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Securities Code: 8804

March 5, 2024

Date of commencement of electronic provision:

February 27, 2024

**To Our Shareholders:**

Hitoshi Nomura  
Representative Director,  
President and Chief Executive Officer  
Tokyo Tatemono Co., Ltd.  
Head Office (commercial registration):  
9-9 Yaesu 1-Chome, Chuo-ku, Tokyo  
Head Office:  
4-16 Yaesu 1-Chome, Chuo-ku, Tokyo

**NOTICE OF THE 206th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The 206th Ordinary General Meeting of Shareholders of Tokyo Tatemono Co., Ltd. (hereinafter “the Company”) will be held as described below.

In convening the General Meeting of Shareholders, the Company electronically provides information contained in the Reference Documents for the General Meeting of Shareholders (matters to be provided electronically), and such matters to be provided electronically are posted on the Company’s website on the Internet. Please access the website indicated below and refer to the information.

The Company’s website

<https://tatemono.com/english/ir/stock/meeting.html>

Matters to be provided electronically are also posted on the website of the Tokyo Stock Exchange (TSE) in addition to the Company’s website. Please access the TSE website (TSE Listed Company Search) indicated below, enter the issue name (Tokyo Tatemono) or the securities code (8804) and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and refer to the information.

TSE website (TSE Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

You can exercise your voting rights by electromagnetic means (via the Internet, etc.) or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m., Tuesday, March 26, 2024, either through “Exercise of voting rights by electromagnetic means (via the Internet, etc.)” or “Exercise of voting rights in writing (by postal mail)” as described on page 3.

**Date and Time:** 10:00 a.m., Wednesday, March 27, 2024 (Reception starts at 9:00 a.m.)

**Place:** Tokyo Convention Hall, 5F Tokyo Square Garden  
1-1 Kyobashi 3-Chome, Chuo-ku, Tokyo

**Agenda of the Meeting:**  
**Matters to be reported:** The Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 206th Fiscal Term (from January 1, 2023 to December 31, 2023), as well as the results of audits by the Accounting Auditor and Audit and Supervisory Board of the Consolidated Financial Statements

**Proposals to be resolved:**

- Proposal No. 1**    Appropriation of Surplus
- Proposal No. 2**    Election of Three (3) Audit and Supervisory Board Members
- Proposal No. 3**    Election of One (1) Substitute Audit and Supervisory Board Member

## Guide to Exercise of Voting Rights

### Exercise of voting rights by electromagnetic means (via the Internet, etc.)

If you wish to exercise your voting rights via the Internet, please refer to the next page, follow the instructions on the screen, and indicate your approval or rejection of the proposal.

**Exercise deadline** 5:30 p.m., Tuesday, March 26, 2024

### Exercise of voting rights in writing (by postal mail)

Please return the enclosed Voting Rights Exercise Form indicating your approval or rejection of the proposals to be made at the above meeting, so that the Company receives it by the exercise deadline. In the event that your approval or rejection of a proposal is not indicated on the Voting Rights Exercise Form, it shall be treated as if you approved the proposal.

**Exercise deadline** Form must arrive by 5:30 p.m., Tuesday, March 26, 2024

### If you are attending the General Meeting of Shareholders

Please present the enclosed Voting Rights Exercise Form at the reception desk of the venue.

Please bring this booklet with you for your reference.

**Date/time of convocation of the General Meeting of Shareholders** 10:00 a.m., Wednesday, March 27, 2024

If you wish to exercise your voting rights by proxy, you may appoint one other shareholder who owns the Company's voting shares as your proxy; in such case, however, the submission of a document proving your authorization of said shareholder as your proxy is required.

The meeting will be held in Japanese. Please be informed that the Company will not be arranging for an interpreter to be present.

“*Net de Shoshu*” (Japanese only)

The main content of this Notice is available on your PC/smartphone.

Access the website below or scan the QR code to access the website to read the Notice.

<https://s.srdb.jp/8804/>



In the event that you exercise your voting rights both by electromagnetic means (via the Internet, etc.) and by returning the Voting Rights Exercise Form, only those votes cast via the Internet, etc., shall be deemed effective. In the event that you exercise your voting rights more than once via the Internet, etc., only the last cast vote shall be deemed effective.

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### Notice (<https://www.tatemono.com/english/ir/stock/meeting.html>)

- The paper copy of the matters to be provided electronically will also be sent to the shareholders who have requested it. The paper copy does not include the following matters in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company:
  - 1) Matters Related to Subscription Rights to Shares and Overview of the Structures to Ensure Appropriateness of Business Operations and Operational Status in the Business Report
  - 2) Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
  - 3) Statements of Changes in Shareholders' Equity and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial StatementsThe Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements included in the paper copy are part of the documents that were audited by the Accounting Auditor and by the Audit and Supervisory Board Members when the Accounting Auditor prepared the Accounting Audit Report and the Audit and Supervisory Board Members prepared the Audit Report.
- In the event that changes are made to matters to be provided electronically, the amendments will be posted on each website mentioned above.
- The voting results on the resolutions of this General Meeting of Shareholders shall be posted on our website on the Internet.

## Exercise of Voting Rights via the Internet

### 1. Using “Smart Exercise” by scanning the QR code

“Smart Exercise”

No need to enter the code for exercising voting rights (ID) or the password

Voting Rights Exercise Form (front)

Please scan the QR Code\* printed on the right-hand side of the enclosed Voting Rights Exercise Form with your smartphone etc., access the “Smart Exercise” website designated by the Company, follow the instructions on the screen, and indicate your approval or rejection of the proposal.

You can confirm the details of each proposal on the voting rights exercise screen.

If you wish to change your vote after exercising your voting rights by “Smart Exercise,” follow the method described in 2. below and change your vote.

### 2. Entering the code for exercising voting rights (ID) and the password

<https://soukai.mizuho-tb.co.jp/>

1. Access the designated website for exercising voting rights (URL indicated above).

Click “Proceed.”

2. Log in.

Enter the code for exercising voting rights (ID) and the password printed on the right-hand side of the reverse side of the enclosed Voting Rights Exercise Form.

You will be asked to change your password when you log in for the first time.

Then, follow the instructions on the screen, and indicate your approval or rejection of the proposal.

- The code for exercising voting rights (ID) and password (including your chosen password) shall be effective only for this General Meeting of Shareholders. At the time of the next General Meeting of Shareholders, a new code and password will be issued.
- Since the password is a means to confirm that the person exercising voting rights is the relevant shareholder, please handle it with care. The Company or the shareholder register administrator will not contact you to ask for your password.
- If you enter your password incorrectly a certain number of times, you will no longer be able to use it. If this occurs, please complete the procedures indicated in the guidance on the screen.

### Inquiries

If you have any inquiries, please contact **the Securities Agent Department of Mizuho Trust & Banking Co., Ltd.**, which is the Company’s shareholder register administrator, as shown below.

- Inquiries regarding operation of Smart Exercise and the website for exercising voting rights:

Tel: 0120-768-524 (toll free only from Japan) (Business hours: 9:00 a.m. to 9:00 p.m. excluding year end and new-year holidays)

- Inquiries regarding share procedures other than the above:

Tel: 0120-288-324 (toll free only from Japan) (Business hours: 9:00 a.m. to 5:00 p.m. on weekdays)

\*“QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

(Reference) Institutional investors may use the platform operated by ICJ, Inc. to electronically exercise the voting rights for this General Meeting of Shareholders.

## Reference Documents for the General Meeting of Shareholders

### Proposals and matters for reference

#### **Proposal No. 1: Appropriation of Surplus**

The Company's basic policy regarding profit distribution is to steadily maintain and improve its dividend payout ratio while comprehensively accounting for future operations, business expansion, and business outlook, as well as to enhance retained earnings to be used for reinvestment for improving its corporate value. Also, the Company's baseline dividend payout ratio for the period covered by the Group medium-term business plan (the fiscal years 2020 through 2024) is at least 30%.

The business environment is expected to remain unpredictable moving forward. However, the following year-end dividends for this fiscal term are proposed in consideration of the above policy and the business performance for the term.

