

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 117th Ordinary General Meeting of Shareholders of Mitsubishi Estate Co., Ltd. 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.

(Securities Code: 8802)

June 7, 2016

Dear Shareholders

Hiroataka Sugiyama  
President and Chief Executive Officer  
**MITSUBISHI ESTATE CO., LTD.**  
6-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo

## NOTICE OF CONVOCATION OF THE 117th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 117th Ordinary General Meeting of Shareholders of Mitsubishi Estate Co., Ltd. (the "Company"), to be held as follows.

**If you are unable to attend the meeting, you may otherwise exercise your voting rights in writing (by mail) or by electromagnetic means (the Internet, etc.). Please read the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS provided below, and you are requested to exercise your voting rights by 5:45 p.m., on Tuesday, June 28, 2016.**

1. **Time and Date:** 10 a.m., Wednesday, June 29, 2016
  2. **Place:** Royal Park Hotel, 3F, Royal Hall,  
1-1, Nihonbashi-Kakigara-cho 2-chome, Chuo-ku, Tokyo
  3. **Objectives of the Meeting:**
    1. **Reports:**
      1. Reports on Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for Fiscal 2015 (From April 1, 2015, to March 31, 2016)
      2. Reports on Non-Consolidated Financial Statements for Fiscal 2015 (From April 1, 2015, to March 31, 2016)
- Agenda:**
- Proposal No. 1:** Appropriation of Surplus
  - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
  - Proposal No. 3:** Election of Fifteen (15) Directors
  - Proposal No. 4:** Renewal of Countermeasures to Large-Scale Acquisitions of Mitsubishi Estate Co., Ltd. Shares (Takeover Defense Measures)

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From this year onward, the Company will no longer distribute gifts to attending shareholders.  
We thank you for your understanding.

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### **4. Matters regarding the Exercise of Voting Rights:**

There are three ways to exercise your voting rights as described below.

Please exercise your voting rights after reading the attached REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS provided below.

#### **[By Attending the General Meeting of Shareholders]**

Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Please also bring this notice and enclosed “Report Fiscal 2015” to the meeting for use as a meeting agenda.

Time and Date: 10 a.m., Wednesday, June 29, 2016

#### **[By Submitting Voting Rights Exercise Form by Mail]**

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form, and post it to us without postage stamp.

Exercise Due Date: To be received no later than 5:45 p.m. on Tuesday, June 28, 2016

#### **[By Exercising Voting Rights via the Internet, etc.]**

Please check the guidance shown on page three (3) of this notice, and access our Internet voting website through a computer or smartphone and enter your approval or disapproval of the proposals.

Exercise Due Date: No later than 5:45 p.m. on Tuesday, June 28, 2016

- (1) If you attend the meeting, you do not need to mail the Voting Rights Exercise Form or exercise voting rights via the Internet, etc.
- (2) If any shareholder has exercised his/her voting rights both by the Voting Rights Exercise Form and via the Internet, etc., only the exercise of the voting rights via the Internet, etc., shall be deemed effective. If any shareholder has exercised his/her voting rights more than once via the Internet, etc., only the final exercise of the voting rights shall be deemed effective.
- (3) If any shareholder wishes to exercise his/her voting rights by proxy, his/her qualified attorney-in-fact shall be limited to a single shareholder having voting rights under the provisions of Article 17 of the Articles of Incorporation of the Company, provided, however, that documents certifying the attorney-in-fact’s power of representation must be submitted.

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©The following materials are posted on the Company’s Website and not attached to the “Report Fiscal 2015” in accordance with the relevant laws and regulations and Article 15 of the Articles of Incorporation.

- 1) “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements”
- 2) “Non-consolidated Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements”

©If any amendment is made to the REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS, the Business Report, and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on the Company’s Website.

<<The Company’s Website>>

<http://www.mec.co.jp/e/investor/stock/shareholder/index.html>

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**<Guidance to the Exercise of Voting Rights via the Internet, etc.>**

**If you wish to exercise voting rights via the Internet, etc., please read carefully the following explanation before doing so.**

**1. Access the Web site for the Exercise of Voting Rights**

Access the Web site for the Exercise of Voting Rights (<http://www.evotep.jp/>), and click the “Next” button.

**2. Enter the “Log-in ID” and the “Temporary Password,” which are printed on the enclosed Voting Rights Exercise Form, and click the “Log-in” button.**

- \* The Web site for the Exercise of Voting Rights will be unavailable during the hours of 2:00 a.m. to 5:00 a.m. everyday due to maintenance and inspection.
- \* If you have exercised your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, etc., only the exercise of voting rights via the Internet, etc. shall be deemed effective.
- \* If you have exercised your voting rights more than once via the Internet, etc., only the final exercise of the voting rights shall be deemed effective.
- \* The Web site for the Exercise of Voting Rights may be unavailable by certain Internet settings, or by the service to which you are subscribed or the model of the device you use to access the Web site.
- \* Any costs including Internet connection fees and communication charges that might be required to access the Web site for the exercise of voting rights shall be borne by the shareholder.

**For Inquiries about the System Environment, etc.**

Please use the contact number below if you have any difficulties when voting by the Internet, etc. using a personal computer or smartphone.

**Transfer Agent (“Help Desk”), Mitsubishi UFJ Trust and Banking Corporation**

**Toll-Free Call: 0120-173-027**

Available from 9:00 a.m. to 9:00 p.m.

**<<To Our Institutional Investors>>**

You may use the “Electronic Proxy Voting Platform (for Institutional Investors)” operated by ICJ Inc., as a method of exercising your voting rights for the Company’s General Meetings of Shareholders.

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**REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS**

**Proposals and References**

**Proposal No. 1: Appropriation of Surplus**

We hereby propose to appropriate the surplus as described below.

**Fiscal Year-End Dividends**

The Company maintains a basic policy for distribution of profit of paying stable cash dividends to its shareholders, while taking into account the financial requirements for future business development such as the Marunouchi Redevelopment Project. The Company also considers results level and other factors from comprehensive point of view in determining the amount of dividends. From such a viewpoint, we hereby propose to distribute a fiscal year-end dividend as indicated below for the fiscal year ended March 31, 2016.

(1) Type of Property for Dividends:

Money

(2) Allotment of Property for Dividends and Total Amount Thereof:

¥9 per share of the Company's common stock for a total of ¥12,486,954,132

(3) Effective Date of Distribution of Surplus:

June 30, 2016

As we paid ¥7 per share as an interim dividend, the annual dividend would be ¥16 per share for the fiscal year under review, an increase of ¥2 per share from the previous fiscal year.

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

1. Reason for the amendments

- (1) The Company plans to execute a transition to a company with Nominating Committee, etc., aiming to further 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. Accordingly, changes will be made where necessary to its Articles of Incorporation, including the amendments to provisions related to Directors and the Board of Directors, additions of provisions related to each committee and corporate executive officers, and removals of provisions related to Statutory Auditors and the Board of Statutory Auditors.
- (2) In accordance with the current status of the Company’s business activities, with the aim of the clarification of the contents of the business, a new provision will be added to Article 3 of the current Articles of Incorporation, Purposes.
- (3) Due to the amendments to the Companies Act, changing the range of corporate officers who can conclude liability limit agreements, provisions related to liability limit agreements (Article 27 of the current Articles of Incorporation) will be changed where necessary to ensure that Directors who do not execute business and are not Outside Directors will be able to fully carry out their expected duties. Each Statutory Auditor has given his consent for the change in Article 27 of the current Articles of Incorporation.
- (4) Changes will be made where necessary, including amendments of the numbers of Articles in conjunction with the above revision, and additions or removals of other provisions.

The amendments to the Articles of Incorporation related to this proposal takes effect at the conclusion of this General Meeting of Shareholders.

2. Details of the proposed amendments

Details of the proposed amendments to the Articles of Incorporation are as follows:

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Articles of Incorporation
<b>CHAPTER I GENERAL PROVISIONS</b>	<b>CHAPTER I GENERAL PROVISIONS</b>
Article 1~2 (Omitted)	Article 1~2 (Unchanged)
Article 3 The purpose of the Company shall be to engage in the following business activities: 1.~12. (Omitted) (Newly established) 13. (Omitted) (Newly established)	Article 3 The purpose of the Company shall be to engage in the following business activities: 1.~12. (Unchanged) <u>13. Security services under the Security Services Act</u> <u>14. (Unchanged)</u>
Article 4 (Omitted)	<u>Article 4</u> <u>The Company, being a company with Nominating Committee, etc., shall establish the Board of Directors, Nominating Committee, Audit Committee, Remuneration Committee, Corporate Executive Officers and Independent Accounting Auditors in addition to the general meeting of shareholders and the Directors.</u> Article 5 (Unchanged)

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Current Articles of Incorporation	Proposed Articles of Incorporation
<p style="text-align: center;"><b>CHAPTER II SHARES</b></p> <p>Article <u>5~11</u> (Omitted)</p>	<p style="text-align: center;"><b>CHAPTER II SHARES</b></p> <p>Article <u>6~12</u> (Unchanged)</p>
<p style="text-align: center;"><b>CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS</b></p> <p>Article <u>12</u> (Omitted)</p> <p>Article <u>13</u>            Unless otherwise provided by laws or ordinances, general meetings of shareholders shall be convened by <u>the President and Director pursuant to a resolution of the Board of Directors</u>. Should <u>the President and Director</u> be unable to act, <u>one of the other Representative Directors</u> shall convene the general meeting in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p>Article <u>14</u>  <u>The President and Director</u> shall act as chairman at all general meetings of shareholders. Should <u>the President and Director</u> be unable to act, <u>one of the other Representative Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p>Article <u>15~17</u> (Omitted)</p>	<p style="text-align: center;"><b>CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS</b></p> <p>Article <u>13</u> (Unchanged)</p> <p>Article <u>14</u>            Unless otherwise provided by laws or ordinances, general meetings of shareholders shall be convened by <u>the Director predetermined by the Board of Directors</u>. Should <u>the Director</u> be unable to act, <u>one of the other Directors</u> shall convene the general meeting in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p>Article <u>15</u>  <u>The President and Chief Executive Officer</u> shall act as chairman at all general meetings of shareholders. Should <u>the President and Chief Executive Officer</u> be unable to act, <u>one of the other Corporate Executive Officers or Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p>Article <u>16~18</u> (Unchanged)</p>
<p style="text-align: center;"><b>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</b></p> <p><u>Article 18</u>  <u>The Company shall have the Board of Directors.</u></p> <p>Article 19            The Company shall have not more than <u>fifteen (15)</u> Directors, and Directors shall be elected at general meetings of shareholders.            A resolution for the election of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights held by shareholders present and entitled to exercise their voting rights, where shareholders present shall hold shares representing not less than one-third of the total number of voting rights of all shareholders entitled to exercise their voting rights.            The election of Directors shall not be conducted by cumulative voting.</p> <p>Article 20 (Omitted)</p> <p>Article 21  <u>Directors who shall represent the Company shall be appointed by a resolution of the Board of Directors.</u>            The Board of Directors may, by a resolution thereof, appoint <u>one (1) Chairman of the Board and one (1) President and Director.</u></p>	<p style="text-align: center;"><b>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</b></p> <p style="text-align: center;">(Deleted)</p> <p>Article 19            The Company shall have not more than <u>eighteen (18)</u> Directors, and Directors shall be elected at general meetings of shareholders.            A resolution for the election of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights held by shareholders present and entitled to exercise their voting rights, where shareholders present shall hold shares representing not less than one-third of the total number of voting rights of all shareholders entitled to exercise their voting rights.            The election of Directors shall not be conducted by cumulative voting.</p> <p>Article 20 (Unchanged)</p> <p>Article 21            The Board of Directors may, by a resolution thereof, appoint Chairman of the Board.</p>

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Current Articles of Incorporation	Proposed Articles of Incorporation
<p><u>Article 22</u>  <u>The Company may by a resolution of the Board of Directors have Executive Counsel(s).</u></p> <p><u>Article 23</u>  <u>The Board of Directors shall make decisions concerning important affairs of the Company.</u>            All resolutions of the Board of Directors shall be adopted at a meeting of the Board of Directors at which a majority of the Directors are present, by a majority of the Directors present.</p> <p><u>Article 24</u>            The Chairman of the Board shall convene meetings of the Board of Directors. Should the office of the Chairman of the Board be vacant, or should he or she be unable to act, <u>the President and Director shall so act, and should the President and Director also be unable to act, one of the other Representative Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.            In order to convene a meeting of the Board of Directors, a notice of the meeting of the Board of Directors shall be given to each Director <u>and each Statutory Auditor</u> at least three (3) days prior to the day set for such meeting; provided, however, that such period may be shortened in case of urgency.</p> <p><u>Article 25</u>            The Chairman of the Board shall act as chairman at all meetings of the Board of Directors. Should the office of the Chairman of the Board be vacant, or should he or she be unable to act, <u>the President and Director shall so act, and should the President and Director also be unable to act, one of the other Representative Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p><u>Article 26</u>            In case all the Directors express their agreement to any matter to be resolved at the Board of Directors in writing or via an electromagnetic method, a resolution of the Board of Directors to pass the matter to be resolved shall be deemed to have been adopted to that effect; <u>provided, however, that the provision shall not apply if an objection is raised by any of the Statutory Auditors.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>Article 22</u>            All resolutions of the Board of Directors shall be adopted at a meeting of the Board of Directors at which a majority of the Directors are present, by a majority of the Directors present.</p> <p><u>Article 23</u>            The Chairman of the Board shall convene meetings of the Board of Directors. Should the office of the Chairman of the Board be vacant, or should he or she be unable to act, <u>one of the other Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.            In order to convene a meeting of the Board of Directors, a notice of the meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the day set for such meeting; provided, however, that such period may be shortened in case of urgency.</p> <p><u>Article 24</u>            The Chairman of the Board shall act as chairman at all meetings of the Board of Directors. Should the office of the Chairman of the Board be vacant, or should he or she be unable to act, <u>one of the other Directors</u> shall so act in accordance with an order of priority predetermined by a resolution of the Board of Directors.</p> <p><u>Article 25</u>            In case all the Directors express their agreement to any matter to be resolved at the Board of Directors in writing or via an electromagnetic method, a resolution of the Board of Directors to pass the matter to be resolved shall be deemed to have been adopted to that effect.</p> <p><u>Article 26</u>  <u>Unless otherwise provided by laws or ordinances or in these Articles of Incorporations, the items in respect of the Board of Directors shall be governed by the Board of Directors Regulations adopted by the Board of Directors.</u></p>

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Current Articles of Incorporation	Proposed Articles of Incorporation
<p>Article 27</p> <p>Pursuant to the provision of Article 427, Paragraph 1 of the Company Law, the Company may enter into an agreement with <u>each Outside Director</u> to limit his/her liability for damage arised from failure of the performance of his/her duties; provided, however, that such limited amount shall be either a predetermined amount equal to or above ¥10 million or the minimum liability amount set forth in the relevant laws or ordinances, whichever is higher.</p>	<p>Article 27</p> <p>Pursuant to the provision of Article 427, Paragraph 1 of the Company Law, the Company may enter into an agreement with <u>each Director (excluding Executive Director, etc.)</u> to limit his/her liability for damage arised from failure of the performance of his/her duties; provided, however, that such limited amount shall be either a predetermined amount equal to or above ¥10 million or the minimum liability amount set forth in the relevant laws or ordinances, whichever is higher.</p>
<p><b><u>CHAPTER V STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</u></b></p> <p><u>Article 28</u>  <u>The Company shall have the Statutory Auditors and the Board of Statutory Auditors.</u></p> <p><u>Article 29</u>  <u>The Company shall have not more than five (5) Statutory Auditors, and Statutory Auditors shall be elected at general meetings of shareholders.</u>  <u>A resolution for the election of Statutory Auditors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights held by shareholders present and entitled to exercise their voting rights, where shareholders present shall hold shares representing not less than one-third of the total number of voting rights of all shareholders entitled to exercise their voting rights.</u></p> <p><u>Article 30</u>  <u>The term of office of a Statutory Auditor shall expire upon conclusion of the ordinary general meeting of shareholders held for the last business year ending within four (4) years after his/her election.</u></p> <p><u>Article 31</u>  <u>The Board of Statutory Auditors shall elect, by a resolution thereof, one (1) or more Standing Statutory Auditors.</u></p> <p><u>Article 32</u>  <u>Unless otherwise provided by laws or ordinances, all resolutions of the Board of Statutory Auditors shall be adopted by a majority of the Statutory Auditors.</u></p> <p><u>Article 33</u>  <u>In order to convene a meeting of the Board of Statutory Auditors, a notice of the meeting of the Board of Statutory Auditors shall be given to each Statutory Auditor at least three (3) days prior to the day set for such meeting; provided, however, that such period may be shortened in case of urgency.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>



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Current Articles of Incorporation	Proposed Articles of Incorporation
<p><u>Article 34</u>  <u>Pursuant to the provision of Article 427, Paragraph 1, of the Company Law, the Company may enter into an agreement with each Outside Statutory Auditor to limit his/her liability for damage arised from failure of the performance of his/her duties; provided, however, that such limited amount shall be either a predetermined amount equal to or above ¥10 million or the minimum liability amount set forth in the relevant laws or ordinances, whichever is higher.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>CHAPTER V NOMINATING COMMITTEE, AUDIT COMMITTEE AND REMUNERATION COMMITTEE</u></p> <p><u>Article 28</u>  <u>The members of the Nominating Committee, Audit Committee and Remuneration Committee of the Company shall be appointed from among the Directors at the Board of Directors.</u></p> <p><u>Article 29</u>  <u>Unless otherwise provided by laws or ordinances or in these Articles of Incorporations, the items in respect of the Nominating Committee, Audit Committee and Remuneration Committee shall be governed by the Regulations for each committee adopted by the Board of Directors.</u></p>
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>CHAPTER VI CORPORATE EXECUTIVE OFFICERS</u></p> <p><u>Article 30</u>  <u>Corporate Executive Officers of the Company shall be appointed at the Board of Directors.</u></p> <p><u>Article 31</u>  <u>The term of office of a Corporate Executive Officer shall expire at the end of the last business year ending within one (1) year after his/her appointment.</u></p> <p><u>Article 32</u>  <u>Corporate Executive Officers who shall represent the Company shall be appointed by a resolution of the Board of Directors.</u>  <u>The President and Chief Executive Officer shall be appointed by a resolution of the Board of Directors.</u>  <u>In addition to what is provided in the preceding paragraph, the Board of Directors may, by a resolution thereof, appoint Corporate Executive Officers with special titles.</u></p>

**[Translation for Reference and Convenience Purposes Only]**

Current Articles of Incorporation	Proposed Articles of Incorporation
<p style="text-align: center;">CHAPTER <u>VI</u> INDEPENDENT ACCOUNTING AUDITORS</p> <p><u>Article 35</u> <u>The Company shall have Independent Accounting Auditors.</u></p> <p>Article <u>36~37</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER <u>VII</u> INDEPENDENT ACCOUNTING AUDITORS</p> <p style="text-align: center;">(Deleted)</p> <p>Article <u>33~34</u> (Unchanged)</p>
<p style="text-align: center;">CHAPTER <u>VII</u> ACCOUNTS</p> <p>Article <u>38~41</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER <u>VIII</u> ACCOUNTS</p> <p>Article <u>35~38</u> (Unchanged)</p>

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**Proposal No. 3: Election of Fifteen (15) Directors**

The Company plans to make the transition from a company with a Board of Statutory Auditors to a company with Nominating Committee, etc., once Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved and adopted. Consequently, because the term of office of all thirteen (13) current Directors and four (4) current Statutory Auditors will expire at the conclusion of this 117th Ordinary General Meeting of Shareholders, we propose the election of fifteen (15) Directors.

The candidates for Director are as follows:

<b>Candidate No. 1</b>	<b>Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held</b>
<div data-bbox="215 795 391 840" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div> <p data-bbox="215 884 446 952"><b>Keiji Kimura</b> (February 21, 1947)</p> <p data-bbox="191 985 470 1064">Number of the shares of the Company held: 28,000 shares</p>	<p data-bbox="510 481 1420 1220">                     May 1970      Joined Mitsubishi Estate Co., Ltd.                      Jun. 1996      General Manager, Secretary Dept., Mitsubishi Estate Co., Ltd.                      Jan. 1998      General Manager, Corporate Planning Dept., Mitsubishi Estate Co., Ltd.                      Apr. 2000      General Manager, Corporate Planning Division, Corporate Planning Dept., Mitsubishi Estate Co., Ltd.                      Jun. 2000      Director and General Manager, Corporate Planning Division, Corporate Planning Dept., Mitsubishi Estate Co., Ltd.                      Apr. 2003      Director, Senior Executive Officer and Deputy General Manager, Corporate Planning &amp; Administration Division, Mitsubishi Estate Co., Ltd.                      Jun. 2003      Senior Executive Officer and Deputy General Manager, Corporate Planning &amp; Administration Division, Mitsubishi Estate Co., Ltd.                      Apr. 2004      Executive Vice President, Mitsubishi Estate Co., Ltd., and President and Director, Royal Park Hotels and Resorts Co., Ltd.                      Jun. 2004      Representative Director (Current position), Executive Vice President, Mitsubishi Estate Co., Ltd., and President and Director, Royal Park Hotels and Resorts Co., Ltd.                      Jun. 2005      President and Chief Executive Officer, Mitsubishi Estate Co., Ltd.                      Apr. 2011      Chairman of the Board, Mitsubishi Estate Co., Ltd. (Current position)                 </p> <p data-bbox="510 1232 1189 1332"> <u><b>Significant Positions Concurrently Held</b></u>                      President, The Real Estate Companies Association of Japan                      Director, Rockefeller Group, Inc.                 </p> <p data-bbox="510 1332 1436 1579"> <u><b>Reasons for Nomination as Candidate for Director</b></u>                      Having served as General Manager and Officer of the Company, Keiji Kimura has been in charge of the Company's management as President and Chief Executive Officer from June 2005 to March 2011, and Chairman of the Board from April 2011. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging management experiences in the Company and extensive knowledge and experience related to the business of the Group.                 </p>

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Candidate No. 2	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div data-bbox="199 571 367 616" style="border: 1px solid black; padding: 2px; width: fit-content;">Reappointment</div> <p data-bbox="191 660 470 728"><b>Hiroataka Sugiyama</b> (July 1, 1949)</p> <p data-bbox="191 750 470 840">Number of the shares of the Company held: 25,000 shares</p>	Apr. 1974      Joined Mitsubishi Estate Co., Ltd.
	Apr. 2001      General Manager, Corporate Planning Division, Affiliated Companies Business Planning Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2002      General Manager, Corporate Planning Division, Finance & Accounting Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2003      General Manager, Corporate Planning & Administration Division, Finance & Accounting Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2004      Executive Officer and General Manager, Corporate Planning & Administration Division, Finance & Accounting Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2005      Executive Officer and General Manager, Corporate Planning & Administration Division, General Affairs Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2006      Executive Officer and General Manager, General Affairs Dept., Mitsubishi Estate Co., Ltd.
	Apr. 2007      Senior Executive Officer
	Jun. 2007      Director and Senior Executive Officer
	Apr. 2010      Director and Executive Vice President
	Jun. 2010      Representative Director (Current position), Executive Vice President
	Apr. 2011      President and Chief Executive Officer, Mitsubishi Estate Co., Ltd. (Current position)
	<p data-bbox="510 1041 1125 1075"><b><u>Reasons for Nomination as Candidate for Director</u></b></p> <p data-bbox="510 1075 1436 1263">Having served as General Manager and Officer of the Company, Hiroataka Sugiyama has been in charge of the Company's management as President and Chief Executive Officer from April 2011. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging management experiences in the Company and extensive knowledge and experience related to the business of the Group.</p>

[Translation for Reference and Convenience Purposes Only]

Candidate No. 3	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div data-bbox="215 566 384 613" style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p data-bbox="240 658 419 723" style="text-align: center;"><b>Jo Kato</b> (April 14, 1954)</p> <p data-bbox="193 757 466 837">Number of the shares of the Company held: 50,213 shares</p>	<p data-bbox="512 293 1091 320">Apr. 1977      Joined Mitsubishi Estate Co., Ltd.</p> <p data-bbox="512 324 1374 383">Apr. 2003      General Manager, International Business Dept., Mitsubishi Estate Co., Ltd.</p> <p data-bbox="512 387 1321 448">Apr. 2006      Senior Managing Director, Mitsubishi Estate Building Management Co., Ltd.</p> <p data-bbox="512 452 1437 515">Apr. 2007      Executive Officer, Mitsubishi Estate Co., Ltd. and President and Director, Mitsubishi Estate Building Management Co., Ltd.</p> <p data-bbox="512 519 1437 613">Apr. 2010      Senior Executive Officer, Mitsubishi Estate Co., Ltd. and President and Director, Mitsubishi Estate Building Management Co., Ltd.</p> <p data-bbox="512 618 991 645">Apr. 2011      Senior Executive Officer</p> <p data-bbox="512 649 1139 676">Jun. 2011      Director and Senior Executive Officer</p> <p data-bbox="512 680 1414 741">Apr. 2013      Representative Director (Current position) and Executive Vice President</p> <p data-bbox="512 745 1114 775">Apr. 2015      Deputy President (Current position)</p> <p data-bbox="512 792 858 822"><i>(Assignments in the Company)</i></p> <p data-bbox="708 826 1437 920">Assistant to the President; responsible for International Business Planning Dept., Americas &amp; Europe Business Dept. and Asia Business Dept.</p> <p data-bbox="512 925 995 954"><b><u>Significant Positions Concurrently Held</u></b></p> <p data-bbox="512 958 1054 987">Chairman and Director, Rockefeller Group, Inc.</p> <p data-bbox="512 992 963 1021">President and Director, MEC USA, Inc.</p> <p data-bbox="512 1025 1123 1055"><b><u>Reasons for Nomination as Candidate for Director</u></b></p> <p data-bbox="512 1059 1414 1308">Having served as General Manager at the International Business Group of the Company, President and Director of the Group companies and Officer responsible for departments of the Corporate Group of the Company, Jo Kato is currently engaged in the Company's management as Deputy President and Representative Director. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging management experiences in the Company and extensive knowledge and experience related to the business of the Group.</p>

