

Mitsubishi Estate Group

# CSR Report

## 2012



**A Love for People**  
**A Love for the City**



# Editorial Policy

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

## Scope

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

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

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

Environmental performance data\* primarily covers the following organizations, which are among those that have acquired ISO 14001 certification.

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

\* Information and indicators of the environmental impact of business operations and environmental initiatives

## Period

This report covers fiscal 2011 (April 1, 2011 to March 31, 2012), but also includes information pertaining to other fiscal years.

## Reference guidelines

- *Sustainability Reporting Guidelines 2006*, Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines* (2012 edition), Ministry of the Environment, Japan

Please see pages 39–42 for the GRI Content Index.

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## Next issue:

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## Finding business success by working with stakeholders to provide unique social value

*Hirotaka Sugiyama*

Hirotaka Sugiyama  
President & CEO  
Mitsubishi Estate Co., Ltd.

### Leading in environmental concern, with an emphasis on sustainable development

The Mitsubishi Estate Group is engaged in a wide range of businesses, including the building business, the residential business, architectural design and engineering, the hotel business and real estate services. We believe that putting sustainable development into practice is the key to our growth in all of these areas.

This is why we were so committed to ensuring that the Marunouchi Redevelopment Project, launched in 1998, was eco-friendly in every respect. The concept of “eco-conscious” is an integral part of the Mitsubishi Estate Group Vision: BREAKTHROUGH 2020, our long-term vision for fiscal 2011 and beyond. We have also announced the Mitsubishi Estate Long-term Environmental Vision, the road map under which we will pursue cutting-edge initiatives in areas such as renewable energy use and research on environmental symbiosis technology. It is our public statement that we will seek to become an environmental leader in every field where we do business.

Our Kayabacho Project (tentative name) is a good example of our approach. Launched in 2012, this building construction project is incorporating practical applications of the technologies we developed in a prototype future office where we experimented with the ideal balance between energy conservation and comfort. We will solicit tenant input and use the results to provide feedback for the design of up-and-coming, large-scale buildings, aiming to set the standard for the office buildings of the future. In our residential business, we also proactively utilize solar power and solar hot water systems in condominiums and promote zero-energy homes in our custom-built homes.

We are also looking ahead to the next five or ten years, considering ways to further enhance the efficiency and self-sufficiency of district integrated energy use. All of these steps are designed to achieve our goal of making the Otemachi, Marunouchi and Yurakucho district one of the world’s leading “urban smart cities.”

### Growing with our stakeholders by building safe, secure communities with superior appeal

At Mitsubishi Estate, we recognize that companies today are responsible to society for more than compliance and governance initiatives. We believe that our responsibility extends to creating value and fostering growth by providing platforms for customers and other local stakeholders to work together with our firm to address social challenges.

Since the devastating Great East Japan Earthquake and Tsunami, we have taken a variety of new steps to enhance the safety and security of communities and people’s individual lifestyles. We reinforced our business continuity plan (BCP) and are also working closely with local administrators and businesses in Marunouchi to revise the City-planning Guidelines to incorporate community disaster prevention and environmental measures and draft the new Business Continuity District (BCD) Plan for Otemachi, Marunouchi and Yurakucho.

As part of the Marunouchi Redevelopment Project, since fiscal 2001 we have been expanding on our Marunouchi Brand Strategy, which aims to transform the area into the most vibrant and interactive urban community in the world. Beginning in 2012, we will further augment its functions as a business center and spur its adaptation of globalization. We have already

been operating centers for new business incubation and the development of next-generation human resources, and have welcomed childcare providers to set up childcare facilities in office buildings. We have also invited in a general tourist information center for foreign travelers and are now working to set up a medical clinic for non-Japanese-speakers, as well as a new financial education and interaction center. Initiatives like these demonstrate our determination to facilitate new forms of interaction in the community and create diverse value suited to the changing times.

We believe that these initiatives will attract foreign companies and talented people, enhance Tokyo's stature in the competition among the world's top cities, and add new energy to Japan's economy. We see our mission as leading the way in urban planning that delivers superior social value in all of our businesses, while working together with customers and local stakeholders to envision the cities of the future and ensure mutual growth.

### **Giving back to society as only a leading community-building company can, by bringing stakeholders together**

Our efforts designed specifically to give back to society are also motivated by the goal of growing continuously, together with our stakeholders.

Our "Experience Nature" project has brought urban and rural communities together since 2008. Based in Hokuto City in Yamanashi Prefecture, we work closely on the project with the NPO Egao Tsunagete (which means "connecting smiles" in Japanese). Since the beginning, we sought to make this project an integral part of the value chain in all of our businesses by inviting employees from all of our business units to participate. One example of this integration is the use of timber grown in Yamanashi Prefecture in our custom-built homes and the use of fresh foods grown there in several Marunouchi restaurants. Our experience with this approach informed the new Rebirth Tohoku Food Project, which aspires to revitalize the "Tohoku brand" by utilizing foods from the Tohoku region—which was devastated by the earthquake in 2011—in Marunouchi restaurants to support disaster recovery in the region. I am confident that CSR initiatives like these, so closely integrated with our core businesses, will continue to make a difference for years to come.

Recently, leading business thinkers have been advocating for creating shared value (CSV) that can benefit a wide range of stakeholders, and I am certain that our social contribution activities are already moving in this direction.

Broad employee participation in these activities will lead to the development of new initiatives unique to Mitsubishi Estate, creating ties among people and among companies and supporting the kind of long-term social contributions that can only be realized by a leading community-building company.

### **Leveraging Group strengths to foster employees and pursue our mission**

Both our business efforts to develop appealing urban communities with superior safety, security, and environmental performance and our activities designed specifically to give back to society depend upon the ability of individual employees to see things like stakeholders do, identify their wishes and intentions, and consider what value is required and how it can be provided. Our corporate brand slogan, "A Love for People, A Love for the City," summarizes this approach. To make it a reality, we are making the most of the wide-ranging expertise of the Group's value chain "As One Team," frequently collaborating across individual companies and business groups.

In fiscal 2011, the Mitsubishi Estate Group launched the Hito-Machi Award (literally, "People and the City Award") to recognize Group employees' teamwork in devising small, everyday techniques and taking on new challenges. This award is intended to help employees demonstrate what it means to have "a love for people" and "a love for the city." There were 480 entries for this award Group-wide, showing an energy that represents major potential in creating the diverse value that communities need. I see this awards program as one driving force for building a sense of unity. It helps us to share best practices across the Group, and will spur on the efforts of Group companies to become No. 1 in their respective businesses.

The respect for human rights and diverse values and cultures enshrined in the Mitsubishi Estate Group Code of Conduct and the Mitsubishi Estate Group Guidelines for Conduct have become ever more relevant. We will continue to hold training programs and lectures on human rights, follow equitable hiring and job assignment practices, facilitate the career advancement of all employees regardless of gender, and proactively hire people with disabilities.

I see my most critical role as ensuring that employees can take a leading role in our initiatives "As One Team" to achieve growth together with our stakeholders. As we continue to actively support everyone working with the Mitsubishi Estate Group, I believe we will surely fulfill our basic mission to contribute to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment.

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

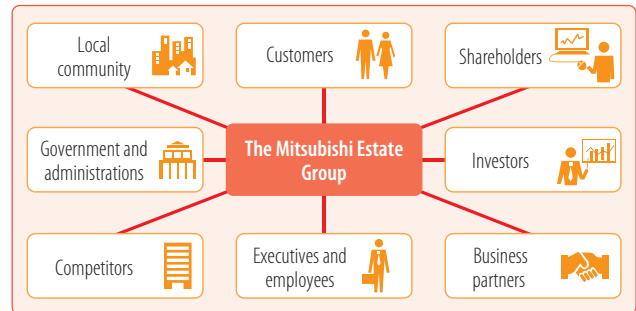
Full text available at [www.mec.co.jp/e/company/charter/](http://www.mec.co.jp/e/company/charter/)

## 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. The Group's CSR Committee is chaired by the company president and ensures groupwide implementation of CSR.

### Overview of CSR Committee meetings held in fiscal 2011

#### First meeting (July 2011, regular meeting)

- Discussion on establishing the Mitsubishi Estate Group Green Procurement Guidelines
- Discussion on disaster response after the Great East Japan Earthquake and assistance for the affected areas
- Discussion on establishing a statement that communicates environmental commitment, among other issues

#### Second meeting (February 2012, regular meeting)

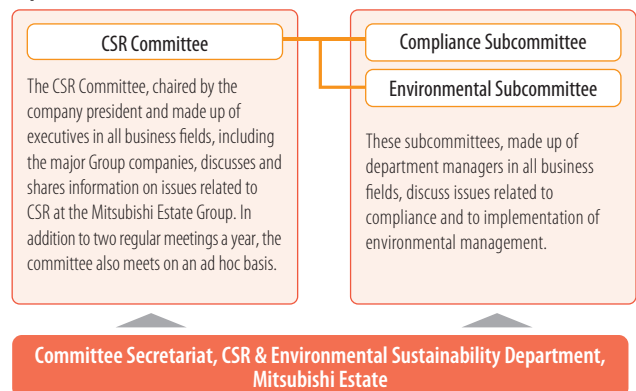
- Discussion on review of the risk management operational framework
- Annual report on social contribution initiatives
- Discussion on reconstruction assistance for the areas affected by the Great East Japan Earthquake

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 and Dean, Faculty of Sociology, Musashi University

The Compliance Subcommittee and the Environmental Subcommittee serve as forums for detailed discussion to prepare for CSR Committee meetings.

### Operational framework for CSR



## Priority CSR issues for the near term

The Group has identified three issues to be given priority for the near term.

### Priority CSR issues for the near term

Promoting environmental management	Building a low-carbon society
	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 utilizing management resources	Implementing groupwide social contribution initiatives
	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

# Creating Eminently Livable Communities with Resiliency against Natural Disasters

The Great East Japan Earthquake and Tsunami of March 2011 put a sharp spotlight on the safety and security of Japan's cities and homes. The Mitsubishi Estate Group is responding with two approaches: independent efforts to improve its own systems and structures; and cooperative efforts with tenants and local governments.

## Group-wide Initiatives

### Further increasing disaster preparedness with cutting-edge ideas and technologies

#### For 80 years now, security and safety have been an integral part of our corporate culture

Mitsubishi Estate has a long history with disaster measures, starting in 1923 at the time of the Great Kanto Earthquake with the drinking water and hot meals we provided to people in and around the former Marunouchi Building and the emergency medical clinics we set up to help the injured. Since then, Mitsubishi Estate has held comprehensive disaster drills every September for over 80 years, with the participation of many people from around the Group.

The Marunouchi area—the Mitsubishi Estate Group's base—did not suffer significant damage in the recent Great East Japan Earthquake, and the internal broadcasts and emergency building safety checks immediately after the earthquake as well as measures to help people unable to return home all proceeded according to plan. I think that this can be attributed to the integral role that safety and security plays in our corporate culture, as well as our history of persistently taking measures.

A good example of this was our prompt response to people who had difficulties returning home. An emergency disaster process automatically goes into effect after an earthquake exceeding a weak six on the *shindo* seismic intensity scale. The earthquake was a strong five in Tokyo, but the official

on site made his own assessment based on the shaking and the appearance of the people gathered in the building and decided to take steps just as if the emergency process had gone into effect. The personnel at each building also proceeded with steps to assist at their own discretion and prior to receiving formal instructions—for example, plastic sheets were laid



**Hitoshi Kubo**  
Deputy General Manager,  
Property Management  
Department  
Mitsubishi Estate Co., Ltd.



Disaster drill

down in the common spaces on the ground floor, and the people who had gathered from the surrounding areas were offered a place to rest. This demonstrated the high level of awareness that is customary to the Group.

#### Reinforcing disaster preparedness for even greater safety and security

Of course, since this was a disaster on an unprecedented scale, there were many challenges and lessons to be learned. For example, Tokyo and Sendai were not able to communicate for a prolonged period, so the Group moved to augment its communication system with new alternative communication devices. The Group also brought in power generators that could operate for 72 hours for future emergencies. In addition, we recognized the need to update our emergency internal broadcasts so that they are given in several languages.

In addition to these initiatives, we will continuously strengthen our disaster preparedness training. In fiscal 2011, we conducted a comprehensive inspection of our systems and structures, including the way Group companies cooperate. We also designated a back-up site for the headquarter building's disaster response office, set up a mobile unit and carried out a simulation training. In March 2012, we carried out training on communication, such as the compilation and organization of information on the status of the disaster from Group companies as well as safety confirmation. We ensured that the simulation training involved a greater sense of urgency, for example not notifying participants of the scenario in advance so that they had to make on-the-spot decisions.



## Upgrading the BCP in light of experiences with the Great East Japan Earthquake

We are utilizing our experiences with the earthquake and what we learned via subsequent training sessions to revise the Framework of Anti-disaster Measures, a disaster prevention manual, and upgrade the business continuity plan (BCP). The Group devised the Mitsubishi Estate Group's Business Continuity Guidelines in October 2006 and the Emergency Response Manual, which addresses emergency situations in general, in April 2009, and has revised these documents to reinforce safety and security. However, learning from this earthquake, the Group decided to prepare a detailed BCP for each business group.