#### Year-end dividends:

- (1) Type of dividend property: Cash
- (2) Details of the allotment of dividend property: ¥37 per share of the Company's common stock  
Total amount: ¥7,737,754,241  
The Company paid an interim dividend of ¥36 per share. As a result, the annual dividend for the term shall be ¥73 per share.
- (3) Date on which dividends from surplus become effective: March 28, 2024

**Proposal No. 2: Election of Three (3) Audit and Supervisory Board Members**

The term of office of Audit and Supervisory Board Members Mr. Takashi Yoshino and Ms. Sayaka Hieda will expire upon the conclusion of this Ordinary General Meeting of Shareholders, and Audit and Supervisory Board Member Mr. Takao Yamaguchi will resign upon the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that the following three (3) nominees be appointed as Audit and Supervisory Board Members.

The nominees for Audit and Supervisory Board Members are as follows and Mr. Naohiro Chikada is the nominee as a substitute for Mr. Takao Yamaguchi.

The Audit and Supervisory Board has consented to this proposal.

No.	Name (Date of birth)	Brief personal profile, title and important concurrent positions with companies other than the Company	
1	<p><b>Takashi Yoshino</b> (December 6, 1960)</p> <p><u>For reappointment</u></p> <p>Number of the Company's shares held: 4,400</p> <p>Served as Audit and Supervisory Board Member for 5 years to date</p> <p>Attended 14 out of 14 meetings of Board of Directors in fiscal term ended Dec. 31, 2023 (100%)</p> <p>Attended 16 out of 16 meetings of Audit and Supervisory Board in fiscal term ended Dec. 31, 2023 (100%)</p>	April 1983	Joined The Yasuda Fire and Marine Insurance Co., Ltd.
		April 2009	General Manager of Marine Insurance Office of Sompo Japan Insurance Inc.
		October 2011	President and Director of Sompo Japan Nipponkoa Insurance Company of Europe Limited (retired in March 2016)
		April 2013	General Manager of Europe Division of Sompo Japan Insurance Inc.
		April 2014	Executive Officer and General Manager of Europe Division of Sompo Japan Insurance Inc. Executive Officer and General Manager of Europe Division of NIPPONKOA Insurance Co., Ltd.
		September 2014	Executive Officer and General Manager of Europe Division of Sompo Japan Nipponkoa Insurance Inc. Executive Officer and General Manager of Europe Division of Sompo Japan Nipponkoa Holdings, Inc. (retired in March 2016)
		April 2016	Executive Vice President of Sompo Japan Nipponkoa Insurance Inc.
		April 2018	Executive Vice President and General Manager of Enterprise Market Promotion Division of Sompo Japan Nipponkoa Insurance Inc. (retired in March 2019)
		March 2019	Audit and Supervisory Board Member (full-time) of the Company (to the present)
		<p><b>Reasons for selection as a nominee for Audit and Supervisory Board Member:</b> Mr. Takashi Yoshino was selected as a nominee for Audit and Supervisory Board Member, on the basis of his considerable management experience and wide-ranging insight, in the expectation that he will leverage these qualities to continue to contribute to the strengthening of the audit system.</p>	

Notes:

- No special relationships of interest exist between the Company and Mr. Takashi Yoshino.
- The Company has concluded a contract with Mr. Takashi Yoshino to limit his liability for damages specified in Article 423, Paragraph 1 of the Companies Act, in accordance with the provision in Article 427, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations. If Mr. Takashi Yoshino is reappointed as proposed, the Company plans to continue the above-mentioned contract with him.
- The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The purpose of the insurance contract is to cover any damage that may arise as a result of an insured officer's liability in relation to the execution of his or her duties or an insured officer's being subject to a claim in relation to the pursuit of said liability. If Mr. Takashi Yoshino is appointed, he will be included as an insured party. The Company intends to renew the insurance contract with the same content at the time of next renewal.

No.	Name (Date of birth)	Brief personal profile, title and important concurrent positions with companies other than the Company	
2	Sayaka Hieda (October 22, 1978)	September 2007	Registered as a lawyer
		September 2007	Joined HANZOMON SOGO LAW OFFICE (resigned in December 2009)
		January 2010	Joined OMOTESANDO SOGO LAW OFFICE (to the present)
		March 2019	External Audit and Supervisory Board Member of the Company (to the present)
		March 2021	Audit & Supervisory Board Member (Independent) of the Institution for a Global Society Corporation (to the present)
	For reappointment External Independent Female		
	Number of the Company's shares held: 800		
	Served as Audit and Supervisory Board Member for 5 years to date		
	Attended 14 out of 14 meetings of Board of Directors in fiscal term ended Dec. 31, 2023 (100%)		
	Attended 16 out of 16 meetings of Audit and Supervisory Board in fiscal term ended Dec. 31, 2023 (100%)		
<b>Reasons for selection as a nominee for External Audit and Supervisory Board Member:</b>			
Ms. Sayaka Hieda was selected as a nominee for External Audit and Supervisory Board Member, on the basis of her specialized knowledge and experience as a lawyer, in the expectation that she will leverage these qualities to continue to contribute to the strengthening of the audit system from an independent point of view.			
Ms. Sayaka Hieda satisfies the Criteria for Independence stipulated by the Company and the Company deems her to be a suitable person as an Independent Audit and Supervisory Board Member who is unlikely to have conflicts of interest with general shareholders.			
<b>Important concurrent positions with companies other than the Company:</b>			
Lawyer, OMOTESANDO SOGO LAW OFFICE			
Audit & Supervisory Board Member (Independent) of the Institution for a Global Society Corporation			

Notes:

1. No special relationships of interest exist between the Company and Ms. Sayaka Hieda.
2. Ms. Sayaka Hieda is a nominee for External Audit and Supervisory Board Member.
3. The Company has concluded a contract with Ms. Sayaka Hieda to limit her liability for damages specified in Article 423, Paragraph 1 of the Companies Act, in accordance with the provision in Article 427, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations. If Ms. Sayaka Hieda is reappointed as proposed, the Company plans to continue the above-mentioned contract with her.
4. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The purpose of the insurance contract is to cover any damage that may arise as a result of an insured officer's liability in relation to the execution of his or her duties or an insured officer's being subject to a claim in relation to the pursuit of said liability. If Ms. Sayaka Hieda is appointed, she will be included as an insured party. The Company intends to renew the insurance contract with the same content at the time of next renewal.
5. Although Ms. Sayaka Hieda has never been involved in corporate management other than serving as an external officer, the Company judges that her specialized knowledge and experience as a lawyer make her a suitable person for the position of External Audit and Supervisory Board Member.
6. Ms. Sayaka Hieda is currently an External Audit and Supervisory Board Member of the Company and she will have served for five (5) years since her appointment at the time of conclusion of this Ordinary General Meeting of Shareholders.
7. The Company has notified the Tokyo Stock Exchange (TSE) of the status of Ms. Sayaka Hieda as an Independent Audit and Supervisory Board Member in compliance with TSE provisions.
8. The name of Ms. Sayaka Hieda on the family register is Sayaka Kimura.

No.	Name (Date of birth)	Brief personal profile, title and important concurrent positions with companies other than the Company	
3	Naohiro Chikada (December 19, 1969)  To be newly appointed External Independent  Number of the Company's shares held: 0	April 1992	Joined Chuo Shinko Audit Corporation
		April 1995	Registered as a certified public accountant
		July 2004	Partner of ChuoAoyama Pricewaterhouse Coopers (retired in July 2006)
		August 2006	Established Chikada Certified Public Accountant Office as Head (to the present)
		September 2006	Registered as a tax accountant
		July 2008	Representative Director of Chiyoda Accounting Corporation (to the present)
		June 2009	Representative Partner of Koa Audit Corporation (to the present)
		June 2016	Outside Director (Audit Committee Member) of RIZAP GROUP, Inc. (retired in March 2020)
		April 2018	Outside Director (Audit & Supervisory Committee Member) of SKIYAKI Inc. (to the present)
		December 2020	Outside Corporate Auditor of Mitsubishi Research Institute DCS Co., Ltd. (to the present)
		June 2022	External Corporate Auditor of FEED ONE CO., LTD. (to the present)
		July 2022	Outside Corporate Auditor of SKIYAKI LIVE PRODUCTION Inc. (to the present)
<p><b>Reasons for selection as a nominee for External Audit and Supervisory Board Member:</b>  Mr. Naohiro Chikada was selected as a nominee for new External Audit and Supervisory Board Member, on the basis of his specialized knowledge and experience as a certified public accountant and a tax accountant, in the expectation that he will leverage these qualities to contribute to the strengthening of the audit system from an independent point of view.  Mr. Naohiro Chikada satisfies the Criteria for Independence stipulated by the Company and the Company deems him to be a suitable person as an Independent Audit and Supervisory Board Member who is unlikely to have conflicts of interest with general shareholders.</p> <p><b>Important concurrent positions with companies other than the Company:</b>  Certified Public Accountant, Tax Accountant, Head of Chikada Certified Public Accountant Office  Representative Partner of Koa Audit Corporation  Representative Director of Chiyoda Accounting Corporation  Outside Director (Audit &amp; Supervisory Committee Member) of SKIYAKI Inc.  Outside Corporate Auditor of Mitsubishi Research Institute DCS Co., Ltd.  External Corporate Auditor of FEED ONE CO., LTD.  Outside Corporate Auditor of SKIYAKI LIVE PRODUCTION Inc.</p>			

