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To whom it may concern:

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Introduction of a “Restricted Stock Compensation System”

Mitsubishi Estate Co., Ltd. (the “Company”) hereby announces that, at the Remuneration Committee meeting held today, it reviewed the executive compensation system and decided to introduce a restricted stock compensation system (the “Compensation System”). The Company does not plan to allot stock acquisition rights under the Stock Compensation-Type Stock Options introduced in 2006 from the current fiscal year.

1. Purpose of the Introduction of the Compensation System

The Compensation System is introduced as a stock compensation system to allot restricted shares to the Company’s directors and executive officers (excluding outside directors; the “eligible officers”) for the purpose of providing an incentive for the eligible officers to sustainably increase the Company’s enterprise value and further promote shared value between the eligible officers and shareholders.

2. Overview of the Compensation System

Under the Compensation System, to grant restricted shares to the eligible officers, monetary compensation receivables are provided to them, and they are allowed to make an investment in kind in the Company using such monetary compensation receivables as the invested assets. In this way, the Company issues or disposes its common shares to the eligible officers and allows them to hold such shares. The Company shall determine the payment amount of the restricted shares at the Remuneration Committee meeting.

For issuing or disposing the Company’s common shares under the Compensation System, the Company shall enter into an agreement on allotment of restricted shares with the eligible officers.

The agreement on allotment of restricted shares stipulates that the eligible officers shall not transfer, offer as collateral, nor make any other disposition of the restricted shares allotted for a certain period.

Also, in the case where a certain event occurs, such as failure to achieve the target total shareholder return for three years, the Company shall acquire all or part of such restricted shares for free of charge.

The Company shall decide other specific details regarding allotment of the restricted shares at the Remuneration Committee meeting which determines individual monetary receivables.

3. Application of the Compensation System to Executive Officers

The Company plans to introduce the same system to the Company’s executive officers and Group executive officers.

(End)