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Notice Concerning Specific Measures Addressing Important Sustainability Issues and KPIs

We are pleased to announce that the Company has established specific measures addressing important sustainability issues and KPIs.

Three Important Sustainability Issues (Materiality)

Important Issues	Vision		
Environmental protection	Increase environmental sustainability by significantly reducing waste and greenhouse gas emissions, as a frontier of Real Estate Revitalization Business		
Regional revitalization	Create sustainable growth of regional economies through offices, hotels, and tourism, as a frontier for sustainable regional revitalization		
Human resource development	Spread the concept of "altruism" that is indispensable for realizing a sustainable society, as a frontier of philosophy management		

Specific Measures and KPIs

Important Issues	Social Issues to be Solved	Key Measures	Specific Measures	Goal (KPIs)	Related SDGs	
Environmental protection	Small and medium-sized buildings that can still be used with increased value are being demolished = Waste of resources	Extend the life and health of real estate	(1)Extension of economic useful lives of buildings through real estate revitalization constructions	• Extend economic useful lives by 30% or more	AO SCORNSBIL	
			(2) Maintain the "health" of buildings by improving the occupancy rate of old buildings through comprehensive real estate support	 Occupancy rate of 90% or more for buildings over 30 years old 90% or more of continued management after replanning properties sales 	12 presidents in the property of the property	
		Energy conservation and reduction of environmental impact by Real Estate Revitalization Business	(3)Reduction of CO2 emissions through promotion of real estate revitalization	Reduce CO2 emissions by 12% or more on average compared with building reconstruction	7 AFFORDABLE AND CLEAN BURKLY	
			(4)Offset real estate revitalization constructions' CO2 emissions with credits	Carbon offset 100%	13 CHMATE ACTION	

Important Issues	Social Issues to be Solved	Key Measures	Specific Measures		Goal (KPIs)	Related SDGs
Regional revitalization	Revitalization of regional economies	Create buildings, offices, and spaces with "job satisfaction" and "creativity" that contribute to economic growth	(1)	Promotion of real estate revitalization with consideration for well-being	 Establish internal standards by the end of fiscal 2022 Percentage of newly providing replanning properties that exceed the internal standards: 30% or more for fiscal 2023 Conduct tenant satisfaction survey (company-owned properties) 	8 DECENT WORK AND ECONOMIC GROWN AND AND WELSTER INNOVATION AND AND WELSTER
	Responding to natural disasters that are becoming more devastating	Prevent and mitigate disaster through regional cooperation	(2)	Providing set-up offices with emergency supplies or installation space	5 lots or more by fiscal 2023	11 SUSTAINABLE CITIES AND CHARGES
			(3)	Providing information that contributes to the improvement of tenants' disaster prevention awareness	Posting disaster prevention information on dedicated websites: 100% in fiscal 2023 (company-owned properties)	
Human resource development	Resolving decrease in the working-age population due to the declining birthrate and aging population (decrease in actual labor force) and gender gap	Respect and utilize diversity	(1)	Creating a work environment suited to each employee's life stage and provide flexible training opportunities	Ratio of women in managerial positions: 12% or more by April 2025 (Sun Frontier Fudousan Co., Ltd.)	5 SEAUGRITY (II)+
		Create workplaces with job satisfaction, creativity, and growth opportunities	(2)	Establishment of next-generation leader development program, support system for external trainings, etc.	Ratio of training hours to prescribed working hours: 10% or more (Sun Frontier Fudousan Co., Ltd.)	4 CHAUTY EDUCATION B DESCRIT WORK AND ECONOMIC BROWTH
			(3)	Utilization of DX, improvement of business processes and improvement of individual abilities	Year-on-year increase in ordinary profit per hour in fiscal 2023 (per Sun Frontier Fudousan full- time employee)	

Please refer to the "Sustainability" page on the Company's website https://www.sunfrt.co.jp/en/sustainability/ for information on the Group's progress in sustainable management and ESG-related data, etc.