Notes:

- No special relationships of interest exist between the Company and Mr. Naohiro Chikada.
- Mr. Naohiro Chikada is a nominee for External Audit and Supervisory Board Member.
- Mr. Naohiro Chikada is scheduled to retire from his positions as Outside Director (Audit & Supervisory Committee Member) of SKIYAKI Inc. in April 2024, and as Outside Corporate Auditor of SKIYAKI LIVE PRODUCTION Inc. in July 2024.
- If Mr. Naohiro Chikada is appointed as proposed, the Company plans to conclude a contract with him to limit his liability for damages specified in Article 423, Paragraph 1 of the Companies Act, in accordance with the provision in Article 427, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations.
- The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The purpose of the insurance contract is to cover any damage that may arise as a result of an insured officer's liability in relation to the execution of his or her duties or an insured officer's being subject to a claim in relation to the pursuit of said liability. If Mr. Naohiro Chikada is appointed, he will be included as an insured party. The Company intends to renew the insurance contract with the same content at the time of next renewal.
- Although Mr. Naohiro Chikada has never been involved in corporate management other than serving as an external officer, the Company judges that his specialized knowledge and experience as a certified public accountant and a tax accountant make him a suitable person for the position of External Audit and Supervisory Board Member.
- As Mr. Naohiro Chikada is to be appointed as a substitute, in accordance with the provisions of the Company's Articles of Incorporation, his term of office shall be the same as the remaining term of office of the resigning Audit and Supervisory Board Member as indicated below:  
Until the conclusion of the Ordinary General Meeting of Shareholders for the 209th Fiscal Term from January 1, 2026 to December 31, 2026
- The Company has notified the Tokyo Stock Exchange (TSE) of the status of Mr. Naohiro Chikada as a prospective Independent Audit and Supervisory Board Member in compliance with TSE provisions.

### Proposal No. 3: Election of One (1) Substitute Audit and Supervisory Board Member

To prepare for any shortage in the number of Audit and Supervisory Board Members from the number provided for in laws and regulations, it is proposed that the following one (1) nominee be appointed as Substitute Audit and Supervisory Board Member in advance pursuant to the provision of Article 329, Paragraph 3 of the Companies Act.

It is also proposed that the appointment be made revocable by the resolution of the Board of Directors with the consent of the Audit and Supervisory Board, provided that such resolution takes place before his/her appointment.

The nominee for Substitute Audit and Supervisory Board Member is as follows.

The Audit and Supervisory Board has consented to this proposal.

Name (Date of birth)	Brief personal profile, title and important concurrent positions with companies other than the Company	
Takao Yamaguchi (September 13, 1954)  <u>External</u> <u>Independent</u>  Number of the Company's shares held: 3,000	February 1985	Registered as a certified public accountant
	September 1987	Joined Yamaguchi Certified Public Accountant Office
	January 1996	Head of Yamaguchi Certified Public Accountant Office (to the present)
	June 2013	External Audit and Supervisory Board Member of SATO HOLDINGS CORPORATION (retired in June 2021)
	June 2015	Outside Corporate Auditor of KYORIN Holdings, Inc. (currently KYORIN Pharmaceutical Co., Ltd.) (to the present)
	March 2016	External Audit and Supervisory Board Member of the Company (to the present)
	March 2019	External Audit & Supervisory Board Member of Lion Corporation (retired in March 2023)
<b>Reasons for selection as a nominee for Substitute External Audit and Supervisory Board Member:</b> Mr. Takao Yamaguchi was selected as a nominee for Substitute External Audit and Supervisory Board Member, on the basis of his specialized knowledge and experience as a certified public accountant, in the expectation that he will leverage these qualities to continue to contribute to the strengthening of the audit system from an independent point of view. Mr. Takao Yamaguchi satisfies the Criteria for Independence stipulated by the Company and the Company deems him to be a suitable person as an Independent Audit and Supervisory Board Member who is unlikely to have conflicts of interest with general shareholders.		
<b>Important concurrent positions with companies other than the Company:</b> Certified Public Accountant, Head of Yamaguchi Certified Public Accountant Office Outside Corporate Auditor of KYORIN Pharmaceutical Co., Ltd.		

#### Notes:

1. No special relationships of interest exist between the Company and Mr. Takao Yamaguchi.
2. Mr. Takao Yamaguchi is a nominee for Substitute External Audit and Supervisory Board Member.
3. If Mr. Takao Yamaguchi is appointed as External Audit and Supervisory Board Member, the Company plans to conclude a contract with him to limit his liability for damages specified in Article 423, Paragraph 1 of the Companies Act, in accordance with the provision in Article 427, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations.
4. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The purpose of the insurance contract is to cover any damage that may arise as a result of an insured officer's liability in relation to the execution of his or her duties or an insured officer's being subject to a claim in relation to the pursuit of said liability. If Mr. Takao Yamaguchi is appointed as External Audit and Supervisory Board Member, he will be included as an insured party.
5. Although Mr. Takao Yamaguchi has never been involved in corporate management other than serving as an external officer, the Company judges that his specialized knowledge and experience as a certified public accountant make him a suitable person for the position of External Audit and Supervisory Board Member.
6. Mr. Takao Yamaguchi is currently an External Audit and Supervisory Board Member of the Company and he will have served for eight (8) years since his appointment at the time of conclusion of this Ordinary General Meeting of Shareholders. Mr. Takao Yamaguchi is scheduled to resign from the position of External Audit and Supervisory Board Member of the Company at the time of conclusion of this Ordinary General Meeting of Shareholders.
7. Mr. Takao Yamaguchi satisfies the requirements for Independent Audit and Supervisory Board Members in compliance with TSE provisions. If Mr. Takao Yamaguchi is appointed as External Audit and Supervisory Board Member, the Company intends to notify the TSE of the status of Mr. Takao Yamaguchi as an Independent Audit and Supervisory Board Member.

### (Reference: Policy and procedure for the appointment of nominees for Directors and Audit and Supervisory Board Members)

By comprehensively judging their character, ability, knowledge and experience, the Company selects persons as executives capable of contributing to improving the corporate value of the Tokyo Tatemono Group over the medium to long term, and nominates them as candidates for Directors and Audit and Supervisory Board Members. Appointment and dismissal of Representative Directors and nomination of candidates for Directors and Audit and Supervisory Board Members are subject to the resolution of the Board of Directors based on the deliberation of the Nomination/Compensation Advisory Committee which mainly consists of independent external directors.

\* This is an excerpt translation of the Business Report (Japanese original).

## Business Report (from January 1, 2023 to December 31, 2023)

### 1. Shares of the Company

(1) The number of shares

Total number of shares authorized to be issued	400,000,000 shares
Total number of shares outstanding	209,167,674 shares (including 39,181 shares of treasury stock)

(Note) The number of shares of treasury stock does not include 225,300 shares owned by the Board Benefit Trust.

(2) Number of shareholders

Number of shareholders	21,809 persons
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(3) Major shareholders

Shareholder name	Number of shares thousand shares	Shareholding ratio %
The Master Trust Bank of Japan, Ltd. (Trust Account)	37,969	18.16
Custody Bank of Japan, Ltd. (Trust Account)	21,740	10.40
JP MORGAN CHASE BANK 385632	5,367	2.57
STICHTING PENSIOENFONDS ZORG EN WELZIJN	5,064	2.42
Sompo Japan Insurance Inc.	4,744	2.27
Meiji Yasuda Life Insurance Company	4,729	2.26
SMBC Nikko Securities Inc.	4,335	2.07
Morgan Stanley MUFG Securities Co., Ltd.	4,040	1.93
JPMorgan Securities Japan Co., Ltd.	3,888	1.86
JAPAN SECURITIES FINANCE CO., LTD.	3,881	1.86

(Note) The Company's treasury shares (39,181 shares) were excluded in the calculation of the shareholding ratio.

