

Established as of March 10, 2016

Corporate Governance Guidelines

MUGEN ESTATE Co., Ltd.

Preamble

The Company's vision is "helping create a society that will inspire dreams through the real estate business", and the Company's mission is "helping customers make their dreams come true and growing with customers." The mission of the Company's Board of Directors is to achieve this vision and sustainable business growth.

The Corporate Governance Guidelines are hereby established and announced to put this into practice and fulfill accountabilities to shareholders.

Chapter 1: General Provisions

Article 1: Basic Concept of Corporate Governance

1. The Company has adopted the following three corporate philosophies to achieve the concept of turning dreams into reality and pursuing ideals, namely "MUGEN," which is the basis of the management concept and the origin of the Company's name, and to ensure the sustainable enhancement of corporate value:
 - We will help society to achieve prosperity and will continue to grow.
 - We will ensure compliance in our management.
 - We will strive to enhance stakeholders' satisfaction.

2. With the awareness that the most important measures for achieving these corporate philosophies are securing management transparency and soundness and strengthening the management functions in order to respond promptly and appropriately to environmental changes, and that the most important issue is the establishment of corporate governance, the Company will (1) strengthen the supervision and checking of those who are responsible for business execution, (2) secure transparency through information disclosure and (3) promote the establishment of the management system for business execution.

Chapter 2: Securing Shareholders' Rights and Equality

Article 2: General Meeting of Shareholders

The Company will endeavor to dispatch the notice of convocation early so that the shareholders have a sufficient amount of time to consider the proposals made to the general meeting of shareholders and adequately exercise their voting rights. In addition, the Company will diligently seek to disclose the information as soon as possible by publishing the notice of convocation on its homepage.

Article 3: Electronic Exercise of Voting Rights

The Company does not have an environment in which voting rights may be exercised electronically. In future, the Company will consider securing such an environment by referring to the opinions and requests of shareholders and investors and considering increasing equity such as the ratio of foreign shareholders, among other factors.

Article 4: Securing Equality Among Shareholders

The Company shall treat all shareholders equally in proportion to their ratio of equity interests and carry out timely and appropriate information disclosure in such a way as to ensure that no information gaps are created among the shareholders.

Chapter 3: Consideration of Interests of Stakeholders

Article 5: Ethical Standards and Conflicts of Interest/Related Party Transactions

1. The Company shall require the Board of Directors to separately establish and adequately apply the rules for ethical compliance to ensure that the directors and employees, among other workers, shall act ethically at all times.
2. The directors shall promptly report any issues relating to conflicts of interest (including possible ones) involving themselves to the Board of Directors and obtain the approval of the Board of Directors.
3. In related party transactions, the Company shall obtain the approval of the Board of Directors in advance so as not to impair the interests of the Company and the shareholders or cause any concern that such impairment may occur.
4. The Board of Directors shall conduct an investigation into the related party transactions involving directors, audit & supervisory board members and their relatives at the time of their

assumption of office and at the end of each fiscal year and report the important facts, if any, to the Board of Directors.

Article 6: Relations with Stakeholders

1. The Board of Directors shall consider not only the interests of the Company's shareholders but also those of its employees, customers, clients, creditors, local communities and other stakeholders to enhance its corporate value in the long term.
2. The Company will ensure that all employees and quasi-employees, etc. (which shall mean contract employees, temporary employees and part-time workers) may express any concerns regarding illegal or unethical practices at the Company to the audit & supervisory board members, the head of the audit department, the head of the general affairs department, the corporate attorneys and other departments approved by the Company, and stipulate this system in the rules on whistle-blowing.

Chapter 4: Appropriate Information Disclosure and Securing of Transparency

Article 7: Disclosure of the Company's Policy for Risk Management, Internal Control System, etc.

1. The Board of Directors shall determine and make the timely and appropriate disclosure of the Company's policy on risk management and the internal control system and compliance with laws and regulations, among other matters, of the Company and its corporate group according to the Companies Act and any other applicable laws and regulations.
2. The Board of Directors shall disclose financial and business information in detail using a fair and simple method according to the Companies Act and the Financial Instruments and Exchange Act and the rules of the financial instruments exchanges.

Chapter 5: Roles and Responsibilities of the Board of Directors, etc.

