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Securities Code: 8804
March 7, 2022

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 204th ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 204th Ordinary General Meeting of Shareholders of Tokyo Tatemono Co., Ltd. (hereinafter “the Company”) will be held as described below.

From the standpoint of preventing the spread of COVID-19, we respectfully ask shareholders to refrain from attending the venue for the General Meeting of Shareholders. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m., Monday, March 28, 2022, 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 the following page.

Date and Time: 10:00 a.m., Tuesday, March 29, 2022 (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 204th Fiscal Term (from January 1, 2021 to December 31, 2021), 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 Partial Amendments to the Articles of Incorporation

- Any major changes to the administration of the General Meeting of Shareholders due to future circumstances will be announced on our website (<https://www.tatemono.com/ir/stock/meeting.html>).

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., Monday, March 28, 2022

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.

Exercise deadline Form must arrive by 5:30 p.m., Monday, March 28, 2022

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., Tuesday, March 29, 2022

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.

Disclosure via the Internet on our website (<https://www.tatemono.com/ir/>)

- Of the documents that should be attached to this Notice, Matters Related to Subscription Rights to Shares and Overview of the Structures to Ensure Appropriateness of Business Operations and Operational Status in the Business Reports, Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements, and Statements of Changes in Shareholders' Equity and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements are posted on our website (<https://www.tatemono.com/ir/>) (available in Japanese only) in accordance with the laws and regulations and Article 16 of the Articles of Incorporation of the Company, and not included in the attached documents related to matters to be reported. The documents provided on our website above have been audited as part of the Business Report, Consolidated and Non-Consolidated Financial Statements when the Audit Report was prepared by the Audit and Supervisory Board Members or by the Audit and Supervisory Board Members and the Accounting Auditor.
- After preparation of this document, in the event that changes are made to any of the Reference Documents for the General Meeting of Shareholders, Business Reports, or Consolidated and Non-Consolidated Financial Statements, the amended documents will be posted on our website mentioned above.
- The voting results on the resolutions of this General Meeting of Shareholders shall be posted on our website mentioned above.

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. on weekdays)

- 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 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: ¥27 per share of the Company's common stock
Total amount: ¥5,646,582,090
The Company paid an interim dividend of ¥24 per share. As a result, the annual dividend for the term shall be ¥51 per share.
- (3) Date on which dividends from surplus become effective: March 30, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into force on September 1, 2022. In order to prepare for the introduction of a system for providing materials for General Meetings of Shareholders in an electronic format, it is proposed that the Articles of Incorporation of the Company be amended as follows.

- (1) Establish provisions stipulating that information contained in the reference documents for General Meetings of Shareholders, etc. shall be provided electronically (proposed Article 16, Paragraph 1)
- (2) Establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it (proposed Article 16, Paragraph 2)
- (3) Delete the provisions related to the internet disclosure and deemed provision of the reference documents for the General Meeting of Shareholders, etc. (Article 16 of the current Articles of Incorporation), as they will become unnecessary
- (4) Establish supplementary provisions related to the effective date, etc. in line with the above establishment and deletion of the provisions

1. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16 The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 16 The Company shall, when convening a General Meeting of Shareholders, electronically provide information contained in the reference documents for the General Meeting of Shareholders, etc.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

<p><Newly established></p>	<p><u>Supplementary provisions</u></p> <ol style="list-style-type: none"> <li data-bbox="730 181 1268 622">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <li data-bbox="730 629 1268 846">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from the Effective Date.</u> <li data-bbox="730 853 1268 1041">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u>
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* This is an excerpt translation of the Business Report (Japanese original).

Business Report (from January 1, 2021 to December 31, 2021)

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 35,004 shares of treasury stock)

(Note) The number of shares of treasury stock does not include 241,100 shares owned by the Board Benefit Trust.

