[Translation for Reference and Convenience Purposes Only]

Mitsubishi Estate Company, Limited

CORPORATE GOVERNANCE

Please note that the following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of Mitsubishi Estate Co., Ltd., which is reported to the Tokyo Stock Exchange. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Latest Revision:	July 11th, 2019
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An Overview of Corporate Governance at Mitsubishi Estate Co., Ltd. (the "Company") is Described Below.

I Basic Policy Regarding Corporate Governance, and Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy

The Company shall aim to realize enhancement of its genuine corporate value through a harmonious balance between corporate growth and the interests of our various stakeholders by following its brand slogan "A Love for People. A Love for the City," based on its basic mission of "contributing to society through urban development." The Company shall position the development and promotion of the corporate governance system as one of the most important management issues in realizing this goal.

In developing and promoting the corporate government system, to bring about greater clarity of roles and a strengthening of functions in both the supervision of the management and the execution of business while also fulfilling accountability to our shareholders and other stakeholders, the basic policy shall work to ensure the transparency and objectivity of management.

Moreover, the Company has established and published on its website the "Mitsubishi Estate Co., Ltd. Corporate Governance Guidelines" (hereinafter the "Company's Guidelines") as provided in Attached sheet 1 attached at the end of this corporate governance report. They aim to set forth the basic policy and framework for the Company's corporate governance, and serve as guidelines for the development and promotion of the corporate governance system, which contributes to the realization of the Group's basic mission and the enhancement of its corporate value on a medium- to long-term basis.

http://www.mec.co.jp/j/investor/governance/materials/index.html

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with every principle of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] [updated]

*** Principle 1.3 Basic Strategy for Capital Policy**

Please refer to Article 19 (Basic Strategy for Capital Policy) of the Company's Guidelines.

With regard to dividends for the fiscal 2019, the Company plans to reach a decision in line with its target of a consolidated dividend payout ratio of around 30%. Furthermore, in order to enhance capital efficiency and shareholder returns, at the Board of Directors meeting held on May 14, 2019, a resolution was passed to purchase treasury stock at a total cost of no more than ¥100.0 billion and acquire up to 65,000,000 shares through the market purchase of the Company's common stock available on the Tokyo Stock Exchange during the period from May 15, 2019 to March 31, 2020.

*** Principle 1.4 Cross-Shareholdings (Policy Regarding Cross-Shareholdings)**

Please refer to Article 20 (Cross-Shareholdings), paragraph 1 and 2 of the Company's Guidelines.

Note that in regard to listed shares that the Company holds as cross-shareholdings, it verifies the significance of holding the shares from the perspective of whether it facilitates the smooth progress of the

Group's business activities by looking at the history of the Company's acquisition of such shares, the track record of business transactions, the status of cooperative partnerships, dividend performance, and other factors. The Company then reports to its Board of Directors, at least as frequently as once a year, the details of such findings, the reductions in cross-shareholdings and the reduction guidelines that the Company follows regarding future cross-shareholding reduction, and, where necessary, proceeds with the sale of such shares.

In a four-year period between fiscal 2015 and fiscal 2018, the Company has sold shares held as cross-shareholdings worth about ¥31.5 billion.

*** Principle 1.4 Cross-Shareholdings (Standards for Exercising Voting Rights on Cross-Shareholdings)**

Please refer to Article 20 (Cross-Shareholdings), paragraph 3 of the Company's Guidelines.

*** Principle 1.7 Related Party Transactions**

Please refer to Article 21 (Related Party Transactions) of the Company's Guidelines.

*** Principle 2.6 Roles of Corporate Pension Funds as Asset Owners**

The Company, in working to realize the stable formation of assets for employees and fulfill the role expected of it as an asset owner, has formulated the "Basic Guidelines on Pension Asset Management," which set forth the guidelines related to the asset management committee, asset portfolio composition, and the selection and evaluation of asset managers of corporate pension funds etc., and is going about managing assets in line with the aforementioned guidelines.

*** Principle 3.1 Full Disclosure**

i) Company objectives (e.g., business principles), business strategies and business plans;

(1) Business Principles

In "The Mission of the Mitsubishi Estate Group," the Company defines its mission as follows: "By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to the creation of a truly meaningful society." Furthermore, to realize this mission, the Company defines "The Mitsubishi Estate Group Code of Corporate Conduct" and "Mitsubishi Estate Group Guidelines for Conduct," which are publicized on the Company's website.

http://www.mec.co.jp/e/company/charter/index.html

(2) Business Strategies and Business Plans

In fiscal 2017, the Company formulated a new medium-term management plan, which is publicized on the Company's website.

http://www.mec.co.jp/e/investor/plan/index.html

ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;

The Company's basic views are described in "1. Basic Policy" of this corporate governance report and in the Article 2 (Basic Policy) of the Company's Guidelines.

Aiming to set forth the basic policy and framework for the Company's corporate governance, and serve as guidelines for the development and promotion of the corporate governance system, which contributes to the realization of the Group's basic mission and the enhancement of its corporate value on a medium- to long-term basis, the Company defines the Company's Guidelines, which are publicized on the Company's website.

iii) Board policies and procedures in determining the remuneration of the senior management and Directors;

Please refer to "* Board policies and procedures in determining the remuneration of the senior management and Directors" within "II 1. [Directors' and Corporate Executive Officers' Remuneration]" of this report.

iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of Directors candidates; and

Please refer to Article 12 (Process of Nominating the Candidates for Directors) and Article 14 (Process of Appointment and Dismissal of Corporate Executive Officers) of the Company's Guidelines.

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).

Career histories of individual Director candidates are contained in the Notice of Convocation of the General Meeting of Shareholders and securities report and the reasons for election of individual Director candidates are contained in the Notice of Convocation of the General Meeting of Shareholders and the Company's website.

http://www.mec.co.jp/e/investor/governance/overview/index.html

The reasons for appointment of individual Outside Director Candidates are contained in this corporate governance report under "[Directors] Relationship with the Company (2)."

Career histories of individual Corporate Executive Officers are stated in the securities report, and the reasons for appointment of individual Corporate Executive Officers are contained in the Company's website.
http://www.mec.co.jp/e/investor/governance/overview/index.html

*** Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors**

Please refer to Article 4 (Roles of the Board of Directors) of the Company's Guidelines.

*** Principle 4.8 Effective Use of Independent Directors**

The Company's policy regarding the composition of the Board of Directors is described in the Article 5 (Composition of the Board of Directors) of the Company's Guidelines. The policy regarding the independence of Outside Directors is described in the Article 12 (Process of Nominating the Candidates for Directors) of the Company's Guidelines.

The Company's Board of Directors comprises 15 Directors, seven (7) of whom are Outside Directors. Outside Director ratio is 46.6%.

*** Principle 4.9 Independence Standards and Qualification for Independent Directors**

Please refer to "* Independence Standards and Qualification for Independent Directors" within "II 1. [Independent Directors]" of this report.

*** Supplementary Principle 4.11.1 View on the Board of Directors Composition**

Please refer to Article 5 (Composition of the Board of Directors) of the Company's Guidelines.

Of the 15 current Directors, to ensure a diverse background, seven (7) Directors are Outside Directors, one of whom is a woman.

*** Supplementary Principle 4.11.2 Status on Concurrent Position of Directors**

The Company's policy regarding concurrent position of Directors is described in the Article 13 (Concurrent Position of Directors) of the Company's Guidelines.

The status on concurrent position, including as Outside Directors to listed companies, of the Company's Directors is indicated in the Notice of Convocation of the General Meeting of Shareholders and business report as Significant Positions Concurrently Held.
http://www.mec.co.jp/e/investor/stock/shareholder/index.html

*** Supplementary Principle 4.11.3 Summary of the Results of Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole**

The Company's policy regarding analysis and evaluation of the effectiveness of the Board of Directors is described in the Article 7 (Evaluation of the Board of Directors) of the Company's Guidelines.

The process and results of evaluation of the effectiveness of the Board of Directors conducted in fiscal 2018 are as follows.

i) Process of evaluation

(1) Method of evaluation

All Directors provided self-evaluation in the form of a response to a questionnaire relating to the composition, operation, effectiveness, etc. of the Board of Directors and each of the Nominating, Audit, and Remuneration Committees, and taking these results into consideration, they shared the issues with each other and examined proposed corrective measures at the Board of Directors meetings.

(2) Items of evaluation

- Composition of the Board of Directors (proportion of Outside Directors, size in numbers, diversity)
- Operation of the Board of Directors (frequency, required time, selection of agenda, content of handout materials, information other than handouts provided, questions and answers, training, etc.)
- Effectiveness of the Board of Directors (management plan, delegation of authority to Corporate Executive Officers, risk management systems, dialogue with shareholders and investors, appointment and dismissal of key management personnel, successor training plan, remuneration paid to Officers, composition, operation, cooperation of each of the Nominating, Audit, and Remuneration Committees, etc.)
- Others (method of the evaluation of the effectiveness of the Board of Directors, etc.)

ii) Results of evaluation and future initiatives

(1) Main items improved since the previous evaluation

As a result of examination and discussion at the Board of Directors meetings, one point was identified.

- Measures to enhance discussions at the Board of Directors had been carried out. These measures included a review of the selection of agenda items related to reporting the status of the performance of duties of Corporate Executive Officers, and of the content and frequency thereof.

(2) Main issues and future initiatives aimed at further improvements in effectiveness

As a result of examination and discussion at the Board of Directors meetings, two points were identified.

- To ensure a management plan that reflects the ideal shape and objectives of the Company from a long-term perspective is realized when formulating the next management plan to start from next fiscal year, steps are to be taken to not only ensure time for discussion at the Board of Directors and closely examine the details that need to be discussed, but also further enhance how the Outside Directors are provided with information on the current business status and the management issues of the Company.
- To further enhance discussions at the Board of Directors, steps are to be taken to continuously enable discussions not only at meetings of the Board of Directors but also presentation meetings of the Company's business, and meetings comprised mostly of Outside Directors at which opinions can be exchanged.

*** Supplementary Principle 4.14.2 Director Training**
Please refer to Article 17 (Training for Directors and Corporate Executive Officers) of the Company's Guidelines.

*** Principle 5.1 Policy for Constructive Dialogue with Shareholders**
Please refer to Article 18 (Dialogue with Shareholders and Investors) of the Company's Guidelines.

2. Capital Structure

Ratio of Shares Held by Foreigners	30% or more

[Major Shareholders] [updated]

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	109,963,600	7.92
Japan Trustee Services Bank, Ltd. (Trust Account)	67,146,100	4.83
Meiji Yasuda Life Insurance Company	46,882,570	3.37
JP MORGAN CHASE BANK 380055	45,357,719	3.26
Japan Trustee Services Bank, Ltd. (Trust Account 5)	27,138,000	1.95
SSTBC CLIENT OMNIBUS ACCOUNT	23,629,642	1.70
STATE STREET BANK WEST CLIENT - TREATY 505234	22,604,273	1.62
MUFG Bank, Ltd.	22,267,360	1.60
Japan Trustee Services Bank, Ltd. (Trust Account 7)	21,564,300	1.55
Tokio Marine & Nichido Fire Insurance Co., Ltd.	20,300,000	1.46

Controlling Shareholder (Excluding Parent Company)	―――
Parent Company	None

Supplementary Explanation

* The shareholding ratio is calculated after deducting the shares of treasury stock from the issued shares of the Company.