(4) Status of shares provided to Company officers as consideration for the execution of duties during the fiscal year under review

	Number of shares	Number of recipient officers
Directors (excluding External Directors)	15,800	2

(Note) Details of the Company's share-based compensation are described in "2. (4) Compensation to Directors and Audit and Supervisory Board Members pertaining to the fiscal year under review" below.

## 2. Company Officers

### (1) Directors and Audit and Supervisory Board Members (as of December 31, 2023)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director and Chairman of the Board	Makio Tanehashi	Outside Director of Sapporo Holdings Limited
Representative Director, President and Chief Executive Officer	Hitoshi Nomura	
Representative Director, Senior Managing Executive Officer	Katsuhito Ozawa	Division Director of Commercial Properties Division responsible for Leisure Business, Acquisitions & Sales Department (joint responsibility), Kansai Branch, Kyushu Branch and Nagoya Branch
Representative Director, Senior Managing Executive Officer	Akira Izumi	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, Sustainability Management Department, General Affairs Department, Legal & Compliance Department, Finance Department, Accounting Department, Market & Policy Research Department, DX Promotion Department and Acquisitions & Sales Department (joint responsibility)
Senior Managing Executive Officer and Director	Hideshi Akita	Division Director of Residential Development Division and Division Director of Real Estate Solution Service Division
Managing Executive Officer and Director	Takeshi Jinbo	Vice Division Director of Residential Development Division responsible for Business Development Department, Acquisitions Department and Project Development Department
Managing Executive Officer and Director	Shinjiro Kobayashi	Vice Division Director of Commercial Properties Division; Responsible for Urban Development Department (2); General Manager of Urban Development Department (1)
Managing Executive Officer and Director	Fumio Tajima	Division Director of Overseas Business Division
Director	Shuichi Hattori	
Director	Yoshimitsu Onji	
Director	Takeo Nakano	
Director	Yumiko Kinoshita	
Audit and Supervisory Board Member (full-time)	Takashi Yoshino	
Audit and Supervisory Board Member (full-time)	Isao Jinno	

Position	Name	Areas of responsibility and important concurrent positions
Audit and Supervisory Board Member	Takao Yamaguchi	
Audit and Supervisory Board Member	Sayaka Hieda	

- (Notes)
1. Mr. Shuichi Hattori, Mr. Yoshimitsu Onji, Mr. Takeo Nakano, and Ms. Yumiko Kinoshita are External Directors stipulated in Article 2, Item 15 of the Companies Act. The Company has notified the TSE of their status as Independent Directors in compliance with TSE provisions.
  2. Mr. Takao Yamaguchi and Ms. Sayaka Hieda are External Audit and Supervisory Board Members stipulated in Article 2, Item 16 of the Companies Act. The Company has notified the TSE of their status as Independent Audit and Supervisory Board Members in compliance with TSE provisions.
  3. Important concurrent positions held by External Directors and External Audit and Supervisory Board Members are described in “(5) External Officers” below.
  4. Mr. Takao Yamaguchi is a certified public accountant and has considerable financial and accounting knowledge.
  5. At the 205th Ordinary General Meeting of Shareholders held on March 29, 2023, Mr. Shinjiro Kobayashi and Mr. Fumio Tajima were newly elected as Directors and Mr. Isao Jinno was newly elected as Audit and Supervisory Board Member and they assumed their respective offices.
  6. Upon the conclusion of the 205th Ordinary General Meeting of Shareholders held on March 29, 2023, Mr. Kengo Fukui and Mr. Hisatoshi Kato retired from their positions as Directors and Mr. Kouji Kawakubo retired from his position as Audit and Supervisory Board Member.
  7. The term of office of each Director shall be from the conclusion of the 205th Ordinary General Meeting of Shareholders held on March 29, 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the 207th Fiscal Term from January 1, 2024 to December 31, 2024.
  8. The term of office of Audit and Supervisory Board Members Mr. Isao Jinno and Mr. Takao Yamaguchi shall be from the conclusion of the 205th Ordinary General Meeting of Shareholders held on March 29, 2023 to the conclusion of the Ordinary General Meeting of Shareholders for the 209th Fiscal Term from January 1, 2026 to December 31, 2026.
  9. The term of office of Audit and Supervisory Board Members Mr. Takashi Yoshino and Ms. Sayaka Hieda shall be from the conclusion of the 202nd Ordinary General Meeting of Shareholders held on March 25, 2020 to the conclusion of the Ordinary General Meeting of Shareholders for the 206th Fiscal Term from January 1, 2023 to December 31, 2023.
  10. The name of Ms. Sayaka Hieda on the family register is Sayaka Kimura.
  11. The Company has introduced the managing officer system. The Directors (excluding External Directors) and Managing Officers of the Company as of January 1, 2024, are as follows.

#### Directors (excluding External Directors) and Managing Officers (as of January 1, 2024)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director and Chairman of the Board	Makio Tanehashi	Outside Director of Sapporo Holdings Limited
Representative Director, President and Chief Executive Officer	Hitoshi Nomura	
Representative Director, Senior Managing Executive Officer	Katsuhito Ozawa	Division Director of Commercial Properties Division responsible for Leisure Business, Acquisitions & Sales Department (joint responsibility), Kansai Branch, Kyushu Branch and Nagoya Branch

Position	Name	Areas of responsibility and important concurrent positions
Representative Director, Senior Managing Executive Officer	Akira Izumi	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, Sustainability Management Department, General Affairs Department, Legal & Compliance Department, Finance Department, Accounting Department, Market & Policy Research Department, DX Promotion Department and Acquisitions & Sales Department (joint responsibility)
Senior Managing Executive Officer and Director	Hideshi Akita	Division Director of Residential Development Division and Division Director of Real Estate Solution Service Division
Managing Executive Officer and Director	Takeshi Jinbo	Vice Division Director of Residential Development Division responsible for Business Development Department, Acquisitions Department and Project Development Department
Managing Executive Officer and Director	Shinjiro Kobayashi	Vice Division Director of Commercial Properties Division responsible for Urban Development (2) Department; General Manager of Urban Development (1) Department
Managing Executive Officer and Director	Fumio Tajima	Division Director of Overseas Business Division
Senior Managing Executive Officer	Hisayoshi Kato	In charge of Policy & Environment
Managing Executive Officer	Hiroshi Takahashi	Division Director of Leisure Business Division; Responsible for Logistics Properties Development & Management Department and Retail Properties Development & Management Department; General Manager of Hotel Development & Management Department
Managing Officer	Masayuki Okubo	General Manager of Project Management Department (1) of Residential Development Division
Managing Officer	Kazuki Sugise	President and Representative Director of Tokyo Tatemono Investment Advisors Co., Ltd.
Managing Officer	Yusuke Mishima	General Manager of Accounting Department
Managing Officer	Katsuhiko Tamai	President and Representative Director of Nihon Parking Corporation
Managing Officer	Shigeru Sabayashi	General Manager of Project Management Department (2) of Residential Development Division
Managing Officer	Hiroto Fukui	President and Representative Director of Tokyo Fudosan Kanri Co., Ltd.; President and Representative Director of Tokyo Building Service Co., Ltd.

Position	Name	Areas of responsibility and important concurrent positions
Managing Officer	Kenji Sugaya	Managing Executive Officer and Director of Tokyo Tatemono Real Estate Sales Co., Ltd.
Managing Officer	Yuichi Kawazoe	General Manager of Logistics Properties Development & Management Department
Managing Officer	Yutaka Onuma	General Manager of Corporate Planning Department and Sustainability Management Department
Managing Officer	Yuji Araki	General Manager of Finance Department
Managing Officer	Satoru Kondou	General Manager of Residential Management Department
Managing Officer	Takashi Endou	General Manager of Residential Engineering Department
Managing Officer	Keijiro Ochi	General Manager of Acquisitions & Sales Department

(2) Summary of the Liability Limitation Contract

In accordance with the provisions in Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract with each Director (excluding Executive Directors, etc.) and each Audit and Supervisory Board Member to limit their liability for damages specified in Article 423, Paragraph 1 of the Companies Act. The amount of the limit for the liability for damages under this contract shall be the amount specified by laws and regulations.

(3) Summary of the Directors and Officers Liability Insurance Contract

The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company pursuant to Paragraph 1, Article 430-3 of the Companies Act. The insurance covers litigation expenses and legal damages to be borne by the insured arising from the execution of his or her duties. As a measure to prevent impairment of the appropriateness of the execution of the duties of the insured, the insurance contract does not cover damage, etc. arising from the insured's criminal acts.

