

Activity Report

Initiatives in Human Resource Development

■ Human resource development programs

Mitsubishi Estate believes that human resources are a very important management asset and recognizes that their growth is essential to the Group's continued growth. Accordingly, it upgraded its human resource development programs in April 2009.

The company defines 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's human resources programs aim to raise the company's performance as a professional organization with a distinctive personality while enabling individuals to 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.

■ Initiatives to educate a global workforce

Mitsubishi Estate defines a "global employee" as an employee who not only has linguistic skills and an understanding of foreign markets and customs, but also can demonstrate the people skills (ability and aptitude to build trusting relationships with people from different backgrounds), real estate skills, job performance skills and management skills needed to perform in a global environment.

In addition to systematic human resource development measures taken in Japan through on-the-job and off-the-job training, the company provides many overseas training programs to develop this kind of employee. Employees are sent to training programs for group companies in the U.S. and UK, real estate courses for the general public at New York University and short-term programs at European business schools. The company also established a new trainee program in China in fiscal 2013.

Providing short-term programs lasting about two weeks, in addition to medium- and long-term dispatch programs, makes it easy for employees in managerial positions who are unable to leave the workplace for long periods to participate. Moreover, after the training, internal debriefing sessions are held so that the results and learning can be shared widely with other employees.

Mitsubishi Estate will continue to augment its training programs in and outside of Japan to ensure they can be used by employees in a wide range of positions and globalize its workforce.

Creating a Vibrant Workplace

■ Mitsubishi Estate Group's Hito-Machi Award

The Mitsubishi Estate Group's brand slogan is "A Love for People, A Love for the City." The Group established the Hito-Machi Award (literally, "People and the City Award") in 2011 to recognize the efforts of group companies. This award is intended to inspire group companies to consider all stakeholders involved with the Mitsubishi Estate Group—those who live, work and visit our communities—and to work for their sake to contribute to society through these communities. Through this recognition, 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 to enhance the sense of community.

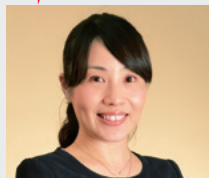
In its third year, the award attracted 201 entries in 2013. A total of 24 groups of winners were selected for the Sincerity and Trust Award, Customer-Oriented Award, Value Creation Award, and Challenge Award. Three groups were chosen from among these to receive the President's Award.

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 will also help to earn more trust from customers and enhance the Group's overall reputation.



Award ceremony

Voice of a Hito-Machi Award winner



General vote at hotel to select "best hotelier" across 78 different job types and positions

Kaoruko Yamaoka
Royal Park Hotel Co., Ltd.

Involvement by all staff

Our hotel asked customers to vote for the "best hotelier" to commemorate the 25th anniversary of the hotel's founding. Focusing on involvement by all staff, we made everyone in every department eligible for the vote, including staff that usually have little opportunity to interact with customers. This really raised motivation of staff in all job positions and attracted our guests' attention, which resulted in the number of votes doubling in the second round of voting.

I was so happy that the project won the Hito-Machi Award as a result of everyone's participation. I hope to continue doing my job with an emphasis on teamwork.

■ Cross-sectional task force convened

Mitsubishi Estate has convened cross-sectional task forces regularly since September 2007 as an informal forum in which mid-career and junior employees can work with executive officers to discuss and analyze management issues from a broad perspective apart from everyday job responsibilities.

Starting in fiscal 2011, Mitsubishi Estate extended the scope of this program to all group companies, seeking to encourage mutual understanding, shared values and a sense of unity among group employees. Eighteen employees from 10 group companies participated in the task forces held in fiscal 2013, where they exchanged views on the Group's medium-term business plan.

Overview of cross-sectional task forces

Objectives

- (1) To provide a place in which leadership can be exhibited through team operations
- (2) To encourage a cross-cutting perspective and company-wide perspective through joint work with employees of different backgrounds
- (3) To raise participating employees' awareness of their potential as candidates for managerial positions through their interaction with executive officers, initiatives addressing company-wide issues and advice to managers
- (4) To raise management's awareness of the importance of fostering candidates for managerial positions
- (5) Mutual understanding between Group company employees, shared values and sense of unity

Summary of meetings

Team composition: 2 teams (each team has 2 leaders and 6-7 members)

Mentor: One executive officer

Time: May-July 2013

Theme: Recommendations to Mitsubishi Estate Group on future growth areas and next medium-term business plan

Group companies that have participated thus far:

Mitsubishi Estate Building Management Co., Ltd., Mitsubishi Jisho Property Management Co., Ltd., Mitsubishi Jisho Retail Property Management Co., Ltd., Mitsubishi Jisho Residence Co., Ltd., Mitsubishi Jisho Community Co., Ltd., Mitsubishi Estate Home Co., Ltd., Mitsubishi Jisho Investment Advisors, Inc., Mitsubishi Jisho Sekkei Inc., MEC Design International Corporation, Royal Park Hotel Co., Ltd., Mitsubishi Real Estate Services Co., Ltd., MEC Business System Solutions Co., Ltd., MEC Human Resources, Inc. (to be further expanded going forward)

Example projects based on recommendations from the task forces

- Installation of a communication room
- Launch of a Group portal website
- Preparation of employee contact book with employee photos
- Implementation of study abroad and trainee programs

■ Putting more women in management

Mitsubishi Estate has been increasing the number of women it hires and is taking steps to retain them for the long term. There have been more and more female candidates for managerial positions, and the percentage of women in management is increasing. The company is confident that providing an environment that makes it easy for both men and women to do their jobs well will keep raising this percentage.