[Translation for Reference and Convenience Purposes Only]

Candidate No. 4	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; width: fit-content; padding: 2px; margin-bottom: 10px;">Reappointment</div> <p><b>Junichi Tanisawa</b> (January 3, 1958)</p> <p>Number of the shares of the Company held: 5,000 shares</p>	<p>Apr. 1981      Joined Mitsubishi Estate Co., Ltd. Apr. 2006      General Manager, Area Planning Office Apr. 2010      General Manager, Commercial Asset Development Dept. Apr. 2011      Executive Officer and General Manager, Commercial Asset Development Dept. Apr. 2012      Executive Officer and General Manager, Corporate Planning Dept. Apr. 2014      Senior Executive Officer (Current position) Jun. 2014      Director (Current position)</p> <p><i>(Assignments in the Company)</i> Responsible for Corporate Planning Dept. and Business Creation Dept.</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> Having served as General Manager at the Office Building Group and the Corporate Group of the Company, Junichi Tanisawa is currently responsible for corporate planning and others as Director and Senior Executive Officer. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging his extensive knowledge and experience related to the business of the Group.</p>

Candidate No. 5	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; width: fit-content; padding: 2px; margin-bottom: 10px;">New</div> <p><b>Junichi Yoshida</b> (May 26, 1958)</p> <p>Number of the shares of the Company held: 5,000 shares</p>	<p>Apr. 1982      Joined Mitsubishi Estate Co., Ltd. Apr. 2007      General Manager, Personnel Planning Dept., Mitsubishi Estate Co., Ltd. Apr. 2009      General Manager, Human Resources Dept., Mitsubishi Estate Co., Ltd. Apr. 2011      General Manager, Commercial Asset Management Dept., Mitsubishi Estate Co., Ltd. Apr. 2012      Executive Officer and General Manager, Commercial Asset Management Dept., Mitsubishi Estate Co., Ltd. Apr. 2014      Senior Executive Officer, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><i>(Assignments in the Company)</i> Responsible for Human Resources Dept., General Affairs Dept., Legal &amp; Compliance Dept., CSR &amp; Environmental Sustainability Dept., Compliance, Risk Management, Environmental and Disaster Prevention</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> Having served as General Manager at the Office Building Group and the Corporate Group of the Company, Junichi Yoshida is currently responsible for human resources, general affairs, compliance, risk management and others as Senior Executive Officer. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging his extensive knowledge and experience related to the business of the Group.</p>

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Candidate No. 6	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; width: fit-content; margin-bottom: 10px; padding: 2px;">New</div> <p><b>Hiroshi Katayama</b> (March 2, 1959)</p> <p>Number of the shares of the Company held: 6,000 shares</p>	<p>Apr. 1981      Joined Mitsubishi Estate Co., Ltd. Apr. 2008      General Manager, Investment Management Office, Mitsubishi Estate Co., Ltd. Apr. 2010      CEO &amp; President, Japan Real Estate Asset Management Co., Ltd. Apr. 2012      Executive Officer, Mitsubishi Estate Co., Ltd. and CEO &amp; President, Japan Real Estate Asset Management Co., Ltd. Apr. 2016      Senior Executive Officer, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><i>(Assignments in the Company)</i></p> <p>Responsible for Finance &amp; Accounting Dept. and Corporate Communications Dept.</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> Having served as General Manager at the Investment Management Group of the Company and CEO &amp; President of the Group company, Hiroshi Katayama is currently responsible for finance &amp; accounting as well as corporate communications as Senior Executive Officer. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging his extensive knowledge and experience related to the business of the Group.</p>

Candidate No. 7	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; width: fit-content; margin-bottom: 10px; padding: 2px;">New</div> <p><b>Yutaka Yanagisawa</b> (September 2, 1950)</p> <p>Number of the shares of the Company held: 14,000 shares</p>	<p>Apr. 1974      Joined Mitsubishi Estate Co., Ltd. Apr. 2003      Executive Officer and General Manager, Corporate Planning &amp; Administration Division, Corporate Planning Dept., Mitsubishi Estate Co., Ltd. Apr. 2005      Executive Officer and General Manager, Corporate Planning &amp; Administration Division, Corporate Planning Dept., and General Manager, Internal Audit Office, Mitsubishi Estate Co., Ltd. Jun. 2005      Senior Executive Officer and Deputy General Manager, Corporate Planning &amp; Administration Division, and General Manager, Corporate Planning Dept., Mitsubishi Estate Co., Ltd. Apr. 2006      Senior Executive Officer and General Manager, Corporate Planning Dept., Mitsubishi Estate Co., Ltd. Apr. 2008      Senior Executive Officer Jun. 2009      Director and Senior Executive Officer Apr. 2010      Director and Executive Vice President Jun. 2010      Representative Director and Executive Vice President Apr. 2013      Representative Director and Deputy President Apr. 2015      Director Jun. 2015      Standing Statutory Auditor, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> Having served as General Manager and Officer responsible for departments of the Corporate Group, etc. of the Company, Yutaka Yanagisawa is currently engaged in the audit of the execution of duties by Directors as Standing Statutory Auditor. As such, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging management experiences in the Company and extensive knowledge and experience related to the business of the Group.</p>

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Candidate No. 8	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<p style="text-align: center;">Reappointment</p> <p style="text-align: center;"><b>Toru Okusa</b> (June 24, 1955)</p> <p>Number of the shares of the Company held: 20,000 shares</p>	<p>Apr. 1980      Joined Mitsubishi Estate Co., Ltd.</p> <p>Apr. 2008      General Manager, Finance &amp; Accounting Dept., Mitsubishi Estate Co., Ltd.</p> <p>Apr. 2010      Executive Officer and General Manager, Finance &amp; Accounting Dept., Mitsubishi Estate Co., Ltd.</p> <p>Apr. 2013      Senior Executive Officer, Mitsubishi Estate Co., Ltd.</p> <p>Jun. 2013      Director and Senior Executive Officer, Mitsubishi Estate Co., Ltd.</p> <p>Apr. 2016      Director, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> Having served as General Manager and Officer responsible for departments of the Corporate Group of the Company, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis, leveraging his extensive knowledge and experience related to the business of the Group.</p>

Candidate No. 9	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<p style="text-align: center;">Reappointment      Outside</p> <p style="text-align: center;">Independent Director</p> <p style="text-align: center;"><b>Isao Matsuhashi</b> (April 16, 1933)</p> <p>Number of the shares of the Company held: — shares</p> <p>Term of office served as the Company's Outside Director: 9 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Attendance to the meetings of the Board of Directors (Fiscal 2015): 15/15</p>	<p>Apr. 1956      Joined Japan Travel Bureau Foundation</p> <p>Jun. 1990      President and Representative Director, JTB Corp.</p> <p>Jun. 1996      Chairman and Representative Director, JTB Corp.</p> <p>Jun. 2002      Director and Adviser, JTB Corp.</p> <p>Apr. 2004      Chairman and Director, NARITA INTERNATIONAL AIRPORT CORPORATION</p> <p>Jun. 2004      Adviser, JTB Corp. (Current position)</p> <p>Jun. 2007      Retired from the position of Chairman and Director, NARITA INTERNATIONAL AIRPORT CORPORATION Director, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Significant Positions Concurrently Held</u></b> Adviser, JTB Corp.</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> 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 a lifestyle-related service company, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis.</p>



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Candidate No. 10	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px; margin-left: 20px;">Outside</span> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; text-align: center;">                     Independent Director                 </div> <p style="text-align: center;"><b>Shin Ebihara</b> (February 16, 1948)</p> <p>Number of the shares of the Company held: — shares</p> <p>Term of office served as the Company's Outside Director: 1 year (at the conclusion of this General Meeting of Shareholders)</p> <p>Attendance to the meetings of the Board of Directors (Fiscal 2015): 11/11</p>	<p>Apr. 1971      Joined the Ministry of Foreign Affairs of Japan</p> <p>Jan. 2001      Director-General, Treaties Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Sep. 2002      Director-General, North American Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jan. 2005      Assistant Chief Cabinet Secretary, the Cabinet Secretariat</p> <p>Mar. 2006      Ambassador Extraordinary and Plenipotentiary to the Republic of Indonesia</p> <p>Apr. 2008      Ambassador Extraordinary and Plenipotentiary to the United Kingdom</p> <p>Feb. 2011      Retired from the Ministry of Foreign Affairs of Japan</p> <p>Jun. 2015      Director, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Significant Positions Concurrently Held</u></b> Advisor, Sumitomo Corporation</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> 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 enhance corporate value of the Group on a medium- to long-term basis. Although he does not have experience of being involved in corporate management other than as an outside officer, the Company determined that he will be able to carry out the duties of an Outside Director appropriately for the aforementioned reason.</p>

Candidate No. 11	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px; margin-left: 20px;">Outside</span> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; text-align: center;">                     Independent Director                 </div> <p style="text-align: center;"><b>Shu Tomioka</b> (April 15, 1948)</p> <p>Number of the shares of the Company held: — shares</p> <p>Term of office served as the Company's Outside Director: 10 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Attendance to the meetings of the Board of Directors (Fiscal 2015): 15/15</p>	<p>Nov. 1975      Joined Morgan Guaranty Trust Company of New York</p> <p>Feb. 1991      Branch Manager and Representative in Japan, J.P. Morgan Securities Asia Pte. Limited, Tokyo Branch</p> <p>Jul. 1998      Director and Vice Chairman, J.P. Morgan Securities Asia Pte. Limited</p> <p>Apr. 1999      Representative in Japan, J.P. Morgan Securities Asia Pte. Limited</p> <p>Mar. 2001      Vice Chairman, J.P. Morgan Securities Asia Pte. Limited</p> <p>Oct. 2002      Retired from J.P. Morgan Securities Asia Pte. Limited</p> <p>Jun. 2006      Director, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> 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 a foreign-affiliated investment bank, he is expected to contribute to enhance corporate value of the Group on a medium- to long-term basis.</p>

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Candidate No. 12	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> <span>New</span> <span>Outside</span> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px; text-align: center;">Independent Director</div> <p><b>Masaaki Shirakawa</b> (September 27, 1949)</p> <p>Number of the shares of the Company held: — shares</p>	<p>Apr. 1972      Joined Bank of Japan            Jul. 2002      Executive Director, Bank of Japan            Jul. 2006      Professor, Kyoto University School of Government            Mar. 2008      Deputy Governor, Bank of Japan            Apr. 2008      Governor, Bank of Japan            Mar. 2013      Retired from Bank of Japan</p> <p><b><u>Significant Positions Concurrently Held</u></b>            Professor, School of International Politics, Economics &amp; Communication, Aoyama Gakuin University</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b>            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 enhance corporate value of the Group on a medium- to long-term basis. Although he does not have experience of being involved in corporate management, the Company determined that he will be able to carry out the duties of an Outside Director appropriately for the aforementioned reason.</p>
Candidate No. 13	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> <span>New</span> <span>Outside</span> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px; text-align: center;">Independent Director</div> <p><b>Shin Nagase</b> (March 13, 1950)</p> <p>Number of the shares of the Company held: — shares</p>	<p>Apr. 1972      Joined All Nippon Airways Co., Ltd.            Apr. 2009      Member of the Board of Directors and Senior Executive Vice President, All Nippon Airways Co., Ltd.            Apr. 2012      President, CEO, ANA Strategic Research Institute Co., Ltd.            Apr. 2016      Senior Advisor, ANA HOLDINGS INC. (Current position)</p> <p><b><u>Significant Positions Concurrently Held</u></b>            Senior Advisor, ANA HOLDINGS INC.            Director, HAPPINET CORPORATION (scheduled to assume the position in Jun. 2016)            Director, TOSHIBA TEC CORPORATION (scheduled to assume the position in Jun. 2016)</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b>            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 enhance corporate value of the Group on a medium- to long-term basis.</p>

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Candidate No. 14	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> <span>Reappointment</span> <span>Outside</span> </div> <div style="border: 1px solid black; padding: 5px; margin: 5px 0; text-align: center;">Independent Director</div> <p><b>Setsuko Egami</b> (July 16, 1950) (Name as shown on the family register: Setsuko Kusumoto)</p> <p>Number of the shares of the Company held: — shares</p> <p>Term of office served as the Company's Outside Director: 1 year (at the conclusion of this General Meeting of Shareholders)</p> <p>Attendance to the meetings of the Board of Directors (Fiscal 2015): 10/11</p>	<p>Apr. 1983 Editor-in-Chief of “<i>Travaille</i>” magazine, Japan Recruit Center</p> <p>Dec. 2001 Director, Frontier Service Development Laboratory, East Japan Railway Company</p> <p>Apr. 2009 Professor, Graduate School of Humanities, Musashi University (Current position) Professor, Faculty of Sociology, Musashi University (Current position)</p> <p>Apr. 2012 Dean, Faculty of Sociology, Musashi University</p> <p>Jun. 2015 Director, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Significant Positions Concurrently Held</u></b> Professor, Graduate School of Humanities, Musashi University Professor, Faculty of Sociology, Musashi University Auditor, Yusen Logistics Co., Ltd.</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> 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 enhance corporate value of the Group on a medium- to long-term basis. Although she does not have experience of being involved in corporate management other than as an outside officer, the Company determined that she will be able to carry out the duties of an Outside Director appropriately for the aforementioned reason.</p>

Candidate No. 15	Brief Personal History, Positions and Assignments in the Company and Significant Positions Concurrently Held
<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> <span>New</span> <span>Outside</span> </div> <div style="border: 1px solid black; padding: 5px; margin: 5px 0; text-align: center;">Independent Director</div> <p><b>Iwao Taka</b> (March 10, 1956)</p> <p>Number of the shares of the Company held: — shares</p>	<p>Apr. 1994 Full-Time Lecturer, Faculty of International Economics, Reitaku University</p> <p>Apr. 2001 Professor, Faculty of International Economics (currently Faculty of Economics and Business Administration), Reitaku University (Current position)</p> <p>Apr. 2002 Professor, School of International Economics (currently School of Economics and Business Administration), Chikuro Hiroike School of Graduate Studies, Reitaku University (Current position)</p> <p>Apr. 2009 Dean, Faculty of Economics and Business Administration, Reitaku University</p> <p>Jun. 2015 Statutory Auditor, Mitsubishi Estate Co., Ltd. (Current position)</p> <p><b><u>Significant Positions Concurrently Held</u></b> Professor, School of Economics and Business Administration, Chikuro Hiroike School of Graduate Studies, Reitaku University Professor, Faculty of Economics and Business Administration, Reitaku University Director, NH Foods Ltd.</p> <p><b><u>Reasons for Nomination as Candidate for Director</u></b> 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 enhance corporate value of the Group on a medium- to long-term basis. Although he does not have experience of being involved in corporate management other than as an outside officer, the Company determined that he will be able to carry out the duties of an Outside Director appropriately for the aforementioned reason.</p>

## [Translation for Reference and Convenience Purposes Only]

Notes:

1. Each candidate has no special interest in the Company.
2. Isao Matsuhashi, Shin Ebihara, Shu Tomioka, Masaaki Shirakawa, Shin Nagase, Setsuko Egami and Iwao Taka are Candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.
3. Years of service after assumption of office as the Outside Directors of the Company for each Candidate for Outside Directors are as follows:
  - 1) The term of office of Shu Tomioka as Outside Director will be ten (10) years as of the conclusion of this 117th Ordinary General Meeting of Shareholders.
  - 2) The term of office of Isao Matsuhashi as Outside Director will be nine (9) years as of the conclusion of this 117th Ordinary General Meeting of Shareholders.
  - 3) The each term of office of Shin Ebihara and Setsuko Egami as Outside Director will be one (1) year as of the conclusion of this 117th Ordinary General Meeting of Shareholders.
4. Iwao Taka serves as an Outside Statutory Auditor of the Company, and his term of office as an Outside Statutory Auditor will be one (1) year as of the conclusion of this 117th Ordinary General Meeting of Shareholders. He attended ten (10) of eleven (11) meetings of the Board of Directors and ten (10) of eleven (11) meetings of the Board of Statutory Auditors held in fiscal 2015.
5. Outline of the liability limit agreements entered into with Candidates for Outside Directors is as follows:
  - 1) The Company has entered into agreements, in accordance with Article 427, Paragraph 1, of the Companies Act, with the four (4) Outside Directors currently in office (Isao Matsuhashi, Shin Ebihara, Shu Tomioka, and Setsuko Egami) and one (1) Outside Statutory Auditor currently in office (Iwao Taka) to limit their liabilities to compensate damages under Article 423, Paragraph 1, of the Companies Act. The 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 in the relevant laws and regulations, whichever is higher. If the appointment of these five (5) candidates is approved, the Company intends to continue the above liability limit agreements. (For Iwao Taka, an agreement as Outside Director)
  - 2) If the appointment of the candidates, Masaaki Shirakawa and Shin Nagase is approved, the Company will enter into agreements, in accordance with Article 427, Paragraph 1, of the Companies Act, with Masaaki Shirakawa and Shin Nagase to limit their liabilities to compensate damages under Article 423, Paragraph 1, of the Companies Act. The limitation on liability of each Outside Director to compensate damages under such agreements will be either ¥10 million or the respective amounts set forth in the relevant laws and regulations, whichever is higher.
6. The Company has appointed four (4) Outside Directors currently in office (Isao Matsuhashi, Shin Ebihara, Shu Tomioka and Setsuko Egami) and one (1) Outside Statutory Auditor currently in office (Iwao Taka) as Independent Director/Auditor and notified such designation to the Tokyo Stock Exchange and other exchanges in accordance with the rules of Tokyo Stock Exchange, Inc., and other exchanges. If the five (5) candidates are appointed, the Company intends to continue their appointment as Independent Director (For Iwao Taka, an appointment as Outside Director). If the appointment of the candidates, Masaaki Shirakawa and Shin Nagase is approved, the Company will appoint Masaaki Shirakawa and Shin Nagase as Independent Directors in accordance with the rules of Tokyo Stock Exchange, Inc. and other exchanges.
7. If the Proposal No. 2: Partial Amendments to the Articles of Incorporation and this proposal are approved and adopted, the members of the Nominating Committee, Audit Committee and Remuneration Committee will be as follows:
  - Nominating Committee:  
Keiji Kimura, Junichi Yoshida, Isao Matsuhashi, Masaaki Shirakawa and Setsuko Egami
  - Audit Committee:  
Yutaka Yanagisawa, Toru Okusa, Shu Tomioka, Shin Nagase and Iwao Taka
  - Remuneration Committee:  
Junichi Tanisawa, Junichi Yoshida, Shin Ebihara, Masaaki Shirakawa and Setsuko Egami

## [Translation for Reference and Convenience Purposes Only]

### **Proposal No. 4: Renewal of Countermeasures to Large-Scale Acquisitions of Mitsubishi Estate Co., Ltd. Shares (Takeover Defense Measures)**

The effective period of the plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) that the Board of Directors resolved to renew at a meeting held on May 15, 2013 and obtained the shareholders’ approval for at the 114th ordinary general meeting of shareholders of the Company held on June 27, 2013 expires at the conclusion of this 117th Ordinary General Meeting of Shareholders.

The Board of Directors determined at the meeting held on May 19, 2016 to partially revise the basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the revised plan is to be referred to as the “Basic Policy”), and partially revise the Former Plan and introduce a renewed plan (the introduction is to be referred to as the “Renewal,” and the renewed plan is to be referred to as the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the Basic Policy. A substantive revision accompanying the Renewal is that the Company has limited the scope of the trigger events of the Plan that are set out below in 2(3), ‘Requirements for the Gratis Allotment of Stock Acquisition Rights.’

Therefore the Company is seeking the shareholders’ approval for the Renewal.

#### **1. Reason for Proposal**

Since receiving the approval of the shareholders for the Former Plan at the 114th Ordinary General Meeting of Shareholders on June 27, 2013, the Company has striven to enhance corporate value based on the medium-term management plan and promoted the strengthening and enhancement of corporate governance functions with the aim of realizing the Basic Policy, as outlined in (2) below.

As represented by the Marunouchi area, the Company’s business activities go beyond separate real estate business, and into wider-area “urban development.” The Company’s unique strength lies in its possession of various know-how necessary for maximizing asset value through the use of specialist knowledge regarding the real estate business, experience in area management, and the cooperation of a wide range of stakeholders, based on a foundation of assets such as the office, residential and commercial facilities owned and developed by the Company.

As outlined in the Basic Policy in (1) below, the Company will not unconditionally reject a large-scale acquisition of the shares in the Company if it will contribute to the corporate value of the Company; however, it cannot be denied that there is a possibility of an abusive large-scale acquisition being carried out with a focus on only part of our business for the purpose of short-term gain, and absent any understanding of the Company’s business characteristics centering on “urban development” or the knowledge required to maximize the value of our real estate assets. As such, we request that the Shareholders approve the Renewal in the belief that the corporate value of the company, and, in turn, the common interests of its shareholders can be ensured and enhanced by securing the necessary time and information for the shareholders to determine whether a large-scale acquisition contributes to the Company’s corporate value or not and for the Board of Directors to make an alternative proposal, and determining procedures in advance for dealing appropriately with large-scale acquisitions that would be detrimental to the Company’s corporate value, in preparation for such a large-scale acquisition actually being attempted.

#### **(1) Basic Policy Regarding the Persons Who Control Decisions on the Company’s Financial and Business Policies**

The Company believes that the persons who control decisions on the Company’s financial and business policies need to be persons who understand the source of the Company’s corporate value and who will make it possible to continually, and in a sustainable manner, ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders.

The Company also believes that any decision on a proposed acquisition that would involve a change of control of the Company must ultimately be made by its shareholders as a whole. The Company will not unconditionally reject a large-scale acquisition of the shares in the Company if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the

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target company nor the common interests of its shareholders including those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, and those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal.

The Company has strived to ensure and enhance its corporate value as a group, and especially acknowledges that the Company's corporate value is found in its comprehensive ability to create high added value by managing various businesses and functions related to real estate, expertise, professional experience, and know-how relating to the real estate business, its good and long-term relationships with various stakeholders including tenants and employees, and the Mitsubishi Estate Group brand and the brand value of our products and services. Unless an acquirer in a large-scale acquisition of shares in the Company understands the source of the Company's corporate value and ensures and enhances those elements for the medium- and long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

### (2) Special Measures to Realize the Basic Policy

#### (a) The Mitsubishi Estate Group's Business Characteristics and Stance Regarding Corporate Value

Since Mitsubishi Company purchased the Marunouchi site from the Japanese government in 1890, the Company has developed its various real estate businesses including development, operation, and management. Based on the performance and know-how that the Company gained from over 100 years of experience in urban development, the Company has held up the mission of the Mitsubishi Estate Group ("we contribute to society through urban development") and carries out business aiming to contribute to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can be content to live, work and relax.

The Mitsubishi Estate Group has made the Marunouchi area, which is one of its business foundations, a prominent global business center, through the first stage of development commenced in the Meiji era and the second stage of development carried out in the high-growth period after World War II. The Company is tackling the third stage of development, aiming to be "the most interactive city in the world," by introducing factors other than business as a compilation of area development that brings together the overall ability of the Mitsubishi Estate Group. The Company also strives to sustain and improve the value of the Marunouchi area, emphasizing the perspective of area management of viewing the Marunouchi area as a whole. At the same time the Mitsubishi Estate Group has expanded its business not only through offices in Marunouchi, but also residences, retail facilities, logistics facilities, and hotels, and other business in major cities in Japan and overseas, and is widely engaged in real estate brokerage services and asset management. The Mitsubishi Estate Group is one of the largest comprehensive real estate companies in the world.

The corporate value of the Mitsubishi Estate Group is based on a portfolio of various businesses and assets relating to real estate, enhanced by synergies derived from the combination and complementary nature of the portfolio, and supported by expertise, profound experience, and know-how related to real estate business. Specifically, with regard to real estate development, which is the core of the Mitsubishi Estate Group business, the Mitsubishi Estate Group undertakes is promoting various projects such as development of office buildings, residences, retail facilities, logistics facilities, hotels, and other businesses, complex development of these businesses, and much wider area development. The Mitsubishi Estate Group believes it is important for business development to with a view to strengthening value chains between the Investment & Development Business domain, which has historically been the Mitsubishi Estate Group's strength and core revenue base, in which the Mitsubishi Estate Group carries out development business by investing funds, and the Management & Services Business domain, in which the Mitsubishi Estate Group provides solution services by utilizing its resources as a group through businesses such as office PM (property management) and leasing, retail and logistics properties, investment management, architectural design and engineering, hotels, and real estate services, and architectural design and engineering, thereby creating customer-oriented value by providing both hard and soft services as one

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integrated solution. The Mitsubishi Estate Group also believes that it is essential to establish a relationship of trust with stakeholders to promote those businesses and that comprehensive urban development from a long-term standpoint is indispensable to maximize the business value.