The parties insured under the Directors and Officers Liability Insurance contract are Directors, Audit and Supervisory Board Members, and Executive Officers of the Company, and the premiums for all insured shall be borne by the Company.

(4) Compensation to Directors and Audit and Supervisory Board Members pertaining to the fiscal year under review

1) Policy, etc. on determining details of compensation for officers

At the meeting of the Board of Directors held on March 10, 2021, the Company passed a resolution on the decision policy pertaining to details of compensation for individual Directors (hereinafter, "the decision-making policy"). Compensation for Audit and Supervisory Board Members is determined by deliberation among Audit and Supervisory Board Members.

Based on its corporate philosophy, "Trust beyond the era," the Company aims to achieve sustainable growth and the enhancement of corporate value over the medium to long term. Regarding compensation for Directors (excluding External Directors), we have created a compensation system that links a certain ratio of compensation with the business performance and stock price with the aim of raising awareness with respect to increasing corporate value not only in the short term but also in the medium to long term.

Compensation for Directors (excluding External Directors) consists of fixed compensation, performance-linked compensation, and share-based compensation, and the payment ratios are set appropriately based on the policy shown below. Compensation for External Directors and Audit and Supervisory Board Members consists solely of fixed compensation in consideration of their duties.

The amount of compensation for each Director is determined by the Board of Directors following consultation with the Nomination/Compensation Advisory Committee. Determination of details of compensation for individual Directors is delegated by resolution of the Board of Directors, as described in 3) below.

Policy regarding the determination of payment ratios by type of compensation for Directors (excluding External Directors)

Category	Fixed compensation	Performance-linked compensation	Share-based compensation
Positioning	Basic compensation	Short-term incentives	Medium-to-long-term incentives
Variability	-	Linked to single-year performance	Linked to stock price
Ratio to compensation (target)	50-60%	30-40%	5-10%
Timing of compensation payment	Monthly	Monthly	In principle, upon retirement

With regard to the details of compensation for individual Directors pertaining to the fiscal year under review, a compensation plan was prepared based on the decision-making policy and the resolution of the General Meeting of Shareholders as described in 2) below, and compensation was determined following consultation with the Nomination/Compensation Advisory Committee. Therefore, the Board of Directors has deemed that the details of compensation for individual Directors pertaining to the fiscal year under review are in accordance with the decision-making policy.

2) Matters regarding resolutions of the General Meeting of Shareholders concerning details of compensation for Directors and Audit and Supervisory Board Members

1. Fixed compensation

The 190th Ordinary General Meeting of Shareholders held on March 28, 2008 passed a resolution to limit compensation for Directors to not more than ¥35 million a month, and to limit compensation for Audit and Supervisory Board Members to not more than ¥8 million a month. At the conclusion of said Ordinary General Meeting of Shareholders, the number of Directors was eighteen and the number of Audit and Supervisory Board Members was four.

2. Performance-linked compensation

The 195th Ordinary General Meeting of Shareholders held on March 28, 2013 passed a resolution to introduce a performance-linked compensation system for Directors (excluding External Directors) to increase motivation and morale of Directors for improving business performance for each fiscal year, and to limit performance-linked compensation to not more than 1% of consolidated ordinary income and not more than 2% of consolidated net income (net income attributable to owners of the parent) for the previous fiscal year. This index was selected for the reason that the Company believes that it appropriately represents the Company's business performance in light of the characteristics and description of the Company's business. The number of Directors (excluding External Directors) at the conclusion of said Ordinary General Meeting of Shareholders was seven.

3. Share-based compensation

The 200th Ordinary General Meeting of Shareholders held on March 28, 2018 passed a resolution to introduce the Board Benefit Trust (BBT), a share-based compensation plan for the Company's Directors (excluding External Directors) with the aim of more strongly motivating Directors, etc. to contribute to enhancing the Company's corporate value in the medium to long term. The number of Directors (excluding External Directors) at the conclusion of said Ordinary General Meeting of Shareholders was eight. The summary of the share-based compensation plan is as follows.

- The share-based compensation plan is one in which shares of the Company are acquired through a trust, funded by money to be contributed by the Company; and shares of the Company and money equivalent in value to the market value of the shares of the Company are delivered through the trust pursuant to the Rules for Share Delivery to Officers. The establishment of these Rules has been resolved by the Board of Directors following consultation with the Nomination/Compensation Advisory Committee.
- Specifically, a number of points are granted to each Director (excluding External Directors) each fiscal year, determined in consideration of the position held, to a maximum of 40,000 shares (40,000 points) for each fiscal year, and shares of the Company and money equivalent in value to the market value of the shares of the Company are delivered in accordance with the number of points accumulated at the time of retirement from office.

3) Matters regarding delegation pertaining to determining the details of compensation for individual Directors  
Based on delegation by resolution of the Board of Directors, the person in the office of Representative Director, President and Chief Executive Officer, compiles a draft for fixed compensation and performance-linked compensation for individual Directors in accordance with their positions and responsibilities each fiscal term based on the decision-making policy and the resolutions of the General Meeting of Shareholders described in 2) above, and determines specific details of compensation for individual Directors following consultation with the Nomination/Compensation Advisory Committee (consisting of seven members, the majority of whom (4) are

External Directors and the remainder of whom (3) are Directors (excluding External Directors). The reason for delegation to the Representative Director, President and Chief Executive Officer is that the person in the office is the most suitable person to conduct an evaluation that comprehensively takes into account the business performance of the Company and the responsibilities, etc. of Directors.

The person to whom the Board of Directors delegated the determination of specific details of compensation for individual Directors for the fiscal year under review is Representative Director, President and Chief Executive Officer, Mr. Hitoshi Nomura. Specific details of the amounts of compensation for individual Directors for the fiscal year ended December 31, 2023 were determined, following the procedures described above.

4) Total amount of compensation to Directors and Audit and Supervisory Board Members

Category of officers	Number of payees persons	Total amount by category of compensation, etc.			Total amount paid million yen
		Fixed compensation million yen	Performance-linked compensation million yen	Share-based compensation (Non-monetary compensation) million yen	
Directors	14	364	240	42	646
[External, inclusive]	[4]	[42]	[-]	[-]	[42]
Audit and Supervisory Board Members	5	71	[-]	[-]	71
[External, inclusive]	[2]	[16]	[-]	[-]	[16]
Total	19	435	240	42	718
[External, inclusive]	[6]	[58]	[-]	[-]	[58]

(Notes) 1. The abovementioned personnel and amount of compensation include two Directors and one Audit and Supervisory Board Member who retired at the conclusion of the 205th Ordinary General Meeting of Shareholders held on March 29, 2023.

2. Performance-linked compensation for the fiscal year under review is limited to not more than 1% of consolidated ordinary income and not more than 2% of consolidated net income (net income attributable to owners of the parent) for the previous fiscal year. The actual results of these indicators were consolidated ordinary income of ¥63,531 million and consolidated net income of ¥43,062 million.

3. Share-based compensation falls under “non-monetary compensation.”

4. The amount of share-based compensation is the provision for share awards for directors (and other officers) based on the Board Benefit Trust (BBT) for the fiscal year under review. The basis for calculating the provision for share awards for directors (and other officers) is the book value of the Company’s shares acquired through a trust, funded by money to be contributed by the Company.

## (5) External Officers

## 1. Important concurrent positions

Category	Name	Concurrent office	Title
External Director	Shuichi Hattori	Hattori General Law Firm	Lawyer
External Director	Yoshimitsu Onji	OZ Corporation	CEO
		NIHON CHOUZAI Co., Ltd.	Outside Director
		United Foods International Co., Ltd.	Outside Audit and Supervisory Board Member
		Sotetsu Holdings Co., Ltd.	Outside Director
		Sanyu Appraisal Corporation	Outside Director
External Director	Takeo Nakano	FUJIYA CO., LTD.	External Director
		Shouohkai Foundation	Chairman
External Audit and Supervisory Board Member	Takao Yamaguchi	Yamaguchi Certified Public Accountant Office	Certified public accountant
		KYORIN Pharmaceutical Co., Ltd.	Outside Corporate Auditor
External Audit and Supervisory Board Member	Sayaka Hieda	OMOTESANDO SOGO LAW OFFICE	Lawyer
		Institution for a Global Society Corporation	Audit & Supervisory Board Member (Independent)

(Notes) 1. The Company and Sanyu Appraisal Corporation have real estate research transactions, and the amount of transactions with Sanyu Appraisal Corporation in the fiscal year ended December 31, 2023 was less than ¥2 million.

