



Disclosure Policy

Takara Leben discloses information to the public in accordance with the following disclosure policy.

1 Disclosure Standards

Takara Leben Co., Ltd. (JAT) discloses information in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations, as well as the rules for timely disclosure and so on of corporate information included in the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) (hereafter collectively referred to as the "Timely Disclosure Rules.") At the same time, Takara Leben will proactively disclose information that is deemed to be important or valuable for stakeholders to understand the company, even when it is not subject to the Timely Disclosure Rules.

2 Method of Disclosure

Information subject to legal disclosure statutes is promptly disclosed in accordance with the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities via the Timely Disclosure Network (TDnet) operated by Tokyo Stock Exchange. In addition, the information is also released to the media and disclosed in accordance with procedures established by laws and regulations without delay. Disclosed information is also promptly posted on our website.

3 Limitations on Disclosure

In principle, Takara Leben is not allowed to selectively disclose management-related information to specific third parties. In order that important information which has not been announced is not disclosed to specific parties and ensure fairness to everyone, including the media, investors, and securities analysts, private meetings will only touch on past historical facts, facts which have already been announced, etc.

4 Quiet Period

In order to ensure fairness to all stakeholders, Takara Leben has defined a quiet period from the day after the end of each quarter until the day of our earnings announcement for that quarter. During this period, Takara Leben will refrain from responding to or making comments on questions related to our account settlement and earnings forecast. However, if a large discrepancy from the earnings forecast is found during the quiet period, information will be disclosed in an appropriate and timely manner in accordance with the Timely Disclosure Rules. Note that during the quiet period, Takara Leben will continue to respond to questions and inquiries about information that has already been disclosed.

5 Prevention of Insider Trading

Takara Leben has established an internal regulation to suitably manage important information and prevent insider trading from occurring. Takara Leben has been striving to educate all employees in our Group on these issues and foster their understanding.

6 Spread of Third-Party Information and Rumors

Takara Leben is not responsible for any forecasts or comments about the Takara Leben Group made by third parties. In addition, Takara Leben does not in principle respond to inquiries regarding market rumors. However, if it is deemed that not responding could have serious ramifications for the Company, Takara Leben may respond to a rumor, etc. by taking swift action to determine the cause and take appropriate actions as necessary.

Together with Our Employees

Employee Health and Safety Management

In accordance with its basic policy on health and safety, the Takara Leben Group strives to manage the health and safety of employees and takes measures to create work environments where all employees can work with peace of mind.

Basic Policy on Health and Safety

The Takara Leben Group provides proactive support to ensure the safety of employees and maintain and enhance their health. We strive to create work environments where diverse human resources can work to demonstrate their full capabilities. We established the Health Committee to implement these measures and undertake comprehensive employee health and safety management.

Health Committee

The Group strives to create work environments where all employees can work with peace of mind, led by its Health Committee, established as stipulated in Article 18 of the Industrial Safety and Health Act.

The Health Committee meets regularly, positioning traffic accidents, occupational accidents, and overtime work as major risks that threaten the health and safety of workplace employees, reports on the conditions of these risks, and engages in deliberations with the objective of resolving these issues. The committee's members are representatives of different workplaces, and they point out specific problems with workplace environments and customs that impede efforts to reduce overtime hours and encourage the taking of holidays. Measures for addressing these problems are deliberated together with members of management and successively implemented.

Periodic Medical Examinations

We encourage employees to undergo periodic medical examinations as specified by laws and regulations, and the Human Resources Department actively reaches out to employees to raise examination rates. We also take measures to establish work environments at each business location that are conducive to undergoing medical examinations. In order to discover various medical conditions at an early stage, those age 30 and above are able to undergo medical examinations for prevention of lifestyle diseases, female employees are able to undergo gynecological examinations, and those age 35 and above can go for a complete medical checkup.

Stress Checks

We conduct stress checks as a form of stress management to prevent mental health issues among employees, and the results are shared at Executive Committee meetings. Also, employees can anytime receive free counseling from an independent, third-party organization without the Company's knowledge.

Safe Driving Courses

Takara Leben conducts safe driving courses at the time of entry-level employee training. The courses explain that making an effort to prevent accidents is a part of our corporate social responsibility and an aspect of corporate activities. Information on accident trends is presented, group work in the form of risk prediction training is conducted, and various other measures are taken to prevent accidents.

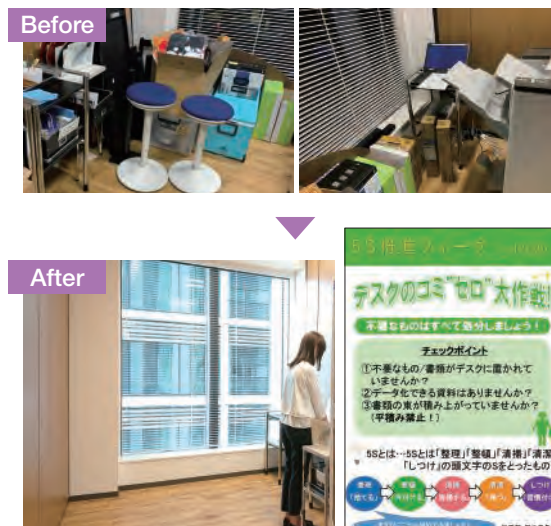
Creating Workplace Environments That Facilitate Work

Promotion of 5S Activities

Takara Leben has long had twice-monthly "cleaning times" for cleaning and organizing offices in an effort to create environments where employees can work comfortably.

In December 2020, in conjunction with periodic internal patrols to check for problem areas from the perspectives of safety, health, and the 5Ss*, we held 5S Promotion Week to raise employee awareness regarding the 5Ss at the Head Office. As a result of this initiative, we made improvements to conditions such as information about COVID-19 countermeasures being difficult to understand and placement of unnecessary items that obstruct pathways.

* The 5Ss refers to *seiri* (sort), *seiton* (set in order), *seiso* (shine), *seiketsu* (standardize), and *shitsuke* (sustain).



Various Training Systems

Expansion of Educational and Training Programs

Takara Leben works to reinforce its educational and training programs with the aims of promoting growth of each employee and enhancing overall organizational strength. In fiscal 2020, we systematically implemented programs over the course of the year to enable employees to acquire the knowledge and skills that they need including rank-based training, such as new employee training for all new employees, and training for selected personnel.

We also conducted ESG training to teach employees important approaches and knowledge for undertaking sustainability measures during the COVID-19 pandemic.

Training Structure Chart

Grade	Definition	Scope	Company-wide education			
			Rank-based	Workplace	Selective	Other
Officers	<ul style="list-style-type: none"> Management strategy formulation and decision-making Corporate management 	Company	<ul style="list-style-type: none"> Management strategies Company operation 	Evaluation		
M3	<ul style="list-style-type: none"> Strategy implementation and management in one's organization Achieving group targets Effective organizational operation Department manager development 	Organization	<ul style="list-style-type: none"> Management strategies Business development 	360-degree evaluation	Feedback interview on evaluation of results and Conduct	Improving organizations
M2	<ul style="list-style-type: none"> Strategy implementation and management in one's organization Achieving department targets Effective organizational operation Section manager development 	Team	<ul style="list-style-type: none"> Organizational management 			
M1	<ul style="list-style-type: none"> Strategy implementation and management in one's organization Achieving section targets Effective organizational operation Developing subordinates 	Individual	<ul style="list-style-type: none"> Fundamental management skills 			
G3	<ul style="list-style-type: none"> Directing and guiding subordinates Central roles in business execution, improvement, and problem-solving 		<ul style="list-style-type: none"> Leadership Problem-solving 	On-the-job training	Practical knowledge training	Improving operations
G2	<ul style="list-style-type: none"> Performing one's work duties under the general direction of supervisors Business execution, improvement, and problem-solving 		<ul style="list-style-type: none"> Logical thinking abilities Followership 			
G1	<ul style="list-style-type: none"> Performing one's work duties under the detailed direction of supervisors Acquiring business experience and knowledge 		<ul style="list-style-type: none"> Business stances Business etiquette Fundamental practical skills Listening ability Identifying problems Setting and managing targets 			

Strengthening Communication with Employees

Expansion of Takara Note

Takara Leben operates Takara Note, an in-house website, shares information, and works to invigorate communications to maximize Takara Leben Group synergies. The Group Plaza section of Takara Note uses a bulletin board function, photo album function, and question and answer function to obtain the latest information from each company and support higher work efficiency. In fiscal 2020, we added a function to provide notice of important and recent news via email with the aim of creating a website that contributes to Group management.



