










# Community development to enhance Japan's and Tokyo's international competitiveness

## Social Issue

### Intensifying competition with Asia's major cities as Tokyo vies for preeminence as a global city

The rapid growth of emerging economies means that Tokyo is facing more intense competition with other major cities in Asia such as Singapore, Hong Kong and Shanghai for the position of preeminent global city. A decline in Tokyo's global presence could undermine Japan's economic vitality. To address this problem, in 2010 the Tokyo Metropolitan Government announced a proposal to set up the Special Zone for Asian Headquarters with the aim of attracting foreign companies and making Tokyo the preferred site for their regional headquarters and R&D centers. The national government has also proposed the formation of national strategic economic zones in its growth strategy and has been collaborating with the private sector to revitalize cities. Enhancing Tokyo's appeal and attracting multinationals and world-class human resources is the key to realizing Japan's growth strategy.

#### Global competitiveness ranking

Country name	2011	2012	2013
 US	1	2	1
 Hong Kong	1	1	3
 Singapore	3	4	5
 Taiwan	6	7	11
 Malaysia	16	14	15
 China	19	23	21
 South Korea	22	22	22
 <b>Japan</b>	<b>26</b>	<b>27</b>	<b>24</b>
 Thailand	27	30	27

Source: IMD Global Competitiveness Yearbook

## Basic Strategy

### Pursuing Phase 2 of the Marunouchi Redevelopment Project

The Mitsubishi Estate Group has been carrying out the Marunouchi Redevelopment Project since 1998. In the first phase (1998–2007), we created a sense of vitality and excitement in the streets by redeveloping the area around Tokyo Station to transform it into an area where a diverse range of people, from businesspeople to shoppers and tourists, could gather and enjoy themselves. Based on the concept of “the neighborhood with the most spirited interaction in the world,” we transformed this area into a rich and vibrant community, diversifying an area that had focused on business up until that point.

In the second phase (underway since 2008), we aim to expand and deepen the redevelopment to create new forms of value for the area. In addition to spreading this effect throughout the wider Marunouchi area (Otemachi, Marunouchi, Yurakucho), we are focusing on augmenting the area's function as a business center and the globalization of the community in line with its designation as a Priority Urban Development Area and a Special Zone for Asian Headquarters.



Mitsubishi Ichigokan Museum, Tokyo

## Globalizing the Community 1

### Developing human resources for the financial sector

In October 2012, Otemachi Financial City opened in the Otemachi area, where Japanese and foreign financial institutions are concentrated. With the aim of further reinforcing Tokyo's international finance function, Mitsubishi Estate launched the FINE TOKYO center in the same building to provide a hub for the growth and development of international financial professionals suited for the growing sophistication and internationalization of financial services. The center's Education and Interaction Zone can be used for seminars and as a lounge, and building tenants provide a wide range of educational programs for financial professionals.



## Globalizing the Community 2

## Strategic Growth Center Project

Aiming to improve Japan's international competitiveness compared to other Asian cities, Mitsubishi Estate has launched the Strategic Growth Center Project to support foreign companies aiming to enter the Japanese market, as well as domestic venture companies seeking opportunities to expand operations abroad. Up until now, we have pursued an urban brand strategy in our city planning through the Marunouchi redevelopment, but we launched Marunouchi Frontier in 2000 to support venture businesses in our effort to build an innovation platform. In 2007, we opened EGG JAPAN (Entrepreneur Group for Growing JAPAN) in the Shin-Marunouchi Building, combining offices with an array of business development support services and a business club. In October 2012, we set up a Tokyo Client Business Development Office to create new customers in Marunouchi and generate added value.

Mitsubishi Estate is planning to expand EGG Japan in the early autumn of 2013 and further promote Tokyo's international competitiveness by establishing the International Business Support Center (tentative name) as part of the third phase of the Otemachi Chain Redevelopment Project, scheduled for completion in fiscal 2016. The new support center will provide a one-stop source for services to attract and assist overseas companies. Center staff with a high level of specialized knowledge will address inquiries on an individual basis and provide extensive support leveraging collaboration between foreign companies entering the Japanese market and Japanese companies.

Through these initiatives, over the next decade, Mitsubishi Estate aims to create up to approximately 33,000 square meters of office space dedicated to business support services for domestic and foreign businesses in Marunouchi, which will continue to solidify Marunouchi's position at the center of global business.

### EGG JAPAN (Entrepreneur Group for Growing JAPAN)

#### Business Development Support Offices



- Diversified support for steps from starting a new business to expanding a business

#### Tokyo 21c Club (a membership business club)



- Approximately 560 members
- Provides business matching, holds seminars and events

## Globalizing the Community 3

## Providing a reassuring international environment

In addition to providing office space, an atmosphere and services that are reassuring for people from around the world are indispensable in attracting foreign companies to the Marunouchi area. Accordingly, Mitsubishi Estate invited St. Luke's MediLocus, a branch of St. Luke's International Hospital, to open as an international medical service facility in Otemachi Financial City. St. Luke's MediLocus provides medical services in general internal medicine, gynecology and radiology, as well as health support services for members (medical check-ups).