### (b) Efforts to Enhance Corporate Value Based on the Medium-Term Management Plan

In the Medium-to-Long-Term Management Plan commencing fiscal 2011 and ending fiscal 2020 “BREAKTHROUGH 2020,” the Mitsubishi Estate Group set long-term basic strategies for ten years and medium-term strategies for three years in order to formulate a management policy from more long-term perspectives in light of changes in the business environment surrounding the Mitsubishi Estate Group such as the maturing domestic market and globalization, and is continuing steady efforts based on those strategies. Under the new medium-term management plan that commenced in fiscal 2014, the Mitsubishi Estate Group has positioned the three years from fiscal 2014 as a period for achieving the enhancement of corporate value, and has set company-wide quantitative targets for growth potential, performance and soundness as well as promoting the strengthening of development functions in each business area and promoting cooperation and the strengthening of the value chain within the Group while undertaking the development of its organizational structure for achieving the medium-term management plan.

#### Quantitative Targets Under the Medium-Term Management Plan

	Indicator	Target for FY2016	FY2015 (Result)
Growth Potential	EBITDA	¥250.0 billion or above	(¥ 252.0 billion)
	Operating income	¥165.0 billion or above	(¥ 166.1 billion)
Performance	EBITDA/Total Assets	5.0% or above	(4.9%)
Soundness	Net interest-bearing debt/EBITDA	Approx. 8.0-8.9 times	(7.5 times)

At the same time, the Mitsubishi Estate Group eagerly strives to enhance its corporate value and, in turn, the common interests of its shareholders with an aim to become a company that continuously grows and contributes to society as a group, by setting whole-group themes such as improving asset portfolio management aimed at enhancing the financial position and the strengthening of the business foundation, mainly through the improvement of research functions, and the promotion of business portfolio management through the appropriate allocation of managerial resources, as well as by proposing and providing new value centered on the security, safety and comfortableness of people’s workstyles and lifestyles while emphasizing attention to the development of disaster-resistant urban districts.

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### **(c) Strengthening and Enhancing the Corporate Governance Function**

Recognizing that the enhancement of corporate governance functions is a key agenda item for management, the Company has worked to strengthen those functions by appointing multiple Outside Directors with diverse backgrounds as well as setting the term of office for Directors to one (1) year.

In this context, at the Company's Board of Directors meeting held on January 28, 2016, the Company decided to execute a transition to a Company with Nominating Committee, etc. in order to further 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.

Based on that decision, proposals for the partial amendment of the Articles of Incorporation and for the appointment of Directors are to be made at the Ordinary General Meeting of Shareholders, and if these are approved, the Company will transition to a system that establishes three committees—Nominating Committee, Audit Committee, and Remuneration Committee—with the majority of members of each committee being Outside Directors, as part of its Board of Directors, seven (7) of the fifteen (15) members of which are independent Outside Directors. This transition will further strengthen and enhance the efficiency and effectiveness of the corporate governance functions in ways that improve corporate value in the medium to long term.

### **(d) The Company's Strategy for Capital Policy and Allocation of Profits**

From a medium- to long-term perspective, the Company strives to maintain an appropriate balance between profitability, capital and debt in order to create a robust, stable and sustainable financial base 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.

With respect to profit distribution, the Company endeavors to stably return profits to shareholders, in principle, but intends to determine a consolidated payout ratio within the range of 25 to 30% by comprehensively considering performance levels of the Mitsubishi Estate Group, taking into account capital requirements for the Marunouchi Redevelopment Project and other future business developments.

### **(3) Purpose of the Plan**

The Plan is in line with the Basic Policy set out in 1(1) above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Board of Directors believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal from an acquirer, to enable the Board of Directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.



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### 2. Details of Proposal

#### (1) Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates (Note 1) or other equity securities.

The acquirer may not effect a large-scale acquisition of the shares in the Company until and unless the Board of Directors passes a resolution for non-implementation of the gratis allotment of Stock Acquisition Rights (defined in (e) (i) of (2) 'Procedures for Triggering the Plan' below; hereinafter the same) in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares in the Company is an abusive Acquisition, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights (*shinkabu yoyakuken mushou wariate*) with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights to all shareholders, except the Company, at that time. If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, shares in the Company would be issued in the number determined by the Board of Directors in the range not exceeding one share per stock acquisition right. Therefore, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of approximately 50%.

In order to eliminate arbitrary decisions by Directors, the Company will, in accordance with the Rules of the Independent Committee, establish the Independent Committee, which is solely composed of members who are independent from the management of the Company, such as Outside Directors of the Company, to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights, under the Plan. In addition, the Board of Directors may, if prescribed in the Plan, convene a meeting of shareholders and confirm the intent of the Company's shareholders.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

#### (2) Procedures for Triggering the Plan

##### (a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action (including a proposal for such action) (except for such action as the Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*) (Note 2) of a holder (*hoyuusha*) (Note 3) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 4) issued by the Company; or
- (ii) A tender offer (*koukai kaitisuke*) (Note 5) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*) (Note 6) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) (Note 7) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 8) issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Board of Directors resolves not to implement the gratis allotment of Stock Acquisition Rights in accordance with the Plan.

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### (b) Submission of Acquirer's Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, governing law for establishment, name of the representative, contact information in Japan for the Acquirer and outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below and other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

### (c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Board of Directors with the document in the form provided by the Company (the "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Note 9 and business backgrounds and other matters of members of the Independent Committee at the time of the Renewal will be as described in Note 10). If the Board of Directors and the Independent Committee determine that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), terms of previous transactions similar to the Acquisition, and details of any previous transaction involving the shares in the Company) of the Acquirer and its group (including joint holders (Note 11), persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 12)). (Note 13)
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
- (iv) Financial support for the Acquisition (specifically including the names of providers of funds (including all indirect providers of funds), financing methods and the terms of any related transactions, etc.).
- (v) Details of any agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company and other communications regarding the Acquisition with a third party (if any).
- (vi) Post-Acquisition management policy, administrative organization, business plan, capital, dividend policies, and asset management plan for the Company and the Mitsubishi Estate Group.
- (vii) Post-Acquisition policies for the Company's shareholders (other than the Acquirer), employees, business partners, clients, and other stakeholders.
- (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
- (ix) Information regarding any relationship with an anti-social force.
- (x) Any other information that the Independent Committee reasonably considers necessary.

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(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and additional information that the Company's Board of Directors or the Independent Committee requests (if any), the Independent Committee may set a reply period (up to 30 days taking into consideration the scale, nature and diversity of business of the Mitsubishi Estate Group) considering the time required for the Board of Directors to collect information and consider the corporate value, and request that the Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Board of Directors and comparison thereof, and consideration of any alternative plan presented by the Board of Directors, and the like for an appropriate period of time (up to 60 days taking into consideration the scale, nature and diversity of business of the Mitsubishi Estate Group) after the date on which the Independent Committee receives the information (including the information additionally requested) from the Acquirer and (if the Independent Committee requests the Board of Directors to provide information as set out in (i) above) the Board of Directors (the period for information collection and consideration by the Independent Committee is hereinafter referred to as the "Independent Committee Consideration Period"). The Independent Committee may obtain advice from financial advisors, certified public accountants, attorneys, tax accountants, consultants or any other experts at the Company's expense. Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee may directly or indirectly discuss and negotiate with the Acquirer.

If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Independent Committee

The Independent Committee will make recommendations to the Board of Directors as follows based on the abovementioned procedures.

(i) Recommendations for the Triggering of the Plan

If the Independent Committee determines that the Acquisition falls under any trigger events set out below in 2(3), 'Requirements for the Gratis Allotment of Stock Acquisition Rights' (collectively, "Trigger Events"), the Independent Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 2(4) 'Outline of the Gratis Allotment of Stock Acquisition Rights'; the relevant stock acquisition rights hereinafter referred to as "Stock Acquisition Rights") to the Board of Directors except in any specific case where further disclosure of information by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that an Acquisition may fall under the Trigger Event (2) ("Trigger Event (2)") the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

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- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There is no longer any trigger event due to a change or the like in the facts or other matters on which the recommendation decision was made.

### (ii) Recommendations for the Non-Triggering of the Plan

If the Independent Committee determines the Acquisition does not fall under either Trigger Events, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Board of Directors, regardless of whether the Independent Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and trigger events arise, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

### (iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights during the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and discussion and negotiation with the Acquirer, extend the Independent Committee Consideration Period (up to a maximum of 30 days). If the Independent Committee Consideration Period is extended, the Independent Committee will continue to collect information, deliberate, discuss, negotiate and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

### (f) Resolutions by the Board of Directors

The Board of Directors, in exercising their role as an organization under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent the decision of the Independent Committee indicated in accordance with (e) above. If the Shareholders Meeting is convened in accordance with (g) below, the Board of Directors will make a resolution in accordance with the resolution at the Shareholders Meeting.

### (g) Convocation of the Shareholders Meeting

The Board of Directors may convene a meeting of shareholders (Note 14) (the "Shareholders Meeting") and confirm the intent of the Company's shareholders, if (i) the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to confirming the intent of the shareholders in advance in accordance with (e)(i) above, or (ii) the applicability of Trigger Event (2) becomes an issue and the Board of Directors determines it appropriate to confirm the shareholders' intent for the Acquisition taking into consideration the time required to convene a general meeting of shareholders or other matters pursuant to the duty of care of a prudent manager.

### (h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact of whether the Acquirer has provided information, the fact that an Acquirer who intends to effect the Acquisition without submitting the Acquirer's Statement and Acquisition Document emerges, the fact the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended, as well as the extended period and the reason for the extension), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Board of Directors and an outline of resolutions by the Shareholders Meeting, in accordance with the relevant laws and ordinances or the regulations and rules of the financial instruments exchange.

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### (3) Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights are as follows. As described above in (e) of 2(2), 'Procedures for Triggering the Plan,' the Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

#### Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

#### Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
  - (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company or the Company's affiliates at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of Mitsubishi Estate Group's material assets.
  - (iii) Diversion of Mitsubishi Estate Group's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to Mitsubishi Estate Group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).

### (4) Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

#### (a) Number of Stock Acquisition Rights

The maximum number of Stock Acquisition Rights to be allotted upon implementation of a gratis allotment of Stock Acquisition Rights is the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Board of Directors relating to the gratis allotment of Stock Acquisition Rights (the "Gratis Allotment Resolution").

#### (b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to shareholders, other than the Company, who are recorded in the Company's last register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held.

#### (c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

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### (d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The total number of shares to be acquired upon exercise of the Stock Acquisition Rights shall, in principle, be the number of Stock Acquisition Rights multiplied by the number separately determined in the Gratis Allotment Resolution in the range not exceeding one share. The number of shares to be acquired upon exercise of each Stock Acquisition Right (Note 15) (the “Applicable Number of Shares”) shall, in principle (Note 16), be the number separately determined in the Gratis Allotment Resolution in the range not exceeding one share (Note 17). If there are any resulting fractional shares in the number of shares to be delivered to Stock Acquisition Right holders who exercise the Stock Acquisition Rights, the Company will dispose of the fractional shares in accordance with the applicable laws and ordinances.

### (e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be one yen.

### (f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

### (g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event (Note 18) occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders; (Note 19)
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers; (Note 20)
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or
- (VI) Any Affiliated Party (Note 21) of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares, etc. in the Company as set out in (ii) of paragraph (i) below (Acquisition of Stock Acquisition Rights by the Company) subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

### (h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.

### (i) Acquisition of Stock Acquisition Rights by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights for no consideration.
- (ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors, that are held by parties other than Non-Qualified

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Parties (if any) and, in exchange, deliver shares, etc. (Note 22) in the Company in the number equivalent to the Applicable Number of Shares (Note 23) for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties (Note 24), the Company may, on a date determined by the Board of Directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors (if any) and, in exchange, deliver shares, etc. in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights  
Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(5) Procedures for the Renewal of the Plan

The Company will renew the Plan subject to shareholders' approval at this 117th Ordinary General Meeting of Shareholders of the agenda item regarding the Renewal.

(6) Effective Period, Abolition, Revision and Amendment of the Plan

The effective period of the Plan (the "Effective Period") will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of this 117th Ordinary General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, the Board of Directors resolves to abolish the Plan, the Plan will be abolished in accordance with the resolution.

Further, the Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, in cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where the revision or amendment does not cause any disadvantage to the Company's shareholders, and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

## [Translation for Reference and Convenience Purposes Only]

### (7) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 19, 2016. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

- Note 1: The Company is no longer a company issuing share certificate since the enactment of the electronic share certificate system on January 5, 2009; however, as the Financial Instruments and Exchange Act regulates acquisition of shares in the Company and disclosure of the holding of shares and other matters, we use the term “share certificate” in the Plan based on the provisions of that Act from the perspective that the use of descriptions in the Plan based on the provisions of that Act contributes to clarity and objectivity.
- Note 2: Defined in Article 27-23(4) of the Financial Instruments and Exchange Act. This definition is applied throughout this proposal.
- Note 3: Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this proposal.
- Note 4: Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal unless otherwise provided for.
- Note 5: Defined in Article 27-2(6) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.
- Note 6: Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.
- Note 7: Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act. The same is applied throughout this proposal.
- Note 8: Defined in Article 27-2(1) of the Financial Instruments and Exchange Act.
- Note 9: The outline of the rules of the Independent Committee is as follows. Amendments to the Rules of the Independent Committee, including deletion of the provisions relating to “Statutory Auditors,” are planned subject to the approval of the partial amendment of the Articles of Incorporation pursuant to the transition to a Company with Nominating Committee, etc. at the Ordinary General Meeting of Shareholders.
- There will be no less than three members in the Independent Committee, and the Board of Directors shall elect the members from (i) Outside Directors of the Company, (ii) Outside Statutory Auditors of the Company, or (iii) experts, in each case someone who is independent from the management of the Company involved in the execution of the business. Such experts must be experienced corporate managers, parties with knowledge of the investment banking industry, parties with knowledge of the Company’s business, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating the experts to exercise their duty of care to the Company or a similar provision.
  - Unless otherwise determined in a resolution by the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of this 117th Ordinary General Meeting of Shareholders. However, the term of office of any member of the Independent Committee who is an Outside Director or Outside Statutory Auditor will end at the same time when they cease to be an Outside Director or Outside Statutory Auditor (except in the case of their re-appointment).
  - The Independent Committee will (i) make decisions on the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, the cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights, other matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee, and any other prescribed matters and (ii) carry out other activities.
  - As a general rule, resolutions of meetings of the Independent Committee will pass with at least a two-thirds vote when at least two-thirds of the members of the Independent Committee are in



## [Translation for Reference and Convenience Purposes Only]

attendance (including attendance via video conference or telephone conference).

- Note 10: Isao Matsuhashi, Shin Ebihara, and Shu Tomioka are scheduled to be appointed as the initial members of the Independent Committee subject to the shareholders' approval of Proposal No. 3 "Election of Fifteen (15) Directors" and this proposal. A profile of these members is found on pages 16 to 17 of this notice. Further, the Company notified the Tokyo Stock Exchange on June 4, 2015 that these members are independent Directors of the Company, as set out in Rule 436-2, Paragraph 1 of the Securities Listing Regulations of Tokyo Stock Exchange. None of the three members has any special interest in the Company or business relationship with the Company.
- Note 11: Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same is applied throughout this proposal.
- Note 12: Defined in Article 9(5) of the Order for Enforcement of the Financial Instruments and Exchange Act.
- Note 13: If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.
- Note 14: A "meeting of shareholders" includes not only a shareholder's meeting where shareholders resolve statutory matters for resolution set out in Article 295 of the Companies Act, but also a meeting to be held in accordance with the provisions regarding shareholder's meetings under the Companies Act where advisory resolutions regarding matters other than the statutory matters for resolution set out in Article 295 of the Companies Act are made.
- Note 15: Even if the Company becomes a company issuing class shares (Article 2, Item 13 of the Companies Act) in the future, both (i) the shares in the Company to be delivered upon exercise of Stock Acquisition Rights and (ii) the shares to be delivered in exchange for acquisition of Stock Acquisition Rights are the same class of shares of common stock that have been issued at the time of this 117th Ordinary General Meeting of Shareholders.
- Note 16: In case of a stock split, etc., the Company will adjust the Applicable Number of Shares as necessary.
- Note 17: Assuming that the number of issuable shares of the Company is 1,980,000,000 shares, and the total number of issued shares is 1,390,397,097 shares as of May 19, 2016, the maximum number of shares to be acquired upon exercise of each Stock Acquisition Right is approximately 0.4 shares.
- Note 18: Specifically, the Company intends to set out that an "exceptional event" means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so, and (y) the Acquirer's shareholding ratio determined by the Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be the Acquirer's Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the "Non-Qualified Parties' Shareholding Ratio") falls below the lower of (i) the Non-Qualified Parties' Shareholding Ratio before the Acquisition, or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Board of Directors.
- Note 19: "Specified Large Holder" means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this proposal.
- Note 20: "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 20) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 20) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of

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a person having a special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this proposal.

- Note 21: An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.
- Note 22: For the purpose of the Plan, shares in the Company are to be delivered, in principle, as consideration for acquiring the Stock Acquisition Rights. As stated in (d) of 2(4) above, under this Plan, fractions in the Applicable Number of Shares may result, in which case, property other than shares in the Company may be delivered to the extent necessary to dispose of the fraction.
- Note 23: The Company intends to properly dispose of any fraction in the Applicable Number of Shares in accordance with applicable laws and ordinances. In that case, the number of shares, etc. in the Company to be delivered for each Stock Acquisition Right may differ from the Applicable Number of Shares.
- Note 24: For example, a person who initially was a Person having a Special Relationship with a Specified Large Purchaser cancels the relationship with the Specified Large Purchaser and is no longer a Non-Qualified Party.

**[Translation for Reference and Convenience Purposes Only]**

**(Attachment to the Notice of Convocation of the 117th Ordinary General Meeting of Shareholders)**

**Report for Fiscal 2015**  
**(April 1, 2015, through March 31, 2016)**

- Business Report
- Consolidated Balance Sheet
- Consolidated Statement of Income
- Non-consolidated Balance Sheet
- Non-consolidated Statement of Income
- The Report of the Independent Auditors  
on the Consolidated Financial Statements
- The Report of the Independent Auditors  
on the Non-consolidated Financial Statements
- The Audit Report of the Board of Statutory Auditors

**MITSUBISHI ESTATE CO., LTD.**

**[Translation for Reference and Convenience Purposes Only]**

The following matters are posted on the website of the Company stated below in accordance with the laws and regulations and Article 15 of the Articles of Incorporation of the Company and are not included in this report.

- (i) Notes to the Consolidated Financial Statements and the Consolidated Statement of Changes in Net Assets
- (ii) Notes to the Non-consolidated Financial Statements and the Non-consolidated Statement of Changes in Net Assets

Website of the Company

<http://www.mec.co.jp/j/investor/stock/shareholder/index.html>

## [Translation for Reference and Convenience Purposes Only]

### Business Report

(April 1, 2015, through March 31, 2016)

#### I. Current Situation of the Corporate Group

##### 1. Situation of Operations for the Year

###### (1) Progress and Results of Operations

During the consolidated fiscal year ended March 31, 2016, corporate revenues and employment conditions have shown improvements with signs of a pickup in consumer spending, supported by continued yen depreciation and high stock prices driven by the effect of economic measures taken by the Japanese government and the credit relaxation policy by the Bank of Japan in the first half of the fiscal year. However, weakness in some areas of economy has been observed in the second half of the fiscal year as exports and production softened reflecting the slowdown in Chinese economy, thus the economic recovery over the fiscal year remained gradual and moderate.

In the real estate industry, in the office building rental market, an upward trend in rents has been seen mainly at the centre of the Tokyo Metropolitan area with improving vacancy rates. The residential market, especially in the market for condominium complexes, sales remained solid in general supported by demand based on a decline in interest rates on housing loans, among other factors. In the real estate investment market, aggressive acquisitions of properties continued, backed by a favourable fund procurement environment, while the unit prices of Japanese Real Estate Investment Trusts (J-REITs) are continuously on an upward trend.

Under such business conditions, monitoring changes in the business environment surrounding these markets and our businesses, the Mitsubishi Estate Group (the “Group”) moved steadily to endeavour in its businesses.

The overview of operations by each business segment is as follows:

Due to the partial changes in the organization of the Company, the Company changed its segment classification from the current fiscal year. Accordingly, the commercial and logistics business as well as business concerning the development of all asset types other than office and residential properties in Japan (including new business), which were included in the Building Business segment in the previous fiscal year, are separately presented as the Lifestyle Property Business segment. Furthermore, the investment management business of Rockefeller Group International, Inc. which was included in the International Business segment in the previous fiscal year, has been transferred to the Investment Management Business segment. Also, the business of Mitsubishi Jisho House Net Co., Ltd., which was included in the Real Estate Services segment in the previous fiscal year, has been transferred to the Residential Business segment.

###### Building Business

During the consolidated fiscal year ended March 31, 2016, supported by a vigorous demand for office space, in our office building business, while working on increase of newly advertised rents and upward rent revision for existing buildings, we completed construction of properties which have been developed by the Company, including the Front Place Minami-Shinjuku (Shibuya-ku, Tokyo) in September 2015, the Dai Nagoya Building (Nagoya-shi) in October 2015, and the Otemon Tower-JX Building, a joint venture with JX Holdings, Inc. in November 2015. Regarding the Group companies, the building rental revenue of Sunshine City Corporation and revenue from the building operation, management and consignment, etc., of Mitsubishi Jisho Property Management Co., Ltd. contributed to segment revenue. As a result, in reaction to sales of large-scale projects in the previous fiscal year, revenue from operations of the building business as a whole decreased ¥62,467 million from the previous fiscal year to ¥422,349 million.

Concerning the Marunouchi Redevelopment Project, we are moving forward aggressively with our businesses. Following the “first stage” under which we rebuilt six (6) buildings over 10 years from 1998, in the “second stage” from 2008, we strive to further spread and deepen the Marunouchi Redevelopment Project. In addition to the completion of the Otemachi Financial City Grand Cube / Hotel in April 2016, the construction of the Otemachi Park Building will be completed in January 2017. Furthermore, the new construction for the Marunouchi 3-2 Project (tentative name) is under way, to be followed by the Marunouchi 1-3 Project (tentative name). Further, the Tokiwabashi District Redevelopment Project, for which the Company announced an outline of the plan in August 2015, is a large-scale redevelopment project that set to encompass the largest ground area in the vicinity of Tokyo station area, and comprise of development of four (4) buildings carried out in stages over a decade of the plan period.

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### Lifestyle Property Business

During the consolidated fiscal year under review, as for commercial buildings, the PONTE PORTA SENJU (Adachi-ku, Tokyo) which opened in the previous fiscal year, were operated throughout the year. In addition, the revenue of each commercial facility of the Company expanded steadily, mainly taking advantage of an inbound demand. As for logistics facilities, proactive efforts for acquisition of sites and lots have been made throughout Japan with the aim of further expansion of the Company's business scale. Regarding the Group companies, the building rental revenue of Mitsubishi Estate·Simon Co., Ltd. which develops and operates throughout Japan Premium Outlets® contributed to segment revenue. Consequently, in reaction to sales of large-scale projects in the previous fiscal year, revenue from operations of the lifestyle property business as a whole decreased ¥19,137 million to ¥ 86,569 million.

### Residential Business

During the consolidated fiscal year under review, Mitsubishi Jisho Residence Co., Ltd. recorded revenue from sales of condominium complexes such as the Residence Tsudanuma KanadenoMori (Narashino-shi, Chiba), the Parkhouse Grand Chidorigahuchi (Chiyoda-ku, Tokyo), the Parkhouse Kobe Harborland Tower (Kobe-shi) and the Parkhouse Futakotamagawa Garden (Setagaya-ku, Tokyo). Segment revenue also included condominium management consignment revenue from Mitsubishi Jisho Community Co., Ltd. and revenue from the custom-built housing business at Mitsubishi Estate Home Co., Ltd. As a result, due to decline in sales units in the condominium complexes business and other factors, revenue from operations in the residential business as a whole decreased ¥38,661 million to ¥345,226 million.

At Mitsubishi Jisho Residence Co., Ltd., principal condominiums under construction for which sales started during the consolidated fiscal year under review, and for which we expect a contribution to future sales, included the Parkhouse Harumi Towers Tiaro Residence (Chuo-ku, Tokyo) and the Parkhouse Nishi Shinjuku Tower 60 (Shinjuku-ku, Tokyo), etc.

### International Business

During the consolidated fiscal year under review, in the United States, we commenced the large-scale renewal construction of the 1271 Avenue of the Americas, the office building hold by the Group, in order to improve its profitability. In Taiwan, facilities such as office buildings and hotels in the Nangang complex redevelopment project, in which the Group have participated, opened. Due to the revenue from rental of assets held in U.S. cities and in London, the United Kingdom and the sale of assets held in the United States, revenue from operations of the international business as a whole increased ¥4,779 million from the previous fiscal year to ¥75,956 million.

