

Please note that the following is an unofficial English translation of the Japanese original text of the Mitsubishi Estate Co., Ltd. Corporate Governance Guidelines. 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.

## **Mitsubishi Estate Co., Ltd.**

### **CORPORATE GOVERNANCE GUIDELINES**

#### **Chapter I      General Provisions**

##### **Article 1   Purpose**

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

##### **Article 2   Basic Policy**

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

##### **Article 3   Organizational Structure**

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

#### **Chapter II      Board of Directors**

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

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

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

1. The Board of Directors shall consist of no more than 18 Directors, as stipulated in the Articles of Incorporation, and the overall Board of Directors shall ensure a diverse background and an appropriate balance among individual Directors for their experience and knowledge in specialized fields.
2. One third or more of members of the Board of Directors shall be Outside Directors.

3. A majority of members of the Board of Directors shall be Directors who do not concurrently serve as Corporate Executive Officers (including Outside Directors, hereinafter “Non-executive Director”).

#### **Article 6 Chairman of the Board**

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

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

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

#### **Article 8 Meetings of only Outside Directors**

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

### **Chapter III Nominating, Audit, and Remuneration Committees**

#### **Article 9 Nominating Committee**

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

#### **Article 10 Audit Committee**

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

#### **Article 11 Remuneration Committee**

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

## **Chapter IV Directors and Corporate Executive Officers**

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

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

### **Article 13 Concurrent Position of Directors**

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

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

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

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

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

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

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

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

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

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

## **Chapter V Relationship with Stakeholders**

### **Article 18 Dialogue with Shareholders and Investors**

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

### **Article 19 Basic Strategy for Capital Policy**

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

### **Article 20 Cross-Shareholdings**

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

## Article 21 **Related Party Transactions**

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

## **Chapter VI Revision and Abolishment**

### Article 22 **Revision and Abolishment**

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

(Enacted) September 28, 2017  
(Revised) March 29, 2018 (Exhibit 3)  
December 20, 2018  
June 27, 2019  
December 16, 2021 (Exhibit 1)

## Appointment Standards for Candidates for Directors

### 1. Purpose

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

### 2. Candidates for Directors

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

#### (1) Candidates for Inside Directors

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

#### (2) Candidates for Outside Directors

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

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

### Board of Directors Skill Matrix

In January 2020, the Company formulated its Long-Term Management Plan 2030 based on the Group's medium- to long-term management strategy and business strategies. To realize the plan, the Company has identified the skills (knowledge, experience, capabilities) needed for the Company's Board of Directors to exercise its management oversight function and monitoring function effectively.

The skills of the Company's Directors are provided below.

		Long-term vision on Urban Development (the industry insight)	Corporate management experience	Organizational strategy / Business strategy	International knowledge or Internationality	Treasury, accounting and finance	Compliance / Risk management	ESG / Sustainability
Inside Directors	Hiroataka Sugiyama	●	●			●	●	●
	Junichi Yoshida	●	●	●			●	●
	Junichi Tanisawa	●	●	●		●		
	Tetsuji Arimori	●			●	●		●
	Hiroshi Katayama	●			●	●	●	
	Hitoshi Kubo	●					●	●
	Jo Kato	●			●	●		
	Noboru Nishigai	●					●	●
Outside Directors	Tsuyoshi Okamoto		●			●		●
	Shin Ebihara			●	●		●	
	Tetsuo Narukawa	●	●			●		
	Masaaki Shirakawa			●	●	●		
	Shin Nagase		●		●		●	
	Setsuko Egami			●			●	●
	Iwao Taka			●			●	●

\* To clarify the skill balance of the Board of Directors, from the skills possessed by each Director, we have narrowed down relatively superior skills here, and all skills (knowledge, experience, capabilities) are not listed.

**Standards for the Independence of Outside Directors**

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

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



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

(i) Procedures for deciding remuneration paid to Officers

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

(ii) The basic policy for deciding remuneration for Officers

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

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

(iii) Remuneration systems for Officers

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

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