(2) Number of shareholders

Number of shareholders	12,711 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)	34,862	16.67
Custody Bank of Japan, Ltd. (Trust Account)	16,601	7.94
STICHTING PENSIOENFONDS ZORG EN WELZIJN	10,163	4.86
Sompo Japan Insurance Inc.	4,744	2.27
Meiji Yasuda Life Insurance Company	4,729	2.26
THE BANK OF NEW YORK MELLON 140051	4,519	2.16
JP MORGAN CHASE BANK 385632	4,494	2.15
JAPAN SECURITIES FINANCE CO., LTD.	3,661	1.75
JPMorgan Securities Japan Co., Ltd.	3,485	1.67
SSBTC CLIENT OMNIBUS ACCOUNT	2,674	1.28

(Note) The Company's treasury shares (35,004 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)	7,550	1
External Directors	-	-
Audit and Supervisory Board Members	-	-

(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, 2021)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director and Chairman of the Board	Makio Tanehashi	
Representative Director, President and Chief Executive Officer	Hitoshi Nomura	
Representative Director, Executive Vice President and Executive Officer	Kengo Fukui	Assistant to President; Division Director of Real Estate Solution Service Division responsible for Solution Service Department (joint responsibility) President & Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.
Senior Managing Executive Officer and Director	Katsuhito Ozawa	Division Director of Commercial Properties Division responsible for Acquisitions & Sales Department (joint responsibility), Kansai Branch, Kyushu Branch and Nagoya Branch
Senior Managing Executive Officer and Director	Akira Izumi	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, General Affairs Department, Finance Department, Accounting Department, Market Research Department, ICT and Digital Strategy Promotion Department, and Acquisitions & Sales Department (joint responsibility)
Managing Executive Officer and Director	Hisatoshi Kato	Division Director of Leisure, Child Care & Staffing Business Division President & Chief Executive Officer of Tokyo Tatemono Resort Co., Ltd.
Managing Executive Officer and Director	Hideshi Akita	Division Director of Residential Development Division
Managing Executive Officer and Director	Takeshi Jinbo	Vice Division Director of Residential Development Division responsible for Solution Service Department (joint responsibility), Acquisitions Department, and Project Development Department
Director	Shuichi Hattori	
Director	Yoshimitsu Onji	
Director	Takeo Nakano	
Director	Yumiko Kinoshita	
Audit and Supervisory Board Member (full-time)	Kouji Kawakubo	
Audit and Supervisory Board Member (full-time)	Takashi Yoshino	

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 203rd Ordinary General Meeting of Shareholders held on March 25, 2021, Mr. Takeshi Jinbo, Mr. Takeo Nakano, and Ms. Yumiko Kinoshita were newly elected and assumed office as Directors.
 6. Upon the conclusion of the 203rd Ordinary General Meeting of Shareholders held on March 25, 2021, Mr. Masami Kamo, Mr. Yoshiyuki Imai, and Mr. Mitsuhiro Nagahama retired from their positions as Directors.
 7. The term of office of each Director shall be from the conclusion of the 203rd Ordinary General Meeting of Shareholders held on March 25, 2021 to the conclusion of the Ordinary General Meeting of Shareholders for the 205th Fiscal Term from January 1, 2022 to December 31, 2022.
 8. The term of office of Audit and Supervisory Board Members Mr. Kouji Kawakubo and Mr. Takao Yamaguchi shall be from the conclusion of the 201st Ordinary General Meeting of Shareholders held on March 27, 2019 to the conclusion of the Ordinary General Meeting of Shareholders for the 205th Fiscal Term from January 1, 2022 to December 31, 2022.
 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. Directors excluding External Directors and Managing Officers of the Company as of January 1, 2022, are as follows.

Directors (excluding External Directors) and Managing Officers (as of January 1, 2022)

Position	Name	Areas of responsibility and important concurrent positions
Representative Director and Chairman of the Board	Makio Tanehashi	
Representative Director, President and Chief Executive Officer	Hitoshi Nomura	
Representative Director, Executive Vice President and Executive Officer	Kengo Fukui	Assistant to President; Division Director of Real Estate Solution Service Division President & Chief Executive Officer of Tokyo Tatemono Real Estate Sales Co., Ltd.
Senior Managing Executive Officer and Director	Katsuhito Ozawa	Division Director of Commercial Properties Division responsible for International Business, Acquisitions & Sales Department (joint responsibility), Kansai Branch, Kyushu Branch and Nagoya Branch