The Risk Management Committee is now overseeing the revision and augmentation of the BCP in line with our experiences in the Great East Japan Earthquake.



## "Never forget March 11"—building safer communities

I believe that we must never forget the Great East Japan Earthquake. This awareness will ensure that we continuously strengthen the Mitsubishi Estate Group's Disaster Measures. Continuing with reviews of disaster countermeasures is one way we can live up to the hopes and expectations of the people who suffered in the earthquake and others.

As a way to coalesce these hopes, the Group designated last March as a month dedicated to strengthening safety and security. This year, we implemented a safety and security program in Marunouchi, holding a disaster prevention exhibition, a symposium and drills, among other events. We plan to continue doing all we can, driven by the conviction that safety and security are the very foundation of the Mitsubishi Estate Group's ability to create value.

## Safety and security program in Marunouchi

### ● Exhibition

An exhibition was held with cooperation from the local fire department to demonstrate the emergency preparedness of the Marunouchi area, with presentations of seismic control devices, emergency toilets, and a film about the Tokyo Fire Department's efforts following last year's earthquake.



Visitors were invited to write down what they could do in the event of a disaster, thus showing that we can come together and create a safe and secure community.

### ● Symposium featuring the head of the Tokyo Fire Department's Hyper Rescue Unit

The head of the Tokyo Fire Department's Hyper Rescue Unit, which participated in the water injection work at Tokyo Electric Power Company's Fukushima Daiichi nuclear plant, gave a talk.



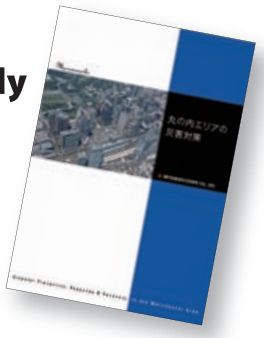
### ● Demonstration of lifesaving and emergency aid activities

A simulation was presented on how to use an automated external defibrillator (AED) when a person suddenly collapses, and on the process from the point at which the person on the scene uses AED until the rescue team takes over.



**Building Business Initiatives—1**

**Preparing for disasters by providing even stronger buildings and helping people feel ready**



**Publication of Disaster Prevention, Response and Recovery in the Marunouchi Area**

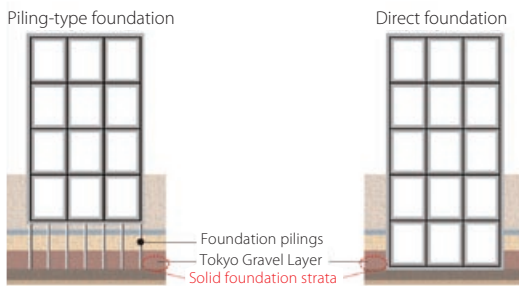
In November 2011, Mitsubishi Estate issued the pamphlet *Disaster Prevention, Response and Recovery in the Marunouchi Area*, which lays out disaster countermeasures taken in the Marunouchi area (Otemachi, Marunouchi and Yurakucho) by area management. The pamphlet introduces buildings’

aseismic capacity and their disaster prevention equipment, measures to prevent water damage, the emergency power supply and the disaster preparedness system. This section features some of these measures.

**Providing even stronger buildings**

**Stable foundation**

The buildings the Group owns in the Marunouchi area are supported on a very stable stratum known as the “Tokyo Gravel Layer” (over 20 m deep). Buildings are structured with foundation pilings that reach this supporting layer or a building foundation that directly rests on it.



Beam and column reinforcement



Additional wall construction/retrofitting

**Strict design standards**

All of the buildings in the Marunouchi area owned by the Group have aseismic capacity that is equivalent to or exceeds the standards specified in the revised 1981 seismic design code.

Moreover, the current laws do not define standards for earthquakes equivalent to level seven on the *shindo* seismic intensity scale, such as the Great Hanshin–Awaji Earthquake, so Mitsubishi Estate worked with Mitsubishi Jisho Sekkei, an architectural design company, to devise its internal safety standards, Building Safety Design Guidelines, which go beyond the current laws and industry organizations’ voluntary standards. These standards are applied to the Marunouchi Building (completed in 2002) and other super high-rise buildings completed since then. In addition, since long-period seismic ground motion with long seismic cycles can shake super high-rise structures violently even at great distances from the seismic center, super high-rise buildings since the Marunouchi Building have been equipped with seismic control devices.

**Reinforcement work carried out**

Buildings that were constructed prior to 1981, when Japan’s seismic design code was revised, have undergone extensive seismic retrofitting including the installation of additional load-bearing walls, wall reinforcement, and beam/column reinforcement to secure a satisfactory level of seismic performance. In addition, other measures such as the application of a safety film to exterior window glass to prevent falling glass fragments have also been implemented.



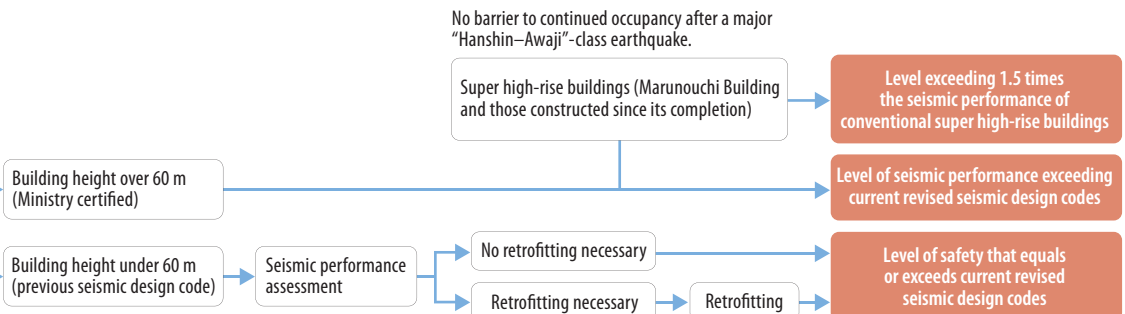
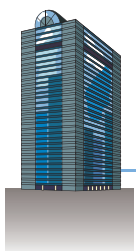
Beam and column reinforcement



Examples of seismic damping devices (left: brace type; right: wall type)

**Reinforcing earthquake resistance in buildings**

Buildings owned by Mitsubishi Estate\*



\* Buildings in operation as of October 2011

## Helping people feel ready and calm, even when disasters strike

### Establishing an emergency disaster system

In line with the Framework of Anti-disaster Measures, the Mitsubishi Estate Group set up a disaster response office to deal with emergency disasters. In the event of an earthquake greater than a weak six on the *shindo* seismic intensity scale striking the central three wards of Tokyo, our BCP and the disaster management organization are automatically activated. The Disaster Management headquarters is immediately established and employees from the relevant group companies undertake the following response activities.

● **Assessment of building damage risks:** In the event of an earthquake, technicians from Mitsubishi Estate, Mitsubishi Estate Building Management, Mitsubishi Jisho Property Management and Mitsubishi Jisho Sekkei will promptly carry out emergency safety checks and provide technical support, including preserving and repairing building facilities.

● **Emergency repairs enabling tenants to continue their businesses:** Group companies as well as building maintenance/repair companies and other cooperating companies will work together to make emergency repairs promptly.

● **Support for visitors and evacuees:** In addition to providing support for those who face difficulty returning home, the system is ready to provide first-aid treatment for injured persons in the buildings.



Support for those unable to return home

### Emergency stores of food, drinking water and supplies

Emergency provisions include not only emergency food and water, but also medical supplies, daily necessities, various tools and even bicycles with puncture-proof tires.



Emergency food supplies



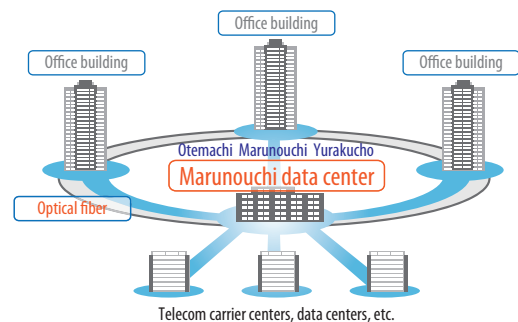
Sewage and water pumping facilities for emergency disasters

### Upgrading energy and communication infrastructure

All buildings are equipped with emergency power generators. Moreover, buildings to be developed in the future will have emergency power generators that not only use conventional Class-A heavy fuel oil but also take advantage of the very stable supply of city gas supplied at intermediate pressure. At the same time, the Marunouchi Data Center, located in the Marunouchi area, is equipped with emergency power generators and uninterruptible power supply (UPS).



Emergency power generators



### Providing latest information

The 80 Marunouchi Vision screens throughout the Marunouchi area will immediately switch to the NHK broadcast in the event of a disaster, providing information to visitors and persons who face difficulty returning home.



Marunouchi Vision

## Close Up

### Capitalizing on the unique characteristics of facilities, such as commercial facilities and hotels

#### At commercial facilities: New action guidelines devised

Mitsubishi Jisho Retail Property Management, which runs commercial facilities in major cities throughout Japan, had previously devised firefighting plans corresponding to the specific characteristics of each facility and region. The Activity Guidelines for Major Earthquakes were established in November 2011 based on experiences with the Great East Japan Earthquake. These guidelines lay out the standards for taking in people unable to return home, criteria for determining whether operations can continue at the facilities, and standards for the amount of supplies to be laid in at the facilities.



Disaster drill

#### At hotels: Disaster drills carried out once a week

It is difficult to hold company-wide disaster drills at hotels, where the accommodations department works with the banquet department and other departments to provide services to customers 24 hours a day for 365 days a year. The Royal Park Hotel (Chuo Ward, Tokyo) meets this challenge by changing the site and situation of the disaster scenario in every drill and carrying out disaster drills once a week in each department. Employees have also joined the Workplace Firefighting Drill Contest conducted by Chuo Ward every year, achieving impressive results.



Evacuation drill

**Building Business Initiatives—2**

**Working with people in the community to enhance overall security**

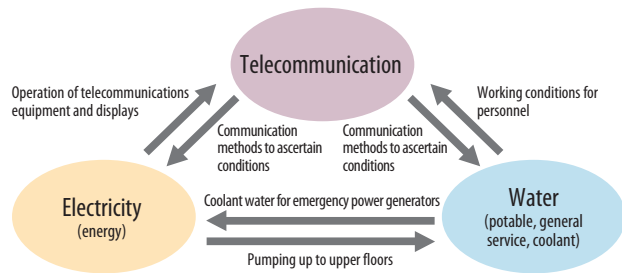
**Participating in emergency preparedness activities in the Otemachi, Marunouchi and Yurakucho district**

In order to protect the people working in the buildings we own and the visitors to the area in the event of a large-scale disaster, we need a cooperative system in which our corporate tenants, owners of nearby buildings, and local governments work together on emergency preparedness and recovery efforts. The Otemachi, Marunouchi and Yurakucho district, where Mitsubishi Estate Group owns many buildings, is one of Japan's preeminent business centers with 4,000 businesses employing approximately 230,000 people. This makes it all the more vital for us to secure business continuity.

Given this, the Group works with other companies in the district to set themes every year and considers local disaster measures through the Council for the Area Development and Management of the Otemachi, Marunouchi, and Yurakucho (OMY Council), whose members represent the owner companies and organizations in the Otemachi, Marunouchi and Yurakucho district. In fiscal 2011, an exploratory committee was formed with participation from academics and government administrators. The committee discussed measures to assist people who cannot get home after a disaster and measures to help the district continue business operations in the event of a disaster.

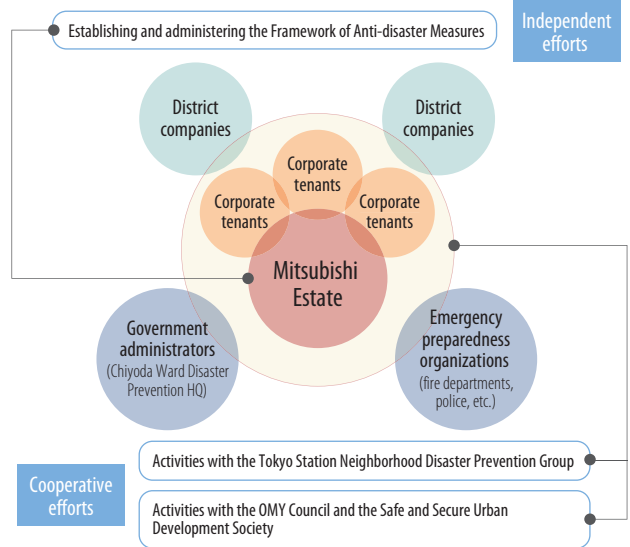
Through the OMY Council, the Group is working with companies in the district on ways to create an Otemachi, Marunouchi and Yurakucho Business Continuity District (BCD) and "urban smart city."

**Maintaining functions of core infrastructure**



In discussions over the business continuity district concept, electricity (energy), water and telecommunications were defined as the three core types of infrastructure needed to prevent the interruption of operations in the district.

