

Last Update: April 15, 2021

Tokyo Tatemono Co., Ltd.

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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 Updated

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.

### **[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.

[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 taken to incorporate the opinions of outside experts and ensure appropriate management.

[Principle 3.1 Enhancement of information disclosure]

(1) Tokyo Tatemono has formulated 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)

<http://www.tatemono.com/english/company/philosophy.html>

(Tokyo Tatemono Website: Long-term Vision, Etc.)

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

(2) Please refer to “1. Basic Views” in “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” in this Report.

(3) Of Tokyo Tatemono's senior management, the remuneration for external directors is limited to fixed remuneration, while the remuneration for directors other than external directors (hereinafter, “inside directors”) and executive officers is composed of fixed remuneration, performance-based remuneration and share-based remuneration.

The remuneration for directors is set to no more than ¥35 million a month as fixed remuneration, and no more than 1% of consolidated recurring income and also no more than 2% of consolidated profit (profit attributable to owners of the parent) of the previous fiscal year as performance-based remuneration (for inside directors only), while the remuneration for each inside director is deliberated by the Advisory Committee, which has independent external directors as core members, and then decided by the Board of Directors.

In addition, a share-based remuneration system has been adopted for inside directors and executive officers for the purpose of heightening awareness about contributing to enhancement of corporate value over the medium to long term.

For details of the share-based remuneration, please refer to “Incentive Policies for Directors” under “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-Making, Execution of Business, and Oversight in Management.”

(4) At Tokyo Tatemono, persons capable of contributing to enhancing 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.

(5) The individual career summaries of candidates for Director and Audit & Supervisory Board Member are presented in notices of convocation of general meeting of shareholders and securities reports.

In addition, the individual reasons for appointment are also presented in notices of convocation of general meeting of shareholders and this report and, if a proposal for dismissal is to be submitted as agenda of the general meeting of shareholders, the reasons for dismissal are also presented in notices of convocation of general meeting of shareholders.

[Supplementary Principle 4.1.1]

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 4.11.1]

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.

[Supplementary Principle 4.11.2]

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.

[Supplementary Principle 4.11.3]

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]

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.

## 2. Capital Structure

<b>Foreign Shareholding Ratio</b>	More than 30%
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[Status of Major Shareholders] Updated

<b>Name / Company Name</b>	<b>Number of Shares Owned</b>	<b>Percentage (%)</b>
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,858,800	11.41
Custody Bank of Japan, Ltd. (Trust Account)	15,952,700	7.63
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND (Standing proxy: Citibank, N.A., Tokyo Branch)	15,546,000	7.43
JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	4,781,300	2.29
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.)	4,234,200	2.02
JPMorgan Securities Japan Co., Ltd.	4,073,809	1.95
Custody Bank of Japan, Ltd. (Trust Account 5)	3,091,400	1.48
Custody Bank of Japan, Ltd. (Trust Account 6)	2,790,600	1.33

<b>Controlling Shareholder (except for Parent Company)</b>	-----
<b>Parent Company</b>	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, 2020.
  - JTC Holdings, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd. merged on July 27, 2020, and the trade name was changed to Custody Bank of Japan, Ltd.
  - In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on April 22, 2020, it is indicated that SMBC Nikko Securities Inc and the joint holder Sumitomo Mitsui DS Asset Management Company, Limited respectively own the shares of Tokyo Tatemono as of April 15, 2020. 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, 2020.
  - In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on October 21, 2020, it is indicated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and the joint holder SMBC Nikko Securities Inc. respectively own the shares of Tokyo Tatemono as of October 15, 2020. 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, 2020.
  - In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on October 30, 2020, it is indicated that PGGM Vermogensbeheer B.V. owns the shares of Tokyo Tatemono as of October 22, 2020. 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, 2020.

- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on November 16, 2020, it is indicated that Mitsubishi UFJ Trust and Banking Corporation and the joint holders MUFG Securities EMEA, Mitsubishi UFJ Kokusai Asset Management Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. respectively own the shares of Tokyo Tatemono as of November 9, 2020. 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, 2020.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on December 22, 2020, it is indicated that Asset Management One, Co., Ltd. and the joint holders Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd. respectively own the shares of Tokyo Tatemono as of December 15, 2020. 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, 2020.
- In a Statement of Changes to a Statement of Large-Volume Holdings made available for public inspection on January 8, 2021, 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, 2020. 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, 2020.

### 3. Corporate Attributes

<b>Listed Stock Market and Market Section</b>	Tokyo Stock Exchange First Section
<b>Fiscal Year-End</b>	December
<b>Type of Business</b>	Real Estate
<b>Number of Employees (consolidated) as of the End of the Previous Fiscal Year</b>	More than 1,000
<b>Sales (consolidated) as of the End of the Previous Fiscal Year</b>	From ¥100 billion to less than ¥1 trillion
<b>Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year</b>	From 10 to less than 50

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

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

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## 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
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#### [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) Updated

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) Updated

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 enhancement of 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 enhancement of 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 &amp; 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 enhancement of 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 enhancement of 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.

