

# MITSUBISHI ESTATE GROUP CSR Report 2010





A photograph of a modern urban building with a large tree in the foreground and people walking on the sidewalk. The building has a mix of brick and dark grey panels, with many windows. The tree is lush green and partially obscures the building. People are walking on the sidewalk in the foreground, and a street sign is visible. The overall scene is a vibrant city street.

# A Love for People A Love for the City

Forever Taking On New Challenges  
—The Mitsubishi Estate Group



# Editorial Policy

The Mitsubishi Estate Group began publishing its *Environmental Report* in fiscal 2000 to provide an overview of its environmental initiatives. Beginning in fiscal 2005, the Group expanded the coverage of the report to include corporate social responsibility and began calling it the *CSR Report*.

## Scope

The organizations covered in this report are Mitsubishi Estate and the 44 Group companies listed below.

Business Group	Company Name	Business Segment
Property Management and Office Leasing	Mitsubishi Estate Building Management Co., Ltd.	
	Mitsubishi Jisho Property Management Co., Ltd.	
	Hokuryo City Service Co., Ltd.	
	Yuden Building Kanri Co., Ltd.	
	Grand Parking Center Co., Ltd.	
Commercial Asset Management and Development	Tokyo Garage Co., Ltd.	Building Business
	Marunouchi Heat Supply Co., Ltd.	
	Sunshine City Corporation	
	Sunshine BS Corporation	
	Sunshine Enterprise Corporation	
	Ikebukuro District Heating and Cooling Co., Ltd.	
	Tokyo Kotsu Kaikan Co., Ltd.	
Marunouchi Direct Access Limited		
Retail Property	Mitsubishi Jisho Retail Property Management Co., Ltd.	
	Yokohama Sky Building Co., Ltd.	
	Yokohama Swimming Center Co., Ltd.	
	IMS Co., Ltd.	
Residential Development	Chelsea Japan Co., Ltd.	Residential Business
	Izumi Park Town Service Co., Ltd.	
	Mitsubishi Jisho Towa Community Co., Ltd.	
	MT Community Staff Co., Ltd.	
	Ryoei Life Service Co., Ltd.	
	TOWA REAL ESTATE DEVELOPMENT Co., Ltd.	
	Towa Real Estate Brokerage Co., Ltd.	
	Towa Nasu Resort Co.	
	MEC eco LIFE Co., Ltd.	
	Higashinohon Kaihatsu Co., Ltd.	
MEC Urban Resort Tohoku Co., Ltd.		
Investment Management	Mitsubishi Jisho Investment Advisors, Inc.	Urban Development and Investment Management
	Japan Real Estate Asset Management Co., Ltd.	
Architectural Design and Engineering	Mitsubishi Jisho Sekkei Inc.	Architectural Design
	MEC Design International Corporation	
Custom-Built Housing	Mitsubishi Estate Home Co., Ltd.	Custom-Built Housing
	Mitsubishi Estate Housing Components Co., Ltd.	
Hotel Business	Royal Park Hotels and Resorts Co., Ltd.	Hotel Business
	Yokohama Royal Park Hotel Co., Ltd.	
	Tohoku Royal Park Hotel Co., Ltd.	
	Royal Park Inn Nagoya Co., Ltd.	
	Royal Park Shiodome Tower Co., Ltd.	
Real Estate Services	Royal Park Hotel Co., Ltd.	Real Estate Services
	Mitsubishi Real Estate Services Co., Ltd.	
Corporate Group	MEC Information Development Co., Ltd.	Other
	Keiyo Tochi Kaihatsu Co., Ltd.	
	MEC Human Resources, Inc.	

In addition, the report covers some initiatives of the Rockefeller Group, a U.S.-based subsidiary. Information about other Group initiatives is included on a partial basis. The report also covers some initiatives of Group companies not listed above.

Environmental performance data primarily covers the following organizations, which are among those that have acquired ISO14001 certification.

Property Management and Office Leasing Group and Commercial Asset Management and Development Group of Mitsubishi Estate Co., Ltd.  
Residential Development Group of Mitsubishi Estate Co., Ltd.  
Yokohama Sky Building Co., Ltd.  
Mitsubishi Jisho Towa Community Co., Ltd.  
Mitsubishi Jisho Sekkei Inc.  
Mitsubishi Estate Home Co., Ltd.  
Royal Park Hotels and Resorts Co., Ltd.  
Royal Park Hotel Co., Ltd.

## Period

This report covers fiscal 2009 (April 1, 2009 to March 31, 2010), but also includes information pertaining to other fiscal years.

## Reference guidelines

*Sustainability Reporting Guidelines 2006*, Global Reporting Initiative (GRI)  
*Environmental Reporting Guidelines* (2007 edition), Ministry of the Environment, Japan

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Publication date: December 24, 2010  
Next issue: The next issue is planned for publication in December 2011.  
Production overseen by:  
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## Message from the President

“We will continue to create new value based on CSR-driven management.”



*Keiji Kimura*

Keiji Kimura  
President & CEO  
Mitsubishi Estate Co., Ltd.  
September 2010

### Pursuing urban development to build an eco-conscious city of rich human interaction in Japan's leading business district

At the Mitsubishi Estate Group, we constantly challenge ourselves to develop sound business models that increase the sustainability of companies and communities. Our efforts are guided by our Group Mission, which is to create a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment. Take, for example, our long-term urban development project in the Otemachi, Marunouchi and Yurakucho district located in the heart of Tokyo, which stretches across approximately 120 hectares. With the Marunouchi redevelopment project, launched in 1998, we transformed Marunouchi from a strictly business district into an inviting community for people of all walks of life which offers fantastic opportunities for human interaction. We are also dedicated to eco-friendly development, so in the construction of new buildings we incorporate the latest environmentally responsible technologies and initiatives. Completed in April 2009, the Marunouchi Park Building is the district's leading eco-friendly landmark, equipped with solar power generators and effective features to help counter the heat

island effect such as an inner courtyard and greenery on the roof and walls, water-retentive pavement and micro-misters. To further reduce the environmental impact of the building, the very latest energy-conserving equipment and technologies were selected, including ultra-efficient lighting to reduce electricity consumption and air-flow window systems to mitigate the heat from the outside.

In the second stage of the Marunouchi redevelopment project, which began in 2008, we have been working to expand the area covered by the urban development and to deepen the district's cultural, artistic, historical and tourism functions. The completion of the Marunouchi Park Building and Mitsubishi Ichigokan represented the first step in this endeavor.

With our restoration of the Mitsubishi Ichigokan, a symbol of the urban development in Marunouchi since 1894, we made a devoted effort to restore the building to its original appearance, and opened it as a museum. The building features a finely crafted brick facade, a monument to the human capacity to combine diverse elements into a single beautiful whole. We believe that the Mitsubishi Ichigokan will only grow in significance as a representation of the wellsprings of art and culture that sustain the revitalization of the district and remind us of its historical importance.



## Pursuing unique CSR-driven management to enhance the true value of communities

In 2009, we set new priority CSR themes. The first of these is “promotion of environmental management.” We are actively pursuing environmental management in all of our business fields—not only because environmental initiatives fulfill social imperatives, but also to raise the value of communities, which is a prerequisite to securing a client's choice of a residence or office.

In our Building Business, while working to improve the environmental performance of the entire Otemachi, Marunouchi and Yurakucho district, we also focus on reducing the environmental impact of individual buildings. We are introducing the very latest energy-conserving equipment in new buildings and updating equipment and improving efficiency of operations in existing buildings. We also promote initiatives involving collaboration with our tenants to reduce environmental impact. Leading examples of our environmental initiatives include Fresh Green Power, Japan's first system that provides green electricity straight from the generation facility to the user,\* and our validation of the benefits of intelligent lighting and radiant cooling and heating systems, which balance comfort with energy conservation, in the Shin-Marunouchi Building.

In our Residential Business, the subsidiary MEC eco LIFE takes the lead in environmental initiatives. In the conviction that “eco living is comfortable living,” this firm develops next-generation condominiums complete with a wide range of environmentally friendly options, such as solar heating systems and exterior thermal insulation.

Our second priority CSR theme is “promotion of new social contribution programs utilizing management resources.” One example of our work in this area is the “Experience Nature” project we have operated since fiscal 2008. Its goal is to facilitate interaction between cities and rural villages with the aim of reenergizing both urban and rural communities.

By providing opportunities for urban people to try things like farm work and tree thinning, the project fosters greater mutual understanding of urban and rural issues, aiming to ensure that both cities and rural villages take their place in supporting the sustainable society of the future. Under the project, experiential countryside tours are offered to Mitsubishi Estate Group employees and people who work in the Marunouchi area, and residents of condominiums managed by Group companies are invited to work side by side with local residents of rural villages planting rice. We are also looking to the project to yield new business ideas, for instance, using locally produced food and thinned wood and timber, in order to give it a sustainable edge for potential expansion.

\* This system transmits power generated from renewable energy sources like wind power directly from the generation facility to the user over existing power transmission and distribution networks.

## Sustainable corporate growth starts with a vibrant workplace and dynamic human resources

Our third priority issue is “creating a vibrant workplace and fostering a dynamic workforce.” Throughout the Mitsubishi Estate Group, we constantly strive to create an environment in which every employee can work with passion and maintain good health. We believe that fostering excellent human resources is essential to the Group's sustainable growth. In fiscal 2009, we articulated the traits we value in our employees and introduced changes to our human resource development system. We spelled out our expectations for growth at each career stage and articulated the point of each initiative. In addition, thanks to our new system for inviting business proposals and open applications from employees, launched in fiscal 2009 as a specific step to build a more vibrant workplace, several proposals are moving toward fruition. We also launched cross-sectional task forces, where junior and mid-career employees sit around a table with executive officers to brainstorm on management issues and develop innovative solutions in areas apart from their usual responsibilities.

We have introduced a slogan for these efforts to foster stronger links between business units: “As One Team.” I am confident that cross-sectional networking and information sharing throughout the Mitsubishi Estate Group will help drive further growth.

## Customer orientation based on unswerving CSR-driven management

The major changes in the global economy have certainly influenced the Mitsubishi Estate Group's business. We are flexibly adapting to these changes in the business environment, but one thing that will not change is our commitment to keeping social responsibility at the heart of our management. In fact, we believe that the more challenging the times, the more important is our unwavering commitment to compliance and CSR-driven management. Serving the greater good is the key to discovering new opportunities.

At the Mitsubishi Estate Group, we see compliance as more than full observance of all laws and regulations; it is the quest to meet the truest needs of our clients and the broader society. You have my pledge that we will continue to work as a team to develop our business with a spirit of service to the world, as expressed by our brand statement, “A Love for People, A Love for the City.”



# CSR Concept

For the Mitsubishi Estate Group, CSR is epitomized by the Group's Mission, which is to help create a truly meaningful society by working to build attractive, environmentally sound communities where people can live, work and relax with contentment. To realize this mission, the Group puts into practice the three core elements of its Code of Conduct: acting with integrity, earning the trust of clients and creating a vibrant workplace. The Group strives to maintain an ongoing dialogue with the public by pursuing thorough communication with stakeholders.

## The Spirit of Mitsubishi: The Three Principles

### ***Shoki Hoko*** Corporate Responsibility to Society

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

### ***Shoji Komei*** Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

### ***Ritsugyo Boeki*** International Understanding through Trade

Expand business, based on an all-encompassing global perspective.

## The Mission of Mitsubishi Estate Group

### We contribute to society through urban development

By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society.

## The Mitsubishi Estate Group Code of Conduct

In order to carry out the Group Mission, we pledge to observe the following Code of Conduct.

### 1. We will act with integrity.

We will base our conduct on laws and ethics, and always reflect with humility upon our behavior, valuing our communication with society and placing priority in our corporate activities on earning trust through fairness and transparency.

### 2. We will strive to earn the trust of our clients.

We will approach all objectives from our clients' point of view, providing safe and reliable products and services, and make information available as appropriate.

### 3. We will strive to create a vibrant workplace.

While aiming at personal growth, we will respect the human rights and the diversity of opinion of others, and increase our creativity and professionalism while displaying our collective strengths as a team.

## Mitsubishi Estate Group Guidelines for Conduct

Full text available at [www.mec.co.jp/e/company/charter/](http://www.mec.co.jp/e/company/charter/)

Formulated: December 1, 1997 / Revised: August 1, 2002 / Revised: January 1, 2006

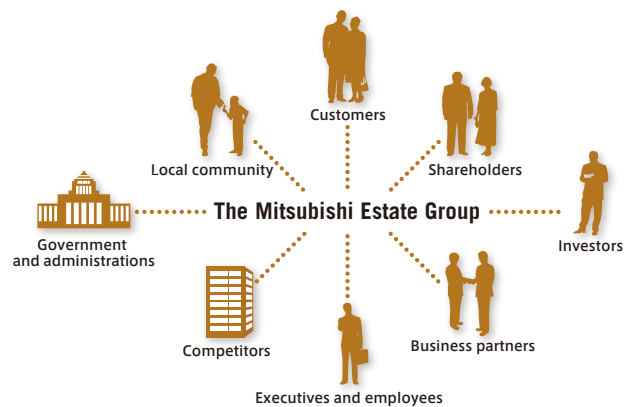


# Mitsubishi Estate Group's Relationships with Stakeholders

The Mitsubishi Estate Group's business is premised on its relationships with a wide variety of stakeholders, including customers, shareholders, the local community, government and local administrations, business partners, and executives, employees and their family members.

Business activities in urban development involve many stakeholders by their very nature, and the Mitsubishi Estate Group has the responsibility to pursue its business activities while living up to the trust placed in it by these stakeholders. The Group holds dialogue with stakeholders in various formats, and carries out many programs to reflect these opinions in its management.

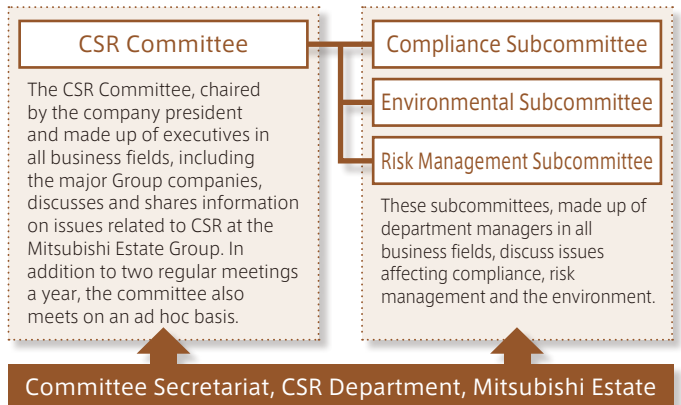
## Mitsubishi Estate Group's ties with stakeholders



## Operational Framework for CSR

Mitsubishi Estate takes an active, groupwide approach to CSR. In April 2005, Mitsubishi Estate Co., Ltd., established the CSR Department by integrating CSR-related organizations, tasking it with setup and management of the framework for its CSR efforts. The company also set up the CSR Committee in September of the same year, chaired by the company president, to ensure groupwide implementation of CSR. In addition, the Compliance Subcommittee, the Environmental Subcommittee and the Risk Management Subcommittee were established as forums for discussion before the CSR Committee meets.

## Operational framework for CSR



## Overview of CSR Committee meetings held in fiscal 2009

### First meeting (July 2009, regular meeting)

- Group environmental management, social contribution activities, and building a more vibrant workplace
- Risk management initiatives
- Report on compliance, etc.

