





## 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.

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

Business Group	Company Name	Business Segment	
	Mitsubishi Estate Building Management Co., Ltd.		
	Mitsubishi Jisho Property Management Co., Ltd.		
Property Management and Office Leasing	Hokuryo City Service Co., Ltd.	-	
	Yuden Building Kanri Co., Ltd.		
	Grand Parking Center Co., Ltd.		
	Tokyo Garage Co., Ltd.		
	Marunouchi Heat Supply Co., Ltd.		
	Sunshine City Corporation		
Commercial Asset	Sunshine BS Corporation	Building Business	
Management and	Sunshine Enterprise Corporation	bullully busiliess	
Development	lkebukuro District Heating and Cooling Co., Ltd.	1	
	Tokyo Kotsu Kaikan Co., Ltd.		
	Marunouchi Direct Access Limited	1	
	Mitsubishi Jisho Retail Property Management Co., Ltd.		
	Yokohama Sky Building Co., Ltd.		
Retail Property	Yokohama Swimming Center Co., Ltd.		
	IMS Co., Ltd.		
	Chelsea Japan Co., Ltd.		
	Izumi Park Town Service Co., Ltd.		
	Mitsubishi Jisho Community Co., Ltd. <sup>1</sup>		
	MT Community Staff Co., Ltd.	Residential Business	
	Ryoei Life Service Co., Ltd.		
	Higashinihon Kaihatsu Co., Ltd.		
Residential Development	MEC Urban Resort Tohoku Co., Ltd.		
·	Mitsubishi Estate Home Co., Ltd.		
	Mitsubishi Estate Housing Components Co., Ltd.		
	Mitsubishi Jisho Residence Co., Ltd.2		
	Towa Nasu Resort Co.		
	MEC eco LIFE Co., Ltd.	1	
	Mitsubishi Jisho Investment Advisors, Inc.	Investment	
Investment Management	Japan Real Estate Asset Management Co., Ltd.	Management	
Architectural Design and	Mitsubishi Jisho Sekkei Inc.		
Engineering	MEC Design International Corporation	Architectural Design	
	Royal Park Hotels and Resorts Co., Ltd.	Hotel Business	
	Yokohama Royal Park Hotel Co., Ltd.		
	Tohoku Royal Park Hotel Co., Ltd.		
Hotel Business	Royal Park Shiodome Tower Co., Ltd.		
	Royal Park Hotel Co., Ltd.		
	Royal Park Hotel Management Co., Ltd.		
5 156	Mitsubishi Real Estate Services Co., Ltd.	Real Estate Services	
Real Estate Services	Mitsubishi Jisho House Net Co., Ltd. <sup>3</sup>		
	MEC Information Development Co., Ltd.		
Corporate Group	Keiyo Tochi Kaihatsu Co., Ltd.	Other	
	MEC Human Resources, Inc.		

In addition, the report covers some initiatives of the Rockefeller Group, a U.S.-based subsidiary, and MEC UK Limited, a UK-based subsidiary.

- Note: Business segments were changed in April 2011 as below:

   The Custom-Built Housing Business was integrated into the Residential Business.

   The Urban Development and Investment Management was renamed the Commercial Property Development and Investment.

   The Investment Management Business was established by separating the investment management business in Japan from the Commercial Property Development and Investment.
- Development and Investment.

  1 Renamed from Mitsubishi Jisho Towa Community Co., Ltd. on April 1, 2011

  2 Established on January 1, 2011 by integrating the residential businesses of Mitsubishi Estate Co., Ltd., Mitsubishi Real Estate Services Co., Ltd., and Towa Real Estate Development Co., Ltd.

  3 Renamed from Towa Real Estate Brokerage Co., Ltd. on April 1, 2011

 $\label{thm:environmental} Environmental performance data\ primarily\ covers\ the\ following\ organizations, which\ are$ 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.
- 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.
- \* Renamed Mitsubishi Jisho Community Co., Ltd. in April 2011

This report covers fiscal 2010 (April 1, 2010 to March 31, 2011), 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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CSR Department

Mitsubishi Estate Co., Ltd.

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We continue to deepen ties with our stakeholders as we strive to create growth for all.

## Contributing to earthquake and tsunami reconstruction and building a more vibrant society: Living up to our Group Mission

Our hearts go out to all those suffering from the Great East Japan Earthquake, and we pray for a fast recovery in all the areas affected.

A safe society that is resilient in the face of disaster and environmentally sustainable has never been more earnestly desired than at this point in Japan's history. This is precisely why we now reaffirm that the definition of our social responsibility is our Group Mission: "By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society." This is what motivates us every day to bring together all of our strengths as a Group to help with reconstruction in the affected regions, as we continuously strive to build a truly vibrant society.

## Cutting-edge safety and environmental performance in urban development demonstrated by the Marunouchi Redevelopment Project

The redevelopment of the Otemachi, Marunouchi and Yurakucho district puts our Group Mission into practice and symbolizes our approach to urban development.

Ever since we built the Mitsubishi Ichigokan in 1894 as Marunouchi's first office building, we have been involved in the development and reconstruction of this area, a place which has always been at the center of the Japanese economy. We have introduced cutting-edge urban functions by innovating with the changing times.

With the Marunouchi Redevelopment Project, launched in 1998, we created a sense of vitality and excitement in the streets by redeveloping the area around Tokyo Station in the first stage of the project. In the second stage, begun in 2008 and ongoing, we aim to expand and deepen the redevelopment to create new forms of value. As such, we opened the Mitsubishi Ichigokan Museum, which serves as a hub of history, art and culture.

In tandem with this kind of innovation, in the Redevelopment Project we also focus on creating environmentally sound communities. In addition to using the most advanced environmental technologies in each of our own buildings, we have established an organization to promote environment-friendly urban development, bringing together industry, government, and academic parties with the public to consider the future of the entire area. Thus, we are pursuing various environmental initiatives in both the "hard" aspects like equipment and facilities and the "soft" aspects like partnership and social initiatives. Moreover, we established the Mitsubishi Estate Group Long-term Environmental Vision to articulate the Group's collective approach, and also introduced the environmental slogan "For Sustainable Cities, For the Sustainable Earth" to communicate our initiatives and improve environmental awareness both internally and externally.

Our focus on community building is also effective in building a safer society. We have not only reinforced the disaster prevention measures we take in our buildings, but have also strengthened the "soft" aspect of our efforts, for example, by holding comprehensive emergency drills and conducting regional networking to increase preparedness for large-scale disasters. This kind of preparation proved to be highly helpful when the massive earthquake hit in March, as we were able to provide shelter overnight to many people who were stranded in the center of Tokyo.

We believe that sparing no effort when it comes to safety and the environment is not only essential to the Group's continued existence but is also the driver of new growth. Mitsubishi Estate will continue to take innovative steps that define the best practices of our times, as we seek to make the Otemachi, Marunouchi and Yurakucho district a model city in terms of environmental responsibility and disaster preparedness.

## Increasing the appeal of cities by pursuing our customers' hopes and dreams

The Mitsubishi Estate Group established the Mitsubishi Estate Group Vision: BREAKTHROUGH 2020, a long-term vision starting from fiscal

2011, to guide our efforts to pursue our unique brand of urban development over the long term. The plan includes a slogan that articulates our long-term vision: "Orchestrating comfortable cities for the future—we create ideal urban environments worldwide." It also specifies the five values of "innovative," "eco-conscious," "customeroriented," "global" and "As One Team," together with corresponding actions to take.

Among these, the "customer-oriented" value expresses our commitment to constantly identifying with customers and continually working to create the value they require. This is much more than just building beautiful office buildings and condominiums. We do this by engaging with our customers, learning about their hopes and dreams, to ensure that our efforts actually reflect the desires of the people who live and work in the communities we develop. This is the key to improving the Mitsubishi Estate Group's unique appeal.

## Enhancing the competitiveness of Japan's cities to build a stronger economy and energize our society

When it comes to our perspective on "global" value, we refer to our profound aspiration to help energize Japan's society and economy by actively pursuing globalization. Our approach emphasizes two parallel strategies: "out-in," which means helping to attract both corporate investment and human talent to Japan; and "in-out," which means leveraging Japan's advantages in overseas markets.

On the "out-in" front, the value and appeal of Japan's cities must be improved to attract foreign companies and investors as well as tourists. For example, take our plans to open medical facilities and financial education and exchange centers for visitors from other countries in the Otemachi, Marunouchi and Yurakucho district. We are endeavoring to strengthen international competitiveness by augmenting urban functions in a variety of forms.

In the "in-out" direction, we are developing office buildings, commercial complexes and condominiums in fast-growing major cities in Asia, as well as Europe and the U.S. We intend to ensure that our business takes root in the local culture and climate by partnering with leading local companies and building trust. This will enable us to contribute to local communities through urban development, just as we do in Japan.

## Creating greater value by bringing together the Group's strengths "As One Team"

The Mitsubishi Estate Group's value chain supports these initiatives. The Group boasts comprehensive expertise ranging from planning and development, leasing and sales, facility management and maintenance, to area management.

I believe that executives like myself are responsible for bringing together this value chain and the human resources that support it "As One Team" that works seamlessly across Group companies and departments to create greater value. The cross-sectional task forces (CSTs) we started in fiscal 2007 were expanded to include Group company employees in fiscal 2011. The CSTs bring together junior and mid-career employees to discuss management issues and make suggestions to top executives, who also serve as mentors to the CSTs. This is another measure designed to bring together the Group's strengths. Our Japanese advertising campaign ("Check it out! Mitsubishi Estate.") launched in fiscal 2010 was one of the proposals from the CST program developed to communicate the Group's engaged stance and openness to individual customers.

## Pursuing new social contributions that make the most of management resources

Social contribution programs that make the most of management resources are also pursued "As One Team." The "Experience Nature" project, a project based in Hokuto City in Yamanashi Prefecture, was started in 2008 to foster interaction between urban and rural communities. The project involves not only employees, but also Marunouchi district workers and customers of the Residential Division, and is helping to revitalize the community by linking Yamanashi Prefecture's timber and food products to the Mitsubishi Estate Group's business activities.

## A corporate group that encourages new energy and growth by staying connected with people

At the Mitsubishi Estate Group, all of us are committed to remembering how important it is to stay connected with people and the society as a whole. Naturally, this means we treat compliance as the most fundamental management issue as we strive to meet the needs of our clients and the broader society. We are working hard to be a corporate group that encourages new energy and growth, while deepening ties with all of our stakeholders, in order to realize our brand statement, "A Love for People, A Love for the City."

Hirotaka Sugiyama

Hirotaka Sugiyama

President & CEO Mitsubishi Estate Co., Ltd.