Percentage of women in management positions (main career track)

March 2011	March 2012	March 2013	March 2014
1.9%	2.9%	3.2%	3.4%

* Main career track positions include Track N positions, which do not have a specified work location, and Track A positions, which do have a specified work location.

Respecting Human Rights and Employee Diversity

■ Human rights programs

Mitsubishi Estate provides training on human rights for all group company employees. Human rights training was provided during the usual joint training for new hires, in which 16 group companies and 148 employees participated, and to 88 employees at Royal Park Hotels' new hire joint training. In addition, in fiscal 2013, all 682 employees at Mitsubishi Estate headquarters received training on preventing harassment in the workplace (power harassment) with the aim of fostering a vibrant workplace.

Following up on the previous fiscal year, group companies gave human rights training on the topic of social integration. The training, intended to make the participants more aware of the issue and foster a commitment to eradicating discrimination, was attended by 415 participants from Mitsubishi Estate Real Estate Services, as well as 47 employees from Mitsubishi Estate Residence.

■ Human Rights Education Committee meets

Mitsubishi Estate holds a meeting of its Human Rights Education Committee (chaired by the director in charge of human resources) once a year to review the status of its human rights initiatives, exchange views on ways to improve programs, discuss that fiscal year's activity plan and review reports on recent human rights conditions.

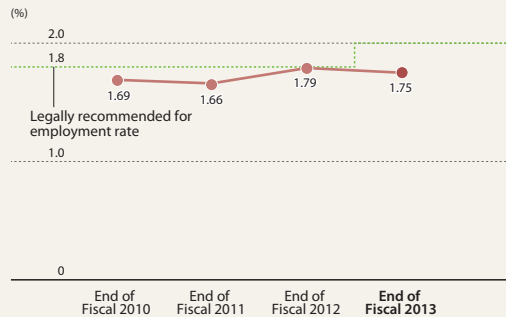
■ Hiring of people with disabilities

Mitsubishi Estate actively seeks to hire persons with disabilities, in accordance with the normalization concept advocated by the United Nations. As of the end of fiscal 2013, after an increase in the legal rate* and some employees reaching mandatory retirement age, Mitsubishi Estate's employment of people with disabilities was 1.75%, falling short of the legally recommended employment rate of 2.0%. Mitsubishi Estate will continue to expand its hiring of people with disabilities, while striving to create a workplace in which employees can exercise their own skills.

*The legally recommended employment rate of people with disabilities at private-sector companies was raised from 1.8% to 2.0% in April 2013.

Activity Report

Employment rate of persons with disabilities



Supportive Workplaces for Employees

Programs to foster work-life balance

Mitsubishi Estate respects its employees' individuality and values, and believes that it is important to ensure a balance between work and home life in order to provide a workplace in which each individual employee can perform to potential. Mitsubishi Estate has established a leave of absence program for childcare and nursing care, as well as a program that allows employees to work shorter hours, so that they can select from diverse work styles.

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 compliant with the Japanese law called the "Act on Advancement of Measures to Support Raising Next-Generation Children" so that employees can balance work and childcare. It has also issued a Childbirth and Childcare Guidebook explaining support programs available on its intranet.

Moreover, in light of Japan's changing social structure, the company now enables employees to take nursing care leave for three years and work shorter hours while providing nursing care to family members. In January 2013, the company established a new program that makes it possible for employees who had to leave the company due to their spouse's work transfer or other reason who meet certain conditions to apply for reemployment.

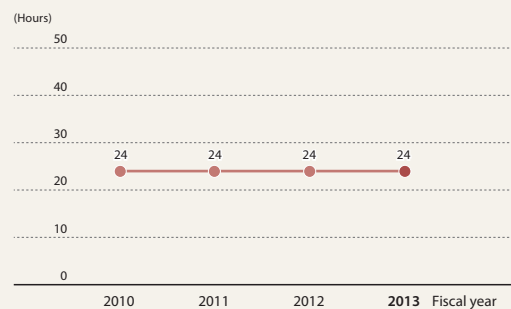
Number of employees taking childcare and nursing care leave

	FY2011	FY2012	FY2013
Childcare leave of absence	11	17	22
Shortened work hours for childcare	19	25	30
Nursing care leave of absence	0	0	0

Reducing overtime hours

Mitsubishi Estate has made Wednesdays "no overtime days" to help prevent long work hours and overwork. Moreover, the company has also been observing "intensive no overtime days" on the third Wednesday of every month and every Wednesday in November. It has also introduced a work management system that is linked with computer log-on/off time to help ascertain employees' work conditions. All supervisors meet one-on-one with their subordinates to discuss workload and task difficulty, seeking to understand conditions that may impact their health. Any employee who works more than 90 hours of overtime in a month is encouraged to have a checkup with an occupational physician. Mitsubishi Estate is earnestly striving to help employees manage their health.