Section 1: Responsibility of the Board of Directors as the supervising body

Article 8: Roles of the Board of Directors

1. The Board of Directors shall undertake efficient and effective corporate governance for all shareholders who seek to increase their own interests through the maximization of corporate value in the long term upon entrustment from the shareholders, and shall be responsible for the

sustainable growth and maximization of the corporate value of the Company in the long term by doing so.

2. To fulfill the responsibility described in the preceding Paragraph, the Board of Directors shall carry out a supervisory function of the general management and secure the fairness and transparency of business management as well as making the best decisions for the benefit of the Company through the appointment and evaluation of the chairman, president and other management and the determination of the remuneration payable to them, the assessment of material risks faced by the Company and the development of measures against such risks, and decisions on the execution of important business of the Company, among other aspects.

Article 9: Roles of Independent Outside Directors

The independent outside directors of the Company shall undertake verification to ensure that the business plans determined by the Board of Directors lead to management performance from time to time. One of their major roles is to make an appropriate judgment as to whether the management of the Company is left to the current management and express opinions from the perspective of the common interests of all the shareholders.

Section 2: Effectiveness of the Board of Directors

Article 10: Composition of the Board of Directors

1. The number of members of the Board of Directors of the Company shall be seven (7) or fewer as specified in the Articles of Incorporation. Basically, these members shall comprise the necessary and appropriate number to ensure an effective management system and substantial discussions at the meetings of the Board of Directors.
2. The standards for the independence of the outside officers shall be specified separately.

Article 11: Qualifications and Procedures for Election of Directors

1. Each director of the Company must have an excellent personality, discernment, ability and extensive experience.
2. In nominating the candidates for directors, the Company will select from among a wide range of human resources to ensure the diverse composition of the Board of Directors and, through fair, transparent and rigorous examinations and recommendations, have the Board of Directors determine the candidates and refer them to the general meeting of shareholders.

Article 12: Qualifications and Procedures for Election of Audit & Supervisory Board Members

1. Each audit & supervisory board member of the Company must have excellent character, discernment, ability and extensive experience.
2. The audit & supervisory board members must have the ability to fully recognize the roles of the audit & supervisory board members, conduct an audit of the state of business execution by the directors from a neutral and objective perspective and contribute to improving management soundness and transparency.
3. In nominating the candidates for audit & supervisory board members, the Company will select from among a wide variety of human resources to ensure the diverse composition of the Audit & Supervisory Board and, through fair, transparent and rigorous examinations and recommendations, have the Board of Directors determine the candidates with consent of the Audit & Supervisory Board and refer them to the general meeting of shareholders.

Article 13: Roles and Responsibilities of Directors

1. The directors shall seek to practice the corporate philosophies at all times and exercise the abilities expected of them and perform their duties as directors.
2. The directors shall collect sufficient information to perform their duties and actively make statements and hold constructive discussions at the meeting of the Board of Directors based on their respective values, moral values and experience.
3. The directors must understand the relevant laws and regulations, the Articles of Incorporation, the rules for the Board of Directors and other internal rules and fully comprehend their duties upon assuming the office.

Article 14: Diligent Study and Training of Directors and Audit & Supervisory Board Members

1. The directors and audit & supervisory board members of the Company shall actively collect information on the economic situation, industry trends, compliance, corporate governance and financial accounting and other matters and devote themselves to their studies to fulfill their roles and functions.
2. The directors and audit & supervisory board members of the Company who are newly elected shall be provided with an explanation of the management strategies, financial position and other important matters of the Company by the department or officer in charge at the appropriate time to form a full understanding thereof to fulfill their roles and functions.

Chapter 6: Dialogue with Shareholders

Article 15: Dialogue with Shareholders

1. The Company will periodically hold corporate briefing sessions for individual investors and analysts/institutional investors to hold dialogue through opportunities under the leadership of the management, thereby emphasizing constructive dialogue with the shareholders.
2. The Company will make efforts to disclose information in a timely manner via its homepage to promote understanding of the actual business situation of the Company among the shareholders and investors.
3. The Company will endeavor to gain an understanding of the management policy through constructive dialogue and listen to the opinions of the shareholders, etc. and absorb and reflect the management analyses and opinions from the perspective of the capital contributors, etc. toward the sustainable growth and improvement of the corporate value of the Company's group in the medium term.
4. In dialogue, the Company will ensure the comprehensive management of insider information that is not announced according to the internal rules.
5. The Company will endeavor to make timely and appropriate disclosures under the leadership of the department in charge of IR in cooperation with the relevant departments to ensure reasonable and smooth dialogue with the shareholders.