Quality & Comfort

Providing Comfortable Spaces of High Quality

For everyone to live with peace of mind. The Takara Leben Group pursues the needed performance of housing to support the happiness of families. We provide definite quality, combining both design and habitability, and comfortable spaces where people can live with peace of mind all the time.



Providing Comfortable Spaces of High Quality

Initiative to Improve Quality Through Obtaining ISO 9001 Certification

For the purpose of improving the quality of our comprehensive support to customers in building comfortable living environments, Leben Community and Nikko Takara Corporation have constructed quality management systems in accordance with ISO 9001, the international standard for quality management systems formulated by the International Standards Organization, and obtained this certification.

Details of Leben Community's Initiative

Comprehensive condominium management	<ul style="list-style-type: none"> Administrative management Association accounting Management and repair of buildings and equipment Management staff operations
Condominium repair work	<ul style="list-style-type: none"> Repair of condominium common areas

Details of Nikko Takara Corporation's Initiative

- Make clear legal requirements, and validate conformance of processes which must be observed
- Give clarity to the risks and opportunities that have the chance of affecting capacity for customer satisfaction improvement, and address them appropriately
- Encourage the conduct of PDCA on stakeholders' requirements



Condominium Management Quality Improvement Measures

Service Quality Management System (SQMS®)

Leben Community ensures quality using our unique service quality management system (SQMS®) to continue managing our customers' important assets over the long term. SQMS® applies ISO 9001, an international standard for quality management systems, to condominium management. It sees condominium management as consisting of four support services (site management, financial management, asset management, and operations management) and applies the PDCA cycle to each to continuously improve quality.



Specific actions include providing feedback to the relevant departments on the opinions of condominium management association members collected through questionnaires, which leads to improvements in the quality of a wide range of services.

Quality-Related Education and Training

Leben Community works to develop human resources who understand SQMS® and can put it into practice. It conducts training on the core concepts of SQMS® to ensure that young employees understand its fundamental approaches and characteristics. To develop SQMS® both internally and externally, Leben Community also certifies as SQMS® Masters employees who have extensive practical experience and are well versed in SQMS® concepts, quality standards, process management, and more and grants them SQMS® badges. The SQMS® Master program was launched in fiscal 2018, and 10 employees have been certified to date.

Front man Training

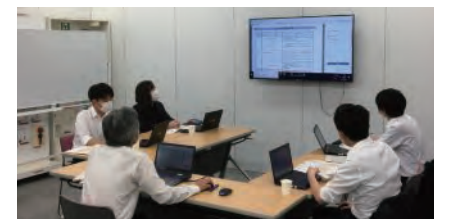
Front men require extensive knowledge as professionals that support the operation of management associations. In order to improve the quality of service they provide, we regularly administer training to all front men. The goal is to provide front men with the skills they require to carry out their duties, through training such as debt recovery operation training led by an attorney, SQMS®-based operation mentality training, and building and equipment training.



Condominium Management Staff Training

Condominium management staff is responsible for reception, inspections, cleaning, consultation, and other duties. To maintain comfortable condominium living environments, they must not only be able to execute their duties appropriately, but also to do so with a smile on their face, speak politely, and be careful about their personal appearance. By providing them with feedback from residents about their day-to-day job performance, conducting regular management staff training, and periodically testing their understanding of training contents, we work to thoroughly improve the quality of service they provide.

In fiscal 2020, in order to prevent the spread of COVID-19, rather than holding study sessions, we distributed materials and conducted confirmation tests based on the results of questionnaires concerning management staff administered to the directors and officers of management associations.



Information Shared on Near-Miss Incidents

One measure we employ to maintain and enhance service quality is sharing information on near-miss incidents relating to condominium management. We use the Management Staff News, which is distributed periodically, to inform all staff members about incidents that almost led to quality-related accidents.

In addition, during company-wide service quality training, we present information on incidents not in compliance with standards that occurred in the previous fiscal year and details of the responses, and this has been useful in reducing quality-related incidents. In fiscal 2020, we focused on communications and sharing warning information in conjunction with the spread of COVID-19.

Pursuit of Safety and Peace of Mind

Thorough Process Inspections

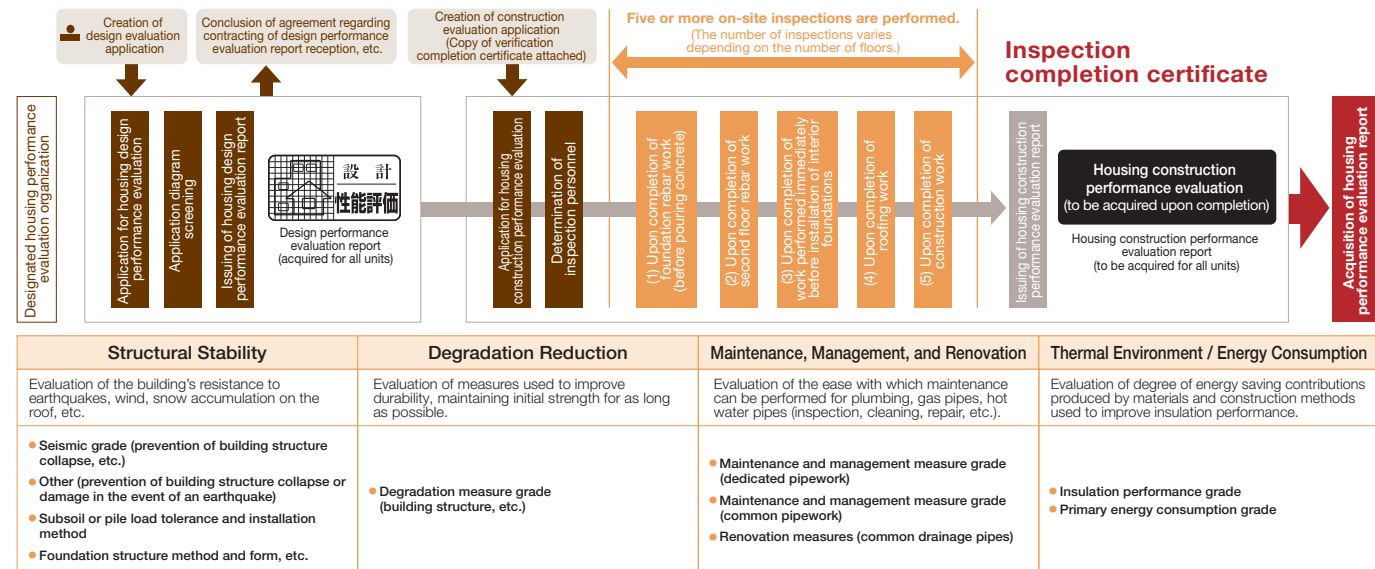
To provide housing where people can live for a long time with peace of mind, the Takara Leben Group conducts stringent checks at the construction stage. We put efforts into ensuring thorough quality management, with our staff regularly visiting construction sites to inspect building structures and conduct checks within the construction process of hidden areas, foundations, and finishing.



Representation

Obtaining Housing Performance Evaluation Reports

Takara Leben obtains housing performance evaluation reports from third parties designated by the Minister of Land, Infrastructure, Transport and Tourism to provide customers with greater peace of mind regarding their residences. To obtain these reports, we acquire performance evaluations in each stage of design on topics including earthquake- and fire-resistance, degradation resistance, energy consumption, and ease of maintenance. Construction is performed while undergoing five or more on-site inspections, and it is necessary to pass a rigorous performance evaluation at the time of completion.



