

Compliance

Policy and Concept

The Tokyo Tatemono Group defines compliance as complying not only with laws and regulations, but also with social norms and corporate ethics. This approach builds a long-lasting relationship of trust with society and allows us to continue sound corporate activities. We believe companies must respond sincerely to the needs of people in our surrounding environment, including our customers, business partners, shareholders, investors, local communities, and employees.

In June 2009, the Tokyo Tatemono Group established a shared Compliance Charter for group companies. This charter is our pledge to society to promote corporate activities that are committed to unwavering compliance.

System

The Tokyo Tatemono Group established an Internal Control Committee as part of our system to promote compliance. This committee discusses internal management risks, including group compliance, fraud, and anti-corruption, overseeing group compliance activities.

The Tokyo Tatemono General Affairs Division supports and guides the compliance-related operations of group companies. This division also aims to improve compliance functions throughout the group through collaboration between and among group companies.

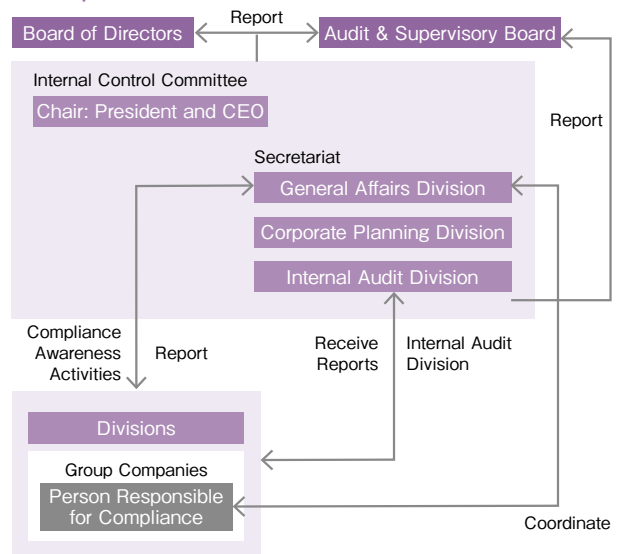
Tokyo Tatemono Group Compliance Charter

As we engage in corporate activities, we observe the Compliance Charter below:

- We adhere to laws, regulations, and other rules and engage in fair, sound corporate activities.
- We act faithfully by thinking from the customers' standpoint.
- We contribute to making society better through corporate activities.
- We respect the personalities and values of each other and maintain a comfortable working environment.

Established June 2009

Compliance Structure



Compliance Indicators and Results

Item	Unit	2015	2016	2017	2018	2019
Number of Employees Taking Compliance Training (E-Learning)	Employees	657	814	847	860	873
Compliance Training (E-Learning) Completion Rate	%	99.4	98.8	98.5	99.3	99.8
Compliance Survey Response Rate	%	77.0	71.2	80.5	80.2	75.0
Number of Helpline Calls and Consultation Incidents	Cases	28	15	44	59	56
Number of incidents related to bribery	Cases	0	0	0	0	0
Number of incidents related to antitrust or anti-competitive behavior	Cases	0	0	0	0	0
Number of incidents related to other compliance violations	Cases	0	0	0	0	0

- Data Collection Period: January to December of each year. Unless otherwise specified, figures are as of December each year.
- Data Collection Scope: Tokyo Tatemono

Compliance Manual

The Tokyo Tatemono Group created the Tokyo Tatemono Group Compliance Manual to ensure we put our Compliance Charter into practice.

The Compliance Manual is for all persons engaged in work at group company workplaces, regardless of employee classification, system at location employed, or employment type. The manual provides 15 codes as standards of conduct.

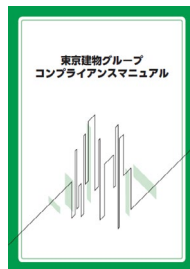
We distribute the Compliance Manual to all employees engaged in work at group companies. We may also post the manual in certain locations on an office-by-office basis.

Tokyo Tatemono has posted a collection of cases that are useful as references for the Compliance Manual on our corporate intranet, categorized by code of conduct. We strive to prevent corruption, bribery, and to prohibit discrimination by sharing case studies related to bribery and LGBT issues.