**Emergency preparedness system for Otemachi, Marunouchi and Yurakucho district**



**Public-private partnerships for urban development**

The Mitsubishi Estate Group carries out emergency preparedness measures in collaboration with government administrators and companies in the Otemachi, Marunouchi and Yurakucho district, where the daytime population is very high.

One example is participation in the neighborhood corporate association, Tokyo Station Neighborhood Disaster Prevention Group. Formed by local businesses in 2004, the association works closely with Chiyoda Ward and implements steps to enhance disaster preparedness in the district. The Group participates in and cooperates with disaster preparedness activities and drills on providing support for stranded people in an event of a disaster.

Mitsubishi Estate also participates in the Advisory Committee on Otemachi–Marunouchi–Yurakucho Area Development. Formed in 1996 by the OMY Council, Tokyo Metropolitan Government, Chiyoda Ward and East Japan Railway Company, the Advisory Committee is carrying out 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 the year 2000, the Advisory Committee established a future vision, rules and methods for the community in its City-planning Guidelines, approved by the public-private partnership.

The Group aspires to utilize the knowledge and expertise it has acquired in various activities to work with many people in offering the safety, security and other values that the Otemachi, Marunouchi and Yurakucho district is so uniquely positioned to offer, and thereby to further enhance the community's appeal.



## Residential Business Initiatives

# The Parkhouse brand—continuing to offer a safe, secure and comfortable lifestyle

### Reinforcing the proprietary Check Eyes system for emergency preparedness

The livability of the condominiums that Mitsubishi Jisho Residence had sold was not significantly impaired in the Great East Japan Earthquake on March 11, 2011. This demonstrated that The Parkhouse brand's structural design standards and facility design standards, which had been based on the existing Check Eyes system (see page 28), had been effective. Still, the Group released a press release on August 30, 2011, explaining its new policy designed to further reinforce its emergency preparedness standards in terms of both infrastructure and facilities and their operation in order to provide customers with peace of mind and a lifestyle that is even more resilient in the face of disasters.

This policy is our promise that the residences of The Parkhouse brand are designed with safety and seismic capacity in mind, that our emergency preparedness manual and other materials will give residents familiarity with the procedures to take to protect themselves in the event of a disaster, that emergency preparedness supplies are stockpiled, and that we will propose a structure that will enable residents to work together with the management association in the lead to quickly form a community.

On the infrastructure and facility side, Mitsubishi Jisho Residence includes as standard equipment front doors with earthquake-resistant frames that prevent the doors from becoming stuck due to deformation in an earthquake, earthquake-resistant latches, security lighting in the hall ways of each unit which can also be used as emergency flashlights, and P wave sensors in elevators. These emergency features come standard in all buildings and have been described in the Check Eyes Book, a book that describes housing performance and the basic specifications of each building. Going further, all projects with design start dates in or after October 2011 will have an emergency storehouse, a manhole toilet, emergency water supply (emergency purification unit) and basic rescue tools as standard features.

We will continue to devise detailed measures for structural plans and equipment plans for each type of building, since the building's site characteristics and other conditions determine which aspects should be reinforced. In general buildings, a construction method suited to the conditions of the planned site's land is selected, while in high-rise buildings that meet certain conditions, an emergency power source is provided for shared areas. Super high-rise buildings adopt either seismic-isolation structures or seismic-damping structures, in principle, and the emergency power source for elevators and pumps for general water supply have longer operating times than that legally mandated. In addition, in buildings located in a coastal area, the basic conditions for high tides and tsunami for the adjacent seawall are displayed and measures taken to prevent liquefaction.

In terms of the operational side, we provide added descriptions tailored to each building in the Check Eyes Book regarding such topics as the site conditions, basic structure for planned buildings, and an outline of the emergency warehouse and supplies—the areas that have been reinforced.

Then, after the building is transferred to the new owner, the Emergency Preparedness Plan Proposal, a sample tailored to the property's size, will be given to the customer. This provides an example of a specific plan for the actions that the management association and residents should take in the event of natural disasters such as major earthquakes, typhoons and torrential rain or major fires. Based on this plan, the management association can implement disaster drills and identify and decide upon specific actions, the site for storing emergency supplies, and other specific relief and rescue details, while working closely with Mitsubishi Jisho Community Co., Ltd., the management company, and other service providers.

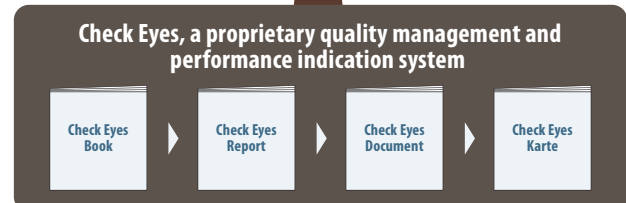
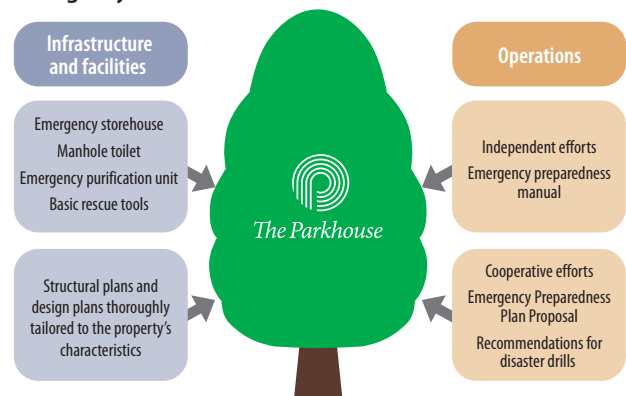
By upgrading our Check Eyes system, which provides information on building performance from the design stage through the construction, transfer and management stages, we will help the residents be prepared for disasters and live with peace of mind. We will continue to strive to ensure that The Parkhouse residents understand that their buildings are not only comfortable, but also safe and secure.



**Hidenori Sato**

General Manager, Product Design Office, Product Planning Department  
Mitsubishi Jisho Residence Co., Ltd.

### Emergency measures for The Parkhouse residences



# Comfortable Spaces and Services That Are Easy on People and the Environment

Safety, comfort and eco-friendliness—as the kinds of performance sought in homes and offices become increasingly sophisticated, the Mitsubishi Estate Group continues to leverage the knowledge, technology and expertise of its diverse companies to offer customers true value and make new styles of life and work possible.

## Building Business Initiatives

### The Kayabacho Project (tentative name)—simultaneously enhancing the productivity, comfort and environmental performance of office buildings

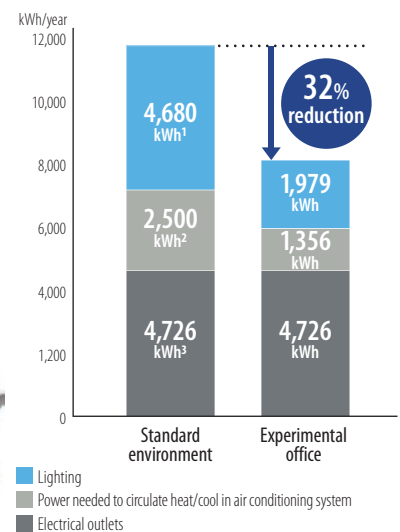
The OMY Council has established the OMY Environmental Vision as well as the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi and Yurakucho District (the Ecozeria Association) to realize it. Ecozeria provides information on the environment and holds events. A part of its office in the Shin-Marunouchi Building is run as an experimental office for validation of the benefits of next-generation low-carbon technologies, and various cutting-edge technologies are being piloted there.

Experimental office for validation of the benefits of next-generation low-carbon technologies



Ecozeria, a strategic environmental center

#### Annual electricity consumption in offices



- Standard lighting in the Shin-Marunouchi Building (two FHP 45 W fluorescent bulbs with 750 lux; used with daylight and without motion sensors)
- Statistic from the Energy Conservation Center, Japan (with reference to buildings in the same category as the Shin-Marunouchi Building, which use district cooling and heating and have a rentable ratio exceeding 60%)
- Power consumption from electrical outlets is not compared to other targets; same value as actual usage in the experimental office is used.

### Office proves that power consumption can be reduced by 32%

Offices in the future will have to reduce energy consumption much more than they have in the past. However, as centers of knowledge production, offices cannot go without the air conditioning and lighting that sustain comfort. An experimental office for validation of the benefits of next-generation low-carbon technologies was opened in the Shin-Marunouchi Building in October 2009 to answer the question of how extensively energy consumption could be reduced while actually enhancing comfort.

In the experiment, steps were taken to reduce the energy used in lighting and air conditioning, which account for about 60% of energy consumption. An LED smart lighting system, capable of adjusting brightness, intensity and light color to enhance comfort, and a radiant air conditioning system, which uses thermal radiation from the walls, were introduced together for the first time in the world.



**Toshiyuki Inoue**  
Deputy General Manager,  
Commercial Asset  
Development Department  
Mitsubishi Estate Co., Ltd.

### LED smart lighting system

Individual task lights can be set at the preferred illumination level and color temperature. Moreover, overall office lighting is switched on and off using a motion sensor. In addition, both illumination level and color temperature can be automatically controlled by time of day.

### Hybrid radiant air conditioning system

This system involves directing cold or hot water to the ceiling to achieve combined use of thermal radiation, which enables heat transfer between the ceiling and the human body, with a thermal storage system, which enables storage of cold thermal energy in the building structure at night, when the air conditioning load is low, and discharges coolness gradually into the rooms during the day.

### Kayabacho Project (tentative name)



### Two-story natural ventilation system spans each floor

Each floor is naturally ventilated with an efficient airflow system using two-story halls.



### High performance exterior controls heat load

Glass with excellent external thermal insulation performance is used. The "eco-grid" louvers installed on the façade interrupt the sunlight to control sunlight within the office.

The roughly 15-month experiment showed that, compared to standard equipment, energy consumption could be reduced about 60% for lighting, 40% for cooling and heating, and 32% for the office overall. Moreover, the LED lighting optimized the lighting to suit the work scene, enhancing intellectual productivity. The radiant air conditioning system was highly praised as it did not blow cold or hot air and provided a consistent, gentle warmth that made workers feel that the entire office was bathed in sunlight as well as a cooling sensation reminiscent of being in a tunnel. These results are very encouraging as practical applications.

as well as thermal storage systems which use the building itself as the cooling storage medium, efficient natural ventilation systems, and glass with particularly efficient exterior thermal insulation.

A 45% reduction in energy use is an ambitious target, but this building will appeal to tenants not only because of its impressive environmental performance, but also due to its potential to provide a more comfortable office environment. In another advancement, this new building will provide ideal office space for the cutting-edge business trend that seeks to integrate "individual creativity" with "collaborative creativity."

## Supporting more sustainable and creative work styles

Based on the results of the experiments, Mitsubishi Estate launched the Kayabacho Project (tentative name) in June 2012 as the first step in these technologies' practical application. This construction project will create a building for tenants in Chuo Ward, Tokyo, attempting to reduce energy use by approximately 45% (CO<sub>2</sub> equivalent) compared to general office buildings. This will be done by installing cutting-edge environmental technology such as LED smart lighting systems and hybrid radiant air conditioning systems,

## Utilizing tenant companies' opinions to shape new developments

The building is to be completed in May 2013, but the larger objective is to further increase the number of our office buildings that offer this kind of superior productivity, comfort and environmental performance.

Toward this end, we plan to ask for the cooperation of tenant companies and use their opinions in improving facilities and devising innovations in building administration. This expertise will also be adopted in the designs of future buildings.

## Close Up

### Inauguration of the Marunouchi Eiraku Building: Cutting-edge environmental, emergency preparedness and urban functions

The Marunouchi Eiraku Building opened on April 1, 2012. Located where Marunouchi and Otemachi meet in the heart of Tokyo, it is an international business center featuring the latest emergency preparedness, environmental performance and urban functions.

**Emergency preparedness** The building is 1.5 times\* more earthquake-resistant than typical ultra-high-rise buildings, thanks to a design based on Mitsubishi Estate's own standards, and is also equipped with an emergency power generator and a well. A space for helicopters to land for emergency relief has also been provided.

\* An ultra-high rise building whose major structural parts will not suffer major damage and can continue to be used in the event of external force equivalent to an earthquake with a seismic intensity of a strong six as stipulated in the Building Standards Act (notification).

**Environment** The building uses large-scale solar panels with a maximum generation capacity of 100 kWh as well as LED lighting. A wall greening system has also been adopted. The building has been certified by Japan's Ministry of Land, Infrastructure, Transport and Tourism as a model project in the reduction of CO<sub>2</sub> emissions.



**Urban functions** The basement floor of the commercial zone, named "iyo!!," brings together restaurants that highlight "safety and security," "local food for local consumption" and "local traditions and food culture." The second nursery school in the Marunouchi area to obtain Tokyo Metropolitan Government certification is also located in the building.



## Residential Business Initiatives

## Pursuing lifetime value for customers leveraging the Group's value chain

### New member organization aimed at improving customer loyalty

"Pursuing lifetime value for customers" is one of the goals in the medium-term business plan that the Mitsubishi Estate Group announced in June 2011. This means continuing to enhance customer value while building relationships with individual customers that last a lifetime. To achieve this, we must offer high-quality products and services using an integrated manufacturing, sales and management system that makes the most of the Group's value chain.

