

Editorial Policy

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

Scope

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

Business Group	Company Name	Business Segment
Property Management and Office Leasing	Mitsubishi Estate Building Management Co., Ltd.	
	Mitsubishi Jisho Property Management Co., Ltd.	
	Hokuryo City Service Co., Ltd.	
	Yuden Building Kanri Co., Ltd.	
	Grand Parking Center Co., Ltd.	
Commercial Asset Management and Development	Tokyo Garage Co., Ltd.	Building Business
	Marunouchi Heat Supply Co., Ltd.	
	Sunshine City Corporation	
	Sunshine BS Corporation	
	Sunshine Enterprise Corporation	
	Ikebukuro District Heating and Cooling Co., Ltd.	
Retail Property	Tokyo Kotsu Kaikan Co., Ltd.	
	Marunouchi Direct Access Limited	
	Mitsubishi Jisho Retail Property Management Co., Ltd.	
	Yokohama Sky Building Co., Ltd.	
	Yokohama Swimming Center Co., Ltd.	
Residential Development	IMS Co., Ltd.	Residential Business
	Mitsubishi Estate-Simon Co., Ltd.	
	Izumi Park Town Service Co., Ltd.	
	Mitsubishi Jisho Community Co., Ltd.	
	MT Community Staff Co., Ltd.	
	Ryoei Life Service Co., Ltd.	
	Higashinohon 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.	
Investment Management	Towa Nasu Resort Co.	Investment Management
	MEC eco LIFE Co., Ltd.	
Architectural Design and Engineering	Mitsubishi Jisho Investment Advisors, Inc.	Architectural Design
	Japan Real Estate Asset Management Co., Ltd.	
Hotel Business	Mitsubishi Jisho Sekkei Inc.	Hotel Business
	MEC Design International Corporation	
	Royal Park Hotels and Resorts Co., Ltd.	
	Yokohama Royal Park Hotel Co., Ltd.	
	Tohoku Royal Park Hotel Co., Ltd.	
Real Estate Services	Royal Park Shiodome Tower Co., Ltd.	Real Estate Services
	Royal Park Hotel Co., Ltd.	
Corporate Group	Royal Park Hotel Management Co., Ltd.	Other
	Mitsubishi Real Estate Services Co., Ltd.	
	Mitsubishi Jisho House Net Co., Ltd.	
	MEC Information Development Co., Ltd.	
	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, MEC UK Limited, a UK-based subsidiary, and Mitsubishi Estate Asia Pte. Ltd., a Singapore-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 2012 (April 1, 2012 to March 31, 2013), 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 41–44 for the GRI Content Index.

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Resolving social issues with creative urban development

Hirotaka Sugiyama

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

A history of urban development that meets social needs

Throughout its history, the Mitsubishi Estate Group has put into practice its basic mission to “contribute to society through urban development” as it responds to the social imperatives of each age.

In the Meiji era (1868–1912), Japan was attempting to modernize and catch up with Europe and the U.S. In 1890, Mitsubishi bought a piece of land next to the Imperial Palace now known as Marunouchi from the government, and built a street lined with brick buildings that came to be called “a block of London” in order to create an office district suited to the modern state. This is also the site of the Group’s roots in the building business and the architectural design business. The period spanning the Taisho era (1912–1926) to the first years of the Showa era (1926–1989) was characterized by expanded rights for Japan’s citizens, improved living standards and the modernization of management. It was during this period that Mitsubishi constructed the Marunouchi Building, which adopted architectural theory and techniques from the United States and included a shopping area, and also established Mitsubishi Estate.

During the high-growth period of the Showa era, the Group redeveloped the Marunouchi district and built buildings in Japan’s major cities, and also launched its housing business and real estate services business. These endeavors addressed heightened demand for office buildings, the balanced development of national land, and the improved quality of housing. After Japan’s economic bubble burst, Mitsubishi began rebuilding the Marunouchi district in 1998 to adapt to society’s maturation and address society’s environmental concerns, aspiring to attract not only business people, but also shoppers and tourists from Japan and overseas to create a safe and secure community with the liveliest interaction in the world. The Group continues to strengthen its commercial facility business, urban development business, investment management business, overseas business and hotel business, among others.

As such, the Group has a long history in creating communities that demonstrate solutions to the leading social issues of the times.

Enhancing competitiveness of Tokyo’s Marunouchi district to contribute to the national growth strategy

In recent years, major cities in Asia such as Singapore, Hong Kong and Shanghai have actively worked to attract multinational companies and the employees needed to run them. At the same time, the Japanese government has taken up the task of pulling the country out of its prolonged deflation and is implementing a new national growth strategy. Raising the convenience of doing business in Tokyo, where corporate headquarters and high-tech manufacturing are very concentrated, is an extremely effective means of facilitating this growth strategy. The Marunouchi area, a transportation hub and the location of many influential companies, is the foundation of our competitiveness. Enhancing the area’s value will contribute to sustainable growth for both Japan and the Mitsubishi Estate Group.

