

May 31, 2021

To Our Shareholders and Investors,

Mitsubishi Estate Co., Ltd.
Nominating Committee
Tsuyoshi Okamoto (Outside Director)
Nominating Committee Chairman
(Securities Code: 8802, First Section, Tokyo Stock Exchange)

**Supplemental Explanation regarding the Proposal No. 2 to be Resolved at the
122nd Ordinary General Meeting of Shareholders**

Mitsubishi Estate Co., Ltd. (the “Company”) would like to thank you for your continued support and patronage.

In Proposal No. 2, “Election of Fifteen (15) Directors” at the Company’s 122nd Ordinary General Meeting of Shareholders to be held on June 29, 2021, the Company plans to propose, among the Director candidates, Ms. Setsuko Egami (“Ms. Egami”) as a candidate for Outside Director.

Accordingly, we would like to provide a supplementary explanation on Ms. Egami’s independence, qualities and capabilities, as follows, and ask the shareholders to take this information into consideration when exercising voting rights.

1 . Background concerning this supplementary explanation

The Company is providing this supplementary explanation to address the facts that the Company holds shares of East Japan Railway Company (“equity securities held for purposes other than pure investments” in the Annual Securities Report), and Ms. Egami had worked for East Japan Railway Company in the past in order to show that Ms. Egami maintains her independence, and to thereby resolve doubts about her independence.

2 . The Company’s supplementary explanation

(1) The Company’s approach to governance and the election of Directors

The Company, in the “Mitsubishi Estate Co., Ltd. CORPORATE GOVERNANCE GUIDELINES*¹,” sets forth that in the composition of its Board of Directors, as a whole, it shall ensure a diverse background and an appropriate balance among individual Directors for their experience and knowledge in specialized fields. Currently, the Board of Directors comprises fifteen (15) Directors, of whom seven (7) are Outside Directors (and of whom Ms. Egami is the sole female Director), and embodies a system of diverse backgrounds and sufficient balance.

The Company's organizational structure is that of a Company with Nominating Committee, etc. and the process of nominating the Candidate for Directors is carried out by the Nominating Committee, comprising all Outside Directors, based on the "Standards for the Independence of Outside Directors^{*2}" and the "Appointment Standards for Candidates for Directors^{*3}," which have been established by adding the Company's standards for independence to the standards for independence set forth by the Tokyo Stock Exchanges. Candidates for Outside Directors are selected from among those who, in addition to possessing the qualities and capabilities required of candidates for Directors, apply their experience and knowledge in specialized fields, who have 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 who satisfy the "Standards for the Independence of Outside Directors."

(2) Ms. Egami's independence

Ms. Egami joined Japan Recruit Center (current Recruit Holdings Co., Ltd.) in 1983 and after serving, among others, as the Editor-in-Chief of "*Travaille*" magazine and Director of Sanno University's Open College, she worked for East Japan Railway Company from September 2001 to June 2005, and she was contracted as a part-time advisor by East Japan Railway Company until June 2009.

After resigning from East Japan Railway Company in June 2005, she became active in the research and academic circles, having served as a visiting professor of Waseda University from April 2006 and currently serving as professor of Musashi University from April 2009. As described above, Ms. Egami's service at East Japan Railway Company was limited to a single period of time in her varied career, and based on the fact that at the time she was appointed as Outside Director of the Company in June 2015, it had been approximately 10 years since she resigned from East Japan Railway Company, and, presently, it has been 16 years since she resigned from the said company (12 years since resigning from the office of advisor), the Company's Nominating Committee believes that Ms. Egami does not have a relationship of interest with the said company.

According to provisions of the Companies Act, which were revised in 2014, the requirements for outside status shall be fulfilled in the case of a person with experience working at the company provided that 10 years have passed since their retirement from that position. Therefore, Ms. Egami sufficiently satisfies the requirements of independence even when assessing her status from the perspective of the "cooling-off period."

On that basis, the Company's Nominating Committee believes that Ms. Egami meets the Standards for the Independence of Outside Directors and that her independence has been adequately ensured.

(3) Ms. Egami's qualities and capabilities

Ms. Egami assumed the office of Outside Director in June 2015 and since the Company transitioned to an organizational structure of a Company with Nominating Committee, etc. in June 2016, has served as a member of the Nominating Committee and the Remuneration Committee.

Ms. Egami has consistently provided dynamic comments and recommendations based on her outstanding insight and knowledge of corporate strategy, marketing strategy, and human resources development, etc. and has fulfilled her supervision and check functions by posing questions from an objective viewpoint. Furthermore, being the sole female member of the Board, and having attended all the meetings of the Board of Directors, the Nominating Committee and the Remuneration Committee held in fiscal year 2020, she has also added opinions on social issues from a female perspective, which has contributed to revitalizing and deepening the discussions at both the Board of Directors and the Committees.

Specific examples include her opinions on the importance of developing a safe working environment and leadership training for the greater participation of women in society. She has also offered valuable comments on the importance of searching for ways to enhance the Company's social value in line with the changes in the social structure in a post-COVID-19 era, the creation of new real estate value, and the importance of services-related businesses.

From the above, the Company's Nominating Committee has determined that Ms. Egami meets the independence standards and the "Appointment Standards for Candidates for Directors" and is well-suited as a candidate for Outside Director.

*1, *2 (on p.7), and *3 (on p.6)

<https://www.mec.co.jp/e/investor/governance/materials/pdf/guidelines190711e.pdf>

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