### Second meeting (February 2010, regular meeting)

- Changes in Group Basic Environmental Policy
- Group environmental management policies
- Report on "Experience Nature" project, a social contribution initiative
- Report on results of compliance survey, etc.

The following two external experts participate as advisors in the regularly scheduled CSR Committee meetings.

- Iwao Taka, Ph.D.** Dean, International School of Economics and Business Administration, Professor, C. Hiroike Graduate School, Reitaku University  
**Setsuko Egami** Professor, Faculty of Sociology, Musashi University

## Priority CSR Issues for the Near Term

At the CSR Committee meeting held in February 2009, the Group determined three issues that will be given priority over the next three to five years.





## Special Feature 1

Environmental commitment is written specifically into the Mitsubishi Estate Group's mission statement. The Medium-Term Management Plan, "Action 2010," further commits the company to reducing the environmental impact of its business. Mitsubishi Estate aims to lead the way in sustainable urban development.

## Environmental Initiatives in the Otemachi, Marunouchi and Yurakucho District

# Creating a pleasant environment for work and relaxation

### Developing urban environments that will have appeal for generations to come

Mitsubishi Ichigokan was completed in 1894, becoming the first office building in the Marunouchi area. Over the century since its completion, Marunouchi grew steadily to become one of Japan's leading business centers. Then, in 1998, Mitsubishi Estate launched the ambitious Marunouchi Redevelopment Project. In the first stage, the Marunouchi Building was opened in 2002, followed by the Shin-Marunouchi Building in 2007. As the redevelopment continued, more and more people were drawn to Marunouchi for purposes other than business.

"In urban development, constant progress is the key to creating communities that will remain attractive for generations to come. Since the Marunouchi Building opened, some other landowners have also rebuilt their buildings, resulting in a major transformation of Marunouchi. I believe that this development—from a business district into a community that fosters knowledge and human interaction—has enhanced the district's value as a community," says Junichi Tanizawa, General Manager, Commercial Asset Development Department, Mitsubishi Estate.

The second stage of the Marunouchi Redevelopment Project, launched in 2008,



**Junichi Tanizawa**  
General Manager, Commercial Asset Development Department,  
Mitsubishi Estate Co., Ltd.

aims to expand the area covered by the urban development and to deepen the district's cultural, artistic and historical functions. As a first step, the Marunouchi Park Building was completed in 2009, and the Mitsubishi Ichigokan was opened as a museum in April 2010 after a devoted effort to restore the building to its original appearance in 1894. More than a century after its construction, the Mitsubishi Ichigokan has been reborn as a symbol of Marunouchi's progress. As the owner of about one-third of the 120 hectares of land in the Otemachi, Marunouchi and Yurakucho district, Mitsubishi Estate looks forward to another 100 years of transforming the district into an attractive community for people from all walks of life.





**Lush green of the Ichigokan Plaza**  
 Courtyard between the Marunouchi Park Building and the Mitsubishi Ichigokan Museum. Songbirds can be heard in the trees.



**Micro-misters**  
 Water is automatically sprayed in an ultra-fine mist when the temperature rises, cooling the surrounding air temperature as it evaporates.



**Rooftop greenery**  
 Air temperature goes down as plant and soil moisture evaporates, and the greenery also helps shield the building from heat.

## Urban development guidelines ensure harmony of the Otemachi, Marunouchi and Yurakucho district

In 1988, Mitsubishi Estate and other companies and organizations owning land in the district formed the Otemachi Marunouchi Yurakucho District Redevelopment Project Council (OMY Council), which has 70 members today. Initially, the landowners met together to discuss their vision for the future of the district mainly in terms of renovation of buildings and other infrastructure. Today, however, the Council also serves as a knowledge base on topics such as area management and environmental issues, helping owners better respond to contemporary needs.

In 1996, the OMY Council, the Tokyo Metropolitan Government, Chiyoda Ward, and JR East formed the Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development as a forum in which to discuss and share ideas on the district's future. This resulted in the development of the City-planning

Guidelines in 2000. The district's development has followed these guidelines, creating functional pedestrian networks and consolidated green areas. This public-private

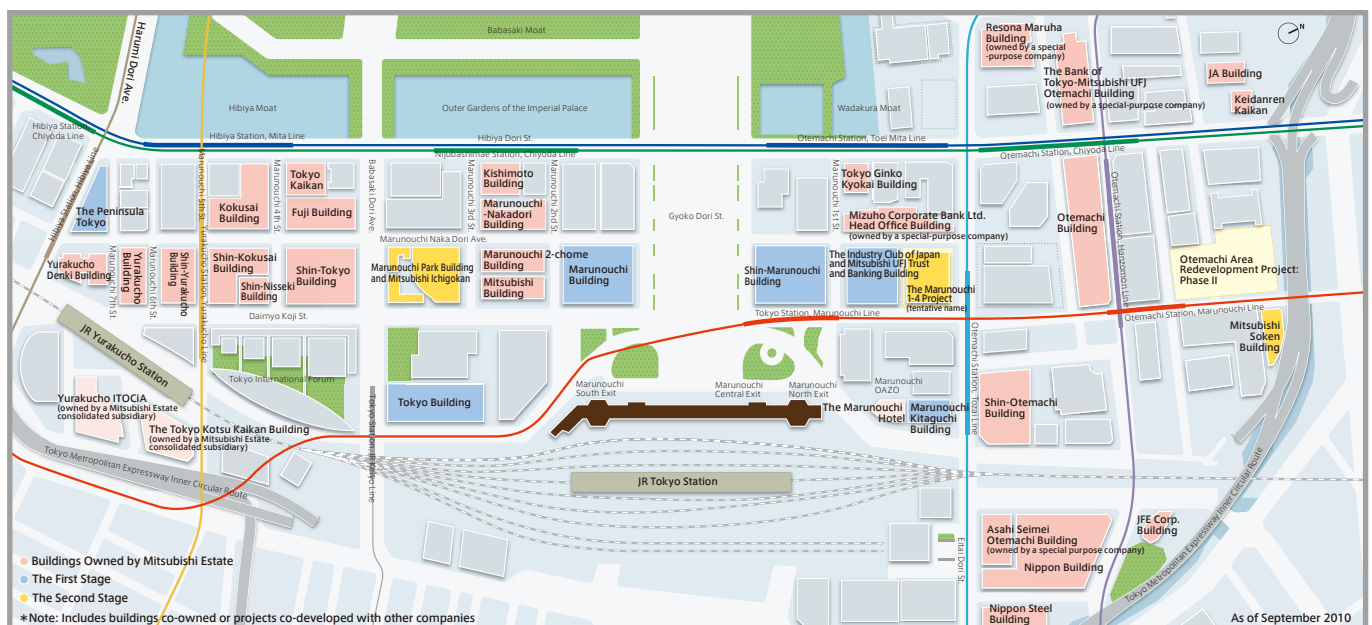


Marunouchi Naka Dori Avenue

partnership has resulted in a collaborative approach to urban development.

Tanizawa says, "We don't think in terms of trade-offs or sacrificing comfort for the sake of reducing environmental impact. Basically, we have always believed that CO<sub>2</sub> emissions can be reduced while also providing people with pleasant environments that are conducive to productivity. Our goal is to create a neighborhood that visitors enjoy so much that they want to come work here."

Mitsubishi Estate organizes environmental events and initiatives in the Otemachi, Marunouchi and Yurakucho district. The Water Sprinkling Project and the Eco Kids Expedition, which draw more participants every year, are well-established summer events in the district now. The Morning EXPO, launched in 2006, grew in April 2009 to become the Marunouchi Morning University, where anyone can attend one-hour courses before the workday begins and enjoy new opportunities for interaction. Eco Musubi, an eco-point system started in October 2009, enables users to accumulate points when they use Suica and PASMO rechargeable transport-fare smart cards to buy food and make other purchases in the district. The points can then be exchanged for various eco-friendly products. In addition, a portion of purchase value is automatically donated to support eco activities in the district. Users are delighted with this easy way of contributing to environmental causes.





## Ecozzeria provides environmental information about the Otemachi, Marunouchi and Yurakucho district

Since the Marunouchi Building opened, the Marunouchi area has been becoming a more and more lively urban center where all sorts of people gather not just on weekdays, but also on weekends and holidays. “The Otemachi, Marunouchi and Yurakucho district is more alive than ever, but anytime people gather, it impacts the environment,” explains Shigeru Inoue, Deputy General Manager, Area Planning Office, Mitsubishi Estate. The inclusion of stores and restaurants in addition to offices has made buildings multi-functional, but this increases the number of floors and elevators, and requires more lighting and air conditioning on nights and weekends. “This means we must totally embrace the concept of sustainable development to build a low-impact urban development,” says Inoue.

In fall 2006, the OMY Council formed the Environmental Vision Study Group, and established the Environmental Vision for the Otemachi, Marunouchi, and Yurakucho District (OMY Environmental Vision) in collaboration with environment and energy experts and government officials. The Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi and Yurakucho District (Ecozzeria Association) was established in 2007. The association's activities invite the participation of landowners in the district as well as building tenants and people who work in the district. The Ecozzeria Association provides information on the environment and holds various events to foster environmental awareness. Its efforts



**Shigeru Inoue**  
Deputy General Manager, Area Planning Office,  
Mitsubishi Estate Co., Ltd.

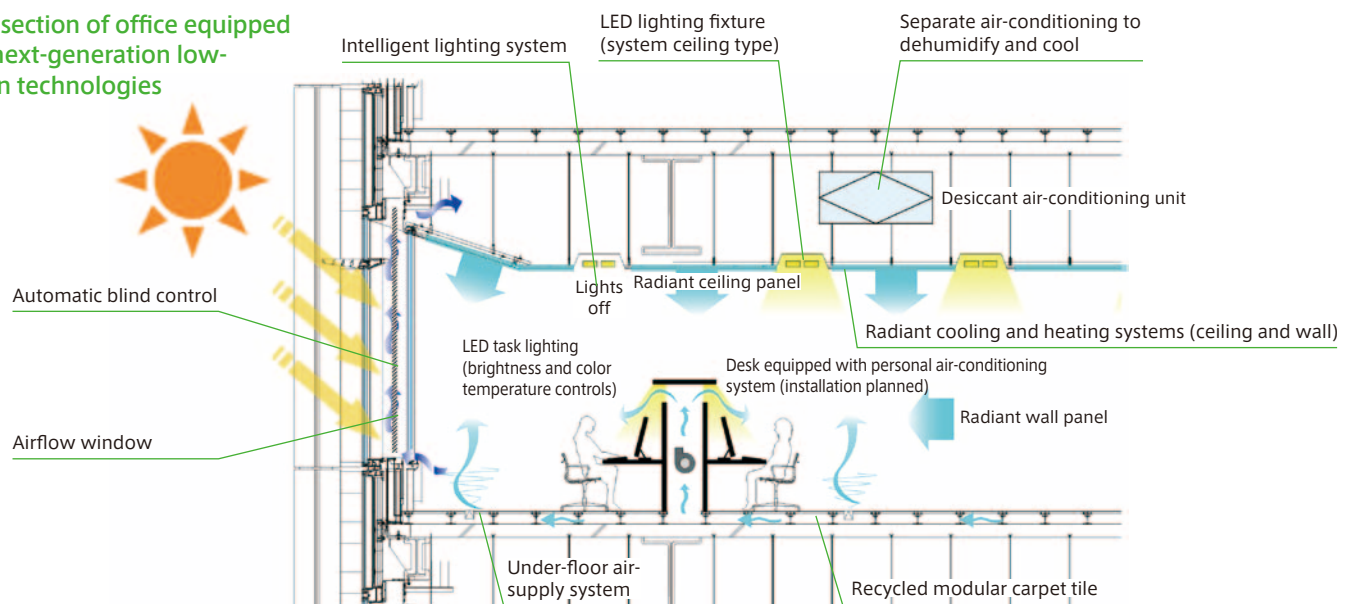
are all guided by the recognition that improving environmental performance requires not only renovation of buildings and adoption of cutting-edge environmental technologies, but also user awareness and action.

The Ecozzeria office on the tenth floor of the Shin Marunouchi Building is serving as a model for validation of the benefits of next-generation low-carbon technologies. Since October 2009, Ecozzeria has been testing various eco technologies, including radiant cooling and heating systems, and intelligent lighting which enables brightness and intensity to be adjusted to create a pleasant workspace. Mitsubishi Estate will continue to design and propose the offices of the future—workspaces that help to reduce CO<sub>2</sub> emissions while simultaneously raising productivity and comfort.



The Ecozzeria office is validating next-generation low-carbon technologies.

### Cross-section of office equipped with next-generation low-carbon technologies



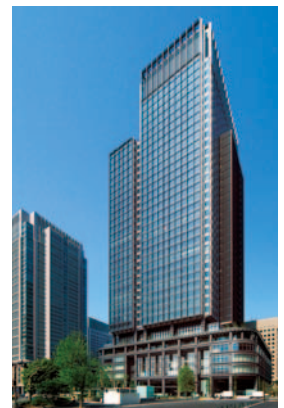
## Linking urban and rural development using Fresh Green Power

In April 2010, Mitsubishi Estate started using a new environmental electric power supply system called Fresh Green Power. Conventional “green power” involves the purchase of Renewable Energy Certificates (RECs) which attest that power was generated using renewable energy sources such as wind, sunlight and biomass. The purchaser actually uses the conventional energy grid, but is considered to be using green energy.

The newly introduced Fresh Green Power system transmits green power directly to the purchaser from the generation facility. A power producer and supplier (PPS) established by Idemitsu Kosan Co., Ltd., supplies the Shin Marunouchi Building with electricity generated using windmills in Aomori Prefecture's Rokkasho village and water energy in Hokkaido. The green power is sent from Aomori and Hokkaido prefectures through the transmission and distribution networks of Tohoku Electric Power Co., Inc., and Tokyo Electric Power Co., Inc., directly to the Shin Marunouchi Building. The building is thus using actual green power generated in rural areas, not just deemed to be using it. If all electric power consumed in the Shin Marunouchi Building were sourced from Fresh Green Power, CO<sub>2</sub> emissions would be reduced by about 20,000 tons a year to one-third of their original level.

“The Shin Marunouchi Building is equipped with a 20kW solar panel, but the power output is small compared to the building's total energy use. There are limits to how much renewable energy can be sourced locally due to the limited space available for solar panels and storage facilities. This led us to explore the potential to affiliate with other regions, and we decided to adopt Fresh Green Power after discussions with the Tokyo Metropolitan government and Idemitsu Kosan. I hope that Tokyo and the rural areas can continue to build relationships for their mutual benefit,” says Inoue.

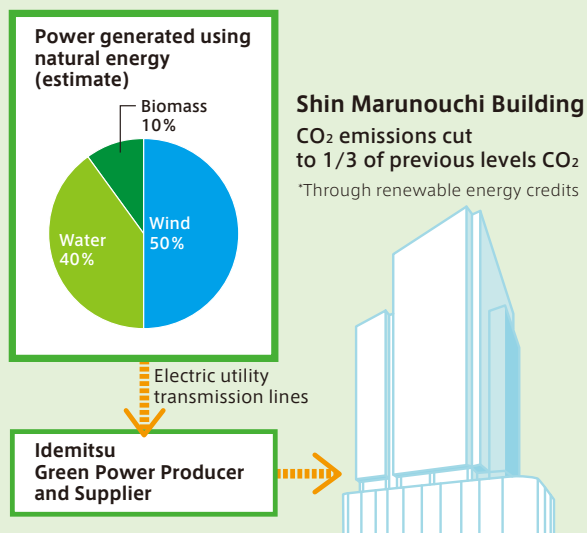
Other initiatives include the Group's adoption of three i-MiEV electric vehicles manufactured by Mitsubishi Motors, in September 2009. These cars are utilized in the Otemachi, Marunouchi and Yurakucho district and around the Yokohama Landmark Tower by employees and executives. Both rapid and conventional charging stations are being installed steadily in both areas, which will help to encourage the utilization of electric vehicles in Japan.



