

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

## 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.

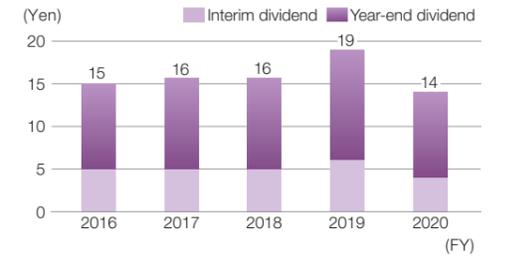


## Together with Our Shareholders

### 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.

#### Dividend Per Share



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

### 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.