For customers, a whole new life begins when they move into their new condominium or single-unit dwelling. Understanding this, we strive to keep meeting customers' occasional needs for maintenance and renovations long after they move in. Pursuing these initiatives drawing on the strengths of the Group as a whole is a powerful way to increase customer loyalty. We aim for nothing short than winning a nation of "Mitsubishi Estate Group fans," people who love not only our condominiums and houses but also our commercial facilities and hotels.

The Mitsubishi Estate Residence Club that Mitsubishi Jisho Residence and Mitsubishi Jisho Community launched in October 2011 is one example of this effort. The Residence Club is a member organization for the approximately 190,000 families that are contracted to buy or currently live in one of the condominiums we sell and manage. Based on the theme "more options for an enjoyable lifestyle," customers under contract can use the club's website to check the status of construction, and residents can access helpful information about post-purchase services and learn more about the privileges of membership. By entering an ID and password, customers under contract and residents can access information specific to their own condominium. *Residence Club Magazine* is also published in conjunction with the website.



Top page of the Mitsubishi Estate Residence Club website

- Services for customers under contract
  - Report on status of building construction
  - Guide to various events before the move-in day
  - Information on preparing for the move
- Services for residents
  - Information on condominium management and post-purchase services
  - Consultation on room renovations
  - Sale of emergency preparedness products
- Common services
  - Preferential services offered by the Mitsubishi Estate Group companies (preferential lodging plans, discounts on Mitsubishi Ichigokan Museum tickets, etc.)
  - Information on special deals for members
  - Information on experience-based events

### Organizing events and campaigns to build community among condominium residents

Japan's experience with the Great East Japan Earthquake reaffirmed the importance of a sense of community in condominiums. Mitsubishi Estate Residence Club has planned and developed various events facilitating communication between residents. Special tours of Mitsubishi Ichigokan Museum, cooking seminars, and the bus tours of the "Experience Nature" project, which give participants a chance to enjoy rice planting and vegetable harvesting (see pages 18–19), are held about once a month. These activities have been very successful in fostering deeper friendships among residents, even people from different condominiums. In May 2012, we held a special campaign to encourage community activities, in which we presented the first 200 applicants with a bottle of *junmai-shu* ("pure rice sake") named "Marunouchi" (see page 19) to enjoy during social gatherings or club activities at their condominiums. This campaign was planned in response to the many people who stated in a questionnaire that they wanted to participate in social gatherings at their condominiums.

We plan to augment the Mitsubishi Estate Residence Club's website with information unique to the Mitsubishi Estate Group as well as residential information to make the website even more useful. We will also utilize it more as a tool for interactive communication, for example reflecting the opinions of members compiled on the website in product planning. Moreover, the contact point for Mitsubishi Estate Renovations, a new initiative that Mitsubishi Estate Home and Mitsubishi Jisho Community launched in June 2012, will be set up on the website.

In all of these efforts, we hope that, by augmenting the website while strengthening affiliations among Group companies, the Mitsubishi Estate Residence Club will function as a B-to-C platform that links the Group together with its customers.



#### Kyota Kobayashi

Group Leader, Customer Satisfaction Promotion Group, Brand/Customer Satisfaction Promotion Department  
Mitsubishi Jisho Residence Co., Ltd.



## Close Up 1

### MEC eco LIFE Initiatives: Leading the way in eco-friendly, comfortable homes

MEC eco LIFE Co., Ltd. was established in December 2008 to pursue cutting-edge environmental performance in the Group's residential business. Beginning with *soleco*, a condominium system that combines a collective-access high-voltage power receiving system\* with solar panels, the company has researched and proposed various cutting-edge solutions in the environmental field. This article introduces MEC eco LIFE's newest initiatives: *sumai LAB*, *sölev* and *soleco jozu*.

\* A 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.

#### Website "sumai LAB" creates ideal homes based on customer opinions

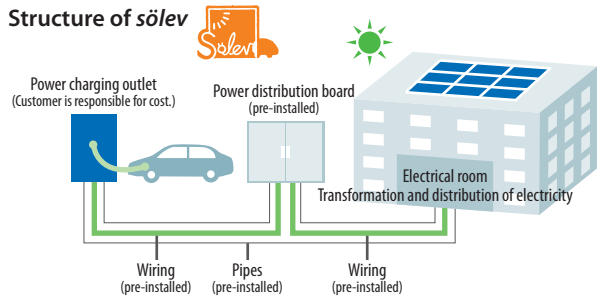
*Sumai LAB* is a website launched in November 2011 as a "research laboratory" aimed at engaging customers in working with us to develop new approaches to housing and creating products that reflect customer opinions. The interaction with customers on the website will lead to new proposals for the ideal homes of the future.



#### Sölev, a new system compatible with electric vehicles that enables users to set up battery chargers in individual parking spots

*Sölev* is a system that enables users to set up personal electrical outlets for charging electric vehicles in the parking lots of condominiums equipped with *soleco*. This alleviates the inconvenience associated with owning and using electric vehicles by keeping the construction costs borne by individual users low and providing a flat-rate system for usage.

##### Structure of sölev



#### Soleco jozu, a new hot water supply system using solar heat

This system heats water using solar energy absorbers installed on the roofs of condominiums. When installed on the roof of a nine-floor condominium with 32 units, gas consumption is reduced by 12–15% a year and CO<sub>2</sub> emissions are cut by 5,843 kg (our estimates). The warm water in the solar energy collector can also be used for daily use in the event of an emergency.



Artist's rendering of a condominium with *soleco jozu*

## Close Up 2

### Announcing Smart Everie, a zero-energy smart house

In April 2012, Mitsubishi Estate Home announced its "Smart Everie" home, which is based on the 2011 zero-energy home "Zero Everie." This smart house improves on environmental performance and ease of use for residents, and provides comfortable and efficient energy conservation. With enhanced thermal insulation and airtightness, the house delivers zero-energy

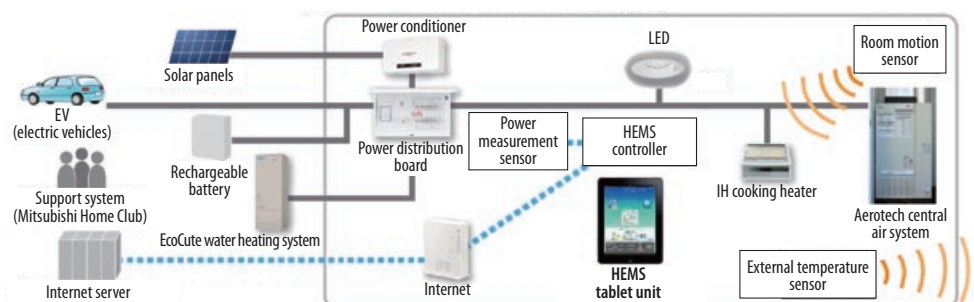
performance even with a conventional roof shape, and can thus accommodate a wide range of design requests.

In the model plan, cutting-edge equipment such as Aerotech<sup>1</sup> and original HEMS<sup>2</sup> which makes the home's energy use visible, create a home

in which residents can live for a long time while enjoying a more eco-friendly way of life. We will continue to take our smart houses to the next level to provide true comfort to residents.

1. 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.
2. HEMS stands for home energy management system.

#### Configuration of smart house system



# Interacting with Local Communities and the Broader Society

## Highlight “Experience Nature” Project Brings Together Urban and Rural Communities

The Mitsubishi Estate Group started the “Experience Nature” project in fiscal 2008 in affiliation with the NPO Egao Tsunagete (which literally means “connecting smiles” in Japanese), which is based in Hokuto City in Yamanashi Prefecture. The project aims to enhance social sustainability by providing a platform for urban and rural communities to help revitalize one another. Experiential tours provide opportunities for interaction, and rural resources are utilized in urban settings, all with the goal of building a society where urban and rural communities prosper together.

### Experiential tours: rice planting and vegetable harvesting

The “Experience Nature” project offers experiential tours for Mitsubishi Estate Group employees and their families, people who work in the Marunouchi district, and customers of the Residential Business, in order to facilitate interaction with local residents in rural areas.

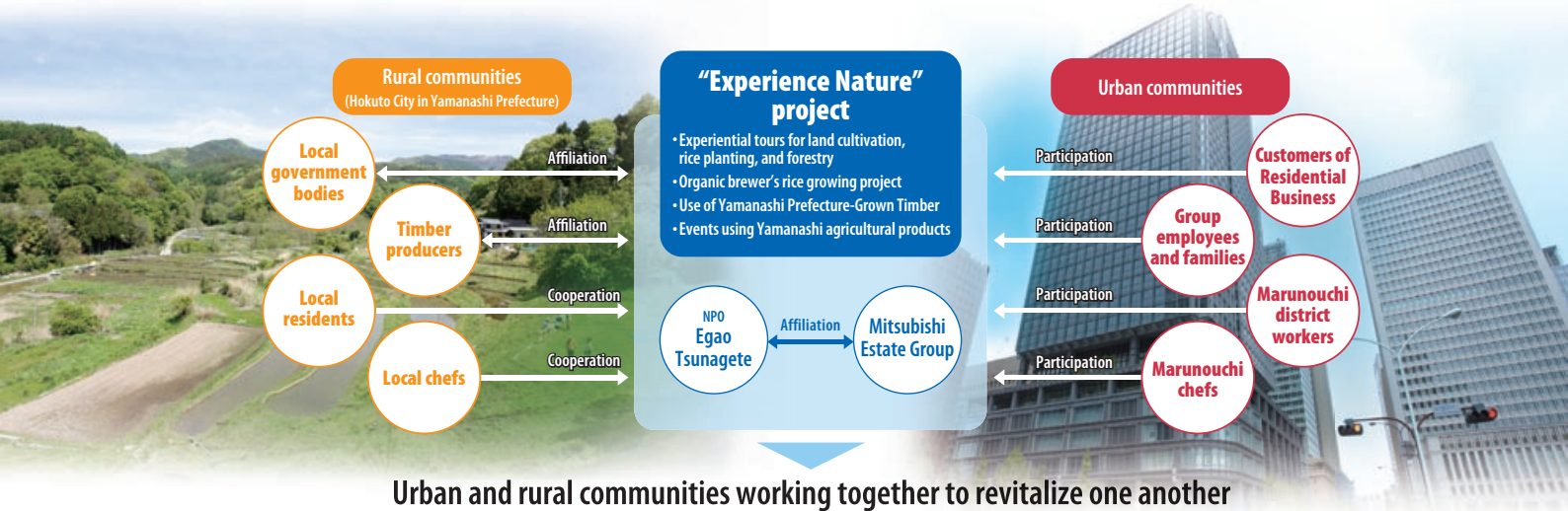
Adding to the existing tours for customers of Mitsubishi Estate Home and residents of condominiums managed by

Mitsubishi Jisho Community, tours are now also available to members of the Mitsubishi Estate Residence Club. Launched in fiscal 2011, the Mitsubishi Estate Residence Club is a member organization for residents of Mitsubishi Group condominiums and buyers under contract (see page 16). Designed to foster a sense of community in the condominiums, the project gave club members opportunities to prepare rice terraces\* for rice fields in April, plant rice in May, and harvest vegetables in August 2012.

\* 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.



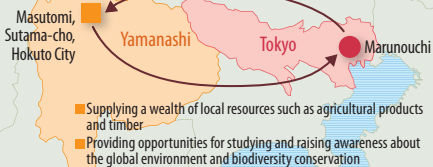
Rice-planting tour



Urban and rural communities working together to revitalize one another

### Creating shared value through the “Experience Nature” project

- Contributing to the community by restoring terraced rice fields and other activities
- Revitalizing the community with businesses utilizing local timber and other enterprises



### Affiliation with Yamanashi Prefecture expands use of prefectural products

The Mitsubishi Estate Group is pursuing synergies between its own businesses and valuable local resources such as the timber and agricultural products that grow in Yamanashi Prefecture’s rich natural environment.

Mitsubishi Estate Home Co., Ltd. endeavors to use Japan-grown timber with clear traceability to ensure appropriate use of forest resources and the sustainable and sound development of the Japanese timber industry. With this aim, the company has considered ways of utilizing timber grown in Yamanashi Prefecture through the “Experience Nature” project. The company has developed commercial applications for Certified Yamanashi Prefecture-Grown Timber Products now that the September 2010 revisions to the Yamanashi Prefecture-Grown Timber Product Certification System allow the “Yamanashi Prefecture-Grown Timber” label to be displayed on products that are processed outside of the prefecture. Beginning in August 2011,

FSC-certified timber LVL (laminated veneer lumber) produced using larch timber from forest thinning and small-diameter trees grown in Yamanashi Prefecture and I-type joists produced using Certified Yamanashi Prefecture-Grown Timber were adopted as standard features in custom-built homes.

In addition, in the same month Mitsubishi Estate, Mitsubishi Estate Home, and the NPO Egao Tsunagete signed a formal agreement with Yamanashi Prefecture to promote the use of Yamanashi Prefecture-Grown Timber. This agreement

aims to promote the sustainable and sound development of



At the signing ceremony

Yamanashi Prefecture's timber industry through promotional and educational activities carried out in close affiliation and coordination between the parties to the agreement. The parties will also work to expand use of Yamanashi Prefecture-Grown Timber by forming links connecting upstream (producing region) value to downstream (supply and sales) value to enhance the brand strength of Yamanashi Prefecture-Grown Timber and let everyone know how valuable it is.