Earthquake- and Fire-Resistant Structures

Robust Earthquake-Resistant Structures

In the construction of condominiums, we improve earthquake resistance by adopting the most appropriate construction method for the characteristics of the subsoil and its capacity to support the foundation. This includes the use of pile foundations, where strong piles are directly driven into the ground to the supporting layer, spread footing foundations, which provide support directly using firm subsoil, and seismic isolators, which disperse earthquake energy and dampen extreme, long-period building swaying.

In the construction of detached housing, we adopt wood-frame construction, which affords a high degree of design freedom and flexibility when adding to or renovating a structure in the future, together with a panel construction method that offers high durability and safety as well as good earthquake and fire resistance. We also employ as a standard feature a mat foundation method whereby a steel-reinforced concrete slab is laid underneath the entire wood floor to support the building, establishing a strong foundation using a high earthquake resistance and high durability construction method.

Exceptional Fire-Resistant Structures and Soundproofing Performance

We use highly fireproof materials when constructing condominiums. Fire-resistant and soundproofing performance standards are stipulated by law, and the thickness of the concrete walls between our condominium units, which require a high level of fire resistance and soundproofing, is approximately 180 mm. Furthermore, fire-resistant and soundproofing construction is used for the piping within pipe spaces facing residents' rooms.

Accident Prevention Measures

The Takara Leben Group is working to prevent occupational accidents at workplaces and construction sites.

Health and Safety Patrols

Nikko Takara Corporation, which is responsible for building construction, performs health and safety patrols at each construction site at least once each month to create safer worksites. In addition to confirming the implementation of health and safety management, such as monthly and daily inspections and the assignment of certified personnel, they also aim to foster a greater focus on safety through the use of safety briefings and the like.

Top management also conducts joint special patrols with partners once each quarter. In July 2020, special patrols were performed to confirm the status of on-site maintenance and implementation of accident-prevention measures at construction sites and to ensure that strict heatstroke prevention measures are implemented and promote a workplace culture that does not overlook disregard for danger.



Safety Conferences

During National Safety Week, an initiative of the Ministry of Health, Labour and Welfare whose goal is to promote voluntary occupational accidents in the industrial world, foster more widespread safety awareness, and firmly establish safety activities, Nikko Takara Corporation's offices and worksites work closely together and enhance the company's health and safety management activities such as its measures to prevent the three main types of accidents (toppling and falling accidents, crane and other construction machinery accidents, and collapse accidents). Before National Safety Week, the company's executives, employees, and partners gather for a Safety Conference that promotes greater health and safety management. The Safety Conference was not held in fiscal 2020 to prevent the spread of COVID-19.



* The fiscal 2019 safety conference

Disaster Response

Disaster Preparedness Drills

Leben Community supports the safety and peace of mind of all condominium resident communities. One representative example of that is the disaster preparedness drills we conduct in conjunction with management associations, especially in large condominiums. It is no easy matter for residents, including senior citizens and children, to properly use condominium firefighting equipment in the event of a fire, or to rapidly evacuate the condominium via its evacuation routes. In the disaster preparedness drills, residents experience not only evacuation from upper level floors via stairs, but also evacuation via ladder trucks, evacuation by breaking partition boards on balconies, and initial firefighting using fire extinguishers.

In fiscal 2020, we held briefings on emergency drinking water purification systems, attended inspections, and conducted other such programs while taking measures to avoid the 3Cs (closed spaces, crowded places, and close-contact settings) during the COVID-19 pandemic and reducing the scale by limiting the number of people. We will continue to conduct disaster preparedness drills tailored to the situations of specific condominiums and enhance the disaster responsiveness of communities.



Pursuit of Safety and Peace of Mind

Crisis Management Structures in Leben Community

Leben Community has established solid crisis management structures to protect the safe lives and peace of mind of condominium residents.

● Safety Management

Remote monitoring systems promptly send notice to a security company via telephone lines in the event of any abnormality in condominium facilities. If necessary, security personnel respond immediately. Through its inspections and staff training, Leben Community has established a system for responding appropriately in the event of an elevator, firefighting equipment, or other emergency.



● Crisis Responses in Large Buildings

In fiscal 2020, Leben Community implemented COVID-19 infection prevention measures at large condominiums in each region based on its many years of experience.

At the Park City Mizonokuchi condominium in Kawasaki City, Kanagawa Prefecture, which has about 1,100 households, Leben Community cooperated with the management association, community association, and a disaster control center to implement systematic crisis response measures for conducting comprehensive infection prevention measures and preparing for the occurrence of infections. Specific measures included morning and afternoon disinfection of items that are frequently touched by residents, such as elevator buttons, handrails, intercom panels, and doorknobs, and other rigorous infection countermeasures. Leben Community also urged residents to take preventive measures within their individual residences (such as ensuring adequate ventilation and limiting going out for non-essential purposes) and to exercise caution while on the condominium grounds (such as wearing a mask, refraining from speaking while in elevators, and adopting trash disposal methods that reduce the risk of infection).



Leben Community encouraged residents to take appropriate action by providing easy access to information needed if they suspected they were infected or became infected. It also produced the Infection Prevention News, a newsletter compiling information on these infection prevention measures, and distributed it to residents. In addition to infection countermeasures, the newsletter contained contact information for public agencies, information about on-site specialized infectious disease clinics and nearby restaurants that provide takeout and delivery services, warnings about tax refund fraud, and more, providing wide ranging support for life during the COVID-19 pandemic.

VOICE



Leben Community's Large Project Implementation Department is a specialized organization that performs management of large-scale condominiums with more than 1,000 units. The department has faced unprecedented circumstances including the declaration of a state of emergency in response to the spread of COVID-19, but we have taken a variety of measures in cooperation with condominium management associations, keeping in mind the need to convey timely information to residents and maintain their peace of mind. These types of measures have been covered in the media and have been highly evaluated, and we have even received comments from other condominiums that they will use them as models for their own measures.

Now that vaccinations are started, we will continue our efforts to provide environments where residents can live with peace of mind such as distributing the latest vaccination information in an easy to understand manner in condominiums that have a lot of older residents.

Kenjiro Ito, Large Project Implementation Department, Operations Management Division, Leben Community Co., Ltd.

Pursuit of Habitability

Condominiums That Provide Clean Air and Spaces

Takara Leben continues to propose residences with new value tailored to new living environments. As people's awareness concerning their health and the prevention of infections rises and calls are made for cleaner residences, we are developing new built-for-sale condominiums that offer "clean air and spaces."

To control household odors that may bother residents, the ceiling of each unit is equipped with an air-e nanoe generator (made by Panasonic Corporation), which generates deodorizing ionic particles to break down the sources of odors, as a standard feature. In addition, various antibacterial and antivirus innovations have been incorporated into the interior finish materials used in the spaces where residents live. The walls and ceilings of all units use materials with antivirus coatings that have virus-reducing effects. The surface of cloth material applied to walls and ceilings is coated with antibacterial agents, which has the effect of reducing bacteria that adhere to those surfaces. Moreover, flooring materials curtail the growth of bacteria with 101 REPREA® (made by Toppan Inc.), decorative flooring sheets that have been certified for antibacterial processing by the Society of International Sustaining Growth for Antimicrobial Articles (SIAA). Antibacterial and antivirus coatings certified by SIAA have been applied to fixtures in all units.

Sales of condominiums that provide clean air and spaces began in the Kita-Toda Station area of Saitama Prefecture in February 2021.

Takara Leben's Consideration for Future Housing

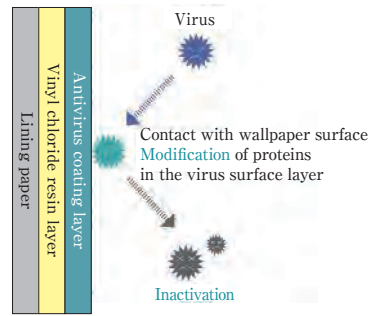
Antibacterial and antivirus specifications for peace of mind
SIAA certified. Olefin decorative sheets with antibacterial and antivirus specifications are used for fixtures.