### Investment Management Business

During the consolidated fiscal year under review, sales included fee revenues from the provision of real estate investment related general services at Mitsubishi Jisho Investment Advisors Inc., which is operating Nippon Open-Ended Real Estate Investment Corporation and other funds, and at Japan Real Estate Asset Management Co., Ltd., which is conducting asset management for Japan Real Estate Investment Corporation. Nippon Open-Ended Real Estate Investment Corporation and Japan Real Estate Investment Corporation both steadily acquired properties and strove to expand the scale of assets they manage. Due to the revenue of TA Realty LLC, in which the Company acquired a majority interest through our subsidiary in the United States in January 2015, among others, revenue from operations of the investment management business as a whole increased ¥10,109 million to ¥24,994 million.

### Architectural Design & Engineering

During the consolidated fiscal year under review, revenue from operations of this segment comprised sales from the architectural design & engineering operations of Mitsubishi Jisho Sekkei Inc. in relation to “TEKKO BUILDING” (Chiyoda-ku, Tokyo), “Shibuya Toyu Building” (Shibuya-ku, Tokyo), “Dai Nagoya Building” (Nagoya-shi), “Tohoku Gakuin University Tsuchitai Campus Northern District School Building” (Sendai-shi). In addition, MEC Design International Corporation recorded revenue from interior finishing contracts for the Company-owned buildings, condominiums and other buildings. As a result, revenue from operations of the architectural design & engineering business as a whole increased by ¥1,812 million from the previous fiscal year to ¥21,279 million.

## [Translation for Reference and Convenience Purposes Only]

### Hotel Business

During the consolidated fiscal year under review, with a focus on Royal Park Hotels and Resorts Co., Ltd. which controls the Group's hotel business, at each hotel, we have conducted proactive renewal of facilities, while implementing thorough sales management based on the demand forecasts and measures for promotion of sales such as the expansion of membership cards that can be commonly used at any of the Royal Park Hotels. As a result, revenue from operations of the hotel business as a whole increased ¥2,261 million from the previous fiscal year to ¥33,089 million.

### Real Estate Services

During the consolidated fiscal year under review, we strove to strengthen our services, expand operational scale and reinforce earning capability, in the brokerage of real properties for corporations, office lease, real estate appraisal and parking businesses at Mitsubishi Real Estate Services Co., Ltd. As a result, revenue from operations of the real estate service business as a whole decreased ¥728 million from the previous fiscal year to ¥19,815 million.

### Other

During the consolidated fiscal year under review, revenue from operations of this segment comprised sales of MEC Information Development Co., Ltd. (maintenance and management of information systems), Keiyo Tochi Kaihatsu Co., Ltd. (ownership and rentals of commercial complexes), and others. Revenue from operations of other business as a whole increased by ¥134 million from the previous fiscal year to ¥3,882 million.

Revenue from operations for the consolidated fiscal year ended March 31, 2016, decreased by ¥100,851 million from the previous fiscal year to ¥1,009,408 million, operating income increased by ¥9,866 million to ¥166,199 million and income before taxes and special items increased by ¥11,738 million to ¥144,851 million.

As to extraordinary gain and loss, extraordinary gain of ¥19,421 million was recorded mainly due to the sale of fixed assets, whereas extraordinary loss of ¥22,423 million was posted due to loss related to retirement of fixed assets and impairment loss, and other factors.

As a consequence, profit attributable to owners of parent amounted to ¥83,426 million, an increase of ¥10,088 million from the previous fiscal year.

### [Operating Results by Business Segment]

(Millions of yen)

Business Segment	2015/3 Results		2016/3 Results	
	Revenue from Operations	Operating Income	Revenue from Operations	Operating Income
Building Business	484,816	102,820	422,349	108,940
Lifestyle Property Business	105,706	26,162	86,569	25,842
Residential Business	383,887	11,532	345,226	18,035
International Business	71,176	25,901	75,956	19,421
Investment Management Business	14,885	4,282	24,994	5,082
Architectural Design & Engineering	19,467	663	21,279	1,754
Hotel Business	30,827	754	33,089	1,490
Real Estate Services	20,543	1,105	19,815	602
Other	3,747	16	3,882	(37)
Eliminations	(24,799)	(16,906)	(23,754)	(14,933)
Total	1,110,259	156,332	1,009,408	166,199

Note: Figures for the last consolidated fiscal year have been reclassified using the segment reporting of the consolidated fiscal year under review.

## [Translation for Reference and Convenience Purposes Only]

### (2) Situation of Capital Expenditures

In the consolidated fiscal year ended March 31, 2016, total capital expenditures of ¥275.3 billion were made mainly for the new construction of the Otemachi Financial City Grand Cube / Hotel, the Otemachi Park Building and the Dai Nagoya Building, as well as the repair of the Company-owned buildings.

### (3) Situation of Financing

(Millions of yen)

Category	Beginning Balance	Ending Balance	Increase/Decrease
Short-Term Borrowings and Long-Term Debt	1,208,886	1,381,203	172,317
Commercial Papers	28,000	—	(28,000)
Corporate Bonds	685,225	903,023	217,798
Total	1,922,111	2,284,227	362,115

Note: Corporate bonds above include short-term redeemable bonds.

With respect to corporate bonds, the Company issued ¥ 250.0 billion of unsecured, interest deferrable and early redeemable subordinated bonds in February 2016.

### (4) Situation of Important Business Reorganization, etc.

#### 1) Situation of business transfer, absorption-type company split or incorporation-type company split

- By centralizing functions including acquisition of site/lot, product planning and order of construction in the residential business of the Group for the purpose of further expansion and streamlining of the business, effective as of April 1, 2015, Mitsubishi Jisho Residence Co., Ltd., a subsidiary of the Company, succeeded the apartment development business of the Company, through an absorption-type company split between the Company as a splitting company and Mitsubishi Jisho Residence Co., Ltd., a subsidiary of the Company, as a succeeding company.
- For the purpose of the streamlining of the residential rental/lease business operation and expansion of consignment sales, effective as of July 1, 2015, Mitsubishi Real Estate Services Co., Ltd., a subsidiary of the Company, succeeded a portion of the residential rental/lease business of Mitsubishi Jisho House Net Co., Ltd., a subsidiary of the Company, through an absorption-type company split between Mitsubishi Jisho House Net Co., Ltd. as a splitting company and Mitsubishi Real Estate Services Co., Ltd. as a succeeding company.

#### 2) Situation of Acceptance of other company's business

Not applicable

#### 3) Situation of assumption of rights and/or liabilities regarding businesses of other legal entities, etc., due to absorption-type merger or absorption-type company split

- To reinforce the condominium complexes management business of the Group qualitatively and quantitatively, Mitsubishi Jisho Community Co., Ltd., a subsidiary of the Company, implemented an absorption-type merger as a surviving company with Mitsubishi Jisho Marubeni Residence Services Co., Ltd, a subsidiary of the Company, as an absorbed company effective as of April 1, 2016.

#### 4) Situation of acquisition or disposition of shares or other equity interests or stock acquisition rights issued by other corporations

- To enhance synergies in the logistics facility business of the Group, the Company acquired a total of 313,000 shares of Tokyo Ryutsu Center Inc., an affiliate of the Company. As a result, the Company holds 36.13% of the total issued shares of Tokyo Ryutsu Center Inc.

#### 5) Situation of other important business reorganization, etc.

Not applicable



**[Translation for Reference and Convenience Purposes Only]**

**2. Situation of Assets and Profit and Loss in the Last Three (3) Fiscal Years**

(Millions of yen)

Category	2013/3 Results (April 2012 through March 2013)	2014/3 Results (April 2013 through March 2014)	2015/3 Results (April 2014 through March 2015)	2016/3 Results (April 2015 through March 2016)
Revenue from Operations	927,157	1,075,285	1,110,259	1,009,408
Operating Income	118,349	161,271	156,332	166,199
Income Before Taxes and Special Items	92,381	139,638	133,113	144,851
Profit attributable to Owners of Parent	45,507	64,297	73,338	83,426
Earnings per Share (Yen)	32.79	46.34	52.85	60.13
Total Assets	4,711,521	4,765,368	4,901,526	5,311,840
Net Assets	1,366,011	1,447,093	1,640,163	1,659,180
Net Assets per Share (Yen)	893.27	957.80	1,078.11	1,088.11

**[Translation for Reference and Convenience Purposes Only]**

**3. Situation of Material Parent Company and Subsidiaries**

(1) Relationship with Parent Company

Not applicable

(2) Situation of Material Subsidiaries, etc.

1) Situation of Material Subsidiaries

Company Name	Paid-in Capital (Millions of yen)	The Company's Investment Ratio <sup>1</sup> (%)	Main Businesses
Mitsubishi Jisho Residence Co., Ltd.	15,000	100.00	Sales, rental/lease and consignment in sales of real properties
Mitsubishi Real Estate Services Co., Ltd.	2,400	100.00	Brokerage, management, rental/lease and appraisal of real properties and real estate-related general consulting
Mitsubishi Estate Home Co., Ltd.	2,093	100.00	Design and contract construction of custom-built houses
Mitsubishi Jisho Sekkei Inc.	2,000	100.00	Design and supervision of architecture and civil engineering
Royal Park Hotels and Resorts Co., Ltd.	495	100.00	Management of Royal Park Hotels
Mitsubishi Jisho Property Management Co., Ltd.	390	100.00	Operation and management of buildings owned by the Company, etc.
Mitsubishi Jisho Community Co., Ltd. <sup>2</sup>	100	71.47	General management of condominiums and buildings
Marunouchi Heat Supply Co., Ltd.	2,775	64.16	Supply of heat and cooling to Marunouchi, Yurakucho, Otemachi, Uchisaiwaicho and Aoyama districts
Sunshine City Corporation	19,200	63.20	Management of Sunshine City and others
Mitsubishi Estate Simon Co., Ltd.	249	60.00	Management of Premium Outlets®
Royal Park Hotel Co., Ltd.	6,000	55.71	Management of Royal Park Hotel
Rockefeller Group, Inc. (a U.S. corporation)	US\$1,640 thousand	100.00	Real estate business in the United States and other countries
Mitsubishi Estate Europe Ltd. (a U.K. corporation)	UK £ 321,006 thousand	100.00	Real estate business in the United Kingdom and other countries

**[Translation for Reference and Convenience Purposes Only]**

2) Situation of a Material Affiliates

Company Name	Paid-in Capital (Millions of yen)	The Company's Investment Ratio <sup>1</sup> (%)	Main Businesses
Tokyo Ryutsu Center Inc.	4,000	36.13 <sup>3</sup>	Rental/lease, operation and management of logistics facilities and office buildings

Notes:

1. The Company's investment ratio (%) above is calculated including investments through its subsidiaries, etc.
2. Effective as of April 1, 2016, Mitsubishi Jisho Community Co., Ltd. implemented an absorption-type merger as a surviving company with Mitsubishi Jisho Marubeni Residence Services Co., Ltd. as an absorbed company. There is no increase in paid-in capital due to the merger.
3. The Company additionally acquired shares of Tokyo Ryutsu Center Inc. during the consolidated fiscal year under review.

(3) Situation of Specified Wholly-owned Subsidiaries

Not applicable

(4) Results of Corporate Affiliations

The Company's consolidated subsidiaries totalled one hundred and ninety-four (194), and sixty-five (65) companies were accounted for by the equity method.

The results of corporate affiliations during the consolidated fiscal year under review are as stated in the aforementioned "1. Situation of Operations for the Year, (1) Progress and Results of Operations."

## [Translation for Reference and Convenience Purposes Only]

### 4. Tasks Ahead for the Corporate Group

With regard to the Japanese economy, although there are expectations of a gradual economic recovery, caution remains necessary in relation to the risk of volatility in international financial markets and stagnation in China and other emerging countries in Asia as well as resource-rich countries, among other factors.

In the real estate industry, in the office building rental market, an upward trend of the operating ratio and standard rents are expected to continue, as demand increases due to the improving corporate business results. With regard to the market for condominium complexes, while a steady demand is projected with lowering interest rates and other factors, we must carefully monitor customer's interest in the acquisition of properties reflecting a future consumption tax hike, among others. In the real estate investment market, although a brisk trend towards the acquisition of properties is expected to last in the continuously favourable fund procurement environment, we should note that signs of cautious stance are seen among investors due to factors such as soaring prices of properties.

To cope with such a business environment, the Mitsubishi Estate Group has a Long-Term Vision and Medium-Term Management Plan, "BREAKTHROUGH 2020" (fiscal 2011 through fiscal 2020), and aims to realize our long-term vision of "Orchestrating Comfortable Cities for the Future—We Create Ideal Urban Environments Worldwide." To realize this vision, we formulated a long-term plan that extends over ten (10) years to address the external environment with a long-term perspective and medium-term management plan for three (3) years. Based on these strategies, we are continuing steady efforts. Under the new medium-term management plan commencing in fiscal 2014, we position the three years from fiscal 2014 as a period for achieving the enhancement of corporate value and promoting the strengthening of development functions in each business area, as well as promoting cooperation and the strengthening of the value chain within the Group while steadily reinforcing the office building business as our core business and the international business as a strategic field with high future potential and improving organizational systems to promote efforts for new businesses. Also, we have set group-wide objectives that focus on improving asset portfolio management aimed at enhancing the financial position and the strengthening of the business foundation, mainly through the improvement in research functions, as well as the promotion of business portfolio management through the appropriate allocation of managerial resources while reinforcing corporate governance and risk management, and ensuring compliance. Furthermore, to pursue the sustainable growth of the Group, we will promote disaster-resistant urban development and effort to co-exist with the environment.

Furthermore, the Company plans to implement the transition to a Company with Nominating Committee, etc. after the proposal is approved at the Ordinary General Meeting of Shareholders in June 2016. By this transition, the Company aims to further 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.

To meet the expectations of our shareholders, the Group will continue to strive to upgrade its corporate brand and make group-wide efforts to raise the reliability of the corporation and fulfill its Corporate Social Responsibility (CSR) proactively. This is under the fundamental mission of "contributing to society through urban development." We look forward to our shareholders' continued support and cooperation.

**[Translation for Reference and Convenience Purposes Only]**

**5. Main Business Operations (As of March 31, 2016)**

Business Segment	Scope of Main Businesses
Building Business	a. Development, leasing and management of office buildings b. Parking lot operation c. District heating and cooling business
Lifestyle Property Business	Development, leasing and management of commercial complexes and logistics facilities, etc.
Residential Business	a. Development, sale, leasing, management and renovation of condominiums and single-unit houses, etc. b. Consignment in sales of real estate c. Development of new towns d. Operation of leisure facilities e. Design and contract construction of custom-built houses
International Business	Overseas real estate development, leasing and management
Investment Management Business	Real estate investment management
Architectural Design & Engineering	a. Design and project supervision of buildings and civil engineering construction b. Contract building works and interior finishing services, etc.
Hotel Business	Development and management of hotel facilities
Real Estate Services	a. Brokerage, management, rental/leasing and appraisal of real estate b. Real estate-related general consulting
Other	Other businesses

**6. Main Offices, etc. (As of March 31, 2016)**

(1) The Company

\* Head Office: 6-1, Otemachi 1-chome, Chiyoda-ku, Tokyo

\* Branches: Sapporo Branch (Sapporo), Tohoku Branch (Sendai), Yokohama Branch (Yokohama), Nagoya Branch (Nagoya), Osaka Branch (Osaka), Chugoku Branch (Hiroshima) and Kyushu Branch (Fukuoka)

Note: Osaka Branch was renamed Kansai Branch as of April 1, 2016.

(2) Principal Group Companies

Company Name	Location of Offices
Mitsubishi Jisho Residence Co., Ltd.	Tokyo, Kanagawa, Osaka, Aichi, Hokkaido, Miyagi, Hiroshima, Fukuoka
Mitsubishi Real Estate Services Co., Ltd.	Tokyo, Kanagawa, Osaka, Aichi, Hokkaido, Miyagi, Hiroshima, Fukuoka
Mitsubishi Estate Home Co., Ltd.	Tokyo, Kanagawa, Chiba, Saitama, Osaka
Mitsubishi Jisho Sekkei Inc.	Tokyo, Osaka, Aichi, Hokkaido, Miyagi, Hiroshima, Fukuoka, China (Shanghai), Singapore
Royal Park Hotels and Resorts Co., Ltd.	Tokyo
Mitsubishi Jisho Property Management Co., Ltd.	Tokyo, Kanagawa, Osaka, Aichi, Hokkaido, Miyagi, Ishikawa
Mitsubishi Jisho Community Co., Ltd.	Tokyo, Kanagawa, Chiba, Saitama, Osaka, Kyoto, Hyogo, Aichi, Hiroshima, Fukuoka
Marunouchi Heat Supply Co., Ltd.	Tokyo
Sunshine City Corporation	Tokyo
Mitsubishi Estate Simon Co., Ltd.	Tokyo
Royal Park Hotel Co., Ltd.	Tokyo
Rockefeller Group, Inc.	United States, etc.
Mitsubishi Estate Europe Ltd.	United Kingdom

## [Translation for Reference and Convenience Purposes Only]

### 7. Status of Employees (As of March 31, 2016)

#### (1) Situation of Employees of the Corporate Group

Business Segment	Number of Employees
Building Business	1,626
Lifestyle Property Business	321
Residential Business	3,116
International Business	405
Investment Management Business	266
Architectural Design & Engineering	596
Hotel Business	1,248
Real Estate Services	487
Other	164
Corporate (shared)	245
Total	8,474

Notes:

1. The above figures indicate the number of regular workers (excluding temporary employees).
2. The figure stated in "Corporate (shared)" indicates the number of employees who belong to administrative departments, which cannot be categorized as specified business segments.

#### (2) Situation of Employees of the Company

Number of Employees	Increase/Decrease from the Previous Fiscal Year-End	Average Age	Average Years of Service
700	+29	40 years and nine (9) months	17 years and one (1) month

Note: The above figures indicate the number of regular workers (excluding temporary employees).

### 8. Situation of Major Lenders (As of March 31, 2016)

(Millions of yen)

Name of Lender	Balance of Borrowings
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	193,769
Mitsubishi UFJ Trust and Banking Corporation	149,687
Meiji Yasuda Life Insurance Company	96,907

### 9. Other Important Matters regarding the Current Situation of the Corporate Group

Not applicable

**[Translation for Reference and Convenience Purposes Only]**

**II. Current Situation of the Company**

**1. Situation of Shares** (As of March 31, 2016)

- (1) Total Number of Shares Authorized to be Issued by the Company: 1,980,000,000  
 (2) Total Number of Issued Shares: 1,390,397,097  
 (including 2,957,749 shares of treasury stock)

(3) Number of Shareholders: 57,967

(4) Major Shareholders (Ten (10) Largest Shareholders)

Shareholder Name	Investment in the Company	
	Number of Shares Held (Thousands)	Investment Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	81,876	5.90
Japan Trustee Services Bank, Ltd. (Trust account)	54,313	3.91
Meiji Yasuda Life Insurance Company	46,882	3.37
CBNY-GOVERNMENT OF NORWAY	37,374	2.69
STATE STREET BANK AND TRUST COMPANY	35,158	2.53
THE BANK OF NEW YORK MELLON SA/NV 10	31,135	2.24
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	25,963	1.87
Asahi Glass Co., Ltd.	22,714	1.63
STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	21,248	1.53
STATE STREET BANK WEST CLIENT - TREATY 505234	21,072	1.51

Note: The investment ratio is calculated after deducting the shares of treasury stock from the issued shares of the Company.

**[Translation for Reference and Convenience Purposes Only]**

**2. Situation of Stock Acquisition Rights, etc.**

(1) Situation of Stock Acquisition Rights Delivered in Compensation for the Execution of Duties, which are Held by Directors and Statutory Auditors of the Company (As of March 31, 2016)

Date of Resolution on Issuance	Number of Stock Acquisition Rights	Class and Number of Shares Subject to Stock Acquisition Rights	Issue Price of Stock Acquisition Rights	Amount to be Paid upon Exercise of Stock Acquisition Rights	Exercise Period of Stock Acquisition Rights	Conditions for Exercise of Stock Acquisition Rights	Holding State of Directors and Statutory Auditors	
							Directors (Excluding Outside Directors) Note 1	Statutory Auditors
July 27, 2006	10	Common stock: 10,000 Note 2	¥2,329 per share	¥1 per share	August 15, 2006 to August 14, 2036	Note 3	Number of holders: 1 person Number of the stock acquisition rights held: 6	—
July 26, 2007	8	Common stock: 8,000 Note 2	¥3,016 per share	¥1 per share	August 14, 2007 to August 13, 2037	Note 3	Number of holders: 2 persons Number of the stock acquisition rights held: 6	—
July 31, 2008	13	Common stock: 13,000 Note 2	¥2,161 per share	¥1 per share	August 16, 2008 to August 15, 2038	Note 3	Number of holders: 2 persons Number of the stock acquisition rights held: 9	—
July 31, 2009	32	Common stock: 32,000 Note 2	¥1,282 per share	¥1 per share	August 18, 2009 to August 17, 2039	Note 3	Number of holders: 2 persons Number of the stock acquisition rights held: 19	Number of holders: 1 person Number of the stock acquisition rights held: 5
July 30, 2010	41	Common stock: 41,000 Note 2	¥1,083 per share	¥1 per share	August 17, 2010 to August 16, 2040	Note 3	Number of holders: 3 persons Number of the stock acquisition rights held: 25	Number of holders: 1 person Number of the stock acquisition rights held: 8
July 29, 2011	56	Common stock: 56,000 Note 2	¥1,044 per share	¥1 per share	August 16, 2011 to August 15, 2041	Note 3	Number of holders: 3 persons Number of the stock acquisition rights held: 29	Number of holders: 1 person Number of the stock acquisition rights held: 7
July 31, 2012	47	Common stock: 47,000 Note 2	¥1,230 per share	¥1 per share	August 16, 2012 to August 15, 2042	Note 3	Number of holders: 3 persons Number of the stock acquisition rights held: 32	Number of holders: 1 person Number of the stock acquisition rights held: 7
July 31, 2013	33	Common stock: 33,000 Note 2	¥2,338 per share	¥1 per share	August 16, 2013 to August 15, 2043	Note 3	Number of holders: 7 persons Number of the stock acquisition rights held: 26	Number of holders: 1 person Number of the stock acquisition rights held: 4



**[Translation for Reference and Convenience Purposes Only]**

Date of Resolution on Issuance	Number of Stock Acquisitions on Rights	Class and Number of Shares Subject to Stock Acquisition Rights	Issue Price of Stock Acquisition Rights	Amount to be Paid upon Exercise of Stock Acquisition Rights	Exercise Period of Stock Acquisition Rights	Conditions for Exercise of Stock Acquisition Rights	Holding State of Directors and Statutory Auditors	
							Directors (Excluding Outside Directors) Note 1	Statutory Auditors
July 31, 2014	38	Common stock: 38,000 Note 2	¥2,264 per share	¥1 per share	August 16, 2014 to August 15, 2044	Note 3	Number of holders: 8 persons Number of the stock acquisition rights held: 33	Number of holders: 1 person Number of the stock acquisition rights held: 5
July 31, 2015	33	Common stock: 33,000 Note 2	¥2,690 per share	¥1 per share	August 18, 2015 to August 17, 2045	Note 3	Number of holders: 9 persons Number of the stock acquisition rights held: 33	—

Notes:

1. No Outside Directors of the Company hold the stock acquisition rights issued by the Company.
2. The number of the shares subject to a stock acquisition right is 1,000.
3. Conditions for exercise of the stock acquisition rights

- \* A qualified person entitled to the stock acquisition rights may exercise his/her stock acquisition rights only within the exercise period set forth above on and after the day following the date when he/she steps down from any and all the positions of Director, Statutory Auditor or Executive Officer of the Company. Provided, however, that the qualified person entitled to the stock acquisition rights may exercise the rights only for a period of five (5) years reckoning from the day following the date when he/she steps down from any and all of such positions.
- \* Regardless of the above provision, if the General Meeting of Shareholders of the Company approves a proposal of (i) a contract of merger in which the Company will be an extinct company or (ii) a share exchange contract or a share transfer plan by which the Company becomes a wholly owned subsidiary of another company (or a resolution of the Board of Directors is adopted in the case where such a resolution of the General Meeting of Shareholders is not required), the qualified person entitled to the stock acquisition rights may exercise his/her stock acquisition rights only for a period of fifteen (15) days reckoning from the day following the date when the proposal concerned was approved.
- \* In case a qualified person entitled to the stock acquisition rights has waived his/her offered stock acquisition rights, he/she cannot exercise such offered stock acquisition rights.
- \* The stock acquisition rights shall not be allowed to be assigned, pledged or otherwise disposed of, for the benefit of any third party.
- \* If a qualified person entitled to the stock acquisition rights dies, his/her heir may exercise the stock acquisition rights subject to the conditions stipulated in the Agreement for Allotment of Stock Acquisition Rights.
- \* Other applicable conditions and details for exercising the stock acquisition rights shall be stipulated in the Agreement for Allotment of Stock Acquisition Rights.

4. Other

- \* With regard to the holding state of Directors and Statutory Auditors, the stock acquisition rights held by Statutory Auditors are those allotted when they were previously in office as Directors.