Shin Marunouchi Building

### Fresh Green Power changes Shin Marunouchi Building's energy profile

Fresh Green Power supplies the Shin Marunouchi building with a blend of energy generated by water and wind.



### ● Voice ●

#### High expectations for Fresh Green Power

Tokyo has been stepping up its efforts to introduce and popularize renewable energy, and last fiscal year we began offering a subsidy for the purchase of solar energy equipment. However, it is difficult to expand the use of renewable energy within the city alone, which makes affiliations with outlying regions essential. I am very pleased by the success of the cutting-edge initiative of the symbolic Shin Marunouchi Building using Fresh Green Power.

We are now looking into the possibility of a scheme by which new windmills would be constructed in rural areas using citizen contributions or through the initiative of a local company whenever new buildings are built in the city center. We are striving not only to lower the carbon footprint of urban centers, but also to build bridges between areas to benefit regional economies.



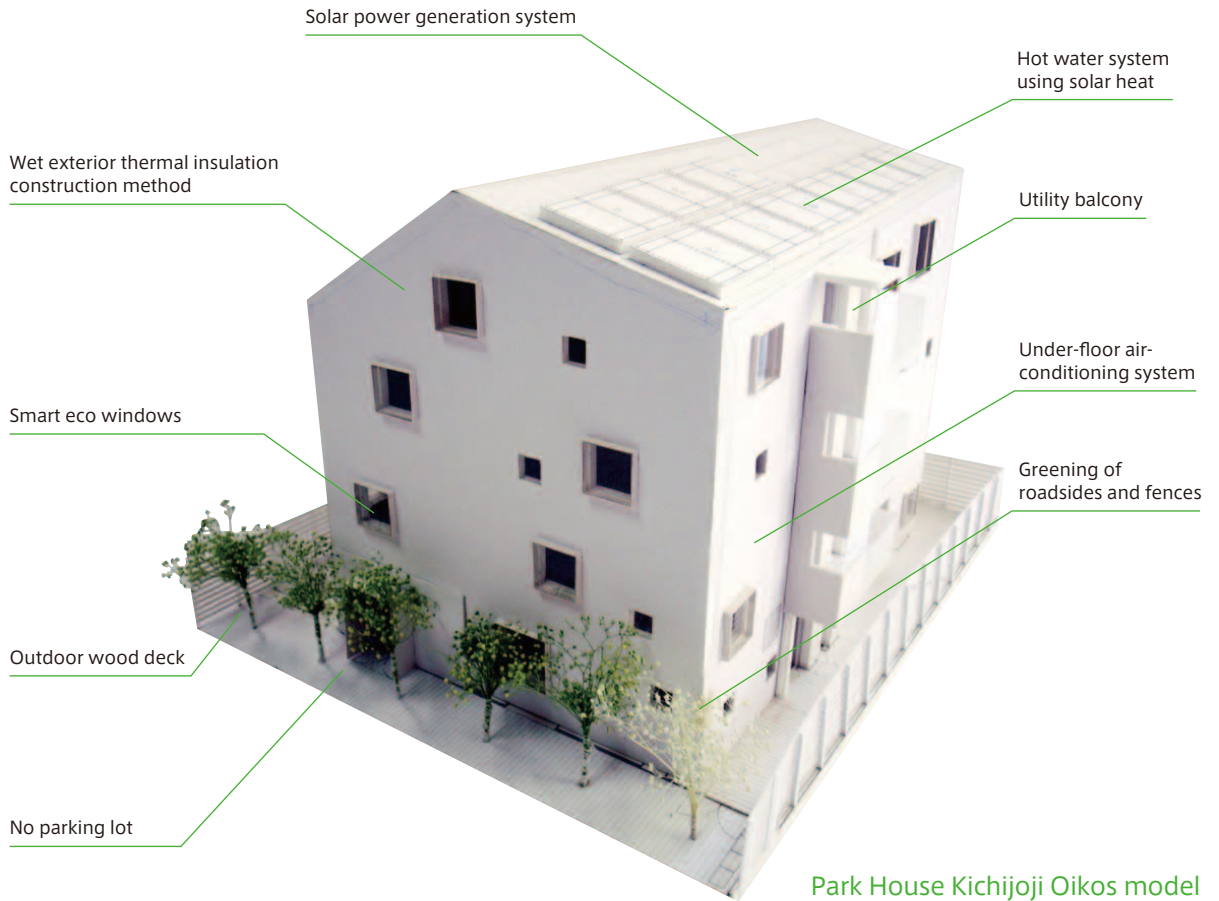
**Junichi Uratani**  
Director in charge of Renewable Energy, Urban and Global Environment Division, Bureau of Environment, Tokyo Metropolitan Government



Environmental Initiatives in the Residential Business

# “Eco living is comfortable living”

Developing comfortable, environmentally friendly homes



Park House Kichijoji Oikos model



**Shinji Karasawa**  
Director, MEC eco LIFE Co., Ltd.

## Next-generation eco condominiums equipped with collective-access high-voltage power receiving system and solar power panels

MEC eco LIFE makes recommendations and carries out research on environmentally friendly designs and the utilization of renewable energy in the multi-family units developed by the Mitsubishi Estate Group. Equipping multi-family condominiums with solar power panels was problematic due to the high costs involved and the difficulty of maintaining the generating equipment. To resolve these issues, MEC eco LIFE developed a new condominium model equipped with both a collective-access high-voltage power receiving system and solar power panels. In August 2009, Japan's Ministry of Land, Infrastructure,

Transport and Tourism (MLIT) selected this unique solar power model for a multi-family unit as one of the models for its new greenhouse gas reduction project.

A collective-access high-voltage power receiving system provides a method by which the power used in buildings can be bought in bulk. This practice has previously been used in factories and tenant-occupied buildings, but this is the first time it has been adopted for multi-family units. The electricity used by the condominium overall is received en bloc at a high-voltage, and then distributed to the individual units at a lower voltage. Buying electricity for the entire condominium rather than for each individual unit keeps electricity costs down. Shinji Karasawa, a director at MEC eco LIFE, explains, "With a collective-access high-voltage power receiving system, the high-voltage power receiving service provider is responsible for the shared part of the power receiving facility, not the building owner, so the owner does not need to pay for any of the facility's costs. In that case, why can't the money saved be used for a solar power facility? This is how the concept for the system arose."

The system was introduced as Mitsubishi Estate's proprietary eco system, "*soleco*," and was installed in Park House Komagomesomei, the first in the Park House series. Karasawa says, "You can save on electricity charges while also doing good for the environment. This is precisely the kind of environmental concept needed today—one underpinned by good sense and economic efficiency." Mitsubishi Estate will continue to install *soleco* in new condominiums and existing condominiums.

### Sales of near-future eco condominiums equipped with cutting-edge environmental technology

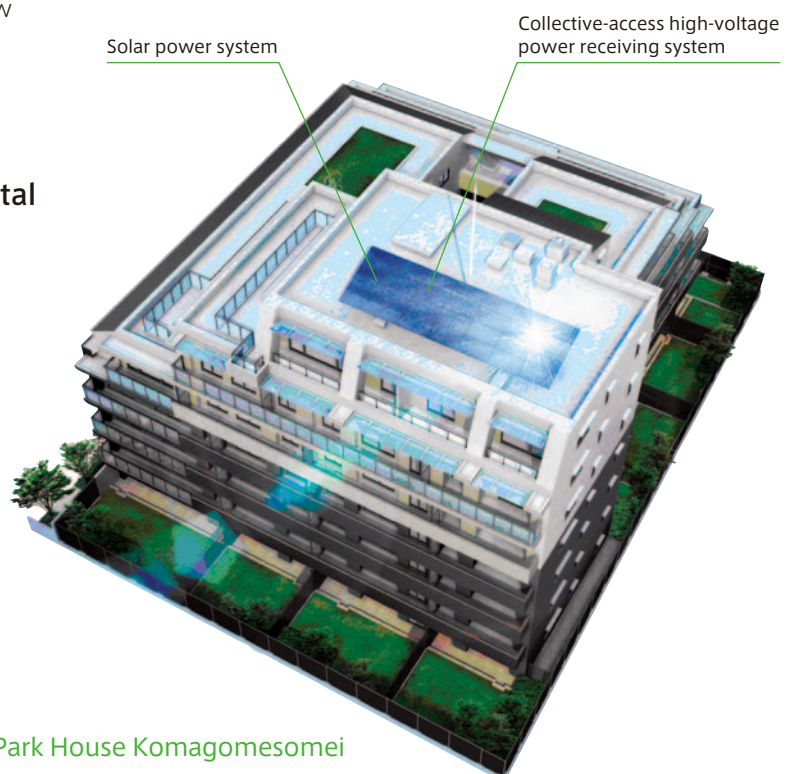
Park House Kichijoji Oikos\* is a near-future eco condominium in Musashino City that Mitsubishi Estate planned jointly with MEC eco LIFE. The building is equipped with solar power panels and LED lighting, as well as exterior thermal insulation construction methods. A hot water supply system using solar heat has been installed in each unit—a first for a multi-family condominium. In addition,

the condominiums provide no parking lots on the assumption that residents will rely on bikes, public buses and rental cars. A balcony is built near the water supply as a design feature. This functional space enables residents to hang up their laundry in the fresh air and makes it easier to get around within the unit. With such features, Park House Kichijoji Oikos offers a new lifestyle in which residents can enjoy a full life that is in harmony with the environment.

In November 2009, Park House Kichijoji Oikos was recognized as an eco-friendly project under the program run by the MLIT to promote the reduction in CO<sub>2</sub> emissions associated with residential and other buildings.

"Going forward, condominiums must not only have the appeal of strong environmental functions, but also convey the inspiring idea that living in this condominium will give the resident an entirely new lifestyle," says Karasawa. The company is even careful about sales methods, so that eco-friendly practices are used in the entire process. At Park House Kichijoji Oikos, instead of building a mockup unit and printing glossy pamphlets, the company marketed the condominiums simply by showing visitors a completed unit.

\* *Oikos*, the ancient Greek word for "family, houses, or habitation" is the root for the English words "economy" and "ecology."



Park House Komagomesomei





External view of Everie model home

### Initiatives in single-unit homes: Homes using Japan-grown timber to support long, healthy lives

In October 2009, a new Eco Life home, Everie, was announced. This house combines the environmental technologies that Mitsubishi Estate Home Co., Ltd. has amassed over the years with passive design methods. The homes adopt the most cutting-edge environmental technology, offering the Aerotech central heating/cooling and ventilation system and a super-insulated, super-airtight design. The passive design method is also leveraged to utilize natural energy and reduce energy use. For example, atriums and conservatories with greenery on the walls are semi-outdoor spaces whose use can change with the seasons. In the winter, the space can be used as a greenhouse where sunlight streams in from large windows, and in the summer, it can become a semi-outdoors terrace by opening and closing the windows.

In addition, Mitsubishi Estate Home has proposed a new space called a “car studio,” where electric vehicles that do not emit any CO<sub>2</sub> or harmful emissions can be

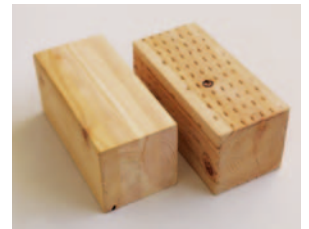


Everie conservatory

kept in an area directly connected to the living quarters. The company began taking measurements at Everie homes on the effect of temperature, humidity and natural light in winter 2009 with the aim of developing and introducing new environmental technology in its three-year plan.

Mitsubishi Estate Home is also utilizing Japan-grown timber. The company uses Japan-grown cypress for foundations and floor beams, and plywood made with Japan-grown coniferous trees. By 2009, Japan-grown timber accounted for 35% of the timber used by the company. The company is working to boost its usage rate to 50% by using engineered wood made with Japan-grown thinned timber such as larch in flooring.

The ideal eco housing does not involve forcing residents to make trade-offs or bear unreasonable sacrifice for the sake of the environment. Mitsubishi Estate Home envisions people enjoying a healthy lifetime in their eco-friendly homes, and is constantly pursuing research and development to reduce environmental impact even further.



Floor beams made of Japan-grown cypress

### ● Voice ●

#### Travelling the nation searching for Japan-grown timber that could be used for 2x4s

Almost all of the 2x4s in Japan are made from foreign-grown timber. So I went to lumber mills throughout the country looking for Japan-grown timber that could be used for 2x4s. Cypress has been used for a long time in Japan, and it is generally thought to be good lumber. However, the lumber must be strong to meet the criteria for 2x4 construction. After trial and error, we resolved the strength problems by using cypress in a bonded wood. We will continue to develop building materials using Japan-grown thinned timber such as larch and cedar.



**Shintaro Onuma**  
Manager, Order Management  
Section, Construction Center,  
Mitsubishi Estate Home Co., Ltd.

## Stakeholder Meeting

### Mitsubishi Estate and MEC eco LIFE's initiatives

We held a discussion with stakeholders on the Mitsubishi Estate Group's efforts to pursue environmental responsibility, with a particular focus on initiatives such as Mitsubishi Estate Home's new Eco Life home Everie and MEC eco Life's multi-family units.

#### ■Time and place

4:00-6:00 pm, March 11, 2010  
Akasaka Housing Gallery  
The Living Laboratory Akasaka  
(7-chome, Akasaka, Minato-ku, Tokyo)

#### ■Member

(affiliation and position are as of time of writing)

#### Stakeholder representatives \_\_\_\_\_

##### **Mariko Kawaguchi**

General Manager, Management Strategy Research Department, Daiwa Institute of Research Ltd.

##### **Kikuko Tatsumi**

Board Member, and Chairperson, Environmental Committee, Nippon Association of Consumer Specialists

##### **Nobuo Taniguchi**

Assistant Division Chief in charge of Renewable Energy, Urban and Global Environment Division, Bureau of the Environment, Tokyo Metropolitan Government

##### **Nakanishi Kiyotaka**

Assistant Chief Editor, *Nikkei Ecology*, Nikkei Business Publications Inc.

#### Mitsubishi Estate Group \_\_\_\_\_

**Takashi Tokita**, General Manager, Residential Design Planning and Marketing Department, Mitsubishi Estate Co., Ltd.

**Shinichi Hirao**, President, MEC eco LIFE Co., Ltd.

**Shinji Karasawa**, Director, MEC eco LIFE Co., Ltd.

**Tooru Tsukida**, Corporate Officer and Design Center Manager, Mitsubishi Estate Home Co., Ltd.

**Noboru Nishigai**, General Manager, CSR Department, Mitsubishi Estate Co., Ltd.



#### ■Excerpts of conversation



(Ms. Kawaguchi)

I encourage cooperation with household equipment manufacturers, because both environmental and functional aspects of the home can be streamlined and improved. I would like to see thoughtful attention to detail, for example avoiding long hot water supply pipes which waste too much water before it comes out hot at the tap.