Antibacterial and antivirus wallpaper in all units
Antivirus products are selected for wallpaper. These products demonstrate excellent defects against viruses, protecting peace of mind in clean residences.

Antibacterial and antivirus fixtures
Antibacterial and antivirus fixture sheets are used on doors and other room fixtures that are contacted many times every day, supporting the health of families.

Antibacterial flooring sheets
Decorative sheets with antibacterial specifications are used for residence floors, providing peace of mind to families with babies.

[SIAA] The Society of International Sustaining Growth for Antimicrobial Articles (SIAA) is an organization of manufacturers of antibacterial and anti-mold agents and antibacterial and anti-mold processed products and antimicrobial testing institutions; it encourages the proper and reassuring use of antibacterial and anti-mold processed products. Such processing reduces the number of certain virus particles on products.
* Antivirus processing is not intended to treat or prevent any disease.
* Compliant with SIAA safety standards.



Air-e nanoe generators embedded in ceilings
The standard for the new normal. Residences that focus on air and health.



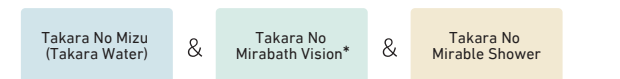
LUIC Project, a Proprietary Water System

The LUIC Project is a water system, originated by the Takara Leben Group, which makes purified water available for use in all aspects of living. Since the system was launched in 2008, it has been used in all series of our own branded condominiums, changing the lives of many residents by changing water, a fundamental necessity for life. The LUIC Project is constantly adopting new technologies and evolving.

Currently, the LUIC Project consists of Takara No Mizu, which provides purified water from taps; Takara No Mirabath Vision, a bath system that provides the cleaning and warming effects of ultra-fine air bubbles simply by soaking in the bathtub; and Takara No Mirable Shower, which provides water with ultrafine bubbles to keep users' skin and hair in excellent condition. Takara No Mirabath Vision is available with functions such as a circulating bath and spot care, and a new Micro Iony function that removes grime from the bathtub using activated oxygen atoms has been added.

LUIC PROJECT

TAKARA WATER SYSTEM



Cleaning power

Microbubbles wash away dirt from inside pores.

Hot bath

Body surface temperatures were photographed using infrared thermography 15 minutes after a five-minute bath in hot water (38°C) with microbubbles.
* Effects and benefits vary among individuals.

NEW MICRO IONY

Microbubbles generated by low-temperature plasma are used to **break down, sterilize, and deodorize** dirt and grime in the bathtub

Before experiment **After 15 min.**

Representation

* In this decoloration experiment, approximately 250 ml was sampled from an aqueous solution consisting of roughly 1,000 ml of mineral water and roughly 0.2 g of methylene blue, and microbubbles were generated using Micro Iony for approximately 15 minutes.

* Do not use while in the bath.

AIRLESS JET

The **circulation bath** uses special nozzles to create a pleasant convection water current that flows throughout the bath.

Representation

Spot care allows special hose nozzles to be applied to specific pinpoint areas.

Representation

The specially processed "oxygen ceramic" is simply set in the hot water inlet for enjoyment of an **oxygen bath**.

Representation

* Oxygen ceramics are sold separately.
* Effects and benefits vary among individuals.

Environment & Culture

Developing Environments and Cultures

The Takara Leben Group not only improves the environment through adopting renewable energy, but also contributes to improving energy self-sufficiency and regional revitalization including the use of idle land. In addition, we work on improving the quality of life for people by providing opportunities for cultural and social activities.



SOLAR POWER

Electric Power Generation Business

The Takara Leben Group conducts electric power generation business utilizing renewable energy that contributes to reductions in the emissions of CO₂, a greenhouse gas. We develop mega-solar power facilities at places such as on idle land for large-scale solar power generation.

Since entering this business in 2013, we have been involved in developing mega-solar power facilities centered on the Kanto area, and currently operate 62 facilities (calculated based on the number of licenses) as of the end of March 2021. Total power generation is approximately 206 MW, and we aim to achieve 360 MW by the end of March 2025.

List of Mega Solar Power Generation Facilities

- | | | |
|---|--|---|
| <p>Tohoku</p> <p>Aomori Prefecture</p> <ul style="list-style-type: none"> LS Aomori Hiranai Power Generation Facility <p>Miyagi Prefecture</p> <ul style="list-style-type: none"> LS Miyagi Osato Power Generation Facility LS Miyagi Sendai A & B Power Generation Facility LS Miyagi Osato 2 Power Generation Facility LS Miyagi Ohira Power Generation Facility LS Miyagi Matsushima Power Generation Facility <p>Fukushima Prefecture</p> <ul style="list-style-type: none"> LS Fukushima Yamatsuri Power Generation Facility LS Fukushima Kagamiishi 1 and 2 Power Generation Facility LS Fukushima Tamura Power Generation Facility <p>Iwate Prefecture</p> <ul style="list-style-type: none"> LS Iwate Hirono Power Generation Facility | <p>Kinki</p> <p>Wakayama Prefecture</p> <ul style="list-style-type: none"> LS Shirahama Power Generation Facility <p>Chugoku</p> <p>Hiroshima Prefecture</p> <ul style="list-style-type: none"> LS Hiroshima Mihara Power Generation Facility <p>Tottori Prefecture</p> <ul style="list-style-type: none"> LS Tottori Daisen Power Generation Facility <p>Okayama Prefecture</p> <ul style="list-style-type: none"> LS Okayama Tsuyama Power Generation Facility | <p>Tokyo Metropolitan Area</p> <p>Saitama Prefecture</p> <ul style="list-style-type: none"> LS Hanno Misugidai Power Generation Facility <p>Chiba Prefecture</p> <ul style="list-style-type: none"> LS Chiba Wakaba-ku Power Generation Facility LS Sosa Power Generation Facility LS Chiba Sannmu East and West Power Generation Facility LS Chiba Narita Power Generation Facility LS Chiba Katsuura Power Generation Facility <p>Kyushu and Okinawa</p> <p>Nagasaki Prefecture</p> <ul style="list-style-type: none"> LS Nagasaki Isahaya Power Generation Facility LS Nagasaki Sasebo Power Generation Facility <p>Kagoshima Prefecture</p> <ul style="list-style-type: none"> LS Kirishima Kokubu Power Generation Facility LS Kagoshima Kanoya Power Generation Facility LS Kirishima Kokubu 2 Power Generation Facility LS Kagoshima Tanegashima Power Generation Facility <p>Okinawa Prefecture</p> <ul style="list-style-type: none"> LS Miyakojima Gusukube Power Generation Facility |
| <p>Kanto-Koshinetsu</p> <p>Ibaraki Prefecture</p> <ul style="list-style-type: none"> LS Koga Onanuma Power Generation Facility LS Tone A, B, and C Power Generation Facility LS Chikusai Power Generation Facility LS Tsukuba Bouchi Power Generation Facility LS Miho Power Generation Facility LS Mito Takada Power Generation Facility LS Tone Fukawa Power Generation Facility LS Sakuragawa 3 Power Generation Facility LS Kamisu Hasaki Power Generation Facility LS Hokota Power Generation Facility LS Sakuragawa 2 Power Generation Facility LS Inashiki Aranuma 1 Power Generation Facility LS Sakuragawa Nakazumi Power Generation Facility LS Sakuragawa 4 Power Generation Facility LS Sakuragawa Shimozumi Power Generation Facility | <p>Chubu</p> <p>Shizuoka Prefecture</p> <ul style="list-style-type: none"> LS Shizuoka Omaezaki Power Generation Facility <p>Aichi Prefecture</p> <ul style="list-style-type: none"> LS Aichi Toyohashi Power Generation Facility <p>Mie Prefecture</p> <ul style="list-style-type: none"> LS Mie Yokkaichi Power Generation Facility | <p>Total power generation: Approx. 206MW
*Including wholesale portion</p> |

Completion Ceremony Held for Mega Solar LS Chiba Katsuura Power Generation Facility

A ceremony to mark the completion of construction of the LS Chiba Katsuura Power Generation Facility in Katsuura City, Chiba Prefecture was held in March 2020. The facility is Takara Leben's largest mega solar power generation facility, with a total site area of approximately 520,000 m², generating capacity of 30 MW, and projected annual generation of 34 million kWh. Much of the facility site is leased from Katsuura City, and the project is being conducted in a manner that also contributes to the community.