(2) Situation of Stock Acquisition Rights Delivered to Employees, etc., during the Fiscal Year in Compensation for the Execution of Duties  
Not applicable

(3) Other Important Matters relating to Stock Acquisition Rights  
Not applicable

**[Translation for Reference and Convenience Purposes Only]**

**3. The Company's Directors and Statutory Auditors**

(1) Situation of Directors and Statutory Auditors (As of March 31, 2016)

Positions		Name	Assignments in the Company and Material Concurrent Positions
Director/Statutory Auditor	Executive Officer		
Chairman of the Board and Director*		Keiji Kimura	a. President, The Real Estate Companies Association of Japan; and b. Director, Rockefeller Group, Inc.
President and Director*	Chief Executive Officer	Hiroataka Sugiyama	
Director*	Deputy President	Jo Kato	a. Assistant to the President; b. Responsible for International Business Planning Department; c. Responsible for Americas & Europe Business Department; d. Responsible for Asia Business Department; e. Chairman and Director, Rockefeller Group, Inc.; and f. President and Director, MEC USA, Inc.
Director*	Executive Vice President	Toshihiko Kazama	a. Responsible for Investment Management Business Department; and b. Director, Rockefeller Group, Inc.
Director*	Executive Vice President	Masamichi Ono	a. Responsible for Residential Business Planning Department; b. Responsible for Residential Land & Recreational Facilities Management Office; c. President and Director, Mitsubishi Jisho Residence Co., Ltd.; and d. President and Director, MEC eco LIFE Co., Ltd.
Director*	Executive Vice President	Naoto Aiba	a. Responsible for Office Building Development Department 1; b. Responsible for Office Building Development Department 2; c. Responsible for Marunouchi Development Department; d. Responsible for Tokiwabashi Development Office; e. Responsible for Urban Development Promotion Department; and f. President, Council for Area Development and Management of Otemachi, Marunouchi and Yurakucho

[Translation for Reference and Convenience Purposes Only]

Positions		Name	Assignments in the Company and Material Concurrent Positions
Director/Statutory Auditor	Executive Officer		
Director*	Executive Vice President	Soichiro Hayashi	<ul style="list-style-type: none"> <li>a. Responsible for Office Building Planning Department;</li> <li>b. Office Building Management Department;</li> <li>c. Area Brand Management Department;</li> <li>d. Responsible for Museum Management Office; and</li> <li>e. President and Director, MARUNOUCHI DIRECT ACCESS Ltd.</li> </ul>
Director	Senior Executive Officer	Toru Okusa	<ul style="list-style-type: none"> <li>a. Responsible for Finance &amp; Accounting Department; and</li> <li>b. Responsible for Corporate Communications Department</li> </ul>
Director	Senior Executive Officer	Junichi Tanisawa	<ul style="list-style-type: none"> <li>a. Responsible for Corporate Planning Department; and</li> <li>b. Responsible for Business Creation Department</li> </ul>
Director		Isao Matsuhashi	Advisor, JTB Corp.
Director		Shin Ebihara	Advisor, Sumitomo Corporation
Director		Shu Tomioka	
Director		Setsuko Egami	<ul style="list-style-type: none"> <li>a. Professor, Graduate School of Humanities, Musashi University</li> <li>b. Professor, Faculty of Sociology, Musashi University</li> <li>c. Auditor, Yusen Logistics Co., Ltd.</li> </ul>
Standing Statutory Auditor		Yutaka Yanagisawa	
Standing Statutory Auditor		Kazuhiko Hasegawa	
Statutory Auditor		Kenji Matsuo	<ul style="list-style-type: none"> <li>a. Senior Advisor, Meiji Yasuda Life Insurance Company;</li> <li>b. Director, NIKON CORPORATION;</li> <li>c. Statutory Auditor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.; and</li> <li>d. Audit and Supervisory Board Member, Mitsubishi Research Institute, Inc.</li> </ul>
Statutory Auditor		Iwao Taka	<ul style="list-style-type: none"> <li>a. Professor, School of Economics and Business Administration, Chikuro Hiroike School of Graduate Studies, Reitaku University</li> <li>b. Professor, Faculty of Economics and Business Administration, Reitaku University</li> <li>c. Director, NH Foods Ltd.</li> </ul>

**[Translation for Reference and Convenience Purposes Only]**

Notes:

1. An asterisk (\*) designates a Representative Director.
2. Directors Isao Matsuhashi, Shin Ebihara, Shu Tomioka and Setsuko Egami are Outside Directors.
3. The officially registered name of Director Setsuko Egami is Setsuko Kusumoto.
4. Statutory Auditors Kazuhiko Hasegawa, Kenji Matsuo and Iwao Taka are Outside Statutory Auditors.
5. Statutory Auditor Yutaka Yanagisawa has considerable knowledge concerning finance and accounting, having served as Officer responsible for finance & accounting from June 2009 to March 2012.
6. Directors, Yutaka Yanagisawa, Fumikatsu Tokiwa and Yasumasa Gomi, and Statutory Auditor Akio Utsumi retired from the position due to expiration of their tenure and Statutory Auditor Hiroshi Danno resigned from the position as of the close of the 116th Ordinary General Meeting of Shareholders held on June 26, 2015.
7. At the 116th Ordinary General Meeting of Shareholders held on June 26, 2015, Soichiro Hayashi, Shin Ebihara and Setsuko Egami were elected as Directors and Yutaka Yanagisawa and Iwao Taka were elected as Statutory Auditors and assumed the office as of the same date.
8. Director Keiji Kimura resigned from Director of Japan Post Holdings Co., Ltd. as of February 22, 2016.
9. Statutory Auditor Kenji Matsuo retired from Statutory Auditor of Chubu Electric Power Co., Inc. as of June 25, 2015.
10. Material concurrent positions of Outside Directors and Statutory Auditors and their relationships with the Company are as follows:
  - Meiji Yasuda Life Insurance Company is one of the largest shareholders (ten (10) largest shareholders) of the Company and a major lender of the Company.
  - The Bank of Tokyo-Mitsubishi UFJ, Ltd. is one of the largest shareholders (ten (10) largest shareholders) of the Company and a major lender of the Company. The Company has a business relationship with The Bank of Tokyo-Mitsubishi UFJ, Ltd. in real estate rental transactions, etc.
  - The Company has no relationship to be disclosed in terms of concurrent positions other than those above.
11. Among the companies indicated in Significant Positions Concurrently Held, Mitsubishi Jisho Residence Co., Ltd., Rockefeller Group, Inc. and MEC USA, Inc., are operating in the real estate business (a business in which the Company also engages).
12. The Company designates Directors Isao Matsuhashi, Shin Ebihara, Shu Tomioka and Setsuko Egami and Statutory Auditors Kazuhiko Hasegawa, Kenji Matsuo and Iwao Taka as independent directors/auditors as stipulated by the Tokyo Stock Exchange and other exchanges and made such notification of these officers to the Tokyo Stock Exchange and other exchanges.

As of April 1, 2016, the assignments in the Company, etc., of the Directors listed below changed as described below.

Positions		Name	Assignments in the Company and Material Concurrent Positions
Director/Statutory Auditor	Executive Officer		
Director*	Executive Vice President	Naoto Aiba	a. Responsible for Office Building Development Department 1; b. Responsible for Office Building Development Department 2; c. Responsible for Marunouchi Development Department; d. Responsible for Tokiwabashi Development Department; e. Responsible for Urban Development Promotion Department; and f. President, Council for Area Development and Management of Otemachi, Marunouchi and Yurakucho
Director		Toshihiko Kazama	
Director		Toru Okusa	

Note: An asterisk (\*) designates a Representative Director.

**[Translation for Reference and Convenience Purposes Only]**

(2) Total Amounts of Remuneration, etc., Paid to Directors and Statutory Auditors

The amounts of remuneration, etc., paid to the Directors and the Statutory Auditors pertaining to the fiscal year under review are as follows:

Category	Number of Persons	Amount Paid (Millions of yen)
Directors	16	677
(Outside Directors thereof)	(6)	(40)
Statutory Auditors	6	90
(Outside Statutory Auditors thereof)	(4)	(55)
Total	22	768

Notes:

1. The above amounts paid include the remuneration for three (3) Directors (including two (2) Outside Directors) who retired from the position and one (1) Statutory Auditor (Outside Statutory Auditor) who retired from the position and one (1) Statutory Auditor who resigned from the position as of the close of the 116th Ordinary General Meeting of Shareholders held on June 26, 2015.
2. The Company pays no salary as employees to Directors of the Company.
3. The upper limit of remuneration for Directors under a resolution of the General Meeting of Shareholders is “within ¥800 million for one (1) fiscal year” for the amounts of ordinary remuneration (excluding the salary as employees), and the compensation, etc. regarding stock acquisition rights allocated as stock options to the Company’s Directors is separately set out to be “within ¥200 million for one (1) fiscal year.”  
(As resolved by the 92nd Ordinary General Meeting of Shareholders held on June 27, 1991, and the 107th Ordinary General Meeting of Shareholders held on June 29, 2006, respectively. The stock options are allocated to the corporate officers exclusive of the Outside Directors).
4. The upper limit of remuneration for Statutory Auditors under a resolution of the General Meeting of Shareholders is “within ¥100 million for one (1) fiscal year” (as resolved by the 107th Ordinary General Meeting of Shareholders held on June 29, 2006).
5. The above amounts paid include the remuneration in the form of stock options pertaining to the fiscal year under review (¥88 million to nine (9) Directors).
6. The Outside Directors and Outside Statutory Auditors of the Company do not receive remuneration as directors or statutory auditors from any of the Company’s subsidiaries.

(3) Policy Concerning Decisions on the Amounts of Remuneration, etc., Paid to Directors and Statutory Auditors

The Company set the upper limit of aggregate remuneration for Directors to be “within ¥800 million for one (1) fiscal year” for the amounts of ordinary remuneration, and the upper limit of remuneration by stock acquisition rights to be “within ¥200 million for one (1) fiscal year.” The upper limit of remuneration for Statutory Auditors is set to be “within ¥100 million for one (1) fiscal year.”

Under this policy, the performance-based remuneration system and the stock option system are adopted for the Company’s corporate officers exclusive of the Outside Directors and Statutory Auditors. Outside Directors are independent of the Company’s business execution and therefore paid fixed amounts of remuneration only. Statutory Auditors are paid only fixed amounts of remuneration, which are determined according to their full-time or part-time positions based on negotiation among the Statutory Auditors.

The annual monetary compensation under the performance-based remuneration system consists of fixed remuneration that is paid for fulfilling duties as a Director of the Company and variable remuneration that reflects the companywide business performance and the Director’s own business performance in each area of responsibility. The variable remuneration, which accounts for 30% of annual monetary compensation, varies within a certain range according to the assessment of achievement on companywide business performance and the performance of each segment, based on a comparison with past results and in light of the fiscal year’s targets.

To boost officers’ morale to contribute to raising the Company’s stock price and enhancing business performance, thereby sharing value with the shareholders from medium- to long-term perspectives, the Company introduced remuneration in the form of stock options in fiscal 2006. (The Directors’ retirement benefit system was abolished in fiscal 2006.)

This policy regarding remuneration was determined by resolution of the Board of Directors.

## [Translation for Reference and Convenience Purposes Only]

### (4) Matters related to Outside Directors and Statutory Auditors

#### 1) Major activities during the fiscal year under review

##### \* Isao Matsuhashi (Outside Director)

He attended fifteen (15) of fifteen (15) meetings of the Board of Directors and appropriately questioned and/or remarked from an objective viewpoint independent of management executives who are in charge of executing business affairs by leveraging his management experience in a lifestyle-related service company.

##### \* Shin Ebihara (Outside Director)

He attended eleven (11) of eleven (11) meetings of the Board of Directors and appropriately questioned and/or remarked from an objective viewpoint independent of management executives who are in charge of executing business affairs by leveraging his wealth of international experience and knowledge gained through his extensive years as a diplomat.

##### \* Shu Tomioka (Outside Director)

He attended fifteen (15) of fifteen (15) meetings of the Board of Directors and appropriately questioned and/or remarked from an objective viewpoint independent of management executives who are in charge of executing business affairs by leveraging his management experience in a foreign-affiliated investment bank.

##### \* Setsuko Egami (Outside Director)

She attended ten (10) of eleven (11) meetings of the Board of Directors and appropriately questioned and/or remarked from an objective viewpoint independent of management executives who are in charge of executing business affairs by leveraging her abundant knowledge of corporate strategy, marketing strategy and human resources development.

##### \* Kazuhiko Hasegawa (Outside Statutory Auditor)

He attended fifteen (15) of fifteen (15) meetings of the Board of Directors and appropriately questioned and/or remarked to ensure the propriety and reasonableness of the decision making of the Board of Directors as a Standing Statutory Auditor.

He attended fourteen (14) of fourteen (14) meetings of the Board of Statutory Auditors and exchanged his opinions on audit results and was involved in consultation, etc. on important matters regarding audits, and reported audit results regarding offices, etc. as a Standing Statutory Auditor.

##### \* Kenji Matsuo (Outside Statutory Auditor)

He attended fourteen (14) of fifteen (15) meetings of the Board of Directors and appropriately questioned and/or remarked to ensure the propriety and reasonableness of the decision making of the Board of Directors by leveraging his management experience in a life insurance company.

He attended thirteen (13) of fourteen (14) meetings of the Board of Statutory Auditors and exchanged his opinions on audit results and was involved in consultation, etc. on important matters regarding audits.

##### \* Iwao Taka (Outside Statutory Auditor)

He attended ten (10) of eleven (11) meetings of the Board of Directors and appropriately questioned and/or remarked to ensure the propriety and reasonableness of the decision making of the Board of Directors by leveraging his extensive knowledge regarding business ethics and compliance, etc.

He attended ten (10) of eleven (11) meetings of the Board of Statutory Auditors and exchanged his opinions on audit results and was involved in consultation, etc. on important matters regarding audits.

#### Notes:

1. As Outside Directors Shin Ebihara and Setsuko Egami took office as Director on June 26, 2015, the number of meetings counted as the scope of attendance for the Board of Directors meetings is different from that of the other Outside Directors and Outside Statutory Auditors.
2. As Outside Statutory Auditor Iwao Taka took office as Statutory Auditor on June 26, 2015, the number of meetings counted as the scope of attendance for the Board of Directors meetings and the Board of Statutory Auditors meetings is different from that of the other Outside Directors and Outside Statutory Auditors.

**[Translation for Reference and Convenience Purposes Only]**

2) Outline of the liability limit agreement

The Company has entered into agreements, in accordance with Article 427, Paragraph 1 of the Companies Act, with the four (4) Outside Directors (Isao Matsuhashi, Shin Ebihara, Shu Tomioka and Setsuko Egami) and the three (3) Outside Statutory Auditors (Kazuhiko Hasegawa, Kenji Matsuo 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 and Outside Statutory Auditor 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.

## [Translation for Reference and Convenience Purposes Only]

### 4. Situation of Accounting Auditor

(1) Designation: ERNST & YOUNG SHINNIHON LLC

(2) Amounts of Remuneration, etc.

	Amount to be Paid
Amount of remuneration, etc. to be paid by the Company to the Accounting Auditor pertaining to the fiscal year under review	¥137 million
Total amount of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditor	¥339 million

Notes:

1. After having performed the necessary verification as to the appropriateness of matters such as the content of the Accounting Auditor's audit plan, the status of performance of duties by the Accounting Auditor, and the basis for the calculation of the estimated remuneration for the Accounting Auditor, the Board of Statutory Auditors has decided to consent to the amount of remuneration, etc. to be paid to the Accounting Auditor.
2. Of the Company's material subsidiaries, Rockefeller Group, Inc. and Mitsubishi Estate Europe Ltd. are subject to audits by an audit firm (Ernst & Young) other than the Accounting Auditor of the Company.
3. The audit agreement between the Company and the Accounting Auditor does not distinguish the amount of remuneration, etc. for the audit under the Companies Act and that for the audit under the Financial Instruments and Exchange Act, and the two (2) amounts cannot be substantially distinguished from each other. Therefore, the amount of remuneration, etc. indicates the total of these two (2) kinds of amounts.

(3) Contents of Non-audit Services

The services that the Company commissioned the Accounting Auditor other than the professional responsibilities stipulated in Article 2, Paragraph 1, of the Certified Public Accountants Act included an advisory service for compliance with the Social Security and Tax Number System.

(4) Policy on Decisions of Dismissal or Non-Reappointment of the Accounting Auditor

If the Board of Statutory Auditors deems that any circumstance stipulated in Article 340 of the Companies Act applies to the Accounting Auditor and its dismissal is deemed appropriate, the Accounting Auditor will be dismissed based on the unanimous approval of all Statutory Auditors. Furthermore, the Board of Statutory Auditors shall, if it is found that execution of duties by the Accounting Auditor will be difficult and there is a need for a change in Accounting Auditor, decide on the content of a proposal to submit to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the Accounting Auditor.

(5) Outline of the Liability Limit Agreement

Not applicable

(6) Business Suspension Order to Which the Accounting Auditor Was Subject During Past Two Years

The outline of the disciplinary action and other administrative order announced by the Financial Services Agency on December 22, 2015 is as follows:

1) Subject of administrative order

Ernst & Young ShinNihon LLC

2) Content of administrative order

- Suspension from accepting new engagements for three months from January 1, 2016 to March 31, 2016
- Order for improvement of business operations (improvement of business management system)



**[Translation for Reference and Convenience Purposes Only]**

3) Reason for administrative order

- In regard to the audit of financial documents for a company other than the Company, the above-mentioned audit corporation's certified public accountants had, in negligence of due care, attested that the financial statements contained no material misstatement, when in fact the statements contained material misstatement.
- The audit corporation's operation of services was found to be grossly inappropriate.

## [Translation for Reference and Convenience Purposes Only]

### 5. Systems to Ensure the Propriety of Business Operations and the Operational Status of that System

#### (1) Systems to Ensure the Propriety of Business Operations

Outline of decisions on systems to ensure the compliance of the Directors' execution of duties with laws, regulations and the Articles of Incorporation, as well as the propriety of business operations, is as follows:

##### 1) Systems to Keep and Manage Information pertaining to the Execution of Duties by Directors

The Company shall establish relevant organizational systems pursuant to the "Mitsubishi Estate Group Basic Rules on Information Management" to appropriately handle information assets held by the Group and practice and improve information security on an ongoing basis. The Risk Management Committee shall be in charge of companywide control of information storage and management.

Specifically, the Company shall, under such organizational systems, formulate internal regulations such as "Information Management Procedure Rules" and "Information Handling Rules," stipulating generally the management procedures necessary for the protection and handling of information held by the Company; "Important Documents Storage Rules" and "Disposed Documents Handling Rules," stipulating management procedures related to document storage and abolition including the storage method and period for documents and abolition rules; and "Information System Handling Rules," stipulating management procedures in association with the protection of the information system and electronic information. The Company shall appropriately store and manage relevant information pertaining to the execution of Directors' 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 Committee shall be in charge of controlling the promotion of risk management activities at the group level, whereas the Risk Management Subcommittee shall work as a practical collegial body to collect and streamline risk management-related information. In addition, the Officer responsible for the risk management appointed by the resolution of the Board of Directors shall be assigned the responsibility for risk management, and the general managers of the line staff department in each business group, the general manager of each corporate staff department and others shall be designated as Risk Management Responsible Managers and each company within the Group shall designate a Risk Management Responsible Person, for intra-business-group management and supervision of risk management.

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 especially important investment subjects prior to the deliberations by the Board of Directors, the companywide final decision-making organ regarding important executive matters, and/or 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 and communications and initial measures to be taken in case of the occurrence of any emergency. The Company shall formulate the "Contingency Response Manual" and the "Disaster Preparedness Outline" to prepare for emergencies such as large-scale earthquakes, large-scale fire, explosion, etc. with preventive measures and contingency-response systems. The Company shall periodically conduct training in compliance with these procedures and review or extend the substance thereof. With respect to a business continuity program to ensure operations are maintained during an emergency, the Company has formulated a "Basic Business Continuity Plan" and a "Business Continuity Action Plan" in accordance with the "Mitsubishi Estate Group Business Continuity Guidelines." These plans are operated and updated as needed to address changes in the operating environment.

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

## [Translation for Reference and Convenience Purposes Only]

### 3) Systems to Ensure Efficient Execution of Duties by Directors of the Company and Directors, etc. of Its Subsidiaries

The Group shall pursue improving managerial mechanisms appropriate to ensure the efficient execution of Directors' duties in the course of fulfilling the CSR of the Group. Under this policy, the Company has adopted the Executive Officer System with the aim of reinforcing the management oversight function and the business execution function as well as higher management efficiency and faster decision making. Moreover, the Company has implemented the Special Director System for flexible decision making with regard to bidding subjects, etc. and shall improve the head officer system and the rules related to the authority and decision making in accordance with internal regulations such as the Board of Directors Regulations and the *Ringi* Rules, to allow for more efficient execution of Directors' duties.

### 4) Systems to Ensure Compliance of the Execution of Duties by Directors 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. Meanwhile, at the Company, the compliance of the execution of duties by Directors and employees with laws, regulations and the Articles of Incorporation shall be ensured through relevant activities, including companywide control by the CSR Committee in which outsider advisers also participate, preventive legal activity, compliance promotion activity and risk management promotion activity by the Legal & Compliance Department, internal audit practices by the Internal Audit Office, enhanced management oversight function of the Board of Directors through the introduction of Outside Directors, and auditing activities by Statutory Auditors.

In addition, at the Company, the Head Compliance Officer, who is in charge of integrated management and the promotion of companywide compliance, shall be appointed by a resolution of the Board of Directors, in accordance with the "Compliance Rules," and the general managers of the respective departments and sections shall be entrusted as "Compliance Promotion Committee Members" to whom the exemplary performance of compliance is requested.

To handle compliance-related consulting and communications 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 endeavour 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 CSR Committee.

Inside the Group, the line staff department in each business group in the Company has been in charge of operations related to the group companies in the business fields concerned, and "Corporate Planning Department Affiliated Group Office" has been in place as an internal organization within the Corporate Planning Department with the major roles of 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.

## [Translation for Reference and Convenience Purposes Only]

- 6) Matters Related to Employees That the Company Assigns as Assistants to Support the Duties of Statutory Auditors in Response to Requests from Statutory Auditors, and Matters Related to Ensuring the Effectiveness of Instructions Given to Such Employees by Statutory Auditors  
The Office of Statutory Auditors shall be established as a subsidiary organ to assist Statutory Auditors in the execution of their duties pursuant to the relevant provisions of “Statutory Auditors Audit Standards” and “Job Ladder.” The Company shall assign a dedicated General Manager and several employees who shall concurrently serve as staff at other sections that have relevance with the duties of the Statutory Auditors.  
The General Manager of the Office of Statutory Auditors shall supervise other employees assigned to the office and execute his or her business duties in accordance with the instructions of the Statutory Auditors.
- 7) Matters Related to Independence of Employees in the Preceding Item from Directors  
The personnel relocation and/or disciplinary punishment, etc. of the General Manager of the Office of Statutory Auditors shall require an accord of the Standing Statutory Auditors. The personnel relocation and/or disciplinary punishment, etc. of other staff of the Office of Statutory Auditors shall require prior consultation with the General Manager of the Office of Statutory Auditors.
- 8) Systems for Directors and Employees of the Company, Directors, etc. and Employees of Its Subsidiaries, and Individuals Who Receive Their Reports to Provide Reports to the Statutory Auditors, and Other Systems Related to Reporting to the Statutory Auditors  
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 or employees, immediately report thereof to the Statutory Auditors. Also, the Company obliges related personnel to circulate the *Ringi* paper and/or other important documents under the internal rules. Moreover, matters that may be judged necessary in performing the duties of the Statutory Auditors, including results of internal audits conducted by the Internal Audit Office, the status of compliance promotion activities conducted by the Legal & Compliance Department, the status of risk management 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 communications on concerns about compliance, shall also be periodically reported to the Statutory Auditors. 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 Standing Statutory Auditors.
- 9) Systems to Ensure Individuals Who Make the Reports in Item 8 Are Not Treated Unfavourably for Making Those Reports  
In accordance with the “Mitsubishi Estate Group Risk Management Rules,” all Directors and employees of the Group are responsible for collecting and reporting risk information. Also, based on the Whistleblower Protection Act, the Company conducts operations based on “Help Line Operation Rules” that set out the policy for notification on protection and redress for individuals consulting or communicating with the Group’s internal or external Help Lines, in order to ensure individuals who make the reports in Item 8 are not treated unfavourably for making those reports.
- 10) Matters Related to Policy for Handling Costs and Debts Incurred by Statutory Auditors in the Course of Executing Their Duties  
In accordance with the “Statutory Auditors Audit Standards,” the Board of Statutory Auditors may invoice the Company beforehand for any costs deemed necessary for the execution of their duties. The Statutory Auditors may also seek retrospective reimbursement for costs incurred in emergency or special situations.  
Based on invoices received from the Board of Statutory Auditors, the Company shall pay costs necessary for the Statutory Auditors to execute their duties.

## [Translation for Reference and Convenience Purposes Only]

### 11) Other Systems to Ensure Effective Audits by the Statutory Auditors

In accordance with “Statutory Auditors Audit Standards,” the Standing Statutory Auditors of the Company shall have periodic meetings with the management executives of the Company including the President and Director, the Legal & Compliance Department, the Internal Audit Office and the Accounting Auditor to exchange opinions with each other.

The Standing Statutory Auditors shall attend the important conferences such as the Executive Committee.

### (2) Operational Status of Systems to Ensure the Propriety of Business Operations

Outline of operational status of systems to ensure the propriety of business operations is as follows.