Position	Name	Areas of responsibility and important concurrent positions
Senior Managing Executive Officer and Director	Akira Izumi	Responsible for Corporate Communications Department, Personnel Department, Corporate Planning Department, Sustainability Management Department, General Affairs Department, Finance Department, Accounting Department, Market & Policy Research Department, DX Promotion Department and Acquisitions & Sales Department (joint responsibility)
Managing Executive Officer and Director	Hisatoshi Kato	Division Director of Leisure, Child Care & Staffing Business Division President & Chief Executive Officer of Tokyo Tatemono Resort Co., Ltd.
Managing Executive Officer and Director	Hideshi Akita	Division Director of Residential Development 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
Senior Managing Executive Officer	Hisayoshi Kato	In charge of Policy & Environment
Managing Officer	Satoshi Eida	President & Chief Executive Officer and Representative Director of Tokyo Tatemono Amenity Support Co., Ltd.
Managing Officer	Shinjiro Kobayashi	Responsible for Urban Development Department (2); General Manager of Urban Development Department (1)
Managing Officer	Nobuyoshi Takahashi	General Manager of Kansai Branch
Managing Officer	Masayuki Okubo	General Manager of Business Planning Department 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	Hiroshi Takahashi	Responsible for Logistics Properties Development & Management Department; General Manager of Retail Properties Development & Management Department and Hotel Development & Management Department
Managing Officer	Fumio Tajima	Division Director of International Business Division
Managing Officer	Shigeru Sabayashi	General Manager of Project Management Department (2) of Residential Development Division

Position	Name	Areas of responsibility and important concurrent positions
Managing Officer	Hiroto Fukui	General Manager of Business Planning Department of Commercial Properties Division
Managing Officer	Kenji Sugaya	Managing Executive Officer and Director of Tokyo Tatemono Real Estate Sales Co., Ltd.

(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 damages, 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. However, premiums for a portion of special clauses (11.0% of the entire premium) shall be borne by the insured.

(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. 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.

Compensation for External Directors and Audit and Supervisory Board Members consists solely of fixed compensation in consideration of their duties.

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	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 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 which (4) are External Directors and the remainder of whom (3) are Directors (excluding External Directors)). The reason for delegating 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.

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	15	302	174	41	517
[External, inclusive]	[6]	[38]	[-]	[-]	[38]
Audit and Supervisory Board Members	4	67	[-]	[-]	67
[External, inclusive]	[2]	[15]	[-]	[-]	[15]
Total	19	370	174	41	585
[External, inclusive]	[8]	[54]	[-]	[-]	[54]

(Notes) 1. The abovementioned personnel and amount of compensation include three Directors (two of whom are External Directors) who retired at the conclusion of the 203rd Ordinary General Meeting of Shareholders held on March 25, 2021.

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 ¥47,072 million and consolidated net income of ¥31,795 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	Sompo Japan Insurance Inc.	External Audit & Supervisory Board Member
		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 Holdings, Inc.	Outside Corporate Auditor
		Lion Corporation	External Audit & Supervisory Board Member
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, 2021 accounted for less than ¥1 million.

2. The Company and Sompo Japan Insurance Inc. have transactions, such as building leasing, and the amount of transactions with Sompo Japan Insurance Inc. in the fiscal year ended December 31, 2021 accounted for less than 1% of the Company's consolidated revenue from operations.

3. Shouohkai Foundation is the entrusted provider of medical examination services, etc. to the Company but the annual amount of payment was less than ¥11 million in the fiscal year ended December 31, 2021. The Company donates to Shouohkai Foundation, but the amount donated annually was less than ¥1 million in the fiscal year ended December 31, 2021.

4. 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 all 15 meetings of the Board of Directors 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 15 meetings of the Board of Directors 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

Category	Name	Summary of attendance of meetings, remarks, and duties performed regarding expected roles
		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 11 meetings of the Board of Directors held during his service as External Director in 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	Yumiko Kinoshita	Participated in all 11 meetings of the Board of Directors held during her service as External Director in 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 15 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board 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 15 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board 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, 2021	As of December 31, 2020
Assets		
Current assets	481,217	447,757
Cash and deposits	87,010	54,647
Notes and operating accounts receivable	14,041	13,730
Real estate for sale	133,251	164,578
Real estate for sale in progress	139,389	112,485
Real estate for development	71,579	71,508
Other current assets	36,004	30,857
Allowance for doubtful accounts	(58)	(49)
Fixed assets	1,169,553	1,176,882
Property and equipment	813,251	806,281
Buildings and structures	223,618	224,844
Land	539,786	530,963
Construction in progress	38,536	39,042
Other property and equipment	11,309	11,431
Intangible assets	130,880	130,552
Leaseholds	128,730	128,991
Other intangible assets	2,149	1,560
Investments and other assets	225,421	240,049
Investment securities	128,586	139,308
Investments in silent partnerships	8,128	8,829
Long-term loans	8	8
Deferred income taxes	2,148	2,278
Lease and guarantee deposits	21,261	21,594
Net defined benefit asset	2,215	1,217
Other investments and other assets	63,170	66,906
Allowance for doubtful accounts	(97)	(94)
Total Assets	1,650,770	1,624,640

Note: Figures less than a million are rounded down.

