

Last Update: April 7, 2022

Tokyo Tatemono Co., Ltd.

Hitoshi Nomura

Representative Director

President & Chief Executive Officer

Contact: Corporate Planning Department

(TEL: +81-(0)3-3274-0113)

Securities Code: 8804

<https://www.tatemono.com>

The corporate governance of Tokyo Tatemono Co., Ltd. (“Tokyo Tatemono”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Tokyo Tatemono strives to build optimal corporate governance with a focus on securing soundness and transparency of management and increasing its effectiveness in order to achieve sustained growth and increase corporate value in the medium to long term based on the corporate philosophy of “Trust beyond the era.” Tokyo Tatemono also conducts information disclosure in a proactive and appropriate manner to ensure that shareholders and other stakeholders have an accurate understanding of Tokyo Tatemono’s business content, etc.

Furthermore, the Tokyo Tatemono Group established a shared Compliance Charter for group companies as a pledge to society to promote corporate activities that are committed to unwavering compliance in order to build a long-lasting relationship of trust with society and continue sound corporate activities.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Tokyo Tatemono complies with each of the principles of the Corporate Governance Code revised on June 11, 2021.

[Disclosure Based on the Principles of the Corporate Governance Code] Updated

[Principle 1.4 Cross-shareholding]

(1) Cross-shareholding policy

Tokyo Tatemono holds shares of other companies other than for purely investment purposes (cross-shareholdings) that are deemed to maintain, strengthen, etc. business relationships and thereby serve to enhance the corporate value of the Tokyo Tatemono Group over the medium to long term.

Cross-shareholdings are individually assessed by the Board of Directors annually to determine whether or not continuing to hold the shares would be appropriate from the perspective of maintenance or enhancement of corporate value. The details and past dispositions are reported to the Board of Directors, and holding the shares is no longer found to have significance as a result of the assessment, while taking impact on the stock market and other factors into account.

(2) Standards for exercise of voting rights

In exercising voting rights, voting rights are exercised based on a comprehensive judgment of whether to vote in favor or against the proposal in light of whether or not it is in conformity with Tokyo Tatemono’s policy on holding, whether or not it serves to enhance the corporate value of the issuing company over the medium to long term and other factors in due respect of the issuing company’s corporate management policy, strategy, etc. by engaging in dialogue with the issuing company when necessary.

[Principle 1.7 Related-party transactions]

When directors or executive officers engage in transactions involving conflicts of interest or competitive transactions, or when they engage in transactions with major shareholders, unless the transaction is one that has a transaction amount of ¥1 million or less and is also an ordinary transaction as a general consumer and there are no concerns of harming the company's and shareholders' common interests, Tokyo Tatemono obtains the prior approval of the Board of Directors pursuant to the rules of the Board of Directors before engaging in transactions and appropriately discloses material facts thereof pursuant to laws and regulations after execution of the transactions.

In addition, if engaging in transactions with directors or major shareholders, Tokyo Tatemono engages in fair and appropriate transactions under the same terms and conditions as general business partners upon negotiation with the counterparty in light of market prices.

[Supplementary Principle 2.4.1 Ensuring internal diversity]

- Policies and voluntary and measurable goals for ensuring diversity

Tokyo Tatemono wishes to achieve growth as a company by providing products and services that meet increasingly sophisticated and diversified customer needs, improving productivity and promoting the creation of innovation by promoting the activities of diverse human resources leading to the enhancement of organizational strength. Based on such policy, Tokyo Tatemono conducts personnel recruitment and promotion of women to management positions.

In addition, Tokyo Tatemono has established various systems for career continuation in response to life events so that women can maximize their own values, capabilities, and individuality and work enthusiastically, and aims to increase the percentage of management positions held by women to 10% or more by 2030. For details, please refer to the Tokyo Tatemono website.

(Tokyo Tatemono website: Initiatives to Ensure Diversity in Human Resources)

https://tatemono.com/csr/english/reports/pdf/updated202201csr014_e.pdf

(Tokyo Tatemono website: Goals and Results of Ensuring Diversity in Human Resources)

<https://pdf.irpocket.com/C8804/xl10/eZ3h/mptc.pdf>

- Human resources development policy / internal environment improvement policy for ensuring diversity and the status of implementation thereof

The Tokyo Tatemono Group has positioned "diversity & inclusion" as a materiality, is promoting the creation of an environment where diverse human resources can play an active role by focusing on their duties while feeling the ease and motivation of work without feeling barriers, and is implementing various measures to realize flexible working styles, including a flextime system and telework. For details, please refer to the Tokyo Tatemono website.

(Tokyo Tatemono website: Human Resources Development Policy)

https://tatemono.com/csr/english/reports/pdf/updated202201csr016_e.pdf

(Tokyo Tatemono website: Policy on Establishing Internal Environment)

https://tatemono.com/csr/english/reports/pdf/updated202201csr015_e.pdf

[Principle 2.6 Exercising capability as an asset owner for corporate pension]

Tokyo Tatemono has established policy asset allocation to facilitate safe and efficient achievement of the target rate of return for future steady pension benefit and lump-sum payments.

In addition, with an asset management committee in place, the basic policy on asset management and policy asset allocation are formulated and reviewed for revision, and other measures are taken to incorporate the opinions of outside experts and ensure appropriate management.

[Principle 3.1 Enhancement of information disclosure]

- (i) Company objectives (e.g., business principles), business strategies and business plans

Tokyo Tatemono has formulated and disclosed a corporate philosophy, a long-term vision and medium-term business plan. For details, please refer to the Tokyo Tatemono website.

(Tokyo Tatemono website: Corporate Philosophy)

<https://tatemono.com/english/company/philosophy.html>

(Tokyo Tatemono website: Long-term Vision, Medium-term Business Plan)

<https://tatemono.com/english/ir/management/management.html>

Tokyo Tatemono has formulated and disclosed an integrated report on Company's strategies and efforts for the Company's medium- to long-term corporate value creation. For details, please refer to the Tokyo Tatemono website. (Tokyo Tatemono website: Integrated Report)

<https://tatemono.com/english/ir/library/ar.html>

- (ii) Basic views and guidelines on corporate governance based on each of the principles of the Code
Please refer to “1. Basic Views” in “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” in this report and the Tokyo Tatemono website.
(Tokyo Tatemono website: Policy and Approach Regarding Corporate Governance)
https://tatemono.com/csr/english/reports/pdf/updated202201csr022_e.pdf
- (iii) Board policies and procedures in determining the remuneration of the senior management and directors
Tokyo Tatemono aims to achieve sustained growth and enhance long-term corporate value based on the corporate philosophy of “Trust beyond the era,” and uses a remuneration system linking a fixed percentage of remuneration to performance and share price for the remuneration of senior management and directors to heighten awareness about contributing to enhancement of corporate value not only over the short term but also the medium to long term.
See “1. Organizational Composition and Operation [Incentives] [Director Remuneration]” within “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report for details.
- (iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of candidates for directors and audit & supervisory board members
At Tokyo Tatemono, persons capable of contributing to enhancing the Tokyo Tatemono Group’s corporate value over the medium to long term based on a comprehensive judgment of character, skills, knowledge, experience, etc. are appointed as senior management and nominated as candidates for Director and Audit & Supervisory Board member.
Appointment and dismissal of representative directors and nomination of candidates for Director and Audit & Supervisory Board member are subject to deliberation by the Nomination and Remuneration Advisory Committee, which has independent external directors as core members, and then resolution by the Board of Directors.
- (v) Explanations with respect to the individual appointments/dismissals and nominations when the board of directors is appointing/dismissing senior management and directors and nominating candidates for Director and Audit & Supervisory Board member based on iv) above.
The individual career summaries of candidates for Director and Audit & Supervisory Board member and reasons for their election are presented in notices of convocation of general meeting of shareholders.
Furthermore, when submitting a proposal for dismissal to directors and Audit & Supervisory Board members to a General Meeting of Shareholders, the reason will be stated in the notice of convocation of the general meeting of shareholders.
(Tokyo Tatemono website: Notice of the 203rd Ordinary General Meeting of Shareholders on March 25, 2021)
https://tatemono.com/ir/stock/pdf/noticeoftheresolutionsofthe203st_210224.pdf

[Supplementary Principle 3.1.3 Initiatives on sustainability]

- Initiatives on sustainability
The Tokyo Tatemono Group has set forth “contributing to SDGs” as a basic policy in its long-term vision of “Becoming a Next-Generation Developer” with a view to 2030, and aims to leverage its businesses to solve social issues and achieve higher levels of growth as a company. It has established a Sustainability Committee and is engaged in sustainability measures throughout the entire Group such as setting medium- to long-term targets for the reduction of greenhouse gas emissions and promoting specific measures aimed at the achievement of these targets.
- Investment in human capital, etc.
The Tokyo Tatemono Group considers human resources to be the source of corporate value creation and sustained growth, and an important foundation of management. With "improvement of employee growth and job satisfaction" and "diversity & inclusion" as materiality to secure and develop human resources who will lead the next generation with a view to realizing the long-term vision and further ahead, the Group is working to strengthen human capital as one of the most important management issues.
In order to adapt to rapid changes in the business environment and ensure competitiveness, Tokyo Tatemono is actively hiring mid-career personnel in addition to new graduates and is focusing on acquiring highly specialized human resources and human resources capable of promoting digitalization / globalization in that process.

