

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall prevail.

Tokyu Fudosan Holdings Group

Corporate Governance Guidelines

(Established on December 25, 2018)

(Revised on November 25, 2021)

CHAPTER 1 BASIC VIEWS ON CORPORATE GOVERNANCE

Article 1 (Purpose)

The purpose of these Guidelines is to serve as guidelines for realization of an optimum corporate governance system, based on society and global management environment, by Tokyu Fudosan Holdings Corporation (the “Company”) and its group companies (collectively the “Group”).

Article 2 (Basic Views on Corporate Governance)

In order to fulfill its responsibility to its stakeholders including shareholders/investors, customers, Group employees, business partners and local communities surrounding Tokyu Fudosan Holdings Group (the “Group”) and future society, the Company strives to ensure its sustainable growth and increase corporate value over the medium and long term by engaging in social issues through its business. To that end, the Company will work to ensure soundness and transparency of management and build a corporate governance system that contributes to expediting decision making.

CHAPTER 2 RELATIONSHIPS WITH STAKEHOLDERS

Article 3 (Disclosure of Information)

The Company shall take active steps for fair, timely and accurate disclosure of information to shareholders and investors, and formulate and publicly announce its IR Policy as guidelines for such disclosure.

2 The Company shall work on timely and appropriate disclosure of information concerning the management strategies, financial information, status of performance, etc. of the Group, while observing relevant laws and regulations, regulations of stock exchanges and so forth.

3 The Company shall engage in constructive dialogue with shareholders and investors in order to contribute to the sustainable growth of the Group and the increase of corporate value over the medium and long term.

Article 4 (Rights of Shareholders)

The Company shall give due regard to exercise of rights by shareholders and strive to establish an environment that contributes to such exercise.

Article 5 (General Meeting of Shareholders)

The General Meeting of Shareholders shall be the highest decision-making body comprised of shareholders. The Company shall make efforts to operate the General Meeting of Shareholders in order to properly reflect intentions of shareholders.

2 The Company shall pay regard to appropriate setting of the schedule related to the General Meeting of Shareholders in order to enhance constructive dialogue with shareholders based on accurate provision of information.

3 The Company shall strive to give sufficient explanations to and engage in dialogue with shareholders at the General Meeting of Shareholders to create a relationship of mutual trust with them.

4 In order to provide information that is considered to contribute to proper exercise of voting rights at the General Meeting of Shareholders, the Company shall strive to allow sufficient time to consider details of such information by sending the notice of convocation, etc. at an early stage, posting relevant information on the website, and other methods.

5 The Company shall establish an environment in which all shareholders, including those not attending the General Meeting of Shareholders, can properly exercise their voting rights such as by translating the notice of convocation (proposals) into English and making electronic exercise of voting rights available.

Article 6 (Management Plan)

The Company shall formulate and publicly announce management plans at proper timing in order to work on sustainable growth and increase of corporate value over the medium and long term.

2 A new management plan shall be formulated after fully verifying the achievement status of the previous plan, and the summary of the results of the verification shall be publicly announced along with the new management plan.

Article 7 (Capital Policies)

The Company's basic policy on capital policies is to aim for sustainable increase of its shareholder value and maintain a sufficient level of shareholders' equity necessary to infallibly secure sources for stable growth of the earnings foundation and further growth.

2 In a case where a capital policy that will have a material impact on benefit of shareholders will be carried out, the Company shall fully verify necessity and rationality of the policy at meetings of the Board of Directors, give full explanations to shareholders and so forth pursuant to laws and regulations and the regulations, etc. of stock exchanges, and follow procedures legally and properly.

3 With regard to distribution of profits, the Company shall strive to return profits to shareholders stably and continuously upon comprehensively taking into consideration earnings performance, future management environment, and capital demand, etc., including that for medium- and long-term development.

Article 8 (Policy Regarding Shares as Cross-Shareholdings)

The Company shall hold cross-shareholdings in cases where it judges that they will contribute to maintaining and increasing the Group's corporate value from a perspective of importance to the medium- and long-term business strategy, reinforcement of stable relationships with business partners, and maintaining a stable fund procurement environment.

2 When holding cross-shareholdings, in addition to verifying the appropriateness of each individual cross-shareholding in light of the purpose of said holding, the Company shall regularly conduct quantitative verification of matters such as the benefits, risks and capital cost of the holding, and report the results to the Board of Directors. Stocks whose holding is deemed to have little meaning or effect shall be sold as appropriate, giving due regard to share prices, market trends, and other information for consideration.

