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We will strive to create a vibrant workplace.

The Mitsubishi Estate Group is committed to building a work environment that empowers employees to develop their expertise, skills and creativity and gives them opportunities to create new value. This is the key not only to fostering a dedicated workforce, but also to strengthening the Group as a whole. With the aim of providing all employees with motivating workplaces and inspiring work, the Group constantly strives to improve its training, evaluation and hiring programs. In addition, the Group respects individual values and lifestyles, supports employees' life plans and works to safeguard their health.

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Building Workplaces that Maximize Employee Potential

HR Systems for Enhancing Employee Motivation and Skills

To create new value, companies must provide a work environment that allows employees to focus on their work and provides them with challenges that lead to the achievement of personal and professional goals. Mitsubishi Estate has introduced a monthly wage system based on performance, a compensation system linked to a management by objective (MBO) system based on results, and an open evaluation and promotion system, all of which have been warmly welcomed by employees.

Mitsubishi Estate strives to enhance the professionalism of its employees and to increase their motivation by clearly identifying each employee's personal strengths, assigning people to the right job, and encouraging each person to make the most of his or her unique abilities.

Encouraging Communication among Employees

Mitsubishi Estate adopted the 360-Degree Feedback System beginning with its 2006 rank-specific deputy general manager and employee training programs. This system gives employees a chance to take a more objective look at aspects of their performance which they may not usually be aware of by providing feedback from other participants in the training, including supervisors, subordinates and colleagues.

The 360-Degree Feedback System not only encourages employees to review their own work and use what they learn in future work, but also helps to build closer relationships among employees and fosters communication on a deeper level.

Education and Training for Developing True Professionals

Mitsubishi Estate's education and training programs prioritize the following two key goals, in accordance with the Medium-Term Management Plan for fiscal 2005-2007.

- Fostering employees with strong skills in organization management and operations management
- Building a corporate culture and organization that prioritize the development of people

Mitsubishi Estate believes that skill development is at the very core of rank-specific training commensurate with qualifications and positions such as junior staff, mid-level staff and senior managers. The company strives to ensure that employees are well aware of their own roles and career paths at every stage. Moreover, it has built a program that encourages employees to make independent efforts to educate themselves by taking optional training courses via its My Select Program. Mitsubishi Estate has also expanded the training originally offered in each division to include younger employees, with the aim of giving a broad range of real estate knowledge and skills to a greater number of employees.

Interviews with All Employees

Mitsubishi Estate's Personnel Planning Department conducts annual interviews with all career track and administrative employees, excluding general managers, from October through the start of the new year.

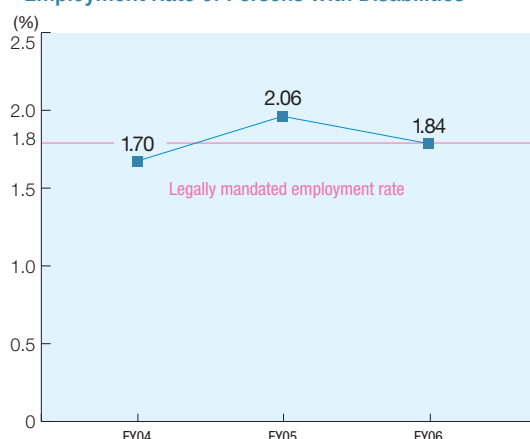
In these interviews, the Personnel Planning Department asks employees about their interest in a transfer and invites their requests and recommendations on human resource programs. The company does all it can to satisfy employee requests when making transfers.

Respect for Human Rights and Diversity

The Mitsubishi Estate Group does not discriminate on the basis of nationality, race, religion, beliefs, gender, age, or physical ability, and also endeavors to foster a workplace free of harassment such as non-consensual acts and any and all actions or words that cause discomfort.

Mitsubishi Estate has set up a Human Rights Education Committee to ensure that employees' awareness of human rights issues is raised through regular training on human rights and distribution of pamphlets. The company actively promotes the hiring of persons with disabilities, in accordance with the normalization concept advocated by the United Nations. As of the end of fiscal 2006, people with disabilities accounted for 1.84% of Mitsubishi Estate's workforce, surpassing Japan's legally mandated rate of 1.8%. The company plans to continue such hiring practices.

■ Employment Rate of Persons with Disabilities



Efforts to Prevent Sexual Harassment and Abuse of Authority

Mitsubishi Estate has established a consultation point for employees concerned about sexual harassment or abuse of authority by a superior. In the event of an employee allegation, the company responds thoroughly in cooperation with the Human Rights Education Committee.

Executive officers and all other employees also receive training to prevent sexual harassment and abuse of authority throughout the Group.

Helping Employees Make Work Fit Lifestyle

At Mitsubishi Estate, all employees, regardless of gender or lifestyle, can choose their preferred work style and optimize their skills. Many take advantage of the company's support programs for childcare leave, shortened work hours for childcare and family care leave.

In response to Japan's Next Generation Nurturing Support Measures Promotion Law, which went into effect in April 2005, Mitsubishi Estate has established a general action plan that enables employees to balance work and childcare responsibilities. Overviews and explanations of related programs are summarized in the *Childbirth and Childcare Guidebook* on the company's internal intranet. Previously, employees had been eligible for a system of shortened work hours for childcare until the end of March after the child turns three, but beginning in January 2007, the program was extended to cover until the child starts elementary school.

■ Number of Employees Using Childcare Leave and Family Care Leave

	FY04	FY05	FY06
Childcare leave	11	9	8
Shortened work hours for childcare	6	10	7
Family care leave	1	0	0
Shortened work hours for family care	0	0	1

Building Safe, Healthy Workplaces

Proactive Protection of Employee Health

Mitsubishi Estate's Health Committee is made up of the general manager of the Personnel Planning Department, the industrial physician, the health manager and employees recommended by the labor union. The committee meets to consider various programs to ensure that employees stay as healthy as they can. The Mitsubishi Estate Health and Insurance Association provides complete physical examinations, helps cover health examination costs and pharmaceutical costs, and subsidizes gym costs.

Mitsubishi Estate has also established strict rules on smoking in the recognition that responsible practices on this issue are essential for a healthy workplace. The company has set aside smoking rooms in order to separate facilities for smokers and non-smokers, and has appointed employees responsible for smoking countermeasures in each department.



Smoking room

Prevention of Long Work Hours and Overwork

Mitsubishi Estate has made Wednesdays “no overtime days” to prevent long work hours and overwork. Through daily communication, supervisors and subordinates discuss individual employees' work volume, its difficulty and their physical condition. In situations of overwork, warnings are given and other steps taken to improve the situation.

■ Average Overtime Hours Worked per Month per Person (Career Track and Administrative Employees)