September 2011

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

Global Understanding through Business

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/

#### 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 and 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 and tasking it with setup and management of the framework for its CSR efforts. The company also set up the CSR Committee in September of

#### Overview of CSR Committee meetings held in fiscal 2010

#### First meeting (July 2010, regular meeting)

- Discussion on establishing a long-term environmental vision for the Group
- Risk management initiatives
- Report on compliance, etc.

#### Second meeting (February 2011, regular meeting)

- $\bullet$  Discussion on developing an environmental slogan and logo
- 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 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**



#### **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.

#### Priority CSR issues for the near term

	Building a low-carbon society
Promoting environmental management	Creating a sound material-cycle society
	Fostering harmony between nature and human society
	Promoting environmental communication
	Increasing employees' ecological awareness
Promoting new social contribution programs	Implementing groupwide social contribution initiatives
utilizing management resources	Pursuing collaboration with local communities on projects that demonstrate the uniqueness of the Mitsubishi Estate Group
Creating a more vibrant workplace and fostering a dynamic workforce	Creating a workplace in which employees are motivated and able to exercise their skills
	Creating a workplace where human rights and diversity are always respected

## Marunouchi continues to forge ahead

Creating a prosperous, comfortable neighborhood that harmoniously integrates the environment and culture—Mitsubishi Estate is developing the Otemachi, Marunouchi and Yurakucho district to expand the area and deepen all of its diverse urban functions.

#### Marunouchi—Japan's evolving business center for more than a century

Marunouchi's development began in 1890 when Yanosuke Iwasaki, the second Mitsubishi president, decided to acquire the Marunouchi district from the government with the vision of creating a business center that would bring Japan into modernity. Beginning with Mitsubishi Ichigokan, the first office building in Marunouchi, completed in 1894, a series of red brick buildings were built, resulting in Japan's most well-known business center. These buildings were renovated into modern office buildings during the period of strong economic growth

after World War II, and Marunouchi was transformed into an office community symbolic of Japan's dramatic economic boom. Today, the third major redevelopment project is underway in Marunouchi.

Mitsubishi Estate began this Marunouchi Redevelopment Project in 1998. In the first 10 years, representing the first stage of the project, work began on redeveloping the area around

Tokyo Station. Starting with the Marunouchi Building, which was completed in August 2002, major buildings were rebuilt, including the Industry Club of Japan and the Mitsubishi UFJ Trust and Banking Building, Marunouchi OAZO, Tokyo Building, Shin-Marunouchi Building and the Peninsula Tokyo.

During the redevelopment work, efforts were made to

ensure that the project would not only enhance the area's business functions, but also make it an enjoyable place to spend time

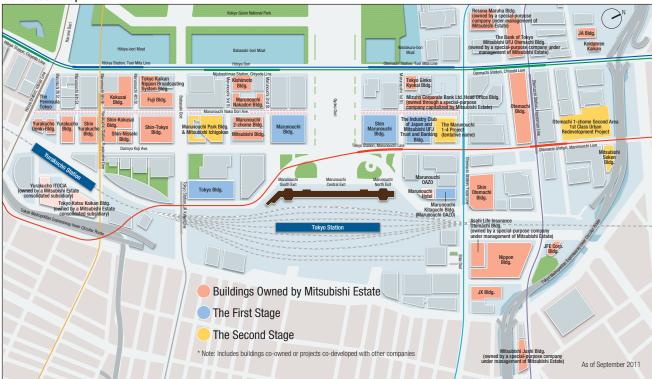


Mitsubishi Ichiqokan (in 1894)



Mitsubishi Ichiqokan (restored) and the Marunouch Park Building (both completed in 2009)

#### Marunouchi Map



after work and on weekends. Commercial facilities such as trendy brand-name shops, restaurants and cafes were invited to open outlets in the new buildings. This transformed Marunouchi from a neighborhood focused on business into a community with versatile functions including retail and tourist attractions. The district is now full of life and diverse crowds—business people, shoppers and tourists from Japan and all around the world.

# Disseminating new value in culture, art and history from the Otemachi, Marunouchi and Yurakucho district

In 2008, the present
Marunouchi
Redevelopment Project
reached its second
stage, which focuses on
expanding the area
covered by the urban
development and
deepening the district's
cultural, artistic and
historical functions. The



Exhibit "The Party à la japonaise—from the Davey Collection," June 14 – August 21, 2011

objective is to expand the area to the entire Otemachi, Marunouchi and Yurakucho district, expanding out from Marunouchi to Otemachi and Yurakucho, and to bring its cultural, artistic, and historical functions to a whole new level of depth. The completion of the Marunouchi Park Building and Mitsubishi Ichigokan in April 2009 represented the first step in this process. A devoted effort was made to restore the Mitsubishi Ichigokan building to its original appearance when it was built in 1894, and the building was opened in April 2010 as a museum tasked with serving as a steward of art and culture.

Mitsubishi Estate is also pursuing projects that will create new value in this area, such as enhancing its functions as a global business center and building a medical facility for international visitors and a financial education and interaction center. The company is also enhancing the area's versatility and hospitality by holding events using the underground passageway gallery space and taking initiatives like opening a childcare facility to support people working in



Le Divan Japonais in the collection of Mitsubishi Ichigokan Museum shown at the exhibit "Toulouse-Lautrec: The Maurice Joyant Collection" held October 13 – December 25, 2011

the district. The district stretches across approximately 120 hectares. About 4,000 companies are located in this area, and it attracts about 230,000 people each day. As the owner of about one-third of this land, Mitsubishi Estate is working to create an attractive community that people in Japan and visitors from all over the world find fascinating.

# Working to create new value in the Otemachi, Marunouchi and Yurakucho district while expanding and deepening urban development hopes and dreams

The Otemachi, Marunouchi and Yurakucho district's urban development has had such good results because all of the people involved—government administrators, landowners and academics—aim to create a good community and work together in mutual trust. Building on these relationships of trust, at Mitsubishi Estate we plan to introduce new urban functions in the district and make the district into a global hub for Tokyo and all of Japan. We will also continue to share

information with overseas audiences about the district's public-private partnership model of eco-friendly urban development. We will continue to take on the challenge of creating new value in the district while deepening and expanding people's hopes and dreams for urban development.

#### Kenji Hosokane

General Manager, Area Planning Office Mitsubishi Estate Co., Ltd.

## Museum open to local community, to provide a place to enjoy art up close

Mitsubishi Ichigokan Museum, Tokyo, having been transformed from a renovated Meiji-era office building into a museum, stands as one of the world's most unique museums. Located right in the middle of Tokyo, the museum quickly gained attention from around the world in the first year after it opened. Given the history of the building and the history of Marunouchi itself, the museum holds small but innovative exhibits based on the concept of a modern city and art focused on the nineteenth century.

We will not only take a unique approach to promoting new artistic value from the district, but will also make Mitsubishi Ichigokan Museum open to the local community so that people working in and visiting the district come in as casually as if they were going to a coffee shop. This would enable the museum to give visitors a taste of art on a daily basis. We would like the Mitsubishi Ichigokan Museum to rejuvenate visitors by holding events that energize the community and give the neighborhood a clear image. The ideal way of achieving this would be to bring a new way of enjoying life to the district by

expanding the range of activities in the community as a whole, including commercial facilities. I hope that the Mitsubishi Ichigokan Museum can be at the heart of this movement.

#### Akiya Takahashi

Director Mitsubishi Ichigokan Museum, Tokyo



# Public-private partnership to develop urban areas replete with environmental harmony

Mobilizing the strengths of the community is essential to efficient urban development on a large scale, as in the Otemachi, Marunouchi, and Yurakucho district. Accordingly, in 1988 Mitsubishi Estate and about 70 other companies and organizations owning land in the district formed the Otemachi Marunouchi Yurakucho District Redevelopment Project Council (OMY Council), which formed the basic concept for the redevelopment project. In addition, in 1996 the OMY Council, the Tokyo Metropolitan Government, Chiyoda Ward and East Japan Railway Company formed the Advisory Committee on Otemachi-Marunouch-Yurakucho Area Development. This Advisory Committee developed the City-planning Guidelines in 2000, which form the basis for comprehensive urban development, from the construction of individual buildings to infrastructure development, emergency preparedness and crime prevention activities, as well as public space and sidewalk maintenance, in a public-private partnership.

This collaborative system plays an important role in creating an environmentally friendly neighborhood. In 2002, the NPO Otemachi, Marunouchi and Yurakucho Area Management Association (Ligare) was launched to improve the district's environment by promoting greenery and keeping it clean and energize the community with events. Moreover, in 2007 the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi and Yurakucho District (Ecozzeria Association) was established. Ecozzeria conducts studies and research supporting eco-friendly urban development, and also plans and hosts events to raise environmental awareness, such as the Marunouchi Club for Global Sustainability, a group of people from industry, government, academia and the private sector that meets to discuss environmental problems. Along with these efforts, initiatives to reduce the environmental impact in the area overall are actively underway in the district, including encouraging the use of district-wide energy-supply networks such as district heating and cooling systems, greening of roofs and walls, installing water-retentive pavement and micro-misters, and running Japan's first low-polluting bus, the "Marunouchi Shuttle," which runs on a combination of electricity and micro gas turbines.

In 2011, the OMY Council, Ligare and the Ecozzeria Association won the City Planning Institute of Japan's Ishikawa Award for their contributions to the progress and development of innovative city planning. This award was given for the three groups' cutting-edge environmental initiatives in both the "hard" aspects like equipment and facilities and the "soft" aspects like partnership and social initiatives.

# Proactively introducing cutting-edge environmental technology and services

In addition to the environmental initiatives for the Otemachi, Marunouchi and Yurakucho district as a whole, Mitsubishi Estate pursues a range of environmental measures.

For example, in April 2010, the Shin-Marunouchi Building switched from electricity to Fresh Green Power,\* generated from renewable energy such as wind power. This is expected to reduce CO<sub>2</sub> by about 20,000 tons every year (about two-thirds of previous levels) in the Shin-Marunouchi Building. Results in fiscal 2010 were in line with the plan. In addition, ultra-efficient lighting and air-flow window systems, which reduce the heat load from outside, were installed in newly built buildings. These are just some of the examples of the cutting-edge energy-conserving equipment and technology being adopted.

Moreover, in June 2010, Mitsubishi Estate launched a new service to provide information to individual tenants on their energy use, expanding on its unique online e-Concierge service that provides building information to tenants. This is an effort to reduce environmental impact in buildings by raising awareness of power and water conservation.

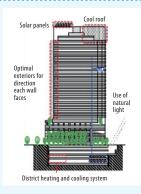
\* Fresh Green Power is green energy that is delivered directly to the purchaser from the generation facility. A power producer and supplier (PPS) supplies the Shin Marunouchi Building with electricity generated using windmills in Aomori Prefecture's Rokkasho village and water energy in Hokkaido. The energy is supplied directly to the building through the transmission and distribution networks of power companies.