3 The Company shall exercise its voting rights related to cross-held shares on all proposals for voting after individually judging factors such as whether the proposal will contribute to increasing the Group's shareholder value, and whether it is appropriate in light of the purpose of shareholding of the Company.

Article 9 (Prevention of Transactions against Interests of Shareholders)

All transactions with related parties, including officers and major shareholders, shall be carried out after the required decision has been made through a process of deliberation from specialist perspectives such as finance, accounting, taxation, and law, following the Company's internal regulations in accordance with the scale and importance of the transaction.

2 Transactions with a conflict of interest for Directors must be approved by the Board of Directors based on laws and regulations, and the Board of Directors Regulations. However, cases where the transaction is an ordinary transaction as a general consumer, including purchasing over-the-counter goods, where the interests of the Company or the common interests of its shareholders are not harmed, shall be excluded.

Article 10 (Appropriate Cooperation with Stakeholders)

Based on the belief that the sum total of the levels of satisfaction of all of its stakeholders will help increase corporate value, the Company shall strive to cooperate appropriately with its stakeholders to realize sustainable growth of the Group and increase corporate value.

2 The Company shall aim to realize a sustainable society together with its stakeholders by engaging in solving social issues through business based on the understanding that sustainable development of society will be a prerequisite to the growth of the Group.

Article 11 (Ensuring of Diversity)

The Company shall recognize that enabling every employee to show his/her ability to the utmost extent is indispensable to sustainable growth of the Group, and strive to establish an environment in which it will make the most of and accept diversity of personnel.

CHAPTER 3 CORPORATE GOVERNANCE SYSTEM

Chapter 12 (Code of Conduct)

The Company shall establish the Tokyu Fudosan Holdings Group Code of Conduct to promote observance of laws and regulations, and so forth, and appropriate corporate activities. The Company shall require all officers and employees of the Group to understand the Code and act in accordance with it.

Article 13 (Business Execution and Audit System)

The Company shall adopt the corporate auditor system as its corporate governance system, under which Audit & Supervisory Board Members and the Audit & Supervisory Board shall audit the performance of duties of the Directors and Managing Officers.

2 To clarify decision-making/supervisory functions and business execution function of management, the Company shall introduce the Managing Officer System besides such essential functions as the General Meeting of Shareholders, the Board of Directors and the Audit & Supervisory Board, and enhance corporate governance function by having Directors conduct decision-making on management and perform supervisory function of business executions, while Managing Officers perform the function of business executions.

Article 14 (Roles of Directors and the Board of Directors)

The Company shall position the Board of Directors as the second-highest management decision-making body after the General Meeting of Shareholders. The Board of Directors shall make best decisions on important matters related to the Group's management, such as the management policies, business plans, and large-scale investment plans, in compliance with the provisions of laws and regulations, the Articles of Incorporation, the Board of Directors Regulations and the Duty Authority Regulations, to ensure management fairness and transparency.

2 Authority for execution of business and decisions on such execution for matters other than the important matters listed in the preceding paragraph shall be delegated to Group Executive Committee and other subordinate meeting bodies, and officers and so forth in charge of the business operations, while the Board of Directors shall monitor the status of performance of duties of the meeting bodies and officers and so forth.

3 The Board of Directors shall supervise business execution of Managing Officers by making them report on the status of performance of their duties at the Board of Directors.

4 In the event of any fraudulent or unjust behavior by the senior management, such as violating the details stipulated in the officers' regulations, or in the event that it is deemed that the person's qualifications as senior management are markedly lacking, the Board of Directors shall deliberate and decide the necessary actions after consulting with the Nomination and Remuneration Committee.

5 Directors shall strive to gain the confidence of stakeholders by observing relevant laws and regulations, the Articles of Incorporation and other rules, doing their best to accomplish their responsibilities, making efforts for sustainable growth of the Group and increase of corporate value, and establishing a corporate governance system that lives up to social trust and expectations.

Article 15 (Composition of the Board of Directors)

The Board of Directors shall ensure balance and diversity in knowledge, experience and capabilities of the Board of Directors as a whole by taking into consideration the balance among personnel capable of displaying strength in management of each field, personnel suitable for management control, etc. in extensive business

domains of the Group.

2 Appointment of senior management team members and nomination of candidates for Director shall be decided every year by meetings of the Board of Directors after consulting with the Nomination and Remuneration Committee chaired by an independent Outside Director.