### Various events held using local agricultural produce

Activities featuring food are also held. For the third year, the "Try Yamanashi" Fair was held (sponsored by the Yamanashi Prefectural Federation of Societies of Commerce and Industry) in October 2011 in Marunouchi House on the seventh floor

of the Shin-Marunouchi Building. The fair offered dishes prepared using ingredients produced in Yamanashi Prefecture. The "Project to Create a Delicious Yamanashi" (also sponsored by the Federation), a collaborative event held by chefs from Yamanashi Prefecture and the Marunouchi Chefs Club, also participated.

The Brewer's Rice Growing Project, in which Group employees cultivated idle agricultural land to grow brewer's rice without using agricultural chemicals or chemical fertilizers, began in 2010. Brewer's rice was successfully grown in 2011 as well, with 3,800 bottles of *junmai-shu* ("pure rice sake") named "Marunouchi" successfully bottled. It was brewed by Yorozyua, a sake brewer in Yamanashi Prefecture. It is sold in restaurants and shops in the Marunouchi area and has proven very popular.

In recognition of these activities, in March 2012, the "Experience Nature" project won the Judging Committee Chairman's Award in the Ninth "Ohrai! Nippon" Awards sponsored by Japan's Ministry of Agriculture, Forestry and Fisheries for its exemplary work bringing together Japan's urban areas and rural villages.

The Mitsubishi Estate Group will continue to create new value by integrating rural resources with its companies' businesses to help revitalize communities.



Junmai-shu  
"Marunouchi" sake

Tour of sake brewery

## Stakeholder Meeting

We met with stakeholders to report on activities and describe fiscal 2012 plans for the "Experience Nature" project, and heard their views. The project demonstrates the Group's approach to creating shared value through its business.

### Time and place

4:00-5:45 p.m., February 14, 2012  
Tokyo 21C Club Conference Room (10th floor of the Shin-Marunouchi Building, Chiyoda-ku, Tokyo)



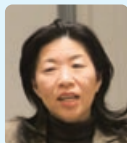
### External participants (affiliation and position as of time of meeting)



#### Yoichiro Otsuka

Director, NPO Support Center for Agriculture, Commerce and Industry Cooperation

The "Experience Nature" project has really blossomed, year after year. The activities carried out in collaboration with Mitsubishi Estate's businesses, such as programs featuring local foods and the adoption of Yamanashi Prefecture-Grown Timber, have been very interesting, and I've learned a lot. I am also very hopeful about the future of reconstruction activities that make the most of urban resources.



#### Junko Owada

Co-Chairperson, LOHAS Business Alliance (LBA)

How about utilizing your experiences in Yamanashi for programs in areas affected by the Great East Japan Earthquake? I think the revitalization of agricultural fields and fisheries with public participation, the revitalization of the ecosystem in coastal areas, and interaction between local chefs and Marunouchi chefs in Tokyo, following Yamanashi's example, would be good options.



#### Hideto Kawakita

CEO, International Institute for Human, Organization and the Earth (IIHOE)

The food project is very unique, and I hope that this will receive even more attention. I would like to hear more about activity results such as the CO<sub>2</sub> fixation achieved through timber use, cultivated land area retention of water resources and changes in the ecosystem due to cultivating arid land.



#### Hisashi Sonehara

Director, NPO Egao Tsunagete

We participated in these activities as a collaborator in the project, and in the past four years we have seen social views change considerably. I think that the development of actual products with links to businesses has had a real impact on society.



#### Shigeyuki Miyabayashi, Ph.D.

Professor, Tokyo University of Agriculture  
Dean of Faculty of Regional Environment Science

The use of Japan-grown timber not only contributes to Japan's timber industry but also fosters culture. Forest preservation plays a significant role in the fight against climate change and in retaining water resources. Programs like these lead to the creation of shared value.

\* Absent on February 14 and comments provided on a later date.

### Response

#### Noboru Nishiga

General Manager, CSR Department  
Mitsubishi Estate Co., Ltd.  
(Affiliation and position as of time of writing)

These opinions reaffirmed the possibility of expanding into a wide range of fields, such as earthquake reconstruction support. We will continue to prioritize integration with our businesses and strive to proactively publicize information about this unique project.

## Interacting with Local Communities and the Broader Society

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 on social contribution activities

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

#### 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.

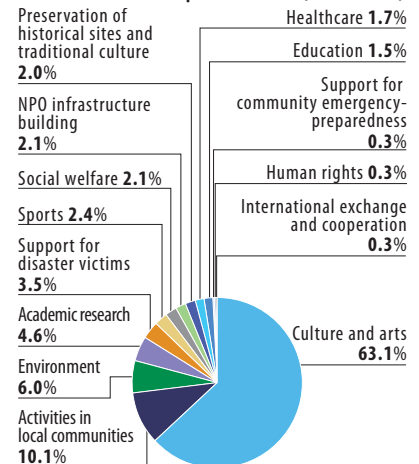
society and the need for the entire Group to work together on initiatives.

#### Breakdown of expenditures

In fiscal 2011, Mitsubishi Estate spent approximately 1,578 million yen on social contribution activities on a non-

consolidated basis, or 1.82% of its ordinary income. The breakdown is shown below.

#### Social contribution performance (fiscal 2011)



### 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, was launched in 2009. Mitsubishi Estate has been working

with the Club to devise plans and schemes that emphasize good communication among producers, consumers and restaurants.

Seeking to develop new forms of community contribution reflecting Marunouchi's uniqueness, Mitsubishi Estate has been running programs to facilitate exchanges with rural communities to consider ways to use appealing rural resources since fiscal 2011. In Yamanashi Prefecture, young chefs who are motivated to revitalize their communities were matched with world-class chefs in Marunouchi, and they worked together to create a new

local cuisine. This expertise was utilized in the Rebirth Tohoku Food Project's reconstruction support program as well. Mitsubishi Estate will continue to pursue initiatives designed to make Marunouchi a leader in Japanese food culture.



Joint menu development by Marunouchi chefs and young chefs in Yamanashi Prefecture

### Support for Culture and the Arts

#### Sixth Culture Promotion Award received from the Western Art Foundation

Mitsubishi Estate was awarded the Culture Promotion Award at the Sixth Western Art Foundation Awards by the

Western Art Foundation.

The Western Art Foundation Awards were founded in 2006 to recognize those exhibitions on western art held nationwide in the past two years that make particularly impressive contributions

to promoting the understanding of western art and to cultural interaction and advances in research on western art.

Mitsubishi Estate, along with the Mitsubishi Ichigokan Museum, Tokyo, was recognized for its contribution in

producing academically impressive exhibitions, including the exhibition, "Manet et le Paris modern," at the Mitsubishi Ichigokan Museum from April 6 to July 25, 2010.

The Group recognizes the Mitsubishi Ichigokan Museum's role as a steward of Marunouchi art and culture

and a venue for cultural interaction and publicity. Along with its efforts to enhance Marunouchi's functions as a business center and improve hospitality in the district, the Group is proceeding with its efforts through the Museum to build a new community that disseminates history, art and culture to the world.



Award ceremony for the Western Art Foundation Award

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

The 2011 event, from July 29 to August 17, was held at five locations, with approximately 2,600 people from 112 groups participating. Clean, reclaimed water recycled from some of the buildings in the area was sprinkled to lower the temperature. In addition, Water Sprinkling Weeks 2011 was held from July 29 to August 31, with 83 stores participating in sprinkling water on the pavement along Marunouchi Naka-dori every evening.

The Mitsubishi Estate Group will continue to offer ways for everyone in the

Otemachi, Marunouchi and Yurakucho area to help mitigate the heat island phenomenon that occurs in urban areas.



Water Sprinkling Project

## Social Welfare

### Tenth Dazzling Art Competition for children

Mitsubishi Estate has sponsored the Dazzling Art Competition for children with disabilities in Japan since 2002 in its desire to support the potential of children with disabilities.

The first competition started with 496 entries, and this year's tenth competition brought in the most entries, totaling 1,550. Fifty especially impressive works are selected after all of the entries have passed through an initial screening, a screening by Mitsubishi Estate Group employees, and the main examination. The original works are exhibited first at Yokohama Landmark Plaza, and then at seven other locations throughout Japan, including Group buildings and commercial facilities. An award ceremony was held on February 17 in the Marunouchi Building Hall. All of the entries are displayed on a special website.

#### Tenth Dazzling Art Competition

##### Entries taken (Jul.–Sep.)

Total number of entries: 1,550

##### Screening and examination (October)

Five hundred eighteen Mitsubishi Estate Group employees came to participate in the screening over a four-day period.

##### Exhibitions held (Oct.–Feb.)

Fifty of the most impressive entries were exhibited in the original in eight venues nationwide (Sapporo, Sendai, Tokyo, Yokohama, Nagoya, Osaka, Hiroshima, Fukuoka).

##### Award ceremony (February 17)

Award winners, their families and school officials were invited to the ceremony held in the Marunouchi Building Hall.



Award ceremony

#### Sample messages to the artists

- "This piece really conveyed a lot of energy by expressing the world inside the artist's heart. I couldn't take my eyes off this work for some time. The artist's efforts really shine through the picture, and I was very moved."
- "The artist drew the things she likes with great enjoyment; the picture really energized me."
- "This picture really relaxed me; it overflows with gentleness."

\* At the exhibits of the works, visitors were invited to leave messages for the artists, and the messages were then passed on to the artists.

#### Message from a parent

- "This was a good opportunity to foster self-confidence for children. I hope that this competition continues to offer a wonderful way for children to express themselves, regardless of ability."

# Committed to Environmental Sustainability

Environmental commitment is written specifically into the Mitsubishi Estate Group's mission statement. The Mitsubishi Estate Group Long-term Environmental Vision further dedicates 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 2011 and January 2012 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 Long-term Environmental Vision

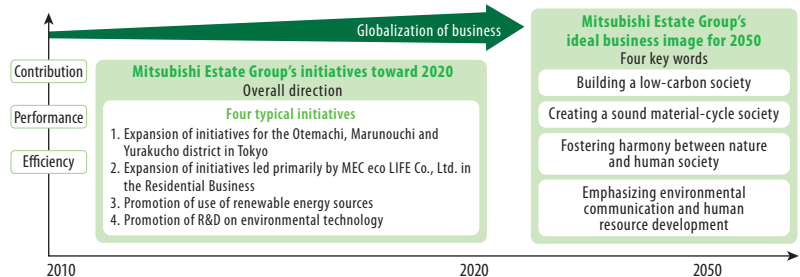
The Mitsubishi Estate Group has established the Mitsubishi Estate Group Long-term Environmental Vision, based on the Mitsubishi Estate Group Basic Environmental Policy, to proactively address environmental issues for the future. This vision clarifies the Group's commitment to actively contribute to society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

#### Mitsubishi Estate Group Long-term Environmental Vision

#### For the 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.



### Mitsubishi Estate Group Green Procurement Guidelines

The Mitsubishi Estate Group established its Green Procurement Guidelines with the aim of promoting the procurement of materials and equipment and the use of construction methods with low environmental impact (green procurement) in order to

help reduce adverse impact on the global environment and build environmentally sound communities.

These guidelines are applicable to all products, services, designs, and construction procured by the Mitsubishi Estate Group. The following items constitute the Group's basic policy for green procurement.

#### Basic policies under the Mitsubishi Estate Group Green Procurement Guidelines

1. Resource and energy conservation
2. Reduction of environmental pollutants
3. Conservation of biodiversity
4. Long-term usability
5. Recyclability
6. Use of recycled materials and parts
7. Ease of treatment and disposal
8. Curtailment of overall procurement

## Environmental slogan and logo

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 ISO 14001 certification for organizations with relatively significant environmental impact, and has also developed and is administering an independent Environmental Management System corresponding to ISO 14001 at organizations with relatively small environmental impact.

In fiscal 2011, five organizations\* from the Mitsubishi Estate Group operated an environmental management system certified under ISO 14001 standards.