## Mitsubishi Estate Group's efforts to reduce environmental impact

#### **Environmental measures in new buildings**

- Reducing heat load from external heat (airflow window system, using optimal exteriors for direction each wall faces, etc.)
- Use of natural energy (introduction of solar power, natural ventilation systems, etc.)
- Adoption of highly efficient equipment (use of energyconserving controls, energyconserving highly efficient equipment, etc.)

Conceptual diagram of new buildings



#### **Environmental measures in existing buildings**

 Environmental measures introduced while renovating existing buildings

Hibiya Kokusai Building recognized as "top-level installation" by the Tokyo Metropolitan Government for excellence in promotion of global warming countermeasures (May 2011)



## Environmental measures introduced in managing and administering office buildings

- Making tenants more aware of energy conservation by presenting energy-use data in a visual format
- Provision of information for tenants through online e-Concierge service
- Owner-tenant committees are established to promote global warming countermeasures on an ongoing basis

e-Concierge website



Highlight

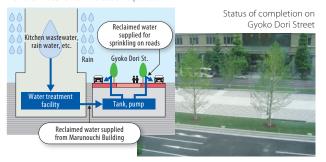
## Using public-private collaboration to counter the heat island effect

#### Sprinkling reclaimed water from the Marunouchi Building on Gyoko Dori Street

In collaboration with the Tokyo Metropolitan Government's Bureau of Construction, Mitsubishi Estate sprinkled reclaimed water\* from the Marunouchi Building on Gyoko Dori Street—from Tokyo Station's Marunouchi entrance to Hibiya Street—from June to September 2010. This was intended to alleviate the urban heat island effect by reducing the rise in road surface temperature. The program was continued in fiscal 2011. The sprinkled water evaporates as the temperature rises and absorbs the heat from the surrounding air. This can curb the rise in road surface temperatures by a maximum of about 10 °C (measurements taken in summer 2010).

In conjunction with this measure, the Tokyo Metropolitan Government's Bureau of Construction used water-retentive pavement on Gyoko Dori Street. This enables the pavement to retain the sprinkled water longer. Collaborating, Mitsubishi Estate installed equipment to send reclaimed water from the Marunouchi Building for sprinkling on the road.

\* Reclaimed water is treated wastewater which can be recycled in nonpotable applications. Kitchen water from building tenants and rain water are used. Reclaimed water is also used in the Marunouchi Building as toilet flush water and to water exterior trees and plants.



Highlight 2

### Recognized as "top-level installation" by the Tokyo Metropolitan Government

#### Meeting the requirements of Tokyo Metropolitan Government's Cap-and-Trade Program to Reduce Greenhouse Gas Emissions

In May 2011, a number of office buildings that Mitsubishi Estate owns in full or in part were recognized by the Tokyo Metropolitan Government for their outstanding environmental performance. The Marunouchi Building, Hibiya Kokusai Building, and Shin-Otemachi Building were each recognized as a "top-level"

installation," and the Tokyo Building, Sanno Park Tower, Shin-Aoyama Building and Akasaka Park Building were recognized as "near-top-level installations." "Top-level installations" and "near-top-level installations" refer to particularly successful global warming countermeasures installed by business facilities to comply with the Tokyo Metropolitan Ordinance on



Cutting-edge plant in basement of Marunouchi Park Building (Marunouchi Heat Supply)

Environmental Preservation. This recognition is an affirmation of Mitsubishi Estate's extensive efforts across the areas of "management systems," "facility performance," and "facility operations," such as the development of an integrated system for pursuing energy-conserving activities.

Some facilities of Mitsubishi Estate Group companies were also honored. Ikebukuro District Heating and Cooling Co., Ltd., and one center belonging to Marunouchi Heat Supply Co., Ltd., were recognized as "near-top-level installations" in the category of district heating and cooling systems.

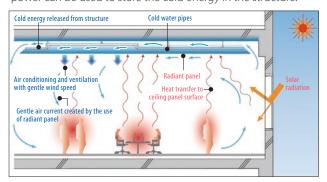
## Highlight 3

## Hybrid radiant ceiling air conditioning system installed

## First in Japan to be adopted while renovating existing buildings

In July 2010, Mitsubishi Estate introduced a hybrid radiant ceiling air conditioning system in an effort to make some of the offices in the Otemachi Building, where its headquarters is located, into advanced low-carbon facilities. The system combines both radiant air conditioning from a radiant ceiling panel and cold thermal energy stored in the building structure. The system uses thermal radiation, which enables the transfer of heat from a heat source to an object or area being heated without the need for a physical medium. This makes it completely different from conventional air conditioners which distribute cooled or heated air. While this was the first time that such a system had been introduced in an existing building in Japan, it has been successfully used in both new and existing buildings in Europe.

This kind of system is known for balancing the room temperature while alleviating discomfort from noise, wind and chills. It achieves a reduction in energy consumption of about 25% compared to conventional air conditioners. In addition, ventilation ducts above the ceiling are minimized so that the ceiling height can be about 20cm higher. In addition, less-expensive midnight power can be used to store the cold energy in the structure.





Office space after renovations

## Providing friendly, value-added homes that are good for the environment

Mitsubishi Estate Group has reorganized its residential business to create an integrated sales and production system under a new condominium brand name. At the new company, the employees work "As One Team" across functional boundaries to create truly valuable homes.

#### Integrating sales and production to provide value-added homes with the refinement to suit each unique neighborhood

Mitsubishi Jisho Residence Co., Ltd. was established in January 2011 in the integration of the residential businesses of three companies, Mitsubishi Estate Co., Ltd., Mitsubishi Real Estate Services Co., Ltd., and Towa Real Estate Development Co., Ltd.

Mitsubishi Jisho Residence uses an integrated sales and production organization for seamless execution of processes ranging from site acquisition to planning, quality management during construction, sales operations, and property transfer. Within this integrated organization, all employees share the same business principles, goals and objectives, and they dedicate themselves to creating truly valuable homes that will bring clients comfort and delight.

Mitsubishi Jisho Residence has supplied more condominium units than any other company in Japan.\* Not satisfied with this achievement, the company is implementing a "neighborhood-focus" strategy that aims to ensure homes suit the particular demand of each neighborhood and meet customer needs. This is the key to consistent supply of high-quality condominiums. The company refrains from pursuing short-term fads and trendy features, instead embracing a medium- to long-term perspective in assessing regional characteristics and market trends—such as environmental and urban functions—when developing and supplying residences. The aim is nothing short of delivering value-added homes that completely satisfy customers with the touches that only Mitsubishi Jisho Residence can provide.

\* Combined number of condominium units supplied by Mitsubishi Estate and Towa Real Estate Development in the Japanese market in 2010 (Source: Real Estate Economic Institute Co., Ltd.)

#### **Ensuring safety and quality of** condominiums using the "Five Eyes" system of performance indicators

Timed with the integration of the residential business of the three companies, Mitsubishi Jisho Residence announced a



quality management system. "Custom Eyes" enables the company to offer customizable features tailored to each customer's detailed demands, offering selections from different plans, custom colors and other optional products and interior products. "Eco Eyes" is an initiative to enhance environmental performance in condominiums. The company proactively introduces environmentally responsible features, such as the innovative eco system soleco,\* which combines a collective-access high-voltage power receiving system to reduce electricity costs for each unit with solar power panels on the condominium roof that generate power for common-use areas. "Life Eyes" is the security system operated by Mitsubishi Jisho Residence in all of its condominiums across the Tokyo metropolitan area to give residents security and safety.

Finally, "Community Eyes" is a communication system that connects residents to condominium management associations and the condominium management company Mitsubishi Jisho Community Co., Ltd. In May 2011, the company launched the

soleco logo mark

"Community Eyes Life Support Service," offering residents one-stop service with a telephone contact available 24 hours a day, 365 days a year.

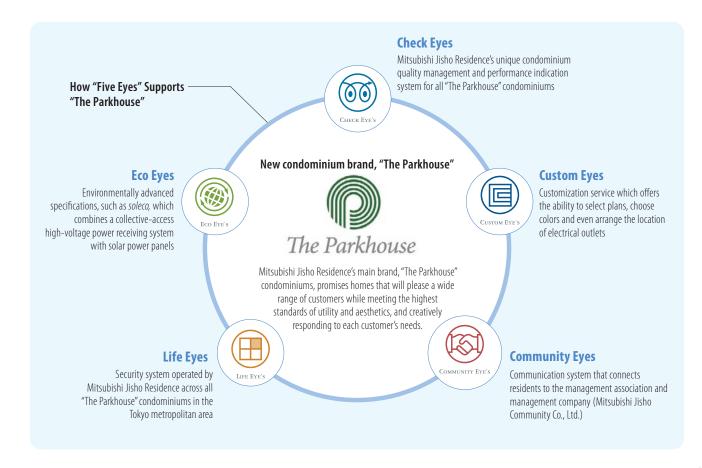
# Enhancing organizational strengths and human resource capabilities to improve customer satisfaction

While advancing and building on the "Five Eyes" system going forward, the company will strengthen affiliations

among Group companies in the management and renovation businesses to ensure that customers' demands can be met throughout their lifetimes. Moreover, the company has adopted a Net Promoter Score (NPS), an indicator that evaluates whether a customer would recommend Mitsubishi Estate to others and thus helps the company fulfill its commitment to provide customer satisfaction. The company will reflect various customer opinions, provided in questionnaires, into its product planning and sales operations, and it will endeavor to enhance operations on an ongoing basis by sharing the necessary measures with the entire Group.

The company is also working to strengthen the organization and employees that support these activities. Just after integration, the new company launched inter-departmental task forces on themes such as "raising customer satisfaction" and "pursuing lifetime value for customers." The aim is to break down the barriers between different operations and foster a common awareness of issues so that they can be addressed "As One Team," and in doing so, to energize the organization and employees. The company is also working to reinforce and augment the training system to improve each employee's business acumen.

Mitsubishi Jisho Residence aims to bring all Group employees together to offer products and services that exceed customers' expectations. The sky is the limit for this new company.



<sup>\*</sup> soleco system won the fiscal 2010 Good Design Award.

Highlight

Parkhouse Kichijoji OIKOS On-site model unit (instead of building a model unit and printing pamphlets, the company showed visitors a completed unit to reduce resources used)

## Innovative environmental technology adopted in new and existing condominiums

## OIKOS provides comfortable living with a radiant floor air conditioning system and a solar hot water system

Parkhouse Kichijoji OIKOS, completed in October 2010 with sales beginning in January 2011, is an environmentally responsible condominium equipped with cutting-edge CO<sub>2</sub>-reduction technology. A wide range of CO<sub>2</sub>-reduction technology is installed, such as exterior thermal insulation and hot water systems that make effective use of solar heat. Compared with conventional systems, CO<sub>2</sub> emissions can be reduced by 13.3 tons a year for the entire condominium building. This building was recognized as an environmentally responsible project under a program run by Japan's Ministry of Land, Infrastructure, Transport and Tourism to promote reduction in CO<sub>2</sub> emissions associated with residential and other buildings.