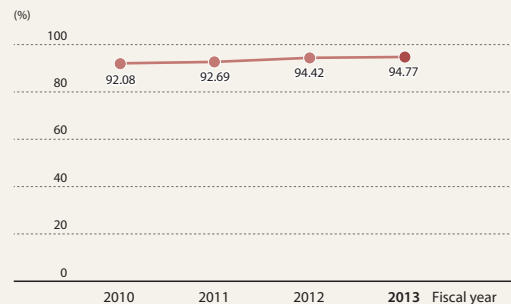
Overtime hours worked, per month, per person



Managing employee health with medical checkups

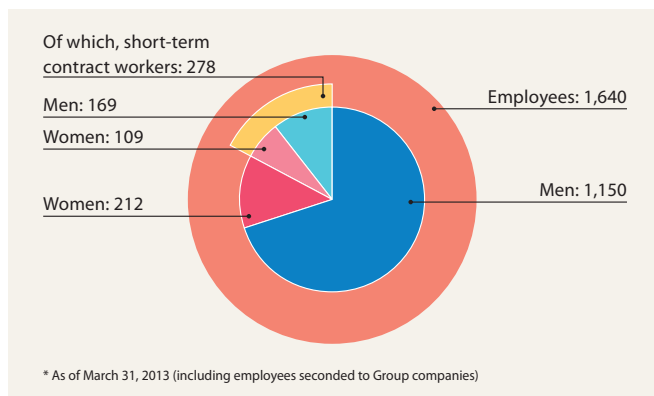
Mitsubishi Estate gives regular medical checkups to all employees once a year to maintain and promote employee health. The company has expanded examinations for lifestyle diseases, and employees are given secondary exams and special exams as the results warrant. Those who have not received a checkup are followed up with individually. As a result of these efforts, the examination rate improved 0.35 points in fiscal 2013 from the previous year to 94.77%.

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



Data on human resources

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



	(number of people)			
	FY2010	FY2011	FY2012	FY2013
Men	1,404	1,383	1,344	1,319
(Of which, regular employees)	1,199	1,177	1,159	1,150
(Of which, short-term contract workers)	205	206	185	169
Women	305	304	314	321
(Of which, regular employees)	204	201	206	212
(Of which, short-term contract workers)	101	103	108	109
Total	1,709	1,687	1,658	1,640

Workforce profile, by age bracket (fiscal 2013)

	(number of people)				
	20-29	30-39	40-49	50-59	60 and over
Men	166	187	456	373	137
Women	58	101	108	50	4
Total	224	288	564	423	141

Number of employees (Mitsubishi Estate Group overall) (number of people)

	2011	2012	Fiscal 2013
Total number of employees	7,904	8,001	7,952

* The companies included in total are consolidated companies and equity method affiliates as of March 31 in the respective year (the number of companies differs depending on fiscal year).

* There were 169 consolidated companies in fiscal 2013 (46 in Japan and 123 overseas).

Workforce profile, by business segment

Segment	Number of employees	Percentage
Building Business	1,855	23%
Residential Business	2,604	33%
Commercial Property Development & Investment Business	64	1%
International Business	473	6%
Investment Management	101	1%
Architectural Design and Engineering	567	7%
Hotel Business	1,251	16%
Real Estate Services	664	8%
Other	159	2%
Corporate Group	214	3%
Total	7,952	100%

New hires and people leaving the company (Mitsubishi Estate, non-consolidated)

	(number of people)			
	2010	2011	2012	2013
New graduate hires	59	60	58	48
New employees	32	33	33	31
Mid-career hire	3	1	4	4
Rehired contract employee	24	26	21	13
Number of employees leaving company (including those retiring at mandatory retirement age)	56	58	50	38
Rate of employees leaving for personal reasons	0.3%	0.6%	0.3%	0.5%

Number and percentage of employees overall, by gender (Mitsubishi Estate, non-consolidated)

	March 2011			March 2012			March 2013			March 2014		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Main career track N positions	1,188	1,101	87	1,181	1,088	93	1,185	1,085	100	1,195	1,087	108
Main career track A positions*	—	92.7%	7.3%	—	92.1%	7.9%	—	91.6%	8.4%	—	91.0%	9.0%
Of which, section/division managers	724	710	14	731	710	21	729	706	23	738	713	25
	—	98.1%	1.9%	—	97.1%	2.9%	—	96.8%	3.2%	—	96.6%	3.4%
Clerical workers	116	0	116	108	0	108	106	0	106	104	0	104

* Main career track N positions: Main career track positions without a specified work location

Main career track A positions: Main career track positions with a specified work location

Note: Data is as of March 31 for each fiscal year.