

Sustainability Policy

We the MEIWA ESTATE Group aim for the realization of a sustainable society together with our own growth, in accordance with trust, co-creation and empathy, which is the basis of our corporate philosophy. To this end, we engage in dialogue and foster collaboration with all stakeholders, including customers, business counterparties, shareholders and investors, employees and local communities.

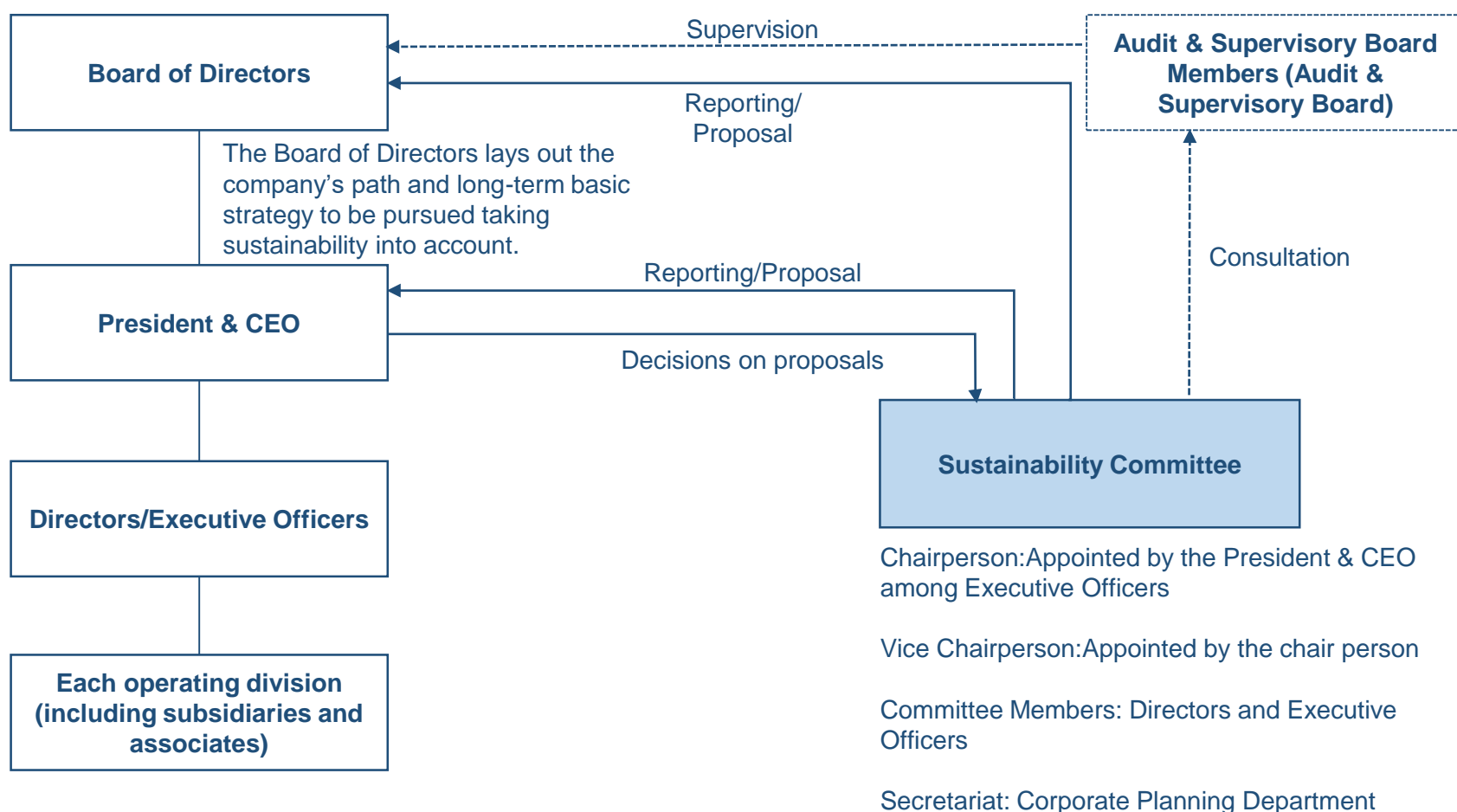
- We will contribute to the sustainable development of society through the provision of homes and the rendering of services that enrich people's lives.
- We will continue to undertake initiatives aimed at the revitalization of society and communities and the conservation of the environment.
- We will place importance on strengthening the corporate governance system and risk management and aim to be a trusted company.

Sustainability Promotion System

[System]

We have established the Sustainability Committee, chaired by a Executive Officer appointed by the President & CEO and comprising Directors and Executive Officers.

We have accordingly set up a system that makes it possible to hold regular meetings once a month while convening extraordinary meetings if necessary.