*** Substantial Shareholding Reports**
On April 6, 2018, Mitsubishi UFJ Financial Group, Inc. provided a substantial shareholding report of share certificates, etc. for public viewing. However, as of the end of the fiscal 2017, the Company is unable to completely confirm the status of actual shareholdings. Accordingly, this company is not included in the above list of major shareholders.

On August 19, 2016, BlackRock Japan Co., Ltd. provided a substantial shareholding report of share certificates, etc. for public viewing. However, as of the end of the fiscal 2017, the Company is unable to completely confirm the status of actual shareholdings. Accordingly, this company is not included in the above list of major shareholders.

3. Corporate Attributes

Stock Exchange Listings and Market Classification	First Section, Tokyo Stock Exchange; First Section, Nagoya Stock Exchange
Fiscal Year-end	March
Industry	Real Estate
Number of Employees as of March 31, 2017 (consolidated)	1,000 or more
Net Sales (Consolidated) for the Fiscal Year Ended March 31, 2017	¥1 trillion or more
Number of Consolidated Subsidiaries as of March 31, 2017	100 or more and less than 300

4. Guideline on Protection of Minority Shareholders in Conducting Transactions with Controlling Shareholders

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5. Other Exceptional Circumstances that Might Have a Material Impact on Corporate Governance

The Company has no listed subsidiary.

II Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

1. Items Relating to Organization Structure and Operations, etc.

Form of Organization	Company with Nominating Committee, etc.

[Directors]

Number of Directors Stipulated in the Articles of Incorporation	18
Term of Office of Directors Stipulated in the Articles of Incorporation	One year
Chairperson of the Board of Directors	Chairman (except when concurrently serving as President)
Number of Directors	15

[Items Relating to Outside Directors]

Number of Outside Directors	7
Number of Outside Directors Designated as Independent Directors	7

Relationship with the Company (1) [updated]

Name	Attributes	Relationship with the Company *											
		a	b	c	d	e	f	g	h	i	j	k	l
Tsuyoshi Okamoto	Coming from another company								△				
Shin Ebihara	Other												
Tetsuo Narukawa	Coming from another company												
Masaaki Shirakawa	Other												
Shin Nagase	Coming from another company												
Setsuko Egami	Professor												
Iwao Taka	Professor												

* Selection criteria regarding relationship with the Company
* Under each item, ○ denotes current or recent relationship and △ denotes past relationship for the individual in question.
* Under each item, ● denotes current or recent relationship and ▲ denotes past relationship for close relatives of the individual in question.

a. An executive officer of a listed company or its subsidiary
b. An executive officer or non-executive director of a listed company's parent company
c. An executive officer of a listed company's fellow subsidiary company
d. Person whose major business partner is a listed company or an executive officer of the same
e. A major business partner of a listed company or an executive officer of the same
f. A consultant, accounting specialist or legal specialist that receives significant financial reward or other assets from a listed company in addition to director or auditor remuneration
g. A major shareholder of a listed company (or an executive officer of a corporation, where the major shareholder is a corporation)
h. An executive officer of a company that has a business relationship with a listed company (where d, e, and f are not applicable; individual in question only)
i. An executive officer of a company that has reciprocal outside director or outside auditor appointments with the Company (individual in question only)
j. An executive officer of a company receiving donations from a listed company (individual in question only)
k. Other

Relationship with the Company (2) [updated]

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Tsuyoshi Okamoto	○	○		○	The Company enters into transactions for real estate leasing, etc. with Tokyo Gas Co., Ltd., where Tsuyoshi Okamoto had served as Director, Chairman of the Board until March 2018. However, because the amounts involved in these transactions between Tokyo Gas Co., Ltd. and the Company come to less than 1% of the consolidated revenue from operations of either company, the Company judges that there is no risk of this having impact on his independence.	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his management experience in an integrated energy company, he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Shin Ebihara	○	○		○	———	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his wealth of international experience and knowledge gained through his extensive years as a diplomat, he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Tetsuo Narukawa			○	○	————	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his international experience as well as management experience in financial institutions and real estate companies, he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Masaaki Shirakawa	○	○		○	————	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his knowledge on finance and economy, etc. gained through his experience in a central bank, he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Shin Nagase			○	○	————	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his management experience in an airline company, he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Setsuko Egami	○	○		○	———	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging her abundant knowledge of corporate strategy, marketing strategy and human resources development, she is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that she has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that she would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that she is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because her personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

Name	Committee Participation			Independent Director	Supplementary Explanation Relating to These Items	Reason for Appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Iwao Taka			○	○	———	Through the execution of the supervision and check functions regarding the Company's management from an objective viewpoint independent from management executives in charge of business affairs by leveraging his extensive knowledge regarding business ethics and compliance, etc., he is expected to contribute to enhancing the corporate value of the Group on a medium- to long-term basis. Furthermore, the Company deems that he has the personality, knowledge and capability enabling objective and fair judgments, based on the perspective that he would fulfill duty of care of a prudent manager toward the Company and contribute to the common interests of its shareholders without bias toward the interests of management or any particular party of interest. The Company also deems that he is independent as a Director of the Company (without being at risk of having a conflict of interest with general shareholders) because his personal history does not infringe upon the standards indicated in the Tokyo Stock Exchange's "Guidelines Concerning Listed Company Compliance, etc.," which are criteria used by the Tokyo Stock Exchange to determine whether a conflict of interest with general shareholders may occur, and the standards for independence stipulated by the Company.

[Committees]

Committee's Composition and Attributes of Chairperson [updated]

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Nominating Committee	4	0	0	4	Outside Director
Remuneration Committee	4	0	0	4	Outside Director
Audit Committee	5	2	2	3	Outside Director

[Corporate Executive Officers]

Number of Corporate Executive Officers	13

Status of Additional Duties [updated]

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nominating Committee Member	Remuneration Committee Member	
Junichi Yoshida	Yes	Yes	×	×	No
Junichi Tanisawa	Yes	Yes	×	×	No
Kenichi Iwata	No	No	×	×	No
Atsuo Kyono	Yes	No	×	×	No
Tetsuji Arimori	Yes	Yes	×	×	No
Futoshi Chiba	Yes	No	×	×	No
Noboru Nishigai	Yes	No	×	×	No
Hiroshi Katayama	No	Yes	×	×	No
Kenji Hosokane	No	No	×	×	No
Keiji Takano	No	No	×	×	No
Atsushi Nakajima	No	No	×	×	No
Yuji Fujioka	No	No	×	×	No
Bunroku Naganuma	No	Yes	×	×	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee	Yes

Matters Related to the Independence of Such Directors and/or Staff from Corporate Executive Officers

The Company has established an Audit Committee Office as an organization to assist the duties of the Audit Committee, and it assigns the personnel required to assist the duties of the Audit Committee to this office where they serve under the full-time General Manager of the office. The General Manager of the Audit Committee Office directs the personnel assigned to the office in accordance with the instructions of the Audit Committee and executes the duties delegated to that position.

The personnel relocation and/or disciplinary punishment, etc. of the General Manager of the Audit Committee Office shall require an accord of the Audit Committee. The personnel relocation and/or disciplinary punishment, etc. of the staff of the Audit Committee other than the General Manager of the Audit Committee Office shall require prior consultation with the General Manager of the Audit Committee Office.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Office

Full-time Members of the Audit Committee promote cooperative relationships with the Accounting Auditor (Ernst & Young ShinNihon LLC) through regular meetings which are held to receive reports on such matters as audit plans, the status of auditing programs and audit results as well as exchange opinions and information.

Full-time Members of the Audit Committee endeavor to promote cooperative relationships with the Internal Audit Office through regular meetings which are held to receive reports on internal audit plans, the status of internal auditing programs and audit results, with one (1) member of the Internal Audit Office also concurrently serving in the Audit Committee Office, a section aiding the performance of Audit Committee's duties.

In addition, the Audit Committee receives reports from the Accounting Auditor and the Internal Audit Office on audit plans, the system of auditing programs and audit results, thereby promoting cooperative relationships.

The Internal Audit Office and the Accounting Auditor share information on their respective audit plans and results. The Internal Audit Office also serves as an office handling reports on internal controls regarding financial reports by management and conducts such jobs as the evaluation of internal controls relative to financial reports in cooperation with audits by the Accounting Auditor.

[Independent Directors]

Number of Independent Directors	7

Other Information on Independent Directors

The Company designates all Outside Directors who meet the requirements of Independent Directors as Independent Directors.

The Company's Appointment Standards for Candidates for Directors and Standards for the Independence of Outside Directors are described in the Article 12 (Process of Nominating the Candidates for Directors) of the Company's Guidelines.

*** Independence Standards and Qualification for Independent Directors**

The candidates for Outside Directors shall fulfill duty of care of a prudent manager toward the Company, understand the Group's basic mission of contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment, apply their qualities and capabilities to contribute to enhancing the medium- to long-term sustainable corporate value, as well as their experience and knowledge in specialized fields such as global business, finance and risk management in view of its business characteristics such as supporting urban development in the Marunouchi area, and have personality and knowledge enabling objective and fair judgments, based on the perspective that they would contribute to the common interests of the shareholders without bias toward the interest of any particular party of interest. However, as a general principle, candidates are not elected if the Tokyo Stock Exchange's standards for independence and the following standards for the independence of Outside Directors apply to them.

(1) A shareholder or executive member of an entity holding voting rights exceeding 10% of total voting rights to the Company.

(2) A transaction party or executive member of an entity whose transactional amounts in the most recent fiscal year have exceeded 2% of consolidated revenue from operations of the Company.

(3) A representative employee, employee or staff of the Company's Accounting Auditor.

(4) An attorney, certified public accountant, tax accountant, consultant or other party who has received compensation from the Company exceeding ¥10 million in the most recent fiscal year.

*** Insignificance Criteria Related to Relationships with the Company**

In relationships with the Company, transactions corresponding to the below-stated insignificance criteria are omitted.

•Transactions with entities from which Outside Directors hail: Transactions with amounts totaling less than ¥10 million per year

•Transactions with Outside Directors themselves: Transactions with amounts totaling less than ¥2 million per year

[Incentives]

Status of Implementation of Measures to Grant Incentives to Directors	Introduction of performance-related remuneration system and other systems

Supplementary Explanation Relating to These Items [updated]

In its provision of remuneration to Corporate Executive Officers (including Corporate Executive Officers concurrently serving as Directors), apart from basic remuneration, the Company also provides monetary compensation that is paid based on short-term performance, etc. and stock compensation, etc. (including monetary compensation paid based on indicators such as stock price) that is paid with a view to realizing the medium- to long-term sharing of values with shareholders. The standards and ratio of basic remuneration and variable remuneration, valuation indicators for variable remuneration and other matters shall be decided upon taking into account medium- to long-term performance targets, etc., aimed at in the management strategy and the Medium-Term Management Plan and factors such as position and responsibilities as Corporate Executive Officers. An overview, etc. of performance-related remuneration is as follows.

(i) Remuneration based on performance evaluation for a single fiscal year
With the aim of achieving further corporate growth and greater efficiency while guaranteeing financial soundness, the amount of remuneration varies depending on consolidated operating income, EBITDA, ROA, ROE and the target level of operating income in the divisions for which the individual Officers are responsible. When determining remuneration, the amount is calculated using the actual indicators, etc. for the previous fiscal year, to which is added an evaluation of qualitative aspects based on the degree of contribution, etc. to performance over the medium to long term, which is established during interviews with the President, with the final remuneration amount being decided by the Remuneration Committee.