<b>Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee</b>	Yes
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Committee Name, Composition, and Attributes of Chairperson

	Committee Name	All Committee Members	Full-time Members	Inside Directors	External Directors	Outside Experts	Other	Chairperson
<b>Committee Corresponding to Nomination Committee</b>	Nomination and Remuneration Advisory Committee	7	0	3	4	0	0	Inside Director
<b>Committee Corresponding to Remuneration Committee</b>	Nomination and Remuneration Advisory Committee	7	0	3	4	0	0	Inside Director

Supplementary Explanations

The Nomination and Remuneration Advisory Committee, which was established as a voluntary advisory body to the Board of Directors with independent external directors as core members, deliberates on appointment and dismissal of director candidates and representative directors, remuneration for inside directors, etc. and reports the results to the Board of Directors.

**[Audit & Supervisory Board Members]**

<b>Establishment of Audit &amp; Supervisory Board</b>	Established
<b>Maximum Number of Audit &amp; Supervisory Board Members Stipulated in the Articles of Incorporation</b>	4
<b>Number of Audit &amp; Supervisory Board Members</b>	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 efficient and effective 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 conduct exchange of information and opinions at any time and other close cooperation in an effort to enhance auditing effectiveness and efficiency.

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

Audit & Supervisory Board members attend Board of Directors' meetings and important meetings of the Group Management Meeting and share opinions when necessary. Directors, the Internal Audit Department and the General Affairs Department each promptly report the following matters to the members of the Audit & Supervisory Board.

(Directors)

Matters that may have critical impact on the company

(Internal Audit Department)

Status of internal audits

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

(Internal Control Committee)

Important internal management and compliance matters

In addition, Audit & Supervisory Board members receive reports on a periodic basis from the accounting auditor, directors and each department, and exchange opinions with individual bodies at any time.

<b>Appointment of External Audit &amp; Supervisory Board Members</b>	Appointed
<b>Number of External Audit &amp; Supervisory Board Members</b>	2
<b>Number of Independent Audit &amp; Supervisory Board Members</b>	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 director 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]**

<b>Number of Independent Directors/Audit &amp; Supervisory Board Members</b>	6
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Matters relating 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]**

<b>Implementation of Incentive Policies for Directors</b>	Performance-based Remuneration, Other
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Supplementary Explanation Regarding the Concerned Items

For inside directors, in addition to performance-based remuneration, a share-based remuneration system, BTT (Board Benefit Trust), was introduced at the 200th General Meeting of Shareholders held on March 28, 2018, for the purpose of promoting efforts to increase corporate value over the medium to long term.

Performance-based remuneration is set to no more than 1% of consolidated recurring income and also no more than 2% of consolidated profit (profit attributable to owners of the parent) of the previous fiscal year. For share-based remuneration, points in a number that is determined in light of his/her title are granted every fiscal year, and common stock of Tokyo Tatemono translated from the accumulated points are delivered through a trust bank upon his/her retirement.

<b>Recipients of Stock Options</b>	
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Supplementary Explanation Regarding the Concerned Items

**[Director Remuneration]**

<b>Disclosure of Individual Directors' Remuneration</b>	No Individual Disclosure
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Supplementary Explanation Regarding the Concerned Items Updated

<Supplementary Explanation>

The total amount for all directors is disclosed in securities reports and business reports.

◇ Remuneration for Directors and Audit & Supervisory Board Members (actual amount for fiscal 2020)

Position / Number of recipients / Total amount of remuneration, etc. / Basic remuneration / Performance-based remuneration / Share-based remuneration

Inside directors / 8 / ¥444 million / ¥254 million / ¥156 million / ¥33 million

Audit & Supervisory Board members (excluding external Audit & Supervisory Board members) / 2 / ¥52 million / ¥52 million / ¥ - million / ¥ - million

External directors / 6 / ¥54 million / ¥54 million / ¥ - million / ¥ - million

Total / 16 / ¥550 million / ¥360 million / ¥156 million / ¥33 million

<b>Policy on Determining Remuneration Amounts and Calculation Methods</b>	Yes
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for directors is as presented in “[Disclosure Based on the Principles on the Corporate Governance Code] [Principle 3.1]” under “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information.”

In addition, remuneration for Audit & Supervisory Board members is limited to basic remuneration based on the role of the full-time and part-time Audit & Supervisory Board members and is set to no more than ¥8 million a month.