Regarding human resources development, Tokyo Tatemono will develop and implement a training system consisting of various systems and programs such as position-specific training, a self-development support system, a qualification acquisition support system, language learning support and overseas assignment training, and also endeavor to optimize personnel rotation and allocation of human resources to enable each person to accumulate the necessary knowledge and maximize their skills as members of a comprehensive developer.

In addition, the Group strongly recognizes the importance of respecting the human rights of all stakeholders involved in the business, and the Tokyo Tatemono Group Human Rights Policy has been established based on the Guiding Principles on Business and Human Rights in order to strengthen its efforts to respect human rights. Based on this policy, the Group will implement human rights due diligence and work to understand, reduce, correct and remedy human rights issues in business.

- Disclosure based on TCFD

The Group considers climate change to be one of the most important social issues, strongly recognizes the importance of working to reduce greenhouse gas emissions, sets medium- to long-term goals for reducing greenhouse gas emissions, and promotes concrete measures aimed at the achievement of these goals.

In addition, the Group announced its support for the TCFD recommendations in June 2020. By analyzing multiple scenarios, Tokyo Tatemono identifies risks and opportunities and evaluates the importance of the building business and the housing business which are the Group's main businesses, and then organizes the affected periods and discloses them in its Sustainability Report.

For details, please refer to the Tokyo Tatemono website.

(Tokyo Tatemono Website: Initiatives on Sustainability)

<https://tatemono.com/csr/english/>

(Tokyo Tatemono Website: Investment in Human Capital, etc.)

https://tatemono.com/csr/english/reports/pdf/updated202201csr016_e.pdf

(Tokyo Tatemono Website: Disclosure based on TCFD) Recommendations

https://tatemono.com/csr/english/reports/pdf/updated202201csr009_e.pdf

[Supplementary Principle 4.1.1 Scope of the matters delegated to the management]

Tokyo Tatemono has adopted an executive officers system to strengthen management functions and business execution functions, stimulate the Board of Directors and accelerate the decision-making process, delegating the authority to make business execution decisions to the president & chief executive officer and other executive officers, unless otherwise provided in laws, regulations, the articles of incorporation, etc. as matters to be resolved by the Board of Directors and important matters concerning execution of business.

The scope of the delegation is provided in internal rules on the basis of the transaction conditions, transaction amount, etc.

[Principle 4.9 Criteria for independence and credentials of independent external directors]

Tokyo Tatemono deems external directors to be independent when, in addition to meeting the criteria for independence stipulated by Tokyo Stock Exchange, they do not fall under any of the following items:

- (1) A business partner of Tokyo Tatemono that constitutes 2% or more of Tokyo Tatemono's consolidated net sales in the most recent fiscal year or a person executing business of such partner
- (2) A shareholder of Tokyo Tatemono that holds more than 10% of the total number of voting rights of Tokyo Tatemono or a person executing business of such shareholder
- (3) A representative, member or employee of an auditing firm employed as the accounting auditor for Tokyo Tatemono
- (4) A consultant, accounting professional or legal professional that receives remuneration (excluding director remuneration) of more than ¥10 million from Tokyo Tatemono in the most recent fiscal year

[Supplementary Principle 4.10.1 Basic views on the composition of the nomination and remuneration committee]

Tokyo Tatemono has established a Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors to select candidates for directors, select and dismiss representative directors, and deliberate on remuneration for directors. The committee members are appointed from among the directors, and the total number of the members is not more than 7 in which external directors account for a majority of the members in order to utilize the knowledge and advice of the external directors and to ensure the objectivity and transparency of procedures.

[Supplementary Principle 4.11.1 Composition of the board of directors (diversity, balance, size)]

Tokyo Tatemono strives to secure diversity and balance in knowledge, experience, skills, etc. of the Board of Directors as a whole to ensure useful and multilateral discussions by the Board of Directors, and maintains the Board of Directors in an appropriate size to ensure that the Board of Directors functions effectively and efficiently. With regard to the appointment of directors, persons capable of contributing to enhancing the Tokyo Tatemono Group's corporate value over the medium to long term based on a comprehensive judgment of character, skills, knowledge, experience, etc. are nominated as candidates for directors and Audit & Supervisory Board members. When making nominations, external directors have appropriate involvement, and the Board of Directors passes resolutions after deliberation by the Nomination and Remuneration Advisory Committee, of which the majority of the members is made up of external directors.

In addition, a skill matrix that lists the expertise and experience of each director is defined as described in "2. Other Matters Concerning Corporate Governance System" in "V. Other" of this report.

[Supplementary Principle 4.11.2 Status of concurrent posts of directors, etc.]

The status of important concurrent positions held by Tokyo Tatemono's directors and Audit & Supervisory Board members are disclosed in notices of convocation of general meeting of shareholders. For details, please refer to the Tokyo Tatemono website.

(Tokyo Tatemono website: Notice of the 204th Ordinary General Meeting of Shareholders on March 29, 2022)

https://tatemono.com/ir/stock/pdf/204thmeetingofshareholders_220228.pdf

[Supplementary Principle 4.11.3 Analysis and evaluation of the effectiveness of the Board of Directors]

Tokyo Tatemono has all directors and Audit & Supervisory Board members respond to a questionnaire survey on the composition, agenda, operation, etc. of the Board of Directors once a year, the results of which are analyzed and then discussed by the Board of Directors.

The results have found that effectiveness as a board of directors is fully secured.

[Supplementary Principle 4.14.2 Training policy for directors and Audit & Supervisory Board members]

Tokyo Tatemono conducts legal and corporate management training workshops, etc. for directors and Audit & Supervisory Board members as appropriate to promote their understanding of their roles and responsibilities.

In addition, the Tokyo Tatemono Group's business overview, medium-term business plan content and progress status, medium- to long-term business issues, etc. are explained to external directors upon their assumption of office.

[Principle 5.1 Policy on constructive dialogue with shareholders]

Tokyo Tatemono takes proactive measures for dialogue with shareholders and investors on the thinking that proactive and appropriate disclosure of the medium-term business plan progress and other management status, financial information, etc. leads to fulfillment of corporate accountability.

Tokyo Tatemono has the Corporate Communications Department set as the competent department having jurisdiction over dialogue with shareholders and investors and information disclosure, and the director in charge of the Corporate Communications Department set as the director in charge of dialogue with shareholders and investors and information disclosure, and also has these working in cooperation with other directors, departments, etc. when necessary. Based on such, Tokyo Tatemono strives for constructive dialogue with shareholders and investors and information disclosure through the general meeting of shareholders, financial results briefings, individual interviews and other opportunities.

In addition, as described in "2. Other Matters Concerning Corporate Governance System" in "V. Other" of this report, Tokyo Tatemono has developed a system for timely disclosure.