Measures to Reduce Energy Consumption

Takara Leben Infrastructure Fund seeks to create eco-friendly, sustainable environments by investing in renewable energy power generation facilities and other projects. Its efforts contribute to reducing CO₂ emissions by approximately 70,410 tons* annually.

* Annual amount of reduction of CO₂ emissions compared to fossil fuel-fired thermal power plants based on the output of power generation facility panels.



Takara Leben Sustainability Fund

Takara Leben began operation of new means of financing with the aim of encouraging measures that contribute to the global environment. Leben Funding LLC. was established in January 2021, and in collaboration with Funds, Inc., it launched the Takara Leben Sustainability Fund #1 and conducted crowdfunding to solicit loan investments from a wide range of investors. The collected funds will be used as working capital for renewable energy projects and CSR measures.



Leben Nagano Nakagoshō THE PEERLESS ZEH Condominium

With the Leben Nagano Nakagoshō THE PEERLESS, currently under construction in Nagano City, Nagano Prefecture, Takara Leben is proposing a ZEH condominium* with unprecedented environmental value by taking measures to curtail peak energy use through the Internet of Things (IoT), conserving energy through total electrification and collective power reception in private areas, and supplying CO₂-free electric power. The property has obtained certification under ZEH-M Oriented, a project to encourage CO₂ reductions in new housing complexes and existing residences, presented by the Ministry of the Environment, a first among Takara Leben properties in Nagano Prefecture.

* Condominiums that seek to conserve energy while maintaining a comfortable interior environment and to achieve net zero primary energy consumption over the course of a year by improving thermal insulation efficiency and installing high-efficiency equipment and systems.



VOICE



The Product Planning Department is currently proposing new product plans with the aim of issuing two to three pre-releases annually. One part of these efforts was the September 2020 selection of the Leben Nagano Nakagoshō THE PEERLESS as Nagano Prefecture's first ZEH condominium under the Ministry of the Environment's high-rise ZEH-M support project. This property is entirely electric, uses collective power reception, and curtails peak electric power usage through remote, grouped control of Eco Cute heat pump water heaters. By selecting electric power supply options that have been certified as non-fossil fuel derived by electric power companies, CO₂-free electricity generated from renewable energy can be used, making it possible for customers to enjoy lower utilities expenses as well as environmentally friendly condominium living. We hope to propose many more plans that are beneficial to customer lives and environmentally friendly.

Shino Kato, Product Planning Department, Construction Business Department, Condominium Business Division

Social Contribution and Recovery Support Activities

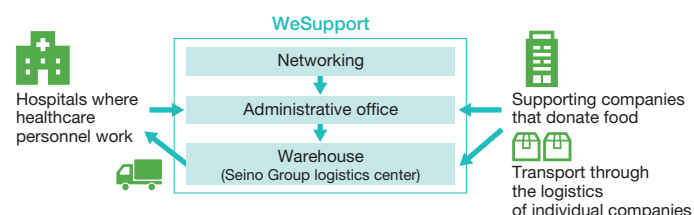
Hanno City Park Beautification Organization Certification Received

Takara Asset Management was certified by Hanno City in Saitama Prefecture as a Hanno City Park Beautification Organization in April 2020. On June 30, 2020, the company participated in a cleanup campaign at the Asahiya Tenbo Park near the LS Hanno Misugidai Power Generation Facility owned by Takara Leben Infrastructure Fund, to which Takara Asset Management outsources asset management operations.



Donation to WeSupport

Takara Leben Infrastructure Fund made a donation to WeSupport, a platform that provides free food to the healthcare personnel working on the front lines of preventing and treating COVID-19.



Donation Made to Yamagata City Through Corporation Version of Hometown Tax Program

In March 2021, Takara Leben Tohoku made a donation to Yamagata City through the corporate version of the Hometown Tax program. The company donated ¥2 million to the Yamagata City Sales Promotion Support Center Y-Biz, which supports local small and medium businesses and entrepreneurs with the aim of revitalizing city centers that are currently undergoing depopulation and hollowing out. In recognition of its donation, the company received a certificate of appreciation from the city. Takara Leben Tohoku also made a donation to support recovery from the torrential rains that occurred in Yamagata Prefecture in July 2020 and was recognized by the prefecture.



Tohoku-Miyagi Online Revive Marathon 2020

Takara Leben has been a supporter of the Tohoku-Miyagi Revive Marathon since fiscal 2019 with the aim of supporting recovery from the 2011 Great East Japan Earthquake. In fiscal 2020, Takara Leben became the main sponsor of the Tohoku-Miyagi Online Revive Marathon 2020, which was planned as an event that could be held at a time when crowds could not gather due to the COVID-19 pandemic. We supported racers who downloaded the specified GPS app to their smartphones and endeavored to run 42.195 km at a location and on the date and time of their choosing.



Donation-Type Private Placement Bonds Issued, Donation Made to Koriyama City

Working in cooperation with local financial institutions (The 77 Bank, Ltd. and The Shonai Bank, Ltd.), Takara Leben Tohoku issued donation-type private placement bonds that contribute a portion of the fees to educational, healthcare and welfare facilities and organizations that conduct environmental preservation or cultural protection activities. In April 2020, seven tatami sheets used as emergency supplies were donated to Koriyama City, Fukushima Prefecture.

Japan Children Support Association Joined, Donation Made

Takara Asset Management and Takara Leben Infrastructure Fund, to which Takara Asset Management outsources asset management operations, joined and made a donation to the Japan Children Support Association. The mission of the association is permanently solving the cycle of child poverty and violence, and it provides support for foster parents and child raising so that children can live with peace of mind. Supporting the association is also linked to the Sustainable Development Goals (SDGs).



Support for Sports and Culture

Shigeru Ban Architectural Exhibition

Takara Leben was a special sponsor of the architectural exhibition “Shigeru Ban—From Temporary Housing to Art Museums” (May 11–July 5, 2020) at the Oita Prefectural Art Museum (OPAM) designed by architect Shigeru Ban, a recipient of the Pritzker Architecture Prize, which is likened to the Nobel Prize of architecture, held in commemoration of the fifth anniversary of the museum. Ban has been active in a wide range of fields from housing to public facilities and disaster relief projects. Temporary housing used after the 1995 Hanshin-Awaji Earthquake and a full-scale model of Ban’s latest project were on display, and many visitors enjoyed viewing his works.



Agreement with Nippon TV Tokyo Verdy Beleza

We signed a corporate partnership agreement with Nippon TV Tokyo Verdy Beleza, the leading women’s soccer team in Japan, in February 2021. We support Tokyo Verdy’s philosophy of achieving happiness through the power of sports and opening a path to a bright future, and we will work with the team as a partner to promote the empowerment of women, develop human resources, and conduct activities that contribute to local communities.



“KIMONO” Special Exhibition

We supported the “KIMONO” special exhibition (June 30–August 23, 2020 at the Tokyo National Museum) at the Japan Cultural Expo held by the Agency for Cultural Affairs to celebrate Japanese arts and culture both inside and outside Japan. Many visitors were able to experience the beauty of the kimono, which has survived for more than 800 years and is still creating new fashion scenes.