(Millions of yen)

Item	As of December 31, 2021	As of December 31, 2020
Liabilities		
Current liabilities	212,502	219,869
Short-term borrowings	83,726	68,314
Commercial papers	40,000	55,000
Current portion of bonds	-	20,000
Accounts payable, trade	13,849	9,784
Accrued income taxes	11,094	10,203
Provision for compensation for completed construction	10	11
Provision for bonuses	945	944
Provision for bonuses to directors	2	24
Provision for loss on guarantees	30	-
Provision for environmental measures	26	1
Provision for loss on liquidation of subsidiaries and affiliates	-	275
Deposits received under Real Estate Specified Joint Enterprise Act	4,500	5,083
Other current liabilities	58,316	50,228
Long-term liabilities	1,010,607	1,005,640
Bonds	255,000	205,000
Long-term borrowings	575,676	625,944
Deferred income taxes	19,861	20,351
Deferred income taxes on land revaluation	23,663	23,666
Provision for board benefit trust	190	139
Provision for retirement benefits for directors	94	76
Provision for environmental measures	-	26
Guarantee deposits received	78,381	78,975
Net defined benefit liability	12,955	12,634
Deposits received under Real Estate Specified Joint Enterprise Act	19,076	15,800
Other long-term liabilities	25,708	23,026
Total Liabilities	1,223,109	1,225,510
Net Assets		
Shareholders' equity	324,955	300,242
Capital stock	92,451	92,451
Capital surplus	66,587	66,587
Retained earnings	166,356	141,422
Treasury stock	(439)	(219)
Accumulated other comprehensive income	92,099	89,122
Valuation difference on available-for-sale securities	54,276	54,928
Deferred gains or losses on hedges	(17)	(42)
Revaluation reserve for land	34,959	34,965
Foreign currency translation adjustments	2,144	(850)
Remeasurements of defined benefit plans	736	120
Non-controlling interests	10,605	9,765
Total Net Assets	427,661	399,129
Total Liabilities and Net Assets	1,650,770	1,624,640

Note: Figures less than a million are rounded down.

Consolidated Statement of Income

(Millions of yen)

Item	From January 1, 2021 to December 31, 2021	From January 1, 2020 to December 31, 2020
Revenue from operations	340,477	334,980
Cost of revenue	247,933	251,954
Gross profit	92,543	83,025
Selling, general and administrative expenses	33,759	33,393
Operating income	58,784	49,631
Non-operating income	6,881	5,691
Interest and dividend income	5,358	3,321
Equity in earnings of affiliated companies	-	215
Other non-operating income	1,523	2,154
Non-operating expenses	19,395	8,250
Interest expenses	6,667	6,725
Borrowing fee	1,012	998
Share of loss of entities accounted for using equity method	10,804	-
Bond issuance cost	443	197
Dividends paid under Real Estate Specified Joint Enterprise Act	75	116
Provision for loss on guarantees	30	-
Other non-operating expenses	361	212
Ordinary income	46,270	47,072
Extraordinary income	10,719	4,730
Gain on sales of fixed assets	7	628
Gain on sale of investment securities	8,804	1,911
Gain on sales of shares of subsidiaries and affiliates	-	2,014
Gain on sales of investments in subsidiaries and affiliates	1,538	-
Gain on liquidation of subsidiaries and affiliates	367	5
Reversal of provision for loss on liquidation of subsidiaries and affiliates	-	5
Compensation income	-	165
Extraordinary loss	754	4,879
Loss on sales of fixed assets	3	23
Loss on disposal of fixed assets	208	263
Impairment loss	273	899
Loss on sales of investment securities	2	128
Loss on valuation of investment securities	138	2,013
Loss on redemption of bonds	-	814
Loss on COVID-19 outbreak	129	736
Income before income taxes	56,234	46,923
Current income taxes	20,231	16,639
Deferred income taxes	64	(2,556)
Net income	35,938	32,839
Net income attributable to non-controlling interests	972	1,044
Net income attributable to owners of the parent	34,965	31,795

Note: Figures less than a million are rounded down.