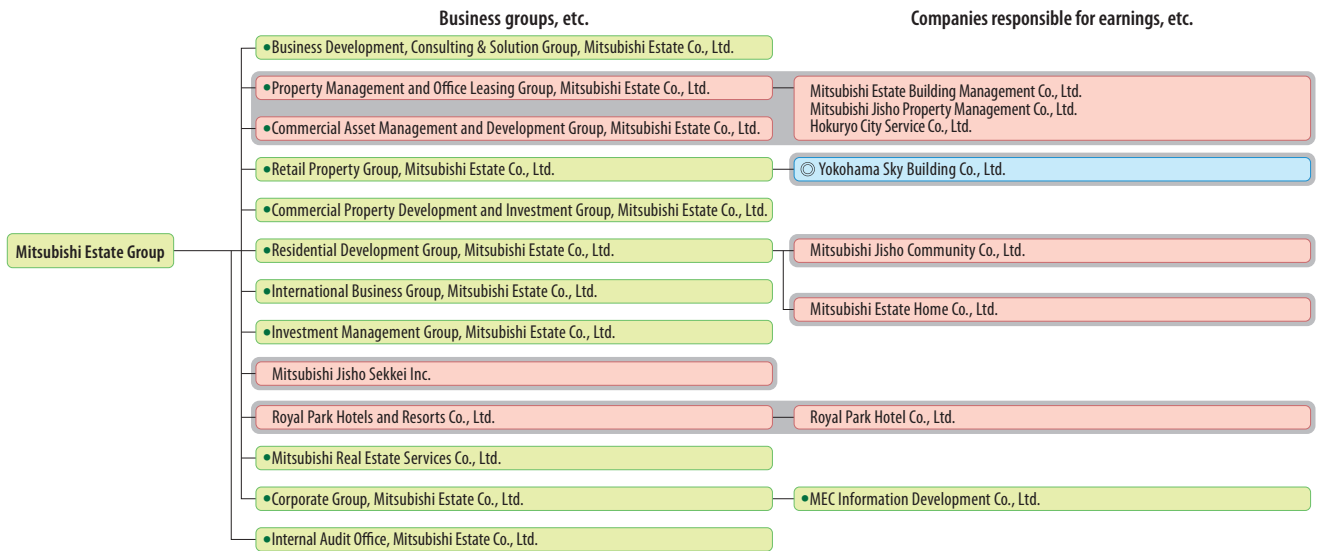
The independent EMS, which is primarily intended for office facilities, is

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 Community Co., Ltd.; Mitsubishi Estate Home Co., Ltd.; Mitsubishi Jisho Sekkei Inc.; Royal Park Hotels and Resorts Co., Ltd. (concurrent certification with Royal Park Hotel Co., Ltd.)

Yokohama Sky Building Co., Ltd. relinquished its ISO certification at the end of April 2011. The company will continue to set environmental objectives and goals for each fiscal year and run and manage its environmental program under its own system in line with the Group's Basic Environmental Policy.

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



  Organizations that have acquired ISO 14001 certification  
 • Organizations implementing an independent EMS (office activities)  
 © Organizations implementing an independent EMS (business activities)

## Building a Low-Carbon Society

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

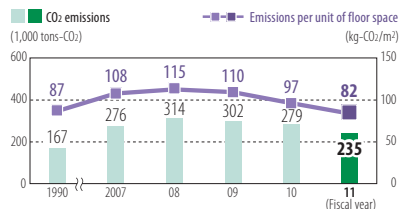
In fiscal 2011, the energy consumption of Mitsubishi Estate's thirty ISO 14001-certified buildings stood at 5,831,016 GJ, and CO<sub>2</sub> emissions totaled 235,176 tons-CO<sub>2</sub>. Compared to fiscal 2010 results, consumption decreased by 871,487 GJ, and CO<sub>2</sub> emissions decreased by 43,954 tons-CO<sub>2</sub>. This can be primarily attributed to the governmental order in the summer of 2011 to restrict the use of electricity pursuant to Clause 27 of Japan's Electricity Business Act. This has led to a significant decrease in electricity usage through the implementation of various power-saving measures and the cooperation of tenants.

In ISO 14001-certified buildings, the Group took several power-saving measures during the summer months, including reducing the number of fluorescent lights in common areas and requesting that tenants lower the level of illumination in their spaces. In addition, throughout the year the hot water supply is partially shut off and air conditioners/heaters are used more efficiently. As a result, energy use per unit of floor space fell 0.30 GJ/m<sup>2</sup> to 2.02 GJ/m<sup>2</sup> in fiscal 2011 compared to fiscal 2010, and CO<sub>2</sub> emissions per unit of floor space fell 15 kg-CO<sub>2</sub>/m<sup>2</sup> to 82 kg-CO<sub>2</sub>/m<sup>2</sup>.

Mitsubishi Estate's fiscal 2012 target for reducing energy consumption in each building is the stricter of either a 2.0% reduction compared to fiscal 2010\* 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.

\* The target for fiscal 2012 was raised to a 2.0% reduction compared to fiscal 2010, considering the unusual reductions in energy use in fiscal 2011 due to power-saving measures imposed following the earthquake in March 2011.

CO<sub>2</sub> emissions and CO<sub>2</sub> emissions per unit of floor space from Mitsubishi Estate's ISO 14001-certified buildings

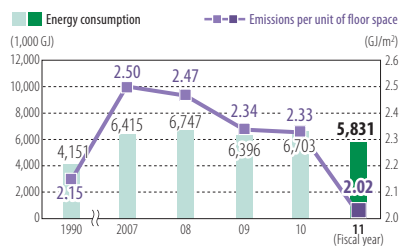


\* CO<sub>2</sub> emissions are calculated using the emissions coefficients determined for individual electrical power suppliers, reflecting actual status.

\* The number of ISO-certified buildings may change 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 ISO 14001-certified buildings



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

### Collaborating with tenants to conserve energy

By type of energy, electricity accounted for about 80% of the energy consumed in Mitsubishi Estate's thirty ISO 14001-certified buildings, whereas by application, tenant use accounted for the majority of energy consumption. Given this, Mitsubishi Estate established a Global Warming Mitigation Measures Committee in November 2008 at each of its buildings in the Tokyo metropolitan area, including Yokohama, in an effort to work with tenants to reduce energy consumption.

This committee met twice in fiscal 2011, once in the spring and again in the fall. Using materials on energy conservation prepared for tenants, the committee explained the progress made in reducing CO<sub>2</sub> emissions in compliance with the Tokyo Metropolitan Ordinance on Environmental Preservation and the Act on the Rational Use of Energy, as well as measures to comply with

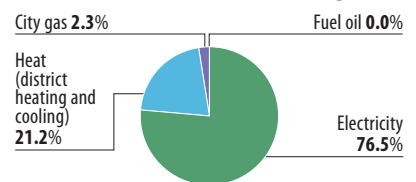
summer power-saving initiatives and their results. The committee will continue these activities, and will also produce and share informational materials about the energy conservation activities carried out in buildings and specific reduction targets, as well as the energy conservation initiatives practiced by tenants.

Moreover, e-Concierge, an Internet-based tenant information service available in certain buildings, was expanded in June 2010 to offer a new service that provides information to individual tenants on their energy use. This effort aims to reduce environmental impact in buildings overall by raising awareness of power and water conservation.

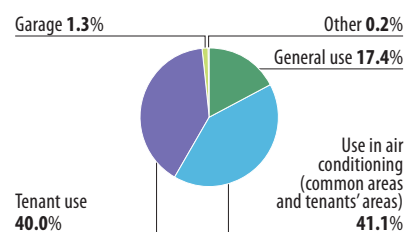


e-Concierge website

Fiscal 2011 energy consumption by type (for 30 ISO 14001-certified buildings)



Fiscal 2011 energy consumption by application (for 30 ISO 14001-certified buildings)



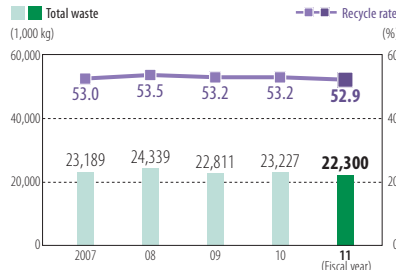


## Creating a Sound Material-Cycle Society

### Recycling waste generated by buildings

The 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 renovations and sales/purchases.

#### Total waste by type and primary recycling end-points at Mitsubishi Estate's ISO-certified buildings<sup>1</sup>

Type	FY	Amount (kg)	Change from previous year (kg)	Primary recycled end-products
Paper suitable for reuse	2011	8,921,448	-432,520	Recycled paper
	2010	9,353,968		
Bottles and cans	2011	1,332,981	-5,593	Glass, metal
	2010	1,338,574		
Fluorescent lights	2011	18,259	-2,171	Glass, aluminum
	2010	20,430		
Polystyrene foam	2011	40,288	-1,918	Processed plastic products
	2010	42,206		
PET bottles	2011	553,542	-53,450	Processed plastic products
	2010	606,992		
Recyclable kitchen waste	2011	930,181	-61,272	Organic fertilizers and animal feed
	2010	991,453		
Non-recyclable kitchen waste and scraps <sup>2</sup>	2011	9,689,160	-349,870	—
	2010	10,039,030		
Industrial waste <sup>3</sup>	2011	814,305	-19,670	—
	2010	833,975		
Total	2011	22,300,164	-926,464	—
	2010	23,226,628		

1. Number of buildings included in scope of data may differ by fiscal year due to renovations and sales/purchases.

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.

### Effective consumption of water resources in buildings

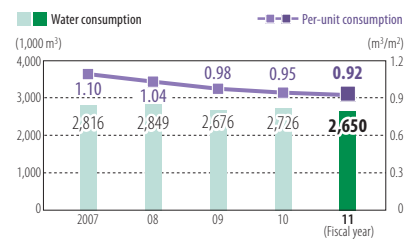
Mitsubishi Estate is working to curb water consumption at its buildings by taking measures to streamline water consumption such as adjusting the amount of water used in toilets and hot-water service rooms. In fiscal 2011, water consumption totaled 2,649,739 m<sup>3</sup> in Mitsubishi Estate's ISO 14001-certified buildings, down 3.2% compared to fiscal 2010, and water consumption per unit of floor space was 0.92 m<sup>3</sup>/m<sup>2</sup>, down 0.03 m<sup>3</sup>/m<sup>2</sup>. Building on this achievement, the company is working

to meet its fiscal 2012 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 2012, 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 522,950 m<sup>3</sup> in fiscal 2011, thus helping to conserve water resources.

#### Water consumption and water consumption per unit of floor space (1,000 m<sup>3</sup>) in Mitsubishi Estate's ISO 14001-certified buildings



\* Number of buildings included in scope of data may differ by fiscal year due to renovations and sales/purchases.

### PSML receives the Clean City Awards' Platinum Award

Paternoster Square Management Limited (PSML), which manages Paternoster Square in London, was awarded the Platinum Award in the Small Site category at the City of London's Clean City Awards Ceremony in February 2012.

These awards recognize businesses located in London, the financial center of the UK and indeed the world, for a wide range of environmental programs, particularly waste reduction initiatives. Out of 1,600 entries overall in 2012, the Platinum Award was given to eight companies in the Small Site category. PSML also received the Platinum Award in 2010. This year the judges were particularly impressed by the efforts of Broadgate Estates, the property management company that looks after Paternoster Square, to involve tenants in its programs and keep the areas around retail units clean.



Clean City Award presentation ceremony

## Fostering Harmony between Nature and Human Society

### Encouraging use of Japan-grown timber—Sustainable 2×4 homes and acquisition of FSC-CoC Certification

Mitsubishi Estate Home Co., Ltd. is a custom-built housing company that makes comprehensive proposals to encourage the use of Japan-grown timber by proactively utilizing wood from thinned, small-diameter trees in 2×4 framed homes, which account for about 20% of all wood-built homes in Japan. This is intended to expand the base for the use of Japan-grown timber in the field of wood-built homes overall and enables the company to supply high-quality, long-life 2×4 framed homes that can be used cyclically over the long term. Japan-grown timber is used for about 50% of the structural materials of these homes, more than any other company in the 2×4 framed housing industry.

Moreover, the company is pursuing links with the “Experience Nature” project (see pages 18–19), an initiative implemented by the Mitsubishi Estate Group in 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\* made from larch trees were adopted. Lumber from larch trees will also be used in structural plywood in the future to boost the utilization rate even higher.

Mitsubishi Estate Housing Components Co., Ltd., which manufactures, processes and sells 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.

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



Japan-grown I-joist and LVL newly adopted

## Reducing Environmental Impact

### Programs to earn DBJ Green Building Certification

In April 2011, the Development Bank of Japan (DBJ) established the DBJ Green Building Certification program for real estate properties developed with environmental awareness. Mitsubishi Estate looked into applying for certification for the buildings developed and owned by its Commercial Property Development and Investment Group, and its Kojimachi Front Building has now earned Gold-level certification as a property “with exceptionally high environmental and social awareness.”

DBJ assesses buildings with impressive environment and social awareness using its own comprehensive scoring model, which evaluates buildings in terms of ecology, risk management, community, and partnership with tenants. The buildings are then evaluated using a four-stage ranking system (platinum, gold, silver and bronze). DBJ was particularly impressed with several features of the Kojimachi Front Building: its CEC/L reduction rate,\* which exceeded 50% thanks to the use of LED lighting; efforts to reduce the air conditioning

load by introducing a system that effectively regulates ventilation according to CO<sub>2</sub> density within the room as well as windows that can be opened and closed; and an approximately 30% reduction in the Perimeter Annual Load (PAL), an indicator of a building’s thermal insulation performance, by configuring apertures based on direction and using low-e double-glazed glass, which helps to preserve a room’s warmth.

With today’s growing expectations and interest in eco-friendly buildings, Mitsubishi Estate will continue to proactively present these appealing features to its stakeholder tenants and investors.

\* Coefficient of energy consumption for lighting (CEC/L) is an indicator of the efficiency of energy used by lighting facilities.