2. Shouohkai Foundation is the entrusted provider of medical examination services, etc. to the Company, and the annual amount of payment was less than ¥7 million in the fiscal year ended December 31, 2023. The Company donates to Shouohkai Foundation, and the annual donation amount for the fiscal year ended December 31, 2023 was less than ¥1 million.

3. There are no special relationships of interest between the Company and the concurrent offices listed above.

## 2. Main activities in the fiscal year under review

Category	Name	Summary of attendance of meetings, remarks, and duties performed regarding expected roles
External Director	Shuichi Hattori	Participated in 13 out of 14 meetings of the Board of Directors held during the fiscal year under review. He is expected to contribute to the strengthening of the Company's governance system through the enhancement of supervisory functions over the execution of duties by Directors from an independent point of view, leveraging his specialized knowledge and experience as a lawyer. He provided opinions on agendas and issues at meetings of the Board of Directors by harnessing his knowledge and experience as necessary. In addition, he served as a member of the Nomination/Compensation Advisory Committee.
External Director	Yoshimitsu Onji	Participated in all 14 meetings of the Board of Directors held during the fiscal year under review. He is expected to contribute to the strengthening of the Company's governance system through the enhancement of supervisory functions over the execution of duties by Directors from an independent point of view, leveraging his considerable management experience and wide-ranging insight. He provided opinions on agendas and issues at meetings of the Board of Directors by harnessing his knowledge and experience as necessary. In addition, he served as a member of the Nomination/Compensation Advisory Committee.
External Director	Takeo Nakano	Participated in all 14 meetings of the Board of Directors held during the fiscal year under review. He is expected to contribute to the strengthening of the Company's governance system through the enhancement of supervisory functions over the execution of duties by Directors from an independent point of view, leveraging his

Category	Name	Summary of attendance of meetings, remarks, and duties performed regarding expected roles
		considerable management experience and wide-ranging insight. He provided opinions on agendas and issues at meetings of the Board of Directors by harnessing his knowledge and experience as necessary. In addition, he served as a member of the Nomination/Compensation Advisory Committee.
External Director	Yumiko Kinoshita	Participated in all 14 meetings of the Board of Directors held during the fiscal year under review. She is expected to contribute to the strengthening of the Company's governance system through the enhancement of supervisory functions over the execution of duties by Directors from an independent point of view, leveraging her international perspective gained by working overseas, and her extensive management and work experience at public-service corporations. She provided opinions on agendas and issues at meetings of the Board of Directors by harnessing her knowledge and experience as necessary. In addition, she served as a member of the Nomination/Compensation Advisory Committee.

Category	Name	Main activities
External Audit and Supervisory Board Member	Takao Yamaguchi	Participated in all 14 meetings of the Board of Directors and all 16 meetings of the Audit and Supervisory Board held during the fiscal year under review. He provided opinions on agendas and issues by harnessing his specialized knowledge and experience as a certified public accountant for the auditing duties of the Company as necessary from an independent point of view.
External Audit and Supervisory Board Member	Sayaka Hieda	Participated in all 14 meetings of the Board of Directors and all 16 meetings of the Audit and Supervisory Board held during the fiscal year under review. She provided opinions on agendas and issues by harnessing her specialized knowledge and experience as a lawyer for the auditing duties of the Company as necessary from an independent point of view.

## Consolidated Balance Sheets

(Millions of yen)

Item	As of December 31, 2023	As of December 31, 2022
<b>Assets</b>		
<b>Current assets</b>	<b>692,464</b>	<b>552,531</b>
Cash and deposits	127,305	82,440
Notes, operating accounts receivable, and contract assets	13,887	14,334
Real estate for sale	232,478	173,836
Real estate for sale in progress	166,181	160,009
Real estate for development	100,339	81,069
Other current assets	52,296	40,934
Allowance for doubtful accounts	(23)	(93)
<b>Fixed assets</b>	<b>1,212,845</b>	<b>1,167,603</b>
<b>Property and equipment</b>	<b>843,565</b>	<b>814,963</b>
Buildings and structures	213,994	221,754
Land	529,506	537,397
Construction in progress	89,428	44,903
Other property and equipment	10,635	10,907
<b>Intangible assets</b>	<b>131,624</b>	<b>132,646</b>
Leaseholds	127,628	130,042
Other intangible assets	3,996	2,604
<b>Investments and other assets</b>	<b>237,655</b>	<b>219,993</b>
Investment securities	153,814	128,701
Investments in silent partnerships	2,598	3,638
Long-term loans	4,025	458
Deferred income taxes	2,327	2,001
Lease and guarantee deposits	20,671	21,469
Net defined benefit asset	1,561	1,151
Other investments and other assets	52,711	62,673
Allowance for doubtful accounts	(55)	(100)
<b>Total Assets</b>	<b>1,905,309</b>	<b>1,720,134</b>

Note: Figures less than a million are rounded down.

(Millions of yen)

Item	As of December 31, 2023	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>240,057</b>	<b>199,461</b>
Short-term borrowings	56,754	52,047
Commercial papers	50,000	50,000
Current portion of bonds	10,000	10,000
Accounts payable, trade	17,343	13,781
Accrued income taxes	17,449	4,811
Provision for compensation for completed construction	8	11
Provision for bonuses	1,001	950
Provision for bonuses to directors	2	2
Provision for environmental measures	-	0
Deposits received under Real Estate Specified Joint Enterprise Act	11,300	-
Other current liabilities	76,198	67,856
<b>Long-term liabilities</b>	<b>1,157,216</b>	<b>1,063,834</b>
Bonds	255,000	245,000
Long-term borrowings	715,223	630,520
Deferred income taxes	23,999	17,647
Deferred income taxes on land revaluation	27,274	27,274
Provision for board benefit trust	282	259
Provision for retirement benefits for directors	97	98
Guarantee deposits received	77,764	78,088
Net defined benefit liability	14,104	13,023
Deposits received under Real Estate Specified Joint Enterprise Act	10,447	21,684
Other long-term liabilities	33,022	30,236
<b>Total Liabilities</b>	<b>1,397,274</b>	<b>1,263,296</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>	<b>377,821</b>	<b>348,048</b>
<b>Capital stock</b>	<b>92,451</b>	<b>92,451</b>
<b>Capital surplus</b>	<b>66,262</b>	<b>66,539</b>
<b>Retained earnings</b>	<b>219,528</b>	<b>189,501</b>
<b>Treasury stock</b>	<b>(421)</b>	<b>(443)</b>
<b>Accumulated other comprehensive income</b>	<b>119,078</b>	<b>97,945</b>
Valuation difference on available-for-sale securities	71,526	50,332
Revaluation reserve for land	43,187	43,187
Foreign currency translation adjustments	5,011	4,604
Remeasurements of defined benefit plans	(647)	(179)
<b>Non-controlling interests</b>	<b>11,135</b>	<b>10,843</b>
<b>Total Net Assets</b>	<b>508,035</b>	<b>456,838</b>
<b>Total Liabilities and Net Assets</b>	<b>1,905,309</b>	<b>1,720,134</b>

Note: Figures less than a million are rounded down.

## Consolidated Statement of Income

(Millions of yen)

Item	From January 1, 2023 to December 31, 2023	From January 1, 2022 to December 31, 2022
<b>Revenue from operations</b>	<b>375,946</b>	<b>349,940</b>
<b>Cost of revenue</b>	<b>266,829</b>	<b>248,452</b>
<b>Gross profit</b>	<b>109,116</b>	<b>101,488</b>
Selling, general and administrative expenses	38,608	37,009
<b>Operating income</b>	<b>70,508</b>	<b>64,478</b>
<b>Non-operating income</b>	<b>9,209</b>	<b>6,307</b>
Interest and dividend income	4,807	3,650
Equity in earnings of affiliated companies	3,920	1,825
Other non-operating income	481	830
<b>Non-operating expenses</b>	<b>10,246</b>	<b>7,254</b>
Interest expenses	7,262	6,094
Borrowing fee	974	862
Bond issuance cost	105	-
Foreign exchange losses	1,250	-
Dividends paid under Real Estate Specified Joint Enterprise Act	87	94
Other non-operating expenses	565	202
<b>Ordinary income</b>	<b>69,471</b>	<b>63,531</b>
<b>Extraordinary income</b>	<b>3,004</b>	<b>1,659</b>
Gain on sale of fixed assets	241	726
Gain on sale of investment securities	-	50
Gain on sale of investments in subsidiaries and affiliates	498	-
Gain on liquidation of subsidiaries and affiliates	2,265	-
Gain on bargain purchase	-	870
Gain on step acquisitions	-	12
<b>Extraordinary loss</b>	<b>4,064</b>	<b>2,440</b>
Loss on sale of fixed assets	-	9
Loss on disposal of fixed assets	150	139
Impairment loss	157	462
Loss on reconstruction	-	1,772
Loss on valuation of investment securities	-	50
Loss on sales of shares of subsidiaries and associates	43	-
Loss on liquidation of subsidiaries and affiliates	-	6
Loss on cancellation of joint venture agreement	3,712	-
<b>Income before income taxes</b>	<b>68,411</b>	<b>62,750</b>
Current income taxes	26,202	15,580
Deferred income taxes	(3,634)	3,086
<b>Net income</b>	<b>45,843</b>	<b>44,084</b>
Net income attributable to non-controlling interests	758	1,021
<b>Net income attributable to owners of the parent</b>	<b>45,084</b>	<b>43,062</b>

Note: Figures less than a million are rounded down.