**[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 staff of Audit & Supervisory Board members upon request from the Audit & Supervisory Board to smoothly execute auditing duties. In addition, the system is designed to have full-time Audit & Supervisory Board members attend Board of Directors' meetings and important meetings of the Group Management Meeting, receive reports on a periodic basis from the accounting auditor, directors and each department, and enable the exchange of opinions 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
Masakatsu Ishii	Senior advisor	Engaged in industry and other outside activities (not involved in management)	Part time without compensation	1995/03/30	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

Number of Retired Presidents/CEOs Holding Advisory Positions	3
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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****

Tokyo Tatemono operates with the following Board of Directors, Audit & Supervisory Board, executive officer system, Group Management Meeting established or adopted for efficient and sound Group management.

[Method of Business Execution, Auditing and Oversight]

(1) Board of Directors

There are 12 directors, of which 4 are external directors.

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 decide on 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.

(2) Nomination and Remuneration Advisory Committee

The Advisory Committee is a body to deliberate based on requests for advice from the Board of Directors and deliberates on selection of director candidates, the selection and dismissal of representative directors, remuneration for directors other than external directors, etc.

(3) Audit & Supervisory Board

Tokyo Tatemono is a company with an Audit & Supervisory Board. There are four Audit & Supervisory Board members (two full-time Audit & Supervisory Board members), of which two are external Audit & Supervisory Board members. 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.

(5) Group Management Meeting

Tokyo Tatemono has established a "Group Management Meeting," the members of which include executive officers with assigned roles, to deliberate on important matters concerning management of Tokyo Tatemono and main consolidated subsidiaries. In addition, full-time Audit & Supervisory Board members attend the Group Management Meeting to grasp the deliberation status, etc. and share opinions 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
Koichi Yanai, Designated and Engagement Partner	Ernst & Young ShinNihon LLC
Hiroshi Kojima, Designated and Engagement Partner	Ernst & Young ShinNihon LLC

- \* Composition of persons supporting audit operations  
6 certified public accountants and 15 other persons providing support

### 3. Reasons for Adoption of Current Corporate Governance System

Tokyo Tatemono has adopted an executive officer system to clarify the division of functions for management and business execution and thereby strengthen management/oversight functions and business execution functions. Tokyo Tatemono has also external directors and external Audit & Supervisory Board members appointed, etc. to strengthen oversight functions and secure transparency of management. With these and such, Tokyo Tatemono believes that a system is in place that enables management and director monitoring/oversight functions, too, to be fully performed.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
<b>Early Notification of General Meeting of Shareholders</b>	Notification is sent 21 days prior to the General Meeting of Shareholders
<b>Scheduling AGMs Avoiding the Peak Day</b>	Held on March 25 (Actual result for fiscal 2020)
<b>Allowing Electronic Exercise of Voting Rights</b>	Internet voting has been conducted since the 188th General Meeting of Shareholders (held in March 2006).
<b>Participation in Electronic Voting Platform and Other Measures to Improve Environment for Exercise of Voting Rights for Institutional Investors</b>	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 sending the 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 2020). (Tokyo Tatemono Website) <a href="https://www.tatemono.com/ir/stock/meeting.html">https://www.tatemono.com/ir/stock/meeting.html</a>
<b>Providing Convocation Notice in English (Fully or Partially)</b>	An English version (outline) of the notification of the General Meeting of Shareholders is created and disclosed on the Tokyo Tatemono website.
<b>Other</b>	Convocation notices (in Japanese and English) for the General Meeting of Shareholders are posted on the Tokyo Tatemono website. (Tokyo Tatemono Website: Japanese) <a href="https://www.tatemono.com/ir/stock/meeting.html">https://www.tatemono.com/ir/stock/meeting.html</a> (Tokyo Tatemono Website: English) <a href="https://www.tatemono.com/english/ir/stock/meeting.html">https://www.tatemono.com/english/ir/stock/meeting.html</a>

## 2. IR Activities Updated

	Supplementary Explanations	Explanation by Representative
<b>Preparation and Publication of Disclosure Policies</b>	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) <a href="https://www.tatemono.com/english/ir/disclosure.html">https://www.tatemono.com/english/ir/disclosure.html</a>	
<b>Regular Investor Briefings for Individual Investors</b>	Briefings are held irregularly several times a year.	None
<b>Regular Investor Briefings for Analysts and Institutional Investors</b>	Financial results briefings are held by teleconference, etc. once every quarter.	Yes
<b>Regular Investor Briefings for Overseas Investors</b>	IR activities (teleconferences, etc.) are implemented three to four times a year, mainly in North America, Europe and Asia.	Yes
<b>Posting of IR Materials on Website</b>	(Tokyo Tatemono Website: Investor Relations) <a href="https://www.tatemono.com/english/ir/">https://www.tatemono.com/english/ir/</a> (Posted information) Financial information, timely disclosure materials, annual and quarterly securities reports, notices of convocation of general meeting of shareholders, etc.	
<b>Establishment of Department and/or Manager in Charge of IR</b>	(Department in charge) Corporate Communications Department (Director in charge of IR) Akira Izumi, Director and Senior Managing Executive Officer (Contact) Yoshio Goto, General Manager of Corporate Communications Department	