(Ms. Tatsumi)

Greening should be a major consideration, not just resources and energy. Greenery and the aromas of nature have a powerful effect on people's emotional well-being. Restoring older condominiums to make them more attractive to live in is also an environmentally friendly approach. I think more resources should be devoted to this issue in the future.



(Mr. Taniguchi)

I am impressed that initial costs and operating costs are clarified in a condominium that combines a collective-access high-voltage power receiving system and solar power panels. Perhaps Mitsubishi Estate could look into the feasibility of building a condominium powered by Fresh Green Energy in the future.



(Mr. Nakanishi)

It is not enough to simply live in an environmentally friendly condominium. It is also important to look at how the unit is maintained and consider ways to build community among residents. The mass media is featuring stories like these, so I would like to see Mitsubishi Estate develop a cutting-edge model.



# Basic Policy and Performance Highlights

## Basic Environmental Policy

The Mitsubishi Estate Group Basic Environmental Policy is based on the Group's fundamental mission.

### Mitsubishi Estate Group Basic Environmental Policy

The Mitsubishi Estate Group has developed an environmental management system and strives to protect the environment by promoting environmental initiatives and reducing environmental impact, as well as complying with all environmental laws and regulations. Mitsubishi Estate is determined to ensure that its business activities play a leading role in the development of sustainable communities.

#### 1. Building a low-carbon society

We are proactive about the efficient use of resource and energy, and encourage the use of renewable energy to contribute to the creation of a low-carbon society.

#### 2. Creating a sound material-cycle society

We strive to reduce, reuse, and recycle in every stage of our business, including planning, development, design, construction, management and dismantlement, in order to contribute to building a sound material-cycle society.

#### 3. Fostering harmony between nature and human society

We endeavor to foster new cultural values and to practice environmental responsibility by demonstrating concern for biodiversity and developing attractive urban spaces that harmonize with the surrounding natural environment, thus helping to build a society that lives in harmony with nature.

#### 4. Promoting environmental communication

We proactively provide information on the environment and communicate with society on a broad range of issues in our efforts to coordinate and cooperate with a wide range of stakeholders.

#### 5. Increasing employees' ecological awareness

In our efforts to increase employees' awareness of environmental conservation issues and ensure highly effective environmental activities, we provide environmental education and awareness programs, aiming to develop an ecologically aware workforce.

Established on May 1, 2004  
Revised on January 1, 2006 and April 1, 2010

## Operational framework for environmental management

The Mitsubishi Estate Group has tasked the Environmental Subcommittee with conducting deliberations on CSR, including environmental issues, prior to meetings of the CSR Committee. This subcommittee met in July 2009 and February 2010 to discuss the status of various organizations' environmental initiatives and environmental objectives. In addition, an environmental director is appointed to take responsibility for the promotion of environmental management for the Group, and environmental management officers are appointed for each of Mitsubishi Estate's business areas and Group companies.

## Development and administration of the environmental management system

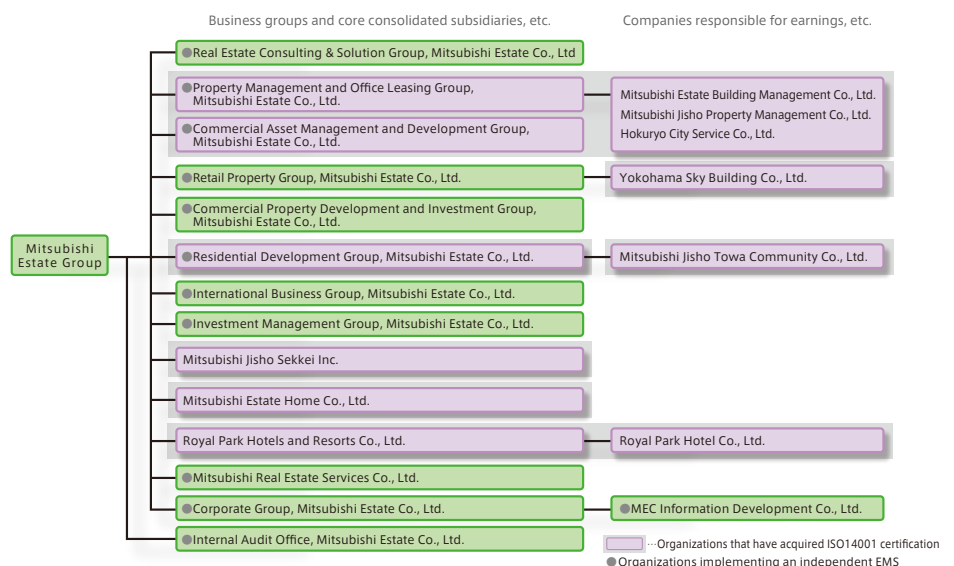
The Mitsubishi Estate Group has acquired ISO14001 certification for organizations with relatively significant environmental impact, and has also developed and is

administering an independent Environmental Management System corresponding to ISO14001 at organizations with relatively small environmental impact

In fiscal 2009, a total of seven organizations were operating an environmental management system certified under ISO14001 standards: Mitsubishi Estate's Property Management and Office Leasing Group and Commercial Asset Management and Development Group (concurrent certification with Mitsubishi Estate Building Management Co., Ltd., Mitsubishi Jisho Property Management Co., Ltd., and Hokuryo City Service Co., Ltd.); its Residential Development Group; Mitsubishi Jisho Sekkei Inc.; Mitsubishi Estate Home Co., Ltd.; Royal Park Hotels and Resorts Co., Ltd. (concurrent certification with Royal Park Hotel Co., Ltd.); Yokohama Sky Building Co., Ltd.; and Mitsubishi Jisho Towa Community Co., Ltd.

The independent EMS, which is primarily intended for office facilities, is used at Mitsubishi Estate Co., Ltd. (office activities), Mitsubishi Real Estate Services Co., Ltd., and MEC Information Development Co., Ltd.

### Development and administration of Mitsubishi Estate Group's Environmental Management System (as of March 2010)



# Building a Low-Carbon Society

## Initiatives in the Building Management Business

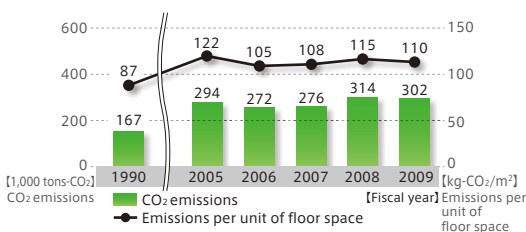
### Building management programs to reduce CO<sub>2</sub> emissions

In fiscal 2009, the energy consumption of Mitsubishi Estate's thirty ISO14001-certified buildings stood at 6,396,354 GJ, and CO<sub>2</sub> emissions totaled 301,680 tons-CO<sub>2</sub>. Compared to fiscal 2008 results, consumption decreased by 350,860 GJ, and CO<sub>2</sub> emissions decreased by 12,553 tons-CO<sub>2</sub>.

In fiscal 2009, Mitsubishi Estate took steps such as setting air conditioners at warmer temperatures in the summer, partially stopping the hot-water supply, turning off some of the lights, and operating air conditioners/heaters more efficiently in ISO-certified buildings. As a result, energy consumption per unit of floor space was reduced from 2.47 GJ/m<sup>2</sup> in fiscal 2008 to 2.34 GJ/m<sup>2</sup>, and CO<sub>2</sub> emissions per unit of floor space were reduced by 5kg-CO<sub>2</sub>/m<sup>2</sup> to 110kg-CO<sub>2</sub>/m<sup>2</sup>.

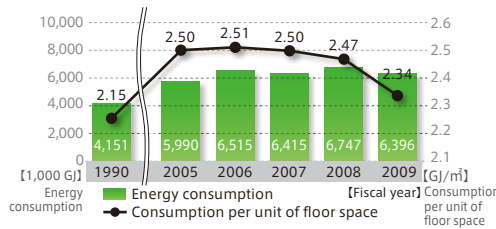
Mitsubishi Estate will continue working to meet its fiscal 2010 target of reducing energy consumption by more than 1.0% from the previous year, as the company strives to combat climate change through energy-saving programs conducted in cooperation with tenants.

### CO<sub>2</sub> emissions and CO<sub>2</sub> emissions per unit of floor space from Mitsubishi Estate's ISO14001-certified buildings



\* CO<sub>2</sub> emissions are calculated using the emissions coefficients determined for individual electrical power suppliers, reflecting actual status.  
 \* The number of ISO-certified buildings changes each fiscal year due to renovations and sales/purchases.  
 \* The data for 1990 includes buildings prior to renovations (such as the former Marunouchi Building).

### Energy consumption and energy consumption per unit of floor space in Mitsubishi Estate's ISO14001-certified buildings

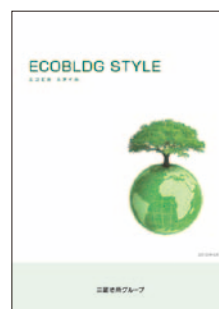


### Global warming mitigation measures committees bring together tenants

By type of energy, electricity accounted for about 80% of the energy consumed in Mitsubishi Estate's thirty ISO14001-certified buildings, whereas by application, tenant use accounted for the majority of energy consumption.

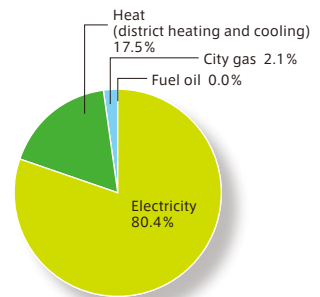
Given this, Mitsubishi Estate established a Global Warming Mitigation Measures Committee in November 2008 at each of its buildings in the Tokyo metropolitan area, including Yokohama, in an effort to work with tenants to reduce energy consumption.

Each committee meets twice a year, once in the spring and again in the fall. The committees distribute a pamphlet on energy conservation entitled ECOBLDG STYLE, provide an overview of revisions to the Tokyo Metropolitan Environmental Conservation Regulations and the Energy Conservation Law, explain

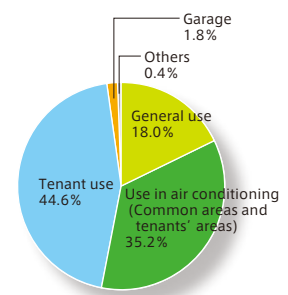


energy conservation programs carried out in buildings and specific reduction targets, and introduce energy conservation initiatives practiced by tenants. At spring meetings held each year prior to the Environmental Action Months (June-September), the committees confer on topics such as waste sorting and energy conservation.

### Fiscal 2009 energy consumption by type (for thirty ISO14001-certified buildings)



### Fiscal 2009 energy consumption by application (for thirty ISO14001-certified buildings)





## Initiatives in the Building Management Business

### Improving energy efficiency by using district heating and cooling systems

Marunouchi Heat Supply Co., Ltd., a district heating and cooling provider, has established an internal committee to consider environmental measures, and is proactively working to improve the environmental functions of its facilities to reduce CO<sub>2</sub> emissions and conserve energy.

In April 2009, the company completed two new plants in accordance with the redevelopment and renovation plan for the Otemachi, Marunouchi and Yurakucho district. The Otemachi

Conference Center Subplant will supply cold water and the Marunouchi 2-chome Center will serve as the main plant.

These two plants use highly efficient heat source equipment, such as inverter cooling equipment, and also utilize a flexible control system to accommodate varied load conditions. This enables effective energy use and reduces CO<sub>2</sub> emissions. Progress has also been made in building a system linked to neighboring districts with the aim of ensuring efficient energy use between districts and a stable supply of hot water. Marunouchi Heat Supply strives to run the plants effectively and use energy effectively.

The company is moving ahead to establish highly efficient new plants and renovate existing plants, with the goals of improving energy efficiency in the Otemachi, Marunouchi and Yurakucho district by 30% over 2007 levels by 2025 and reducing per-unit CO<sub>2</sub> emissions over that same period by 30%.



Marunouchi 2-chome Center

## Initiatives in the Custom-Built Housing Business

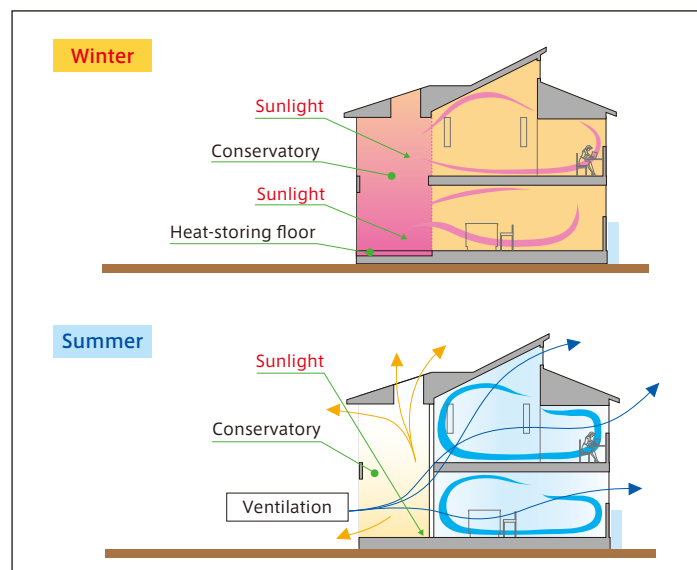
### Using Aerotech and solar power to achieve zero-energy homes

Mitsubishi Estate Home's new Eco Life home Everie, introduced in 2009, has succeeded in reducing energy consumption by about 40% compared to conventional energy-saving homes by using cutting-edge technology such as super-insulation, super-airtight functions and the central air system Aerotech, and by adopting a passive design utilizing natural energy.

With Aerotech, a single unit is installed to give residents 24-hour control over ventilation, cooling and heating for the entire house. Not only does Aerotech offer comfortable temperatures throughout the year, but the temperature can be controlled in each room so that energy is not wasted.

Going forward, Mitsubishi Estate Home is working ultimately to develop an actual zero-energy home feasible for widespread construction by further raising the efficiency of Aerotech and installing

approximately 24 solar panels. In addition, the company is considering energy-saving materials such as functional window sashes and external blinds.



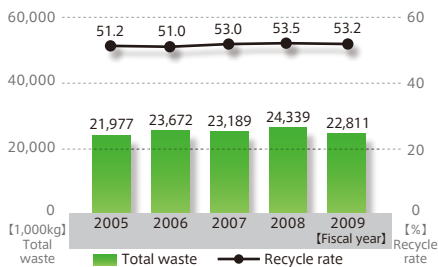
Making the most of natural energy

# Creating a Sound Material-Cycle Society

## Recycling waste generated by buildings

Mitsubishi Estate strives to improve the waste recycling rate in the buildings it manages and operates. Efforts include raising tenants' awareness of the need to sort waste thoroughly, as well as recycling kitchen waste from some buildings as livestock food and fertilizer.