For example, a radiant floor air conditioning system that uses temperature exchange from the floor to cool and heat rooms was adopted for the first time in a built-for-sale condominium. Using heat radiation from the floor coupled with exterior thermal insulation and the heat storage performance of concrete, the system maintains consistent temperature within the rooms. There is no need to install separate air conditioners in each room and there is no strong air stream hitting the human body. These features have been enthusiastically received by residents. Moreover, in addition to solar hot water supply systems, the condominiums are equipped with solar power generation systems and LED lighting. A functional utility balcony is built near the water supply with space for a washing machine and hanging up laundry. Clothes can be dried either outside or inside, enabling residents to enjoy a full life while knowing that they are doing their part to preserve the environment.

Mitsubishi Jisho Residence and MEC eco LIFE Co., Ltd., which jointly planned OIKOS, are undertaking research that will enable this popular radiant floor air conditioning system to be adopted much more broadly in general, built-for-sale condominiums.

## soleco to be introduced in existing condominiums and new services developed

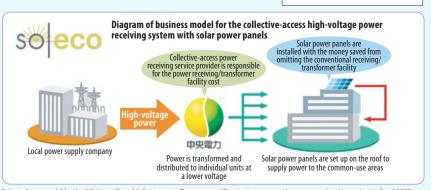
Mitsubishi Jisho Residence started including *soleco* (see the box below) as a standard feature in new family-type condominiums designed in and after 2010 with more than 40 units in the Tokyo metropolitan region and Kansai region. *soleco* combines a collective-access high-voltage power receiving system with solar power panels, and other eco-features. MEC eco Life is now looking to introduce *soleco* in existing condominiums, as well, and is working with solar power panel manufacturers on the waterproofing technologies required to do so.

To further popularize *soleco*, MEC eco Life is collaborating with Mitsubishi UFJ Lease & Finance Company Limited to issue Renewable Energy Certificates (RECs) for the CO<sub>2</sub>-reduction effect generated by *soleco*. The certificates will take the form of a Green Lease certificate for use when companies lease PCs and business equipment. The company aims to expand the use of *soleco* to significantly increase solar power generation and help the Mitsubishi Estate Group to offset the CO<sub>2</sub> emissions of its business activities.

MEC eco Life is also developing a new *soleco* series—a water heating system for condominiums that uses solar power. A heat collecting system is installed on the condominium roof, and hot water heated with solar power is supplied to each unit, thus curbing the use of natural gas for heating. This system will be included in new designs in fiscal 2011. In addition, the company is considering installing charging stations for electric vehicles in parking facilities in condominiums with *soleco*.

## soleco—a collective-access high-voltage power receiving system combined with solar panels

soleco is an environmentally responsible system that provides power to residents from a collective-access high-voltage power receiving system\* and power for common-use areas from solar power panels installed on the roof of the condominium. This keeps electricity costs below the rate that the individual units would otherwise have to pay the power company, and the residents also do not bear any of the costs of installing and maintaining the solar panels. If a solar panel with a maximum output of about 5kW is installed, electricity costs go down by about 10% for individual units, and electricity costs for the common-use areas by about 110,000 yen per year.



Selected as a model for the Ministry of Land, Infrastructure, Transport and Tourism's new greenhouse gas reduction project in fiscal 2009

\* Collective access high-voltage power receiving system is a method in which electricity used by the condominium overall is received in bulk from a power supply company and then distributed to the individual units. Buying electricity for the entire condominium rather than for each individual unit keeps electricity costs down.

O GOOD DESIGN

### **Stakeholder Meeting**

The Mitsubishi Estate Group held a briefing on responsible coexistence with the natural environment, focusing on the environmental initiatives introduced at the environmentally responsible condominium, Parkhouse Kichijoji OIKOS, and then held a discussion with stakeholders to hear their opinions.

Time and place

4:00-6:00pm, December 13, 2010 Parkhouse Kichijoji OIKOS (Musashino City, Tokyo)

#### External participants (affiliation and position as of time of meeting)



#### Mariko Kawaguchi

Managing Director, CSR Group, Corporate Communication Department, Daiwa Securities Group Inc.

The radiant floor air conditioning system doesn't stream air directly onto the human body, and the smell of the natural wood used on the floors throughout the rooms makes it very pleasant. In addition, the space is not divided up so it feels more open, which offers more lifestyle options.



#### **Nobuo Taniguchi**

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

This is not only an eco-friendly system, but also allows for an extremely flexible layout and original interior design. It gives me the sense that residents can live however they please. I hope that systems such as *soleco* and other solar power facilities that lower operational costs will become increasingly popular.



#### Kikuko Tatsumi

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

When choosing condominiums in the future, I think that maintenance fees, including electricity charges, will be a major issue, in addition to environmental considerations. In this respect, it makes sense that soleco reduces maintenance fees.



#### Nakanishi Kiyotaka

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

This condominium has technology that limits exposure to external heat, such as exterior thermal insulation and wood-frame isolated windows (Smart Eco Windows). The texture of the materials and the design are also cleverly used to give the visual impression of comfort and protection from heat, a kind of comfort which otherwise cannot be seen. The overall design allows us to experience how good it feels to conserve energy.

#### Mitsubishi Estate Group participants (affiliation and position as of time of meeting)

**Atsuo Kyono**, Executive Officer and General Manager, Residential Development Plan Department, Mitsubishi Estate Co., Ltd. **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.

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



### Zero-energy homes introduced

## Comfortable, healthy homes with major cuts in energy consumption

In June 2011, Mitsubishi Estate Home announced its zero-energy home "Zero Everie." The company enhanced the energy efficiency of its proprietary central air conditioning system Aerotech\* and the convenience of its temperature controls in the conviction that true zero-energy homes are not viable unless people can live comfortable, healthy, long lives in them with delight. Moreover, in order to enhance the efficiency and practicality of the design practices using environmental technology and natural energy that the company has utilized thus far, the impact and effect of temperature, humidity, lighting, and ventilation were measured in Everie, an environmentally responsible model house in Tokyo's Akasaka neighborhood. As a result of this research and development, energy consumption was drastically reduced and zero-energy homes that are gentle on both the environment and household finances were successfully developed, while maintaining a comfortable and healthy living environment for a year.



External view of the zero-energy home "Zero Everie"

The model plan, about 147 square meters of total floor space, is based on the super-airtight, super-insulated and super-durable "super 2x4 construction method" and the New Aerotech central air conditioning system, which has achieved the highest-class heating/cooling efficiency in the industry. It also includes the most up-to-date high-efficiency equipment such as LED lighting, the EcoCute electric heat pump water-heating system, the Conservatory to trap sunlight in the winter, the External Blind that screens out strong sunlight, and the Wind Catcher ventilation design to ensure natural draft for effective ventilation. These cutting-edge features and 7.2kW solar power panels combine to make this a zero-energy home.

While working to achieve further energy reduction with fewer solar power panels installed, the company is also seeking to develop a "life-cycle carbon negative home" that takes into account the CO<sub>2</sub> balance throughout the house's life cycle, from construction to disposal.

<sup>\*</sup> Aerotech is a system that gives residents 24-hour control over ventilation, cooling and heating for the entire house with only a pair of indoor and exterior units.

## "Experience Nature" project brings together urban and rural communities



The Mitsubishi Estate Group supports the "Experience Nature" project, which gives Group employees and their families opportunities to experience land clearing and tree thinning in rural communities. The project is intended to foster a society in which urban and rural communities energize one another and contribute to each other's development.



#### Creating a sustainable society where cities and rural communities support one another

The Mitsubishi Estate Group launched the "Experience Nature" project in 2008, with the goal of fostering a society where cities and rural communities revitalize each other. Mitsubishi Estate collaborates with the NPO Egao Tsunagete (which literally means "connecting smiles" in Japanese), at work in Hokuto City in Yamanashi Prefecture, to create opportunities for city residents to interact with people from the Masutomi area, which is suffering from population decline and aging. The project aims to promote awareness of the issues faced by urban areas and rural villages in order to help build a sustainable society where they support one another.

With this aim, Mitsubishi Estate holds a range of experiential programs for Mitsubishi Estate Group employees and residents of the condominiums managed by Mitsubishi Jisho Community Co., Ltd., including clearing fields at the "Experience Nature Farm" and thinning trees. In fiscal 2010, new experiential programs were planned to deepen interaction between the communities. One of these was the Community

House Project, in which local forest resources are used to build a space in which local residents and visitors from the city can interact. Using wood



Community house building

thinned from the nearby forest (hinoki cypress and larch), a simple resting space was built with the cooperation of Mitsubishi Estate Home Co., Ltd., using a 2x4 construction method. The participants became immersed in the construction work, breathing in the good aroma of the fresh wood under the clear blue sky.

#### **Promoting community revitalization** by integrating business activities and local resources

In addition, the Mitsubishi Estate Group is progressively incorporating programs to link the project with its business activities. Combining local resources such as timber and agricultural products with the company's management resources to create new value revitalizes the community, and this is one of the key approaches of the Experience Nature project.

For example, Mitsubishi Estate Home Co., Ltd., which utilizes Japan-grown timber to ensure the sustainable and sound development of the Japanese timber industry, has previously considered using timber grown in Yamanashi Prefecture through the Experience Nature project, and decided to use products (I-type joists) marked as "Yamanashi Prefecture Timber" as a standard feature in custom-order homes.

Going forward, the company will take steps to ensure that materials can be procured and costs stabilized in anticipation of the standard adoption of Japan-grown timber for all structural components, while also building affiliations to raise customers' awareness of Japan-grown forest resources.

In September 2010, with the aim of revitalizing the local community through agricultural products, the "Try Yamanashi" Fair was held (sponsored by the Yamanashi Prefectural Federation of Societies of Commerce and Industry). The fair offered dishes all using food produced in Yamanashi Prefecture, such as local beef and pork. The fair was held in the Marunouchi House, the food and drink area of the Shin-Marunouchi Building in the Marunouchi area. In October 2010, rice, wheat and other agricultural products grown on the Experience Nature Farm were sold at the "Blue Sky Market x Marunouchi Market," also held in the Marunouchi Building. The event attracted many people such as office workers from the Marunouchi area, chefs from nearby restaurants and participants in the experiential tours.

#### Highlight

### Project grows brewer's rice without agricultural chemicals

## Sake made from rice grown in terraced rice fields sold in Marunouchi restaurants

The project to grow brewer's rice was an initiative aimed at creating sake using the Japan-grown brewer's rice Hitogokochi, grown without using agricultural chemicals.