(ii) Medium- to long-term performance-related remuneration (remuneration by shares with restriction on transfer)
With the objectives of creating an incentive to work for sustainable growth, and of promoting more complete sharing of values with shareholders, a stock compensation plan with a restricted transfer period of approximately three (3) years has been adopted. When shares are allotted, the amount of monetary compensation claims is determined by the Remuneration Committee.

(iii) Medium- to long-term performance-related remuneration (phantom stock)
With the objectives of creating an incentive to work for sustainable growth, and of promoting more complete sharing of values with shareholders, the amount of remuneration will vary depending on the share price and on an indicator based on the total shareholder return (TSR) ranking relative to five (5) other companies in the same industry. The base amount for each position and the final amount of remuneration shall be determined by the Remuneration Committee.

Grantees of Stock Options	

Supplementary Explanation Relating to These Items

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[Directors' and Corporate Executive Officers' Remuneration]

Disclosure Status (of Individual Directors' Remuneration)	Only a certain portion of individual Directors' remuneration is disclosed.
Disclosure Status (of Individual Corporate Executive Officers' Remuneration)	Only a certain portion of individual Corporate Executive Officers' remuneration is disclosed.

Supplementary Explanation Relating to These Items [updated]

*** Remuneration paid to Directors and Corporate Executive Officers**

Remuneration for Directors and Corporate Executive Officers of the Company in fiscal 2018 was as follows:

(1) Amount for remunerations of each category of Directors and Corporate Executive Officers, amount by type of remuneration, and number of relevant people

Category	Amount Paid (Millions of yen)	Fixed Remuneration (Millions of yen)	Performance-related Remuneration (Millions of yen)	Number of Persons
Directors (excluding Outside Directors)	289	289		4
Corporate Executive Officers	1142	568	573	14
Outside Directors	107	107	–	8

Note: * The finalized payment amount of the medium- to long-term performance-related remuneration (phantom stock) part of performance-related remuneration for service performed in fiscal 2018 is undetermined because its performance evaluation period has not ended. The Company has recorded an estimate of the remuneration amount (¥85 million), which was calculated based on the TSR ranking and the share price at the end of the fiscal 2018.

(2) Aggregate amount of one Director's remuneration that exceeds ¥100 million

Name	Fixed Remuneration (Millions of yen)	Performance-related Remuneration (Millions of yen)	Amount Paid (Millions of yen)
Hirotaka Sugiyama (Director)	141		141
Junichi Yoshida (Corporate Executive Officer)	79	82	161

Note: * The finalized payment amount of the medium- to long-term performance-related remuneration (phantom stock) part of performance-related remuneration for service performed in fiscal 2018 is undetermined because its performance evaluation period has not ended. The Company has recorded an estimate of the remuneration amount (¥12 million), which was calculated based on the TSR ranking and the share price at the end of the fiscal 2018.

Means of Disclosure

The information on Directors' remuneration provided in the Company's corporate governance report is disclosed in its securities report and the business report as well.

Policy for Deciding the Amounts or Calculation Method of Remuneration	Yes

Disclosed Policy for Deciding the Amounts or Calculation Method of Remuneration

*** Board Policies and Procedures in Determining the Remuneration of the Senior Management and Directors**

The policy for deciding the amounts or calculation method of remuneration, etc. of the Company's corporate officers is as follows.

The aforementioned policy is also contained in the Article 16 (Remuneration for Directors and Corporate Executive Officers) of the Company's Guidelines.

i) Procedures for Deciding Remuneration Paid to Officers

The policy concerning decisions on the details of remuneration paid to Directors and Corporate Executive Officers of the Company and the details of remuneration for each person shall be decided upon by a resolution at the Remuneration Committee which is comprised solely of Outside Directors.

ii) The Basic Policy for Deciding Remuneration for Officers

The basic policy for deciding remuneration for Directors and Corporate Executive Officers of the Company is as follows.

- The remuneration system shall be the one that is linked with our medium- to long-term performance targets, etc. aimed at in the management strategy and the Medium-Term Management Plan and realizes sustained corporate value improvement and sharing of values with our shareholders.
- The remuneration system shall be the one that allows for giving incentives to management executives' taking up of challenges and appropriate risk taking in line with the strategy targets and expectations of shareholders and other stakeholders.
- The remuneration system shall be the one that makes it possible to fulfill the high accountability for the benefit of our shareholders and other stakeholders through objective deliberations and judgments at the Remuneration Committee.

iii) Remuneration systems for Officers
The remuneration systems for Directors and Corporate Executive Officers shall be separately established in consideration of respective functions and roles to be fulfilled for the purpose of achieving the sustained corporate value improvement. In addition, Directors who concurrently serve as Corporate Executive Officers shall be paid remuneration as Corporate Executive Officers.
・ Directors (excluding Directors who concurrently serve as Corporate Executive Officers)
In consideration of their function and role of supervising performance of duties by Corporate Executive Officers and Directors, they shall receive, in principle, only basic remuneration in the form of money, and the standards shall be decided upon individually taking into account factors such as position and responsibilities as Directors and whether they are full-time or part-time.
・ Corporate Executive Officers
In consideration of their function and role of taking charge of business execution of the Company, their remuneration shall, in principle, be comprised of basic remuneration and variable remuneration. Variable remuneration is comprised of monetary compensation that is paid based on short-term performance, etc. and stock compensation, etc. (including monetary compensation paid based on indicators such as stock price) that is paid with a view to realizing the medium- to long-term sharing of values with shareholders.
The standards and ratio of basic remuneration and variable remuneration, valuation indicators for variable remuneration and other matters shall be decided upon taking into account medium- to long-term performance targets, etc., aimed at in the management strategy and the Medium-Term Management Plan and factors such as position and responsibilities as Corporate Executive Officers.

[Support System for Outside Directors]
As part of the support system for the Outside Directors, the secretariats for the Board of Directors and each committee provide explanation and information when appropriate or necessary by coordinating with relevant departments.
The roles of secretariat are performed by the General Affairs Department in the case of the Board of Directors, Nominating Committee and Remuneration Committee; and by the Audit Committee Office in the case of the Audit Committee.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company [updated]

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Takeshi Fukuzawa	Honorary Adviser	* Maintaining and expanding positive relationships with stakeholders, etc.	Working Form: Part-time Conditions: Unpaid	March 31, 2001	———
Shigeru Takagi	Honorary Adviser	* Maintaining and expanding positive relationships with stakeholders, etc.	Working Form: Part-time Conditions: Unpaid	June 28, 2005	———
Keiji Kimura	Senior Corporate Adviser	* Activities in the financial industry and at industry organizations * Maintaining and expanding positive relationships with stakeholders, etc. * Activities etc. that contribute to society or the public good, etc.	Working Form: Full-time Conditions: Paid	March 31, 2011	———

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company	3

2. Items Relating to Functions of Business Execution, Audit and Supervision, Nomination, and Decision on Remuneration, etc. [updated]

*** Overview of Corporate Governance Structure**

1) Board of Directors

The Board of Directors decides the basic policy of the Company's management, and it also carries out supervision of the execution of duties of Directors and Corporate Executive Officers. As of June 27, 2019, the Board of Directors consists of fifteen (15) Directors, of which seven (7) are Outside Directors. The role of chairman of the Board of Directors is fulfilled by the Chairman of the Board of the Company, who does not concurrently serve as a Corporate Executive Officer. The Board of Directors broadly delegates the authority to execute business on matters other than those to be resolved by the Board of Directors as prescribed in laws and regulations or the Articles of Incorporation, to the Corporate Executive Officers and promotes clarification of authorities and responsibilities and prompt decision-making concerning business execution. Moreover, the Board of Directors met nine (9) times in fiscal 2018, with all Directors attending every meeting.

2) Committees

i) Nominating Committee

The Nominating Committee decides the details of the proposals of the General Meeting of Shareholders relating to the election and dismissal of Directors. As of June 27, 2019, the committee consists of four (4) members, all the four (4) members are Outside Directors. Furthermore, the committee met six (6) times in fiscal 2018, with all committee members attending every meeting.

ii) Audit Committee

The Audit Committee's responsibilities include conducting audits of the execution of duties of the Directors and Corporate Executive Officers, creating the audit reports relating to this, and deciding on the details of proposals of the General Meeting of Shareholders relating to the election, dismissal or non-reappointment of the Accounting Auditor. As of June 27, 2019, the committee consists of five (5) members, three (3) of whom are Outside Directors. In addition, the committee chairman is selected from among the Outside Directors. Furthermore, the committee met fifteen (15) times in fiscal 2018, with all committee members attending every meeting.

iii) Remuneration Committee

The Remuneration Committee decides on the policy relating to remuneration decisions for Directors and Corporate Executive Officers and on the remuneration amounts for each individual. As of June 27, 2019, the committee consists of four (4) members, all the four (4) members are Outside Directors.
Furthermore, the committee met five (5) times in fiscal 2018, with all committee members attending every meeting.

3) Corporate Executive Officers

The Corporate Executive Officers are appointed by resolution of the Board of Directors. They make decisions on business execution delegated to them by the Board of Directors and carry out the execution of such business. As of June 27, 2019, the Company has thirteen (13) Corporate Executive Officers.

4) Executive Officers and Group Executive Officers

The executive officers and group executive officers are appointed by resolution of the Board of Directors. They carry out the execution of business for the division or Group company to which they belong. As of June 27, 2019, the Company has two (2) executive officers and fifteen (15) group executive officers.

5) Overview of Various Conference Bodies

The Strategic Planning Committee provides opportunities to carry out discussions relating to the overall management strategy of the entire Group. The committee consists of the president, the Corporate Executive Officers above the executive vice president level, and any person designated by the president, and it is held regularly. The Executive Committee is a body that carries out important decisions relating to the business execution of the Group. Its membership consists of the president, the Corporate Executive Officers who shall represent the Company, corporate officers in charge of line staff departments of respective business groups and corporate staff of the Company, Full-time Members of the Audit Committee and any person designated by the president, and it is generally held once a week.

To promote a high standard in discussions and management decisions at the Executive Committee, the Company has established, as subordinate bodies to the Executive Committee, the Asset Management Committee to discuss and check on progress regarding business strategies, etc. of business groups expected to involve a large investment, and the Strategic Investment Committee to discuss particularly important investment proposals before they are discussed at the Executive Committee and summarize the points at issue.

The Sustainability Committee is a body that oversees the promotion of sustainability within the Group, and is composed of the Company's president (the Chairman of the Committee), the person with responsibility for overseeing sustainability, the corporate officers in charge of the respective business groups and the corporate staff, and the presidents of the major Group companies, etc., with the Chairman of the Board and Full-time Members of the Audit Committee also attending. The committee holds scheduled meetings twice a year, and holds extraordinary meetings as appropriate.

The Risk Management & Compliance Committee is the body in charge of risk management and compliance promotion within the Group. It consists of the Company's president (the Chairman of the Committee), the corporate officers in charge of risk management and compliance, the corporate officers in charge of respective business groups and the corporate officers in charge of corporate staff of the Company, as well as the presidents of the major Group companies, etc. The Company's Chairman of the Board, the Full-time Members of the Audit Committee and the General Manager of the Internal Audit Office also participate. The Risk Management & Compliance Committee holds regular meetings four times per year and extraordinary meetings as necessary.