[Roles]

The Sustainability Committee discusses matters such as the following then reports and proposes its findings to the Board of Directors and the President & CEO.

- Formulation and review of sustainability policy
- Establishment of a structure by which to promote sustainability initiatives
- Examination of risks and opportunities
- Setting of targets and tracking progress

Materiality Identification Process

We have identified six themes from material issues related to 1) importance to stakeholders, and 2) importance to our business.

STEP 1

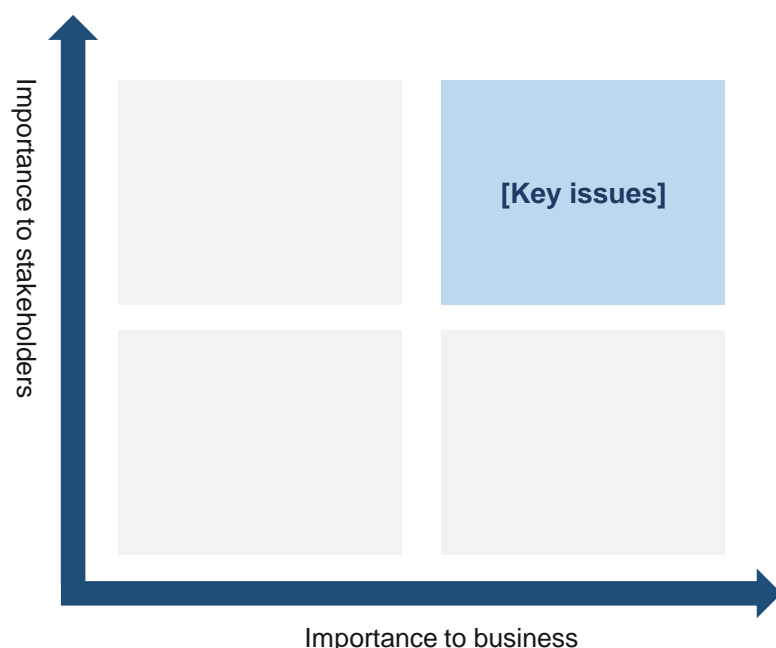
Develop a longlist of social issues and confirm stakeholder demands

We classified general social issues, investigated sustainability issues of our competitors, and also investigated information of third-party ratings organizations such as SASB and S&P Global. Through such investigation, we classified social issues from the perspectives of sustainability trends in the real estate industry and FTSE Russell's ESG ratings relevant to the Company.

STEP 2

Conduct materiality assessment

We identified 20 categories as our sustainability issues from the longlist. We then conducted materiality assessment regarding such sustainability issues from the dual perspectives of: 1) importance to stakeholders, and 2) importance to our business.



STEP 3

Identify materiality

As a result of the materiality assessment, we identified 13 categories of particularly high-priority materiality, and then reconfigured the 13 categories in alignment with six themes. Of those six themes, we furthermore positioned the four themes of “providing housing that is friendly to people and our planet,” “promoting initiatives for achieving a decarbonized society,” “reducing environmental loads” and “engaging in co-creation with communities” as priority categories for enabling us to serve as a “company of choice.” We also positioned the two themes of “promoting initiatives for health and productivity management and maximizing human capital value” and “ensuring sound governance and risk management” as fundamental categories with respect to establishing our “foundations as a trusted company,” which is necessary for ensuring our business continuity as a corporate enterprise going forward.



STEP 4

Assess theme-based initiatives

We listed the status of our current initiatives and determined subsequent initiatives to be taken with respect to the six themes.

Theme-specific Activities

Company of Choice (Priority Categories)

