



CSR Report 2015

MITSUBISHI ESTATE GROUP



A Love for People A Love for the City

Forever Taking on New Challenges



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.

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.

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.

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

Formulated: December 1, 1997 / Revised: August 1, 2002 / Revised: January 1, 2006

Editorial Policy

The Mitsubishi Estate Group began publishing its *Environmental Report* in fiscal 2000. Since fiscal 2005, the Group has published the *CSR Report*, expanding the coverage of the report to include corporate social responsibility.

In fiscal 2014, in order to identify the key CSR themes that the Mitsubishi Estate Group should address over the medium to long term, the Group solicited opinions from various stakeholders and held thorough internal discussions, ultimately deciding upon five key CSR themes. Next, an implementation framework was established and key performance indicators were defined under each of the five themes to lay the foundation for a vigorous, group-wide approach to fulfilling these five key social responsibilities.

The structure of this report is based on the Group's five key CSR themes.

We hope that all stakeholders will read this report and share their opinions and impressions with us without hesitation.

Scope

The organizations covered in this report are Mitsubishi Estate and the 51 Group companies listed below.

Business Segment	Company Name
Building Business	Mitsubishi Jisho Property Management Co., Ltd.
	Hokuryo City Service Co., Ltd.
	Grand Parking Center Co., Ltd.
	Marunouchi Heat Supply Co., Ltd.
	Sunshine City Corporation
	Sunshine BS Corporation
	Sunshine Enterprise Corporation
	Sunshine Theatre Co., Ltd.
	Yuden Building Kanri Co., Ltd.
	Tokyo Garage Co., Ltd.
	Marunouchi Direct Access Limited
	Tokyo Kotsu Kaikan Co., Ltd.
	Kotsu Kaikan Building Service Co., Ltd.
	Ikebukuro District Heating and Cooling Co., Ltd.
Retail and Logistics Property Business	Mitsubishi Jisho Retail Property Management Co., Ltd.
	IMS Co., Ltd.
	Mitsubishi Estate-Simon Co., Ltd.
	Yokohama Sky Building Co., Ltd.
Residential Business	Yokohama Swimming Center Co., Ltd.
	Mitsubishi Jisho Residence Co., Ltd.
	Towa Nasu Resort Co.
	MEC eco LIFE Co., Ltd.
	Mitsubishi Estate Home Co., Ltd.
	Higashinohon Kaihatsu Co., Ltd.
	Izumi Park Town Service Co., Ltd.
	MEC Urban Resort Tohoku Co., Ltd.
	Ryoei Life Service Co., Ltd.
	Mitsubishi Estate Housing Components Co., Ltd.
	Mitsubishi Jisho Community Holdings Co., Ltd.
	Mitsubishi Jisho Community Co., Ltd.
	Mitsubishi Jisho Marubeni Residence Services Co., Ltd.
Hokkaido Benny Estate Co., Ltd.	
Mitsubishi Jisho House Net Co., Ltd.	
International Business	Mitsubishi Estate New York Inc.
	Mitsubishi Estate London Limited
	Mitsubishi Estate Asia Pte. Limited
	Mitsubishi Estate (Shanghai) Ltd.
Investment Management	Mitsubishi Jisho Investment Advisors, Inc.
Architectural Design and Engineering	Japan Real Estate Asset Management Co., Ltd.
Hotel Business	Mitsubishi Jisho Sekkei Inc.
	Mitsubishi Estate (Shanghai) Ltd.
	MEC Design International Corporation
	Royal Park Hotels and Resorts Co., Ltd.
Real Estate Services Corporate Group	Yokohama Royal Park Hotel Co., Ltd.
	Tohoku Royal Park Hotel Co., Ltd.
	Royal Park Hotel Management Co., Ltd.
	Royal Park Hotel Co., Ltd.
Real Estate Services Corporate Group	Mitsubishi Real Estate Services Co., Ltd.
	MEC Business System Solutions Co., Ltd.
	Keiyo Tochi Kaihatsu Co., Ltd.
Real Estate Services Corporate Group	MEC Human Resources, Inc.

Period

This report covers fiscal 2014 (April 1, 2014 to March 31, 2015), but also includes information pertaining to other fiscal years.

Reference guidelines

- *G4 Sustainability Reporting Guidelines*, Global Reporting Initiative (GRI) (core option)
- *Environmental Reporting Guidelines* (2012 edition), Ministry of the Environment, Japan

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“Mitsubishi Estate Group’s mission is to valuable communities. Our management driven by social responsibility, and that’s keep increasing corporate value.”

Hirotaka Sugiyama

President & CEO, Mitsubishi Estate Co., Ltd.

