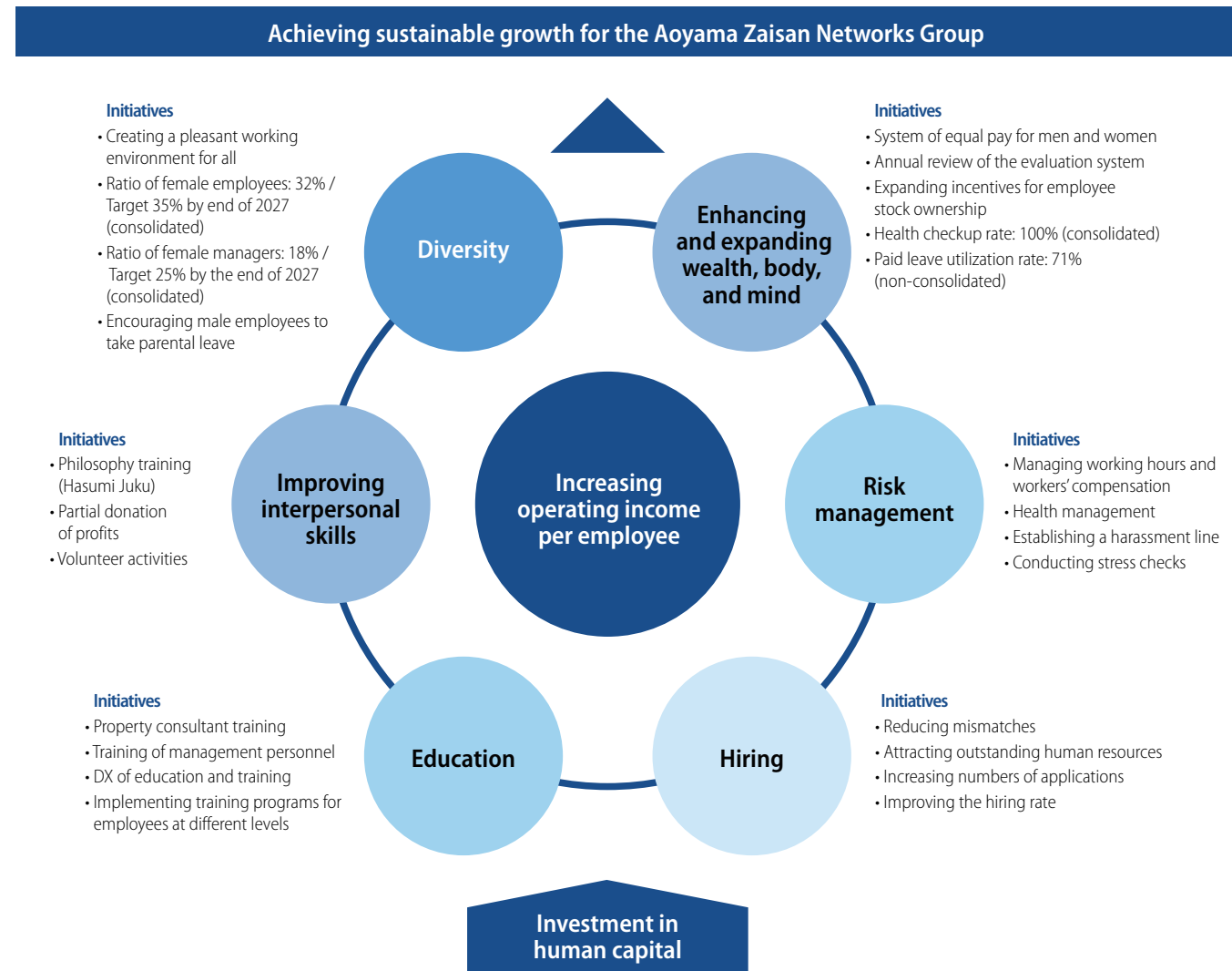
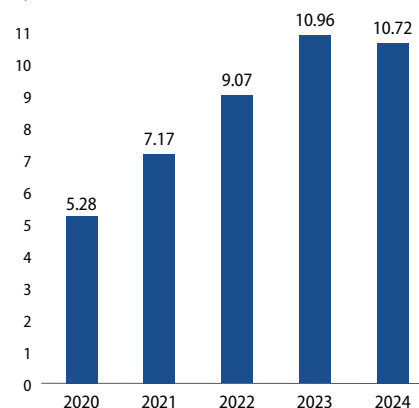


Approach to human resources strategy and investment in human capital

In our Group, human assets, from which our consulting services stem, are an extremely important form of management capital. By improving the interpersonal skills of our employees and their capabilities to provide high-quality services, as well as increasing the diversity of our employees, we can respond to the diverse values and requests of our clients and offer further value-added property consulting services. Investing in human capital means investing in our business base and its foundation of sustainable management, which is essential for the Group's ongoing sustainable growth. We monitor operating profit per employee as an overall measure of return on investment in human capital. We seek to improve operating profit per employee by making progress in various measures related to human capital.