*** Status of Audit Committee Audits, Internal Audits and Accounting Audits**

i) Status of Audit Committee Audits

During the Audit Committee audits, reports are received from the Accounting Auditor and the Internal Audit Office in relation to the audit plan, audit systems and audit results; from the Finance & Accounting Department in relation to the status of quarterly and year-end results; and from the Legal & Compliance Department in relation to the status of risk management, etc. In addition, from the perspective of ensuring effectiveness of audits, two Full-time Members of the Audit Committee have been appointed. In accordance with the audit standards, audit policies and audit plans prescribed by the Audit Committee, the Full-time Members of the Audit Committee participate in meetings of the Board of Directors and other important meetings, and also receive reports from Directors, Corporate Executive Officers and employees, etc. in relation to the status of execution of their duties, view important authorized documents, etc., and investigate the status of the Company's operations and assets at headquarters and major business offices. The Full-time Members of the Audit Committee share the information obtained through such activities with the Audit Committee, exchange opinions, and deliberate important matters. It has seven (7) members, consisting of a dedicated General Manager and other staff members, including support staff members who work concurrently on duties on other departments. Furthermore, Full-time Members of the Audit Committee Jo Kato and Toru Okusa have experience working for the accounting department of the Company and considerable knowledge of finance and accounting.

ii) Status of Internal Audits

The Internal Audit Office conducts internal audits in accordance with annual and mid-term audit plans devised based on companywide risk analysis. Then, it verifies if the internal control development and management status is appropriate. The Internal Audit Office reports all audit results to the president and, after reporting to the president, it explains the contents to the Full-time Members of the Audit Committee and the compliance officer as well. Furthermore, the Internal Audit Office reports a summary of this to the Executive Committee and the Audit Committee. When any issues are found in the course of an audit, the Internal Audit Office reports the issue to the business group or department subject to the audit together with a request for action to rectify the situation. The Internal Audit Office then verifies the status of that rectification. The Internal Audit Office and the Accounting Auditor mutually share information concerning their respective audit plans and audit results. The Internal Audit Office also functions as a secretariat relating to the reporting of internal controls on the management's financial reporting, and in this capacity, it promotes evaluation, etc. of internal controls on financial reporting by coordinating with the audits conducted by the Accounting Auditor. As of June 27, 2019, including its General Manager, the Internal Audit Office currently has seven (7) staff members.

iii) Status of Accounting Audits

・Name of accounting firm:

Ernst & Young ShinNihon LLC

・Certified public accountants who have executed business:

Designated and engagement partner; Tatsuya Chiba, Yuichiro Sagae, Teruyo Okubo

・Audit operations assistants:

Certified public accountants: 14; CPA assistants and others: 18

・Reasons, etc. for selecting accounting firm

The reasoning behind the decision of the Audit Committee to the effect that it was appropriate to reappoint Ernst & Young ShinNihon LLC, is that, as a result of consideration of the standards for the Audit Committee's audit set out by the Audit Committee, the policy on decisions of dismissal or non-reappointment of the Accounting Auditor, and the standards for the appointment, dismissal or non-reappointment of the

Accounting Auditor, it was judged that there were no problems with the reasonableness of the audit methods and audit results, and the independence of the accounting auditor, the status of compliance with laws and regulations, etc., or with the system for the execution of duties, and that Ernst & Young ShinNihon LLC was therefore able to appropriately execute its duties.

*** Remuneration Paid to Accounting Auditors**

- Remuneration payable by the Company and its consolidated subsidiaries to Ernst & Young ShinNihon LLC (fiscal 2018):

  Remuneration for services prescribed by Article 2, Paragraph 1 of the Certified Public Accountants Act:

  ¥346 million

  Additional remuneration:

  ¥18 million

The amount of remuneration paid to the Accounting Auditor, etc., Ernst & Young ShinNihon LLC, is determined after taking into account the number of days of auditing plans, the Company's business scale and attributions, in consultation with the Accounting Auditor and by agreement of the Audit Committee.

*** Outline of the Liability Limit Agreement with Outside Directors**

The Company has entered into agreements, in accordance with Article 427, Paragraph 1 of the Companies Act, with the seven (7) Outside Directors (Tsuyoshi Okamoto, Shin Ebihara, Tetsuo Narukawa, Masaaki Shirakawa, Shin Nagase, Setsuko Egami and Iwao Taka) to limit their liabilities to compensate damages under Article 423, Paragraph 1 of the Companies Act. Limitation on liability of each Outside Director to compensate damages under such agreements is set out to be either ¥10 million or the respective amounts set forth under the laws and regulations, whichever is higher.

3. Reason for Adopting the Current Governance System

As stated in Article 3 (Organizational Structure) of the Company's Guidelines, the Company has adopted the Company with Nominating Committee, etc. organizational structure pursuant to the Companies Act, and has accordingly been working to bring about greater clarity of roles and a strengthening of functions in both the supervision of the management and the execution of business by having the Board of Directors not only take on the function of management supervision but also delegate decision authority on individual business execution to the Corporate Executive Officers wherever possible and promoting clarification of authorities and responsibilities concerning business execution and prompt decision-making. In addition, three committees (the Nominating Committee, Audit Committee, and Remuneration Committee—a majority of each of whose membership are Outside Directors) nominate the candidates for Director, decide remuneration of corporate officers, and perform audits on the execution of duties of the Directors and Corporate Executive Officers, etc., and thereby promote high standards and ensure transparency of the decision-making process. Accordingly, we deem that in so doing the Company undertakes the mandate of its stakeholders, especially its shareholders, while also contributing to achieving medium- to long-term improvement in its corporate value.

III Status of Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures Toward Revitalization of the General Meeting of Shareholders and Facilitation of Exercise of Voting Rights [updated]

	Supplementary Explanation
Prompt Delivery of Notice of Convocation of the General Meeting of Shareholders	As a general rule, we shall endeavor to forward the Notice of Convocation at least three (3) weeks prior to the date of the General Meeting of Shareholders.
Exercise of Voting Rights by Electromagnetic Means	The exercise of voting rights via the Internet has been available since the Ordinary General Meeting of Shareholders held in 2004. Further, the Company has participated in the electronic exercise of voting rights platform for institutional investors operated by ICJ, Inc., since the Ordinary General Meeting of Shareholders held in 2006.
Efforts to Encourage Participation in the Electronic Voting Platform and Enhance Other Environments for the Exercise of Voting Rights by Institutional Investors	To provide early disclosure for the Notice of Convocation of the General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders and related materials (including the English translations), the Company endeavors to provide early disclosure of this information on the Company website and on the electronic exercise of voting rights platform operated by ICJ Inc. For fiscal 2019, the Company disclosed the respective materials one week before dispatching the Notice of Convocation of the General Meeting of Shareholders.
Provision of a Summarized Notice of Convocation of the General Meeting of Shareholders in English	To provide early disclosure for the Notice of Convocation of the General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders and related materials (including the English translations), the Company endeavors to provide early disclosure of this information on the Company website and on the electronic exercise of voting rights platform operated by ICJ Inc. For fiscal 2019, the Company disclosed the respective materials one week before dispatching the Notice of Convocation of the General Meeting of Shareholders.

2. Investor Relations Activities

	Supplementary Explanation	Explanation by Representative
Establishment and Publication of Disclosure Policies	○ Basic Stance Concerning Information Disclosure Seeking to become a corporate group that values the views of its stakeholders and creatively works on behalf of society, the Mitsubishi Estate Group strives to gain the understanding of its shareholders and investors through accurate and prompt information disclosure. ○ Information Disclosure Policy With respect to the disclosure of important information, including with regard to decisions, events and earnings results, that affects the investment decisions of shareholders and investors, the Mitsubishi Estate Group discloses information in accordance with Security Listing Regulations standards (hereinafter “timely disclosure standards”) established by the Tokyo Stock Exchange and other stock exchanges, and in accordance with Article 27-36 of the Financial Instruments and Exchange Act (hereinafter “fair disclosure rules”). In addition, when it believes it would be useful to shareholders and investors, the Group tries to actively disclose information even when it does not fall under the category of important information communicated to parties involved in the transaction (hereinafter “important information”), and for which disclosure is not required by the timely disclosure standards or the fair disclosure rules.	

	Supplementary Explanation	Explanation by Representative
	○ Information Disclosure Methods Corporate information (hereinafter "timely disclosure information") that requires disclosure within the timely disclosure standards and important information are released through the Tokyo Stock Exchange's "TDnet" (Timely Disclosure network) and is promptly posted on our website. Moreover, information that is useful to shareholders and investors, even information that does not fall under the category of timely disclosure information, is promptly and impartially posted on our website. ○ Information Disclosure System Each business group of the Mitsubishi Estate Group has appointed a person in charge of information disclosure (or a person to be in charge of information disclosure) and a system is in place in which important information from each business group is consolidated in the Mitsubishi Estate Corporate Communications Department (and IR Office), the department in charge of information disclosure. In addition, an Information Disclosure Committee is charged with the primary duty of managing and overseeing an appropriate information disclosure system and its operation, and deliberating on whether to disclose other than the timely disclosure information evaluating the possibility of a major impact on the Company's performance and trustworthiness. ○ Policy for Dealing with Ambiguous Information In the event of the circulation of rumors and newspaper reports concerning the corporate information of the Mitsubishi Estate Group, realizing that such rumors and reports could affect the investment decisions of shareholders and investors, appropriate disclosure is conducted through TDnet when it is necessary to clarify the authenticity of the information contained therein. ○ Quiet Period To prevent the leakage of earnings information and ensure fairness, the Company has established a quiet period dating from two (2) weeks before the day that earnings are announced to the time of the earnings announcement. During this period, the Company refrains from answering questions or commenting about said earnings. However, in the event of a significant discrepancy between actual performance and the most recently announced performance forecast, the Company will answer questions after appropriately disclosing information over TDnet, even during the quiet period.	
Holding Regular Briefings for Analysts and Institutional Investors	The president conducts Corporate Results Presentations in May each year and Presentations of the Second Quarter Results in November for analysts and institutional investors.	Yes

	Supplementary Explanation	Explanation by Representative
Posting Investor Relations Materials on the Company website	Investor relations materials including *kessan tanshin* (brief results announcements), fact books, securities reports, quarterly summary of financial statements, "To Our Shareholders" (formerly, the "Business Report"), corporate governance reports, and the Long-Term Vision and Medium-Term Management Plan are posted regularly on the following website: http://www.mec.co.jp/e/investor/index.html	
Establishment of Investor Relations Department (Liaison)	The Company's designated IR unit is the IR Office, Corporate Communications Department. Its designated IR officer is Senior Executive Officer, Hiroshi Katayama. The IR business liaison officer is Takashi Kagamoto, head of the IR Office.	