### 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.

As part of these efforts, the Rockefeller Group is working to earn Platinum status (the highest rank) LEED certification for BASF’s North American

headquarters building, located in Florham Park, New Jersey. The Group is also building a logistics facility for the major food products company General Mills in Fort Wayne, Indiana aiming to achieve Gold status. When complete, it will be the largest facility in the U.S. with Gold certification, surpassing the General Mills logistics facility in Georgia, which the Group also developed. Two buildings in Washington, D.C. also earned Gold status LEED in 2011 (1101 K Street and 1100 First Street). The Group is also working to earn certification on its existing property holdings, and has earned Silver status LEED certification for the Time-Life Building in New York City.

\* Leadership in Energy and Environmental Design (LEED), a green building certification system developed by the U.S. Green Building Council that is awarded in the four levels of certified, silver, gold and platinum.



BASF North American headquarters building

## Increasing Ecological Awareness

### New environmental information newsletter: “For Sustainable Cities, For the Sustainable Earth”

The Mitsubishi Estate Group began issuing an in-house environmental information newsletter called “For Sustainable Cities, For the Sustainable Earth” twice a year in fiscal 2011 (the first issue was published on October 14, 2011). This newsletter brings together a wide range of information on the environment, including the Group’s environmental projects and internal environmental conservation activities,

and shares this information within the Group to raise environmental awareness and promote initiatives.

The Group plans to continue issuing this newsletter to give readers a better sense of environmental problems and consolidate information on achievements that provide hints for future programs and boost awareness.



Environmental information newsletter, “For Sustainable Cities, For the Sustainable Earth”

# Engaging Clients

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

### Mitsubishi Estate runs Tourist Information Center for foreign visitors

Mitsubishi Estate was commissioned by the Japan National Tourism Organization (JNTO) to run a Tourist Information Center (TIC) for foreign visitors and opened the new center on the first floor of the Shin Tokyo Building in January 2012.

The national government has been pursuing initiatives to increase the number of foreign visitors to Japan for some time now, but providing a welcoming environment for visitors to Japan has sometimes been an issue. Mitsubishi Estate has been working to enhance urban tourist facilities as part of its efforts to strengthen the city's international competitiveness. We believe that the TIC in Marunouchi, which serves as a gateway to Japan from its location in the heart of Tokyo and next to the Imperial Palace and Tokyo Station, will help to make the district more convenient for visitors

and enhance communication of the nation's charm. This, in turn, will add even more energy to the neighborhood and bring more appeal to Japan as a whole. These are the convictions that led Mitsubishi Estate to propose that the TIC be set up in Marunouchi and eventually brought about the company's commission from JNTO.

The TIC faces Marunouchi Naka Dori Avenue, a lively commercial street that is at the center of Marunouchi's energy and amenities. Mitsubishi Estate plans to involve the TIC in the neighborhood's area management activities as well.



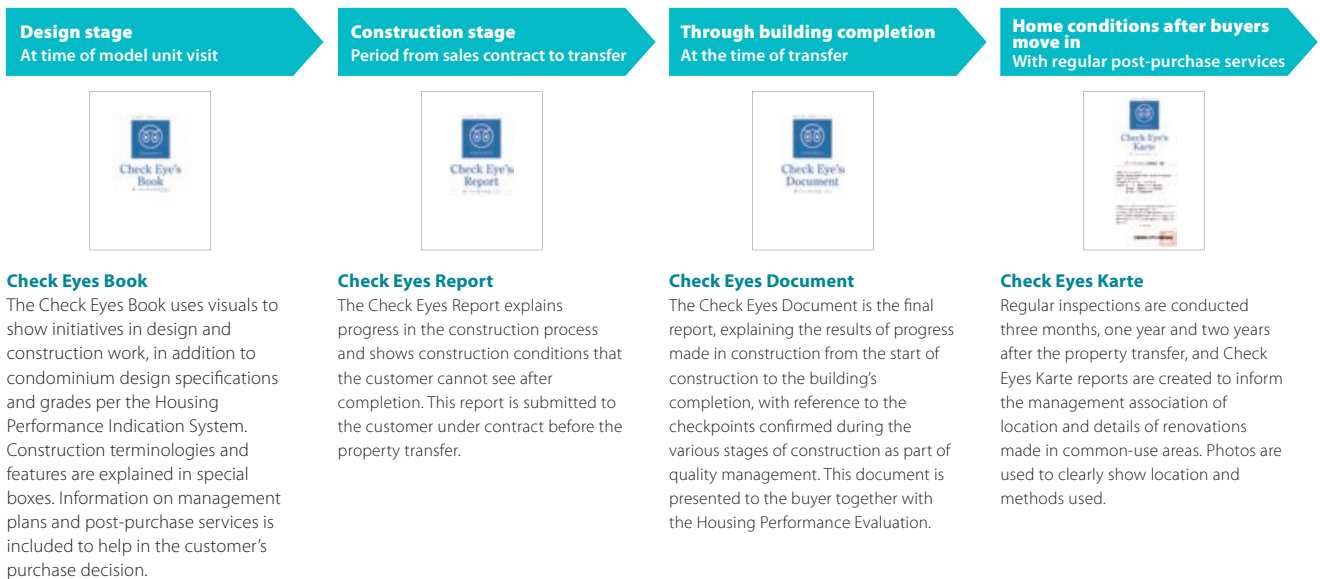
Tourist Information Center

### "Check Eyes," a unique condominium quality management and performance indication system

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

It 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



## Safe and Secure Urban Development

### Implementation of comprehensive emergency plans and establishment of Framework of Anti-disaster Measures

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. Ever since, for more than 80 years, Mitsubishi Estate has been holding comprehensive emergency drills every September 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, Framework of Anti-disaster Measures, to ensure that necessary measures are taken to preserve human life and infrastructure in the event of a natural disaster, such as a major earthquake, fire or other emergency, and to take appropriate and prompt recovery measures. The manual is updated in response to changing social conditions and sets out detailed and wide-ranging measures. It includes items such as standard precautionary measures and assignment of divisions' 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 the president, to take steps in accordance with the Framework of Anti-disaster Measures. 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.

When the Great East Japan Earthquake struck in March 2011, the whole company responded smoothly and appropriately in line with the procedures in the manual.



Comprehensive emergency drill

### 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 Group continues to work to ensure the safety of clients and employees and to enhance its preparedness for ensuring the continuation and recovery of the clients' and Group's business, in order to fulfill its social responsibilities. We will continue to improve the BCP in line with these aims.

### 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 in 2011, 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 (both involved in the total building management business). 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.

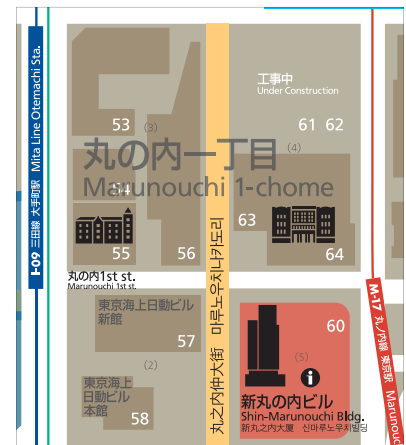
## Information for Everyone

### 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)

# Cooperating with Business Partners

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 Legal & Compliance Department. The Orders Surveillance Committee, chaired by the president, meets when orders for large projects are placed (it met four times in fiscal 2011) and holds discussions to verify total compliance in the order process.

## 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 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 2012, 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
1. Quality management evaluation system for business partners	Improve quality through meetings with business partners and evaluations
2. On-site monitoring	Standardize a high level of quality through mutual confirmation of conditions on site and 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

## 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.

## Serving Shareholders and Investors

The Mitsubishi Estate Group maintains good communication with shareholders, investors and all other 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, holding conferences with analysts, giving facility tours, and actively meeting with institutional investors in and outside

Japan. In fiscal 2011, the IR Office held about 400 such events.

In fiscal 2011, the company announced long-term management strategies through fiscal 2020 and medium-term targets based on these strategies. Company executives and general managers participate in briefings on financial results and the Group's long- and medium-term management plans and in 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 (May 2012)

### Included in the DJSI



In September 2011, Mitsubishi Estate was selected for inclusion in the Dow Jones Sustainability Indexes (DJSI).

### Included in FTSE4Good Global Index for 11th straight year



FTSE4Good

In March 2012, Mitsubishi Estate was selected for inclusion in the FTSE4Good Global Index for the 11th year in a row.



# Working Together with Employees

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.

## Creating a Vibrant Workplace

### Mitsubishi Estate Group establishes Hito-Machi Award

The Mitsubishi Estate Group's brand slogan is "A Love for People, A Love for the City." To recognize the efforts of Group companies to improve the corporate brand, the Group established the Hito-Machi Award (literally, "People and the City Award") in December 2011.

By recognizing daily efforts made by individual Group employees and

awarding activities that improve the corporate brand, the Group hopes to encourage the sense that corporate brand activities are not out of the ordinary, but rather integral to employees' daily work and enhance the sense of community.

The first request for applications attracted 480 entries in 2011. Forty groups of winners were selected for the Sincerity and Trust Award, Customer-Oriented Award, Value Creation Award

and Challenge Award. Three groups were chosen from among these to receive the President's Award.

The Group plans to continue using the Hito-Machi Award to share best practices throughout the Mitsubishi Estate Group and help to improve employee motivation. This, in turn, will help to earn more trust from customers and enhance the Group's overall reputation.

## Building Workplaces Where Human Rights and Employee Diversity Are Respected

### 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. In fiscal 2011, the company held a training session for employees to learn about social integration. All 769 employees attended this session, which lasted two hours and 45 minutes and gave the participants greater awareness and more motivation to eliminate discrimination.

In addition, a human rights lecture is held every December for senior staff such as the president, directors, and division managers, as well as Group company presidents. In fiscal 2011, the company invited Kinki University

Professor Suehiro Kitaguchi to give a lecture on the issue of social integration and companies' social responsibility to help address the problem.

### 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.

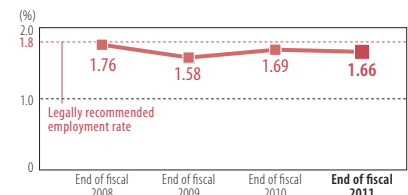
### Hiring of people with disabilities

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 2011, Mitsubishi Estate employed 29\* people with disabilities (1.66% of the workforce), falling short of the legally recommended employment rate of 1.8% (which would be 32 employees), due to the retirement of employees and other developments. Mitsubishi Estate plans to expand its hiring of people with disabilities going forward.

\* Two people with disabilities were hired in April 2012, bringing the total to 31 (as of April 30, 2012).

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, in order to support its employees' efforts to achieve their diverse career goals and help them achieve a healthy 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. It has also made a Childbirth and Childcare Guidebook explaining support programs available on its intranet.

Starting in January 2012, the company has been adapting to Japan's changing demographics by augmenting programs to facilitate nursing care, such as leave of absence and shorter working hours.

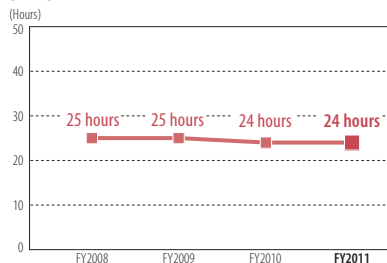
#### Number of employees taking childcare and nursing care leave

	FY2008	FY2009	FY2010	FY2011
Childcare leave of absence	18	13	6	11
Shortened work hours for childcare	11	21	18	19
Nursing care leave of absence	1	0	1	0

### Reducing overtime hours

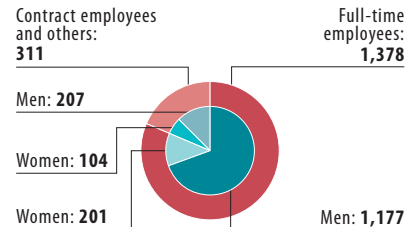
Mitsubishi Estate has made Wednesdays "no overtime days" to help prevent long work hours and overwork. Since 2010, the company has also been observing "intensive no overtime days" on the third Wednesday of every month and every Wednesday in November. In addition to these initiatives, all supervisors 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 90 hours of overtime per month are asked to have a checkup with an occupational physician. Mitsubishi Estate is earnestly striving to optimize the hours worked by employees.

#### Overtime hours worked, per month, per person



### Workforce profile

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

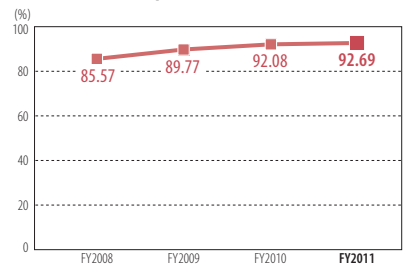


\* As of March 31, 2012 (Including employees seconded to Group companies)

### 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. The period in which employees can get a checkup is three months long, and those who miss this window are followed up with individually. As a result of these efforts, the examination rate improved 0.61 points in fiscal 2011 from fiscal 2010 to 92.69%.

#### Percentage of employees receiving health check-ups (head office)



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 are selected to reinforce the management and oversight functions of the Board of Directors, with a term of appointment of one year.

## Managerial decision-making process

The Mitsubishi Estate Group has established the Strategic Planning Committee, which is chaired by the president and consists of the directors (excluding outside directors), the deputy president, the executive vice presidents, and the president's appointees, to discuss the Group's management strategies. In fiscal 2011, the committee met nine 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 50 times in fiscal 2011. 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.