We also plan to set up service apartments that offer a comfortable living environment and a wide range of business

support functions for those needing a medium- to long-term residence in the building currently under construction under the Otemachi 1-1 Plan (tentative name).

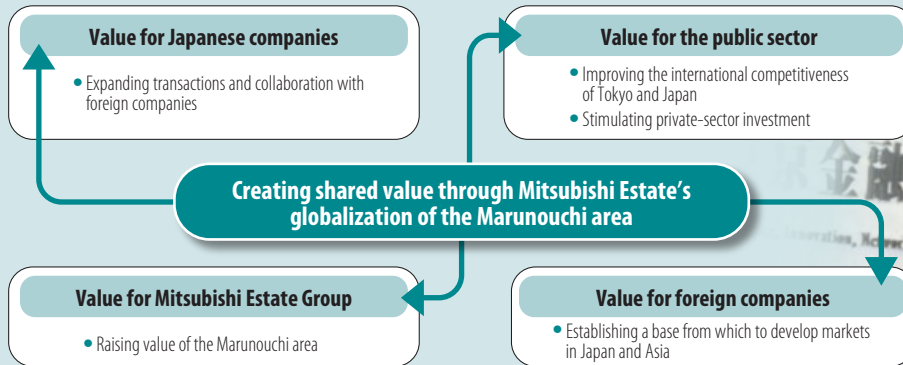


St. Luke's MediLocus

## Vision

We want to create a community in which foreign and domestic companies spur each other on to create new value.

Katsuomi Kidokoro, Deputy General Manager, Area Brand Management Department, Mitsubishi Estate Co., Ltd.



In our Marunouchi redevelopment project, we survey the entire area, not just individual buildings, and consider how best we can enhance appeal and invigorate the area overall from a multifaceted view that looks at business, commerce, culture and tourism, safety and security, and the environment. I would like to see new value created as the foreign and Japanese people and companies gathered in Marunouchi spur one another on to greater heights, so that Marunouchi continues to play a leading role in enhancing the international competitiveness of Tokyo, and of all Japan.



## Highlights

## Further strengthening disaster preparedness

In the third part of the Otemachi Chain Redevelopment Project, a development initiated after the Great East Japan Earthquake, the Mitsubishi Estate Group has added more powerful disaster preparedness functions, such as self-sustaining systems for electricity and water. One example is the installation of emergency power generators for building use that are compatible with both Class-A heavy fuel oil and city gas in order to ensure electricity supply. We will store enough Class-A heavy fuel oil to supply power to common-use areas of buildings for 72 hours. We will ensure a local supply of drinking water by digging wells and installing advanced filtration devices. To help commuters that cannot get back to home in the event of a disaster, we have designated common-use spaces to be made available and are

expanding stockpiles of food and supplies, and collaborating with nearby medical service facilities and pharmacies. We hope that these initiatives will make our buildings themselves disaster resilient, but also make it possible for them to serve as centers for district-wide disaster response.



Adoption of co-generation system



Providing support for stranded commuters

## Improved environmental features in the city

The Otematchi 1-1 Plan (tentative name), planned for the area next to the Imperial Palace moat, will also improve the moat's water quality by setting up water purification equipment and large-scale water storage tanks on the planned site in a collaboration between the private and public sectors. This will enhance the moat's appeal as a tourist site.

## Continuing to practice the basic mission through CSV

The Mitsubishi Estate Group articulates its basic mission as to “contribute to society through urban development,” and the Group faithfully puts this mission into practice to create social value. However, as a for-profit enterprise, it must also create profit and other corporate value in the process of generating this social value. Recently, the concept of creating shared value (CSV) has been advocated as an approach to balancing this kind of social value and corporate value. There are three approaches to CSV, and the three initiatives introduced in the Special Feature precisely illustrate these three approaches.

These three initiatives are the environmentally friendly, energy-saving products and services provided by MEC eco LIFE and Mitsubishi Jisho Residence, the sustainable use of forest resources in Mitsubishi Estate Home’s value chain, and the development of Marunouchi—an important area for the Mitsubishi Estate Group—as the summit of an “international Tokyo.” These endeavors create shared value for both society and the company.

As an urban development company, the Mitsubishi Estate Group has a major impact on people’s lifestyles. The Group’s effort to continue to give back to society enables the Group to help create a better society. While integrating this new concept of CSV into its efforts, I hope that the Group will continue to pursue its basic mission with even greater innovation.



**Takehiko Mizukami**  
CSR/Shared Value Consultant,  
Cre-en Inc.

### What is Creating Shared Value, or CSV?

Creating shared value (CSV) is a new management concept that balances the creation of social value through initiatives tackling social issues with the creation of corporate value through profits and enhanced corporate competitiveness. It presents approaches to maximize the potential of private-sector companies, which by

definition ought to exist to create a better society, and it has attracted attention in light of the wide range of social and environmental issues the world faces today. There are three ways to pursue CSV: CSV for products and services, value chain CSV, and CSV for enabling local cluster development.