3. Measures to Respect the Position of Stakeholders [updated]

	Supplementary Explanation
Provisions of Internal Regulations to Respect the Position of Stakeholders	The Company has formulated the Group's Mission, Code of Corporate Conduct and Guidelines for Conduct to help foster respect for the position of its respective stakeholders and adopt a creative approach to society.
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	In accordance with the Group's Mission and Code of Corporate Conduct, etc., the Mitsubishi Estate Group is promoting sustainability based on three (3) main concepts—acting with integrity, earning the trust of our clients and creating a vibrant workplace. The Sustainable Management and Promotion Department works as the secretariat for the sustainability promotion system, and a Sustainability Committee has been set up with the President as the chairman, with a Sustainability Subcommittee established beneath that, in addition to which a person with responsibility for overseeing sustainability has been appointed. There is also the Company's CSR Report, published annually, which outlines its efforts to address sustainability issues.
Establishment of Policy Concerning Disclosure of Information to Stakeholders	"Mitsubishi Estate Group Guidelines for Conduct" places great importance on dialogue with such stakeholders as customers, business partners, shareholders and investors, and local communities, and outlines the policy for proper and appropriate disclosure of information related to its operations. Not only do they contain provisions calling for disclosure based on the Stock Exchange's rules on timely disclosure of corporate information, but by prescribing information disclosure regulations as a Company Code so that information useful to shareholders and investors can be actively disclosed in a timely and proper manner, they also reinforce the Company's internal system.
Other	○ Promoting Women's Participation and Advancement in the Workplace Concerning the promotion of women's participation and advancement in the workplace, the Company formulates and announces a general business owner action plan and endeavors to create a work place in which all employees can comfortably work pursuant to the "Act on Promotion of Women's Participation and Advancement in the Workplace," which will take effect in April 2016, and the "Act on Advancement of Measures to Support Raising Next-Generation Children." The Company will continue to promote diversity in the Company through efforts that include promoting women's participation and advancement in the workplace.

IV Basic Policy and Status of Implementation of the Internal Control System

1. Basic Policy and Status of Implementation of the Internal Control System

*Basic Policy of Establishment of the Internal Control System

1. Systems to Keep and Manage Information pertaining to the Execution of Duties by Corporate Executive Officers

Pursuant to the "Mitsubishi Estate Group Basic Rules on Information Management," in order to appropriately handle information assets held by the Group and practice and improve information security on an ongoing basis, the Company shall appoint the Corporate Officer responsible for the risk management as Chief Information Security Officer and the Officer responsible for the Corporate Planning Department as Chief Information System Security Officer and the Risk Management & Compliance Committee shall be in charge of companywide control of information storage and management.

The Company shall, under such organizational systems, develop regulations on basic matters for the management procedures necessary for the protection and handling of information held by the Company, matters related to document storage and abolition including the storage method and period for documents and abolition rules, and matters related to the protection of the information system and electronic information. The Company shall appropriately store and manage relevant information pertaining to the execution of Corporate Executive Officers' duties by operating these internal regulations.

2. Rules and Other Systems Regarding Loss Risk Management in the Company and Its Subsidiaries

In the groupwide corporate management, the Group shall practice diverse risk management measures for all business operations of the Group in order to properly evaluate and manage internal and external risk factors related to its businesses and to maintain and raise the corporate value of the Group.

Specifically, the Company has established the "Mitsubishi Estate Group Risk Management Rules" to realize appropriate risk management through establishing systems for risk management to be carried out by all the executives and employees of the Group. Moreover, under the Risk Management Rules above, at the Company, the Risk Management & Compliance Committee shall be in charge of controlling the promotion of risk management activities at the group level, whereas the Risk Management & Compliance Subcommittee shall work as a practical collegial body to collect and streamline risk management-related information. In addition, the Corporate Officer responsible for the risk management appointed by the resolution of the Board of Directors shall be assigned the responsibility for risk management to develop and promote the risk management system.

In the meantime, with these risk management systems as a basis, at the Company, the Strategic Investment Committee, an advisory body of the Executive Committee, shall preliminarily deliberate on specific business, especially important investment subjects in making decisions thereof prior to the deliberations by the Executive Committee to check the content and degree of risk factors as well as countermeasures, etc. in preparation for possibly realizing risk.

Furthermore, the Company shall appoint an officer in charge of disaster prevention by resolution of the Board of Directors to maintain the most updated action principles, communications and initial measures to be taken and system for business continuity program in case of the occurrence of any emergency. The officer formulates and implements manuals, guidelines, etc., and conducts training as well as reviews and improvements of systems and plans on a periodic basis.

The Internal Audit Office shall conduct internal audit activities in accordance with the Internal Audit Rules to raise the effectiveness of risk management.

3. Systems to Ensure Efficient Execution of Duties by Corporate Executive Officers of the Company and Directors, etc. of Its Subsidiaries

The Group shall pursue improving managerial mechanisms appropriate to ensure the efficient execution of duties by Corporate Executive Officers of the Company and Directors, etc. of its subsidiaries in the course of fulfilling the CSR of the Group. Under this policy, the Company aims to reinforce the management oversight function and the business execution function as well as higher management efficiency and faster decision making by adopting the organizational structure of a Company with Nominating Committee, etc. and largely delegating authority relating to business execution decisions to Corporate Executive Officers. In addition, the Company shall take such actions as to appoint the officers responsible, adopt the Executive Officer System and the Group Executive Officer System and improve the rules related to the authority and decision making in accordance with internal regulations, so as to allow for more efficient execution of duties.

4. Systems to Ensure Compliance of the Execution of Duties by Corporate Executive Officers and Employees of the Company and Directors, etc. and Employees of Its Subsidiaries with Laws, Regulations and the Articles of Incorporation
The Group has established and intends to thoroughly disseminate "The Mission of the Mitsubishi Estate Group," "The Mitsubishi Estate Group Code of Corporate Conduct" and "Mitsubishi Estate Group Guidelines for Conduct" to present conduct standards by which executives and employees should abide. The Company conducts, as a Company with Nominating Committee, etc., management oversight by the Board of Directors through, among others, utilization of Outside Directors, and audits by the Audit Committee. In addition, while the Risk Management & Compliance Committee conducts groupwide supervision and the Risk Management & Compliance Subcommittee conducts practical discussions in accordance with the "Mitsubishi Estate Group Compliance Rules," the officer responsible for compliance appointed by the resolution of the Board of Directors shall be assigned the responsibility for compliance to take such actions as to manage and promote overall compliance at the Group. The Group also ensures that the execution of duties by Corporate Executive Officers and employees complies with laws and regulations and the Articles of Incorporation through such means as preventive legal activities, risk management promotion activities and internal audit practices.
To handle compliance-related consulting and whistleblowing on concerns, the dedicated Help Lines shall be established and operated internally and externally as contact windows for the Group and business partners.

5. Systems for Reporting Matters Related to the Execution of Duties by Directors, etc. of Subsidiaries to the Company, and Other Systems to Ensure the Propriety of Business Operations Conducted by the Corporate Group Consisting of the Company, Its Parent Companies and Subsidiaries
The Group shall endeavor to practice groupwide compliance-based management and business ethics and ensure the propriety of business operations by establishing "The Mission of the Mitsubishi Estate Group," "The Mitsubishi Estate Group Code of Corporate Conduct" and "Mitsubishi Estate Group Guidelines for Conduct," etc., all of which are the standards of conduct for the Group, and thoroughly disseminating them under the control of the Risk Management & Compliance Committee.
In addition, the Company specifies the department in charge of operations related to group companies, such as promoting the corporate management of the respective group companies and supporting the staff function, thereby establishes a system to link the companywide management plan and the measures concerning group companies. Meanwhile, group management shall be enhanced toward the achievement of maximized corporate value of the Group by promoting the propriety and efficiency improvement and upgrading risk management of groupwide corporate management by operating the "Mitsubishi Estate Group Management Rules," through measures such as compulsory consultations and exchange of information between the Company and group companies for certain important matters.
Furthermore, the "Mitsubishi Estate Group Basic Guidelines on Internal Control Regarding Financial Reporting (Basic Rules)" shall be formulated to ensure the reliability of financial reports inside the Group with the aim of appropriately responding to the internal control reporting system for financial reports, as required to follow under the Financial Instruments and Exchange Act.

6. Matters Related to Employees to Support the Duties of the Audit Committee, and Matters Related to Ensuring the Effectiveness of Instructions Given to Such Employees by the Audit Committee
The Audit Committee Office shall be established as a subsidiary organ to assist the Audit Committee in the execution of its duties pursuant to the relevant provisions such as the "Job Ladder." The Company shall assign a dedicated General Manager and persons necessary for supporting the Audit Committee's duties. The General Manager of the Audit Committee Office shall supervise other employees assigned to the office and execute his or her business duties in accordance with the instructions of the Audit Committee.

7. Matters Related to Independence of Employees in the Preceding Item from Corporate Executive Officers
The personnel relocation and/or disciplinary punishment, etc. of the General Manager of the Audit Committee Office shall require an accord of the Audit Committee. The personnel relocation and/or disciplinary punishment, etc. of the staff of the Audit Committee Office other than the General Manager of the Audit Committee Office shall require prior consultation with the General Manager of the Audit Committee Office.

8. Systems for Directors, Corporate Executive Officers and Employees of the Company, Directors, etc. and Employees of Its Subsidiaries, and Individuals Who Receive Their Reports to Provide Reports to the Audit Committee, and Other Systems Related to Reporting to the Audit Committee
In the case where the occurrence of breach of any laws and regulations or the Articles of Incorporation or significantly unreasonable matter is revealed, anybody shall, either Directors, Corporate Executive Officers or employees, immediately report thereof to the Audit Committee. An obligation shall be established by internal regulations to have important documents such as those requiring approval circulated to Full-time Members of the Audit Committee, and a whistleblower program with Audit Committee
members serving as contact windows shall be established. Moreover, matters that may be judged necessary in performing the duties of the Audit Committee, including results of internal audits, the status of compliance promotion activities conducted by the Legal & Compliance Department, the status of risk management promotion activities, and the status of operation of Help Lines established internally and externally as contact windows for Group companies and business partners for consultations and whistleblowing on concerns about compliance, shall also be periodically reported to the Audit Committee. In addition, in accordance with the "Mitsubishi Estate Group Management Rules," matters reported by the directors, etc. and employees of Group companies shall be shared with the Executive Committee and other meetings attended by the Full-time Members of the Audit Committee.

9. Systems to Ensure Individuals Who Make the Reports in Item 8 Are Not Treated Unfavorably for Making Those Reports
In accordance with the "Mitsubishi Estate Group Risk Management Rules," all executives and employees of the Group are responsible for ensuring compliance in accordance with the "Mitsubishi Estate Group Compliance Rules," and are responsible for collecting and reporting risk information. Also, based on the Whistleblower Protection Act, regarding a whistleblower program with Audit Committee Members serving as contact windows and the Group's internal or external Help Lines, the Company develops and operates rules related to the policy for notification on protection and redress for whistleblowers in order to ensure individuals who make the reports in Item 8 are not treated unfavorably for making those reports.

10. Matters Related to Policy for Handling Costs and Debts Incurred by Audit Committee Members in the Course of Executing Their Duties
In accordance with the audit standards established by the Audit Committee, the Audit Committee Members may invoice the Company beforehand for any costs deemed necessary for the execution of duties of the Audit Committee. The Audit Committee Members may also seek retrospective reimbursement for costs incurred in emergency or special situations.
Based on invoices received from the Audit Committee Members, the Company shall pay costs necessary for the Audit Committee to execute its duties.

