

Governance

Corporate Governance

Policy and Concept

Tokyo Tatemono strives to build optimal corporate governance, aiming to enhance efficiency while ensuring the soundness and transparency of management to increase corporate value. In addition, we actively and appropriately disclose information for shareholders and other stakeholders to understand the company's business activities accurately.

Corporate Governance Report

System

Tokyo Tatemono has selected a Company with Audit and Supervisory Board format as our corporate management system. We have also established a Board of Directors and an Audit and Supervisory Board. Our executive officer system clarifies the separation of functions between management and business execution. This system strengthens management and supervisory functions and business execution functions at Tokyo Tatemono. Furthermore, we appoint external directors and external Audit and Supervisory Board members who help us operate under stronger management supervision and ensure transparency.

In our effort to strengthen Group governance in accordance with the Group Business Management Standards, we have established a structure that enables managers and directors to fully exercise their monitoring and supervisory functions.

Integrated Report

■ Directors (Board of Directors)

Tokyo Tatemono has 12 directors, four of whom are external directors (one of whom is a female member). As a general rule, Tokyo Tatemono holds regular Board of Directors meetings once a month and other extraordinary meetings as deemed necessary. The Board of Directors is chaired by the Chairman, who does not concurrently serve as an executive officer.

Audit and Supervisory Board members attend board meetings and offer opinions as necessary. (Numbers are as of March 2021.)

■ Audit and Supervisory Board Members (Audit and Supervisory Board)

The Audit and Supervisory Board consists of four members, two of whom are external members of the Audit and Supervisory Board (one of whom is a female member).

■ Executive Officers

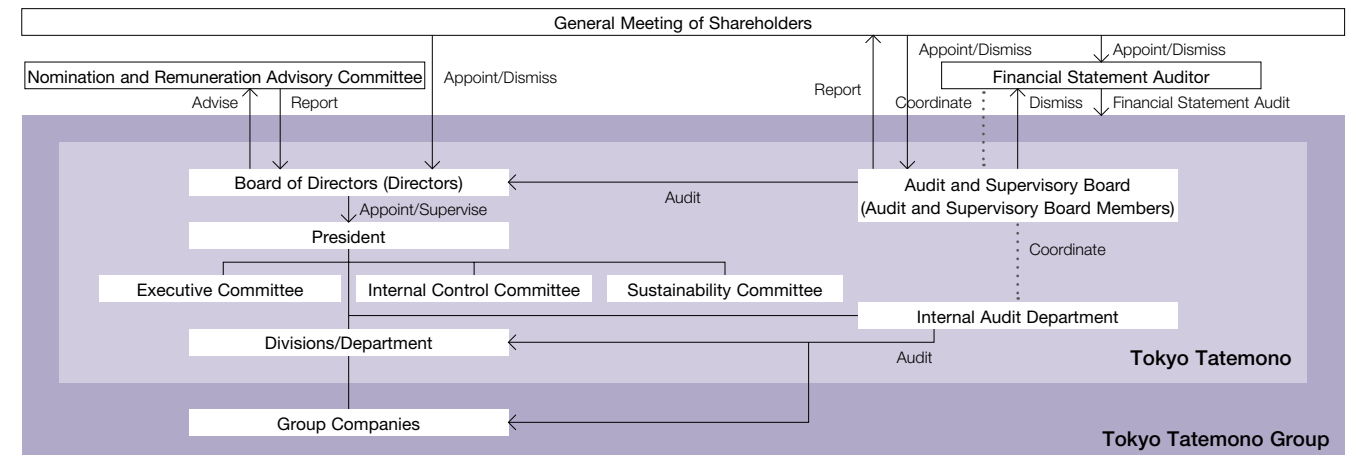
Tokyo Tatemono has adopted an executive officer system to energize our Board of Directors and speed up decision-making through the separation of management functions and business execution functions. The term of office for executive officers is two years.

■ Executive Committee

The Executive Committee consists of executive officers with specific responsibilities. This meeting is held to discuss matters important to group management.

Full-time Audit and Supervisory Board members attend Executive Committee to assess the status of deliberations and offer opinions as necessary.

Corporate Governance Structure



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Environmental Management

Sustainability Finance

External Evaluation and Certification for Green Building

Responding to Climate Change

Pollution Control and Resource Recycling

Water Resources

Biodiversity

Responding to Natural Disasters

Social

Diversity & Inclusion

Work-Life Balance

Human Resource Investment and Development

Health Management / Occupational Safety and Health

Respect for Human Rights

Improving Quality and Customer Satisfaction

Revitalizing and Utilizing Real Estate Stock

Contributing to Our Communities

Governance

> **Corporate Governance**

Risk Management

Compliance

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Corporate Governance

Internal Control Committee

The Internal Control Committee discusses and monitors internal control risks (compliance risks and internal management risks). If necessary, the committee reports risks to the Board of Directors, the Audit and Supervisory Board, and others as necessary.

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Nomination and Remuneration Advisory Committee

The company has established this committee to select candidates for directors and recommend remuneration levels for the same (excluding external directors), serving as an advisory body for the Board of Directors. Committee members are appointed from among directors. To ensure objectivity and transparency in the procedures, more than half of the seven members are external directors who provide expertise and advice.

Sustainability Committee

To encourage sustainability measures across the Tokyo Tatemono Group, we have established a council that reports directly to the president. The Committee works with the subordinate organization, the Sustainability Promotion Committee, which comprises personnel from each business Department, to continuously advance sustainability policies. It does this by setting goals, monitoring progress, and evaluating achievements related to sustainability policies.

Board of Directors Related Data

Item	Unit	2016	2017	2018	2019	2020
Number of Board Meetings	Meetings	13	12	13	15	14
Number of Directors	Persons	9	11	12	12	12
Number of Executive Officers on Board	Persons	6	7	7	7	7
Number of Non-Executive Officers on Board (Excluding Independent External Directors)	Persons	0	1	1	1	1
Number of Independent External Directors	Persons	3	3	4	4	4
Proportion of External Directors	%	33	27	33	33	33
Average Board Meeting Attendance	%	100	100	100	99	100
Average Tenure of Directors (Including Independent External Directors)	Years	5.3 (March)	5.0 (March)	5.8 (March)	3.8 (March)	4.8 (March)

▶ Data Collection Period: January to December of each year. Unless otherwise specified, figures are as of December each year.

▶ Data Collection Scope: Tokyo Tatemono

Remuneration of Directors and Members of the Audit and Supervisory Board (Fiscal Year Ended December 2020)

Executive Class	Number of Eligible Individuals	Total Amount by Type of Remuneration			Total Remuneration (Million Yen)
		Fixed Remuneration (Million Yen)	Performance-Linked Remuneration (Million Yen)	Stock-Based Remuneration (Million Yen)	
Directors (Excluding Outside Directors)	8	254	156	33	444
Members of the Audit and Supervisory Board (Excluding External Members*)	2	52	—	—	52
External Directors	6	54	—	—	54
Total	16	360	156	33	550

* Two External Members

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