#### 1) Status of Initiatives related to Risk Management

- The meetings of the Risk Management Committee and the Risk Management Subcommittee have been held four (4) times per year respectively, where members thereof reported the result of risk management activities in fiscal 2014 and the status of risk management activities in fiscal 2015, among other matters. Furthermore, measures for the improvement of information management systems, including the appointment of Chief Information Security Officer of the Group, have been implemented.
- With regard to the priority risks to be addressed in fiscal 2015 selected by the Risk Management Committee, countermeasures have been implemented at each group company and business group. Furthermore, each group company and business group made reports on status of improvement thereof to the Risk Management Committee.
- With the aim of the establishment of the system to conduct risk management appropriately upon management decisions concerning investment proposals, the Company reviewed the operating rules and standards for investment decisions at the Strategic Investment Committee.

#### 2) Status of Initiatives related to Ensuring Efficiency in Execution of Duties

- The Company promoted dissemination and maintenance of internal regulations such as the Board of Directors Regulations and the *Ringi* Rules, and managed properly.
- As a result of consideration on review of the corporate governance system with the aim of promoting clarification of authorities and responsibilities and prompt decision-making concerning business execution, the Board of Directors of the Company has decided to execute a transition to a Company with Nominating Committee, etc., subject to the approval of the proposal to amend the Articles of Incorporation at the Ordinary General Meeting of Shareholders in June 2016.

#### 3) Status of Initiatives related to Compliance

- In accordance with “The Mission of the Mitsubishi Estate Group,” “The Mitsubishi Estate Group Code of Corporate Conduct” and “Mitsubishi Estate Group Guidelines for Conduct,” through activities of the CSR Committee and other measures, the Company thoroughly disseminated the importance of compliance, and developed internal regulations from the viewpoint of anti-bribery, etc.
- The meetings of the CSR Committee and its subordinate body, the Compliance Subcommittee have been held twice per year respectively, where members thereof reported the result of compliance activities in fiscal 2014 and the status of compliance promotion activities in fiscal 2015, among other matters.
- With regard to internal audits, audit items related to compliance have been set in annual and mid-term audit plans, and audits in accordance with these plans have been conducted.

#### 4) Status of Initiatives related to Reporting of the Execution of Duties and Other Matters concerning the Group Management

- In accordance with “The Mission of the Mitsubishi Estate Group,” “The Mitsubishi Estate Group Code of Corporate Conduct” and “Mitsubishi Estate Group Guidelines for Conduct,” through activities of the CSR Committee, etc., trainings and other measures, the Group endeavoured to practice group wide compliance-based management and business ethics and ensure the propriety of business operations.

## [Translation for Reference and Convenience Purposes Only]

- By means of the stable operation of information-sharing system between the Company and group companies based on items to be consulted and reported beforehand as stipulated in “Mitsubishi Estate Group Management Rules,” the Company promoted the propriety and efficiency improvement and upgrading risk management of group wide corporate management.
- 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, in accordance with “Mitsubishi Estate Group Basic Guidelines on Internal Control Regarding Financial Reporting (Basic Rules),” the Company evaluated the development and management status of internal controls regarding financial reporting of the Group, targeting “companywide internal control,” “internal control related to earnings and financial reporting process,” “internal control related to business process” and “internal control utilizing IT.”

### 5) Status of Initiatives related to Ensuring the Effectiveness of Statutory Auditors’ Audit

- The Office of Statutory Auditors, with staff of five (5) comprised of a dedicated General Manager plus four (4) support staff who work concurrently on duties in other departments, executed his or her business duties.
- Processes such as the circulation of important documents to Statutory Auditors as well as the reporting of the internal audit result by the Internal Audit Office and compliance promotion activities and risk management activities by the Legal & Compliance Department have been implemented properly.
- In order to exchange opinions, etc., Standing Statutory Auditor has met President and Chief Executive Officer twice per year, and other Directors, executive officers responsible for respective business group and others once per year, respectively, while attending important internal meetings including the Executive Committee, the CSR Committee, the Risk Management Committee and the annual planning meeting.

## [Translation for Reference and Convenience Purposes Only]

### 6. Basic Policy Regarding the Control of Kabushiki-Kaisha (Joint-Stock Corporation)

Set out below are outlines of the contents of the basic policy regarding the persons who control decisions on the Company's financial and business policies (hereinafter the "Basic Policy"), outlines of the specific measures to contribute to realizing the Basic Policy, outlines of the measures to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy, and the judgment by the Company's Board of Directors over such specific measures and reasons for such judgment.

The Company renewed a plan for countermeasures to large-scale acquisitions of the shares in the Company (the "Plan") based on the approval of the shareholders at the 114th Ordinary General Meeting of Shareholders of the Company held on June 27, 2013.

In addition, the Company formulated a Long-Term Vision and Medium-Term Management Plan called "BREAKTHROUGH 2020," commencing in fiscal 2011 and ending in fiscal 2020, and announced the plan on June 1, 2011.

#### (1) Outline of the Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually, and in a sustainable manner, ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

The Company also believes that any decision on a proposed acquisition that would involve a change of control of the Company must ultimately be made by its shareholders as a whole. The Company will not unconditionally reject a large-scale acquisition of the shares in the Company if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders, including those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders or might have the potential to substantially coerce shareholders into selling their shares. Unless an acquirer in a large-scale acquisition of shares in the Company understands the source of the Company's corporate value and ensures and enhances those elements for the medium- and long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

#### (2) Outline of the Specific Measures to Contribute to Realizing the Basic Policy

##### A. Specific Measures to Contribute to Realizing the Basic Policy

The corporate value of the Group is based on a portfolio of various businesses and assets relating to real estate, enhanced by synergies derived from the combination and complementary nature of the portfolio, and supported by the expertise, experience and know-how related to the real estate business. Specifically, from the perspective of reinforcing the value chain between the Investment and Development Business field, which is a major earnings-generating field in which traditionally the Group has had advantages in pursuing development through capital investment, and the Management and Service Business field, in which we provide solutions by leveraging the collective strengths of the Group in such areas as office buildings (PM (property management) and leasing), commerce and logistics, investment management, architectural design and engineering, hotels and real estate services, thereby creating customer-oriented value through integration of our properties and services, the Group is moving ahead with various projects such as the development of office buildings, residential houses, commercial facilities and hotels, multi-use development that combines the foregoing, and other larger-scale and whole-area development. The Group also believes that it is essential to establish a trust relationship with stakeholders to promote those businesses and that comprehensive urban development based on a long-term perspective is indispensable to maximize corporate value.

## [Translation for Reference and Convenience Purposes Only]

In the Long-Term Vision and Medium-Term Management Plan “BREAKTHROUGH 2020,” commencing in fiscal 2011 and ending in fiscal 2020, the Group formulated a long-term vision for 10 years and a medium-term management plan for three (3) years with a view to set its management policy from a long-term perspective, taking into account the changing business environment surrounding the Group, including the maturation of the domestic market and globalization, and has been consistently engaged in our business. Under the medium-term management plan starting in fiscal 2014, the Group regards the targeted three (3) years as the period for achieving the enhancement of corporate value, and thus has set company-wide quantitative targets for growth potential, performance and soundness and is promoting the strengthening of development functions in each business area, as well as of cooperation and the value chain within the Group, while at the same time is undertaking the development of its organizational structure for achieving the medium-term management plan. Together with this, the Group has set group-wide objectives to work on, such as the improvement in asset portfolio management aimed at enhancing the financial position and the strengthening of the business foundation mainly through the improvement in research functions, as well as the promotion of business portfolio management by the appropriate allocation of managerial resources. With these objectives in mind, the Group intends to create and offer new lifestyle and work-style values based on safety, security and comfort, while being aware of the importance of developing disaster-resistant urban districts, and by doing so, the Group works to seek sustainable growth and social contribution, and also to eagerly strive to enhance its corporate value and, in turn, the common interests of its shareholders.

Furthermore, recognizing that the enhancement of corporate governance functions is a key agenda item for management, the Company has worked to strengthen those functions by appointing multiple Outside Directors with diverse backgrounds as well as setting the term of office for Directors to one (1) year. In this context, at the Company’s Board of Directors meeting held on January 28, 2016, the Company decided to execute a transition to a Company with Nominating Committee, etc. in order to further 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. (Based on that decision, proposals for the partial amendment of the Articles of Incorporation and for the appointment of Directors are to be made at the 117th Ordinary General Meeting of Shareholders, and if these are approved, the Company will transition to a system that establishes three committees—Nominating Committee, Audit Committee, and Remuneration Committee—with the majority of members of each committee being independent Outside Directors, as part of its Board of Directors, seven (7) of the fifteen (15) members of which are independent Outside Directors.)

With respect to profit distribution, the Company endeavours to stably return profits to shareholders, in principle, but intends to determine a consolidated payout ratio within the range of 25% to 30% by comprehensively considering the performance levels of the Group, taking into account capital requirements for the Marunouchi Redevelopment Project and other future business developments.

### B. Outlines of the Measures to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy (the Plan)

#### (I) Purpose of the Plan

The purpose of the Plan is to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal from an acquirer, to enable the Company’s Board of Directors to present an alternative proposal to the shareholders or ensure the necessary time and information for the shareholders to decide whether to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

#### (II) Outline of the Plan

The Plan sets out the necessary procedures to achieve the purpose stated above, including the requirement that the acquirer provide information in advance, in the case of the emergence of an acquirer who intends to make an acquisition of 20% or more of the Company’s share certificates or other equity securities. The acquirer may not effect a large-scale acquisition of the shares in the Company until and unless the Company’s Board of Directors adopts a resolution not to implement the gratis allotment of stock acquisition rights (shinkabu yoyakuken mushou wariate) in accordance with the procedures for the Plan.



## [Translation for Reference and Convenience Purposes Only]

To eliminate arbitrary decisions by Directors on whether to implement the countermeasure under the Plan, the Company shall consult the Independent Committee, which is composed solely of members who are independent of the management of the Company, such as Outside Directors of the Company, to hear the Committee's objective judgment.

Before commencement of the acquisition, the acquirer must provide information that is necessary for assessment of the acquisition terms and content. The Independent Committee can request that the Company's Board of Directors present opinions on the acquirer's acquisition terms/content and provide such information as an alternative plan.

The Independent Committee shall inspect the acquisition terms and content, as well as the alternative plan submitted by the Company's Board of Directors, and discuss and negotiate with the acquirer. As a result of this assessment, in the event that an acquirer does not follow the procedures set out in the Plan, or the large-scale acquisition of shares in the Company could harm the corporate value of the Company and the common interests of its shareholders, and if the acquisition satisfies the requirements for triggering the countermeasure set out in the Plan, the Independent Committee will recommend that the Company's Board of Directors implement a countermeasure. The countermeasure is to allot stock acquisition rights (shinkabu yoyakuken) with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights to all shareholders other than the Company at that time. Fully respecting the Independent Committee's recommendation, the Company's Board of Directors shall make a resolution on whether to implement the gratis allotment of the stock acquisition rights. In addition, the Company's Board of Directors may, if prescribed in the Plan, convene a meeting of shareholders to confirm the intent of the Company's shareholders.

If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, shares in the Company would be issued in the number determined by the Company's Board of Directors in a range not exceeding one (1) share per stock acquisition right. Therefore, the ratio of voting rights in the Company held by the acquirer could be diluted by up to a maximum of approximately 50%.

The effective period of the Plan is, as a general rule, until the close of the Ordinary General Meeting of Shareholders concerning the last business year that ends within three (3) years after the close of the 114th Ordinary General Meeting of Shareholders held on June 27, 2013.

### (3) Judgment by the Company's Board of Directors over Specific Measures and Reasons for Such Judgment

The Long-Term Vision and Medium-Term Management Plan, reinforcement of corporate governance, stable profit distribution to the shareholders and other measures of the Company have been prepared as specific measures to continuously ensure and enhance the corporate value of the Company and the common interests of its shareholders, and therefore satisfy the requirements of the Basic Policy of the Company.

The Plan is a framework to secure the Company's corporate value and the shareholders' common interests, which is needed when an acquisition of the shares in the Company is conducted, and satisfies the requirements of the Basic Policy. In particular, due to the following reasons, fairness and objectivity of the Plan is secured and the purpose of the Plan is not to secure positions of the Directors or Statutory Auditors of the Company but to contribute to the corporate value of the Company and common interests of the shareholders: i) Fully satisfying the requirements of the three (3) principles set out in the Guidelines Regarding Takeover Defense Measures for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests; ii) The shareholders' approval was obtained at the 114th Ordinary General Meeting of Shareholders; iii) The Company has set forth that the Company's Board of Directors may, in certain cases, convene a meeting of shareholders to confirm the intent of the Company's shareholders; iv) Respecting shareholders' intent as the term of office of Directors is one (1) year and the Plan can be abolished any time by the Board of Directors; v) The Independent Committee consisting of highly independent Outside Directors is established and the Board of Directors is compulsorily required to obtain the judgment of the Independent Committee upon triggering the Plan; vi) The Independent Committee may seek to obtain the advice of third party experts at the Company's cost and so on.

- END -

[Translation for Reference and Convenience Purposes Only]

**Consolidated Balance Sheet**  
(As of March 31, 2016)

(Millions of yen)

Account Item	Amount	Account Item	Amount
<b>(Assets)</b>	<b>5,311,840</b>	<b>(Liabilities)</b>	<b>3,652,660</b>
<b>Current assets</b>	<b>1,233,935</b>	<b>Current liabilities</b>	<b>670,877</b>
Cash and due from banks	412,983	Notes and accounts payable - trade	58,331
Notes and accounts receivable - trade	35,261	Short-term borrowings	103,125
Securities	14	Long-term debt to be repaid within one (1) year	163,651
Real estate for sale	54,827	Corporate bonds to be redeemed within one (1) year	78,023
Work-in-process real estate for sale	366,354	Accrued income taxes	22,903
Real estate for development	8,905	Allowance for loss on business transfer	10,570
Expenditures for uncompleted works	7,942	Other current liabilities	234,271
Other inventories	1,014	<b>Long-term liabilities</b>	<b>2,981,782</b>
Equity participation	276,842	Corporate bonds	825,000
Deferred tax assets	14,552	Long-term debt	1,114,426
Other current assets	55,764	Guarantee money and deposits received	393,309
Allowance for doubtful receivables	(528)	Deferred tax liability	180,205
<b>Fixed assets</b>	<b>4,077,904</b>	Deferred tax liabilities for revaluation	265,912
<b>Property and equipment</b>	<b>3,551,062</b>	Net defined benefit liability	32,464
Buildings and structures	886,494	Reserve for retirement allowances to officers	685
Machinery and equipment and vehicles	21,939	Provision for environmental measures	5,068
Land	1,955,451	Negative goodwill	83,827
Trusted land	549,811	Other long-term liabilities	80,882
Construction in progress	122,261		
Other property and equipment	15,105		
<b>Intangible assets</b>	<b>107,784</b>	<b>(Net Assets)</b>	<b>1,659,180</b>
Leaseholds	75,494	<b>Shareholders' equity</b>	<b>897,293</b>
Other intangible assets	32,289	<b>Capital stock</b>	<b>141,373</b>
<b>Investments and other assets</b>	<b>419,058</b>	<b>Capital surplus</b>	<b>161,188</b>
Investment securities	216,334	<b>Retained earnings surplus</b>	<b>600,116</b>
Long-term loans receivable	1,406	<b>Treasury stock - at cost</b>	<b>(5,385)</b>
Guarantee money and deposits paid	115,382	<b>Other accumulated comprehensive income</b>	<b>612,387</b>
Net defined benefit asset	9,810	<b>Net unrealized gain on available-for-sale securities</b>	<b>89,945</b>
Deferred tax assets	16,170	<b>Deferred gains or losses on hedging instruments</b>	<b>(30)</b>
Other investments	61,578	<b>Land revaluation difference</b>	<b>521,248</b>
Allowance for doubtful receivables	(1,623)	<b>Foreign currency translation adjustments</b>	<b>13,900</b>
		<b>Remeasurements of defined benefit plans</b>	<b>(12,676)</b>
		<b>Stock acquisition rights</b>	<b>529</b>
		<b>Non-controlling interests</b>	<b>148,970</b>
<b>Total Assets</b>	<b>5,311,840</b>	<b>Total Liabilities and Net Assets</b>	<b>5,311,840</b>

[Translation for Reference and Convenience Purposes Only]

**Consolidated Statement of Income**  
(From April 1, 2015, to March 31, 2016)

(Millions of yen)

Account Item	Amount
<b>Revenue from operations</b>	<b>1,009,408</b>
<b>Cost of revenue from operations</b>	<b>756,820</b>
<b>Gross operating profit</b>	<b>252,588</b>
Selling, general and administrative expenses	86,388
<b>Operating income</b>	<b>166,199</b>
<b>Other income</b>	<b>10,949</b>
Interest income	284
Dividend income	4,556
Equity in earnings of non-consolidated subsidiaries and affiliates	605
Other	5,503
<b>Other expenses</b>	<b>32,296</b>
Interest expenses	20,183
Loss on retirement of fixed assets	6,064
Other	6,049
<b>Income before taxes and special items</b>	<b>144,851</b>
<b>Extraordinary gain</b>	<b>19,421</b>
Gain on sales of fixed assets	2,709
Gain on sales of investment securities	11,350
Reversal of accrued payment	4,098
Reversal of allowance for loss on obligations of additional investments	1,262
<b>Extraordinary loss</b>	<b>22,423</b>
Loss related to retirement of fixed assets	4,223
Impairment loss	2,561
Provision for environmental measures	5,068
Provision for loss on business transfer	10,570
<b>Profit before income taxes</b>	<b>141,850</b>
Income taxes - current	43,994
Income taxes - deferred	(422)
<b>Total income taxes</b>	<b>43,571</b>
<b>Profit</b>	<b>98,278</b>
Profit attributable to non-controlling interests	14,851
<b>Profit attributable to owners of parent</b>	<b>83,426</b>

[Translation for Reference and Convenience Purposes Only]

**Non-consolidated Balance Sheet**  
(As of March 31, 2016)

(Millions of yen)

Account Item	Amount	Account Item	Amount
<b>(Assets)</b>	<b>4,486,547</b>	<b>(Liabilities)</b>	<b>3,196,761</b>
<b>Current assets</b>	<b>1,087,124</b>	<b>Current liabilities</b>	<b>569,076</b>
Cash and due from banks	296,027	Accounts payable – trade	17,922
Accounts receivable – trade	21,048	Short-term borrowings	31,750
Real estate for sale	18,548	Long-term debt to be repaid within one (1) year	150,186
Work-in-process real estate for sale	5,752	Corporate bonds to be redeemed within one (1) year	70,000
Real estate for development	8,758	Accrued income taxes	9,451
Equity participation	251,137	Deposits received	241,415
Short-term loans of affiliated companies	466,003	Provision for loss on obligation of additional investments	541
Deferred tax assets	2,004	Other current liabilities	47,808
Other current assets	19,520		
Allowance for doubtful receivables	(1,675)		
<b>Fixed assets</b>	<b>3,399,423</b>	<b>Long-term liabilities</b>	<b>2,627,685</b>
<b>Property and equipment</b>	<b>2,658,724</b>	Corporate bonds	825,000
Buildings and structures	551,848	Long-term debt	975,234
Machinery and equipment and vehicles	2,932	Guarantee money and deposits received	318,795
Land	1,471,855	Deferred tax liability	103,932
Trusted land	548,550	Deferred tax liabilities for revaluation	265,890
Construction in progress	77,909	Reserve for retirement allowances	2,591
Other property and equipment	5,627	Reserve for accepting the fulfillment of obligations	3,997
<b>Intangible assets</b>	<b>12,715</b>	Provision for environmental measures	5,068
Leaseholds	9,805	Negative goodwill	68,669
Other intangible assets	2,910	Other long-term liabilities	58,506
<b>Investments and other assets</b>	<b>727,983</b>		
Investment securities	196,532	<b>(Net Assets)</b>	<b>1,289,785</b>
Investments in shares of affiliated companies	398,442	<b>Shareholders' equity</b>	<b>677,029</b>
Long-term loans receivable	1,278	<b>Capital stock</b>	<b>141,373</b>
Guarantee money and deposits paid	99,190	<b>Capital surplus</b>	<b>170,485</b>
Prepaid pension cost	12,433	Capital reserve	170,485
Other investments	20,408	<b>Retained earnings surplus</b>	<b>370,556</b>
Allowance for doubtful receivables	(302)	Retained earnings reserve	21,663
		Other retained earnings surplus	348,892
		Reserve for special depreciation	3,982
		Reserve for advanced depreciation of fixed assets	138,282
		General reserve	108,254
		Earned surplus carried forward	98,374
		<b>Treasury stock - at cost</b>	<b>(5,385)</b>
		<b>Valuation, translation adjustments and others</b>	<b>612,226</b>
		<b>Net unrealized gain on available-for-sale securities</b>	<b>87,635</b>
		<b>Land revaluation difference</b>	<b>524,591</b>
		<b>Stock acquisition rights</b>	<b>529</b>
<b>Total Assets</b>	<b>4,486,547</b>	<b>Total Liabilities and Net Assets</b>	<b>4,486,547</b>

[Translation for Reference and Convenience Purposes Only]

**Non-consolidated Statement of Income**  
(From April 1, 2015, to March 31, 2016)

(Millions of yen)

Account Item	Amount
<b>Revenue from operations</b>	<b>380,951</b>
Revenue from Building Business	335,267
Revenue from other businesses	45,683
<b>Cost of revenue from operations</b>	<b>285,648</b>
Cost of revenue from Building Business	246,811
Cost of revenue from other businesses	38,837
<b>Gross operating profit</b>	<b>95,302</b>
Selling, general and administrative expense	19,377
<b>Operating income</b>	<b>75,925</b>
<b>Other income</b>	<b>17,407</b>
Interest income	583
Dividend income	13,212
Other	3,611
<b>Other expenses</b>	<b>25,562</b>
Interest expenses	7,275
Bond interest	10,389
Loss on retirement of fixed assets	2,847
Other	5,049
<b>Income before taxes and special items</b>	<b>67,770</b>
<b>Extraordinary gain</b>	<b>13,719</b>
Gain on sales of fixed assets	1,124
Gain on sales of investment securities	11,332
Reversal of allowance for loss on obligations of additional investments	1,262
<b>Extraordinary loss</b>	<b>9,291</b>
Loss related to retirement of fixed assets	4,223
Provision for environmental measures	5,068
<b>Profit before income taxes</b>	<b>72,199</b>
Income taxes - current	21,314
Income taxes - deferred	7,466
<b>Profit</b>	<b>43,418</b>

**[Translation for Reference and Convenience Purposes Only]**

**Translation of a report originally issued in Japanese**

**Independent Auditor's Report**

May 16, 2016

The Board of Directors  
Mitsubishi Estate Co., Ltd.

Ernst & Young ShinNihon LLC

Kazuomi Nakamura  
Certified Public Accountant  
Designated and Engagement Partner

Ichiro Ogawa  
Certified Public Accountant  
Designated and Engagement Partner

Yuichiro Sagae  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Mitsubishi Estate Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2015 through March 31, 2016.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Mitsubishi Estate Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**[Translation for Reference and Convenience Purposes Only]**

**Translation of a report originally issued in Japanese**

**Independent Auditor's Report**

May 16, 2016

The Board of Directors  
Mitsubishi Estate Co., Ltd.

Ernst & Young ShinNihon LLC

Kazuomi Nakamura  
Certified Public Accountant  
Designated and Engagement Partner

Ichiro Ogawa  
Certified Public Accountant  
Designated and Engagement Partner

Yuichiro Sagae  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Mitsubishi Estate Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2015 through March 31, 2016.

*Management's Responsibility for the Financial Statements and the Related Supplementary Schedules*

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Mitsubishi Estate Co., Ltd. applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

**[Translation for Reference and Convenience Purposes Only]**

**The Audit Report of the Board of Statutory Auditors  
The Audit Report**

Regarding the business report, the non-consolidated financial statements, the supplementary schedules thereof and the consolidated financial statements, as well as the performance of duties by the Directors for the fiscal year, which began April 1, 2015, and ended March 31, 2016, the Board of Statutory Auditors of Mitsubishi Estate Co., Ltd. (the “Company”), hereby, through discussions, prepares this audit report and report as follows, based on the audit reports prepared by respective Statutory Auditors.

**1. Auditing Methods Employed by Statutory Auditors and the Board of Statutory Auditors and Substance Thereof**

The Board of Statutory Auditors determined auditing policies, auditing plans and other guidelines; set priority points for auditing, including the improvement and operation of internal control systems (including the internal control reporting system for financial reports pursuant to the Financial Instruments and Exchange Act); received reports about the progress and results of audits from each Statutory Auditor; received reports from the Directors, etc. and the Accounting Auditor on the execution of their duties; and requested their explanations, as required from time to time.

In compliance with the standards for Statutory Auditor’s audit set out by the Board of Statutory Auditors and based on the auditing policies, auditing plans and other guidelines, each Statutory Auditor has communicated with the Directors and the Executive Officers, the Internal Audit Office and other employees, etc. and has endeavored to collect information and to improve the auditing environment. Similarly, each Statutory Auditor has attended the meetings of the Board of Directors and other important meetings, received reports from the Directors and employees, etc. on the status of the execution of their duties, and requested their explanations, as required from time to time. Also, each Statutory Auditor has examined important authorized documents and associated information, and investigated the operations and financial conditions at headquarters and principal offices.