11. Other Systems to Ensure Effective Audits by the Audit Committee
In accordance with the audit standards established by the Audit Committee, the Full-time Members of the Audit Committee shall have periodic meetings with the management executives of the Company including the President and Chief Executive Officer, the Internal Audit Office, other departments determined necessary according to the duties of the Audit Committee and the Accounting Auditor to exchange opinions with each other.
The Full-time Members of the Audit Committee shall attend the important conferences such as the Executive Committee.

Please refer to the Attached sheet 2 "Mitsubishi Estate Group Corporate Governance System."

2. Basic Policy and Status of Implementation of Efforts Toward Exclusion of Antisocial Forces

1. Basic Policy Toward Exclusion of Antisocial Forces
   The Mitsubishi Estate Group refuses to countenance any relationship with antisocial forces.

2. Status of Implementation of Efforts Toward Exclusion of Antisocial Forces
   Mitsubishi Estate Group set out policies in relation to its refusal to countenance relationships with antisocial forces in "Mitsubishi Estate Group Guidelines for Conduct" and strives to ensure such policies are rigorously followed. As part of its Internal System, it has also established a special department with overall responsibility for countermeasures in relation to the exclusion of antisocial forces and appointed a responsible person for prevention of unreasonable demands, and a responsible person and a manager in charge of compliance duties that include the exclusion of antisocial forces for each department.
   The Company maintains efforts toward collecting information in relation to antisocial forces by attending training sessions hosted by organizations affiliated with the Tokyo Metropolitan Police Department and cooperates with external specialist bodies including the police and lawyer to reject relationships with these antisocial forces.
   In addition, it periodically provides reminders to managers and general staff and shares cases of unreasonable demands by antisocial forces.
   Furthermore, in response to ordinance for the elimination of organized crime and prevent and deter the risk of having business relations with antisocial forces, the Mitsubishi Estate Group has not only formulated "Guidelines Relating to Model Clauses for Exclusion of Gang Groups and Other Antisocial Forces" to be inserted into business contracts used by the Group and "Guidelines for Checking Compliance of New Business Partners and Others," which prescribe the Group's internal structure to check for anti-social characteristics of new business partners and others," it is also striving to prevent money laundering through rigorous checking at the time of the transaction.

V Others

1. Presence or Absence of Introduction of Takeover Defense [updated]

Introduction of Takeover Defense	Not introduced

Supplementary Explanation Relating to These Items [updated]

By drawing up, and steadily implementing, a management plan to contribute to the growth of the Company, while at the same time working to strengthen corporate governance, etc., the Company will strive to enhance corporate value and protect the common interests of shareholders. In addition, in response to persons attempting a large-scale acquisition of the shares of the Company, we will devise appropriate measures that are compliant with the Financial Instruments and Exchange Act, the Companies Act and other laws, by requesting necessary and sufficient information to allow shareholders to come to a conclusion as to whether the large-scale acquisition is appropriate or not, by disclosing the opinion of the Board of Directors, which takes into account the views of the independent Outside Directors, and working for sufficient time and information to enable consideration by shareholders.
*At the 108th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007, the Company introduced a plan for countermeasures to large-scale acquisitions of Mitsubishi Estate shares (takeover defense measures). This plan received approval for renewal on June 29, 2010 at the 111th Ordinary General Meeting of Shareholders, on June 27, 2013, at the 114th Ordinary General Meeting of Shareholders, and on June 29, 2016 at the 117th Ordinary General Meeting of Shareholders (including partial amendments of the content). (Hereinafter, the renewed takeover defense measures will be referred to as the "Plan").

2. Other Items Relating to Corporate Governance System, etc.

As of June 27, 2019, the Company's internal system for the timely disclosure of corporate information was as follows.

1. Internal System for the Timely Disclosure of Corporate Information
The Mitsubishi Estate Group formulated the Mission of the Mitsubishi Estate Group, the Mitsubishi Estate Group Code of Corporate Conduct and the Mitsubishi Estate Group Guideline for Conduct, in which we declare that the Group strives to gain the understanding of its shareholders and investors through accurate and prompt information disclosure, seeking to become a corporate group that values the views of its stakeholders and creatively works on behalf of society. These form the basis for our attitude toward information disclosure to be taken by the employees of Mitsubishi Estate and the Mitsubishi Estate Group companies.
In line with the abovementioned basic attitude, several internal regulations* including the Information Disclosure Regulations have been formulated to define the Group standards, so that the Group can actively, timely and properly disclose information that is useful to shareholders and investors, besides information that fall under the timely disclosure standards category established by the Tokyo Stock Exchange and other stock exchanges. These regulations prescribe the gathering and reporting of information, the drafting of documents, their presentation to conference bodies and organizations for discussion, and for notification and consultation with related departments, in order to establish a structure whereby important information from business groups, including Group companies, is delivered to and consolidated by the Corporate Communications Department, the department in charge of information disclosure, as well as the Company's management. (Please refer to the Attached sheet 3 for the structure of the disclosure system and the flow of information.)
* Board of Directors Regulations, *Ringi* Rules, Executive Committee Regulations, Mitsubishi Estate Group Management Rules, Internal Information Management Regulations, etc.
Specifically, the internal disclosure system works as follows.
(1) A person in charge of information disclosure, who is appointed by each business group, gathers information, including timely disclosure information from each business group (including Group companies), and reports that to the Corporate Communications Department. (2) The Corporate Communications Department consults with the department in charge of the information, which provided by the persons in charge of information disclosure or any other sources, as well as with other related departments, including the Corporate Planning Department and the General Affairs Department, to determine whether the information falls under the disclosure standards established by stock exchanges or whether it is information that does not fall under such standards and should be disclosed voluntarily. The Corporate Communications Department then analyzes and determines specific methods for disclosure, for

which it obtains approval from the corporate officer and department in charge of the information before disclosing the information. (3) When the corporate officer deems it necessary, an Information Disclosure Committee meeting is held to determine whether the information should be disclosed. The primary purpose of the Information Disclosure Committee is the management and oversight of an appropriate information disclosure system and its operation as stipulated in the Information Disclosure Regulations, and deliberating on whether to disclose other than the timely disclosure information, evaluating the possibility of a major impact on the Company's performance and trustworthiness. The Committee consists of the Officers and the General Managers of the Corporate Planning Department, the Finance & Accounting Department, the Corporate Communications Department, the General Affairs Department and the Legal & Compliance Department.

Documents concerning the decision on information disclosure are also circulated to the Internal Audit Office and the Full-time Members of the Audit Committee.

Aside from the timely disclosure information, the statutory disclosure information, including financial statements and other accounting and financial information, as stipulated by the Financial Instruments and Exchange Act and the Cabinet Office Ordinance on Disclosure of Corporate Information, etc., is documented by the Finance & Accounting Department, which then obtains approval internally and submits it to the designated finance bureau or elsewhere to make it available for public inspection.

2. Supervisory Functions for the Internal System for Timely Disclosure

The Company has the Internal Audit Office, which methodically conducts internal audits of the overall business operations of the Company and its Group companies. This Office is designed to provide useful information for making decisions on business management, based on the results of evaluating the internal systems for managing and operating various business activities and the status of operation performance from the standpoints of legal compliance and reasonableness, and to offer advice and proposals to improve and streamline internal management systems on a continuous basis, thereby contributing to the realization of business goals. Audits are carried out by this Office in a planned manner.

Audits by the Internal Audit Office provide daily confirmation that the Group's systems and rules are effective in providing appropriate internal controls and management as required by laws and regulations, the code of corporate conduct, company regulations, management plans, etc., and that an effective implementation of such systems and rules is taking place. The results of the audits are regularly reported to the Executive Committee and/or the Audit Committee, etc. to help prevent the concealment of information and careless failures of communication.

Moreover, the Company has not only established a Legal & Compliance Department, which provides on a daily basis advice for preventing failures of compliance, instructions concerning operation manuals and educational activities to raise the awareness of compliance, it has also established the Risk Management & Compliance Committee to serve as an organ for taking charge of the promotion of risk management and compliance. Due to these efforts, if material negative information exists at all, it will be promptly communicated to the top management, enabling its fair and timely disclosure.

See the Attached sheet 3 "Internal System for the Timely Disclosure of Corporate Information."

<Attached sheet 1>

Mitsubishi Estate Co., Ltd.
CORPORATE GOVERNANCE GUIDELINES

Chapter I General Provisions

Article 1 **Purpose**

The purpose of the "Mitsubishi Estate Co., Ltd. Corporate Governance Guidelines" is to set forth the basic policy and framework for the Mitsubishi Estate Co., Ltd. (the "Company")'s corporate governance, and serve as guidelines for the development and promotion of the corporate governance system, which contributes to the realization of the Mitsubishi Estate Group (the "Group")'s basic mission and the enhancement of its corporate value on a medium- to long-term basis.

Article 2 **Basic Policy**

1. The Company shall aim to realize enhancement of its genuine corporate value through a harmonious balance between corporate growth and the interests of our various stakeholders by following its brand slogan "A Love for People. A Love for the City," based on its basic mission of "contributing to society through urban development." The Company shall position the development and promotion of the corporate governance system as one of the most important management issues in realizing this goal.
2. In developing and promoting the corporate government system, to bring about greater clarity of roles and a strengthening of functions in both the supervision of the management and the execution of business while also fulfilling accountability to our shareholders and other stakeholders, the basic policy shall work to ensure the transparency and objectivity of management.

Article 3 **Organizational Structure**

The Company's organizational structure pursuant to the Companies Act shall be a company with Nominating Committee, etc., in order to strengthen the function of management supervision of the Board of Directors as well as promote clarification of authorities and responsibilities and prompt decision-making concerning business execution while improving the transparency and objectivity of management as the primary aim.

Chapter II Board of Directors

Article 4 **Roles of the Board of Directors**

1. The main roles of the Board of Directors shall be to make decisions on both basic management policy and important business execution and to supervise the performance of duties by Directors and Corporate Executive Officers from the standpoint of greater clarity of roles and a strengthening of functions in both the supervision of the management and the execution of business.
2. To appropriately fulfill the roles prescribed in the preceding paragraph, the Board of Directors shall broadly delegate the authority to execute business on matters other than those to be resolved by the Board of Directors as prescribed in laws and regulations or the Articles of Incorporation to the Corporate Executive Officers and receive regular reports on the execution of business from the Directors and the Corporate Executive Officers, the specific details of which are provided for within the Company Code, including the Board of Directors Regulations.

Article 5 **Composition of the Board of Directors**

1. The Board of Directors shall consist of no more than 18 Directors, as stipulated in the Articles of Incorporation, and the overall Board of Directors shall ensure a diverse background and an appropriate balance among individual Directors for their experience and knowledge in specialized fields.
2. One third or more of members of the Board of Directors shall be Outside Directors.
3. A majority of members of the Board of Directors shall be Directors who do not concurrently serve as Corporate Executive Officers (including Outside Directors, hereinafter "Non-executive Director").

Article 6 **Chairman of the Board**

1. The Chairman of the Board shall be appointed by resolution of the Board of Directors, in accordance with

the provisions of the Articles of Incorporation.
2. The Chairman of the Board shall be a Non-executive Director.
3. In accordance with the provisions of the Articles of Incorporation, the Chairman of the Board shall serve as the Chairperson of the Board of Directors, and to improve the effectiveness of the Board of Directors through thorough deliberation, play a leading role in such matters as the selection of agenda brought to the Board of Directors, the evaluation of the Board of Directors, and the promotion of coordination among the Outside Directors, the Corporate Executive Officers and others.