■ Total waste and recycle rates for Mitsubishi Estate's ISO-certified buildings



■ Total waste by type and primary recycling end-points at Mitsubishi Estate's ISO-certified buildings

Type	FY	Amount [kg]	Change from previous year [kg]	Primary recycled end products
Paper suitable for reuse	2008	10,061,778	▲709,990	Recycled paper
	2009	9,351,788		
Bottles and cans	2008	1,465,271	▲160,185	Glass, metal
	2009	1,305,086		
Fluorescent lights	2008	24,812	▲2,416	Glass, aluminum
	2009	22,396		
Polystyrene foam	2008	38,646	▲334	Processed plastic products
	2009	38,312		
PET bottles	2008	477,179	8,768	Processed plastic products
	2009	485,947		
Recyclable kitchen waste	2008	959,911	▲23,065	Organic fertilizers and animal feed
	2009	936,846		
Non-recyclable kitchen waste and scraps*	2008	10,657,830	▲590,482	
	2009	10,067,348		
Industrial waste†	2008	653,263	▲49,708	
	2009	603,555		
Total	2008	24,338,689	▲1,577,412	
	2009	22,811,277		

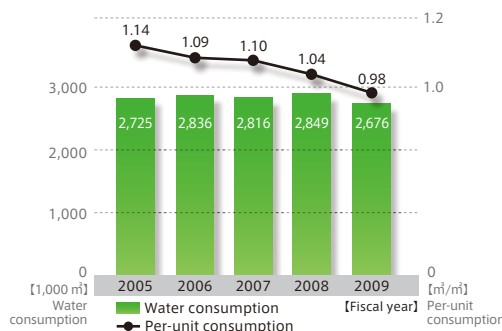
1. Non-recyclable kitchen waste and scraps includes paper and lunch boxes that are not suitable for reuse and are ultimately incinerated.
2. Industrial waste includes plastic products, metal scraps, ceramics and vinyl materials that are ultimately buried in landfill.

\* Number of buildings included in scope of data differs by year due to rebuilding, sale and purchase.

## Buildings' effective consumption of water resources

Mitsubishi Estate is working to curb water consumption at its buildings by taking measures to streamline water consumption such as adjusting the amount of water used in toilets and hot-water service rooms. Water consumption totaled 2,675,572 m<sup>3</sup> in Mitsubishi Estate's ISO14001-certified buildings, down 6.1% compared to fiscal 2008, and water consumption per unit of floor space was 0.98 m<sup>3</sup>/m<sup>2</sup>, down 0.06 m<sup>3</sup>/m<sup>2</sup>. Building on this achievement, the company is working to meet its fiscal 2010 target of reducing water consumption in every building by more than 1.0% from the previous year. The company is also effectively using wastewater by purifying and reusing cooling tower blow water and kitchen wastewater as toilet flush water. As of March 2010, the Marunouchi Building, Mitsubishi UFJ Trust and Banking Building, Marunouchi Kitaguchi Building, Tokyo Building, Shin-Marunouchi Building, Landmark Tower Yokohama, Hibiya Kokusai Building, Shin-Aoyama Building, and Akasaka Park Building all reuse waste water, a total of about 455,211 m<sup>3</sup> per year, thus helping to conserve water resources.

■ Water consumption and water consumption per unit of floor space (1,000 m<sup>3</sup>) in Mitsubishi Estate's ISO-certified buildings



# Fostering Harmony between Nature and Human Society

## Nature Info Plaza Marunouchi Saezurikan

This information center, located on the first floor of the Shin-Yurakucho Building (Chiyoda Ward, Tokyo), is operated by Mitsubishi Estate as part of its efforts to contribute to society. The facility is open to everyone as a place to enjoy, learn about and think about nature, and educates and provides information on the natural environment through exhibits planned under various themes, as well as seminars and workshops, in affiliation with environmental NPOs and NGOs. Field events held in the Marunouchi area attract many participants.

### Voice

#### Staff views on the Nature Info Plaza Marunouchi Saezurikan

Many first-time visitors are initially surprised that the Nature Info Plaza even exists in the middle of the city, and are then struck by the rich natural life in the Marunouchi area. Since people of all ages and occupations use the Plaza for their own objectives as a place to learn, relax and share information, every day is different for us. We do not just give our visitors information in response to their questions, but try to help deepen their interest in the natural environment by exploring and thinking together. As we turn our eyes to the nature so close by, we realize that our lives are connected to the creatures living in the city. Then our boundaries expand further and a new curiosity is born. We think that the appeal of the Plaza is that it gives visitors new knowledge whenever they visit.



Osamu Furusawa (left) / Fumiko Fukasu (right)  
CSR Department, Mitsubishi Estate Co., Ltd.



## Reducing Environmental Impact

### Acquiring certification of environmental functionality in U.S. and U.K.

In the U.S., the Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., began seeking LEED<sup>1</sup> certification for all buildings developed by the Group in 2008. The Group earned certification for its buildings in Arizona and Georgia. The Group is also working to earn certification for its existing buildings, and earned LEED certification for its McGraw-Hill Building in New York. The Group is also working to improve its Energy Star rating (an energy conservation program) for the Time-Life Building, another New York property.

In the U.K., Mitsubishi Estate is proactively working to obtain BREEAM<sup>2</sup> certification for its new buildings. Central St Giles earned an "Excellent" rating, which was the highest ranking at the time of application.



The McGraw-Hill Building Central St Giles

1 Leadership in Energy & Environmental Design (LEED) is the U.S. Green Building Council's system for evaluating environmentally sustainable construction.

2 Building Research Establishment Environment Assessment Method (BREEAM) is a system for evaluating environmentally sustainable construction that was established by the Building Research Establishment (BRE) in the U.K.

### Eco-friendly proposals by the Architectural Design and Engineering Business

Mitsubishi Jisho Sekkei Inc., which is responsible for design and project supervision, proactively addresses environmental issues in the belief that the environmental impact generated by a building during its lifecycle can be reduced effectively at the design stage. The firm's ISO14001 environmental management system even clearly commits it to make environmental technology proposals to clients.

The Midori Anzen headquarters building, commissioned by Midori Anzen Co., Ltd., and completed in March 2009, is one example of a project for which Mitsubishi Jisho Sekkei proposed environmental technology. An energy-saving air conditioning system using "breeze passes" was proposed, making this a comfortable building that contributes to a more sustainable society and improved environmental conservation.



Midori Anzen Co., Ltd., headquarters building (Shibuya Ward, Tokyo)

## Increasing Employees' Ecological Awareness

### Holding environmental campaigns for employees

Mitsubishi Estate has held environmental campaigns every year since fiscal 2000 to raise employees' environmental awareness, and holds events such as lectures by influential experts as well as panel exhibitions. Hiroki Hiramatsu, CEO of CSR Design & Landscape Co., Ltd., was invited to give a talk in June 2009, Japan's national Environment Month. Many employees from Mitsubishi Estate and its Group companies listened to his lecture, entitled "Raising Awareness of Green Buildings in the U.S." In the lecture, Mr. Hiramatsu explained the growing awareness of green buildings in the U.S. and the LEED certification system, teaching



the audience about measures designed to raise global competitiveness.

Environmental campaign lecture

### CSR Lectures held

Mitsubishi Estate holds a CSR Lecture every year in October, which is CSR Promotion Month, for managers and executives including those at Group companies. The lecture topic is chosen from a wide range of CSR genres in accordance with social conditions in that particular year. In fiscal 2009, Naoki Adachi, CEO of Response Ability, Inc., gave a talk on biodiversity for the real estate industry.



CSR lecture

As a good corporate citizen, the Mitsubishi Estate Group values social harmony. The Group makes the most of its unique strengths to build community and foster social progress.

# Special Feature

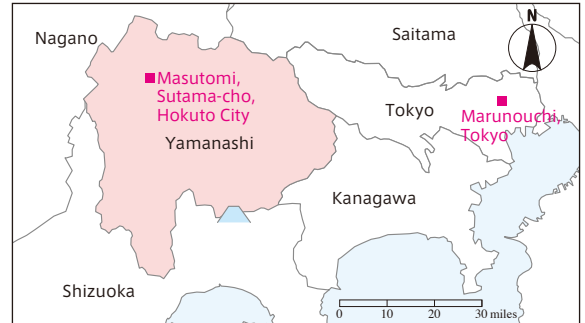
## “Experience Nature” project brings together urban and rural communities

Working for a sustainable future for both urban and rural communities

### What is the “Experience Nature” project?

The Mitsubishi Estate Group launched the “Experience Nature” project linking cities with rural villages as one of its CSR initiatives in fiscal 2008. The project is intended to foster a society in which urban and rural communities energize one another. Mitsubishi Estate is collaborating with the NPO Egao Tsunagete (which literally means “connecting smiles” in Japanese), which works in Hokuto City in Yamanashi Prefecture, to promote awareness and resolve the issues faced by cities and rural villages through human interaction with those in the Masutomi area, a settlement suffering from population decline and aging.

Mitsubishi Estate offers a range of programs, including the opportunity to experience land clearing and tree thinning. The company is also moving ahead with ideas to link the experience gained through the project with the Group's business activities, for instance by utilizing local resources such as agricultural products and thinned wood.



### Taking the first step by getting to know rural communities

In fiscal 2009, Mitsubishi Estate held a total of ten experiential tours, such as a Miso-Making Tour for people working in the Otemachi, Marunouchi and Yurakucho district, which is one of its main business areas, an “Experience Nature” bus tour for residents of condominiums managed by Mitsubishi Jisho Towa Community, and a CSR Tour and Parent-Child Tour for Mitsubishi Estate Group employees and families. Adults and their children experienced for the first time potato and corn planting, seed planting and harvesting, tree thinning in forests, and miso-making, which begins with planting soy beans. Participants reported they had a wonderful time even though they worked hard.

One of the most symbolic results of these tours was the restoration of a rice terrace. People in the community wanted to restore the rice terrace in Mikado, which had been a typical part of the landscape in the Masutomi region, so Mitsubishi Estate helped to reclaim it. The wasteland was so covered by silvergrass and underbrush that the rice field's boundaries could not be discerned, but the rice terrace is now being restored to its former beauty as a result of land reclamation, land improvements, rice planting, mowing and its use as a rice paddy for harvesting.







April: Land clearing event



July: Weed clearing in rice fields



August: Summer vegetable harvest



October: Rice harvesting



November: Miso preparation event

## Tours held in fiscal 2009

- **CSR Tour (for Mitsubishi Estate Group employees)**  
 April 29, Land clearing and potato planting  
 October 16-17, Tree thinning and rice harvesting
- **Parent-Child Tour (for Mitsubishi Estate Group employees)**  
 May 6, Forest experience, vegetable seed planting  
 August 7-8, Camping in farming village
- **“Experience Nature” Bus Tour  
 (for residents of condominiums managed by Mitsubishi  
 Jisho Towa Community)**  
 May 24, Rice planting and corn seed planting  
 August 23, Harvesting of corn and other summer vegetables
- **Miso-Making Tour (for workers in the Marunouchi area)**  
 June 7, Soy bean planting  
 July 5, Weeding and nature observation  
 November 3, Harvesting of soy beans  
 November 21, Miso preparation event

## Rural villages are a treasure house of resources

The aim of the “Experience Nature” project is to help revitalize local communities by bringing together their abundant resources, such as delicious farm products that are safe and come from an identifiable source and timber left after thinning, with the company's management resources to create new value.

## Collaboration with the Yamanashi Harvest Fair

In November 2009, a fair using food produced in Yamanashi prefecture was held in a restaurant in the Shin-Marunouchi Building in Tokyo. Prior to the event, the company invited the restaurant owners for a tour to select wine, cheese, chicken and other locally-produced foods and ingredients for the menu. Along with these dishes, rice balls made of Koshihikari rice grown and harvested as part of the “Experience Nature” project were given out at the opening party on the first day of the fair.

# Basic Policy and Performance Highlights

## Basic policy

The Mitsubishi Estate Group Guidelines on Social Contribution Activities were established in April 2008, updating the Group's philosophy on social contribution activities established in 1994 to reflect changes in the issues facing society and the need for the entire Group to work together on initiatives.

### Mitsubishi Estate Group Guidelines on Social Contribution Activities

#### 1. Solutions to social issues together with corporate growth

As a good corporate citizen, we work to resolve social issues with the added benefit of achieving corporate growth through such activities.

#### 2. Development of activities characteristic of the Mitsubishi Estate Group

We carry out unique social contribution activities, both within and outside our business spheres, which are characteristic of the Group and utilize its management resources.

#### 3. Ties with community

We engage in transparent and fair activities in affiliation with various groups, based on equal footing, trust and dialogue.

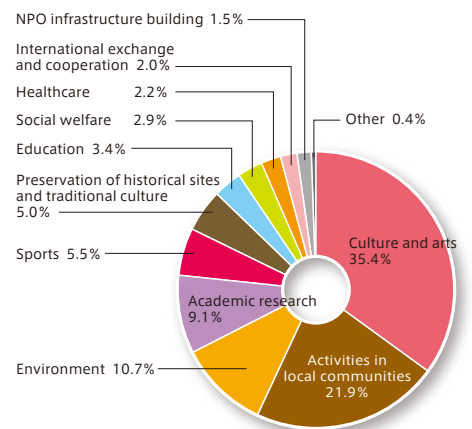
#### 4. Priority areas

We prioritize harmony with the local community, support for culture and the arts, environmental conservation and social welfare.

## Breakdown of expenditures

In fiscal 2009, Mitsubishi Estate spent approximately 1,245 million yen on social contribution activities on a non-consolidated basis, or 1.40% of its ordinary income. The breakdown is as follows.

### ■ Social contribution performance (fiscal 2009)





## Harmony with the Local Community

### Eco Kids Expedition

The Eco Kids Expedition, which is organized by the Eco Kids Expedition Executive Committee (the OMY Council, the Ecozzeria Association, and The NPO Otemachi, Marunouchi and Yurakucho Area Management Association [Ligare]) and cosponsored by Mitsubishi Estate, was held for elementary school students—the hope of the next generation—living in the city in August 2009. Eco Kids Expedition programs include environmental workshops to study environmental measures promoted by the participating companies, as well as tours to cutting-edge environmental companies and eco-friendly facilities. They give children the chance to explore issues such as the heat island effect faced by many urban areas with high energy demand, global warming, and the resource cycle—all in a way that is both fun and educational.



Workshop at Eco Kids Expedition

### Social contributions at Central St Giles

Mitsubishi Estate and Legal & General, a major U.K. life insurance company, participate jointly in the Central St Giles Redevelopment Project. As part of its social contributions, Mitsubishi Estate has formed a partnership with the neighboring St Joseph's Primary School to improve the educational environment. This is intended to raise the school's OFSTED\* school rating. The school currently receives a rating of "Good" from OFSTED, and Mitsubishi Estate is remodeling and improving the school's auditorium and school yard at no cost, as well as offering advice on building maintenance and financing issues, with the goal of raising this rating to the highest "Outstanding" by 2012. Mitsubishi Estate also gives back to the community by offering a wide range of programs, such as workshops for children with sculptor Steven Gontarski, who is in charge of the art work in Central St Giles, and donating money to restore a local church's garden.



Workshop given by Steven Gontarski

\* OFSTED: Office for Standards in Education  
A government organization that inspects and evaluates the level of school education in schools throughout the U.K.

### Marunouchi Food Education Project

Mitsubishi Estate started the Marunouchi Food Education Project in October 2008 to address food-related issues in urban areas. This project aims to foster a society which offers a safe and secure food supply that helps people to be healthy in both body and mind. Yukio Hattori, chairman of the board of directors of Hattori Academy, is chairman of the Project, and under his auspices the Marunouchi Chefs Club, made up of restaurant owners and chefs in Marunouchi, was launched. Mitsubishi Estate is working with the Club to devise plans and schemes that emphasize good communication among producers, consumers and restaurants.

The Project also promotes activities designed to encourage local consumption of locally produced food. For instance, it operates the Blue Sky Market x Marunouchi Market, intended to raise food self-sufficiency and support producers, and hosts an event to popularize Edo Tokyo vegetables (heirloom vegetables) to ensure that local varieties are carried on to the future, thus protecting biodiversity.