Junmai-shu "Marunouchi" sake

Marunouchi area employees and Marunouchi Group employees had worked together with local residents to plant the rice seedlings and harvest the rice on rice terraces\* that had been reclaimed by clearing unused agricultural land.

The rice seedlings were planted in May 2010 and harvested in October. Using the harvested rice, the *junmai-shu* ("pure rice sake") named "Marunouchi" was brewed by Yorozuya, a sake brewer that was founded over 210 years ago in Yamanashi Prefecture. It went on sale in Marunouchi area restaurants from late February 2011. Overall, the project



helped to promote the reclamation of wasteland and expand sales channels to the Tokyo metropolitan area, a major center of consumer activity.

Tour of sake brewery

\* A rice terrace is a rice paddy on a series of steps on the slope of a mountain or hill. Rice terraces play many roles, including preventing landslides and flooding, replenishing groundwater as the rainwater and agricultural water permeates the soil, and preserving the abundant biodiversity.

# Interaction between cities and rural communities revives Japan's fertile country landscape of *satoyama*, a habitat for diverse life forms

These rice terraces represent precious land that has been passed down through the generations, but those of us who inherited it, including me, left the land fallow, and it fell into ruin. In 2008, the land-clearing experience sponsored by

was the trigger for a rice terrace restoration project the following year. In May, the laughter of the children who came to plant the rice seedlings echoed through the fields. We took up the challenge of making sake in 2010, and the sake we produced had a very special taste for me.

the Experience Nature project



**Kiyoaki Obi**Owner of a rice terrace, residing in Minami-Alps City, Yamanashi Prefecture

## Realizing that the city's food comes from agricultural communities

In a light rain, we sheared the yellow stalks of rice with a sickle and set them out to dry in the sun. As someone who works with food every day, visiting the producing region and harvesting brewer's rice while getting a feel for the region itself was a valuable experience, and it made me realize again

that the city's food comes from agricultural communities. When we offer the finished *junmai-shu* "Marunouchi" sake in our restaurant, I hope to describe my role in making it to customers and convey the appeal of sake, an integral part of Japan's traditional culture.



Mamoru Sugiyama Manager of the sushi restaurant, Ginza Sushiko Honten

#### Tours held in fiscal 2010

#### **CSR Tour**

(For Mitsubishi Estate Group employees)

- April 24: Land-clearing experience and Kanayama trek
   August 6 7: Parent-child camping trip to experience rural community
- October 20: Community House Project (building wall)

#### "Experience Nature" bus tour

(For residents of condominiums managed by Mitsubishi Jisho Community)

- May 22: Parent-child rice-planting experience and forest experience
- August 20: Parent-child summer vegetable-harvesting experience, experience with buri-nawa (using rope and two sticks to climb trees) and river play

#### Brewer's rice growing tour

(For Marunouchi area workers, Mitsubishi Estate Group employees)

- May 29: Rice-planting experience and sake-making seminar
- October 9: Rice-harvesting experience and naming workshop

#### **Experience Nature Club event**

(Experience Nature Club\*; only for those who had registered)

- August 28 29: Community House Project (preparing floor)
- November 20: Harvest festival (miso-making event)
- February 12: Brewer's rice-growing tour (tour of sake brewery)
- \* The Experience Nature Club is an urban-rural community club for participants in the Experience Nature project.



Environmental commitment is written specifically into the Mitsubishi Estate Group's mission statement. The Mitsubishi Estate Group Long-term Environmental Vision further commits the company to reducing the environmental impact of its business. Mitsubishi Estate aims to lead the way in sustainable urban development.

### **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 resources 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 2010 and January 2011 to discuss the status of various organizations' environmental initiatives and environmental objectives.

In addition, an environmental director is appointed at Mitsubishi Estate Co., Ltd. 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.

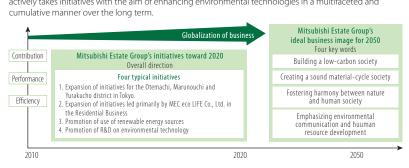
#### Mitsubishi Estate Group Longterm Environmental Vision

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Long-term Environmental Vision, based on the Mitsubishi Estate Group Basic Environmental Policy, to proactively address environmental issues for the future. This vision clarifies the Group's commitment to actively contribute to society in order to reduce environmental impact.

## Mitsubishi Estate Group Long-term Environmental Vision For Environmental Sustainability 2050

The Mitsubishi Estate Group's growth strategy is to refine its advanced environmental technology and take up the challenge of creating new value in all of its business activities.

In order to contribute to the realization of a sustainable society through business activities, the Group develops innovative technology and readies it for practical application and dissemination. In addition, the Group proposes the adoption of work-style and lifestyle changes to its customers, and thus it actively takes initiatives with the aim of enhancing environmental technologies in a multifaceted and cumulative manner over the long term.



## Environmental slogan and logo developed

The Mitsubishi Estate Group developed an environmental slogan and logo in March 2011 to strengthen dissemination of information on environmental coexistence and to raise environmental awareness internally and outside the company.

The slogan "For Sustainable Cities, For the Sustainable Earth" reflects the Group's aspirations to build a truly meaningful society by developing areas in an environmentally conscious way, to create new value by offering environmental technology, and to work together with others in the community to achieve these goals.



Mitsubishi Estate environmental slogan and logo

## 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.

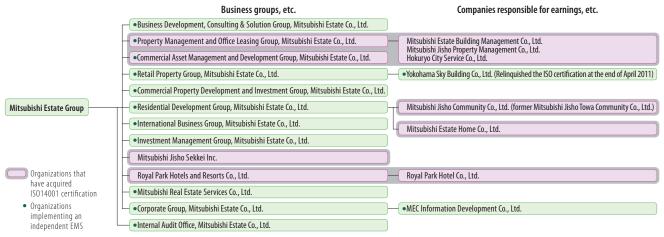
In fiscal 2010, six organizations\* from the Mitsubishi Estate Group operated an environmental management system certified under ISO14001 standards.

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.

\* 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.); 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. (now Mitsubishi Jisho Community Co., Ltd. since April 2011)

Yokohama Sky Building Co., Ltd. relinquished its ISO certification at the end of April 2011. The company will continue to set environmental goals for each fiscal year and run and manage its environmental program under its own system.

#### Development and administration of Mitsubishi Estate Group's Environmental Management System (as of end of April 2011)



## **Building a Low-Carbon Society**

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

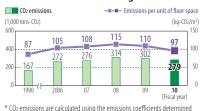
In fiscal 2010, the energy consumption of Mitsubishi Estate's thirty ISO14001-certified buildings stood at 6,702,503 GJ, and CO<sub>2</sub> emissions totaled 279,130 tons-CO<sub>2</sub>. Compared to fiscal 2009 results, consumption decreased by 306,149 GJ, and CO<sub>2</sub> emissions decreased by 22,550 tons-CO<sub>2</sub>.

In fiscal 2010, compared to 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 in 2010 was reduced by 0.01 GJ/m² to 2.33 GJ/m², and CO2 emissions per unit of floor

space was reduced by 13kg-CO<sub>2</sub>/m<sup>2</sup> to 97kg-CO<sub>2</sub>/m<sup>2</sup> compared to the previous fiscal year. This was due to a decline in total CO<sub>2</sub> emissions because the CO<sub>2</sub> emission coefficient stood at zero for electricity used at the Shin-Marunouchi Building with the use of the Fresh Green Power, and the CO<sub>2</sub> emission coefficients issued by electricity companies were generally lower compared to 2009.

Mitsubishi Estate's fiscal 2011 target for reducing energy consumption in each building is the stricter of either a 1% reduction over the previous year per Japan's Energy Conservation Law or the reduction mandated by city regulations such as the Tokyo Metropolitan Ordinance on Environmental Preservation. 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



- 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

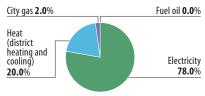


\* The number of ISO-certified buildings changes each fiscal year due to renovations and sales/purchases.

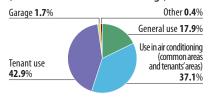
#### Global warming mitigation measures committees bring together tenants

By type of energy, electricity accounted for about 80% of the energy consumed in Mitsubishi Estate's thirty ISO14001certified 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

#### Fiscal 2010 energy consumption by type (for 30 ISO14001-certified buildings)



#### Fiscal 2010 energy consumption by application (for 30 ISO14001-certified 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. In fiscal 2010, the committees issued a pamphlet on energy conservation entitled ECOBLDG STYLE to provide an overview of revisions to the Tokyo Metropolitan Ordinance on Environmental Preservation 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.

#### Efforts to reduce CO<sub>2</sub> emissions in the UK

The Central St Giles Redevelopment Project, in which Mitsubishi Estate and Legal & General, a major UK life insurance company, participated jointly, was completed in April 2010. This building was designed so that about 80% of heat comes from biomass boilers. While most buildings in London rely on gas for their heat, the building opted for biomass boilers, which are considered to be carbon neutral, since the CO<sub>2</sub> released as heat is generated and the CO<sub>2</sub> absorbed from the atmosphere as the tree (the raw material) grows offset each other. The pellets used as the fuel are also made from the mill ends and thinned wood left over from timber processing, making this system more environment friendly than systems using other fuels and facilitating the operations of lowcarbon emitting buildings.



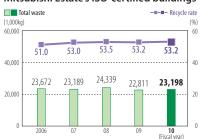
Central St Giles

## **Creating a Sound Material-Cycle Society**

#### Recycling waste generated by buildings

Mitsubishi Estate Group strives to improve the waste-recycling rate in the buildings it manages and operates. Efforts include calling for tenants' cooperation in sorting waste, 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



Number of buildings included in scope of data may differ by fiscal year due to rebuilding, sale and purchase

#### Total waste by type and primary recycling end-points at Mitsubishi Estate's ISO-certified buildings\*1

Туре	FY	Amount (kg)	Change from previous year (kg)	Primary recycled end-products
Paper suitable	2010	9,343,284	▲8,504	Recycled paper
for reuse	2009	9,351,788	<b>▲</b> 0,JU4	песусіей рарег
Bottles and cans	2010	1,338,542	33,456	Glass, metal
Dotties and Calls	2009	1,305,086	טנד,ננ	Giuss, IIICtai
Fluorescent lights	2010	20,430	<b>▲</b> 1,966	Glass, aluminum
	2009	22,396	<b>▲</b> 1,900	Giass, aiuiiiilulli
Polystyrene foam	2010	42,206	3,894	Processed plastic products
- orystyrene rodin	2009	38,312	דינט,נ	r rocesseu piastic products
PET bottles	2010	<b>■</b> 606,992	121.045	Processed plastic products
- FLI Dotties	2009	<b>485,947</b>	121,040	i iocessea hiastic higancis
Recyclable kitchen	2010	991,453	54,607	Organic fertilizers and
waste	2009	936,846	700,50	animal feed
Non-recyclable kitchen	2010	10,039,030	<b>▲</b> 70 210	
waste and scraps*2	2009	10,067,348	▲28,318	_
Industrial waste*3	2010	■ 816,347	212,792	
	2009	<b>□</b> 603,555	L1L,/7L	_
Total	2010	23,198,284	387,006	
10141	2009	22,811,278	307,000	_

\*1 Number of buildings included in scope of data may differ by fiscal year due to rebuilding, sale and purchase.
\*2 Non-recyclable kitchen waste and scraps includes paper and lunch boxes that are not suitable for reuse and are ultimately incinerated.