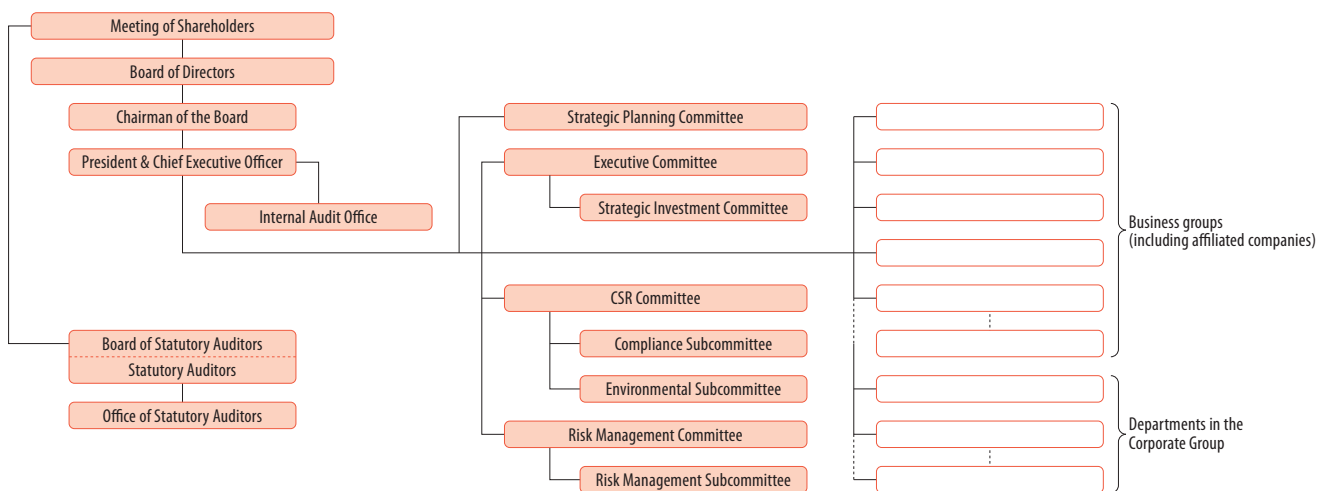
## Risk management

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 Risk Management Committee, which discusses risk management issues facing the Group, and the Risk Management

Subcommittee, a working-level consultative body consisting of department managers including those of major Group companies. The Executive Director of Risk Management has been appointed by decision of the Board of Directors to take responsibility for overseeing risk management, and general managers of each business group and general managers in the Corporate Staff Departments have been designated as Risk Management Officers. Each Group company has also designated its own Risk Management Operating Officer. It is under this system that the Group implements and integrates the management of risk.

With these systems in place, the Group implements risk management activities systematically 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 2012)



## 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, 2012 was submitted to the Kanto Local Finance Bureau of the Ministry of Finance on June 28. The Internal Control Audit Report confirmed that auditors had ascertained that this report was presented fairly.

The three 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)

## 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 society as a whole.

## 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 those from 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 Legal & Compliance 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 has implemented a system that ensures a high level of information management.

In May 2003, 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 and the other confidential information it handles.

## Providing compliance training

The Mitsubishi Estate Group carries out compliance training with the aim of raising compliance awareness among executives and employees at various opportunities, including training for new hires and newly appointed section/division managers.

In particular, new hire training, held jointly with new hires from major Group companies (142 employees from 13 companies in April 2011), includes training on the Code of Conduct and the basics of compliance.

## Ensuring Group-wide compliance

Mitsubishi Estate not only holds training tailored to the business formats specific to individual Group companies, but also devises common training menus and tools for

employees of the entire Group. In fiscal 2011, shared training tools on the theme of harassment and the basics of compliance were prepared at the request of Group companies.

In addition, the Group offers a common training for helpline personnel at each Group company. The employees who run the helpline, a tool established so that employees can consult on compliance issues, must have an accurate understanding of the basics of whistleblowing and must be able to respond appropriately. To meet this need, the Group has created a helpline response manual and trains personnel in accordance with the manual.

## 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 Legal & Compliance 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 47 consultations and reports via the help line in fiscal 2011.

### Increase dialogue with staff in many different job positions to achieve a shared understanding of value



**Iwao Taka, Ph.D.**

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

Mitsubishi Estate has been working to improve relationships with stakeholders and has been achieving solid results. I sense that the company defines CSR as “creating value while resolving social issues together with stakeholders” because it is well aware of how effective this approach can be. As shown in the “Experience Nature” project, Mitsubishi Estate has linked together urban and rural communities which previously had no connection to create new value. This is the kind of innovation that only a real estate company can achieve. However, this kind of success did not happen in a single day. Rather, it was the result of a series of trial-and-error efforts over many years. In this sense, I would like to applaud not only the initial decision made by the top management when they launched the project, but also the management staff who followed up on the project with persistence and all the staff involved for their enthusiasm and effort.

I hope that Mitsubishi Estate will create more opportunities to hold dialogue with staff in all job positions and seek to build a shared perception of value. Employees are certainly part of the company, but in a different sense, they are stakeholders distinct from the company itself. I sense that Mitsubishi Estate has already established a good relationship with its people, but I would like to see the company aspire for one even better. People tend to take what they already have for granted and then fail to perceive its value. People who are not aware of all that they do already have are only attracted to what they do not yet possess. I would like to see the Mitsubishi Estate Group reaffirm that its competitiveness is supported by all of the people on its team, and to see employees realize that they benefit from the Mitsubishi Estate brand, which has been built up over so many years, and take due pride in this. With a shared perception of the value of what it already possesses, I believe that the Mitsubishi Estate Group and all of its people can become an even stronger, friendlier company.

### Taking up the challenge of moving forward by introducing activities with a spirit of “warmth”



**Setsuko Egami**

Professor and Dean, Faculty of Sociology, Musashi University

In this past year, in the wake of the Great East Japan Earthquake, Mitsubishi Estate has steeled its resolve to take safety and security measures to the next level. The initiatives the Group has taken since fiscal 2011 demonstrate that it has taken specific steps to put its resolve into action. The Group’s ingenuity in reducing energy use in its 30 ISO 14001-certified buildings, activities to promote tenants’ understanding, and progress in reducing environmental impact have raised my expectations even further for what the Group can accomplish in environmental management.

In recent years, some observers have pointed to a decline in the younger generation’s ambition and motivation to achieve, which is partly due to a sense of stagnation in society as well as industry. However, Mitsubishi Estate has conducted detailed surveys and created an environment that leads to dynamism in the workplace, putting its own unique approach into practice. I see signs of positive change, such as the development of frameworks that cut across organizations and the installation of spaces for communication. In particular, the Hito-Machi Award (“People and the City Award”) program, which recognizes the proposals and achievements of Group employees according to four evaluation criteria, attracted applications from many young and mid-career employees. This suggests that Mitsubishi Estate employees have the freedom to exercise all of their uniqueness and talents. I could sense a real spirit of warmth behind the awards program. This is a good practice in which the Group communicates the values it prioritizes to everyone, and I see this as a sign that the Group has taken up the challenge of moving forward.

### Benefiting from external insight



Professor Iwao Taka and Professor Setsuko Egami, the external advisors on our CSR Committee, provide specific and precise opinions and views every year on the issues that the Mitsubishi Estate Group is called on to address.

In our process of addressing environmental challenges and other social issues, we believe that it is important to work together with a wide range of stakeholders to create value that can be shared and that supports mutual growth in a sustainable way.

This is why we are working to create a workplace environment where every employee can apply his or her own ambitions and skills to social challenges, and to foster employees who respect diverse values and cultures. Our goal in practicing “CSR management” is nothing short of living up to the expectations and trust placed in us by every stakeholder, across all of our business activities.

**Shiro Fujisawa**

Director, Senior Executive Officer responsible for the CSR & Environmental Sustainability Department  
Mitsubishi Estate Co., Ltd.

# GRI Content Index

The table below indicates the pages in the Mitsubishi Estate Group CSR Report 2012 that correspond to items indicated in the *Sustainability Reporting Guidelines Version 3.0* issued by the Global Reporting Initiative (GRI).

## 1. Strategy and Analysis

Item	Index	Pages
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	4–5
1.2	Description of key impacts, risks, and opportunities.	6–7

## 2. Organizational Profile

Item	Index	Pages
2.1	Name of the organization.	
2.2	Primary brands, products, and/or services.	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	
2.4	Location of organization's headquarters.	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	
2.6	Nature of ownership and legal form.	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	
2.8	Scale of the reporting organization.	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	
2.10	Awards received in the reporting period.	19, 20, 25

## 3. Report Parameters

Item	Index	Pages
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	3
3.2	Date of most recent previous report (if any).	
3.3	Reporting cycle (annual, biennial, etc.).	3
3.4	Contact point for questions regarding the report or its contents.	3
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content.	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	3
3.7	State any specific limitations on the scope or boundary of the report.	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	24, 25
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	
<b>GRI Content Index</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	39–42
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	38

## 4. Governance, Commitments, and Engagement

Item	Index	Pages
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	35–36
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	35–36
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	35–36

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	37, 32
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	35
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	6, 22, 20
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	35–36
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	7
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	35, 29, 30
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	33
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization.	7
4.15	Basis for identification and selection of stakeholders with whom to engage.	7
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	7, 19, 24
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	7, 19, 24

## 5. Management Approach and Performance Indicators

Item	Index	Pages
<b>Economic Performance Indicators</b>		
<b>Aspect: Economic Performance</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	20
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	
EC3	Coverage of the organization's defined benefit plan obligations.	
EC4	Significant financial assistance received from government.	
<b>Aspect: Market Presence</b>		
EC5	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	31
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	
<b>Aspect: Indirect Economic Impacts</b>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	20, 21
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	
<b>Environmental Performance Indicators</b>		
<b>Aspect: Materials</b>		
EN1	Materials used by weight or volume.	24
EN2	Percentage of materials used that are recycled input materials.	
<b>Aspect: Energy</b>		
EN3	Direct energy consumption by primary energy source.	24
EN4	Indirect energy consumption by primary source.	24
EN5	Energy saved due to conservation and efficiency improvements.	24, 14–17
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	14–17
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	24
<b>Aspect: Water</b>		
EN8	Total water withdrawal by source.	25
EN9	Water sources significantly affected by withdrawal of water.	
EN10	Percentage and total volume of water recycled and reused.	25



Item	Index	Pages
<b>Aspect: Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	26
EN13	Habitats protected or restored.	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
<b>Aspect: Emissions, Effluents, and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	24
EN17	Other relevant indirect greenhouse gas emissions by weight.	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	24
EN19	Emissions of ozone-depleting substances by weight.	
EN20	NOx, SOx, and other significant air emissions by type and weight.	
EN21	Total water discharge by quality and destination.	25
EN22	Total weight of waste by type and disposal method.	25
EN23	Total number and volume of significant spills.	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	
<b>Aspect: Products and Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	
<b>Aspect: Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	
<b>Aspect: Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	
<b>Aspect: Overall</b>		
EN30	Total environmental protection expenditures and investments by type.	
<b>Labor Practices and Decent Work Performance Indicators</b>		
<b>Aspect: Employment</b>		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	34
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	
<b>Aspect: Labor/Management Relations</b>		
LA4	Percentage of employees covered by collective-bargaining agreements.	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	
<b>Aspect: Occupational Health and Safety</b>		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	34
LA9	Health and safety topics covered in formal agreements with trade unions.	
<b>Aspect: Training and Education</b>		
LA10	Average hours of training per year per employee by gender, and by employee category.	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	33
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	
<b>Aspect: Diversity and Equal Opportunity</b>		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	34
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	

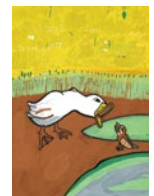
Item	Index	Pages
<b>Human Rights Performance Indicators</b>		
<b>Aspect: Investment and Procurement Practices</b>		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	33
<b>Aspect: Non-discrimination</b>		
HR4	Total number of incidents of discrimination and corrective actions taken.	
<b>Aspect: Freedom of Association and Collective Bargaining</b>		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	
<b>Aspect: Child Labor</b>		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	
<b>Aspect: Forced and Compulsory Labor</b>		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	
<b>Aspect: Security Practices</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	33
<b>Aspect: Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	
<b>Society Performance Indicators</b>		
<b>Aspect: Local Communities</b>		
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	
<b>Aspect: Corruption</b>		
S02	Percentage and total number of business units analyzed for risks related to corruption.	
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	37
S04	Actions taken in response to incidents of corruption.	
<b>Aspect: Public Policy</b>		
S05	Public policy positions and participation in public policy development and lobbying.	
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	
<b>Aspect: Anti-competitive Behavior</b>		
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	
<b>Aspect: Compliance</b>		
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	
<b>Product Responsibility Performance Indicators</b>		
<b>Aspect: Customer Health and Safety</b>		
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	28, 29, 30
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	
<b>Aspect: Product and Service Labeling</b>		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	30
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	28, 29
<b>Aspect: Marketing Communications</b>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	
<b>Aspect: Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
<b>Aspect: Compliance</b>		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	



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