In addition, each Statutory Auditor has received reports from the Directors and employees, etc., on the current status of the execution of the substance of the resolution adopted by the Board of Directors with regard to the “system to ensure compliance of the execution of duties by Directors with laws, regulations and the Articles of Incorporation and other systems deemed necessary to ensure the propriety of business operations of the corporate group consisting of the Company and its subsidiaries,” as well as in-house systems (internal control systems) that have been improved pursuant to such resolution, and requested their explanations, as required. With regard to the internal control system for financial reports, each Statutory Auditor has received reports from Directors, etc. and Ernst & Young ShinNihon LLC on evaluation on the Company’s relevant internal control system and the status of audit, and requested their explanations, as required. The Statutory Auditors also have audited the “Basic Policy regarding Those Who Control Decisions of the Company’s Financial Matters and Business Policy” and respective initiatives to realize the Basic Policy, based on progress of deliberations, etc. at the meetings of Board of Directors and others. Moreover, based on the auditing plans, the Statutory Auditors have proceeded to the Company’s subsidiaries to communicate with the Directors, Statutory Auditors and other relevant personnel of the subsidiaries and heard the situation on their operations and financial conditions. In the manner explained above, the Statutory Auditors have examined the business report and supplementary schedules thereof as well as the performance of duties by the Directors of the Company pertaining to the fiscal year ended March 31, 2016.



## [Translation for Reference and Convenience Purposes Only]

Furthermore, the Statutory Auditors have supervised whether the Accounting Auditor maintains independence and has been conducting an appropriate audit; received reports on the status of the execution of its duties such as auditing plans, the status of the implementation of audits and the audit results from the Accounting Auditor; and requested explanations, as required from time to time. The Statutory Auditors have been notified that the Accounting Auditor has been improving the “Systems to Ensure Appropriate Execution of Duties” (Matters as set forth in each Paragraph of Article 131 of the Ordinance for Corporate Accounting) in accordance with the guidelines such as the “Standards for Quality Control of Audit” (issued by the Business Accounting Deliberation Council on October 28, 2005) and requested its explanations, as required from time to time. In the manner explained above, the Statutory Auditors have examined the business report and supplementary schedules thereof, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements) and supplementary schedules thereof of the Company, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to the consolidated financial statements), pertaining to the fiscal year ended March 31, 2016.

### 2. Audit Results

- (1) Audit results regarding the business report, etc.
  - i) In our opinion, the business report and the supplementary schedules thereof fairly represent the Company’s conditions in accordance with the laws and regulations and the Articles of Incorporation.
  - ii) We have found no wrongful action or material fact of violation of laws, regulations or the Articles of Incorporation with regard to the execution of duties by the Directors.
  - iii) In our opinion, the substance of the resolution of the Board of Directors regarding the internal control systems is fair and reasonable. We have found no matters to remark with regard to the description of the business report regarding the internal control system and the relevant execution of duties by the Directors, including internal control for financial reports. With regard to the internal control reporting system for financial reports, we have received reports from Directors, etc., and Ernst & Young ShinNihon LLC that no important flaws or inadequacies were found at the time when this audit report was prepared.
  - iv) We have found no matters to remark with regard to the Basic Policy regarding Those Who Control Decisions of the Company’s Financial Matters and Business Policy. In our opinion, respective initiatives to realize the Basic Policy are in compliance with the said Basic Policy, do not impair the common interests of the Company’s shareholders and are not designed to maintain the positions of the Company’s Corporate Officers.
- (2) Audit results regarding the non-consolidated financial statements and the supplementary schedules thereof  
In our opinion, the audit methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.
- (3) Audit results regarding the consolidated financial statements  
In our opinion, the audit methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.

May 19, 2016

Board of Statutory Auditors of Mitsubishi Estate Co., Ltd.	
Yutaka Yanagisawa	Standing Statutory Auditor
Kazuhiko Hasegawa	Standing Statutory Auditor
Kenji Matsuo	Statutory Auditor
Iwao Taka	Statutory Auditor

Note: The Standing Statutory Auditor Kazuhiko Hasegawa, the Statutory Auditor Kenji Matsuo and the Statutory Auditor Iwao Taka are Outside Statutory Auditors as stipulated in Article 2, Item 16, of the Companies Act.

**MATTERS DISCLOSED ON THE INTERNET  
RELATED TO THE  
NOTICE OF CONVOCATION OF  
THE 117th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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The content of this document is posted on the website of Mitsubishi Estate Co., Ltd.  
("the Company") (<http://www.mec.co.jp/j/investor/stock/shareholder/index.html>),  
pursuant to laws and regulations and Article 15 Articles of Incorporation of the Company.

**mitsubishi**  
**ESTATE CO., LTD.**

[Translation for Reference and Convenience Purposes Only]

**Consolidated Statement of Changes in Net Assets**  
(From April 1, 2015, to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings surplus	Treasury stock-at cost	Total shareholders' equity
Balance at the beginning of current period	141,373	162,638	538,687	(5,259)	837,440
Changes in the fiscal year under review					
Dividend from surplus			(20,812)		(20,812)
Profit attributable to owners of parent			83,426		83,426
Purchase of treasury stock				(228)	(228)
Disposal of treasury stock		(3)	(25)	102	73
Reversal of land revaluation difference			(1,160)		(1,160)
Change in equity of the parent company on transactions with non-controlling interest		(1,446)			(1,446)
Net changes in items other than those in shareholders' equity					
Total of changes in the fiscal year under review	—	(1,449)	61,428	(126)	59,852
Balance at the end of current period	141,373	161,188	600,116	(5,385)	897,293

	Other accumulated comprehensive income						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedging instruments	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income			
Balance at the beginning of current period	127,609	(5)	504,756	20,798	5,238	658,398	500	143,825	1,640,163
Changes in the fiscal year under review									
Dividend from surplus									(20,812)
Profit attributable to owners of parent									83,426
Purchase of treasury stock									(228)
Disposal of treasury stock									73
Reversal of land revaluation difference									(1,160)
Change in equity of the parent company on transactions with non-controlling interest									(1,446)
Net changes in items other than those in shareholders' equity	(37,663)	(25)	16,492	(6,898)	(17,914)	(46,010)	29	5,145	(40,836)
Total of changes in the fiscal year under review	(37,663)	(25)	16,492	(6,898)	(17,914)	(46,010)	29	5,145	19,016
Balance at the end of current period	89,945	(30)	521,248	13,900	(12,676)	612,387	529	148,970	1,659,180

## Notes to the Consolidated Financial Statements

### Notes to Important Matters for the Preparation of the Consolidated Financial Statements

#### 1. Matters related to the Scope of Consolidation

##### (1) Number of Consolidated Subsidiaries: 194

The names of major subsidiaries are as stated in “I. Current Situation of the Corporate Group, 3. Situation of Material Parent Company and Subsidiaries, (2) Situation of Material Subsidiaries” of the “Business Report.”

Newly included in the list of consolidated subsidiaries of the Company are Aqua City Investment Tokutei Mokuteki Kaisya through the additional acquisition of its equity interest, and Tokumei Kumiai Otemachi Daisan Investment and thirteen (13) other companies due to the new establishment.

Excluded from the list of consolidated subsidiaries are Shinjuku 6-chome Tokutei Mokuteki Kaisya and five (5) other companies due to dissolution.

##### (2) Names, etc. of Major Non-consolidated Subsidiaries

A major non-consolidated subsidiary is Nihonbashi 2-chome Kaihatsu Tokutei Mokuteki Kaisya.

Non-consolidated subsidiaries are excluded from the scope of consolidation because their respective sums of total assets, revenue from operations, profit (loss) (corresponding to the equity ratio owned by the Company) and retained earnings surplus (corresponding to the equity ratio owned by the Company) have no significant impact on the consolidated financial statements.

#### 2. Matters related to Application of the Equity Method

##### (1) Number of Non-consolidated Subsidiaries Accounted for by the Equity Method: 0

##### (2) Number of Affiliates Accounted for by the Equity Method: 65

A major affiliate in this category is Tokyo Ryutsu Center Inc.

Included in the affiliates accounted for by the equity method are Ruentex Development Co., Ltd. and six (6) other companies due to new investments.

1101K, INC. and four (4) other companies are excluded from the affiliates accounted for by the equity method due to the sale of its equity interest.

##### (3) Names, etc. of Major Companies Not Accounted for by the Equity Method

A major non-consolidated subsidiary not accounted for by the equity method is Nihonbashi 2-chome Kaihatsu Tokutei Mokuteki Kaisya and a major affiliate not accounted for by the equity method is Tokiwabashi Investment Tokutei Mokuteki Kaisya. The equity method is not applied to the Company's investments in these corporations because their respective sums of profit (loss) (corresponding to the equity ratio owned by the Company) and retained earnings surplus (corresponding to the equity ratio owned by the Company) have no significant impact on the consolidated financial statements.

##### (4) Others

Concerning the companies accounted for by the equity method, the financial statements for the respective fiscal years are used for those that have a closing date that differs from the consolidated closing date.

#### 3. Matters related to Business Year, etc. of Consolidated Subsidiaries

The closing date of Rockefeller Group, Inc., which is a consolidated subsidiary, and 147 overseas subsidiaries, MEC eco LIFE Co., Ltd. and four (4) other consolidated subsidiaries is December 31 and the closing date of Keiyo Tochi Kaihatsu Co., Ltd. and two (2) other consolidated subsidiaries is January 31. In preparing the consolidated financial statements, the financial statements as of and for the year ended respective closing dates are used for these companies with necessary adjustments provided for consolidation purposes with regard to material transactions between their closing dates and the consolidated closing date (March 31).

**[Translation for Reference and Convenience Purposes Only]**

4. Matters related to Accounting Policies

(1) Valuation Basis and Method for Important Assets

Securities:

Held-to-maturity debt securities:

Carried at amortized cost (determined by the straight-line method for the Company and its consolidated domestic subsidiaries and by the interest method for consolidated foreign subsidiaries.)

Other securities:

Investment securities:

Available-for-sale securities with market values:

Stated at the market value as of the balance sheet date, based on quoted market prices, etc.

(Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined mainly by the moving-average method.)

Available-for-sale securities without market values:

Stated at cost determined by the moving-average method

Equity participation:

Available-for-sale securities with market values:

Stated at the market value as of the balance sheet date, based on quoted market prices, etc.

(Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of equity participation sold is determined mainly by the moving-average method.)

Available-for-sale securities without market values:

Stated at cost determined by the moving-average method

Derivatives:

Stated at market values

Inventories:

Real estate for sale: mainly stated at cost determined by the identified cost method. (The amount posted in the Balance Sheets was computed by writing down the book value with regard to the inventories for which profitability was clearly declining.)

Work-in-process real estate for sale: Same as the above

Real estate for development: Same as the above

Expenditures for uncompleted works: Same as the above

Fixed Assets:

The Company and its consolidated domestic subsidiaries adopt asset-impairment accounting.

Consolidated subsidiaries overseas apply U.S. accounting standards.

(2) Depreciation Method of Important Depreciable Assets

Property and equipment:

Depreciation of property and equipment of the Company and its consolidated domestic subsidiaries is calculated principally by the declining-balance method at fixed rates.

However, the straight-line method is adopted for buildings (excluding building improvements) acquired on or after April 1, 1998.

Depreciation of property and equipment of consolidated foreign subsidiaries is calculated by the straight-line method.

Intangible assets:

The amortization of intangible assets is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method over the estimated internal useful life (mainly 5 years).

**[Translation for Reference and Convenience Purposes Only]**

(3) Accounting Standards for Important Reserves

Allowance for doubtful receivables:

An allowance for doubtful receivables is provided, for possible losses from uncollectible loans and receivables, at the amount calculated based on the actual rate of losses from the bad debt for ordinary receivables, and on the estimated recoverability for specific receivables such as doubtful receivables.

Reserve for retirement allowances to officers:

In consolidated subsidiaries, a reserve for retirement allowances to officers is provided at 100% of the amount that would be required at the end of the consolidated fiscal year under review in accordance with internal regulations.

Provision for environmental measures:

An estimated amount of loss that could be caused along with environmental measures including treatment of PCB (Polychlorinated biphenyl) waste is provided.

Provision for loss on business transfer:

An estimated amount of loss that could be caused by business transfer is provided.

(4) Accounting Method for Retirement Allowances

1) Method to attribute estimated retirement allowances to period of services

To calculate the Company's liability for retirement allowances, the method of benefit formula basis is mainly adopted to attribute the estimated amounts of retirement allowance obligations to the period up to the end of the consolidated fiscal year under review.

2) Accounting method for actuarial gains or losses and prior service cost

Prior service cost is mainly amortized on a straight-line basis over a certain period (1 year–10 years) within an average remaining period of service of employees at the time of each occurrence.

Actuarial gains or losses are mainly amortized on a straight-line basis over a certain period (1 year–15 years) within an average remaining period of service of employees at the time of their occurrence, with each amount recognized as an expense starting from the following consolidated fiscal year.

(5) Translation of Important Assets and Liabilities Denominated in Foreign Currencies into Yen

The assets and liabilities denominated in foreign currencies of foreign subsidiaries are translated into yen at the spot rate of foreign exchange in effect at the balance sheet date of the respective subsidiaries. The revenue and expense accounts of foreign subsidiaries are translated into yen using the average rate of foreign exchange during the consolidated fiscal year under review. The resulting translation exchange differences have been presented as "Foreign currency translation adjustments" under "Net assets."

(6) Important Hedge Accounting

1) Hedge Accounting

The Company adopts the deferral hedge accounting, in principle. For interest rate swaps, the preferential treatment is applied to the swaps which satisfy the requirements of such preferential treatment. For currency swaps, the appropriation treatment is applied to the swaps which satisfy the requirements of such appropriation treatment.

2) Hedging Instruments and Hedged Items

Hedging instruments:

Interest rate swaps

Currency swaps

Hedged items:

Borrowings and corporate bonds

Borrowings and corporate bonds

3) Hedging Policy

The risk hedging transactions are intended to hedge the exposure to fluctuation risks in interest rates and foreign currency exchange rates, in accordance with the internal regulations such as "Market Risk Management Rules" and "Management Guideline by Risk."

(7) Accounting for Consumption Taxes, etc.

Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax. Non-deductible consumption tax and local consumption tax are charged to income for the consolidated fiscal year under review.

(8) Accounting Standards for Revenue from Operations

To account for revenue from contract work operations, the percentage of completion method (the percentage of completion of work is estimated based on cost method) is adopted for work that has been completed and whose guaranteed performance has been recognized by the end of the consolidated fiscal year under review. For other work, the complete-contract method is adopted.

(9) Amortization Method and Amortization Period of Goodwill

Goodwill is equally amortized over five (5) years on a straight-line basis. However, if the effect-emerging period can be reasonably estimated, the amount is equally amortized over the estimated period or if the amount is small, it is amortized for one (1) time.

## [Translation for Reference and Convenience Purposes Only]

### Notes to Change in Accounting Estimates

#### Provision for Environmental Measures

With regard to the treatment of PCB (Polychlorinated biphenyl) waste in accordance with “Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes,” the Company recorded provision for environmental measures of ¥ 5,068 million under extraordinary losses from the consolidated fiscal year under review because importance of its estimated amount has increased. Accordingly, profit before income taxes decreased by ¥ 5,068 million.

### Note to Change in Presentation Method

Changes in Accordance with Application of “Accounting Standard for Business Combinations,” etc.

In accordance with the provisions set forth in Article 39 of “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, issued on September 13, 2013) etc., the changes in the presentation of profit and the changes in the presentation from minority interests to non-controlling interests have been implemented.

### Note to the Consolidated Balance Sheet

1. Accumulated Depreciation for Property and Equipment: ¥1,431,555 million  
The accumulated depreciation above includes the accumulated impairment loss.

#### 2. Assets Subject to Collateral and Secured Debt

##### (1) Assets Subject to Collateral:

Buildings and structures	¥112,625 million
Machinery and equipment and vehicles	¥1,658 million
Land	¥178,669 million
Other (other property and equipment)	¥0 million
<u>Investment securities</u>	<u>¥68 million</u>
Total	¥293,023 million

##### (2) Debt Secured by the Above:

Short-term borrowings	¥100 million
Long-term debt to be repaid within one (1) year	¥8,738 million
Long-term debt	¥37,630 million
<u>Other (other long-term liabilities)</u>	<u>¥5,106 million</u>
Total	¥51,575 million

**[Translation for Reference and Convenience Purposes Only]**

3. Contingent Obligations

(1) Guarantee Obligations

Warrantee	Amount of Obligation	Substance of Obligation
Home buyers	¥46,812 million	Borrowings from financial institutions
Others	¥18 million	Borrowings from financial institutions
Total	¥46,830 million	

The guarantee obligations for home buyers mainly mean the Company's joint and several guarantees to secure the repayment of housing loans of home buyers in favor of financial institutions, which continue until the registration of the creation of the corresponding mortgages has been completed.

(2) Guarantee of Acceptance of Businesses

Warrantee	Amount of Obligation	Substance of Obligation
Flushing Commons Property Owner, LLC	¥3,927 million (US\$32,566 thousand)	Borrowings from financial institutions
TRCC/Rock Outlet Center, LLC	¥3,109 million (US\$25,779 thousand)	Borrowings from financial institutions
RG-IPA NG Phase I, LLC	¥297 million (US\$2,468 thousand)	Borrowings from financial institutions
Market Street Office Trustee Pte. Ltd.	¥7,685 million (S\$90,000 thousand)	Borrowings from financial institutions
Allamanda Residential Development Pte. Ltd.	¥2,753 million (S\$32,250 thousand)	Borrowings from financial institutions
Total	¥17,773 million	

Rockefeller Group, Inc. guarantees acceptance of businesses in favor of creditors of Flushing Commons Property Owner, LLC, TRCC/Rock Outlet Center, LLC and RG-IPA NG Phase I, LLC in the amount equivalent to the percentage of equity interest owned by Rockefeller Group, Inc.

Mitsubishi Estate Asia Pte. Limited guarantees acceptance of businesses in favor of creditors of Market Street Office Trustee Pte. Ltd. and Allamanda Residential Development Pte. Ltd. in the amount equivalent to the percentage of equity interest owned by Mitsubishi Estate Asia Pte. Limited.

(3) Obligation of Additional Investments

Warrantee	Amount of Obligation	Substance of Obligation
Otemachi Development Tokutei Mokuteki Kaisya	¥34,216 million	Borrowings from financial institutions
Total	¥34,216 million	

The percentage of the Company's obligation of additional investment in Otemachi Development Tokutei Mokuteki Kaisya is 50% which is equivalent to the Company's investment percentage of the equity participation.

4. Revaluation of Land

The Company and some of its consolidated subsidiaries revalued the land used for its business in accordance with the "Law Concerning Revaluation of Land" (Law No. 34, March 31, 1998) and the "Law for Partial Revision to the Law Concerning Revaluation of Land" (Law No. 19, March 31, 2001). The revaluation difference has been included in "Net assets" as "Land revaluation difference," net of the related tax that is included in "Liabilities" as "Deferred tax liabilities for revaluation."

Revaluation method: The value of land is determined based on the assessed value of the fixed property tax adjusted reasonably, as stipulated in Article 2, Item 3, of the Ordinance for Enforcement of the Law Concerning Revaluation of Land (Government Ordinance No. 119, March 31, 1998).

Date of revaluation: March 31, 2002



**[Translation for Reference and Convenience Purposes Only]**

**Notes to the Consolidated Statement of Changes in Net Assets**

1. Type and Total Number of Issued Shares and Type and Number of Shares of Treasury Stock

(Thousands of shares)

	Number of Shares as of the beginning of Consolidated Fiscal Year under review	Increase during the Consolidated Fiscal Year under review	Decrease during the Consolidated Fiscal Year under review	Number of Shares as of the end of Consolidated Fiscal Year under review
Issued Shares:				
Shares of common stock	1,390,397	—	—	1,390,397
Total	1,390,397	—	—	1,390,397
Treasury stock:				
Shares of common stock <sup>(Note)</sup>	2,927	87	56	2,957
Total	2,927	87	56	2,957

Note: The increase in shares of treasury stock of the Company was due to the purchase of shares less than one unit (87 thousand shares). The decrease in shares of treasury stock of the Company was due to the exercise of stock options (51 thousand shares) and sales of shares less than one unit (5 thousand shares).

2. Matters related to Dividends from Surplus

(1) Dividends Paid

Date of Resolution	Type of Shares	Total Amount of Dividends (Millions of yen)	Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders held on June 26, 2015	Common stock	11,099	8	March 31, 2015	June 29, 2015
Meeting of Board of Directors held on October 30, 2015	Common stock	9,712	7	September 30, 2015	December 2, 2015

(2) Of the Dividends for which the Record Date belongs to the Consolidated Fiscal Year under review, those for which the Effective Date of the Dividends will be in the following Fiscal Year

Planned Date of Resolution	Type of Shares	Total Amount of Dividends (Millions of yen)	Source of Funds for Dividends	Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders to be held on June 29, 2016	Common stock	12,486	Retained earnings surplus	9	March 31, 2016	June 30, 2016

**[Translation for Reference and Convenience Purposes Only]**

3. Matters related to Stock Acquisition Rights

Breakdown of Stock Acquisition Rights	Type of Shares subject to Stock Acquisition Rights	Number of the Shares subject to Stock Acquisition Rights (Shares)			
		As of the beginning of Consolidated Fiscal Year under review	Increase during the Consolidated Fiscal Year under review	Decrease during the Consolidated Fiscal Year under review	As of the end of Consolidated Fiscal Year under review
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 27, 2006	Common stock	10,000	—	—	10,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 26, 2007	Common stock	8,000	—	—	8,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2008	Common stock	13,000	—	—	13,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2009 <sup>1</sup>	Common stock	45,000	—	13,000	32,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 30, 2010 <sup>2</sup>	Common stock	57,000	—	16,000	41,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 29, 2011 <sup>3</sup>	Common stock	63,000	—	7,000	56,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2012 <sup>4</sup>	Common stock	62,000	—	15,000	47,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2013	Common stock	33,000	—	—	33,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2014	Common stock	38,000	—	—	38,000
Stock acquisition rights granted by a resolution at the meeting of the Board of Directors held on July 31, 2015 <sup>5</sup>	Common stock	—	33,000	—	33,000

**[Translation for Reference and Convenience Purposes Only]**

Notes:

1. The decrease in the number of stock acquisition rights, which were granted by a resolution at the meeting of the Board of Directors held on July 31, 2009, for the consolidated fiscal year under review resulted from the exercise of the stock acquisition rights.
2. The decrease in the number of stock acquisition rights, which were granted by a resolution at the meeting of the Board of Directors held on July 30, 2010, for the consolidated fiscal year under review resulted from the exercise of the stock acquisition rights.
3. The decrease in the number of stock acquisition rights, which were granted by a resolution at the meeting of the Board of Directors held on July 29, 2011, for the consolidated fiscal year under review resulted from the exercise of the stock acquisition rights.
4. The decrease in the number of stock acquisition rights, which were granted by a resolution at the meeting of the Board of Directors held on July 31, 2012, for the consolidated fiscal year under review resulted from the exercise of the stock acquisition rights.
5. The increase in the number of stock acquisition rights, which were granted by a resolution at the meeting of the Board of Directors held on July 31, 2015, for the consolidated fiscal year under review resulted from the issuance of the stock acquisition rights.

## [Translation for Reference and Convenience Purposes Only]

### Notes to Financial Instruments

#### 1. Matters relating to Financial Instruments

##### (1) Policies to approach to financial instruments

The Group raises the necessary funds (mainly bank borrowings and bond issues) in light of the capital investment plan. In terms of fund management, it makes every effort to avoid market risks by emphasizing liquidity and shortening the fund management period. As for derivative transactions, the Group makes it a policy not to engage in speculative transactions, focusing primarily on hedging exposures to fluctuation of interest rates, reducing interest expenses, and hedging the exposure to fluctuation risks in foreign currency exchange rates.

##### (2) Contents and risks of financial instruments

Notes and accounts receivable - trade, which are trade receivables, are exposed to the credit risks of customers. Trade receivables in foreign currencies arising from overseas operations are exposed to risks of currency fluctuations.

Securities and investment securities include mainly held-to-maturity debt securities and shares of companies with which we have business relationships, and are exposed to risks of fluctuations in market prices.

Equity participation includes mainly preferred equity investments in special-purpose companies under the Law Concerning Liquidation of Assets, investments in investment units of real estate investment trusts, and investments in anonymous partnerships into special-purpose companies. They are exposed to credit risks of respective issuers, risks of changes in interest rates, and risks of fluctuations in market prices.

Guarantee money and deposits paid for leased premises are exposed to credit risks of business partners.

Most of notes and accounts payable - trade, which are trade payables, are due within one (1) year. Some of them in foreign currencies are exposed to risks of currency fluctuations.

Borrowings and corporate bonds are intended to raise funds required mainly for capital expenditures, and their maturity dates and repayment dates are in a maximum of sixty (60) years after the closing date. Although some of them have floating rates and are exposed to interest rate risks, they are hedged through derivative transactions (interest rate swaps.)

Derivative transactions include interest rate swaps, currency swaps and forward exchange contracts. Interest rate swaps hedge exposures to interest rates by fixing interest rates for financing at floating interest rates. Some of the consolidated subsidiaries trade interest rate and currency swaps based on the same trading policies and for the same utilization purposes as the Company adopts.