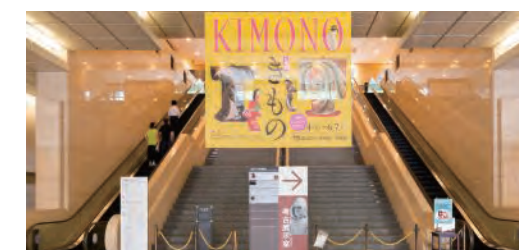


Photo by Noriko Yamamoto

Takara Leben Tohoku’s Efforts to Preserve Culture

The Takara Leben Group undertakes community development that looks to the future while preserving local cultural assets. During construction of THE LEBEN Sendai Otemachi, which was developed on the site of a former samurai residence near Aoba Castle in Sendai City, Miyagi Prefecture, Takara Leben Tohoku donated the remains of tiles, ceramics, and other artifacts from the Edo and Meiji Periods to municipal authorities. In addition, the exterior design of the building is based on the Kake Zukuri architectural style favored by Date Masamune, the first Lord of the Sendai clan, and by retaining the design that captures the historical background of the area, we are working to pass on the history and culture of the region.



grape Award 2020



The grape Award, presented by grape Co., Ltd. an online media company, is a contest for essays that “resonate with the heart.” Takara Leben has been a special sponsor of the grape Award for three consecutive years, and the Takara Leben Award is presented to a work that provides a sense of happiness that is best suits our corporate vision “THINK HAPPINESS AND MAKE THE HAPPINESS.”



Basic Approach

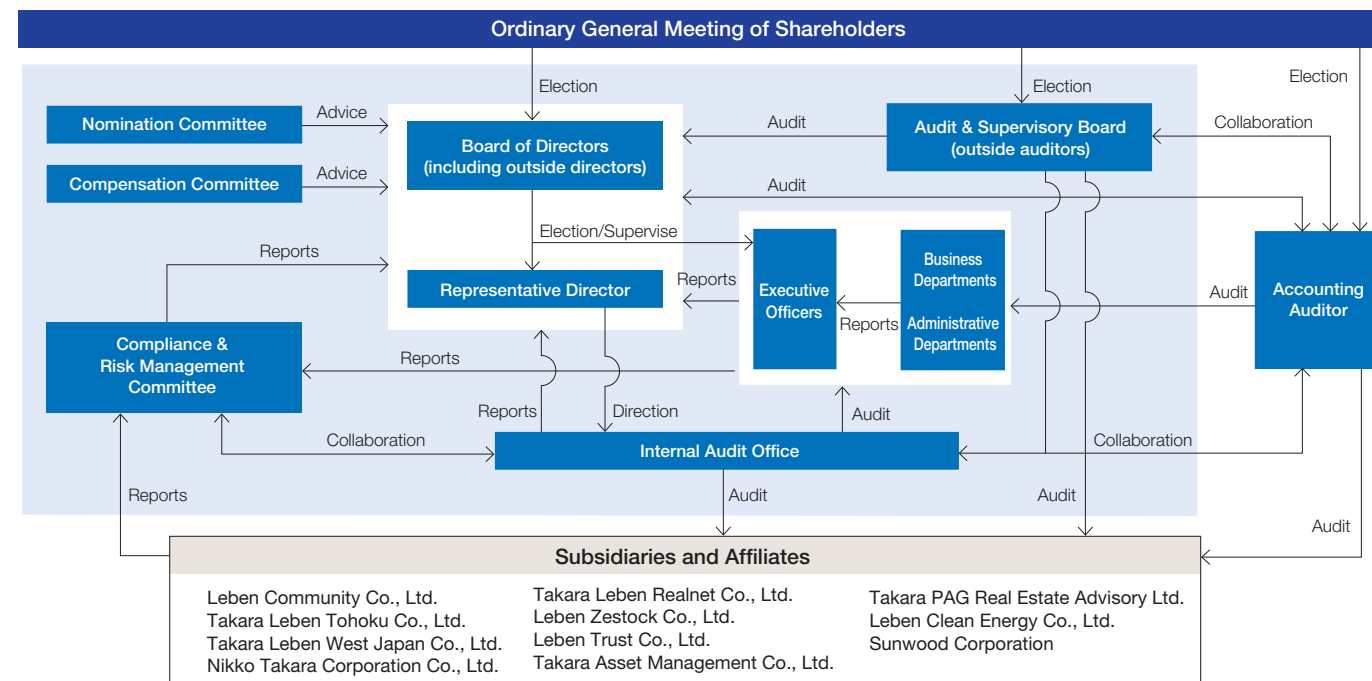
Rather than simply pursuing profit, Takara Leben strongly believes that it must comply with laws and corporate ethics and carry out its duties as a responsible member of society.

While maintaining close relationships with customers, shareholders, and employees—our core stakeholders—we continuously consider how we can deliver further satisfaction. In addition, we believe that reflecting the feedback received from various other stakeholders in our business while responding in ways that keep in mind what our company should achieve and for whom will lead to sound and efficient business management as a going concern.

Furthermore, by not limiting ourselves to a systematic check and balance function but rather by spreading the roots as indexes or systems, we will work so that the check and balance across the entire company will function in sync with each person’s awareness.

Corporate Governance System

In addition to prudent and swift decision-making by the Board of Directors, Takara Leben has built a system to ensure management proprieties, such as appropriate mutual supervision by directors over the state of business execution, and audit and supervision by auditors over directors’ state of business execution. We also introduced an executive officer system to clarify the management supervisory roles of directors and the business execution responsibilities of executive officers.



Board of Directors

Takara Leben has appointed 12 directors, four of whom are outside directors. All four outside directors have been designated as independent officers. In addition to carrying out prudent and swift decision making, directors mutually supervise the status of business execution at Board of Directors’ meetings, which in principle are held once a month, and also at extraordinary board meetings which are held on an as-required basis.

Auditors are always in attendance at the Board of Directors’ meetings and state their opinions as necessary. At the same time, auditors work closely with outside directors and, as necessary, audit and oversee the running of the Board of Directors’ meetings and the status of business execution. Also, in attendance at the Board of Directors’ meetings are executive officers, the head of the Internal Audit Office, and the heads of other departments, who have received requests from the Board of Directors based on internal regulations, and express their opinions on each issue or reporting matter.

The Takara Leben Executive Committee, which deliberates on management issues, and the Sales Conference, which discusses the progress of sales, each meet once each month. In addition to sharing the achievement status of management targets at these and other meetings, the Company gleans information on problem areas and issues in the form of performance reports from each department and deliberates important matters relating to overall management. The content of those reports is raised at the Board of Directors’ meetings on an as-required basis.

Evaluation of the Effectiveness of the Board of Directors

To examine the effectiveness of the Board of Directors as a whole in fiscal 2020, all directors including outside directors as well as corporate auditors completed an anonymous questionnaire, and based on the results, the Board of Directors analyzed and evaluated its effectiveness with cooperation from an external consulting agency. The questionnaire results revealed generally positive evaluations and confirmed the effectiveness of the Board, but also identified some issues. Going forward, the Board will carefully examine the identified issues and take ongoing measures to enhance its performance.

Executive Remuneration

Directors’ remuneration is determined on the basis of the degree of each director’s contribution to business expansion and improvement in corporate value towards sustainable growth. The limit of the annual amount of remuneration is deemed to be ¥600 million (not including, however, the employee portion of the salary), and the limitation of the special stock option remuneration to ¥600 million annually, is decided by a resolution at the Ordinary General Meeting of Shareholders. The remuneration of the Audit & Supervisory Board member is limited to an annual amount of ¥60 million or less.

Audit & Supervisory Board

As a system for check and balance of decision making, all three auditors of Takara Leben are outside corporate auditors. Each auditor is equipped with adequate background, experience, and mettle to objectively carry out assessments and verifications.

Besides audits for Takara Leben, the auditors are also involved in audits for our Group companies, such as attending their board meetings and interviewing their directors, maintaining firm relationships with these companies. Furthermore, the auditors and the accounting auditor work to further improve the effectiveness and efficiency of audits by understanding and adjusting each other’s annual schedules; going together to events such as ground inspections and checks on show rooms, and exchanging information as appropriate.

Takara Leben also established guidelines on internal audits and established an Internal Audit Office as an independent organization reporting directly to the representative director to enhance and strengthen internal audits. In the proposal and execution of the internal audit plan, the office coordinates the schedules of auditors and the Accounting Auditor and adjusts the scopes of audits to seek efficient operation of various functions. Auditors accompany and witness operation audits conducted by the Internal Audit Office, and work on building an effective and efficient audit system by means such as verifying the scope of the audit and collecting opinions as appropriate.