\*3 Industrial waste includes plastic products, metal scraps, ceramics and vinyl materials that are ultimately buried in landfill

## Building's effective consumption of water resources

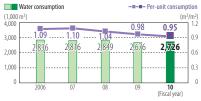
Mitsubishi Estate is working to curb water consumption at its buildings by taking measures to streamline water consumption such as adjusting the amount of water used in toilets and hot-water service rooms. Water consumption totaled 2,726,435 m³ in Mitsubishi Estate's ISO14001-certified buildings, up 1.9% compared to fiscal 2009, and water consumption per unit of floor space was 0.95 m³/m², down 0.03 m³/m² (this is because the water consumption per unit of floor space declined as a result of the ISO14001

certification of a newly built building with lower consumption per unit of floor space). Building on this achievement, the company is working to meet its fiscal 2011 target of reducing water consumption in every building by more than 1.0% from the previous year.

The company is also effectively using reclaimed water by treating used water such as cooling tower blow water and kitchen wastewater and reusing it as toilet flush water. As of March 2011, 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, Akasaka Park Building, and Marunouchi Park Building all use reclaimed water, a total of about 511,793 m<sup>3</sup> per year, thus helping to conserve water resources.

Water consumption and water consumption per unit of floor space (1,000 m³) in Mitsubishi Estate's ISO14001-certified buildings



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

### **Fostering Harmony between Nature and Human Society**

## Acquiring FSC-CoC certification

Mitsubishi Estate Housing Components Co., Ltd. (manufacturing, processing and sales of building materials) promotes the use of Japan-grown timber in the structural components of detached houses. This will lead to the appropriate and effective use of Japan's forest resources, which absorb CO<sub>2</sub>.

When procuring Japan-grown timber, the company not only makes sure that the timber has been legally harvested, but also uses timber that has been certified as having been grown in a forest planted according to a sustainable plan. In August 2010, the company obtained the Forest Stewardship Council's chain of custody (CoC) certification, an international standard that sets certified products apart from others in the processing and distribution stages.

In addition, the company is raising the percentage of pre-cut\* timber to improve its yield rate at its processing plants, which means a more efficient use of resources and reduction of waste materials generated at construction sites.

Mitsubishi Estate Housing
Components sells structural plywood
and base material used in wood-frame
construction not only to Mitsubishi
Estate Home Co., Ltd., but also to
customers outside of the Mitsubishi
Estate Group. The company will
continue to promote the use and
application of Japan-grown timber.

\* To finish and process timber needed for construction optimally and effectively.

#### Sustainable 2x4 Homes project to encourage use of Japan-grown timber

Mitsubishi Estate Home Co., Ltd. makes comprehensive proposals to encourage the use of Japan-grown timber by proactively utilizing wood from thinned, small-diameter trees in homes adopting 2x4 construction, which accounts for about 20% of all wood-construction homes. This is intended to expand the base for the use of Japan-grown timber in the field of wood-construction homes overall and enables the company to supply high-quality, long-life wood 2x4 homes that can be used cyclically over the long term. Japan-grown timber is used for

about 35% of the structural materials of these homes, the highest rate in the 2x4 housing industry.

Moreover, the company is pursuing links with the "Experience Nature" project, an initiative implemented by the Mitsubishi Estate Group in Masutomi, Hokuto City in Yamanashi Prefecture, to promote use and application of timber grown in that prefecture. Beginning in August 2011, Japan-grown I-joists and LVL (laminated veneer lumber) material\* using larch trees were adopted, and they will be used in structural plywood in the future, as well to boost the utilization rate to 50%.

\* Both materials are used in major structural components such as the beams and floor framing of wood-construction homes



Japan-grown I-joist and LVL newly adopted

### **Reducing Environmental Impact**

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

Mitsubishi Jisho Sekkei Inc., which is responsible for design and project supervision, recommends environmentfriendly technology in the belief that the environmental impact generated by a building during its lifecycle can be reduced effectively at the design stage. In April 2008, the company established the Environmental Technology Committee\* to rapidly and effectively recommend technology and provide information in response to customer requests. This committee also considers technical issues and shares information on reducing environmental impact, such as reducing CO<sub>2</sub> emissions (carbon offset) in building design. In addition, in April 2011 the Environmental Technology Promotion Office was established to design more environmentfriendly buildings and cities.

The company will continue to pursue sustainable architecture and urban development and offer rich and varied designs for secure and comfortable living spaces that also reflect environmental and urban considerations.

\*The Environmental Technology Committee is made up of a chairperson, deputy chairperson, 11 members, and 19 working group members (of which six are also members) and meets several times a year.

## Acquiring environmental certification in the U.S.

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., seeks to obtain LEED\* certification for all newly developed buildings. The Group earned Gold status LEED certification in fiscal 2010 for its development of a logistics facility in Georgia for major food products company General Mills. This is the largest facility in the U.S. to receive

Gold status, earned for its energy efficiency and sustainability. The Group is also working to earn certification for its existing buildings and earned LEED certification for its McGraw-Hill Building in New York City. The Group is also endeavoring to improve its Energy Star rating (an energy conservation program) for the Time-Life Building, another New York City property.

\* Leadership in Energy and Environmental Design (LEED), a green building certification system developed by the U.S. Green Building Council



Logistics facility development project for General Mills

## **Increasing Ecological Awareness**

Winner of Minister of the Environment's Prize for Global Warming Prevention Activities in the Environmental Education and Dissemination Category

In December 2010, the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi and Yurakucho District (the Ecozzeria Association), of which Mitsubishi Estate serves as the secretariat, won the Minister of the Environment's Fiscal 2010 Prize for Global Warming Prevention Activities in the Environmental Education and Dissemination Category.

The Ministry of the Environment has given this award to an individual or organization that has achieved remarkable results in preventing global warming in December, the month for the prevention of global warming, every year since 1998. This is intended to promote measures for the prevention of global warming. The Ecozzeria Association was recognized for its achievements in raising environmental awareness of urban lifestyles with its Water Sprinkling Project, environmental education program for children, the Marunouchi Morning University, which encourages

a shift to a morning lifestyle to save electricity at night, and information dissemination through its environment portal site.



Receiving Minister of the Environment's Prize for Global Warming Prevention Activities in the Environmental Education and Dissemination Category

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

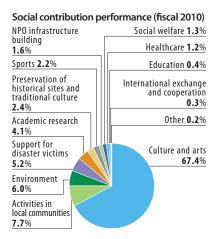
### **Basic Policy and Performance Highlights**

#### **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.

#### Breakdown of expenditures

In fiscal 2010, Mitsubishi Estate spent approximately 1,923 million yen on social contribution activities on a non-consolidated basis, or 1.91% of its ordinary income. The breakdown is shown on the right.



#### The 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.

### **Harmony with the Local Community**

#### Marunouchi Food Education Project

Mitsubishi Estate is pursuing the Marunouchi Food Education project with chefs in the community in Tokyo's Marunouchi area—home to over 350 restaurants—to increase awareness of food issues in urban settings.

The Group has invited Yukio Hattori, chairman of the board of directors of Hattori Academy, as chairman of the Project, and under his auspices the Marunouchi Chefs Club, made up of restaurant owners and

chefs in Marunouchi, has been launched. Mitsubishi Estate is working with the Club to devise plans and schemes that emphasize good communication among producers, consumers and restaurants.

In August 2010, a summer vacation food education program was held jointly with The Eco Kids Expedition, which is intended to give children the opportunity to discover environmental initiatives underway in Marunouchi. Children and adults alike participated in hands-on programs to learn about how to cook delicious food without waste and a

Tasting Class given by chef Kiyomi Mikuni.

Mitsubishi Estate will continue to provide a range of opportunities for people to think about food, with the aim of changing the food awareness of adults working in the Marunouchi area and passing this knowledge on to their families and the next generation. Mitsubishi Estate will continue

its activities to make Marunouchi a forefront of Japan in the food sector.



Hands-on class to learn about food



#### **Eco Kids Expedition**

In August 2010, the Eco Kids Expedition was held. This event for children living in urban areas—the hope of the next generation—is sponsored by the Eco Kids Expedition Executive Committee, which is made up of the Otemachi Marunouchi Yurakucho District Redevelopment Project Council (OMY Council, chaired by Mitsubishi Estate) and other members and held in the Otemachi, Marunouch and Yurakucho district, one of the major business centers in Japan.

On the day of the event, environmental workshops on the environmental conservation activities taken on by the participating



Workshop at Eco Kids Expedition

companies and tours to cutting-edge environmental companies and environmentally responsible facilities were given. The programs taught participants about issues such as the heat island phenomenon facing urban areas with large energy demands, global warming and the resource cycle—in a fun and enlightening way.

#### **Giving back to Central St Giles**

Mitsubishi Estate and Legal & General, a major UK life insurance company, participated jointly in the Central St Giles Redevelopment Project. As part of its social contributions in the area, Mitsubishi Estate has formed a partnership with neighboring St Joseph's Primary School to implement a project to improve the school's educational environment with the aim of raising the school's OFSTED\* rating.

While the redevelopment project was completed in April 2010, Mitsubishi Estate has been continuing its support project for the school. The

Group's support activities include remodeling the school's auditorium and schoolyard, as well as offering advice on building maintenance and financing issues, with the goal of raising its rating from current "Good" 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 artwork in Central St Giles, and donating money to restore a local church's garden.

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



Children's workshop with Steven Gontarski

## **Support for Culture and the Arts**

#### Holding an art event in cooperation with a university

The Geidai Art Event in Marunouchi. Tokyo, sponsored by Mitsubishi Estate and Tokyo University of the Arts, was held in the Marunouchi Building on October 26-31, 2010. Marking the fourth time this event has been held, it gives talented young students at Tokyo University of the Arts an opportunity to showcase their talents and energizes the Marunouchi area with the power of culture and art.

A wide range of activities were held during the festival, including the performance of an opera entitled Yataro Iwasaki's Best Friend Glover and Madame Butterfly by students in the university opera research section, music recitals and art exhibits by the winners of the Mitsubishi Estate Award, and animated films presented by graduate students from the Graduate School of Film and New Media.