**Consolidated Statement of Changes in Shareholders' Equity**  
(From January 1, 2023 to December 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at beginning of the current term</b>	<b>92,451</b>	<b>66,539</b>	<b>189,501</b>	<b>(443)</b>	<b>348,048</b>
<b>Changes in items during the term</b>					
Dividends from surplus			(15,057)		(15,057)
Net income attributable to owners of the parent			45,084		45,084
Acquisition of treasury stock				(3)	(3)
Disposal of treasury stock		0		26	26
Change in ownership interest of parent due to transactions with non-controlling interests		(276)			(276)
Net amount of changes in items other than shareholders' equity					
<b>Total amount of changes during the term</b>	<b>-</b>	<b>(276)</b>	<b>30,026</b>	<b>22</b>	<b>29,772</b>
<b>Balance at end of the current term</b>	<b>92,451</b>	<b>66,262</b>	<b>219,528</b>	<b>(421)</b>	<b>377,821</b>

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
<b>Balance at beginning of the current term</b>	<b>50,332</b>	<b>43,187</b>	<b>4,604</b>	<b>(179)</b>	<b>97,945</b>	<b>10,843</b>	<b>456,838</b>
<b>Changes in items during the term</b>							
Dividends from surplus							(15,057)
Net income attributable to owners of the parent							45,084
Acquisition of treasury stock							(3)
Disposal of treasury stock							26
Change in ownership interest of parent due to transactions with non-controlling interests							(276)
Net amount of changes in items other than shareholders' equity	21,194	-	406	(467)	21,133	291	21,424
<b>Total amount of changes during the term</b>	<b>21,194</b>	<b>-</b>	<b>406</b>	<b>(467)</b>	<b>21,133</b>	<b>291</b>	<b>51,197</b>
<b>Balance at end of the current term</b>	<b>71,526</b>	<b>43,187</b>	<b>5,011</b>	<b>(647)</b>	<b>119,078</b>	<b>11,135</b>	<b>508,035</b>

Note: Figures less than a million are rounded down.

(From January 1, 2022 to December 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at beginning of the current term</b>	<b>92,451</b>	<b>66,587</b>	<b>166,356</b>	<b>(439)</b>	<b>324,955</b>
Cumulative effects of changes in accounting policies			22		22
<b>Restated balance</b>	<b>92,451</b>	<b>66,587</b>	<b>166,378</b>	<b>(439)</b>	<b>324,978</b>
<b>Changes in items during the term</b>					
Dividends from surplus			(11,711)		(11,711)
Net income attributable to owners of the parent			43,062		43,062
Reversal of revaluation reserve for land			(8,228)		(8,228)
Acquisition of treasury stock				(4)	(4)
Disposal of treasury stock		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(48)			(48)
Net amount of changes in items other than shareholders' equity					
<b>Total amount of changes during the term</b>	<b>-</b>	<b>(47)</b>	<b>23,123</b>	<b>(4)</b>	<b>23,070</b>
<b>Balance at end of the current term</b>	<b>92,451</b>	<b>66,539</b>	<b>189,501</b>	<b>(443)</b>	<b>348,048</b>

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
<b>Balance at beginning of the current term</b>	<b>54,276</b>	<b>(17)</b>	<b>34,959</b>	<b>2,144</b>	<b>736</b>	<b>92,099</b>	<b>10,605</b>	<b>427,661</b>
Cumulative effects of changes in accounting policies								22
<b>Restated balance</b>	<b>54,276</b>	<b>(17)</b>	<b>34,959</b>	<b>2,144</b>	<b>736</b>	<b>92,099</b>	<b>10,605</b>	<b>427,683</b>
<b>Changes in items during the term</b>								
Dividends from surplus								(11,711)
Net income attributable to owners of the parent								43,062
Reversal of revaluation reserve for land								(8,228)
Acquisition of treasury stock								(4)
Disposal of treasury stock								0
Change in ownership interest of parent due to transactions with non-controlling interests								(48)
Net amount of changes in items other than shareholders' equity	(3,944)	17	8,228	2,460	(915)	5,846	238	6,084
<b>Total amount of changes during the term</b>	<b>(3,944)</b>	<b>17</b>	<b>8,228</b>	<b>2,460</b>	<b>(915)</b>	<b>5,846</b>	<b>238</b>	<b>29,155</b>
<b>Balance at end of the current term</b>	<b>50,332</b>	<b>-</b>	<b>43,187</b>	<b>4,604</b>	<b>(179)</b>	<b>97,945</b>	<b>10,843</b>	<b>456,838</b>

Note: Figures less than a million are rounded down.

## Non-Consolidated Balance Sheets

(Millions of yen)

Item	As of December 31, 2023	As of December 31, 2022
<b>Assets</b>		
<b>Current assets</b>	<b>598,675</b>	<b>483,195</b>
Cash and deposits	96,917	58,954
Accounts receivable, trade	8,354	7,499
Investments in leases	3,509	3,568
Real estate for sale	173,490	117,096
Real estate for sale in progress	151,586	159,806
Real estate for development	100,479	80,899
Advance payments, trade	2,340	1,227
Advance expenses	2,562	2,555
Short-term loans receivable	22,356	24,190
Other current assets	37,111	27,465
Allowance for doubtful accounts	(33)	(68)
<b>Fixed assets</b>	<b>1,114,162</b>	<b>1,060,317</b>
<b>Property and equipment</b>	<b>733,235</b>	<b>700,887</b>
Buildings	132,938	136,762
Structures	2,219	2,364
Machinery and equipment	1,084	997
Vehicles	116	92
Furniture and equipment	1,313	1,427
Land	504,687	512,726
Leased assets	7	1
Construction in progress	88,435	44,084
Other property and equipment	2,432	2,429
<b>Intangible assets</b>	<b>36,911</b>	<b>39,303</b>
Leaseholds	36,870	39,262
Other intangible assets	41	40
<b>Investments and other assets</b>	<b>344,016</b>	<b>320,126</b>
Investment securities	120,520	94,395
Shares and investments in subsidiaries and affiliates	79,099	84,226
Investments in other securities of affiliated companies	13,673	14,669
Investments in silent partnerships	1,213	1,242
Investments in silent partnerships of subsidiaries and affiliates	59,343	60,113
Long-term loans to subsidiaries and affiliates	30,680	24,326
Lease and guarantee deposits	11,829	11,957
Other investments and other assets	28,465	30,012
Allowance for doubtful accounts	(72)	(77)
Allowance for investment loss	(738)	(738)
<b>Total Assets</b>	<b>1,712,838</b>	<b>1,543,513</b>

Note: Figures less than a million are rounded down.