##### (3) Risk management systems relating to financial instruments

###### (i) Management of credit risks (risks of contractual defaults by business partners)

The Group periodically monitors trade receivables, and guarantee money and deposits paid of major business partners through the department in charge of each segment, manages the due date and the balance by business partner, and discovers promptly and reduces the risks of failures to collect money due to their deteriorating financial positions

###### (ii) Management of market risks (risks of fluctuations in foreign exchange rates and interest rates)

The Group capitalizes on interest rate swap and currency swap transactions to limit the risks of fluctuations in interest rates on debts and corporate bonds. In terms of securities and investment securities, the Group assesses the market values and financial positions of issuers (business partners) on a regular basis. As for those excluding held-to-maturity debt securities, the Group continuously reviews positions in consideration of the market conditions and relationships with business partners.

###### (iii) Management of liquidity risks of financing (risks of failure to pay on the due date)

The Group in a timely way develops and updates the financing plans through departments in charge based on reports from each department, and manages liquidity risks by maintaining cash balances.

##### (4) Supplemental explanation for matters relating to market values, etc. of financial instruments

Market values of financial instruments include values based on market prices and values reasonably calculated if they have no market prices. Since calculations of the relevant values incorporate variable factors, the relevant values may vary depending on the assumptions adopted.

**[Translation for Reference and Convenience Purposes Only]**

2. Matters related to Market Values, etc. of Financial Instruments

Amounts stated on the consolidated balance sheet as of March 31, 2016, market values, and their differences are shown as follows. Items, of which market values are considered extremely difficult to determine, are not included in the table below (see Note 2).

(Millions of Yen)

	Reported amounts on the consolidated balance sheet	Market Value	Difference
(1) Cash and due from banks	412,983	412,983	—
(2) Notes and accounts receivable – trade	35,261		
Allowance for doubtful receivables (*1)	(528)		
	34,733	34,733	—
(3) Securities and Investment securities			
(i) Held-to-maturity debt securities	405	425	19
(ii) Other securities	189,926	189,926	—
(iii) Shares of subsidiaries and affiliated companies	60	587	527
(4) Equity participation	11,129	11,129	—
Total assets	649,239	649,786	546
(1) Notes and accounts payable – trade	58,331	58,331	—
(2) Short-term borrowings	103,125	103,125	—
(3) Long-term debt to be repaid within one (1) year	163,651	163,651	—
(4) Corporate bonds to be redeemed within one (1) year	78,023	78,023	—
(5) Corporate bonds	825,000	874,718	49,718
(6) Long-term debt	1,114,426	1,146,046	31,619
Total liabilities	2,342,558	2,423,896	81,338

(\*1) Allowances for doubtful notes and accounts receivables are excluded.

Notes:

1. Methods of calculating market values of financial instruments

Assets

- (1) Cash and due from banks  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (2) Notes and accounts receivable - trade  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (3) Securities and Investment securities  
The market values of stocks, etc. are based on the prices on stock exchanges and those of debt securities are based on the prices presented mainly by correspondent financial institutions.
- (4) Equity participation  
The market values of equity participation are based on the prices on stock exchanges.

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Liabilities

- (1) Notes and accounts payable - trade  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (2) Short-term borrowings  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (3) Long-term debt to be repaid within one (1) year  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (4) Corporate bonds to be redeemed within one (1) year  
They are based on the relevant book values, as they are quickly settled and their market values are close to their book values.
- (5) Corporate bonds  
The market values of corporate bonds are based on the market prices, etc.
- (6) Long-term debt  
Of long-term debts, those with variable interest rates are calculated based on the relevant book values as they promptly reflect market interest rates and their market values are considered to be close to their book values. Those with fixed interest rates are calculated based on the present values derived by discounting the total amount of principal and interest at rates obtained by comparison with similar debts that would be newly employed.

2. Financial instruments whose market values are deemed to be extremely difficult to assess

Category	Reported amounts on the consolidated balance sheet (Millions of yen)
(i) Unlisted stocks (*1)	25,954
(ii) Equity participation (*2)	265,712
(iii) Guarantee money and deposits paid (*3)	115,382
(iv) Guarantee money and deposits received (*4)	393,309

- (\*1) Unlisted stocks are not subject to the disclosure of market values, as they have no market prices and their market values are deemed to be extremely difficult to assess.
- (\*2) Of equity participation, those without market prices are not subject to the disclosure of market values, as their market values are deemed to be extremely difficult to determine.
- (\*3) Guarantee money and deposits paid for leased premises are not subject to the disclosure of market values, as they have no market prices and the real deposit period from the move-in date to the move-out date is difficult to calculate. Consequently, their reasonable cash flows are deemed to be extremely difficult to estimate.
- (\*4) Guarantee money and deposits received for leased premises by tenants are not subject to the disclosure of market values, as their reasonable cash flows are deemed to be extremely difficult to estimate, given that they have no market prices and it is hard to calculate the real deposit period from the move-in date to the move-out date of the tenants. In addition, other fund deposits are not subject to the disclosure of market values, as their real deposit period is deemed to be difficult to calculate. Consequently, their reasonable cash flows are deemed to be considered extremely difficult to estimate.

## [Translation for Reference and Convenience Purposes Only]

### Notes to Leased Real Estate

The Company and some of its consolidated subsidiaries own office buildings for rent, commercial facilities for rent and others in Tokyo and other areas including overseas areas (the United States, United Kingdom, etc.) for the purpose of obtaining revenue from leases.

Some office buildings for rent in Japan are regarded as real estate including parts used as leased real estate since they are used by the Company and some of its consolidated subsidiaries.

The reported amounts on the consolidated balance sheet and the fair values of these leased real estate and real estate including parts used as leased real estate as of the end of the consolidated fiscal year under review are as follows:

	Reported amounts on the consolidated balance sheet (Millions of yen)	Fair Value (Millions of yen)
Leased real estate	3,327,104	5,792,464
Real estate including spaces used as leased real estate	182,876	286,600

Notes:

1. The reported amounts on the consolidated balance sheet have deducted accumulated depreciation costs and accumulated impairment losses from the acquisition cost.
2. Fair values as of the end of the consolidated fiscal year under review are based on the following:
  - (1) Fair values of real estate in Japan are calculated by the Company based mainly on the Real Estate Appraisal Standards.
  - (2) Fair values of real estate overseas are values appraised principally by local real estate appraisers.

### Note to Per-Share Information

Net assets per share	¥1,088.11
Earnings per share	¥60.13

### Other Notes

#### 1. Impairment Loss

The impairment losses are recorded for the following asset groups for the consolidated fiscal year under review.

Major Application	Category	Location
Leased assets, etc. (total 5 groups)	Land and Buildings, etc.	Chiba-shi, Chiba, etc.

Asset grouping for the Group was made based on a minimum unit that generates cash flows, which is substantially independent from cash flows of other assets or asset groups. Company condominiums are regarded as shared assets.

As a result, the book values of 5 asset groups, consisting of those for which the market prices fell considerably compared with the book values due to the decline of land prices and those for which profitability decreased considerably due to fallen rent levels or deteriorated market conditions, etc., were reduced to the respective collectible amounts and such reduced amounts were recorded as an impairment loss (¥2,561 million) under extraordinary losses.

The breakdown of such impairment loss was ¥1,665 million in lands and ¥895 million in buildings, structures and others.

The collectible amounts of asset groups are measured with net sale value or use value, and the net sale value is principally expressed as an appraised value by a real estate appraiser. Future cash flows discounted at a rate of five (5) % are principally used to compute the use value.

#### 2. Asset Retirement Obligations

##### (1) Asset retirement obligations posted on the Consolidated Balance Sheet

###### 1) Outline of the asset retirement obligations

These obligations include obligations to restore the original state related to periodically renewed land lease contracts and building lease contracts.

###### 2) Computation method for the asset retirement obligations

Asset retirement obligations are computed regarding the remaining contract years as an expected use period and using a discount rate between 0.0% and 2.3%.

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- 3) Increase (decrease) of asset retirement obligations for the consolidated fiscal year under review
- |  |                |
|--|----------------|
| Balance at the beginning of the fiscal year under review:        | ¥1,122 million |
| Increase due to the acquisition of property and equipment:       | ¥1,586 million |
| Adjustments due to the elapse of time:                           | ¥24 million    |
| Decrease due to the fulfillment of asset retirement obligations: | ¥(43) million  |
| Balance at the end of the fiscal year:                           | ¥2,689 million |

(2) Asset retirement obligations that are not posted on the Consolidated Balance Sheet

The following asset retirement obligations are excluded from the posted amounts:

- 1) Obligation to remove asbestos that is used for some property and equipment at the time of removal of the property and equipment in a particular way required by the Ordinance on Preventing Asbestos Hazards

For some of the property and equipment of the Company, the demolition of a building involves an obligation to remove asbestos. However, no demolition has taken place yet other than demolition related to redevelopment or other projects that required arrangements with many business associates. It is difficult to estimate the timing to fulfill such obligation due to causes such as deterioration, based on the estimated physically usable period of the asset. We cannot estimate when to demolish the property and equipment without relevant specific management plans. To address the issue of asbestos, we have been voluntarily conducting asbestos removal work when tenants move out or when other opportunities allows us to do so. However, we cannot make a reasonable estimate of how such voluntary asbestos removal work will progress in the future based on the data such as how long past tenants stayed. Also we cannot estimate the remaining amount of asbestos when such property and equipment are demolished. Moreover, it is difficult to only estimate the asbestos removal cost separately from regular demolition costs. For these reasons, an asbestos removal-related probability assessment relative to the domain and amounts of asset retirement obligation is difficult. Therefore, an obligation to remove asbestos is excluded from the reported asset retirement obligations although we made a best estimate taking into account the evidence available as of the closing date.

- 2) Obligation to restore the original state based on some real estate rental agreements

Periodically renewed land lease contracts for some commercial facilities require restoration to the original state when the contract term ends and the facility must be returned. In reality, however, it is possible to continue to use such facilities by renewing such contracts and some contracts set forth a special provision to reduce the possibility of performing such obligation to restore the original state, which makes the timing to fulfill the obligation somewhat vague. In terms of our business strategies and the business environment, we do intend to continue with our operations and therefore fulfillment of this obligation is not intended. For these reasons, a probability assessment relative to the domain and amounts of asset retirement obligation is difficult to ascertain. Therefore, an obligation to restore the original state is excluded from the reported asset retirement obligations although we made a best estimate taking into account the evidence available as of the closing date.

3. Effects of the Change of Corporate Tax Rate, etc.

After the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No.15 of 2016) and “Act for Partial Amendment of the Local Tax Act, etc.” (Act No.13 of 2016) passed the Diet on March 29, 2016, the corporate tax rate was lowered effective from the fiscal year beginning on or after April 1, 2016.

Accordingly, the effective tax rate to be used for the calculation of deferred tax assets and deferred tax liabilities has been changed from the previous 32.26% to 30.86% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2016 and April 1, 2017, and to 30.62% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2018, respectively. As a result of this change, the amount of deferred tax liabilities (the amount remaining after deducting deferred tax assets, the same below) decreased by ¥6,707 million and the amount of income taxes – deferred decreased by the same amount.

Furthermore, the amount of deferred tax liabilities for land revaluation and deferred tax liabilities for net unrealized gain on available-for-sale securities decreased by ¥14,936 million and by ¥2,040 million respectively, and deferred tax liabilities for remeasurements of defined benefit plans increased by ¥223 million. Under “Net assets,” land revaluation difference and net unrealized gain on available-for-sale securities each increased by the same amount, and remeasurements of defined benefit plans decreased by the same amount.



[Translation for Reference and Convenience Purposes Only]

**Non-consolidated Statement of Changes in Net Assets**  
(From April 1, 2015, to March 31, 2016)

(Millions of yen)

	Shareholders' equity												
	Capital stock	Capital surplus			Retained earnings reserve	Retained earnings surplus					Total retained earnings surplus	Treasury stock - at cost	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings surplus							
						Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Reserve for special account for advanced depreciation of fixed assets	General reserve	Earned surplus carried forward			
Balance at the beginning of current period	141,373	170,485	3	170,488	21,663	3,626	125,093	10,805	108,254	79,723	349,167	(5,259)	655,770
Changes in the fiscal year under review													
Dividend from surplus										(20,812)	(20,812)		(20,812)
Profit										43,418	43,418		43,418
Purchase of treasury stock											—	(228)	(228)
Disposal of treasury stock			(3)	(3)						(25)	(25)	102	73
Provision for reserve for special depreciation						1,013				(1,013)	—		—
Reversal of reserve for special depreciation						(658)				658	—		—
Provision for reserve for advanced depreciation of fixed assets							14,226			(14,226)	—		—
Reversal of reserve for advanced depreciation of fixed assets							(1,037)			1,037	—		—
Reversal of reserve for special account for advanced depreciation of fixed assets								(10,805)		10,805	—		—
Reversal of land revaluation difference										(1,191)	(1,191)		(1,191)
Net changes in items other than those in shareholders' equity													
Total of changes in the fiscal year under review	—	—	(3)	(3)	—	355	13,188	(10,805)	—	18,651	21,389	(126)	21,259
Balance at the end of current period	141,373	170,485	—	170,485	21,663	3,982	138,282	—	108,254	98,374	370,556	(5,385)	677,029

**[Translation for Reference and Convenience Purposes Only]**

(Millions of yen)

	Valuation, translation adjustments and others			Stock acquisition rights	Total net assets
	Net unrealized gain on available-for-sale securities	Land revaluation difference	Total valuation, translation adjustments and others		
Balance at the beginning of current period	125,482	508,079	633,562	500	1,289,833
Changes in the fiscal year under review					
Dividend from surplus					(20,812)
Profit					43,418
Purchase of treasury stock					(228)
Disposal of treasury stock					73
Provision for reserve for special depreciation					—
Reversal of reserve for special depreciation					—
Provision for reserve for advanced depreciation of fixed assets					—
Reversal of reserve for advanced depreciation of fixed assets					—
Reversal of reserve for special account for advanced depreciation of fixed assets					—
Reversal of land revaluation difference					(1,191)
Net changes in items other than those in shareholders' equity	(37,847)	16,511	(21,336)	29	(21,307)
Total of changes in the fiscal year under review	(37,847)	16,511	(21,336)	29	(47)
Balance at the end of current period	87,635	524,591	612,226	529	1,289,785

[Translation for Reference and Convenience Purposes Only]

**Notes to the Non-consolidated Financial Statements**

**Notes to Matters Related to Significant Accounting Policies**

1. Valuation Basis and Method for Securities

Held-to-maturity debt securities:	Carried at amortized cost (straight-line method)
Shares of subsidiaries and affiliates:	Stated at cost determined by the moving-average method
Other securities:	
Investment securities:	
Available-for-sale securities with market values:	Stated at the market value as of the balance sheet date, based on quoted market prices etc. Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined by the moving-average method
Available-for-sale securities without market values:	Stated at cost determined by the moving-average method
Equity participation:	
Available-for-sale securities with market values:	Stated at the market value as of the balance sheet date, based on quoted market prices, etc. Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of equity participation sold is determined by the moving-average method
Available-for-sale securities without market values:	Stated at cost determined by the moving-average method

2. Valuation Basis and Method for Derivatives      Stated at market values

3. Valuation Basis and Method for Inventories

Real estate for sale:	Stated at cost determined by the identified cost method (The amount posted in the Balance Sheets was computed by writing down the book value with regard to the inventories for which profitability was clearly declining.)
Work-in-process real estate for sale:	The same as above
Real estate for development:	The same as above

4. Depreciation Method of Fixed Assets

Property and equipment:	Depreciation is computed by the declining-balance method at fixed rates. However, the straight-line method is adopted for the Yokohama Landmark Tower and buildings (excluding building improvements) acquired on or after April 1, 1998.
Intangible assets:	The amortization of intangible assets is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).

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5. Accounting Standards for Reserves

Allowance for doubtful receivables:

An allowance for doubtful receivables is provided, for possible losses from uncollectible loans and receivables, at the amount calculated based on the actual rate of losses from the bad debt for ordinary receivables, and on the estimated recoverability for specific receivables such as doubtful receivables.

Provision for loss on obligation of additional investments:

An estimated amount of loss that could be caused by performance of obligations of additional investments is provided.

Reserve for retirement allowances:

A reserve for retirement allowances is provided at the amount calculated based on the projected amounts of retirement benefit obligations and plan assets at the end of the fiscal year under review for ordinary employees, and at 100% of the amount that would be required at the end of the fiscal year under review in accordance with internal regulations for executive officers.

To calculate the Company's liability for retirement allowances to employees, the method of benefit formula basis is adopted to attribute the estimated retirement allowances to accounting periods up to the end of the fiscal year under review.

Prior service cost is amortized, starting from the time of its occurrence, on a straight-line basis over a certain period (10 years) within an average remaining service period of employees at the time of its occurrence. Actuarial gains or losses are amortized, starting from the following fiscal year, on a straight-line basis over a certain period (10 years) within an average remaining service period of employees at the time of their occurrence.

Reserve for accepting the fulfillment of obligations:

A reserve for accepting the fulfillment of obligations is provided at the estimated amount of losses that may be caused by accepting the fulfillment of obligations.

Provision for environmental measures:

An estimated amount of loss that could be caused along with environmental measures including treatment of PCB (Polychlorinated biphenyl) waste is provided.

6. Accounting for Deferred Assets

The costs are fully charged to income when disbursed.

7. Hedge Accounting

(1) Hedge accounting:

The Company adopts the deferral hedge accounting, in principle. For interest rate swaps, the preferential treatment is applied to the swaps which satisfy the requirements of such preferential treatment. For currency swaps and forward exchange contracts, the appropriation treatment is applied to the contracts which satisfy the requirements of such appropriation treatment.

(2) Hedging instruments and hedged items:

Hedging instruments:

Interest rate swaps

Currency swaps

Forward exchange contracts

Hedged items:

Borrowings, corporate bonds

Borrowings

Shares of affiliated companies

(3) Hedging policy:

The risk hedging transactions of the Company are intended to hedge its exposure to fluctuation risks in interest rates and foreign currency exchange rates, in accordance with the Company's internal regulations such as "Market Risk Management Rules" and "Management Guideline by Risk."

**[Translation for Reference and Convenience Purposes Only]**

8. Accounting for the Consumption Taxes, etc.

Transactions subject to the consumption tax and local consumption tax are recorded at amounts exclusive of the consumption tax. Non-deductible consumption tax and local consumption tax are charged to income for the fiscal year under review.

**Note to Change in Accounting Estimates**

Provision for Environmental Measures

With regard to the treatment of PCB (Polychlorinated biphenyl) waste in accordance with “Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes,” the Company recorded provision for environmental measures of ¥ 5,068 million under extraordinary losses from the fiscal year under review because importance of its estimated amount has increased. Accordingly, profit before income taxes decreased by ¥ 5,068 million.

**Notes to the Non-consolidated Balance Sheet**

1. Accumulated Depreciation for Property and Equipment: ¥968,186 million

The accumulated depreciation above includes the accumulated impairment loss.

2. Assets Subject to Collateral

Investment securities	¥65 million
Total	¥65 million

3. Contingent Obligations

(1) Guarantee Obligations

Warranty	Amount of Obligation	Substance of Obligation
Mitsubishi Estate London Ltd.	¥64,322 million (GBP397,250 thousand)	Borrowings from financial institutions
Ryoei Life Service Co., Ltd.	¥290 million	Deposits for repayment obligation to residents
Total	¥64,613 million	

(2) Keep-well agreement

Warranty	Amount of Obligation	Substance of Obligation
MEC Finance USA	¥40,113 million (¥32,113 million of the above is US\$285,000 thousand)	Corporate bonds, etc.
Total	¥40,113 million	

The Company signed keep-well agreement to complement the credit for funding by MEC Finance USA.

(3) Obligation of Additional Investments

Warranty	Amount of Obligation	Substance of Obligation
Otemachi Development Tokutei Mokuteki Kaisya	¥34,216 million	Borrowings from financial institutions
Total	¥34,216 million	

The percentage of the Company’s obligation of additional investment in Otemachi Development Tokutei Mokuteki Kaisya is 50% which is equivalent to the Company’s investment percentage of the equity participation.

4. Monetary Receivables/Payables due from/to Affiliated Companies

Short-term receivables due from affiliated companies	¥9,001 million	Long-term receivables due from affiliated companies	¥9,756 million
Short-term payables due to affiliated companies	¥250,838 million	Long-term payables due to affiliated companies	¥5,583 million

## [Translation for Reference and Convenience Purposes Only]

### 5. Revaluation of Land

The Company revalued the land used for its business in accordance with the “Law Concerning Revaluation of Land” (Law No. 34, March 31, 1998) and the “Law for Partial Revision to the Law Concerning Revaluation of Land” (Law No. 19, March 31, 2001). The revaluation difference has been included in “Net assets” as “Land revaluation difference,” net of the related tax that is included in “Liabilities” as “Deferred tax liabilities for revaluation.”

Revaluation method: The value of land is determined based on the assessed value of the fixed property tax adjusted reasonably, as stipulated in Article 2, Item 3, of the Ordinance for Enforcement of the Law Concerning Revaluation of Land (Government Ordinance No. 119, March 31, 1998).

Date of revaluation: March 31, 2002

### 6. Equity Participation

Of the equity participation projects, the total amount of investments in anonymous partnership and preferred equity investments, etc. into anonymous partnerships and special-purpose companies that fall under the category of affiliated companies is ¥226,317 million.

### Note to the Non-consolidated Statement of Income

#### Transactions with Affiliated Companies

Revenue from operations:	¥31,080 million
Cost of revenue from operations:	¥56,194 million
Transactions other than operating transactions:	¥37,400 million

### Note to the Non-consolidated Statement of Changes in Net Assets

#### Type and Number of Shares of Treasury Stock at the End of the Fiscal Year under Review

Common stock:	2,957,749 shares
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### Note to Tax-effect Accounting

The significant components of deferred tax assets and liability are summarized as follows:

Deferred tax assets:	(Millions of yen)
Reserve for retirement allowances	6,421
Accrued bonus	857
Loss on devaluation of investment securities	4,783
Loss on devaluation of inventories	1,984
Loss on devaluation of golf memberships	288
Loss on devaluation of fixed assets	63,947
Land revaluation difference	25,184
Reserve for accepting the fulfillment of obligations	1,321
Impairment loss on equity investments	9,108
Transfer of business due to reorganization	9,093
Other	21,220
<u>Subtotal deferred tax assets</u>	<u>144,212</u>
Valuation reserve	(83,210)
<u>Total deferred tax assets</u>	<u>61,001</u>
Deferred tax liability:	
Reserve for advanced depreciation of fixed assets	61,040
Gain on establishing a trust for retirement benefits	7,393
Land revaluation difference	265,890
Net unrealized gain on available-for-sale securities	36,490
Fixed assets valuation difference	36,668
Other	21,336
<u>Total deferred tax liability</u>	<u>428,820</u>
<u>Net deferred tax liability</u>	<u>367,818</u>

**[Translation for Reference and Convenience Purposes Only]**

**Note to Transactions with Related Parties**

Subsidiaries and Affiliates, etc.

Category	Name of Company, etc.	Ownership Percentage of Voting Rights, etc.	The Company's Relationship with the Related Party	Description of Transactions	Transaction Amount (Millions of yen)	Account Item	Fiscal Year-end Balance (Millions of yen)
Subsidiary	Mitsubishi Estate London Ltd.	Indirectly holding (100%)	Guarantee obligation Interlocking directors	Guarantee obligation <sup>1</sup>	64,322	—	—
Subsidiary	Mitsubishi Jisho Residence Co., Ltd.	Directly holding (100%)	Provision of loans Interlocking directors	Provision of loans <sup>2</sup>	531,000	Short-term loans of affiliated companies	459,000
				Collection of loans	134,000		
				Interest income <sup>2</sup>	436		
				Dividends from capital surplus	273,896		

Transaction conditions and decision policy thereof, etc.:

Notes:

1. The amount represents guarantee obligation to secure bank borrowings (397,250 thousand sterling pounds) of Mitsubishi Estate London Ltd.
2. Interest rates on loans are determined in consideration of market interest rates.

**Note to Per-share Information**

Net assets per share	¥929.23
Earnings per share	¥31.29

**Other Notes**

Effects of the Change of Corporate Tax Rate, etc.

After the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No.15 of 2016) and “Act for Partial Amendment of the Local Tax Act, etc.” (Act No.13 of 2016) passed the Diet on March 29, 2016, the corporate tax rate was lowered effective from the fiscal year beginning on or after April 1, 2016. Accordingly, the effective tax rate to be used for the calculation of deferred tax assets and deferred tax liabilities has been changed from the previous 32.26% to 30.86% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2016 and April 1, 2017, and to 30.62% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2018, respectively. As a result of this change, the amount of deferred tax liabilities (the amount remaining after deducting deferred tax assets, the same below) decreased by ¥3,809 million and the amount of income taxes – deferred decreased by the same amount.

Furthermore, the amount of deferred tax liabilities for land revaluation decreased by ¥14,935 million and the amount of deferred tax liabilities for net unrealized gain on available-for-sale securities decreased by ¥2,041 million. Land revaluation difference and net unrealized gain on available-for-sale securities under “Net assets” each increased by the same amount.