● Operating income (consolidated) per employee
(million yen)



Endorsement of TCFD

The Group has declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group is engaged in business activities utilizing energies from land and other natural resources, and we recognize that addressing climate change is an important management challenge with a considerable impact on our business continuity. We prioritize environmentally friendly initiatives for their ability to contribute to enhancing asset value and resolving social issues, and we aim to meet the needs of both clients and tenants.



Governance

The Group's Board of Directors deliberates and decides on policies and important issues related to the overall issue of addressing climate change.

Strategy

We conduct analysis of risks and opportunities in the value chain in the real estate industry (small-lot real estate products), taking into account business characteristics and the surrounding environment, including political, economic, and social conditions, and we conduct scenario analysis of the impact of each risk on business.

Risk management

The Sustainability Committee oversees climate change risks and opportunities from a medium- to long-term perspective for the entire Group, and performs supervision and monitoring in cooperation with the Board of Directors, with the results reflected in management strategy.

Additionally, for high-priced real estate in urban areas handled through our real estate solutions services, we have established a Real Estate Project Advisory Council and a Compliance Committee to individually manage risks, including climate change risks and opportunities, for projects that meet certain conditions.

● Risk management system for TCFD

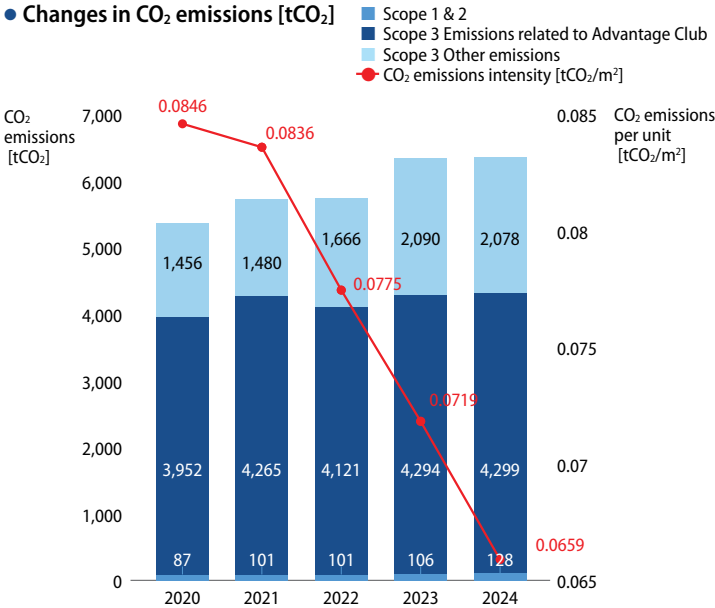
Risk management system	Targeted climate change risks	Summary
Sustainability Committee	Physical risks Transition risks	As well as aiming to build a foundation for sustainable growth, the Sustainability Committee performs oversight and monitoring functions for our sustainability policies, strategies, and measures, with the purpose of managing and evaluating the progress of goals resolved by the Board of Directors.
Real Estate Project Advisory Council	Physical risks Transition risks	Deliberates on the selection of properties eligible for purchase and the method and terms of sale of real estate for sale held by AZN or real estate investment funds formed by AZN. In this context, it also discusses climate change risks related to the asset quality of real estate (yield, management, exit strategies, etc.).
Compliance Committee	Transition risks (regulatory)	Consists of the President, Managing Director, the General Manager of each executive officer's business division, and an attorney who serves as an external legal expert. With the aim of practicing fair and honest management that is compliant with the law, this entity recognizes management risks, prepares draft countermeasures, and deliberates and reports on measures to prevent recurrence of such risks.

Indicators and targets

The total CO₂ emissions of our Group have been increasing due to the expansion of our business and increases in the number of employees. However, by introducing energy-saving equipment and changing power contracts to a carbon-free plan, we have been reducing CO₂ emissions per square meter (CO₂ emission intensity).

Our CO₂ emission reduction targets for 2030 and 2050 are currently under consideration. We will continue to address climate change risks by extending and expanding measures to curb emissions through ongoing TCFD disclosures.

● Changes in CO₂ emissions [tCO₂]



● Total CO₂ emissions ratio (2024)

