

# 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

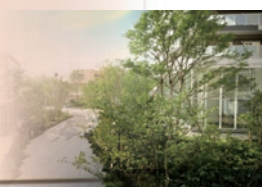
Timed with the integration of the residential business of the three companies, Mitsubishi Jisho Residence announced a unified new condominium brand called “The Parkhouse.” Mitsubishi Jisho Residence also established the “Five Eyes” process to ensure the security and quality of the new brand.

The “Check Eyes” system is built on Mitsubishi Jisho Residence’s unique condominium quality management and performance indication system for all “The Parkhouse” condominiums, and based on Mitsubishi Estate’s previous



Koji Sato

Executive Officer,  
General Manager,  
Brand and Customer Satisfaction  
Promotion Department  
Mitsubishi Jisho Residence Co., Ltd.



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



soleco logo mark

\* soleco system won the fiscal 2010 Good Design Award.

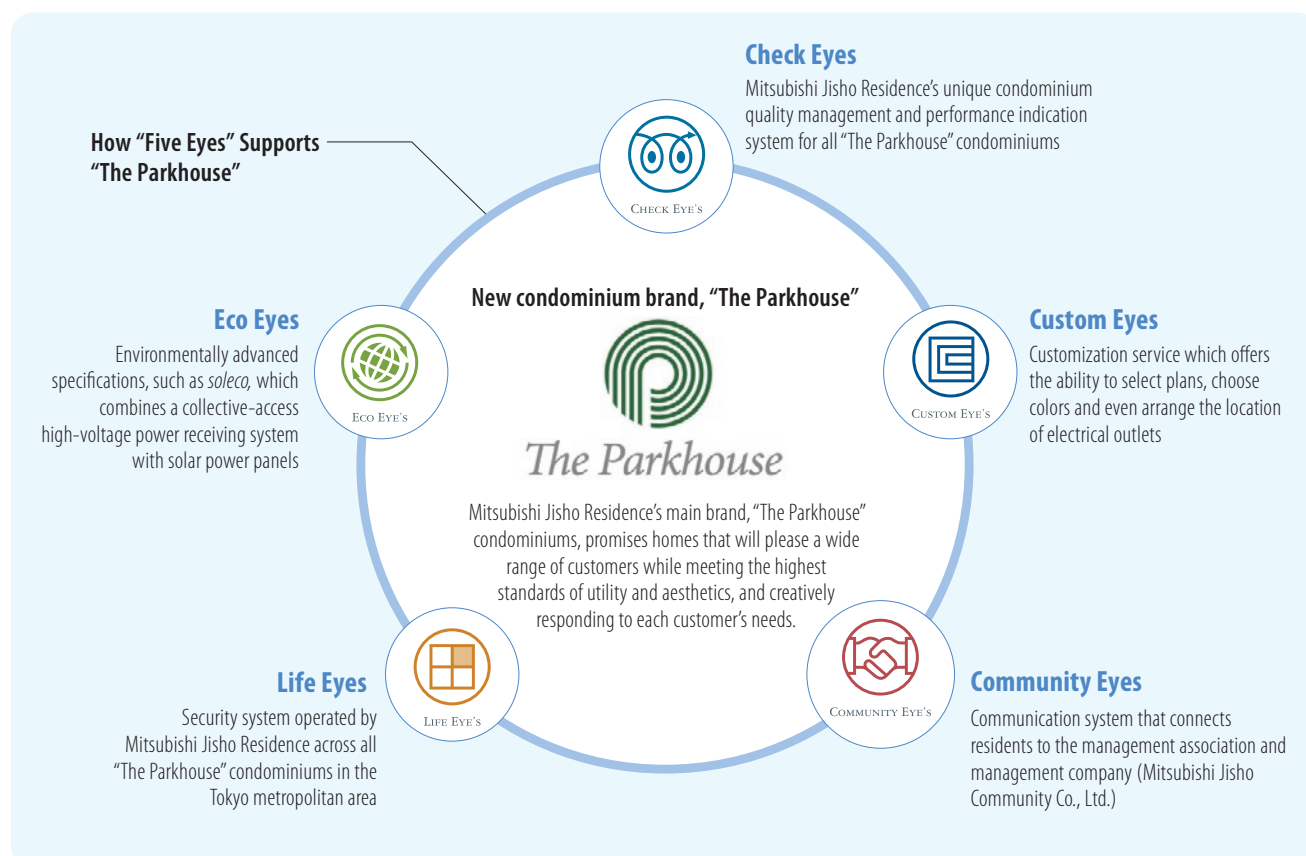
among Group companies in the management and renovation businesses to ensure that customers' demands can be met throughout their lifetimes. Moreover, the company has adopted a Net Promoter Score (NPS), an indicator that evaluates whether a customer would recommend Mitsubishi Estate to others and thus 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.

## 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



# Highlight 1

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

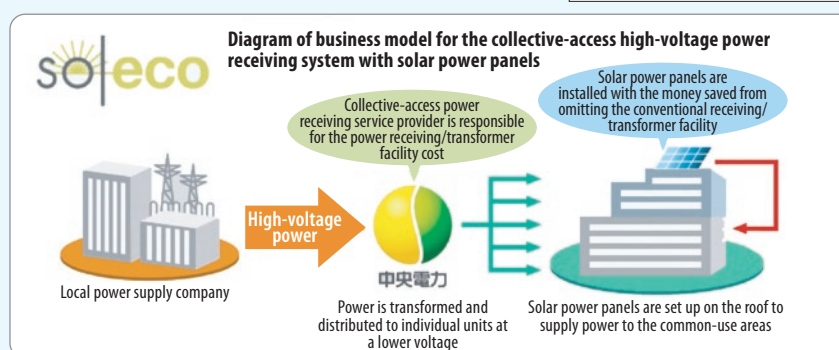
Mitsubishi Jisho Residence started including *soleco* (see the box below) as a standard feature in new family-type condominiums designed in and after 2010 with more than 40 units in the Tokyo metropolitan region and Kansai region. *soleco* combines a collective-access high-voltage power receiving system 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.





## 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.



#### 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.



#### 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.



#### 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.

## Highlight 2

### 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.

\* 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.

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.