Contributing to society through urban development

Real estate is an important asset for the Mitsubishi Estate Group in raising corporate value, but it is also an important asset for society. Real estate is the place where people hope to live with security, work with pleasure and enjoy themselves. In this sense, developers play an extremely important role, and we always approach projects with the sense that we are working with social assets.

This approach is conveyed in the Mitsubishi Estate Group’s mission, that “by building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society.” We work hard to ensure that our business activities contribute to society.

Communities have different needs in different eras. With the increasingly diverse requirements of communities, there are more varied types of assets which do not simply fall into our existing segments, such as the building business or residential business. Our mission is to respond to society’s demands while adapting with agility to these changes.

Enhancing corporate value over a three-year period—Medium-Term Management Plan focuses on governance and reinforcing the management foundation

The Medium-Term Management Plan covering the period from fiscal 2014 to fiscal 2016 is designed to improve corporate value within this three-year period. The Mitsubishi Estate Group’s businesses are wide-

ranging, from the building business and residential business, to architectural design and engineering as well as real estate services. In the building business, which accounts for a large percentage of revenue, we will complete the Otomon Tower-JX Building this fiscal year. In addition, in fiscal 2014 we realigned our building business organization to enable us to operate both properties we intend to manage and properties we aim to turn over in an integrated manner. This supports a business model that allows us to sell a certain proportion of properties to generate capital gains, and it has also made master leasing a strategic option, contributing to improved efficiency and financial stability. With our Marunouchi Redevelopment Project, so far we have reinforced the community’s value in terms of social infrastructure, and we have now reached the stage at which returns will

2020 Long-Term Vision

BREAKTHROUGH 2020

**Orchestrating Comfortable Cities for the Future—
We Create Ideal Urban Environments Worldwide**

We have identified the following five values and five actions to articulate what we stand for and guide our actions as we pursue our mission and work to achieve our long-term vision.

Five Values	Five Actions
Innovative	Continue to take on challenges as an innovative urban developer
Eco-conscious	Aim for sustainable growth through advanced environmental initiatives
Customer-oriented	Always think about customer value from a customer perspective
Global	Develop HR, structure and businesses suitable for global operations
As One Team	Unite as one team and strive to realize BREAKTHROUGH 2020

create
is
how we



Otemon Tower-JX Building

be generated by the value we have created. In the residential sector, we are working to build a value chain in which we continue to provide services to customers who have bought new condominiums or ordered single-family homes.

Across our wide-ranging business fields, we are taking a medium- to long-term outlook in our efforts to identify customers' diversifying needs and the demands of the times, while strengthening development functions and portfolio management, aiming to build systems that can provide ever-better services in order to reinforce the management foundation. As such, we will also focus our investments in these three years on strengthening our ability to provide solutions to ensure that we can generate substantial revenue in our next medium-term strategy from fiscal 2017.

Reinforcing our governance system is another mainstay of our three-year Medium-Term Business Plan. There is a growing demand from European and U.S. investors for the environment, society and governance (ESG) information that is so important in assessing a company's ability to create sustainable corporate value, starting with the EU, where disclosure of non-financial information is mandated. In Japan as well, a new Corporate Governance Code was established and the public is demanding a more proactive response to ESG issues as well as disclosure. We believe that dialogue about these developments is important, while also acknowledging the positive aspects of the Japanese governance system. We are strengthening governance to provide more transparency and objectivity and are actively working to provide ESG information, while communicating more closely with both Japanese and foreign institutional investors and incorporating their views.

Devising key CSR themes to implement targeted management driven by social responsibility

Management driven by social responsibility, which takes ESG factors into full account, is at the heart of BREAKTHROUGH 2020, our long-term vision. Getting specific, we identified and established key CSR themes of high materiality via a process of dialogue with experts in various fields and a wide range of stakeholders. This enabled us to set very precise goals for the objectives that have long been a priority for us. I am confident that we selected goals that all of our employees will embrace and work hard to achieve. By refining our efforts and using PDCA cycles, I am sure we will achieve our mission and sustainably enhance corporate value.