< Codes of Conduct >

- 1-1 Comply with laws and regulations
- 1-2 Maintain proper relationships with partners
- 1-3 Engage in fair competition
- 1-4 Maintain proper relationships with governments and administrations
- 1-5 Reject relationships with anti-social forces
- 1-6 Engage in proper management of information
- 1-7 Prohibit dishonest behavior
- 1-8 Respect corporate assets
- 2-1 Respond sincerely to customers
- 3-1 Exercise consideration for the environment
- 3-2 Engage in timely and appropriate disclosure, conduct appropriate tax reporting
- 3-3 Practice co-existence with local communities
- 4-1 Respect human rights and prohibit discrimination
- 4-2 Prohibit harassment
- 4-3 Provide a comfortable work environment

Compliance
Manual



Preventing Corruption and Bribery

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. To meet this commitment, we established anti-bribery rules, ensuring we prevent bribery, fraud, or corruption in other forms.

As one specific initiative, we conduct training to publicize and ensure consistent compliance with the rules defined in the Compliance Manual.

The Tokyo Tatemono Group was not assessed any fines related to corruption in fiscal 2019.

< Relevant Compliance Manual Codes of Conduct >

- 1-1 Comply with laws and regulations
- 1-2 Maintain proper relationships with partners
- 1-3 Engage in fair competition
- 1-4 Maintain proper relationships with governments and administrations

Preventing Anti-Competitive Practices

In our Compliance Charter, we declare our commitment to comply with laws and regulations, engaging in sound, fair corporate activities. Through training and other measures, we publicize and teach the content of our Compliance Manual, working to prevent anti-competitive practices (monopolies, etc.).

The Tokyo Tatemono Group was not assessed any fines related to anti-competitive practices, etc., in fiscal 2019.

< Relevant Compliance Manual Codes of Conduct >

- 1-1 Comply with laws and regulations
- 1-2 Maintain proper relationships with partners
- 1-3 Engage in fair competition

Compliance Training

Every year, the Tokyo Tatemono Group conducts groupwide joint training via e-learning. During 2019, approximately 4,000 managers and employees across 15 companies completed training or updated their understanding of revised laws. Training topics included the appropriate use of alcohol, information management (including anti-corruption initiatives and prevention of insider trading), and matters related to the Building Lots and Buildings Transaction Business Law and the Act on Prevention of Transfer of Criminal Proceeds (prevention of money laundering, etc.). In addition, we conducted joint training for new group hires, held seminars for harassment prevention training instructors (general manager level), sponsored seminars on the appropriate use of alcohol, conducted training for new Tokyo Tatemono employees, and provided leadership trainings for newly promoted individuals.

To prevent corruption and bribery, we use the Tokyo Tatemono intranet to publish articles on preventing insider trading, moderation in the consumption of alcohol and appropriate management of information as needed, publicizing the availability of these articles throughout our organization.

On the subject of legal and tax matters of high importance to our business, we invite outside experts as lecturers for seminars. These seminars cover the latest examples of trials, tax reforms, and other information related to business activities throughout the group.

Compliance Surveys

Since 2009, the Tokyo Tatemono Group has conducted an annual compliance survey to understand and verify compliance awareness and acceptance among group employees.

In 2019, 9,826 employees from 18 group companies were surveyed with a response rate of 75%.

The results of the survey were analyzed to understand responses by group company and for the group as a whole. This analysis was then reported to the Internal Control Committee. We also provide feedback to group companies as an aid in solving problems in advance, reflecting on compliance structure, and engaging in compliance awareness activities.

Helpline

The Tokyo Tatemono Group established the Tokyo Tatemono Group Helpline, which is a shared group resource for employees to consult and report as a means to prevent legal issues or fraud.

This resource is available to all group employees. The reports and consultations received through this system are reported to the Tokyo Tatemono Internal Audit Division, which reports directly to the president. The Internal Audit Division investigates and conducts fact-checking independently.

We take appropriate measures, implementing prompt corrective actions and preventing the recurrence of any acts in violation of compliance. The Internal Control Committee convenes to consider responses to the most serious cases.

In the spirit of the Whistleblower Protection Act, we take appropriate measures to ensure the protection of whistleblowers.

▶ Number of Helpline Calls and Consultations

Reports, Consultation Category	2015	2016	2017	2018	2019	
Report	28	15	39	49	48	
Consultation	1	1	5	10	8	
(Breakdown)	Labor Issues	11	3	13	11	16
	Sexual harassment	7	1	3	1	3
	Other harassment	7	7	26	39	34
	Other	4	5	2	8	3

Response to Anti-Social Forces

The Tokyo Tatemono Group created Exclusion of Anti-Social Forces Rules, which detail our rules to exclude any and all relationships with anti-social forces and establishes specific methods for conducting due diligence on organizations referencing the Anti-Social Forces Check Manual.

We cooperate with outside experts and organizations such as the police and lawyers as part of our resolute response to anti-social forces.