(Millions of yen)

Item	As of December 31, 2023	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>242,655</b>	<b>200,232</b>
Short-term borrowings	82,887	74,575
Commercial papers	50,000	50,000
Current portion of bonds	10,000	10,000
Lease obligations	14	12
Accounts payable, trade	11,103	9,423
Accrued expenses	10,863	11,565
Accrued income taxes	13,446	1,206
Contract liabilities	34,597	24,257
Advances received	4,103	3,504
Deposits received	11,694	14,130
Provision for bonuses	317	299
Provision for environmental measures	-	0
Deposits received under Real Estate Specified Joint Enterprise Act	11,300	-
Other current liabilities	2,326	1,257
<b>Long-term liabilities</b>	<b>1,009,324</b>	<b>917,573</b>
Bonds	255,000	245,000
Long-term borrowings	590,029	504,129
Lease obligations	12	20
Deferred income taxes	17,145	13,649
Deferred income taxes on land revaluation	27,274	27,274
Accrued severance indemnities	8,270	8,283
Provision for board benefit trust	282	259
Provision for loss on guarantees	4,210	3,293
Guarantee deposits received	72,873	72,541
Deposits received under Real Estate Specified Joint Enterprise Act	10,447	21,684
Asset retirement obligations	2,343	2,338
Other long-term liabilities	21,432	19,097
<b>Total Liabilities</b>	<b>1,251,979</b>	<b>1,117,805</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>	<b>354,691</b>	<b>337,461</b>
<b>Capital stock</b>	<b>92,451</b>	<b>92,451</b>
<b>Capital surplus</b>	<b>63,729</b>	<b>63,729</b>
Legal capital reserve	63,729	63,729
Other capital surplus	0	0
<b>Retained earnings</b>	<b>198,935</b>	<b>181,728</b>
Other retained earnings	198,935	181,728
(Reserve for reduction entry of property replacement)	5,786	5,802
(Reserve for open innovation promotion)	75	75
(Retained earnings brought forward)	193,073	175,850
<b>Treasury stock</b>	<b>(425)</b>	<b>(448)</b>
<b>Valuation and translation adjustments</b>	<b>106,168</b>	<b>88,247</b>
Valuation difference on available-for-sale securities	62,980	45,059
Revaluation reserve for land	43,187	43,187
<b>Total Net Assets</b>	<b>460,859</b>	<b>425,708</b>
<b>Total Liabilities and Net Assets</b>	<b>1,712,838</b>	<b>1,543,513</b>

Note: Figures less than a million are rounded down.

## Non-Consolidated Statement of Income

(Millions of yen)

Item	From January 1, 2023 to December 31, 2023	From January 1, 2022 to December 31, 2022
<b>Revenue from operations</b>	<b>229,645</b>	<b>217,383</b>
Revenue from building business	114,882	104,627
Revenue from residential business	113,285	111,318
Revenue from other businesses	1,477	1,437
<b>Cost of revenue</b>	<b>156,057</b>	<b>146,242</b>
Cost of building business	80,487	68,412
Cost of residential business	74,002	76,208
Cost of other businesses	1,567	1,621
<b>Gross profit</b>	<b>73,588</b>	<b>71,141</b>
Selling, general and administrative expenses	23,852	23,178
<b>Operating income</b>	<b>49,735</b>	<b>47,962</b>
<b>Non-operating income</b>	<b>8,106</b>	<b>5,680</b>
Interest and dividend income	7,869	5,265
Reversal of allowance for doubtful accounts	4	-
Other non-operating income	233	414
<b>Non-operating expenses</b>	<b>8,606</b>	<b>6,133</b>
Interest expenses	6,636	5,369
Borrowing fee	752	629
Bond issuance cost	105	-
Dividends paid under Real Estate Specified Joint Enterprise Act	87	94
Provision of allowance for doubtful accounts	-	0
Other non-operating expenses	1,024	39
<b>Ordinary income</b>	<b>49,235</b>	<b>47,509</b>
<b>Extraordinary income</b>	<b>3,153</b>	<b>681</b>
Gain on sale of fixed assets	226	630
Gain on sale of investment securities	-	50
Gain on sales of shares of subsidiaries and associates	736	-
Gain on sale of investments in capital of subsidiaries and associates	2,190	-
<b>Extraordinary loss</b>	<b>4,688</b>	<b>2,495</b>
Loss on sale of fixed assets	-	9
Loss on disposal of fixed assets	59	62
Impairment loss	-	22
Loss on reconstruction	-	547
Loss on valuation of investment securities	-	50
Provision of allowance for investment loss	-	738
Provision for loss on guarantees	916	1,065
Loss on cancellation of joint venture agreement	3,712	-
<b>Income before income taxes</b>	<b>47,700</b>	<b>45,694</b>
Current income taxes	19,708	10,280
Deferred income taxes	(4,272)	3,390
<b>Net income</b>	<b>32,264</b>	<b>32,023</b>

Note: Figures less than a million are rounded down.

**Non-Consolidated Statement of Changes in Shareholders' Equity**  
(From January 1, 2023 to December 31, 2023)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings
					Reserve for reduction entry of property replacement	Reserve for open innovation promotion	Retained earnings brought forward	
<b>Balance at beginning of the current term</b>	<b>92,451</b>	<b>63,729</b>	<b>0</b>	<b>63,729</b>	<b>5,802</b>	<b>75</b>	<b>175,850</b>	<b>181,728</b>
<b>Changes in items during the term</b>								
Dividends from surplus							(15,057)	(15,057)
Net income							32,264	32,264
Reversal of reserve for reduction entry of property replacement					(15)		15	-
Acquisition of treasury stock								
Disposal of treasury stock			0	0				
Net amount of changes in items other than shareholders' equity								
<b>Total amount of changes during the term</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>(15)</b>	<b>-</b>	<b>17,222</b>	<b>17,207</b>
<b>Balance at end of the current term</b>	<b>92,451</b>	<b>63,729</b>	<b>0</b>	<b>63,729</b>	<b>5,786</b>	<b>75</b>	<b>193,073</b>	<b>198,935</b>

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
<b>Balance at beginning of the current term</b>	<b>(448)</b>	<b>337,461</b>	<b>45,059</b>	<b>43,187</b>	<b>88,247</b>	<b>425,708</b>
<b>Changes in items during the term</b>						
Dividends from surplus		(15,057)				(15,057)
Net income		32,264				32,264
Reversal of reserve for reduction entry of property replacement		-				-
Acquisition of treasury stock	(3)	(3)				(3)
Disposal of treasury stock	26	26				26
Net amount of changes in items other than shareholders' equity			17,921		17,921	17,921
<b>Total amount of changes during the term</b>	<b>22</b>	<b>17,229</b>	<b>17,921</b>	<b>-</b>	<b>17,921</b>	<b>35,150</b>
<b>Balance at end of the current term</b>	<b>(425)</b>	<b>354,691</b>	<b>62,980</b>	<b>43,187</b>	<b>106,168</b>	<b>460,859</b>

Note: Figures less than a million are rounded down.

(From January 1, 2022 to December 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings
					Reserve for reduction entry of property replacement	Reserve for open innovation promotion	Retained earnings brought forward	
<b>Balance at beginning of the current term</b>	<b>92,451</b>	<b>63,729</b>	<b>0</b>	<b>63,729</b>	<b>5,817</b>	<b>75</b>	<b>163,751</b>	<b>169,644</b>
<b>Changes in items during the term</b>								
Dividends from surplus							(11,711)	(11,711)
Net income							32,023	32,023
Reversal of revaluation reserve for land							(8,228)	(8,228)
Reversal of reserve for reduction entry of property replacement					(15)		15	-
Acquisition of treasury stock								
Disposal of treasury stock			0	0				
Net amount of changes in items other than shareholders' equity								
<b>Total amount of changes during the term</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>(15)</b>	<b>-</b>	<b>12,099</b>	<b>12,083</b>
<b>Balance at end of the current term</b>	<b>92,451</b>	<b>63,729</b>	<b>0</b>	<b>63,729</b>	<b>5,802</b>	<b>75</b>	<b>175,850</b>	<b>181,728</b>

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
<b>Balance at beginning of the current term</b>	<b>(443)</b>	<b>325,381</b>	<b>46,614</b>	<b>34,959</b>	<b>81,574</b>	<b>406,956</b>
<b>Changes in items during the term</b>						
Dividends from surplus		(11,711)				(11,711)
Net income		32,023				32,023
Reversal of revaluation reserve for land		(8,228)				(8,228)
Reversal of reserve for reduction entry of property replacement		-				-
Acquisition of treasury stock	(4)	(4)				(4)
Disposal of treasury stock	0	0				0
Net amount of changes in items other than shareholders' equity			(1,555)	8,228	6,673	6,673
<b>Total amount of changes during the term</b>	<b>(4)</b>	<b>12,079</b>	<b>(1,555)</b>	<b>8,228</b>	<b>6,673</b>	<b>18,752</b>
<b>Balance at end of the current term</b>	<b>(448)</b>	<b>337,461</b>	<b>45,059</b>	<b>43,187</b>	<b>88,247</b>	<b>425,708</b>

Note: Figures less than a million are rounded down.