Nomination and Remuneration Committees

With the objectives of increasing objectivity and transparency in decision-making processes relating to personnel appointments and compensation of directors and others and further enhancing and reinforcing corporate governance structures by providing appropriate opportunities for outside directors to participate and give advice, Takara Leben established Nomination and Remuneration Committees as voluntary advisory bodies of the Board of Directors.

Each committee comprises three or more directors selected by resolution of the Board of Directors, of which a majority are independent, outside directors. The chairman of each committee is also selected by resolution of the Board of Directors. The committees deliberate and submit reports primarily on the matters indicated to the rights based on advice from directors.

Nomination Committee

- (1) Matters relating to nomination of candidate directors, executive officers, and others;
- (2) Matters relating to nomination and succession of the representative director;
- (3) Matters relating to basic policies and criteria on nomination of directors and others; and
- (4) Other matters referred to the Nomination Committee by the Board of Directors.

Remuneration Committee

- (1) Matters relating to remuneration of directors and executive officers;
- (2) Matters relating to basic policies and criteria on remuneration of directors and others; and
- (3) Other matters referred to the Remuneration Committee by the Board of Directors.

Compliance

Compliance Basic Policy

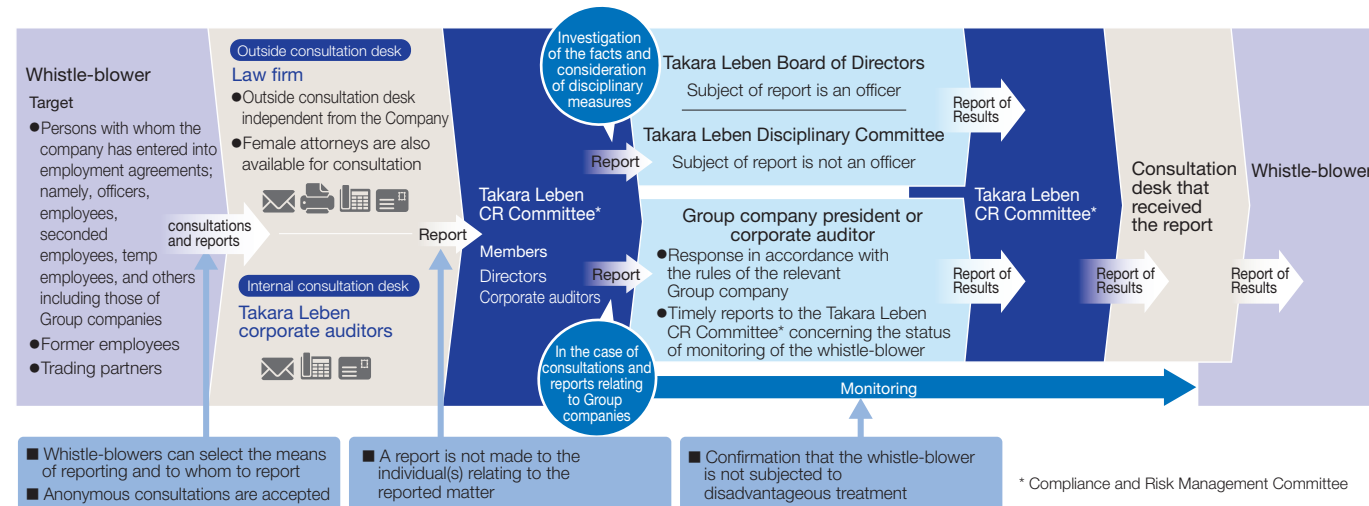
The basic policy provides that in order to carry out our corporate social responsibilities, all organizations, officers, and employees of the Takara Leben Group shall comply with laws, regulations, and social norms as well as separately established ethics rules and shall strive to serve as an example for society.

Internal Whistle-Blowing System (Help Line)

The Takara Leben Group established an internal whistle-blowing system (help line) as a means of reporting or consulting on issues such as harassment and compliance violations. The earlier whistle-blowing system was reviewed in August 2018, and we outsourced responses to inquiries to a law firm with which the Group has not conducted business in the past to serve as an outside consultation desk and also established an independent internal consultation desk that directs inquiries to the corporate auditors. We reinforced the protection of reporting individuals, the subjects of reports, persons who cooperate with investigations and others by establishing a mechanism to prevention access to information concerning consultations and reports by involved directors and took other measures. We are working to strengthen compliance management through the early detection and rectification of improper conduct and other issues.



Pocket-size card



Corporate Governance System Trends

Takara Leben has 12 directors, four of whom are independent outside directors with diverse backgrounds. The terms of office of directors end at the conclusion of the final Ordinary General Meeting of Shareholders held by the end of the fiscal year that ends within one calendar year of the date of the director's appointment. In fiscal 2020, 21 Board of Directors meetings were held.

There are three auditors, all three of whom are independent outside auditors. Our structure ensures that outside management supervision functions can be fully leveraged. The Audit & Supervisory Board meets so that auditors can share issues and information with each other, request information from directors and departments when necessary, and improve the overall auditing level of the company. In fiscal 2020, 14 Audit & Supervisory Board meetings were held.

FY	Form of Organization	Total Number of Directors	Number of Outside Directors	Total Number of Auditors	Number of Outside Auditors
FY2016	Company with Audit & Supervisory Board	10	2	3	3
FY2017	Company with Audit & Supervisory Board	10	3	3	3
FY2018	Company with Audit & Supervisory Board	11	3	3	3
FY2019	Company with Audit & Supervisory Board	13	3	3	3
FY2020	Company with Audit & Supervisory Board	13	4	3	3
FY2021	Company with Audit & Supervisory Board	12	4	3	3

Employee Awareness-Raising

Takara Leben administers compliance education with a variety of themes to employees and strives to create a corporate culture of legal and regulatory compliance and respect for human rights.

Personal Information Protection

We consider the protection of personal information to be part of our corporate social responsibility, and we have established a management system for appropriately protecting personal information. To ensure that all employees handle valuable personal information appropriately while carrying out their business duties, we have created a personal information protection manual, distribute a personal information usage and protection handbook, and make all employees thoroughly aware of basic knowledge and rules. We also provide internal training led by instructors that are legal experts.

Preventing Unfair Business Dealings

We actively carry out specialized training to ensure that all transactions with customers are fair. The training, which addresses conflicts of interest, aims to ensure that basic principles are thoroughly implemented, and introduces numerous case examples to expand the knowledge of attendees. Furthermore, we strive to foster greater understanding of laws such as the Real Estate Brokerage Act, the Consumer Contract Act, and the Act against Unjustifiable Premiums and Misleading Representations.

Harassment Prevention

We promote the creation of a harassment-free corporate culture in which the rights of each and every employee are respected. In fiscal 2020, we expanded the scope of training to include mid-level employees below the management level and conducted programs to raise awareness of harassment with content such as examples of workplace harassment and communication methods that help combat harassment. Furthermore, for members of sales departments, we provided training with the theme of harassment issues that involve subordinates or customers.

Dealing with Anti-Social Forces

The Takara Leben Group's basic policy against anti-social forces is to adopt a firm stance in dealing with them. In addition to actively participating in activities to eliminate organized crime under the guidance from our legal advisor, we also collaborate with external specialized agencies, such as local police stations and legal advisors, establish a system to deal with anti-social forces.

With regard to our trading partners, we are also thorough in implementing measures for the elimination of anti-social forces through steps such as exchanging memorandums on severing ties with anti-social forces, and including clauses on the elimination of anti-social forces in our various contracts and agreements.

Social Media Policy

The Takara Leben Group sees social media as an effective means of strengthening relationships with various stakeholders and formulated a Social Media Policy as a guideline on proper use. We comply with laws, regulations, the Takara Leben Code of Conduct, and rules established by individual Group companies, and as a member of society with good judgment, we use social media with responsibility for our conduct and strive to engage in communications through effective information disclosures with awareness and an understanding of our responsibilities regarding the dissemination of information and responses on social media.