Geidai Art Event in Marunouchi, Tokyo

#### **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 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. The project is sponsored by a planning committee spearheaded by the OMY Council, which is chaired by Mitsubishi Estate.

The 2010 event, from July 30 to August 17, was held at five locations, with approximately 2,800 people participating. Clean, reclaimed water recycled from some of the buildings in the area was sprinkled to lower the temperature, and changes in temperature were measured.

Sprinkling water on hot summer days lowers the temperature, because as the sprinkled water evaporates, it absorbs the heat from the ground and surrounding air. In addition, the difference in air temperature creates a breeze, which makes the temperature

that is sensed feel even cooler than actual temperature decline.

Mitsubishi Estate continues to sponsor this project, which is open to everyone, to help raise the environmental awareness of the community in the Otemachi, Marunouchi and Yurakucho district.



Water Sprinkling Project

#### **Social Welfare**

#### Ninth 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 displays all of the works of art submitted to the competition on the Internet. The fiscal 2010 contest attracted 1,175 works from all over



Exhibition held in Sapporo

Japan—the highest number yet. Fifty especially impressive works were displayed at eight venues in Japan, including the Shin-Marunouchi Building, earning the admiration of countless people.

#### Philanthropic activities in the U.S.

The Rockefeller Group, a Mitsubishi Estate subsidiary with headquarters in the U.S., participated in the God's Love We Deliver Program in February 2011. This program delivers food to people with serious illnesses such as HIV, and many employees volunteered their time for this endeavor.

The Rockefeller Group gives back

to the community in many other ways, including participation in Operation Backpack, a program that gives backpacks filled with school supplies to children from poor families, and Toy Joy, a program that gives toys to disadvantaged children as Christmas gifts. It also donated 77,000 U.S. dollars to the United Way.



Employees participating in the God's Love We Deliver Program

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.

### **Communicating with Clients**

#### **Initiatives in the Building Management Business**

#### Support for establishing an in-house childcare facility

Aiming to meet the diversifying childcare needs in the Marunouchi area, Mitsubishi Estate invited Poppins Co., Ltd. to open a workplace nursery, the Poppins Nursery School Marunouchi, in the Marunouchi Kitaguchi Building, which is owned by the company, in April 2010. This was made possible by converting a part of this building from office use into a nursery.

Conventionally in Japan, a company wanting to set up an inhouse childcare facility would have to establish and administer it itself in

order to receive permission and aid from national and local governments. However, the Tokyo Metropolitan Government's in-house childcare facility support program was partially revised (April 2009) to allow "consortium-type" in-house childcare facilities that are set up and administered by childcare providers. which can then contract with multiple companies. The Poppins Nursery School Marunouchi was set up and is run by Poppins, and several companies have contracts to use the facility. By contracting for just the childcare needed by children of its own employees, each company can offer

childcare services without the setup costs and management risks.

Prior to this, Mitsubishi Estate had also strategically invited in employee support facilities, such as the Tokyo Metropolitan Governmentaccredited nursery school in the Tokyo Building, and will continue to foster a worker-friendly environment.



Poppins Nursery School Marunouchi

#### **Initiatives in the Residential Business**

#### Condominium quality management and performance indication system "Check Eyes"

Mitsubishi Jisho Residence Co., Ltd. operates the "Check Eyes" system, a unique performance indication system for its residences, to give customers greater peace of mind when they purchase their homes.

This system incorporates the government's Housing Performance Indication System and informs the

customer of Mitsubishi Jisho Residence's commitment to checking the quality and performance of residences at every stage, from design, construction, and completion through to move-in and beyond.

#### "Check Eyes" Process

## Design stage



#### **Check Eyes Book**

The Check Eyes Book uses visuals to show initiatives in design and construction work, in addition to condominium design specifications and grades per the Housing Performance Indication System. Construction terminologies and features are explained in special boxes, Information on management plans and afterservices are included to help in the customer's purchase decision



#### **Check Eyes Report**

The Check Eyes Report explains progress in the construction process and shows construction conditions that the customer cannot see after completion. This report is submitted to the customer under contract before the property transfer.



#### **Check Eyes Document**

The Check Eyes Document is the final report, explaining the results of progress made in construction from the start of construction to the building's completion, with reference to the checkpoints confirmed during the various stages of construction as part of quality management. This document is presented to the buyer together with the Housing Performance Evaluation

### After move-in



#### **Check Eyes Karte**

Regular inspections are conducted three months, one year and two years after the property transfer, and Check Eyes Karte reports are created to inform the management association of location and details of renovations made in common-use areas. Photos are used to clearly show location and methods used.

### Safe and Secure Urban Development

#### Implementation of comprehensive emergency plans and establishment of 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



Comprehensive emergency drill

standard precautionary measures and assignment of divisions' and other organizations' 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.

#### BCP initiatives and review

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 business, in order

to fulfill the Group's social responsibilities.

The company is currently reviewing its BCP to implement further improvements in response to the Great East Japan Earthquake, which occurred in March 2011

#### 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, which was completed in fiscal 2002.

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. Although there was minor damage reported in some buildings after the Great East Japan Earthquake, there were no cases of structural damage.

#### **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.

In light of experience gained in the Great East Japan Earthquake, the company is re-examining its safety

measures to ascertain which issues are being properly addressed and which should be enhanced or reviewed for further improvement to ensure an even higher level of safety. In order to prevent accidents, Mitsubishi Estate has devised the Building Safety Design Guidelines, its own standards that are more rigorous than Japan's Building Standards Act and other regulations, to ensure safety from the design stage. These guidelines are updated regularly.

### **Information for Everyone**

#### 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. In November 2010 the company installed new signage for the underground

passageways and facilities to provide clearer guidance.

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)

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 it also includes rules on environmental conservation, information management and avoidance of 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 (it met three times in fiscal 2010) and holds discussions to verify total compliance in the order process.

## Award for distinguished condominium construction company

Mitsubishi Jisho Residence Co., Ltd. has established an award program to recognize construction companies as part of its efforts to provide customers with high-quality condominiums. The company gives a Best Quality Award to local heads of 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 on 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 Jisho Residence also awards construction companies that address customer concerns with particular skill.

In addition to these awards for specific properties, Mitsubishi Jisho Residence 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 to raise quality.

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

Mitsubishi Estate thinks of the companies to which it outsources specialized work as important partners that have direct contact with clients, just as Mitsubishi Estate Group employees do. The Property

Management and Office Leasing Group outsources work such as facility operation and management, security and cleaning to its business partners, and as such, the Group's guidelines for management quality and services are shared with all their managers and on-site staff to ensure that the Group provides consistent services at all of its buildings. The Group strives to work with its business partners to share the same mindset and maintain and improve high-quality management.

In addition, Mitsubishi Estate partially revised its Business Partner Evaluation System (see below) in fiscal 2010 to clarify the evaluation items and criteria. A briefing was held for business partners to explain these changes.

As part of its quality management efforts through this system, in June 2011, Mitsubishi Estate presented an award to the company with the best practices, and it also held a reception to deepen trust. Recognizing how important relationships of mutual trust with its business partners are in providing high-quality management, Mitsubishi Estate is committed to building an even stronger relationship with each partner to ensure that its management consistently meets the most exacting standards.

#### Communication with business partners

Contact with business partners	Purpose and objective			
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 share 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	In reference to the shared knowledge of management quality, analyze on-site conditions, hold discussions on improving quality and coordinate goals among supervisors			

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 information that the Security Listing Regulations mandates 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 of disclosing appropriate information in a timely manner, publicizing management strategies, and providing feedback to views expressed in the capital markets.

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 2010, the IR Office held about 400 such meetings. Company executives and general managers are also active participants in financial results briefings and analysts' conferences. These opportunities for direct dialogue with shareholders and investors help to ensure that their views are incorporated into the management of the company.

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.



Briefing for analysts (June 2011)

Mitsubishi Estate included in FTSE4Good Global Index for tenth straight year



In March 2011, Mitsubishi Estate was selected for inclusion in the FTSE4Good Global Index for the tenth year in a row.

Corporate growth is only possible in an environment where all employees are able to work with enthusiasm and in good 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 crosssectional 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. Starting in fiscal 2011, the cross-sectional task forces are also being implemented at some Group companies.

#### Objectives

- (1) To provide a place in which leadership can be exhibited through team operations
- (2) To encourage a crosscutting 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: 2 (8 or 9 members per team)

#### Member breakdown

- •Mentor (advisor) executive officer: 1
- •Leaders: 2
- •Members: 5 or 6

## **Creating a Vibrant Workplace**

#### New business proposal and open job application system implemented

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 has attracted 12 applications thus far, of which two have 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 the company is working to translate 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.

#### **Employee social promotion** opportunities provided in communication room

The Mitsubishi Estate Group has set up a communication room for Group employees in order to provide more opportunities for employees to communicate together and to foster a vibrant workplace.

In February 2011, the unveiling of the junmai-shu ("pure rice sake") "Marunouchi," completed in the brewer's rice growing

project, provided an opportunity for Group employees to socialize.

Mitsubishi Estate will continue to hold events in the communication room to deepen mutual understanding between departments and Group companies and help create a team spirit "As One Team."



Social for Group company employees

## **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. Sexual harassment prevention, the first of the topics addressed in the training, is an important issue in maintaining a positive workplace environment, and accordingly this training was given in fiscal 2010 to new hires and employees who had not yet attended due to transfer or other circumstances (99 participants).

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 view of the fact that it has been 100 years since Japan's annexation of Korea in fiscal 2010. Mitsubishi Estate invited

attorney Kou Eiki to give a lecture entitled, "The Annexation of Korea and the Legal Position of Koreans in Japan."



Attorney Kou Eiki's lecture

#### **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 of 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 2010, Mitsubishi Estate employed 29 people with disabilities (1.69% of the workforce), falling short of the legally recommended employment rate of 1.8% (which would be 30 employees), due to the retirement of employees and other developments. Mitsubishi Estate plans to expand its hiring of people with disabilities going forward.

#### **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 activities until the child has completed the third grade of 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.

Mitsubishi Estate has established a general action plan so that employees can balance work and childcare and created a Childbirth and Childcare Guidebook covering the company's support programs, which is available on the Intranet.