Consolidated Statement of Changes in Shareholders' Equity
(From January 1, 2021 to December 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the current term	92,451	66,587	141,422	(219)	300,242
Changes in items during the term					
Dividends from surplus			(10,038)		(10,038)
Net income attributable to owners of the parent			34,965		34,965
Reversal of revaluation reserve for land			6		6
Acquisition of treasury stock				(234)	(234)
Disposal of treasury stock		0		15	15
Net amount of changes in items other than shareholders' equity					
Total amount of changes during the term	-	0	24,933	(219)	24,713
Balance at end of the current term	92,451	66,587	166,356	(439)	324,955

	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		
Balance at beginning of the current term	54,928	(42)	34,965	(850)	120	89,122	9,765	399,129
Changes in items during the term								
Dividends from surplus								(10,038)
Net income attributable to owners of the parent								34,965
Reversal of revaluation reserve for land								6
Acquisition of treasury stock								(234)
Disposal of treasury stock								15
Net amount of changes in items other than shareholders' equity	(652)	24	(6)	2,994	616	2,977	840	3,818
Total amount of changes during the term	(652)	24	(6)	2,994	616	2,977	840	28,531
Balance at end of the current term	54,276	(17)	34,959	2,144	736	92,099	10,605	427,661

Note: Figures less than a million are rounded down.

(From January 1, 2020 to December 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the current term	92,451	66,744	129,170	(10,232)	278,133
Changes in items during the term					
Dividends from surplus			(9,202)		(9,202)
Net income attributable to owners of the parent			31,795		31,795
Reversal of revaluation reserve for land			(331)		(331)
Acquisition of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		6	6
Cancellation of treasury stock		(10,008)		10,008	-
Change in ownership interest of parent due to transactions with non-controlling interests		(157)			(157)
Transfer from retained earnings to capital surplus		10,008	(10,008)		-
Net amount of changes in items other than shareholders' equity					
Total amount of changes during the term	-	(157)	12,252	10,013	22,108
Balance at end of the current term	92,451	66,587	141,422	(219)	300,242

	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		
Balance at beginning of the current term	65,002	-	31,022	248	600	96,874	9,203	384,211
Changes in items during the term								
Dividends from surplus								(9,202)
Net income attributable to owners of the parent								31,795
Reversal of revaluation reserve for land								(331)
Acquisition of treasury stock								(2)
Disposal of treasury stock								6
Cancellation of treasury stock								-
Change in ownership interest of parent due to transactions with non-controlling interests								(157)
Transfer from retained earnings to capital surplus								-
Net amount of changes in items other than shareholders' equity	(10,074)	(42)	3,942	(1,099)	(479)	(7,752)	561	(7,190)
Total amount of changes during the term	(10,074)	(42)	3,942	(1,099)	(479)	(7,752)	561	14,917
Balance at end of the current term	54,928	(42)	34,965	(850)	120	89,122	9,765	399,129

Note: Figures less than a million are rounded down.

Non-Consolidated Balance Sheets

(Millions of yen)

Item	As of December 31, 2021	As of December 31, 2020
Assets		
Current assets	413,320	380,542
Cash and deposits	66,547	32,545
Accounts receivable, trade	7,718	7,798
Investments in leases	3,625	3,646
Real estate for sale	80,514	114,871
Real estate for sale in progress	139,384	111,726
Real estate for development	71,738	71,712
Advance payments, trade	2,084	1,695
Advance expenses	2,292	2,118
Short-term loans receivable	17,668	17,734
Other current assets	21,776	16,720
Allowance for doubtful accounts	(30)	(26)
Fixed assets	1,061,664	1,075,786
Property and equipment	699,109	692,254
Buildings	139,514	142,420
Structures	2,295	2,384
Machinery and equipment	1,056	1,082
Vehicles	113	74
Furniture and equipment	1,152	1,230
Land	514,258	505,411
Leased assets	2	3
Construction in progress	38,290	37,221
Other property and equipment	2,425	2,425
Intangible assets	37,890	38,123
Leaseholds	37,848	38,086
Other intangible assets	42	36
Investments and other assets	324,664	345,408
Investment securities	94,755	96,238
Shares and investments in subsidiaries and affiliates	82,176	100,991
Investments in other securities of affiliated companies	14,246	14,407
Investments in silent partnerships	1,277	1,694
Investments in silent partnerships of subsidiaries and affiliates	63,778	63,786
Long-term loans to subsidiaries and affiliates	27,697	26,530
Lease and guarantee deposits	11,944	12,783
Other investments and other assets	28,867	29,052
Allowance for doubtful accounts	(80)	(77)
Total Assets	1,474,985	1,456,329