With regard to business-related and personal use of social media by employees, we also established a Privacy Policy and Guidelines on the Protection of Personal Information.

Privacy Mark System Contributor

Leben Community received Privacy Mark certification in January 2008, and has repeatedly updated its personal information management and operation measures. In January 2020, in recognition of the company's long years of efforts to maintain and improve its personal information protection management system, and its contributions to the promotion of the Privacy Mark system, JIPDEC presented the company with a certificate of appreciation. We also focused on training to raise awareness of employees concerning the handling of the personal information and putting it to practical use. In fiscal 2020, we conducted training programs on foreseeable instances of the provision of personal information to third parties in condominium management operations and points for consideration when teleworking.



Risk Management

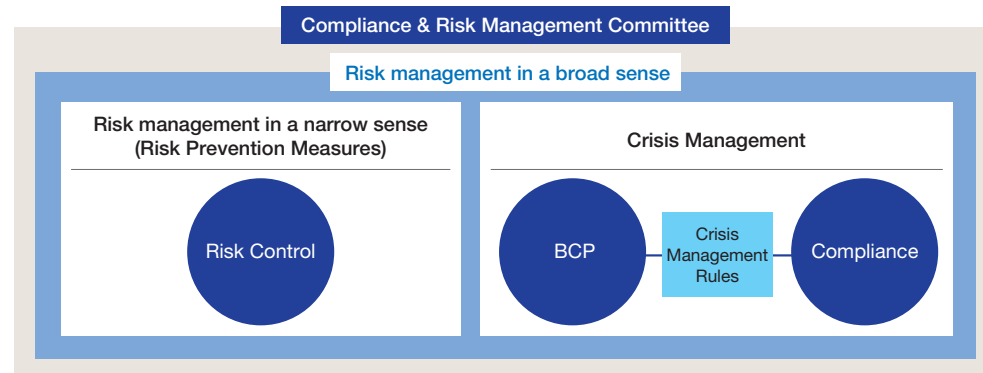
● Policies

The basic risk management policies of the Takara Leben Group are to ensure to safety of customers, business partners, officers, employees, and their family members, fulfill our social responsibilities, protect the global environment, maintain ongoing business activities, and raise corporate value. To this end, we identify and manage individual risks. We established the Compliance & Risk Management Committee as a body to carry out these measures, and we implement comprehensive risk management throughout the Group.

● Management Structures

The Takara Leben Group established a Compliance & Risk Management Committee chaired by the president. The Committee verifies and reports on all business-related risks, deliberates and makes decisions on measures and management to avoid or mitigate risks, and takes comprehensive measures to strengthen internal controls and prevent misconduct, non-compliance, and other similar incidents. In addition, subcommittees—such as for business strategy, finance, IT & administration, and compliance—are established as necessary to establish systems that make proactive proposals appropriate to management of individual risks.

Furthermore, the scope of deliberations within each subcommittee is reported to and verified by the Compliance & Risk Management Committee as appropriate in accordance with the Compliance & Risk Management Committee Rules. These matters are also reported to the Board of Directors as necessary, forming a structure for timely decision-making in preparation for the occurrence of risks.



● Preventive Approach to Risk

In order to respond promptly to the occurrence of emergency situations such as corporate scandals, accidents, natural disasters, administrative action, serious criminal conduct by employees, and so on, the Takara Leben Group has established crisis management structures and adopted Crisis Management Rules and a Crisis Management Manual. The Crisis Management Rules define crises and specify procedures from initial responses to formation and disbanding of response organizations. There are also two sets of detailed crisis control rules regarding crisis responses and disaster countermeasures.

With regard to crisis responses, rules specify crisis management levels, responsibilities and authority, and information sharing lines, as well as responsive measures to be implemented as disaster countermeasures during a disaster.

In addition, each division works with the division responsible for crisis management to formulate risk recovery and prevention plans and makes reports to the Compliance & Risk Management Committee at its monthly meetings. As a part of our business continuity planning (BCP), we adopt a preventive approach to risk management including the preparation of manuals for the continuation and recovery of business operations in the event that an emergency situation occurs.

Business Risks

- Natural disasters such as earthquakes
- Legal restrictions
- Overreliance on borrowed funds
- Effects from purchaser attitudes
- Effects from housing loans
- Effects from supply trends
- Effects from competition, etc.
- Subcontractors
- Opposition by neighboring residents when constructing condominiums
- Possibility of litigation, etc.
- Personal information

Third-Party Opinion



Kentaro Taniguchi
Outside Director

Takara Leben will soon mark the 50th anniversary of its founding. Based on the corporate vision, “THINK HAPPINESS AND MAKE THE HAPPINESS,” and the corporate mission, “Creating Together,” Takara Leben has made a clear declaration of the direction that it should take and has started down that path. As it approaches this important milestone, we adopted “Innovation for a New Lifestyle” as the slogan for our corporate vision.

Recently, society has come to demand purpose management in the way that corporate philosophies and corporation visions are expressed. I believe that rather than simply reviewing the corporate philosophy and vision, Takara Leben needs to reexamine issues such as what society needs from it and what is the social significance of its existence and provide clear answers that reflect its philosophy and vision.

Modern capitalism went through the industrial revolution and constantly searched for new frontiers as it spread from Europe to the Americas and then to Asia and Africa, growing as it continuously pursued expansion and reproduction further and faster, accumulating more territories. Today, however, when there are no new frontiers and societies are starting to mature, continued expansion and reproduction have become difficult and the more developed a country is, the more the pace of growth has slowed, but even under these conditions,

it is necessary to find new happiness for humankind.

Markus Gabriel, a young German philosopher, discusses the new form of capitalism to come that humanity is wondering about. He espouses the idea of transitioning from capitalism that pursues profit to ethical capitalism that seeks to generate profit while benefiting society. He does not suggest that making money is not necessary, but rather, that creating a world where the purposes of making money are more important than ever.

In such a world, ideas such as the SDGs are being organized, and I believe that demands are being made by customers and all other stakeholders including shareholders, trading partners, employees, and society as a whole. The SDGs were developed as an expression of how we can create a sustainable society, which has become the shared understanding of all these stakeholders. I am certain that this significance lies in not just creating a corporate vision, and not just participating in the SDGs, but working for a purpose and achieving it.

SDGs is a new term, but as a concept that asks how to contribute to a society where everyone can continue to be happy, I believe that the SDGs lead to the inherent compassion of humans and the joy that we feel when we are able to be of service to others. Through its corporate vision, “THINK HAPPINESS AND MAKE THE HAPPINESS,” and the corporate mission, “Creating Together,” Takara Leben can achieve this.

Within its CSR activities, Takara Leben does not see condominiums simply as “spaces” where people live, but defines them as lifestyles. By breaking down topics including creating lifestyles with value, forming communities, providing comfortable spaces of high quality, and developing environments and cultures as it moves forward, Takara Leben’s corporate activities function as social contribution activities. I believe that by continuing to take action under the slogan “Innovation for a New Lifestyle,” which was added to the vision for the 50th anniversary of Takara Leben’s founding in line with the vector of contributing to a society that has no goals and continuing to make people happy, Takara Leben is approaching the concepts of the SDGs.

Editor’s Postscript



This is the fourth CSR report issued by the Takara Leben Group. Society and the business environment have undergone major changes due to effects from the COVID-19 pandemic, but the Group’s commitment to becoming a sustainable business enterprise remains unchanged. We will maintain our efforts to contribute to solutions to social issues through our business activities.

We will continue to listen to the opinions of all our stakeholders as we actively carry out our CSR activities and aim to achieve continuous growth. We hope you can give us your unreserved opinions and thoughts to serve as future reference.

Kensuke Suzuki
Leader, CSR Promotion Team

Takara Leben Co., Ltd,

TEKKO BUILDING 16F, 1-8-2 Marunouchi,
Chiyoda-ku, Tokyo, Japan 100-0005
TEL.: +81-3-6551-2100 FAX: +81-3-6551-2109
<https://www.leben.co.jp/en/>