2. Capital Structure

| | |
|-----------------------------------|-------------|
| Foreign Shareholding Ratio | 30% or more |
|-----------------------------------|-------------|

[Status of Major Shareholders] Updated

| Name / Company Name | Number of Shares Owned | Percentage (%) |
|--|-------------------------------|-----------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 34,882,700 | 16.67 |
| Custody Bank of Japan, Ltd. (Trust Account) | 16,601,800 | 7.94 |
| STICHTING PENSIOENFONDS ZORG EN WELZIJN (Standing proxy: Citibank, N.A., Tokyo Branch) | 10,163,000 | 4.86 |
| Sompo Japan Insurance Inc. | 4,744,000 | 2.27 |
| Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.) | 4,729,000 | 2.26 |
| THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 4,519,000 | 2.16 |
| JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 4,494,597 | 2.15 |
| Japan Securities Finance Co., Ltd. | 3,661,000 | 1.75 |
| Morgan Stanley MUFG Securities Co., Ltd. | 3,485,032 | 1.67 |
| SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited (HSBC), Tokyo branch, Fund Services Clients A/C) | 2,674,004 | 1.28 |

| | |
|--|------|
| Controlling Shareholder (except for Parent Company) | — |
| Parent Company | None |

Supplementary Explanations Updated

<Supplementary Explanation for “2. Capital Structure [Status of Major Shareholders]”>

- Percentage of share ownership is calculated by the number of shares excluding treasury shares.
- [Status of Major Shareholders] is the status as of December 31, 2021.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on October 6, 2021, it is indicated that PGGM Vermogensbeheer B.V. owns shares of Tokyo Tatemono as of September 29, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on October 7, 2021, it is indicated that Sumitomo Mitsui DS Asset Management Company, Limited and the joint holder SMBC Nikko Securities Inc. respectively own the shares of Tokyo Tatemono as of September 30, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on December 20, 2021, it is indicated that Mitsubishi UFJ Trust and Banking Corporation and the joint holder Mitsubishi UFJ Kokusai Asset Management Co., Ltd. respectively own shares of Tokyo Tatemono as of December 13, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.

- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on January 7, 2022, it is indicated that Sumitomo Mitsui DS Asset Management Company, Limited. and the joint holder SMBC Nikko Securities Inc. respectively own the shares of Tokyo Tatemono as of December 31, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.
- In Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on January 11, 2022, it is indicated that Asset Management One, Co., Ltd. and the joint holders Mizuho Bank, Ltd., Mizuho Securities Co., Ltd. and Mizuho Trust & Banking Co., Ltd. respectively own the shares of Tokyo Tatemono as of December 31, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on January 11, 2022, it is indicated that Nomura Securities Co., Ltd. and the joint holders Nomura International plc and Nomura Asset Management Co., Ltd. respectively own shares of Tokyo Tatemono as of December 31, 2021. However, they are not included in the Status of Major Shareholders mentioned above as Tokyo Tatemono is unable to confirm their beneficial ownership status as of December 31, 2021.

3. Corporate Attributes

| | |
|--|--|
| Listed Stock Market and Market Section [Updated] | Tokyo Stock Exchange (TSE) Prime Market |
| Fiscal Year-End | December |
| Type of Business | Real Estate |
| Number of Employees (consolidated) as of the End of the Previous Fiscal Year | 1,000 or more |
| Sales (consolidated) as of the End of the Previous Fiscal Year | From ¥100 billion to less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | From 10 to less than 50 |

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

| | |
|-------------------|---|
| Organization Form | Company with an Audit & Supervisory Board |
|-------------------|---|

[Directors]

| | |
|---|--|
| Maximum Number of Directors Stipulated in the Articles of Incorporation | 12 |
| Term of Office Stipulated in the Articles of Incorporation | 2 years |
| Chairperson of the Board | Chairperson (except for when concurrently holding the position of president) |
| Number of Directors | 12 |
| Appointment of External Directors | Appointed |
| Number of External Directors | 4 |
| Of External Directors, Number of Independent Directors | 4 |

Relationship with the Company (1)

| Name | Attribute | Relationship with the Company(*) | | | | | | | | | | |
|------------------|----------------------|----------------------------------|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| Shuichi Hattori | From another company | | | | | | | | | | | |
| Yoshimitsu Onji | From another company | | | | | | | | | | | |
| Takeo Nakano | From another company | | | | | | | | △ | | ○ | |
| Yumiko Kinoshita | From another company | | | | | | | | | | | |

* Categories for “Relationship with the Company”

* “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past

* “●” when a close relative of the director presently falls or has recently fallen under the category; “▲” when a close relative of the director fell under the category in the past

a Executive of the Company or its subsidiary

b Non-executive director or executive of a parent company of the Company

c Executive of a fellow subsidiary company of the Company

d A party whose major client or supplier is the Company or an executive thereof

e Major client or supplier of the Company or an executive thereof

f Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member

g Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)

h Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i Executive of a company, between which and the Company external directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)

j Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k Other

Relationship with the Company (2)

| Name | Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment |
|-----------------|----------------------|---|--|
| Shuichi Hattori | ○ | ---- | <p>Mr. Shuichi Hattori was appointed on the basis of his expertise, experience, etc. as a lawyer, which are expected to contribute to the strengthening of the governance system, such as oversight over the execution of the duties of directors from an independent point of view.</p> <p>In addition, Mr. Shuichi Hattori is deemed to meet the criteria for independence stipulated by the Tokyo Stock Exchange and Tokyo Tatemono and thus suitable for the position as an independent director unlikely to have conflicts of interest with general shareholders.</p> |
| Yoshimitsu Onji | ○ | ---- | <p>Mr. Yoshimitsu Onji was appointed on the basis of his considerable management experience and wide-ranging insight, which are expected to contribute to the strengthening of the governance system, such as oversight over the execution of the duties of directors from an independent point of view.</p> <p>In addition, Mr. Yoshimitsu Onji is deemed to meet the criteria for independence stipulated by the Tokyo Stock Exchange and Tokyo Tatemono and thus suitable for the position as an independent director unlikely to have conflicts of interest with general shareholders.</p> |
| Takeo Nakano | ○ | <p>Mr. Takeo Nakano is from Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd. There are transactions, such as debt financing, between Tokyo Tatemono and said banks. However, in light of the transaction size, etc., there are deemed to be no concerns of impact on shareholder and investor decisions.</p> <p>In addition, Mr. Takeo Nakano concurrently serves as the Chairman of the Shouohkai Foundation. There are transactions between Tokyo Tatemono and the foundation such as the entrustment of health examination operations and donations from Tokyo Tatemono to the foundation. However, in light of the transaction size, etc., there are deemed to be no concerns of impact on shareholder and investor decisions and no special vested interest.</p> | <p>Mr. Takeo Nakano was appointed on the basis of his considerable management experience and wide-ranging insight, which are expected to contribute to the strengthening of the governance system, such as oversight over the execution of the duties of directors from an independent point of view.</p> <p>In addition, Mr. Takeo Nakano is deemed to meet the criteria for independence stipulated by the Tokyo Stock Exchange and Tokyo Tatemono and thus suitable for the position as an independent director unlikely to have conflicts of interest with general shareholders.</p> |

| Name | Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment |
|------------------|----------------------|---|---|
| Yumiko Kinoshita | ○ | ---- | Ms. Yumiko Kinoshita was appointed on the basis of her internationalism developed working overseas and her diverse business experience in public-interest corporations, which are expected to contribute to the strengthening of the governance system, such as oversight over the execution of the duties of directors from an independent point of view. In addition, Ms. Yumiko Kinoshita is deemed to meet the criteria for independence stipulated by the Tokyo Stock Exchange and Tokyo Tatemono and thus suitable for the position as an independent director unlikely to have conflicts of interest with general shareholders. |

| | |
|--|-----|
| Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee | Yes |
|--|-----|

Committee Name, Composition, and Attributes of Chairperson

| | Committee Name | All Committee Members | Full-time Members | Inside Directors | External Directors | Outside Experts | Other | Chairperson (Chair) |
|--|--|-----------------------|-------------------|------------------|--------------------|-----------------|-------|---------------------|
| Committee Corresponding to Nomination Committee | Nomination and Remuneration Advisory Committee | 7 | 0 | 3 | 4 | 0 | 0 | Inside Director |
| Committee Corresponding to Remuneration Committee | Nomination and Remuneration Advisory Committee | 7 | 0 | 3 | 4 | 0 | 0 | Inside Director |

Supplementary Explanations Updated

Tokyo Tatemono has established a Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors to select candidates for directors, select and dismiss representative directors, and deliberate on remuneration for directors.