## Number of employees taking childcare and nursing care leave

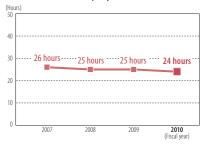
	FY2008	FY2009	FY2010
Childcare leave of absence	18	13	6
Shortened work hours for childcare	11	21	18
Nursing care leave of absence	1	0	1

#### **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.

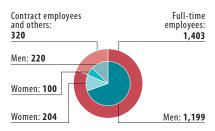
In addition to these initiatives, all supervisors meet one-on-one with their subordinates to discuss workload and task difficulty as well as their health. Any employees with a tendency to overwork are cautioned, while those who work more than 80 hours of overtime per month are asked to have a checkup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

## Overtime hours worked, per month, per person (career track and administrative employees)



#### Workforce profile

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



\* As of March 31, 2011 (Including employees seconded to Group companies)

## Managing employee health with medical checkups

Mitsubishi Estate gives regular medical checkups to all employees once a year to maintain and promote employee health. The company has expanded examinations for lifestyle diseases, and employees are given secondary exams and special exams as the results warrant. Beginning in fiscal 2005, the period in which employees can see a doctor was expanded to three months, with those who were yet to see a doctor notified individually. As a result of these efforts, the examination rate improved 2.31 points in fiscal 2010 over fiscal 2009 to 92.08%.

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

#### 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 decisionmaking 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 2010, the committee met 11 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 2010. 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.

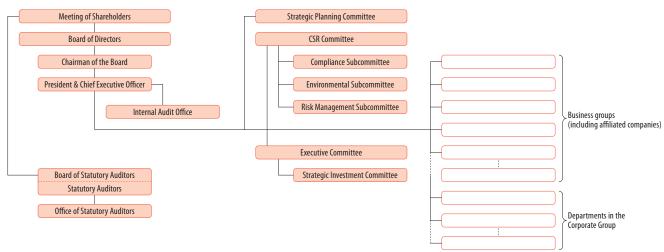
#### Risk management

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 designated as Executive Director of Risk Management and given overall responsibility for risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been designated as 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.

#### Mitsubishi Estate Group's corporate governance structure (as of April 2011)



#### Reinforcing internal controls

The Mitsubishi Estate Group's Board of Directors adopted the Basic Policy on Internal Control Systems, as required by Japan's Companies Act, 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, 2011 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 ascertained 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), Mitsubishi Jisho House Net Co., Ltd. (real estate sales and brokerage)

#### Management oversight structure

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 it 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. This 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 set up 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.

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.

#### Compliance surveys

The Mitsubishi Estate Group regularly gives compliance surveys to its approximately 12,000 executive officers and employees (including temporary employees) to ascertain the extent to which they 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.

#### 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 44 consultations and reports via the help line in fiscal 2010.

#### Fiscal 2010 results for the entire Group

10%

Fiscal 2008

Question: Do you think that your company has achieved the first tenet of the Mitsubishi Estate Group Code of Conduct, "We will act with integrity"? The entire Group Number of respondents: 11,105 (Fiscal 2010) No, not really -Yes, for the most part Yes No 742 Fiscal 2010 6,100 220 Fiscal 2009 820 198 -

40%

50%

4,923

60%

Implementation dates for fiscal 2010 survey: June 28–July 9, 2010 Subjects: All employees and executive officers at Mitsubishi Estate and 44 Group companies
Out of 11,840 executive officers/employees, 11,164 responded (response rate of 94.3%)

30%

20%

196

100%

#### Mitsubishi Estate Group's strong desire to serve people and communities

The Mitsubishi Estate Group's brand slogan "A Love for People, A Love for the City" can probably be seen as a PR strategy, but I strongly believe that it is more than an attractive slogan. Organizations and people show their true colors when crises occur, and when I learned about the Group's rapid response to assist people left stranded in the Tokyo metropolitan area because of the earthquake and suspension of public transportation, I truly felt that no company had demonstrated its love for people and community so naturally and to such an extent as Mitsubishi Estate had.

In keeping with its modesty in reporting on its own accomplishments, the Mitsubishi Estate Group only briefly mentioned its response on March 11 at the end of this report. However, I saw the letters of thanks delivered several days later, which really moved my heart, so I decided to introduce comments from some of the letters here.

"I was so grateful to be provided with a warm and safe place to stay, and really felt obliged when we were even given a large carpet and clean blankets out of the blue."

"The food was all hot and delicious and the young people who delivered it had such warm smiles and welcoming manners. I was truly grateful."

"A security guard was on post at all times, so I felt safe enough to take a catnap."

"Even though everyone in the Marunouchi Building was in the same difficult situation, we were really treated kindly, for which I'm very grateful."

As an outside observer, I want to sincerely express my respect for the Mitsubishi Estate Group's strong desire to demonstrate its concern for people and community, which are expressed in its slogan, and for the kindness and warmth of the employees who are putting it into practice in such a natural way.



Iwao Taka, Ph.D. Dean, International School of **Economics and Business** Administration, and Professor, C. Hiroike Graduate School, Reitaku University

#### Looking forward to further development of the Mitsubishi Estate Group's personality

The Great East Japan Earthquake, which occurred on March 11, became a vital opportunity for many companies to reaffirm their raison d'etre. The Mitsubishi Estate Group proactively worked to ensure the safety of various customers based on the voluntary initiatives of each individual employee. I believe that daily experience on the job is what made them able to think independently and act promptly and naturally to protect the lives of all customers as the top priority. I would say that this is evidence that the Mitsubishi Estate Group's corporate philosophy has become the conviction of each individual employee.

Companies also have personalities. CSR activities, which enable a company to fulfill its social responsibilities, cover a diverse and broad range of initiatives, but the key is the extent to which each individual employee can put the corporate philosophy into practice through his or her own actions. I hope that the Group will ensure the recent experience is shared among all employees so that its personality can develop even further.

Companies are also institutions that resolve social problems using business methodologies. Many people today long for a clean environment and safety. By steadily implementing business measures that ensure safety by concentrating resources in specific areas of focus, I believe that the Mitsubishi Estate Group can meet stakeholders' high expectations and live up to the trust placed in them.



Setsuko Egami Professor, Faculty of Sociology, Musashi University

### Benefiting from external insight



Professor Iwao Taka and Professor Setsuko Egami, external advisors on the CSR Committee, gave specific and fitting advice based on social trends on issues that the Mitsubishi Estate Group is called on to address. They praised our response to the earthquake, and we intend to further enhance safety and security and pursue initiatives that address our customers' needs.

To do that, we hope to put our CSR management into practice to meet our stakeholders' expectations and earn their trust by ensuring that all employees embrace our Group Mission as their own and incorporate it in a range of business activities.

#### Shiro Fujisawa

Director, Senior Executive Officer responsible for CSR Department, Mitsubishi Estate Co., Ltd.

## Response to the Great East Japan Earthquake

The Mitsubishi Estate Group expresses sincere condolences to all those who suffered in the Great East Japan Earthquake. The Group is concentrating all of its efforts on its ongoing support for reconstruction in the regions affected by the earthquake.\*

\* Policies and initiatives as of July 15, 2011.

## Initiatives to ensure the safety of customers and support restoration

#### **Establishment of Disaster Response Office**

Immediately after the earthquake, Mitsubishi Estate established the Disaster Countermeasure Office in line with its *Overview of Disaster Countermeasures*. The office was set up at its Tohoku Branch in Sendai City, which is in the affected area, and headed by the manager of the Tohoku Branch. Group companies also developed their own emergency programs. For example, the Izumi Park Town Disaster Countermeasure Office was established in Izumi Park Town (Sendai City, 1,070ha in total developed land area), which is home to more than 26,000 people, with a number of facilities such as hotels, commercial facilities, and a golf course.

The Disaster Countermeasure Office worked closely with the Disaster Countermeasure Headquarters Task Force, established at Mitsubishi Estate's headquarters (Tokyo) as an information center, to ensure the security of customers and confirm the safety of employees, as well as to begin to compile information on damage to relevant buildings, homes and facilities. Based on the information, the office held meetings on countermeasures and made decisions on reconstruction measures.

#### Damage and restoration

#### Office buildings and commercial facilities

After the Disaster Countermeasure Office was established in the Tohoku region, which suffered a great deal from the earthquake, the Mitsubishi Estate Group immediately began to survey the damage done to buildings, facilities, homes and residential land, and began reconstruction work. Many support staff were sent to the area (the first group arrived on March 14) to survey damage done to buildings and move ahead with reconstruction work. As a result, with only a few exceptions, all office buildings and commercial facilities resumed operations by the end of April.

The Mitsubishi Estate Group also surveyed buildings in the Tokyo metropolitan area to determine whether anyone was trapped in building elevators in the aftermath of the earthquake and survey damage. After confirming safety, tenants were kept





**Building damage survey** 

A group of the Mitsubishi Estate Group's specialist engineers, including engineers in charge of building design, structure, electricity and facilities, was formed and surveyed buildings with visual inspections, confirming the safety of all buildings owned by the Group in Sendai and the Tokyo metropolitan area.

informed through building announcements and other means.

Similarly, several commercial buildings in the Tokyo metropolitan area suffered damage to internal facilities, but there was no impact on human life. Of these, four facilities, including Aqua City Odaiba, were temporarily closed to carry out work to confirm safety and make repairs, but they were all reopened in April.

#### Residences

In the residential business, 100 condominiums that were under construction when the earthquake occurred were immediately surveyed for damage, and the absence of human injury and major damage to buildings was confirmed for 96 condominiums on the same day and for the remaining four on the following day. In addition, detailed inspections of all condominiums under construction were carried out by April 30, and subsequently a report on the impact of the earthquake on the building was prepared and sent to the condominium buyers.

Mitsubishi Jisho Community, which manages condominiums, surveyed damage and conducted operation checks of facility equipment such as elevators to ensure residents' safety. In addition, based on the survey results, the company put together plans for repairing damage to common-use areas such as condominium entrances and proposed repair plans to the management associations. Regarding the condominiums in the Sendai region, engineers were dispatched from Tokyo to ascertain damage to condominiums that had already been sold in the region, and a survey was implemented for a rental condominium in the same area to identify damage and facilitate repair and installation of temporary equipment as needed.

#### **Assistance for stranded people**

After the earthquake struck on March 11, the streets of the Tokyo metropolitan area were crowded with people who had been stranded as a result of the suspension of trains and other public transportation. In response, the Mitsubishi Estate Group offered space for more than 3,500 people to stay overnight, laying sheets in the lobbies of more than a dozen buildings and certain spaces in commercial facilities, including some in the Marunouchi area and the Yokohama Landmark Tower.

Moreover, to support people with accurate information on the disaster, the Group used Marunouchi Vision's\* 79 monitors, which are administered by a Group company, to air NHK broadcast information on the disaster beginning at 2:55pm, immediately after the earthquake struck, for 24 hours.

\* A networked display system used to distribute image information in the Marunouchi area.











































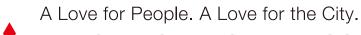












## MITSUBISHI ESTATE CO., LTD.

















































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#### About the cover design

The front cover design consists of a photograph showing Ichigokan Plaza, and the back cover design consists of award-winning works of art from the fiscal 2010 Ninth Dazzling Art Competition held by Mitsubishi Estate for children with disabilities.