Article 16 (Chairperson of the Board of Directors)

The Chairperson of the Board of Directors shall work to improve the effectiveness of the Board of Directors by giving consideration to provision of appropriate information to each Director and ensuring of sufficient deliberation time and strive to enhance discussions.

Article 17 (Advance Distribution of Proposals of the Board of Directors)

Proposals of the Board of Directors shall be distributed to Directors and Audit & Supervisory Board Members prior to a meeting of the Board of Directors to realize productive discussions at the Board of Directors. However, this shall not apply to particularly urgent or highly confidential proposals.

2 To maintain confidentiality of discussions at and materials of the Board of Directors, Directors and Audit & Supervisory Board Members shall pay due attention to handling of the said information.

Article 18 (Roles of Independent Outside Directors)

For the Company's corporate governance, independent Outside Directors shall have rich experience in management and a high level of discernment and character and related matters, as well as understanding the Group's wide-ranging business domain and the value they create. They shall provide advice from a broad, high-level perspective, while appropriately supervising executives from a position that is independent from them.

2 Independent Standards for independent Outside Directors shall be as described below.

《Independence Standards》

The Company shall deem Outside Directors to be independent when, in addition to meeting the independence standards for independent officers stipulated by the Tokyo Stock Exchange, none of the following have applied for any of the previous three fiscal years.

- (1) An executive of a business partner to which the Company's net sales account for 2% or more of the Company's consolidated net sales
- (2) An executive of a business partner whose net sales to the Company account for 2% or more of the business partner's net sales
- (3) An executive of a lender from which the Company borrows funds that account for 2% or more of the Company's consolidated total assets
- (4) An executive of a major shareholder or investor of the Company with an investment ratio of 10% or more
- (5) A consultant, accounting professional, or legal professional who receives remuneration of more than ¥10 million a year from the Company besides officer remuneration
- (6) A spouse or relative within two degrees of kinship of the Director, etc. of the Company or a consolidated subsidiary

Article 19 (Head Independent Outside Director)

The Company shall nominate one head independent Outside Director at the Board of Directors in order to strengthen cooperation between independent Outside Directors and the business execution division, Audit and Supervisory Board Members, etc. and to make discussions at the Board of Directors, etc. active and effective.

Article 20 (Advisory Committee)

The Company shall establish the Nomination and Remuneration Committee as an advisory organ to the Board of Directors to further enhance fairness and transparency of “matters related to the nomination of candidates for Director and the appointment of Managing Officers, etc.” and “matters related to the remuneration for Directors, etc.”

2 The Chairperson of the Nomination and Remuneration Committee shall be nominated from among independent Outside Directors by resolution of the Board of Directors and the majority of the committee members shall be independent Outside Directors.

Article 21 (Nomination of Candidates for Directors and Appointment of Senior Management)

In selecting candidates for Directors, the Board of Directors shall presuppose that the candidates have appropriate character and knowledge for a Director, as well as no health issues that would impede them from executing their duties. The Company shall also give consideration to the overall balance of the Board of Directors in order for it to be a structure that ensures diversity, including in terms of gender and internationality.

2 As candidates for Directors from within the Company, personnel who have insight and judgment ability with a view to achieving the management indicators and other objectives in the medium- and long-term management plan shall be nominated.

3 As candidates for Outside Directors, personnel who have rich experience in their respective fields, including management, legal affairs, financial affairs and accounting, while having sensible and objective viewpoints, and are capable of proposing and discussing issues concerning growth strategies and enhancement of corporate governance from an independent point of view shall be nominated.

4 Appointment of senior management team members and nomination of candidates for Director shall be decided every year by meetings of the Board of Directors after consulting with the Nomination and Remuneration Committee.

Article 22 (Policies in Determining the Remuneration of Directors)

The remuneration of Directors shall be determined by the procedures described below.

2 The monetary remuneration of executive Directors (excluding Outside Directors and non-executive Directors) shall be paid by monthly remuneration in compensation for daily business execution and performance-linked remuneration based on the performance, achievement level of management plans, etc., within the amount resolved at the General Meeting of Shareholders.

3 The monetary remuneration of Outside Directors and non-executive Directors shall be paid by monthly remuneration in compensation for daily business execution within the amount resolved at the General Meeting of Shareholders, while no performance-linked remuneration shall be paid.