The committee members are appointed from among the directors, and the total number of the members is not more than 7 in which external directors account for a majority of the members in order to utilize the knowledge and advice of the external directors and to ensure the objectivity and transparency of procedures.

[Audit & Supervisory Board Members]

| | |
|--|-------------|
| Establishment of Audit & Supervisory Board | Established |
| Maximum Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation | 4 |
| Number of Audit & Supervisory Board Members | 4 |

| |
|---|
| Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments |
|---|

<Cooperation between Audit & Supervisory Board Members and Accounting Auditor>

Audit & Supervisory Board members and the accounting auditor maintain close cooperation through the holding of ordinary meetings as well as extraordinary meetings when necessary, proactive exchange of opinions and information at any time, etc. in an effort to implement effective and efficient audits.

<Cooperation between Audit & Supervisory Board Members and Internal Audit Department>

The Internal Audit Department, which is in charge of internal audits, conducts audit reports, etc. on a periodic basis in line with the holding of Audit & Supervisory Board meetings, and Audit & Supervisory Board members and the Internal Audit Department actively conduct exchange of information and opinions at any time and other close cooperation in an effort to implement highly efficient and effective audits.

<Other Matters Concerning Main Activities of Audit & Supervisory Board Members>

Audit & Supervisory Board members attend Board of Directors' meetings and the Group Management Meeting and express opinions as necessary, in addition to receiving reports on a periodic basis from the accounting auditor, directors and each department, and enabling the exchange of opinions with individual bodies at any time. In addition, directors, the Internal Audit Department, the General Affairs Department and the Internal Control Committee promptly report the following matters concerning Tokyo Tatemono and Group companies to Audit & Supervisory Board members.

(Directors)

Matters that may have critical impact on the company

(Internal Audit Department)

Status of internal audits

(General Affairs Department)

Status of reports of wrongful acts, etc. and content thereof

(Internal Control Committee)

Important internal management and compliance matters

| | |
|--|-----------|
| Appointment of External Audit & Supervisory Board Members | Appointed |
| Number of External Audit & Supervisory Board Members | 2 |
| Number of Independent Audit & Supervisory Board Members | 2 |

| |
|-----------------------------------|
| Relationship with the Company (1) |
|-----------------------------------|

| Name | Attribute | Relationship with the Company(*) | | | | | | | | | | | | |
|--|-----------|----------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| Takao Yamaguchi | CPA | | | | | | | | | | | | | |
| Sayaka Hieda (Family register name: Sayaka Kimura) | Lawyer | | | | | | | | | | | | | |

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

a Executive of the Company or its subsidiary

b Non-executive director or accounting advisor of the Company or its subsidiaries

c Non-executive director or executive of a parent company of the Company

d Audit & supervisory board member of a parent company of the Company

e Executive of a fellow subsidiary company of the Company

- f A party whose major client or supplier is the Company or an executive thereof
- g Major client or supplier of the Company or an executive thereof
- h Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
- i Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
- j Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k Executive of a company, between which and the Company external directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
- l Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- m Other

Relationship with the Company (2)

| Name | Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment |
|--|----------------------|---|---|
| Takao Yamaguchi | ○ | ----- | Mr. Takao Yamaguchi was appointed on the basis that his expertise, experience, etc. as a certified public accountant can be expected to be applied to the audit operations of Tokyo Tatemono. |
| Sayaka Hieda (Family register name: Sayaka Kimura) | ○ | ----- | Ms. Sayaka Hieda was appointed on the basis that her expertise, experience, etc. as a lawyer can be expected to be applied to the audit operations of Tokyo Tatemono. |

[Independent Directors/Audit & Supervisory Board Members]

| | |
|--|---|
| Number of Independent Directors/Audit & Supervisory Board Members | 6 |
|--|---|

Other Matters Related to Independent Directors/Audit & Supervisory Board Members

All external directors/Audit & Supervisory Board members eligible as independent directors/Audit & Supervisory Board members are designated as independent directors/Audit & Supervisory Board members.

[Incentives]

| | |
|---|---------------------------------------|
| Implementation of Incentive Policies for Directors | Performance-based Remuneration, Other |
|---|---------------------------------------|

Supplementary Explanation Regarding the Concerned Items

At the 195th Ordinary General Meeting of Shareholders held on March 28, 2013, it was resolved to introduce "performance-based remuneration" for directors (excluding external directors).

At the 200th Ordinary General Meeting of Shareholders held on March 28, 2018, it was resolved to introduce a Board Benefit Trust (BBT) share-based remuneration system for directors (excluding external directors).

| | |
|------------------------------------|--|
| Recipients of Stock Options | |
|------------------------------------|--|

Supplementary Explanation Regarding the Concerned Items

[Director Remuneration]

| | |
|---|--------------------------|
| Disclosure of Individual Directors' Remuneration | No Individual Disclosure |
|---|--------------------------|

Supplementary Explanation Regarding the Concerned Items

| | | |
|---|---------|-----|
| Policy on Determining Remuneration Amounts and Calculation Methods | Updated | Yes |
|---|---------|-----|

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(1) Policies regarding the determination of contents of remuneration for directors

At the Board of Directors held on March 10, 2021, Tokyo Tatemono resolved the policy on determination of the contents of remuneration for each director (hereinafter referred to as "policy for determination"). In addition, the remuneration of Audit & Supervisory Board members is determined through discussions among Audit & Supervisory Board members.

Tokyo Tatemono aims to achieve sustained growth and enhance medium- to long-term corporate value based on the corporate philosophy of "Trust beyond the era," and uses a remuneration system linking a fixed percentage of remuneration to performance and share price for the remuneration of directors (excluding external directors) to heighten awareness about contributing to enhancement of corporate value not only over the short term but also the medium to long term.

The remuneration of directors (excluding external directors) consists of "basic remuneration," "performance-linked remuneration," and "share-based remuneration," and the payment ratio is set appropriately based on the policy described below. The remuneration of external directors and Audit & Supervisory Board members is limited to "basic remuneration" in consideration of their duties.

The amounts of remuneration for each director are determined by the Board of Directors after consulting with the Nomination and Remuneration Advisory Committee. Determination of the contents of remuneration for each director is delegated to the resolution of the Board of Directors as described in (3), "Items on Delegation regarding the Determination of the Contents of Remuneration for Each Director" described below.

• Policy on determination of the payment ratio of remuneration for directors (excluding external directors) by category

| Items | Basic remuneration | Performance-linked remuneration | Share-based remuneration |
|----------|--------------------|---------------------------------|---------------------------------|
| Position | Base remuneration | Short-term incentives | Medium- to long-term incentives |

| Variability | - | Linked to single-year performance | Linked to share price |
|--|-----------|-----------------------------------|-------------------------------|
| Percentage to the total amount of remuneration (guide) | 50 - 60 % | 30 - 40 % | 5 - 10 % |
| Time of payment of remuneration | Monthly | Monthly | Upon retirement, in principle |

The contents of remuneration for each director relating to the current fiscal year was drafted based on the policy for determination and the resolution of the General Meeting of Shareholders as described in (2), “Items on the resolution of the General Meeting of Shareholders regarding remuneration for directors and Audit & Supervisory Board Members, etc.” described below and was determined after consulting with the Nomination and Remuneration Advisory Committee. Therefore, the contents of remuneration for each director relating to the current fiscal year is deemed to be in accordance with the policy for determination.

(2) Items on the resolution of the General Meeting of Shareholders regarding remuneration for directors and Audit & Supervisory Board Members, etc.

1. Basic remuneration

At the 190th Ordinary General Meeting of Shareholders held on March 28, 2008, a resolution was passed to keep the monthly remuneration of directors to 35 million yen or less and that of Audit & Supervisory Board members to 8 million yen or less.

2. Performance-linked remuneration

At the 195th Ordinary General Meeting of Shareholders held on March 28, 2013, a resolution was passed to introduce performance-linked remuneration for directors (excluding external directors) in order to increase motivation to improve business performance in each fiscal year, and to pay within 1% of consolidated ordinary income and 2% of consolidated net income (net income attributable to the shareholders of the parent company) of the previous fiscal year. Such indicators are selected because they are deemed to appropriately represent the performance of Tokyo Tatemono in the light of the characteristics and contents of its business.