Community development is a joint endeavor that we engage in with all our stakeholders on behalf of society at large, so we must always stay ahead of the times. We believe it is imperative for us to keep working steadily to develop communities with both the environment and disaster prevention in mind. In the Otemachi, Yurakucho and Marunouchi area, we are developing communities from an ESG perspective, making the most of our strengths in managing the entire area. Marunouchi is the heart of Japan, accounting for almost one-fourth of Japan's GDP, if you add up the sales of the companies whose headquarters are located there. In other words, this is one area that must continue to function no matter what kind of disaster strikes. We are making every effort to



sharpen and test our BCP, not only to support the lives and safety of the people working there, but also to ensure that power sources and other community lifelines are not interrupted. There was a time in which companies had to make an effort at social responsibility out of a compliance obligation, but now CSR is itself the essence of good corporate management. Creating a community that coexists harmoniously with the environment was a major theme of the Marunouchi Redevelopment Project since the beginning in 1998. Our Kayabachō Green Building, which boasts cutting-edge environmental features, has continued to make advancements on a daily basis, even after its completion in 2013, incorporating tenant views in the process. We hope to utilize these experiences in other buildings, as well.

Globalizing Tokyo, not merely expanding outside Japan

Globalization is a major theme of our long-term vision. Globalization as we define it refers to both engaging in business outside Japan and globalizing Tokyo.

In order to enhance the vitality of Tokyo, Japan's capital city, it is vital to attract talented people and companies from around the world and globalize Marunouchi to bolster inbound business. The aspiration to foster Japan's venture companies was our catalyst in creating EGG JAPAN (Entrepreneur Group for Growing Japan), which now serves as a platform from which companies from other countries can launch their businesses in Japan. We believe that this is also an extremely significant social mission. The Japanese government is itself putting a great deal of effort into globalizing Tokyo. In the third phase of the Otemachi Chain Redevelopment

Medium-Term Management Plan (2014-2016)

Aiming for 3 years of growth in corporate and asset value

Business themes

- Strengthen urban and business development
- Take advantage of the strength of the group to provide solutions and services and to strengthen the value chain

Group-wide themes

1. Reinforce asset portfolio management and management structure
2. Business portfolio management
3. Group-wide management
4. Human resources development and deployment
5. Risk management and compliance
6. Environmental initiatives
7. Creation of vibrant workplaces and corporate culture



Key CSR Themes

Urban development together with society

Safe and secure urban development through both physical and social infrastructure advancement together with the local community

Cutting-edge urban development

Innovative community development tailored to the era of globalism

Environment

Pursue cutting-edge environmental initiatives to realize a sustainable society through our business activities

Human resource development

Support for human resource development and active careers for the creation of communities of the future and support for work styles tailored to individual lifestyles

Compliance

Promotion of compliance meeting the expectations of clients and society

Project, we are setting up a Foreign Business Support Center (tentative name) to create a framework to facilitate cooperation between the government and private sectors.

The Tokyo Olympic and Paralympic Games to be held in 2020 will be a good opportunity to showcase Japan and win understanding of its many positive characteristics. We view this as an ideal chance for Mitsubishi Estate to present the appeal of Marunouchi, as well as Tokyo as a whole.

Developing personal strengths in our human resources, because human resource development is urban development

Social infrastructure is becoming more important than the physical infrastructure of a community. We believe that it is really the social infrastructure—in essence, the people—that has value. The ability to foster the growth of human resources determines whether a company is always innovating and provides original, creative work. In this sense, human resource development is the key to community development.

Of course, knowledge and ability are essential in responding to globalization and creating added value in real estate, but we believe that nothing is more important than personal strengths. These are not the kind of strengths that come from academic learning, but rather through experience in business on the frontlines. Real estate is an important asset for the country and society, but also for individuals, and only people who are reliable in every sense can be entrusted with the job of working with real estate to create communities. In this sense, we aim to develop human resources with abundant personal strengths.

In terms of organization, we believe that we have created a system with good communication, but we recognize that there are areas for improvement going forward. We will continue discussing ways to develop stronger human resources across the Group overall, providing a workplace environment that enhances individual employees' personal strengths and delivers opportunities to do work that provides a sense of true accomplishment.

I envision Marunouchi as a community in which construction cranes are always part of the backdrop. This would mean that Marunouchi is always a work in progress, a place anticipating the needs of the era just around the corner and constantly moving forward. We will continue to help drive progress in both the physical and social infrastructure, aiming to build a community that is always better today than it was yesterday.



In order to help build a sustainable society for the future, the Group must identify the issues it is best positioned to address and work to provide solutions in its business operations.

To select the key CSR themes that the Mitsubishi Estate Group should address over the medium to long term, since fiscal 2014 the Group has asked for opinions from its various stakeholders and held thorough internal discussions.

Process of selecting key CSR themes



STEP 1 **Select themes to be evaluated**

Globally, populations are becoming more urban, birthrates are declining and demographics are graying. There are also growing calls for smart urban planning that ensures resilience in the face of natural disasters. Addressing these vast social changes, the Mitsubishi Estate Group takes the long view in its business.