Note: Figures less than a million are rounded down.

(Millions of yen)

Item	As of December 31, 2021	As of December 31, 2020
Liabilities		
Current liabilities	198,957	216,568
Short-term borrowings	89,828	80,994
Commercial papers	40,000	55,000
Current portion of bonds	-	20,000
Lease obligations	14	14
Accounts payable, trade	7,619	4,930
Accrued expenses	9,648	8,540
Accrued income taxes	8,826	8,312
Advances received	23,051	16,174
Deposits received	13,820	15,610
Provision for bonuses	280	278
Provision for loss on guarantees	30	-
Provision for environmental measures	26	1
Provision for loss on liquidation of subsidiaries and affiliates	-	131
Deposits received under Real Estate Specified Joint Enterprise Act	4,500	5,083
Other current liabilities	1,312	1,497
Long-term liabilities	869,071	847,442
Bonds	255,000	205,000
Long-term borrowings	452,824	486,034
Lease obligations	39	52
Deferred income taxes	14,677	14,951
Deferred income taxes on land revaluation	23,663	23,666
Accrued severance indemnities	8,286	8,018
Provision for board benefit trust	190	139
Provision for loss on guarantees	2,228	-
Provision for environmental measures	-	26
Guarantee deposits received	74,107	75,162
Deposits received under Real Estate Specified Joint Enterprise Act	19,076	15,800
Asset retirement obligations	2,333	1,621
Other long-term liabilities	16,642	16,969
Total Liabilities	1,068,029	1,064,011
Net Assets		
Shareholders' equity	325,381	310,069
Capital stock	92,451	92,451
Capital surplus	63,729	63,729
Legal capital reserve	63,729	63,729
Other capital surplus	0	-
Retained earnings	169,644	154,112
Other retained earnings	169,644	154,112
(Reserve for reduction entry of property replacement)	5,817	5,833
(Reserve for open innovation promotion)	75	-
(Retained earnings brought forward)	163,751	148,278
Treasury stock	(443)	(223)
Valuation and translation adjustments	81,574	82,248
Valuation difference on available-for-sale securities	46,614	47,282
Revaluation reserve for land	34,959	34,965
Total Net Assets	406,956	392,317
Total Liabilities and Net Assets	1,474,985	1,456,329

Note: Figures less than a million are rounded down.

Non-Consolidated Statement of Income

(Millions of yen)

Item	From January 1, 2021 to December 31, 2021	From January 1, 2020 to December 31, 2020
Revenue from operations	219,005	210,283
Revenue from building business	117,376	106,181
Revenue from residential business	100,194	80,723
Revenue from other businesses	1,434	23,378
Cost of revenue	151,107	148,929
Cost of building business	77,210	70,571
Cost of residential business	72,742	62,546
Cost of other businesses	1,154	15,811
Gross profit	67,897	61,353
Selling, general and administrative expenses	21,113	21,513
Operating income	46,784	39,840
Non-operating income	8,037	8,617
Interest and dividend income	7,115	6,119
Reversal of allowance for doubtful accounts	-	898
Other non-operating income	921	1,600
Non-operating expenses	7,370	6,763
Interest expenses	5,868	5,717
Borrowing fee	757	721
Bond issuance cost	443	197
Dividends paid under Real Estate Specified Joint Enterprise Act	75	116
Provision for loss on guarantees	30	-
Other non-operating expenses	194	10
Ordinary income	47,450	41,694
Extraordinary income	10,931	3,579
Gain on sales of fixed assets	2	438
Gain on sale of investment securities	8,729	1,911
Gain on sales of shares of subsidiaries and affiliates	-	32
Gain on sale of investments in capital of subsidiaries and associates	1,816	-
Gain on liquidation of subsidiaries and affiliates	383	7
Reversal of provision for loss on business of subsidiaries and affiliates	-	988
Reversal of provision for loss on liquidation of subsidiaries and affiliates	-	37
Compensation income	-	165
Extraordinary loss	16,239	4,265
Loss on sales of fixed assets	0	23
Loss on disposal of fixed assets	95	64
Impairment loss	29	634
Loss on sales of investment securities	2	128
Loss on liquidation of subsidiaries and affiliates	0	-
Loss on valuation of investment securities	110	2,013
Loss on valuation of shares of subsidiaries and affiliates	13,757	424
Provision for loss on guarantees	2,228	-