The Marunouchi area has already been designated as a special zone under various programs by the national government and municipal government. In 2012, the Strategic Growth Center Project was launched to attract and support the business development of foreign companies which do not yet have a presence in Japan, as well as small and medium-sized companies aspiring to global expansion. This initiative was in conjunction with the opening of the Business Development Center Tokyo, which Mitsubishi Estate was commissioned to operate by the Tokyo Metropolitan Government. We will continue to create business opportunities and train human resources to create new value in the Marunouchi area by globalizing the area, augmenting its functions as a business center and building an innovation platform.

Forward-thinking initiatives to address environmental problems

Environmental issues are more front and center than ever in Japan, given the energy problems following the Great East Japan Earthquake, heightened global concerns over biodiversity and the advancing signs of climate change.

The Mitsubishi Estate Group Long-term Environmental Vision sets our course through 2050, and “eco-conscious” is one of the pillars of our medium-term management plan, “BREAKTHROUGH 2020.” We have made no secret of our intention—internally or externally—of becoming an environmental leader in every field where we do business. Accordingly, in each business, we are pursuing forward-thinking environmental initiatives such as utilizing renewable energy and introducing the latest environmentally friendly technologies.

We do not see our environmental effort as an obligation or a cost, but rather as the key to the Group’s sustainable growth and the origins of its competitiveness. This conviction brings the entire Group together as one to address environmental issues.

As a specific example, in May 2013, we completed the Kayabacho Green Building, which utilizes cutting-edge environmental technology that reduces energy consumption by 45% compared to today’s standard buildings. Building tenants cooperated with our data compilation, and we are using the results as input into our designs for new large-scale buildings, aiming to set the bar for next-generation office buildings. Also with tenants, we launched a project to verify a scheme for optimizing electricity use in the Shin-Marunouchi Building, envisioning the “urban smart city” of the future in the Marunouchi area. We aim to develop a district-wide energy management system that is environmentally friendly and also boasts superior disaster preparedness.

In the housing business, Mitsubishi Jisho Residence Co., Ltd. and MEC eco LIFE Co., Ltd. are vigorously promoting *soleco*, an eco-friendly home system that combines a collective-access high-voltage power receiving system with solar panels, and *soleco jozu*, a new hot water supply system using solar heat, in the condominium, The Parkhouse. In addition, Mitsubishi Estate Home Co., Ltd. is offering zero-energy homes in its single-unit housing portfolio.

Ongoing community revitalization projects

Revitalizing farming and mountain villages is another issue facing Japanese society. The Group has been carrying out the “Experience Nature” Project in Hokuto City, Yamanashi Prefecture, since 2008 to encourage interaction between urban and rural areas. We felt that this was a sustainable project since it does not simply seek to contribute to society, but also links our core operations to the resolution of social issues, and we have continued to encourage Group employees to participate in hands-on projects and workshops. Mitsubishi Estate Home has collaborated with Yamanashi Prefecture and forest product manufacturing, processing and distribution businesses to utilize timber grown in the prefecture in its housing construction and contribute to the stable procurement of high-quality timber with clear traceability and the revitalization of the timber industry.

Recovery from the Great East Japan Earthquake, which decimated Japan’s Tohoku region, remains a major social challenge. Mitsubishi Estate continues to support the Rebirth Tohoku Food Project, which seeks to revitalize the Tohoku food

brand by encouraging top chefs at Marunouchi restaurants to use ingredients from the region. We are also working with the Reconstruction Agency and local governments to support community development and industrial reconstruction in Tohoku.

Reinforcing the foundation for CSR initiatives

In order to fulfill our corporate social responsibility (CSR), we utilize the Group’s management resources to exert a positive impact on stakeholders and society, as well as minimizing negative impact as much as possible.

Governance is the foundation for these efforts. We recently formed an independent Risk Management Committee, raising its profile from that of a sub-committee under the CSR Committee. This and other steps reinforce our commitment to constantly identifying and addressing risk company-wide.

Moreover, we believe that, as our business expands globally, it is even more essential that we remain aware of issues such as compliance, equitable competition and trading, communication with customers, and human rights, and that we always practice appropriate corporate conduct. We established the Mitsubishi Estate Group Code of Conduct and the Mitsubishi Estate Group Guidelines for Conduct and strive to ensure all employees put them into practice. Identifying and addressing risks as well as training will ensure that we keep making progress.

Urban development is all about creating shared value

Companies essentially aspire to stay in business, but those which want to succeed for the long term know they can only do so if their businesses actually help society. This implies that we must continually refine our sensitivity to social needs.

Toward this end, we call upon every Group employee to demonstrate people skills, real estate skills, job performance skills, management skills and global readiness, and work with others “As One Team,” transcending any organizational boundaries. Human resources such as these are further developed as we augment our training programs and offer systematic on-the-job training (OJT). Diversity is also key. The Group has steadily increased the number of female managers, and we will continue to focus on hiring women and people with disabilities in the future as we foster a culture of diversity and sensitivity.

The “Creating Shared Value” (CSV) approach is effective in our CSR initiatives because it helps us to leverage our businesses to address social issues directly. This, in turn, creates new value to be shared with stakeholders and generates higher revenues. Creating shared value is, in fact, the very essence of our urban development business.

All of us at the Mitsubishi Estate Group are determined to keep addressing contemporary social issues as we develop communities that light the path to a more sustainable world. That’s what we mean by “A Love for People, A Love for the City.”