Blue Sky Market x Marunouchi Market

## Support for Culture and the Arts

### Mitsubishi Ichigokan Museum

Mitsubishi Estate completed its restoration of the Mitsubishi Ichigokan in 2009, achieved by reviewing the Meiji-era blueprints and survey maps dating from the building's dismantling, and using extant structural components from the period (1868-1912). In April 2010, it was opened as the



Exterior view of Mitsubishi Ichigokan Museum, Tokyo

Mitsubishi Ichigokan Museum, Tokyo. Given Marunouchi's history as the birthplace of modern Tokyo and its convenient location, the museum will hold a wide range of exhibits three or four times a year, with a focus on the modern art of the nineteenth century. The museum aims to offer programs planned with a long-term, international perspective, by pursuing affiliations and networks with Japanese and overseas museums as well as neighboring cultural organizations. In its role as a museum open to the local community, the museum will be run with the intention to make it central to urban life in the area, with an emphasis on convenience for the community's workers and visitors.

### Mitsubishi Estate Artium

Mitsubishi Estate runs the art gallery Mitsubishi Estate Artium on the eighth floor of the IMS building (Tenjin MM Building) in Fukuoka City's Tenjin district. This gallery presents contemporary art in a cross-genre, interdisciplinary manner, including painting, photography, architecture and lifestyle design, with a focus on the local Kyushu area. IMS Co., Ltd., which manages the IMS building, collaborates with the Mitsubishi Estate Artium to hold exhibitions using promotional spaces inside the building, such as the IMS Plaza on the second level below ground.



Interior of Mitsubishi Estate Artium

## Environmental Conservation

### Water Sprinkling Project in Otemachi, Marunouchi and Yurakucho

The Water Sprinkling Project has been organized on a regular basis in the Otemachi, Marunouchi and Yurakucho district in Tokyo's Chiyoda Ward. In this project, which draws on traditional Japanese practices, anybody in the district can join in and sprinkle water to mitigate the heat island phenomenon specific to urban areas.



Water Sprinkling Project

The project is sponsored by a planning committee spearheaded by the Otemachi Marunouchi Yurakucho District Redevelopment Project Council (OMY Council), which is chaired by Mitsubishi Estate. The 2009 event started in July and was held at four locations, with approximately 1,900 people participating. Clean recycled water from some of the buildings in the area was sprinkled to lower the temperature, and changes in temperature were measured.

This project, which is open to everyone, will be continued in the Otemachi, Marunouchi and Yurakucho district to mitigate the heat island effect which is so typical of urban areas.

## Social Welfare

### Eighth Dazzling Art Competition for Children

Mitsubishi Estate has sponsored the Dazzling Art Competition for children with disabilities in Japan since fiscal 2002. This annual event is unique in that it presents all of the works of art on the Internet. The fiscal 2009 contest attracted 1,049 works from all over Japan—the highest number yet. Fifty especially impressive works\* were displayed at eight venues in Japan, including the Marunouchi Building, earning the admiration of countless people.

\* See the back cover of this report for the award-winning works from the eighth contest.



Exhibitions of original pictures, Sendai Hall



Communicating with clients is a crucial part of urban development. The Mitsubishi Estate Group will continue to provide safe, reliable services, always listening attentively to its clients' opinions and requests.

## Responding to Customers' Wishes

### Initiatives in the Residential Business

#### Customer satisfaction system and initiatives to raise brand value

Mitsubishi Estate's Residential Development Group set up a Brand and Customer Satisfaction Committee in 2008 to work together with other Group companies\* on initiatives aimed at improving customer satisfaction. The Committee then formulated the brand statement for Park House—"Giving customers their dream homes, filled with inspiration and joy"—designed the Park House logo and took steps to enhance brand value. In fiscal 2009, the Park House brand celebrated its 40th anniversary: four decades since the completion of Akasaka Park House, the first Park House condominium sold in lots. All along, the Park House brand has been built on the same concept: residences with the very latest amenities and the design

flexibility to accommodate customer requests—all to better fulfill customers' dreams.

In August 2009, the Residential Development Group began to sell condominiums equipped with both solar power panels and a collective-access high-voltage power receiving system. Going further, all Park House condominiums for which construction started December 8, 2009 or later will meet the eligibility standards for Japan's housing eco-point system, a system established by the Japanese government to encourage the construction and renovation of eco-friendly houses. The Group will continue to pursue new initiatives to raise the value of the Park House brand, focusing on creating living spaces that enrich customers' lives while also delivering advanced environmental performance.

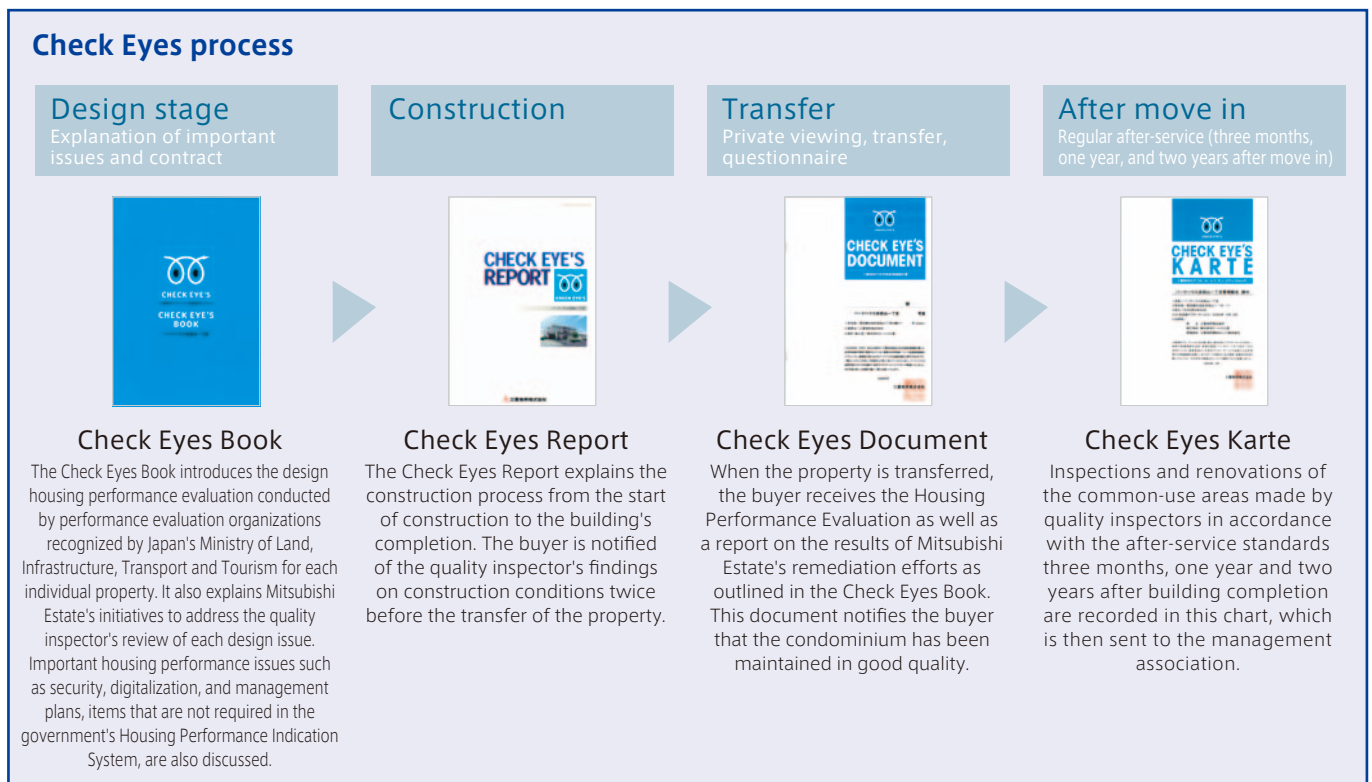
\* Mitsubishi Real Estate Services Co., Ltd. (real estate consulting and solution, brokerage, sales and leasing operations), Mitsubishi Jisho Towa Community Co., Ltd. (general management of condominiums and buildings), TOWA REAL ESTATE DEVELOPMENT Co., Ltd.

Giving customers inspiration and joy



#### Check Eyes performance indication system for Mitsubishi Estate's condominiums

Mitsubishi Estate has adopted the Check Eyes system to rigorously check quality from the design stage until after occupancy, and uses the system to disclose information at each stage (see flowchart below). This system not only monitors quality, but also presents the customer with vital performance information in a clear way.



## Safe and Secure Urban Development

### Comprehensive emergency drills and *Overview of Disaster Countermeasures*

Mitsubishi Estate has a long history of disaster prevention measures, starting with the 1923 Great Kanto Earthquake, when Mitsubishi Goshi Kaisha, as the company was then known, distributed drinking water and meals at the former Marunouchi Building and its environs and set up an emergency medical center. Every September, Mitsubishi Estate holds comprehensive emergency drills with the participation of all of its executives and employees and many others from Group companies and other parties.

In 1981, Mitsubishi Estate prepared a disaster prevention manual, *Overview of Disaster Countermeasures*, to ensure that necessary measures are taken to preserve human life and infrastructure in the event of a natural disaster, such as a major earthquake, fire or other emergency, and to take appropriate and prompt recovery measures. The manual is updated in response to changing social conditions and sets out detailed and wide-ranging measures. It includes items such as standard precautionary measures and assignment of divisions' responsibilities, plans for disaster prevention education and emergency drills, a storage system for food and equipment, a plan for prompt emergency steps and recovery measures in the event of a disaster, and a plan for emergency measures in the event of cautions and warnings of a Tokai earthquake. In the event of a disaster, a Disaster Countermeasure Committee will be set up, chaired by Mitsubishi Estate's president, to take steps in accordance with the *Overview of Disaster Countermeasures*. In

addition, an emergency system has been prepared to ensure the whole company works as one in the event of a disaster to respond to emergency situations.



Comprehensive emergency drill

### BCP initiatives

In October 2006, the Mitsubishi Estate Group created the *Guidelines for the Mitsubishi Estate Group's Business Continuity Plan* as part of its efforts to establish a business continuity plan (BCP) which lays out the steps for preventing any interruption of important operations in the event of a disaster or accident and resuming important functions within an acceptable period in the event that these operations are unavoidably interrupted. Based on the Group's Mission, the BCP aims to ensure the safety of clients and employees and the continuation and recovery of the clients' and Group's businesses, in order to fulfill the Group's social responsibilities. The company also has taken preventive measures to deal with new strains of influenza, such as publishing a manual outlining countermeasures, which went into effect in April 2009.

### *Emergency Response Manual* issued

In the event of a crisis, a prompt and accurate response would be essential to the sound continuation of the

Mitsubishi Estate Group's business, which is an important part of the company's social responsibility. Recognizing this, the Group issued a new *Emergency Response Manual* in April 2009 to cover all foreseeable emergency situations.

It lays out the basic policy for crisis management, in addition to conduct guidelines prioritizing human life. It also specifies a first-response system, a contact system, procedures for setting up an emergency headquarters, and assignment of responsibilities. Following the manual, the Group has established an emergency contact tree in each business group and published and distributed wallet-size emergency contact cards to familiarize all employees with procedures.

### Earthquake countermeasures for buildings

Mitsubishi Estate has carried out seismic diagnoses of the buildings it owns, based on the damage suffered in the Hanshin-Awaji Earthquake in January 1995. As a result, Mitsubishi Estate determined that some buildings should be retrofitted to improve earthquake resistance, based on the standards in the New Earthquake-Resistant Design Code. In addition, with the passage of Japan's Act on Promotion of Seismic Retrofitting of Buildings in December 1995, Mitsubishi Estate carried out seismic retrofit construction in accordance with this law to enhance the safety of its buildings. As a result, even buildings constructed before the current earthquake resistance standards went into force boast a seismic capacity equivalent to buildings that suffered little damage in the Hanshin-Awaji Earthquake.



## Safe and Secure Urban Development

### More AEDs added to buildings

The disaster control centers in each of Mitsubishi Estate's buildings have been equipped with automated external defibrillators (AEDs) since 2004 to ensure readiness in the case of emergencies. In March 2009, reflecting greater social awareness of AEDs and their use, the company



AED located in first-floor lobby of Shin-Marunouchi Building

provided additional AEDs for the first-floor lobbies of 35 buildings to ensure that tenants and visitors could access them easily. They have also been installed in new buildings as they are completed, including the Marunouchi Park Building, the Mitsubishi Ichigokan and the Hiroshima Teppochō Building.

### Building safety management initiatives

Mitsubishi Estate has established a Building Safety Management Office in its Building Management and Planning Department to carry out daily checks and safety inspections in all of the buildings that the Group manages nationwide, working closely with Group companies

such as Mitsubishi Estate Building Management and Mitsubishi Jisho Property Management. The office also takes an integrated approach to managing information and activities at each site, such as safety inspections and renovations, and shares information on accidents within the Group, providing guidance and support as needed. This office compiles information on accidents at buildings, including those not managed by the Group, examines the causes, and promptly determines whether countermeasures should be taken. The office also prepares *Building Safety Design Guidelines*, which are more rigorous than laws such as the Building Standards Act, and applies them from the design stage. These guidelines are revised regularly.

## Information for Everyone

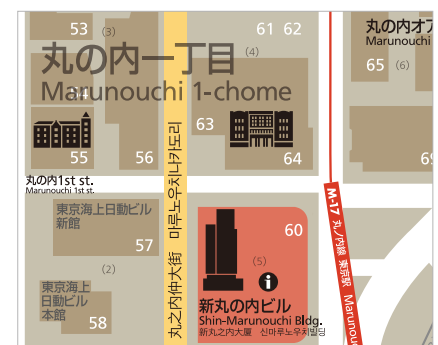
### Initiatives in the Building Management Business

#### Building signage planning and universal design

Mitsubishi Estate uses its *Sign Design Book* to prepare standardized signage posted on the inside and outside of its buildings, primarily in the Otemachi, Marunouchi and Yurakucho district. The company strives to create informational signs with color and design concepts that make them very easy to understand.

Mitsubishi Estate's signage is also in multiple languages. Based on the findings of a survey that 70% of tourists in Japan speak Chinese or Korean, signs along Marunouchi Naka Dori Avenue in particular are written in Chinese and Korean, as

well as Japanese and English. The signage at the entrance of buildings in the Otemachi, Marunouchi and Yurakucho district displays the building name in four languages. The company believes that proper placement of appropriate signs gives peace of mind to visitors to the district.



Area guide signs (detailed)



Area guide signs (external view)



Building signs use four languages

The Mitsubishi Estate Group aims to grow side-by-side with its business partners, and is committed to building an equitable, trusting relationship with every business partner.

## Compliance in the order process

In accordance with the Mitsubishi Estate Group's Mission and Code of Conduct, Mitsubishi Estate has established the *Order Action Guideline*, which all executive officers and employees placing orders with business partners must follow, to ensure that orders are placed with transparency and impartiality. The *Guideline* is intended to ensure objectivity and economic rationality, but also includes rules on environmental conservation, information management and avoiding any involvement with organized criminal elements.

When placing orders, the business organization and ordering organization are clearly separated. Appropriate ordering is ensured by requiring employees to use a check sheet to self-verify compliance at each stage of the order process. The results are then confirmed by Mitsubishi Estate's CSR Department. The Orders Surveillance Committee, chaired by the president, meets when orders for large projects are placed (met three times in fiscal 2009) and holds discussions to verify total compliance in the order process.