3. Share-based remuneration

At the 200th General Meeting of Shareholders held on March 28, 2018, it was resolved to introduce a Board Benefit Trust (BBT) share-based remuneration system for directors (excluding external directors) for the purpose of promoting efforts to increase corporate value over the medium to long term.

An overview of the share-based remuneration system is provided below.

- In this system, the Company's shares are acquired through a trust using money contributed by the Company, and the Company's shares and the amount equivalent to the amount of the Company's shares converted to market value are granted through the trust in accordance with the "Executive Share Benefit Regulations" established by the Company. Establishment of such Regulations was resolved by the Board of Directors after consulting with the Nomination and Remuneration Advisory Committee.

- Specifically, each director is granted a fixed number of points in consideration of his/her position each fiscal year up to 40,000 shares (40,000 points) per fiscal year, and the Company's shares and the amount of money equivalent to the market value are provided according to the number of points accumulated upon retirement.

(3) Items on Delegation regarding the Determination of the Contents of Remuneration for Each Director

In Tokyo Tatemono, based on the delegation by the resolution of the Board of Directors, the Representative Director, President & Chief Executive Officer drafts the proposed basic remuneration and performance-linked remuneration for each director according to their positions and duties for each fiscal year, based on the policy for determination and the resolution of the General Meeting of Shareholders as described in the preceding (2), Items on the resolution of the General Meeting of Shareholders regarding remuneration for directors and Audit & Supervisory Board Members, etc., and determines the specific measures for the amount of remuneration for each director after consulting with the Nomination and Remuneration Advisory Committee. The reason for delegating it to the Representative Director, President & Chief Executive Officer is that such person is the most suitable for making evaluation considering the Company's performance and directors' duties, etc. comprehensively. In the current fiscal year, the person who determined the specific measures for the amount of remuneration for each director upon such delegation is the Representative Director, President & Chief Executive Officer, Hitoshi Nomura.

(4) Total Amount of Remuneration, Etc. for Directors and Audit & Supervisory Board Members, Etc. (actual amount for the fiscal year ended December 31, 2021)

| Position | Number of recipients | Basic remuneration | Performance-linked remuneration | Share-based remuneration (Nonpecuniary reward) | Total amount paid |
|--|----------------------|--------------------|---------------------------------|--|-------------------|
| Director | 15 | ¥302 million | ¥174 million | ¥41 million | ¥517 million |
| (among them, external directors) | (6) | (¥38 million) | (—) | (—) | (¥38 million) |
| Audit & Supervisory Board members | 4 | ¥67 million | (—) | (—) | ¥67 million |
| (among them, external Audit & Supervisory Board members) | (2) | (¥15 million) | (—) | (—) | (¥15 million) |
| Total | 19 | ¥370 million | ¥174 million | ¥41 million | ¥585 million |
| (among them, external officers) | (8) | (¥54 million) | (—) | (—) | (¥54 million) |

[Supporting System for External Directors and Audit & Supervisory Board Members]

As the supporting system for external directors, the Corporate Planning Department, which acts as a Board of Directors secretariat, provides required explanations and information, etc. as appropriate.

As the supporting system for external Audit & Supervisory Board members, personnel are assigned as supervisory staff upon request from the Audit & Supervisory Board to smoothly execute auditing duties. In addition, the system has been created to have full-time Audit & Supervisory Board members attend Board of Directors' meetings and the Group Management Meeting, receive reports on a periodic basis from the accounting auditor and each department, etc., and enable the exchange of opinions and information with individual bodies at any time.

[Retired Presidents/CEOs Holding Advisory Positions]

Information on Retired Presidents/CEOs Holding Advisory Positions Updated

| Name | Job Title/ Position | Responsibilities | Employment Terms (full/part time, with/without compensation, etc.) | Date When Former Role as President/ CEO Ended | Term |
|-----------------|---------------------|---|--|---|---------------|
| Makoto Hatanaka | Senior advisor | Engaged in industry and other outside activities (not involved in management) | Part time without compensation | 2012/02/14 | No provisions |
| Hajime Sakuma | Senior advisor | Engaged in industry and other outside activities (not involved in management) | Part time with compensation | 2016/12/31 | No provisions |

Total Number of Retired Presidents/CEOs Holding Advisory Positions Updated

2

Others

New appointment of advisory positions is subject to resolution by the Board of Directors.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

<Overview of the Corporate Governance System>

(1) Board of Directors

The Board of Directors is chaired by Makio Tanenashi, Representative Director and Chairperson of the Board, who does not concurrently serve as an executive officer, and consists of a total of 12 members including eight inside directors and four external directors (including one female).

As a general rule, Tokyo Tatemono holds an ordinary Board of Directors' meeting once a month and an extraordinary Board of Directors' meeting when necessary to resolve important matters concerning execution of business of Tokyo Tatemono and oversee directors' execution of business. In addition, Audit & Supervisory Board members attend Board of Directors' meetings and share opinions when necessary. The number of meetings held in fiscal 2021 was 15 and the attendance rate of directors was 100%.

(2) Nomination and Remuneration Advisory Committee

Tokyo Tatemono established the Nomination and Remuneration Advisory Committee chaired by Representative Director, President & Chief Executive Officer Hitoshi Nomura as a body to deliberate on the selection of candidates for directors, selection and dismissal of representative directors, and remuneration, etc. for directors based on the advice from the Board of Directors.

The committee members are appointed from among the directors, and the total number of the members is not more than 7 in which external directors account for a majority of the members in order to utilize the knowledge and advice of the external directors and to ensure the objectivity and transparency of procedures. Seven meetings were held in fiscal 2021, and the attendance rate of directors was 100%.

(3) Audit & Supervisory Board

The Company is a company with an Audit & Supervisory Board, and has an Audit & Supervisory Board consisting of four members including two full-time Audit & Supervisory Board members and two external Audit & Supervisory Board members and chaired by Kouji Kawakubo, a full-time Audit & Supervisory Board member. The Company receives reports about important matters on audits from such board and then discusses and resolves such matters. The number of meetings held in fiscal 2021 was 15 and the attendance rate of Audit & Supervisory Board members was 100%. There is no special vested interest between Tokyo Tatemono and external Audit & Supervisory Board members.

(4) Executive Officer system

Tokyo Tatemono has adopted an executive officer system to strengthen management functions and business execution functions, stimulate the Board of Directors and accelerate the decision-making process. Executive officers are appointed by resolution of the Board of Directors, and there are 20 executive officers as of March 31, 2022.

(5) Group Management Meeting

The Group Management Meeting is an organization that deliberates on important matters related to the management of the Company and affiliated companies, etc., with Representative Director, President & Chief Executive Officer Hitoshi Nomura as chairperson and executive officers with assigned roles as members. The number of meetings held in fiscal 2021 was 37. In addition, full-time Audit & Supervisory Board members attend Group Management Meeting and share opinions when necessary.

(6) Internal Control Committee

The Internal Control Committee is an organization that discusses and monitors internal control risks (compliance risks and internal management risks) and reports important matters to the Board of Directors, Audit & Supervisory Board, etc., with Representative Director, President & Chief Executive Officer Hitoshi Nomura as chairperson and Executive Vice President Executive Officer and the director in charge of Corporate Communications Department as members. The number of meetings held in fiscal 2021 was 2. In addition, full-time Audit & Supervisory Board members attend the Internal Control Committee and share opinions when necessary.

(7) Sustainability Committee

The Sustainability Committee is an organization that promotes sustainability measures across the entire group, with Representative Director, President & Chief Executive Officer Hitoshi Nomura as chairperson and executive officers with assigned roles as members. The number of meetings held in fiscal 2021 was 3. In addition, in order to continuously promote sustainability measures, the Sustainability Promotion Council (composed of persons in charge of each business division) has been established as a suborganization thereof to set goals for each measure, monitor progress, and evaluate achievements. The Committee reports matters it discusses to the Board of Directors and submits cases that should be submitted to the Board of Directors to the board when necessary.

<Financial Auditing>

Tokyo Tatemono has entered into an audit agreement with Ernst & Young ShinNihon LLC for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. There is no special vested interest between Tokyo Tatemono and said audit corporation or said audit corporation's engagement partners engaged in the audit of Tokyo Tatemono.