Article 7 **Evaluation of the Board of Directors**

Once yearly, the Board of Directors shall conduct an analysis and evaluation of the effectiveness of the entire Board of Directors based on evaluations of the individual Directors, and in addition to disclosing a summary of those results, formulate and implement policies to increase the effectiveness of the Board of Directors as required.

Article 8 **Meetings of only Outside Directors**

1. By exchanging information and sharing understanding on a broad range of matters not limited to the agenda brought to the Board of Directors, the Outside Directors shall aim to suitably execute their management supervision function, and where necessary, may convene and hold meetings composed only of Outside Directors.
2. Where the meetings prescribed in the preceding paragraph are held, the Outside Directors may request of the Company the sharing of required information, as well as the attendance of Inside Directors, Corporate Executive Officers and others.

Chapter III Nominating, Audit, and Remuneration Committees

Article 9 **Nominating Committee**

1. The Nominating Committee shall decide the details of the proposals of the General Meeting of Shareholders relating to the election and dismissal of Directors.
2. The Nominating Committee shall consist of around five (5) Directors, and all of them shall be Outside Directors.
3. The appointment of the Chairman of the Nominating Committee shall be made by a resolution of the Board of Directors.

Article 10 **Audit Committee**

1. The Audit Committee shall conduct audits of the execution of duties of the Directors and Corporate Executive Officers, create the audit reports relating to this, and decide on the details of proposals of the General Meeting of Shareholders relating to the election or dismissal, etc. of the Accounting Auditor.
2. The Audit Committee shall consist of around five (5) Non-executive Directors, and a majority thereof shall be Outside Directors. Furthermore, Full-time Members of the Audit Committee shall be appointed from among members of the Audit Committee.
3. The Chairman of the Audit Committee shall be appointed from among Outside Directors. The appointment shall be made by a resolution of the Board of Directors.

Article 11 **Remuneration Committee**

1. The Remuneration Committee shall decide on the policy concerning decisions on the details of remuneration, etc. for each Director and Corporate Executive Officer and the details of remuneration, etc. for each Director and Corporate Executive Officer.
2. The Remuneration Committee shall consist of around five (5) Directors, and all of them shall be Outside Directors.
3. The appointment of the Chairman of the Remuneration Committee shall be made by a resolution of the Board of Directors.

Chapter IV Directors and Corporate Executive Officers

Article 12 **Process of Nominating the Candidates for Directors**

1. The candidates for Directors shall be nominated by the Nominating Committee following deliberation based on the "Appointment Standards for Candidates for Directors" (Exhibit 1) and the "Standards for the Independence of Outside Directors" (Exhibit 2) established by the Nominating Committee.
2. The reasons for the nominations of individual candidates for Directors shall be appropriately disclosed in the contents of the Notice of Convocation of the General Meeting of Shareholders or through other suitable means.

Article 13 **Concurrent Position of Directors**

To ensure the required time for the performance of their duties, Directors of the Company may not concurrently serve as directors, auditors, or corporate executive officers of more than three (3) listed companies in addition to the Company.

Article 14 **Process of Appointment and Dismissal of Corporate Executive Officers**

1. The appointment of Corporate Executive Officers, and among them, the selection of the Representative Corporate Executive Officer and of the President and Chief Executive Officer and Corporate Executive Officers with special titles, and the decisions on the division of duties of Corporate Executive Officers, shall be conducted through resolution of the Board of Directors following deliberation by the Nominating Committee.
2. The Board of Directors shall decide the President and Chief Executive Officer based on the "Succession Plan for the President and Chief Executive Officer" prescribed in Article 15, paragraph 1.
3. The Board of Directors shall decide Corporate Executive Officers following a consideration of the appointment standards for candidates for Inside Directors in the "Appointment Standards for Candidates for Directors" (Exhibit 1) listed in Article 12, paragraph 1.
4. The reasons for the appointment of individual Corporate Executive Officers shall be appropriately disclosed in the contents of the Company's website or through other suitable means.
5. If the Corporate Executive Officers (including the Representative Corporate Executive Officer, the President and Chief Executive Officer and Corporate Executive Officers with special titles) are deemed inappropriate in light of these Guidelines, other laws and regulations, the Articles of Incorporation, or the Company Code, etc., they shall be dismissed by the Board of Directors following deliberation by the Nominating Committee.

Article 15 **Succession Plan for the President and Chief Executive Officer**

1. The Board of Directors shall establish the "Succession Plan for the President and Chief Executive Officer" following deliberation by the Nominating Committee in order to develop the next-generation management personnel who support sustainable growth of the Company.
2. The Nominating Committee shall regularly check on the status of activities carried out in regard to the "Succession Plan for the President and Chief Executive Officer" prescribed in the preceding paragraph, ascertain the necessity of revision and consider other relevant matters for the said plan, and report these details to the Board of Directors.

Article 16 **Remuneration for Directors and Corporate Executive Officers**

The details of the remuneration, etc. for each Director and Corporate Executive Officer shall be decided by the Remuneration Committee based on the "Policy Concerning Decisions on the Details of Remuneration, etc. for each Director and Corporate Executive Officer" (Exhibit 3) following deliberation by the Remuneration Committee.

Article 17 **Training for Directors and Corporate Executive Officers**

1. Based on the "Appointment Standards for Candidates for Directors" prescribed in Article 12, paragraph 1 and the "Succession Plan for the President and Chief Executive Officer" prescribed in Article 15, paragraph 1, among others, the Company shall make use of external specialists and outside seminars, etc. to conduct periodic training for Inside Directors and Corporate Executive Officers in relation to laws and regulations, and corporate management.

2. At the time of their appointment, the Company shall conduct lectures for Outside Directors providing an overview of the Group, its basic mission, management plans and other topics. Following their appointment, the Company shall also provide presentations as appropriate related to the content of its operations and involve them in inspections of Group-related properties and facilities.

Chapter V Relationship with Stakeholders

Article 18 **Dialogue with Shareholders and Investors**

1. In an appropriate and timely manner, the Company shall disclose useful information to shareholders and investors that contributes toward their investment decisions and decisions regarding the exercise of their rights, and actively engage in dialogue with them.
2. The President and Chief Executive Officer, as well as corporate officers and the department in charge of engaging in dialogue with and disclosing information to shareholders and investors, shall promote various opportunities for dialogue with shareholders and investors, including through General Meetings of Shareholders, Corporate Results Presentations and meetings with individual investors, in cooperation with other corporate officers and departments as necessary.
3. Information obtained through dialogue with shareholders and investors, as well as opinions and requests and other information shall be shared with the appropriate corporate officers and departments and reported periodically to the Board of Directors.
4. In the event that insider information is generated, such information shall be managed appropriately in accordance with the Company's internal regulations. Unpublicized insider information shall not be disclosed during meetings with shareholders and investors. Regardless of whether insider information exists, the Company shall establish the two weeks prior to the announcement of financial results as a quiet period. During this period, the Company shall refrain from responding to questions or commenting about financial performance.

Article 19 **Basic Strategy for Capital Policy**

1. From a medium- to long-term perspective, the Company shall strive to maintain an appropriate balance between profitability, and capital and debt in order to create a robust, stable and sustainable financial bases to support urban development in the Marunouchi area and other business activities from a medium- to long-term perspective while taking into consideration the risks associated with business activities and capital efficiency for retaining the ability to respond flexibly to fluctuations in the real estate market, as well as financial and capital markets.
2. The Company's fundamental stance on the allocation of profits shall be to ensure an appropriate return of profits by comprehensively considering the performance levels, business environment such as conditions in the real estate market, and other factors, while taking into account the capital demands for developing the Group's business.

Article 20 **Cross-Shareholdings**

1. The Company shall conduct transactions in and hold shares for reasons other than purely investment purposes (hereinafter, "Cross-Shareholdings") if the Company deems such shareholdings to be useful in facilitating the Group's business activities smoothly in cases such as when seeking to maintain or reinforce medium- to long-term transactional relationships or found it useful for stable fund procurement.
2. The status of Cross-Shareholdings (including, for important holdings, the status by individual issue) shall be reported periodically to the Board of Directors, which verifies the significance and the rationality of such holdings. Based on such verification, the Company shall consider its response, including sales, of issues for which the significance and rationality of holdings is low.
3. When exercising voting rights on Cross-Shareholdings, the Company shall exercise its rights appropriately after determining the overall rationality of proposals from the perspective of enhancing the corporate value of the investee company and the Company and such factors as the purpose of shareholding. In particular, the Company shall carefully examine the proposals when exercising voting rights by such means as engaging in dialogue with the investee company if required in cases where the proposals that have the possibility of impairing the corporate value of the investee company and the Company (for example, third-party allotment of shares or granting of retirement benefits to retiring corporate officers) or where important concerns relating to corporate governance are recognized, such as when serious illicit conduct in the investee company is revealed.

Article 21 **Related Party Transactions**

Competitive transactions or conflict-of-interest transactions by Directors and Corporate Executive Officers of the Company and transactions involving the Company and its major shareholders shall require advance approval by the Board of Directors, as well as post-transaction reporting to the Board of Directors concerning the significance of such transactions.

Chapter VI Revision and Abolishment

Article 22 **Revision and Abolishment**

1. The revision or abolishment of these Guidelines shall require a resolution of the Board of Directors.
2. Notwithstanding the preceding paragraph, the revision or abolishment of the "Appointment Standards for Candidates for Directors" (Exhibit 1) and the "Standards for the Independence of Outside Directors" (Exhibit 2) shall require a resolution of the Nominating Committee. The revision or abolishment of the "Policy Concerning Decisions on the Details of Remuneration, etc. for each Director and Corporate Executive Officer" (Exhibit 3) shall require a resolution of the Remuneration Committee.

(Enacted) September 28, 2017
(Revised) March 29, 2018 (Exhibit 3)
December 20, 2018
June 27, 2019

Exhibit 1

Appointment Standards for Candidates for Directors

1. Purpose

These Standards shall establish standards for the nomination of candidates for Directors by the Nomination Committee.

2. Candidates for Directors

The candidates for Directors shall fulfill duty of care of a prudent manager toward the Company, understand the Group's basic mission of contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment, and have the qualities and capabilities to contribute to enhancing the medium- to long-term sustainable corporate value, in view of its business characteristics such as supporting urban development in the Marunouchi area.

(1) Candidates for Inside Directors

For Directors from within the Company, in addition to displaying the above-mentioned qualities and capabilities of being especially outstanding in integrity, leadership, foresight, etc., candidates to be nominated shall be corporate officers in charge of the Company's business group or corporate officers in charge of corporate staff who have extensive knowledge and experience related to the Group's business, who can perform oversight roles with a company-wide perspective, and who are highly trained, or, alternatively, personnel with this experience or personnel with translatable experience.

(2) Candidates for Outside Directors

For Outside Directors, in addition to the above-mentioned qualities and capabilities, candidates shall be nominated for their operational and management experience, their application of their experience and knowledge in specialized fields such as global business, finance and risk management, for having the personality and knowledge enabling objective and fair judgments, based on the perspective that they would contribute to the common interests of the shareholders without bias toward the interest of any particular party of interest, and for satisfying the "standards for the independence of Outside Directors."