## Pursuing high-quality maintenance and management in the Building Management Business

The business partners to which Mitsubishi Estate's Property Management and Office Leasing Group outsources specialized work, such as facility operation and management, or security and cleaning, have direct contact with clients just as Mitsubishi Group employees do. The Mitsubishi Estate Group believes that their role in serving clients is every bit as important as the Group's own. The Group's guidelines for management quality and services are shared with all business partners' managers and on-site staff to ensure that the Group provides consistent services at all of its buildings. This enables the Group to work as one to maintain and improve high-quality management. With the understanding that business partners are key to building trusting relationships with clients, the Group strives to ensure that its management consistently meets the most exacting standards.

Tools for communicating with business partners	Objectives
1. Quality management evaluation system for business partners	Improve quality through meetings with business partners and evaluations
2. On-site monitoring	Standardize a high level of quality through mutual confirmation of conditions on site and sharing of successful initiatives
3. Manager interviews	Share knowledge of the management quality that the Mitsubishi Estate Group requires and promote communication among managers
4. Goal coordination among supervisors	Coordinate goals among supervisors after analyzing on-site conditions and holding discussions on improving quality

## Award for distinguished condominium construction company

Mitsubishi Estate has established an award program to recognize construction companies as part of its effort to provide customers with high-quality condominiums.

The company gives a Gold Card to construction companies that have done a particularly impressive job based on the status of the construction work verified during construction and in the final inspection, as well as the handling of private viewing before the condominium is transferred to the customer. With the aim of raising the level of post-purchase services following transfer of the property to the customer, Mitsubishi Estate also awards construction companies that address customer concerns with particular skill.

In addition to these awards for specific properties, beginning in fiscal 2008 Mitsubishi Estate launched a program to recognize construction companies that had received a large number of awards for individual properties. The company uses diverse methods to continue raising quality.



The Mitsubishi Estate Group maintains good communication with its stakeholders by proactively disclosing corporate information in a timely manner.

## Committed to prompt, accurate and impartial disclosure

Following its own Disclosure Regulations, Mitsubishi Estate publishes the information that the Security Listing Regulations mandate for timely release through TDnet (Timely Disclosure Network), a system operated by the Tokyo Stock Exchange, as well as via other channels. Mitsubishi Estate is committed to the prompt, accurate and impartial disclosure of information to all of its shareholders and investors.

## Company executives give briefings for shareholders, investors and analysts

The IR Office, set up within Mitsubishi Estate's Corporate Communication Department, is a dedicated organization with the mission to disclose appropriate information in a timely manner, publicize management strategies, and provide feedback to views expressed in the capital market. The IR Office provides accurate and impartial information to customers and the mass media, as well as to shareholders, investors and analysts. The IR Office's main IR activities consist of updating the Investor Relations page on Mitsubishi Estate's website, holding financial results briefings twice a year as well as conferences with analysts, giving facility tours, and actively meeting with institutional investors in and outside Japan. In fiscal 2009, the IR Office held about 400 such meetings. Company executives and general managers are also active participants in financial results briefings and analyst conferences. These opportunities for direct dialogue with shareholders and investors help to ensure that their views are incorporated into the management of the company.

In April 2009, Mitsubishi Estate renewed the Investors Relations page on its website to better meet investor needs and improve convenience with the addition of a function that enables users to quickly identify and access the latest IR news. The company also proactively participates in seminars organized by the stock exchange and securities companies to provide briefings for individual investors to enhance information disclosure and make it more broadly accessible to the investor community. Mitsubishi Estate will continue its efforts to increase dissemination of IR information in English and augment its *Fact Book* to improve communication with overseas investors.



Financial results briefing

## Mitsubishi Estate wins 14<sup>th</sup> JIRA IR Award

In November 2009, Mitsubishi Estate won the Japan Investor Relations Association's (JIRA) 14<sup>th</sup> IR Prime Business Award (fiscal 2009) for the first time. The IR Prime Business Award recognizes companies that are actively involved in IR activities and receive high marks from market participants. Mitsubishi Estate was highly praised for the commitment to IR shown by its executive team, as demonstrated by the president's personal participation in financial results briefings and other regular meetings.



## Included in the DJSI for 10 consecutive years

In September 2009, Mitsubishi Estate was selected for inclusion on the Dow Jones Sustainability Indexes (DJSI) for the tenth year in a row.



FTSE4Good

## Mitsubishi Estate selected for FTSE4Good Global Index for ninth straight year

In March 2010, Mitsubishi Estate was selected for inclusion in the FTSE4Good Global Index by the FTSE for the ninth straight year.

Corporate growth is only possible in an environment where all employees are able to work with enthusiasm and health, constantly developing their talents in pursuit of shared goals. The Mitsubishi Estate Group has established programs that help its employees become true professionals.

## Initiatives in Human Resource Development

### Reforming human resource development programs

Mitsubishi Estate believes that fostering excellent human resources is essential to the Group's sustainable growth, and launched a reform of its human resource development programs in April 2009. The company set up a working group to spearhead the reforms, and defined Mitsubishi Estate's ideal employee as a person with the following five strengths: people skills, real estate skills, job performance skills, management skills, and global readiness. The company is endeavoring to raise performance as a professional organization with a distinctive personality, while individuals make the most of their own strengths. Mitsubishi Estate develops its employees' skills using multiple approaches, combining training programs with job rotations and coordinated programs at the workplace level.

Mitsubishi Estate currently prioritizes the following four measures in its ongoing reform of human resource programs.

- (1) Rapid training programs (accelerated training)
- (2) Promotion of coordinated programs at the workplace level (PDCA efforts by organizations)
- (3) Development of programs to motivate employees to proactive efforts (incentives)
- (4) Rotations with a long-term perspective

### Cross-sectional task forces

Mitsubishi Estate has convened cross-sectional task forces regularly since September 2007 as an informal forum in which mid-career and junior employees can work with executive officers to discuss and analyze management issues from a broad perspective apart from everyday job responsibilities.

#### Objectives

- (1) To provide a place in which leadership can be exhibited through team operations
- (2) To encourage a cross-cutting perspective and company-wide perspective through joint work with employees of different backgrounds
- (3) To raise participating employees' awareness of their potential as candidates for managerial positions through their interaction with executive officers, initiatives addressing company-wide issues and advice to managers
- (4) To raise management's awareness of the importance of fostering candidates for managerial positions

#### Members

Total number of teams: 4  
(8 members per team)

#### Member breakdown

- Mentor (advisor) executive officer: 1
- Leaders: 2
- Members: 5

## Creating a Vibrant Workplace

### **New business proposal and open job application system established**

Mitsubishi Estate began a new business proposal and open job application system in fiscal 2009 as part of its measures to foster a vibrant workplace. The new business proposal system, which began inviting proposals in June 2009, attracted eight applications, of which two passed the screening process and the final appraisal of business feasibility. A person to oversee each of the new businesses was chosen from within the company through the open job application system, and currently the Residential Development Planning Department and the Corporate Planning Department are working to translate the two businesses into reality. Mitsubishi Estate will continue the

new business proposal and open job application system this fiscal year to encourage employees to take up challenges and enhance the dynamism of the corporate climate.

### **Group human resource seminar held**

MEC Human Resources, Inc. (the Group's human resource services firm) held a human resource seminar for the Group's human resource staff in August 2009. Since the first seminar was held in October 1999, seminars on labor and human resource issues by both external and internal speakers and speeches on human resource development guidelines given by consultants have been organized regularly. These events are also intended to deepen the cross-cutting connections between human resource staff at

Group companies. Thirty people from twenty companies participated in the fiftieth seminar, which addressed case studies on developing effective human resource development schemes by sharing case studies of Group companies' own initiatives. In a workshop positioned as the "Mitsubishi Estate Group's Human Resource Development Conference," participants divided into seven groups for vigorous discussions of "the importance of human resource development" and "effective human resource development measures and conditions."



At the seminar



# Creating a Workplace that Respects Human Rights and Employee Diversity

## Ongoing human rights training

Mitsubishi Estate provides training on human rights during its rank-specific training for new hires and newly appointed section/division managers. Since fiscal 2007, the company has also given theme-specific group training intended for all employees, including contract employees. Regarding the prevention of sexual harassment, the first of the topics addressed by the training, the company held additional sessions for new hires and employees who had not yet attended due to being transferred or other circumstances (106 participants in fiscal 2009), since it is a critical issue for maintaining a positive workplace environment.

In addition, a human rights lecture is held every December for senior staff such as the president, directors, and division managers, as well as Group company presidents. In fiscal 2009, Haruyoshi Yamamoto,

MD, director of Mental Health Center for Workers, Yokohama Rosai Hospital, gave a speech entitled "Mental Healthcare for Workers."



Seminar with Dr. Haruyoshi Yamamoto

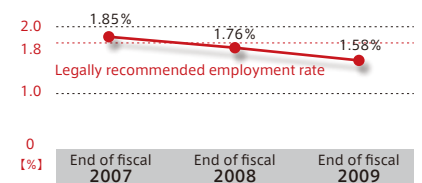
## Encouraging respect for human rights and diversity

Mitsubishi Estate holds a meeting of its Human Rights Education Committee (chaired by the director in charge of human resources) once a year to look at the status of its human rights initiatives in daily operations and human rights training, exchange views on ways to improve programs, discuss that fiscal year's activity plan, and review reports on recent human rights conditions.

## Hiring people with disabilities

Mitsubishi Estate 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 2009, Mitsubishi Estate employed 27 people with disabilities (1.58% of the workforce), falling short of the legally recommended employment rate of 1.8% (which would be 30 employees), due to retirement of employees and other developments. Mitsubishi Estate plans to expand its hiring of people with disabilities.

### ■ Employment rate of persons with disabilities



# Supportive Workplaces for Employees

## Specific programs for work-life balance

Mitsubishi Estate has established programs for childcare leave and family care leave, as well as shorter work hours for childcare and family care, so that its employees can choose the work schedule that best fits their lifestyle and achieve a balance between work and home life. Employees can take childcare leave until the end of March after the child turns three, and can work shorter hours for childcare until the child has completed third grade in elementary school. Mitsubishi Estate also implements other initiatives to support childcare such as temporary daycare services using contracted daycare centers and subsidies for the cost of babysitting.

### ● Voice ●

#### Working less to take care of my child

I am very grateful for all the understanding and cooperation I've received from my co-workers. Since I have to take time off when my two year-old son becomes ill suddenly, the company even added a third member to our two-person team. I try to get to work as much as possible even when my son is sick, but it's not easy since it takes extra time to visit the doctor and get him ready for the special daycare facility I use when he isn't feeling well. And then I have to pick him up earlier than usual. I would like to work longer hours, but it's difficult when my child is sick.



**Rie Megumi**  
Legal Division, General Affairs Department  
Mitsubishi Estate Co., Ltd.

## Reducing overtime hours

Mitsubishi Estate has made Wednesdays "no overtime days" to help prevent long work hours and overwork. In 2010, the company started a new initiative on this front, setting "intensive no overtime days" on the third Wednesday of every month and every Wednesday in November.

In addition to these initiatives, all supervisors meet one-on-one with their subordinates to discuss workload and task difficulty as well as their health. Any employees with a tendency to overwork are cautioned, while those who work more than 80 hours of overtime per month are asked to have a checkup with an occupational physician. Mitsubishi Estate is earnestly striving to optimize the working hour situation for employees.

■ Overtime hours worked, per month, per person (Career track and administrative employees)



## Work environment at the Rockefeller Group

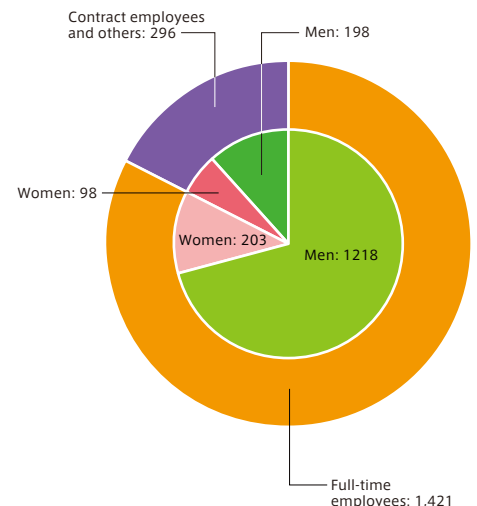
The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., strives to maintain an optimum work environment. Specifically, the handbook given to all employees lays out standards related to the work environment, on themes such as business demeanor, confidentiality of software and proprietary data, electronic communication, record retention, and ethical conduct. In addition, the Group provides training on workplace safety for security personnel.



Employees attending training on workplace safety

## Workforce profile

The breakdown of Mitsubishi Estate's employees is as follows.



\*As of March 31, 2010 (Including employees seconded to Group companies)



The Mitsubishi Estate Group earns stakeholders' trust by pursuing highly transparent management.

## Corporate Governance

### Committed to highly transparent management

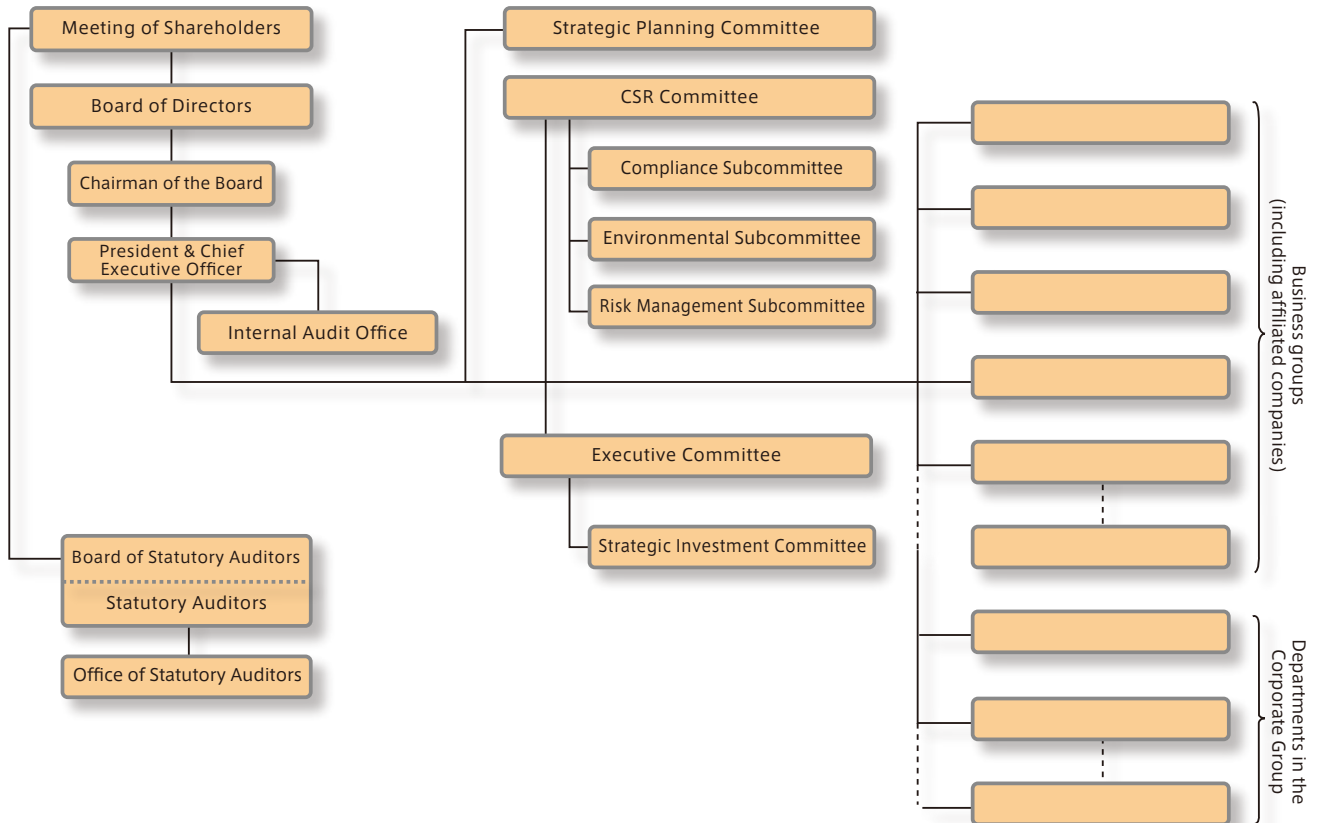
Mitsubishi Estate has developed a highly transparent management system, with an executive officer system that clearly defines the oversight and business execution functions. The four outside directors were selected to reinforce the management and oversight functions of the Board of Directors. In June 2007, the term of appointment for directors was shortened to one year.