Loss on redemption of bonds	-	814
Loss on COVID-19 outbreak	15	162
Income before income taxes	42,142	41,008
Current income taxes	16,511	13,574
Deferred income taxes	66	(2,591)
Net income	25,564	30,025

Note: Figures less than a million are rounded down.

Non-Consolidated Statement of Changes in Shareholders' Equity
(From January 1, 2021 to December 31, 2021)

(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	
Balance at beginning of the current term	92,451	63,729	-	63,729	5,833	-	148,278	154,112
Changes in items during the term								
Dividends from surplus							(10,038)	(10,038)
Net income							25,564	25,564
Reversal of revaluation reserve for land							6	6
Reversal of reserve for reduction entry of property replacement					(15)		15	-
Provision of reserve for open innovation promotion						75	(75)	-
Acquisition of treasury stock								
Disposal of treasury stock			0	0				
Net amount of changes in items other than shareholders' equity								
Total amount of changes during the term	-	-	0	0	(15)	75	15,472	15,532
Balance at end of the current term	92,451	63,729	0	63,729	5,817	75	163,751	169,644

	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	
Balance at beginning of the current term	(223)	310,069	47,282	34,965	82,248	392,317
Changes in items during the term						
Dividends from surplus		(10,038)				(10,038)
Net income		25,564				25,564
Reversal of revaluation reserve for land		6				6
Reversal of reserve for reduction entry of property replacement		-				-
Provision of reserve for open innovation promotion		-				-
Acquisition of treasury stock	(234)	(234)				(234)
Disposal of treasury stock	15	15				15
Net amount of changes in items other than shareholders' equity			(667)	(6)	(673)	(673)
Total amount of changes during the term	(219)	15,312	(667)	(6)	(673)	14,638
Balance at end of the current term	(443)	325,381	46,614	34,959	81,574	406,956

Note: Figures less than a million are rounded down.

(From January 1, 2020 to December 31, 2020)

(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	Retained earnings brought forward	
Balance at beginning of the current term	92,451	63,729	0	63,729	5,849	137,780	143,629
Changes in items during the term							
Dividends from surplus						(9,202)	(9,202)
Net income						30,025	30,025
Reversal of revaluation reserve for land						(331)	(331)
Reversal of reserve for reduction entry of property replacement					(15)	15	-
Acquisition of treasury stock							
Disposal of treasury stock			(0)	(0)			
Cancellation of treasury stock			(10,008)	(10,008)			
Transfer from retained earnings to capital surplus			10,008	10,008		(10,008)	(10,008)
Net amount of changes in items other than shareholders' equity							
Total amount of changes during the term	-	-	(0)	(0)	(15)	10,498	10,483
Balance at end of the current term	92,451	63,729	-	63,729	5,833	148,278	154,112

	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	
Balance at beginning of the current term	(10,236)	289,573	58,729	31,022	89,751	379,325
Changes in items during the term						
Dividends from surplus		(9,202)				(9,202)
Net income		30,025				30,025
Reversal of revaluation reserve for land		(331)				(331)
Reversal of reserve for reduction entry of property replacement		-				-
Acquisition of treasury stock	(2)	(2)				(2)
Disposal of treasury stock	6	6				6
Cancellation of treasury stock	10,008	-				-
Transfer from retained earnings to capital surplus		-				-
Net amount of changes in items other than shareholders' equity			(11,446)	3,942	(7,503)	(7,503)
Total amount of changes during the term	10,013	20,496	(11,446)	3,942	(7,503)	12,992
Balance at end of the current term	(223)	310,069	47,282	34,965	82,248	392,317

Note: Figures less than a million are rounded down.