- Name of certified public accountants engaged in audit in the fiscal year under review and name of audit corporation to which he/she belongs

| Name, etc. of certified public accountant | | Name of audit corporation to which he/she belongs |
|---|----------------|---|
| Designated and Engagement Partner | Koichi Yanai | Ernst & Young ShinNihon LLC |
| Designated and Engagement Partner | Hiroshi Kojima | Ernst & Young ShinNihon LLC |

- Composition of persons supporting audit operations
8 certified public accountants and 21 other persons providing support

3. Reasons for Adoption of the Current Corporate Governance System Updated

In order to improve efficiency while ensuring the soundness and transparency of management, Tokyo Tatemono has adopted a system of a company with an Audit & Supervisory Board and also an executive officer system. The Audit & Supervisory Board has strengthened oversight functions and ensured transparency of management through the appointment of external Audit & Supervisory Board members, and determined that a system has been established in which the Company's management and director monitoring/oversight functions are adequately performed by clarifying the division of functions for management and business execution and strengthening management/oversight functions and business execution functions with regard to the executive officer system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smoothly Exercise Voting Rights

Updated

| | Supplementary Explanations |
|--|---|
| Early Notification of General Meeting of Shareholders | Notification is sent 21 days prior to the General Meeting of Shareholders. |
| Scheduling AGMs Avoiding the Peak Day | Held on March 29. (Actual result for fiscal 2021) |
| Allowing Electronic Exercise of Voting Rights | Internet voting has been conducted since the 188th General Meeting of Shareholders (held in March 2006). |
| Participation in Electronic Voting Platform and Other Measures to Improve Environment for Exercise of Voting Rights for Institutional Investors | Tokyo Tatemono has participated in the electronic voting platform for institutional investors since the 189th General Meeting of Shareholders (held in March 2007). In addition, prior to the sending notification of the General Meeting of Shareholders, Internet disclosure on the Tokyo Tatemono website and the Tokyo Stock Exchange is conducted for four weeks. (Actual result for fiscal 2021). (Tokyo Tatemono Website) https://tatemono.com/english/ir/stock/meeting.html |
| Providing Convocation Notice in English (Fully or Partially) | An English version (outline) of the notification of the General Meeting of Shareholders is created and disclosed on the Tokyo Tatemono website. |
| Other | Convocation notices (in Japanese and English) for the General Meeting of Shareholders are posted on the Tokyo Tatemono website. (Tokyo Tatemono Website: Japanese) https://www.tatemono.com/ir/stock/meeting.html (Tokyo Tatemono Website: English) https://www.tatemono.com/english/ir/stock/meeting.html |

2. IR Activities

Updated

| | Supplementary Explanations | Explanation by Representative |
|--|---|-------------------------------|
| Preparation and Publication of Disclosure Policies | Tokyo Tatemono endeavors to provide accurate and prompt disclosure of information related to management strategy and financial conditions, etc. while considering fairness, transparency and continuity, for the purpose of building long-term relationships of trust with stakeholders including shareholders and investors, and being evaluated appropriately. (Tokyo Tatemono Website: IR Disclosure Policy) https://tatemono.com/english/ir/disclosure.html | |
| Regular Investor Briefings for Individual Investors | Briefings are held irregularly several times a year. | None |
| Regular Investor Briefings for Analysts and Institutional Investors | Tokyo Tatemono holds financial results briefings after announcement of financial results and financial results for the second quarter and releases the videos and voice recordings of such briefings on its website. In addition, financial results explanation in the form of teleconference is carried out by the department in charge of IR after announcement of quarterly financial results. | Yes |

| | | |
|---|---|-----|
| Regular Investor Briefings for Overseas Investors | Tokyo Tatemono carries out IR activities by participating in individual visits, teleconferences, IR conferences, etc., mainly in North America, Europe, and Asia. | Yes |
| Posting of IR Materials on Website | Financial information, timely disclosure materials, annual securities reports, integrated reports, notices of convocation of general meeting of shareholders, etc. are posted. (Tokyo Tatemono Website: Investor Relations) https://www.tatemono.com/english/ir/ | |
| Establishment of Department and/or Manager in Charge of IR | (Department in charge of IR) Corporate Communications Department (Director in charge of IR) Akira Izumi, Director and Senior Managing Executive Officer (Contact) Munetoshi Harunaga, General Manager of Corporate Communications Department | |

3. Measures to Ensure Due Respect for Stakeholders Updated

| | Supplementary Explanations |
|--|---|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | Tokyo Tatemono provides in the “Compliance Rules” that management shall be executed in a fair and sincere manner based on compliance in order to earn the trust of the stakeholders, etc. of Tokyo Tatemono and thereby maintain and enhance corporate value. |
| Implementation of Environmental Activities, CSR Activities, Etc. | Tokyo Tatemono has established a “Sustainability Committee” and a “Sustainability Promotion Council” as a sub-organization thereof, and is promoting Group-wide sustainability measures in order to balance “resolution of social issues” and “growth as a company” at a higher level through the Group’s business. As for the content of activities of the Tokyo Tatemono Group concerning sustainability, the information is disclosed in “Sustainability Report” found on the Tokyo Tatemono website. (Tokyo Tatemono Website: Sustainability Report) https://tatemono.com/csr/english/reports/ |
| Development of Policies on Information Provision to Stakeholders | With proactive, appropriate and impartial provision of information to stakeholders set as a basic policy of corporate governance, Tokyo Tatemono will continue to strive for information disclosure stipulated in laws and regulations as well as even greater information disclosure to ensure that stakeholders have an accurate and prompt grasp of Tokyo Tatemono’s business content. |
| Other | <p><Diversity & Inclusion></p> <ul style="list-style-type: none"> • Policy and Basic Views <p>Tokyo Tatemono’s personnel policy is to "realize a fulfilling workplace where growth can be felt," and is promoting the creation of an environment where diverse human resources can concentrate on their duties and play active roles while feeling fulfilled without feeling any barriers.</p> <ul style="list-style-type: none"> • System <p>In order to respond to the importance of human resources development and the growing social demand for health management and promotion of diversity, Tokyo Tatemono has established a "Human Resources Development Group" and a "Health Management and Diversity Promotion Group" within the Personnel Department.</p> <ul style="list-style-type: none"> • Active participation by women <p>Tokyo Tatemono makes efforts to promote active participation so that women can maximize their values, abilities, and individuality and work enthusiastically, and has established various systems for continuing careers in response to life events to create a comfortable working environment, in</p> |

| | |
|--|---|
| | <p>addition to actively proceeding with the promotion of diverse human resources.</p> <ul style="list-style-type: none"> • Support for continuing employment <p>Tokyo Tatemono has established a system that allows a maximum of three years of leave in consideration of work-life balance so that a fulfilling life can be achieved when an employee accompanies a spouse assigned overseas. Furthermore, for employees who have unavoidably retired from the Company due to life events such as pregnancy, childbirth, childcare, long-term care or transfer of spouse, Tokyo Tatemono has introduced a re-employment system for retired employees so that they can play an active role again utilizing the knowledge and experience they accumulated while employed.</p> <p><Health Management></p> <ul style="list-style-type: none"> • Policy and Basic Views <p>The Tokyo Tatemono Group is making efforts to maintain and improve the health of each individual based on the "Group Health Management Declaration" to enable employees to fully utilize their abilities.</p> <ul style="list-style-type: none"> • System <p>As described in "2. Other Matters Concerning Corporate Governance System" in "V. Other" of this report, the Health Committee has been established with members such as representatives of the Personnel Department, occupational physicians, and each business site. In principle, the Health Committee meets once a month for the purpose of improving occupational health standards in the workplace and maintaining and improving the health of employees. Furthermore, through exchanges between Group companies, Tokyo Tatemono is working to maintain and improve the health management / occupational safety and health of the entire Group. Reports on the setting of goals, monitoring of progress, and evaluation of achievements are made to the Board of Directors through the Sustainability Committee.</p> |
|--|---|

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development Updated

Along with setting the corporate philosophy of “Trust beyond the era” and earning the trust of customers as the basis for conduct of all directors and employees, Tokyo Tatemono has developed a system to secure business integrity (hereinafter, “internal controls”) and works to have such functioning thoroughly and widely.