### Managerial decision-making process

The Mitsubishi Estate Group has established the Strategic Planning Committee, which is chaired by the president and consists of the directors (excluding outside directors), the deputy president, the executive vice presidents, and the president's appointees, to discuss the Group's management strategies. In fiscal 2009, the committee met 10 times.

The Group has set up the Executive Committee, consisting of the president, the executives of each business group, standing statutory auditors and other persons designated by the president. The committee meets, as a general rule, once a week, and met 49 times in fiscal 2009. The Strategic Investment Committee, which functions as a subordinate body to the Executive Committee, gathers to discuss important investment proposals and summarize the points at issue before the Executive Committee meets, which enables the Executive Committee to discuss and make management decisions at a more sophisticated level.

■ Mitsubishi Estate Group's corporate governance structure (as of April 2010)



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## Risk management

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The Mitsubishi Estate Group has established the Mitsubishi Estate Group Risk Management Rules and has set up a risk management system to manage risk in all its business activities.

The company has reinforced its risk management system by setting up the CSR Committee, which discusses CSR issues in general including the Group's risk management, and the Risk Management Subcommittee, a working-level consultative body consisting of department managers including major Group companies. The executive heading the CSR Department at Mitsubishi Estate has been given overall responsibility for risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been named "risk management officers" and given overall control and responsibility for the management of risk within their business groups. The Group is enhancing its systematic risk management activities by thoroughly identifying risks at the job site and using the plan-do-check-act (PDCA) cycle for everything from planning and implementing reform measures to monitoring by the Risk Management Subcommittee.

### Risk management in the United States

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., began to use enterprise risk management (ERM) in the spring of 2008. ERM is a systematic approach to devising strategies to manage and reduce risk in preparation for events that could have a negative impact on companies. The Rockefeller Group is developing a framework for the ERM process and an evaluation method that will list and assess risks and identify crucial risks.

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## Reinforcing internal controls

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The Mitsubishi Estate Group's Board of Directors adopted the Basic Policy on Internal Control Systems, as required by Japan's Companies Act, and regularly confirms that operations are consistent with the policy, and makes improvements whenever necessary.

The Group also upgraded, administered and evaluated its internal control system in line with the internal controls over financial reporting which were adopted by listed companies in April 2008 as mandated by Japan's Financial Instruments and Exchange Act. The Internal Control Report concluding that the Group's internal controls over financial reporting were effective as of March 31, 2010 was submitted to the Kanto Local Finance Bureau of the

Ministry of Finance on June 29. The Internal Control Audit Report confirmed that auditors had confirmed that this report was presented fairly.

The four Group companies\* that handle financial instruments have established and continue to operate their own systems. Relevant divisions in Mitsubishi Estate also strengthened their internal control systems to address compliance problems related to this law.

\* Mitsubishi Jisho Investment Advisors, Inc. (real estate investment and management), Japan Real Estate Asset Management Co., Ltd. (real estate investment and management), Mitsubishi Real Estate Services Co., Ltd. (real estate consulting and solutions, brokerage, sales and leasing), Towa Real Estate Brokerage Co., Ltd. (real estate sales and brokerage)

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## Management oversight structure

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The Board of Directors works with the Board of Statutory Auditors to oversee and audit the business affairs of the company. The Board of Directors meets once a month, and more often when necessary, to make decisions on important operations and legal matters, and also oversees business execution. In addition, the attendance of auditors at the Board of Directors' meetings and standing statutory auditors at the Executive Committee ensure that the status of operations is audited in each division and Group company, while the establishment of the Office of Statutory Auditors has also enhanced audits.

The Internal Audit Office has been set up to reinforce the internal audit function, and reports directly to the president, which serves to emphasize its objectivity and independence from any business group. Internal audits are conducted in accordance with the audit plan (which also covers Group companies) established on a risk basis to confirm that internal controls are established and administered appropriately. All audit results are reported to the president, and are then shared with the standing statutory auditors, with an overview provided to the Board of Directors.

The company also emphasizes follow-up after audits, confirming that problems indicated in internal audit results have been improved.

## Compliance

The management of the Mitsubishi Estate Group is intently focused on strengthening compliance in order to secure the trust of stakeholders and ensure the continuing development of the company and the entire society.

### System for promoting compliance

The Mitsubishi Estate Group believes that compliance does not simply involve legal compliance, but is also defined as adherence to internal rules and corporate ethics.

Mitsubishi Estate's compliance system has its roots in the determination of its executives and employees to improve their awareness and reform the organization after the company was found in violation of some stipulations of the Commercial Code of Japan in 1997. In that year, the Code of Corporate Conduct was formulated to define the company's basic commitment to reform. Group-wide reform was implemented, with all employees sharing the sense of urgency.

In July 2005, a Compliance Advisory Committee consisting of external experts was formed on a temporary basis to objectively review the compliance system in light of the soil and groundwater contamination problems discovered at Osaka Amenity Park. This committee worked to improve the corporate culture, for example, by revising the Code of Conduct.

The current compliance promotion system is administered by the CSR Committee, which discusses CSR issues in general, including Group compliance, and the Compliance Subcommittee, a body consisting of general managers, including major Group companies, that holds discussions before the CSR Committee meets. In addition, an executive director has been appointed by decision of the Board of Directors to take responsibility for overseeing and ensuring compliance. All Mitsubishi Estate departments and Group companies are working closely with the CSR Department to pursue compliance in a coordinated manner.

### Rigorous information management

In light of society's growing concern over the protection of personal information and information management, the Mitsubishi Estate Group devised a system for managing personal information based on its concept of "information management compliance" in 2003. In May of the same year, the Mitsubishi Estate Group's Basic Regulations on Information Management Compliance and the Mitsubishi Estate Group's Policy on Personal Information Protection were established—two years before Japan's Act on the Protection of Personal Information went into effect in April 2005. Coupled with thorough monitoring and oversight, the company continues to reinforce its management of personal information.

### Protection of personal information

Mitsubishi Real Estate Services Co., Ltd., which sells, brokers and leases real estate, frequently handles customers' personal information. Recognizing the need for more rigorous management of personal information, the company established rules for personal information protection in 2003, after the Personal Information Protection Act went into effect. Twice a year, the company confirms compliance at its sales centers and other offices, and also strives to share information related to its protection of personal information on the intranet. The company and its subcontractors proactively implement programs designed to protect personal information, and top management uses the PDCA cycle to review the system. In December 2005, the company was granted Privacy Mark certification, which was renewed for the third time in fiscal 2009.



Intranet screen with Privacy Mark



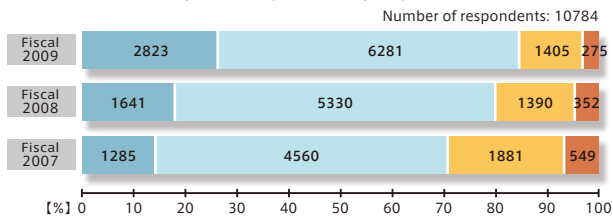
## Compliance surveys

The Mitsubishi Estate Group regularly carries out compliance surveys to ascertain the extent to which employees and executive officers are aware of compliance issues. The Group uses the results, after analyzing them to identify overall trends and characteristics of each company, to plan activities to improve compliance.

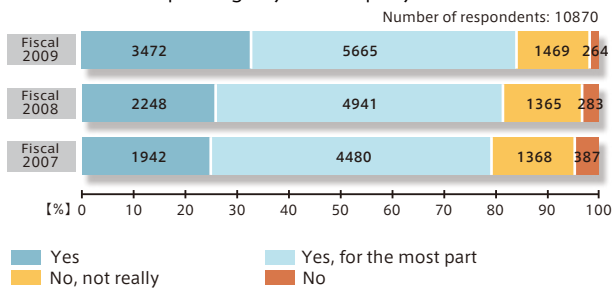
In fiscal 2009, the survey was taken by approximately 12,000 executives and employees. Like the previous year, the positive response rate increased for almost all questions, which indicates that compliance activities are steadily achieving results.

### ■ Fiscal 2008 results for the entire Group\*

**Question:** Do you think that awareness of compliance issues is widespread at your company?



**Question:** Do you think that compliance systems and programs are improving at your company?



\* Implementation dates for fiscal 2009 survey: June 29–July 10, 2009  
 Subjects: All employees and executive officers at Mitsubishi Estate and 41 Group companies  
 Out of 11,740 employees/executive officers, 10,982 responded (response rate of 93.5%)

## Providing compliance training

The Mitsubishi Estate Group trains all of its executives and employees in compliance issues to raise their compliance expertise. In fiscal 2009, the company provided group training for approximately 400 employees of five Group companies based in Sendai, Japan. The participants from various companies were divided into groups of five to six people each for a total of nine training sessions, which included group discussions of compliance basis and information compliance. The vigorous discussions fostered stronger connections among the employees of these Group companies in the same region.

The company also takes advantage of various other opportunities to provide compliance training, including training sessions for new hires and new senior managers.



Training in Sendai

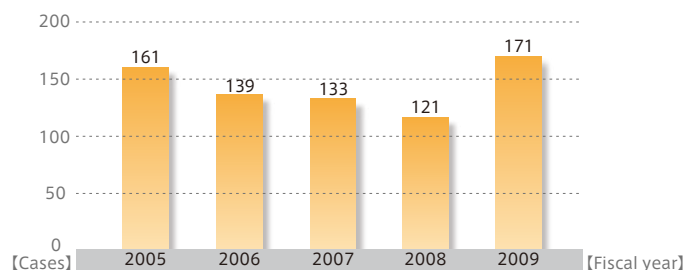
## Measures against organized criminal elements

The Mitsubishi Estate Group clearly stipulates its refusal to countenance any relationship whatsoever with organized criminal elements in its Guidelines for Conduct. Mitsubishi Estate's CSR Department serves as a special department to take resolute measures for the Group, in cooperation with the police, in the event of any contact from criminal elements.

## Augmenting the help line

The Mitsubishi Estate Group has established a compliance help line to receive inquiries and consultations on compliance issues. The help line has both internal and external contact points and can be used by Group employees, temporary employees, part-time employees and various other part-time staff, and even the business partners of Group companies. Inquiries can be made anonymously. There were 171 consultations and reports related to compliance, including 41 received via the help line, in fiscal 2009.

### ■ Number of inquiries and reports\*



\* Includes use of help line

# Opinions by the External Advisers on the CSR Committee

## Proactively taking up the challenge of addressing environmental problems



**Iwao Taka, Ph.D.**

Dean, International School of Economics and Business Administration, and Professor, C. Hiroike Graduate School, Reitaku University

The first target period of the emissions trading program regulated by the Tokyo Metropolitan Ordinance on Environmental Preservation has begun. I take for granted that the Mitsubishi Estate Group will reduce its CO<sub>2</sub> emissions as required by this ordinance, but I have high hopes that the Group will go even further. I think the Mitsubishi Estate Group has a great opportunity to influence the behavior of other businesses in Tokyo (and even throughout Japan) by setting an example in encouraging tenant cooperation, leveraging technology and embracing the challenge of solving environmental issues. I would draw attention to the fact that Mitsubishi Estate really does serve as a role model for others, and thus must accept the enormous responsibility that accompanies this and act accordingly.

In the area of compliance integrity, the Group has carried out a wide variety of initiatives to enhance the effectiveness of its risk management and compliance. However, as I observe the recent problems experienced by listed companies, there has been an increase in mistakes and fraud in financial reporting (such as padding sales and profits). Incidents like these are occurring even at companies which have internal controls in place. In that sense, it is never out of place to suggest that the Group take another look to make absolutely sure that its risk management and compliance systems are bullet proof.

## Expanding ties with stakeholders is the key to pursuing CSR



**Setsuko Egami**

Professor, Faculty of Sociology, Musashi University

The Mitsubishi Estate Group's promotion of CSR activities can be characterized by unwavering perseverance. The Group moves forward one steady step at a time while closely examining the significance of its own business foundation and the resources available and constantly asking how it can really best add social and ethical value. The Group has not allowed itself to be influenced by the volatile inclination of the public toward overly idealistic approaches, but instead has engaged in stable dialogue with stakeholders to ascertain the truest needs of society, and has built its own CSR policies and measures based on this solid process.

Today, no single company can fulfill its CSR in isolation. Economic activities have become intricately intertwined, so that consumers, business partners and employees must be partners in CSR. Reductions in environmental impact are a typical example, I think, in that they cannot be achieved alone. Continuing with steady, down-to-earth efforts to expand ties with stakeholders will therefore be the key to pursuing CSR. I believe that the Mitsubishi Estate Group's three principles—corporate responsibility to society, integrity and fairness, and international understanding through trade—are functioning effectively even today, serving as foundations for the Group in making decisions on ways to integrate economic value with social and ethical value.



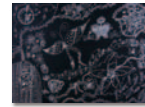
## Benefiting from external insights

Every year professors Iwao Taka and Setsuko Egami provide us with very specific opinions and advice addressing the issues we face, writing from their perspective as external advisers on the CSR Committee. This leads to significant discussions and new insights. Tackling global environmental issues is one of the priorities of the Group's CSR initiatives. We pledge to expand our ties with a broad range of stakeholders while tenaciously taking up the challenge of CSR-driven management, always focused on risk management and compliance.

**Hiroataka Sugiyama**

Representative Director, Executive Vice President, and Head of CSR Department, Mitsubishi Estate Co., Ltd.

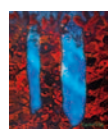
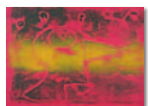
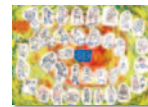
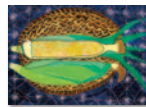
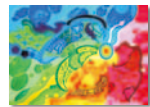




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Published December 2010

**About the cover design**

The front cover design consists of photographs of the Mitsubishi Ichigokan, the Marunouchi Park Building, and Marunouchi Naka Dori Avenue, and the back cover design consists of award-winning works of art from the fiscal 2009 Eighth Dazzling Art Competition held by Mitsubishi Estate for children with disabilities.



Mitsubishi Estate is a member of the Green Purchasing Network