## 3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
<b>Stipulation of Internal Rules for Respecting the Position of Stakeholders</b>	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.
<b>Implementation of Environmental Activities, CSR Activities, Etc.</b>	Tokyo Tatemono has established a “Sustainability Committee” under direct control of the President 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) <a href="https://www.tatemono.com/csr/english/reports/">https://www.tatemono.com/csr/english/reports/</a>
<b>Development of Policies on Information Provision to Stakeholders</b>	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.

## 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 Internal Audit 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 Internal Audit Department upon receiving the report.
  - (4) Tokyo Tatemono develops a system to prevent persons who report fraud, etc. to the Internal Audit 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 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 company-wide based on the “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 when 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 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. If the Audit & Supervisory Board Seeks Assignment of Employees to Support the Audit & Supervisory Board's Duties, the System for Such Employees
  - (1) Tokyo Tatemono assigns personnel as staff of the Audit & Supervisory Board upon request from the Audit & Supervisory Board to smoothly execute the auditing duties.
  - (2) The Audit & Supervisory Board 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 Audit & Supervisory Board staff concurrently serves other departments, the operations as Audit & Supervisory Board 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 Audit & Supervisory Board 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 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
    - 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

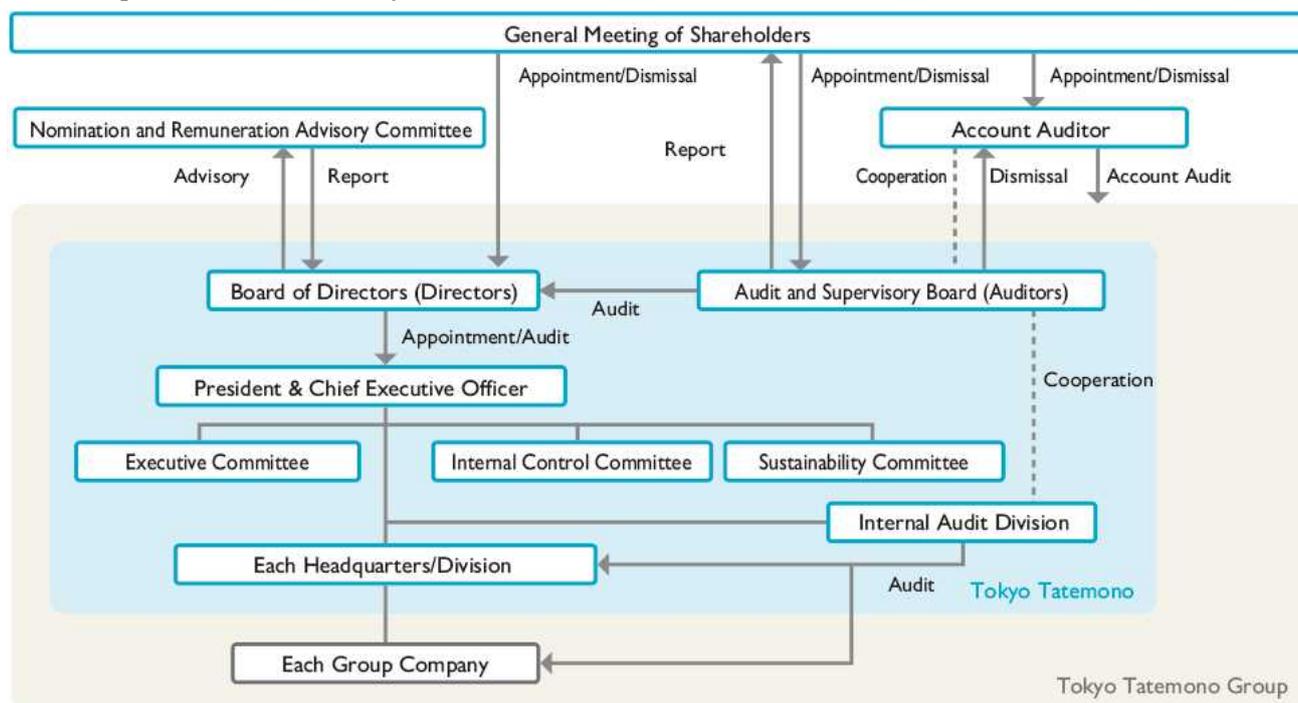
<b>Adoption of Anti-Takeover Measures</b>	None
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Supplementary Explanation Regarding the Concerned Items

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### 2. Other Matters Concerning Corporate Governance System

< Corporate Governance System >



<Timely Disclosure System>