1. System to Ensure Directors’ and Employees’ Execution of Duties in Compliance with Laws, Regulations and the Articles of Incorporation
 - (1) Directors and employees execute operations in a sincere manner with thorough compliance based on the “Compliance Rules.”
 - (2) The Internal Control Committee and the General Affairs Department strive to develop a compliance system and grasp issues based on the “Compliance Rules” and “Rules on Reports of Wrongful Acts, Etc.”
 - (3) If any compliance issues are found, directors and employees report such promptly to the General Affairs Department or other contact points designated by Tokyo Tatemono based on the “Whistleblower Rules.” Tokyo Tatemono takes measures to correct issues and prevent recurrence based on the survey conducted by the General Affairs Department upon receiving the report.
 - (4) Tokyo Tatemono develops a system to prevent persons who report fraud, etc. to the General Affairs Department, etc. from being treated unfavorably due to the reason of reporting.
 - (5) The Internal Control Committee reports to the Board of Directors and Audit & Supervisory Board on compliance system development, management status, improvement, etc. when necessary.
2. Matters Concerning Keeping and Managing Information on Directors’ Execution of Duties
Tokyo Tatemono keeps documents (including electronic records) pertaining to directors’ execution of duties and other important information in the prescribed place of storage for the stipulated period based on the “Document Management Rules” and “Information Management Rules.”
3. Rules and Other System for Management of Risks of Loss
 - (1) Tokyo Tatemono has departments in charge of management of risks that each continuously monitor risks and the Corporate Planning Department set as the department in charge of risk management overall to carry out overall management of the risks throughout the company based on “Risk Management Rules” which provide the basis for the risk management system.
 - (2) Based on the Basic Plan of Earthquake Measures, Tokyo Tatemono develops a system to confirm safety of directors and employees and to swiftly and adequately execute duties for business continuation upon occurrence of an earthquake.
 - (3) The Corporate Planning Department develops a system for appropriate information communication and risk management depending on the assumed risks, and the General Affairs Department supports the Corporate Planning Department concerning risks attributable to the internal management system.
 - (4) The Internal Control Committee carries out company-wide promotion and information sharing of internal control risks (internal management risks and compliance risks).
 - (5) The Internal Audit Department audits the appropriateness and effectiveness of each department’s internal management system and reports the findings to the president, representative directors, audit & supervisory board members, the Corporate Planning Department and the General Affairs Department on a periodic basis.
4. System to Ensure Directors’ Execution of Duties in an Efficient Manner
 - (1) Tokyo Tatemono adopts an executive officer system to strengthen management functions and business execution functions, stimulate the Board of Directors and accelerate the decision-making process.
 - (2) Tokyo Tatemono strives to secure efficiency of directors’ duties by clarifying each department’s operations and authority based on the “Organization Rules” and “Duty Authorization Rules.”
 - (3) Directors develop an efficient business execution system based on the business plan decided by the Board of Directors. In addition, business plans and profit plans are formulated every fiscal year, taking proper allocation of managerial resources and other factors into consideration, and decided by the Board of Directors.
 - (4) The Board of Directors receives reports of the status of achievement of targets of each department on a periodic basis, based on which it revises targets and decides on improvements for greater efficiency of the business execution system when necessary.

5. System to Ensure Business Integrity of Corporate Group Comprising Tokyo Tatemono and its Subsidiaries
 - (1) Tokyo Tatemono develops a system for Group companies' directors and employees to execute operations in a sincere manner with thorough compliance based on the "Group Compliance Charter" and "Group Compliance Manual."
 - (2) Based on the Financial Instruments and Exchange Act, Tokyo Tatemono develops a system that ensures appropriateness of financial reporting by establishing a basic policy for financial reporting to ensure appropriateness of financial reporting in the Group.
 - (3) As the departments in charge of internal control of Group companies overall, Tokyo Tatemono's General Affairs Department and Corporate Planning Department develop a system for efficient internal control discussions, information sharing, communication of instructions and requests, etc. among Tokyo Tatemono and Group companies aimed at developing internal controls at Tokyo Tatemono and Group companies.
 - (4) Tokyo Tatemono's directors develop an efficient Group business execution system based on the business plan decided by the Board of Directors. In addition, Group companies' business plans and profit plans are monitored every fiscal year and reported to the Board of Directors.
 - (5) Tokyo Tatemono develops a system to verify business integrity, such as seeking Group companies' directors, and employees to report on status of their execution of duties on a periodic basis through such means as dispatching Tokyo Tatemono's directors etc. to Group companies.
 - (6) In order to enhance management efficiency of the Group and realize Group synergies, Tokyo Tatemono performs management control of Group companies based on the "Group Management Control Rules" such as requiring Tokyo Tatemono's approval for important decisions such as the business plans of Group companies.
 - (7) Tokyo Tatemono's Internal Audit Department implements internal audits of Group companies and reports the findings to Tokyo Tatemono's president, representative directors, Audit & Supervisory Board members, General Affairs Department and Corporate Planning Department as well as Group companies' presidents on a periodic basis. Tokyo Tatemono's General Affairs Department and Corporate Planning Department instruct on internal control improvements and support and advise on the implementation thereof when necessary.
6. The System for the Case When Audit & Supervisory Board Seeks Assignment of Employees to Support the Audit & Supervisory Board's Duties,
 - (1) Tokyo Tatemono assigns personnel as auditing staff upon request from the Audit & Supervisory Board to smoothly execute the supervisory duties.
 - (2) The auditing staff given required orders for the auditing duties from Audit & Supervisory Board members are not subject to the directions or orders of directors, the General Manager of the Internal Audit Department, etc. concerning those orders.
 - (3) Even if the auditing staff concurrently serves other departments, the operations as auditing staff take priority, and Tokyo Tatemono is required to obtain the prior consent of full-time Audit & Supervisory Board members to make personnel changes to supervisory staff.
7. System for Reporting, Etc. to Audit & Supervisory Board
 - (1) Tokyo Tatemono secures the attendance of Audit & Supervisory Board members at Board of Directors' meetings and the Group Management Meeting. In addition, directors, the Internal Audit Department, the General Affairs Department and the Internal Control Committee promptly report the following matters concerning Tokyo Tatemono and Group companies to Audit & Supervisory Board members.
 - (Directors)
 - Matters that may have critical impact
 - (Internal Audit Department)
 - Status of internal audits
 - (General Affairs Department)
 - Status of reports of wrongful acts, etc. and content thereof
 - (Internal Control Committee)
 - Important internal management and compliance matters
 - (2) Tokyo Tatemono develops a system to ensure that persons reporting wrongful acts, etc. to Audit & Supervisory Board members are not unfairly treated for reasons of reporting.

8. Other Systems to Ensure Effective Auditing

- (1) When requested by Audit & Supervisory Board members for advance payment, redemption, etc. of expenses arising from the Audit & Supervisory Board members' execution of duties, Tokyo Tatemono promptly processes those expenses or obligations unless otherwise found to be unnecessary to the concerned Audit & Supervisory Board members' execution of duties.
- (2) Tokyo Tatemono develops a system for Audit & Supervisory Board members to receive reports on a periodic basis from the accounting auditor, directors and each department, and exchange opinions with individual bodies at any time.

2. Basic Views on Eliminating Anti-Social Forces and the Progress of Development

Tokyo Tatemono takes a firm stance to have no relationship with anti-social forces that threaten the order and safety of civil society. In addition, if unjust demands, cases, etc. arise with anti-social forces, the General Affairs Department is set as the department for handling such matters with the cooperation of also police and other related bodies.