4 In addition to monetary remuneration, a stock-based compensation system shall be implemented for

executive Directors (excluding Outside Directors and non-executive Directors) and Managing Officers with whom the Company has concluded mandate contracts (Managing Officers designated by the Company's Board of Directors) in order to make clearer the link between Director remuneration and stock price and have Directors share profits and risks from stock price fluctuations with shareholders.

5 Payment of remuneration for Directors shall be decided in accordance with procedures based on the Policy Regarding the Determination of Remuneration, etc. for Directors established by the Board of Directors following deliberation by the Nomination and Remuneration Committee, within the amount resolved at the General Meeting of Shareholders.

Article 23 (Evaluation of the Effectiveness of the Board of Directors)

The evaluation of the effectiveness of the Board of Directors shall be conducted every year, and the appraisals and opinions regarding the effectiveness of individual Directors and Audit & Supervisory Board Members shall be reported and shared at meetings of the Board of Directors. Regarding matters where changes are needed to further improve effectiveness, continuous verification of remedial progress shall be undertaken within the annual appraisal of effectiveness.

Article 24 (Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members)

Outside Directors and/or Outside Audit & Supervisory Board Members shall be given clear explanations of management strategy and business activities upon assuming their positions in order to promote their understanding of the Group. Moreover, the Office of Corporate Auditors, which is an organization independent from the business executives, shall provide support to the Outside Audit & Supervisory Board Members to help them smoothly fulfill their auditing duties. And, in addition to being given appropriate information from the Board of Directors Administrative Bureau and other departments, the Outside Directors shall be given information as the situation dictates.

Article 25 (Holding of Additional Posts by Directors and/or Audit & Supervisory Board Members)

In a case where Directors and Audit & Supervisory Board Members concurrently serve as officers, etc. of other listed companies, the number of additional posts shall be kept within a reasonable scope so that they shall properly fulfill their roles and responsibilities.

Articles 26 (Roles of Audit & Supervisory Board Members)

Audit & Supervisory Board Members shall audit the performance of duties of the Directors from an independent standpoint entrusted by the shareholders, pursuant to relevant laws and regulations, the Articles of Incorporation, the Audit & Supervisory Board Regulations and other regulations; strive to realize sustainable growth of the Group and increase corporate value; establish a corporate governance system that lives up to social trust and expectations; and make efforts to obtain trust of stakeholders.

2 Audit & Supervisory Board Members shall collect sufficient information to perform their duties, and ask for explanations on proposals and proactively express their opinions at the meetings of the Board of Directors.

Article 27 (Composition of the Audit & Supervisory Board)

The Audit & Supervisory Board shall be comprised of Audit & Supervisory Board Members and determine audit policy in accordance with laws and regulations, the Articles of Incorporation, the Audit & Supervisory Board Regulation and so forth. It shall also form an audit opinion based on reports from each Audit & Supervisory Board Member.

2 The ratio of Outside Audit & Supervisory Board Members to the total number of Audit & Supervisory Board Members is one half or more.

Article 28 (Policies on Training of Directors and Audit & Supervisory Board Members)

To promote understanding about roles and responsibilities required of Directors and Audit & Supervisory Board Members, opportunities of external training, seminars, etc. for corporate managers shall be provided for corporate managers to enable them to acquire necessary knowledge on business, finances, organization, compliance, and other matters as well as necessary knowledge related to education that they should receive as Directors and Audit & Supervisory Board Members.

Article 29 (Whistleblowing System)

The Group shall establish a Compliance Helpline Counter (a whistleblowing system) to prevent and rectify the violation and so forth of laws and regulations. The Company shall also establish a helpline counter that connects to external attorneys at law (external whistleblowing system) in addition to the internal direct helpline counter. Under this whistleblowing system, the content of the information reported to the whistleblowing systems is not only reported to the corresponding department inside the Company, but also, to enable judgment independent from the management, it shall also be reported to the full-time Audit & Supervisory Board Members.

2 The Company shall not give disadvantageous treatment to a whistleblower for the reason of whistleblowing to make the whistleblowing system properly function.

Article 30 (Accounting Auditor)

The Accounting Auditor shall be tasked to ensure credibility of financial reports and shall play an important role in realizing the best corporate governance.

2 The Accounting Auditor's independence from the Company must be ensured.

3 The Accounting Auditor must operate business systematically for quality control of its audit.

(Supplementary Provisions)

1. Revisions to and/or abolition of any provision in these Guidelines shall be resolved by the Board of Directors.
2. These Guidelines shall take effect on December 25, 2018.