3. The revision or abolishment of these standards shall require a resolution of the Nominating Committee.

Exhibit 2

Standards for the Independence of Outside Directors

As a general principle, candidates shall not be elected if the Tokyo Stock Exchange's standards for independence and the following standards for the independence of Outside Directors apply to them.

(i) A shareholder or executive member of an entity holding voting rights exceeding 10% of total voting rights to the Company.
(ii) A transaction party or executive member of an entity whose transactional amounts in the most recent fiscal year have exceeded 2% of consolidated revenue from operations of the Company.
(iii) A representative employee, employee or staff of the Company's Accounting Auditor.
(iv) An attorney, certified public accountant, tax accountant, consultant or other party who has received compensation from the Company exceeding ¥10 million in the most recent fiscal year.

Exhibit 3

Policy Concerning Decisions on the Details of Remuneration, etc. for each Director and Corporate Executive Officer

(i) Procedures for deciding remuneration paid to Officers

The policy concerning decisions on the details of remuneration paid to Directors and Corporate Executive Officers of the Company and the details of remuneration for each person shall be decided upon by a resolution at the Remuneration Committee which is chaired by an Outside Director and majority of which is comprised solely of Outside Directors.

(ii) The basic policy for deciding remuneration for Officers

The basic policy for deciding remuneration for Directors and Corporate Executive Officers of the Company is as follows.

- The remuneration system shall be the one that is linked with our medium- to long-term performance targets, etc. aimed at in the management strategy and the Medium-Term Management Plan and realizes sustained corporate value improvement and sharing of values with our shareholders.
- The remuneration system shall be the one that allows for giving incentives to management executives' taking up of challenges and appropriate risk taking in line with the strategy targets and expectations of shareholders and other stakeholders.
- The remuneration system shall be the one that makes it possible to fulfill the high accountability for the benefit of our shareholders and other stakeholders through objective deliberations and judgments at the Remuneration Committee.

(iii) Remuneration systems for Officers

The remuneration systems for Directors and Corporate Executive Officers shall be separately established in consideration of respective functions and roles to be fulfilled for the purpose of achieving the sustained corporate value improvement. In addition, Directors who concurrently serve as Corporate Executive Officers shall be paid remuneration as Corporate Executive Officers.

- Directors (excluding Directors who concurrently serve as Corporate Executive Officers)
  In consideration of their function and role of supervising performance of duties by Corporate Executive Officers and Directors, they shall receive, in principle, only basic remuneration in the form of money, and the standards shall be decided upon individually taking into account factors such as position and responsibilities as Directors and whether they are full-time or part-time.
- Corporate Executive Officers
  In consideration of their function and role of taking charge of business execution of the Company, their remuneration shall, in principle, be comprised of basic remuneration and variable remuneration.
  Variable remuneration is comprised of monetary compensation that is paid based on short-term performance, etc. and stock compensation, etc. (including monetary compensation paid based on indicators such as stock price) that is paid with a view to realizing the medium- to long-term sharing of values with shareholders.
  The standards and ratio of basic remuneration and variable remuneration, valuation indicators for variable remuneration and other matters shall be decided upon taking into account medium- to long-term performance targets, etc., aimed at in the management strategy and the Medium-Term Management Plan and factors such as position and responsibilities as Corporate Executive Officers.

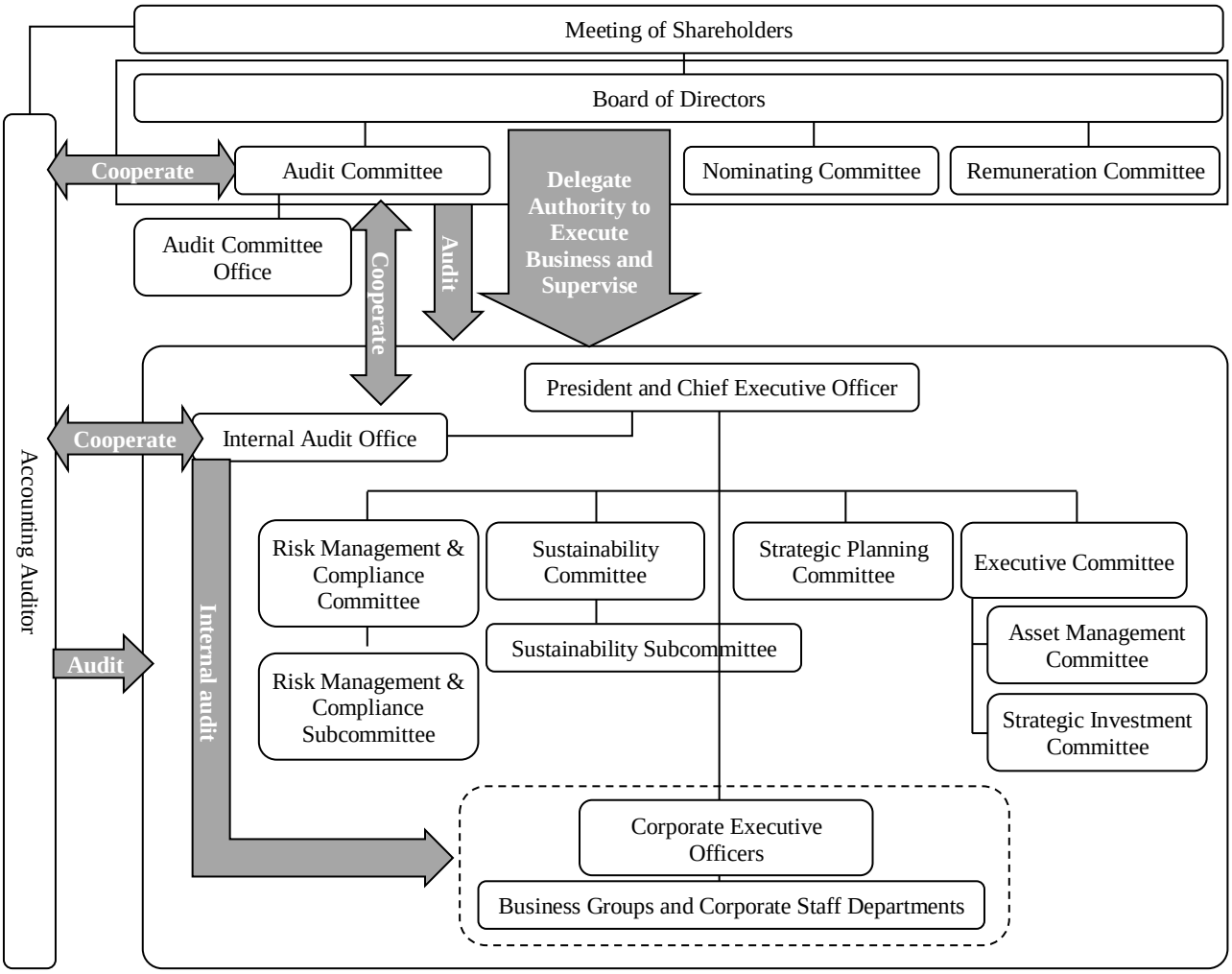
[Translation for Reference and Convenience Purposes Only]

Mitsubishi Estate Company, Limited

CORPORATE GOVERNANCE

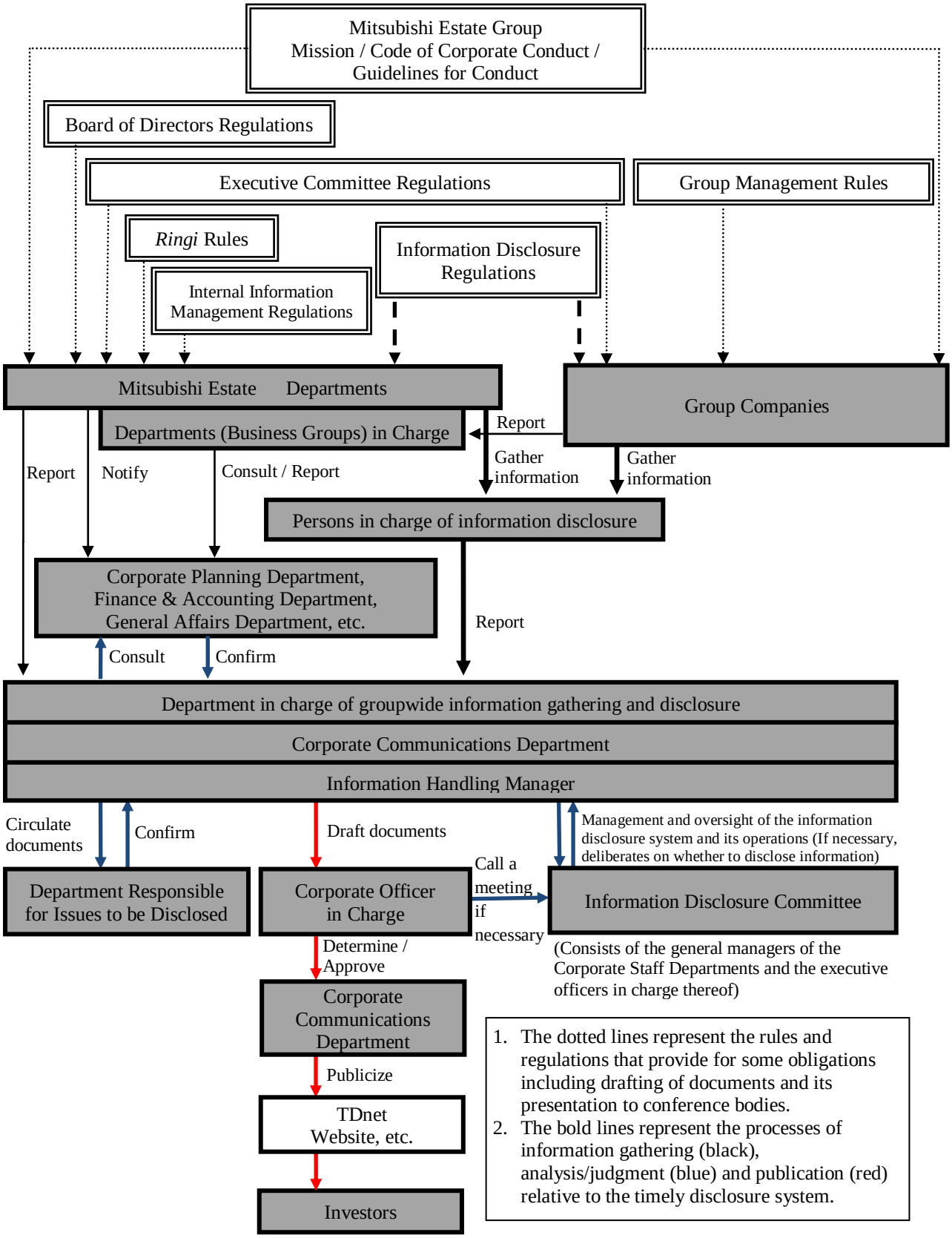
<Attached sheet 2> April 1, 2019

Mitsubishi Estate Group Corporate Governance System



<Attached sheet 3> June 29, 2016

Internal System for the Timely Disclosure of Corporate Information



1. The dotted lines represent the rules and regulations that provide for some obligations including drafting of documents and its presentation to conference bodies.
2. The bold lines represent the processes of information gathering (black), analysis/judgment (blue) and publication (red) relative to the timely disclosure system.