V. Other

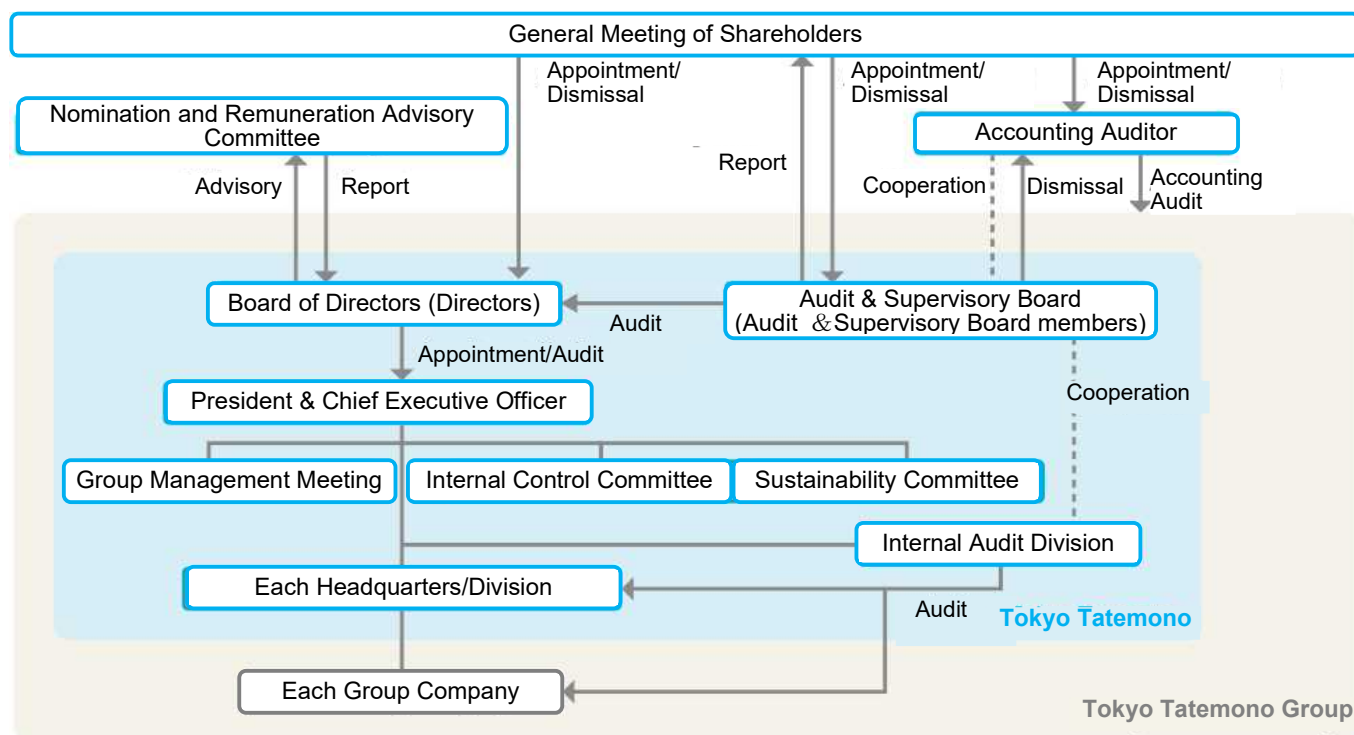
1. Adoption of Anti-Takeover Measures

| | |
|---|------|
| Adoption of Anti-Takeover Measures | None |
|---|------|

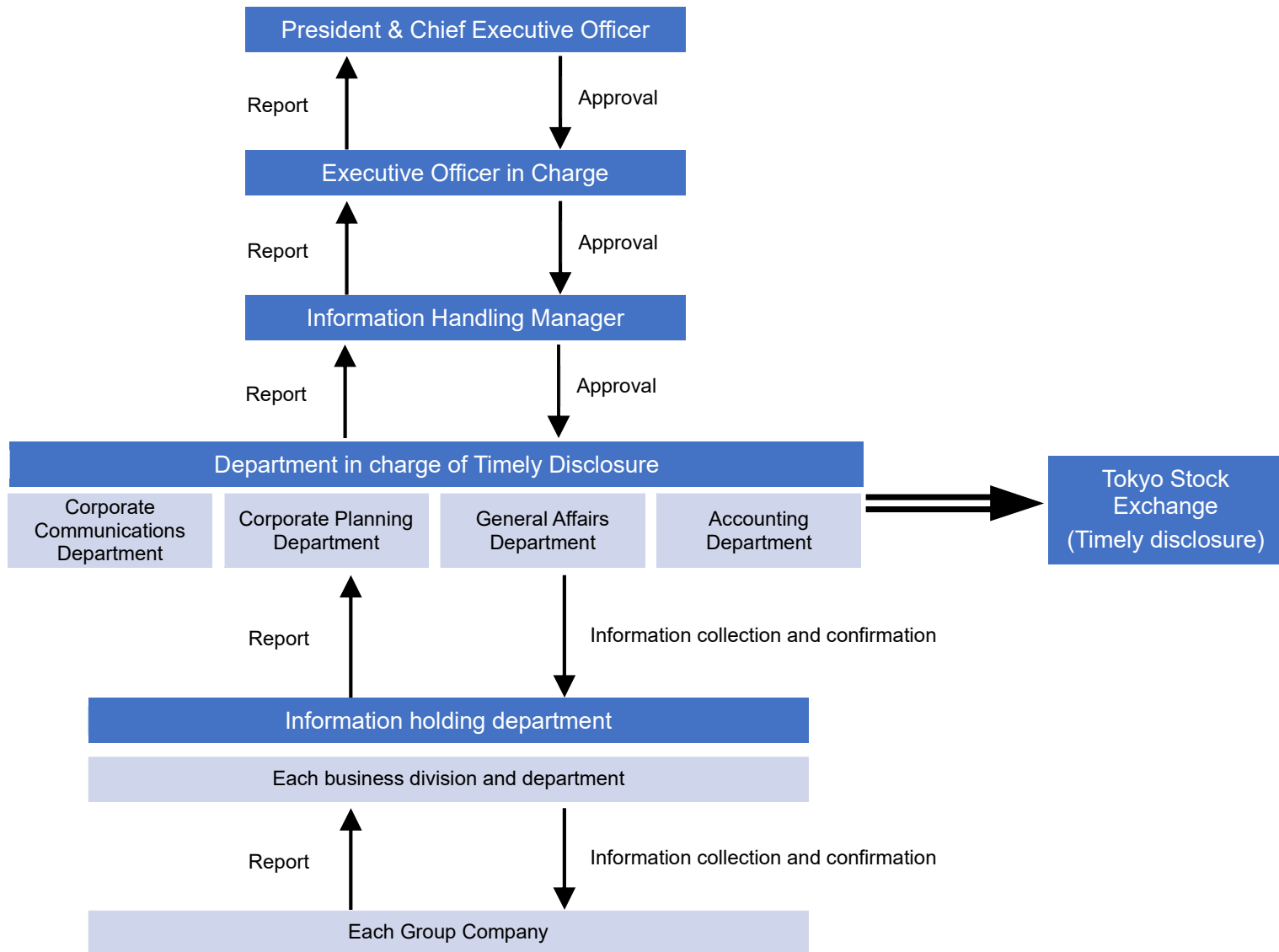
Supplementary Explanation Regarding the Concerned Items

2. Other Matters Concerning the Corporate Governance System Updated

<Schematic Diagram of the Corporate Governance System>



<Outline of the Timely Disclosure System (Schematic Diagram)>



[Specialty and Experience of Directors (Skill Matrix)]

| Name | Position in the Company | Gender | Corporate Management | Finance and Accounting | Legal / Compliance / Risk Management | Sustainability | Real Estate Business / Urban Development | Overseas Business | ICT / Digital | Personnel / Human Resources Development |
|------------------|-------------------------|--------|----------------------|------------------------|--------------------------------------|----------------|--|-------------------|---------------|---|
| Makio Tanehashi | Representative Director | Male | ○ | ○ | | | ○ | ○ | | |
| Hitoshi Nomura | Representative Director | Male | ○ | ○ | ○ | | ○ | | | ○ |
| Kengo Fukui | Representative Director | Male | ○ | | | | ○ | | | |
| Katsuto Ozawa | Director | Male | ○ | ○ | | ○ | ○ | ○ | ○ | |
| Akira Izumi | Director | Male | ○ | ○ | ○ | ○ | ○ | | ○ | ○ |
| Hisatoshi Kato | Director | Male | ○ | | | | ○ | | | ○ |
| Hideshi Akita | Director | Male | | | | ○ | ○ | | | ○ |
| Takeshi Jinbo | Director | Male | | | | ○ | ○ | | | |
| Shuichi Hattori | External Director | Male | | ○ | ○ | | | | | ○ |
| Yoshimitsu Onji | External Director | Male | ○ | ○ | ○ | | | ○ | | |
| Takeo Nakano | External Director | Male | ○ | ○ | ○ | | | | | |
| Yumiko Kinoshita | External Director | Female | | | ○ | | | ○ | | ○ |

The above list does not represent all the expertise and experience of each director.

Health Management Promotion System