Theme	Materiality	Status of current initiatives	Subsequent initiatives
Providing housing that is friendly to people and our planet	Improvement of services and quality	<ul style="list-style-type: none"> ● Provision of after-sales services such as “CLIO SUPPORT 15” ● Proposals involving customer service and condominium solutions that address the COVID-19 pandemic <ul style="list-style-type: none"> • “Remote CLIO” customer service (online) • “Atarashie” service for introducing facilities and systems aligned with social transformation ● Development of the “conomi” service for custom interiors ● Promotion of industry-academia partnerships <ul style="list-style-type: none"> • Research conducted jointly with The University of Tokyo in FY2020 	<ul style="list-style-type: none"> ● Generate innovation by promoting digital transformation (DX) ● Continue to strengthen industry-academia partnerships
	Pursuit of safety and security	<ul style="list-style-type: none"> ● High marks achieved in customer satisfaction surveys by third-parties ● Condominium facility tours and emergency drills conducted to deepen understanding of condominium management 	<ul style="list-style-type: none"> ● Ensure stringent adherence to manuals such as those detailing “Our Quality Control Standards” ● Further enhance service, quality, customer satisfaction, and profitability through “kanri.online” services
	Promotion of communications with customers and expansion of value provided	<ul style="list-style-type: none"> ● Operation of the “Lifestyle Club” membership organization ● Establishment of “CLIO Lifestyle Salon” permanent condominium galleries ● Renovation consultation sessions and tours of newly completed residences held on a regular basis ● Questionnaires administered to purchasers and residents 	<ul style="list-style-type: none"> ● Expand value provided to customers ● Continuously assess customer satisfaction while planning and developing new products that meet customer needs
	Contribution to achieving a decarbonized society	<ul style="list-style-type: none"> ● Planning and promotion of eco-friendly housing <ul style="list-style-type: none"> • Completed “CLIO RÉSIDENCE YOKOHAMA TSUNASHIMA”, which has obtained ZEH-M oriented certification (March 2022) 	<ul style="list-style-type: none"> ● Increase the number of ZEH-M certified properties and low-carbon certified residences ● Actively adopt passive solar systems
Promoting initiatives for achieving a decarbonized society	Action to address social demands	<ul style="list-style-type: none"> ● Investigative research on thermal mitigation effects of green curtains (plants installations on the wall) 	<ul style="list-style-type: none"> ● Calculate CO₂ emissions and seek lower emissions ● Promote disclosure of information pursuant to the TCFD recommendations
	Action with respect to renewable energy	<ul style="list-style-type: none"> ● Installation of solar panels in condominiums 	<ul style="list-style-type: none"> ● Consider options with respect to use of renewable energy ● Increase the number of condominiums equipped with solar panels
Reducing environmental loads	Mitigation of environmental impact	<ul style="list-style-type: none"> ● Implementation of land use histories and soil surveys with respect to development sites ● Implementation of work to counteract contaminated soil ● Proper disposal of PCBs and asbestos 	<ul style="list-style-type: none"> ● Fortify the value up (renovated) resale business ● Reduce environmental loads through water conservation in-house
	Reduction of waste	<ul style="list-style-type: none"> ● Reduction of waste materials, etc. by renovating condominiums ● Promotion of reuse and recycle practices <ul style="list-style-type: none"> • Reuse of furniture displayed in condominium’s galleries, etc. • Implementation of clothing donation project 	<ul style="list-style-type: none"> ● Promote the 3Rs of reduce, reuse and recycle in-house ● Shift to paperless operations by promoting digital transformation (DX)
Engaging in co-creation with communities	Revitalization of communities	<ul style="list-style-type: none"> ● Received the Good Design Award for design that is mindful of localities ● Sponsor of “CLIO Cup Junior Football Festa” ● Comprehensive partnership agreement concluded with Hokkaido ● Establishment of “CLIO Farm” making use of idle land ● Implementation of cleanup activities at Chigasaki Beach in the Shonan area 	<ul style="list-style-type: none"> ● Participate in redevelopment projects ● Promote initiatives involving suburban and large properties ● Continue support of and participation in local activities

Theme-specific Activities

Foundations as a Trusted Company (Fundamental Categories)

Theme	Materiality	Status of current initiatives	Subsequent initiatives
Promoting initiatives for health and productivity management and maximizing human capital value	Enhancement of human capital	<ul style="list-style-type: none"> ● Formulation of the “Action Policy” group conduct guidelines ● Promotion of employee training 	<ul style="list-style-type: none"> ● Secure diverse human resources <ul style="list-style-type: none"> • Encourage recruitment of women • Encourage recruitment of mid-career professionals • Promote women to managerial positions, etc. ● Upgrade employee training
	Assurance of employee health maintenance and safety	<ul style="list-style-type: none"> ● Promotion of initiatives designed for maintaining health and improving welfare of employees <ul style="list-style-type: none"> • Health Management Office, fitness center, employee cafeteria ● Ensuring employee safety <ul style="list-style-type: none"> • Introduction of app for verifying safety in the event of a disaster • Stockpiling of emergency provisions 	<ul style="list-style-type: none"> ● Ensure sound employee health maintenance practices
Ensuring sound governance and risk management	Rigorous risk management and compliance	<ul style="list-style-type: none"> ● Establishment of the Risk Management Committee and the Compliance Committee ● Formulation of and adherence to the MEIWA ESTATE Group Code of Conduct ● Implementation of internal whistleblower reporting platform 	<ul style="list-style-type: none"> ● Strengthen the risk management system ● Stringently engage in fraud prevention
	Corporate governance	<ul style="list-style-type: none"> ● Appointment of outside Directors and outside Audit & Supervisory Board Members ● Implementation of Board of Directors effectiveness evaluations 	<ul style="list-style-type: none"> ● Enhance and strengthen the corporate governance system ● Consider the option of establishing a Nominating and Remuneration Committee

(Established on June 29, 2022)

(Revised on June 9, 2023)