In order to decide on the key CSR themes, the Group analyzed social trends related to community development and the various issues society faces, and identified material "opportunities" and "risks" for the Group. The Group then reviewed its overall business activities, comprising different business areas that are thoroughly integrated to form a value chain, and considered which key themes would best help to build a more sustainable world while securing the long-term growth that will allow the Group to continue making social contributions.



STEP 2 **Initially evaluate potential themes**

Working group for selecting key CSR themes formed

We assessed the potential CSR themes selected in step 1 in terms of their materiality to the Group through internal discussion and questionnaires to managers, and devised tentative theories on their relevance to stakeholders.

Mitsubishi Estate Group's business

Building Business



Lifestyle Property Business



Residential Business



International Business



Investment Management Business



Architectural Design and Engineering Business



Hotel Business



Real Estate Services Business



Project management

Leasing, sales

Management (AM, PM)*

Redevelopment, asset sales

* AM: Asset management PM: Property management

Brokerage and consulting

- Intensifying competition among Asian cities
- Creation of a global digital network
- Development of technology capable of replacing human labor
- Emergence of a global community that is active 24 hours a day
- Growing corporate influence and development of citizen sector
- Expanding influence of generation with acute social sensitivities

- Need for rejuvenation of community vitality
- Rising resource and energy prices
- Increasingly visible signs of climate change
- Shortages of water resources and food
- Heightened concerns over sustainability of biodiversity and resources

- Rise in real estate prices due to ongoing economic recovery in Europe and the U.S.
- Growing demand in real estate market in Asian countries
- Energy conservation and greater use of renewable energy

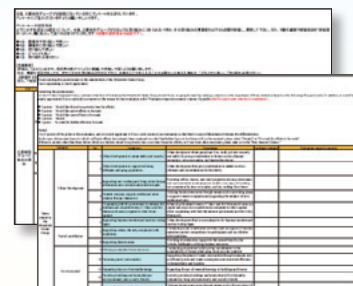
- Response to changing social conditions, such as declining birth rate and aging society
- Ongoing trend of higher construction costs
- Impact of disasters in Tokyo metropolitan region



Working group for selecting key CSR themes formed (May 2014)



Web-based questionnaire



Questionnaire form (Japanese, English)

STEP
3

Reflect public opinions



Stakeholder dialogues held to exchange views with experts

As part of the process of selecting key CSR themes for the Group, we held stakeholder dialogues in July 2014. Experts in environmental, social and governance (ESG)

factors were invited to dialogue with Mitsubishi Estate’s management on the question, “What are the key issues in the Mitsubishi Estate Group’s implementation of CSR?”

Expert viewpoint



Mariko Kawaguchi

Chief Researcher, Research Division of Daiwa Institute of Research Ltd.
Chief Executive, Japan Sustainable Investment Forum

Kawaguchi joined Daiwa Securities Co., Ltd. in 1986. She was engaged in corporate surveys at Daiwa Institute of Research from 1994, and environmental management CSR and SRI surveys and research from 1998. She became the head of the CSR Section at Daiwa Securities Group in April 2010, and has held her current position since July 2011.

Consider CSR initiatives the incubator for main operations

I do not consider CSR to be isolated from a company’s main business. Rather, I see it as an incubator for its main business. The Mitsubishi Estate Group seems to have a strategic approach whereby it first uses its own resources to give back to society and then leverages that effort to build a long-term business. The “Experience Nature” Project and Ecozzeria initiatives are perfectly suited to a company with a business model based on a developer’s long-term engagement with the land and buildings.

Going forward, in the area of the provision of career opportunities for women, I would advise the Group to be pragmatic and present a realistic vision in a forthright manner, both internally and externally. In addition, I would like to see the Group work not only to reduce CO₂ emissions, but also to recognize that climate change is a business risk that causes abnormal weather patterns, and then seek to convert this risk into business opportunity.

Expert viewpoint



Ryuichi Horie
Co-Founder and Principal,
CSR Design Green Investment
Advisory, Co., Ltd.
Lecturer, Graduate School of
Business Administration, J.F.
Oberlin University

After working at the Industrial Bank of Japan, Merrill Lynch and Deutsche Bank, Horie co-founded CSR Design Green Investment Advisory, Co., Ltd., which offers advisory services on ESG investments in the real estate sector and research on green buildings/developments. He is a LEED Accredited Professional, and chair of the property working group of PRI Japan Network.

Play a leading role in raising corporate value by addressing ESG issues

Addressing environmental, social and corporate governance (ESG) issues in real estate development and management is essential in maintaining and improving asset value over the medium to long term. Green building certification systems at the asset level, such as CASBEE¹ and LEED², as well as ESG benchmarks at the company/fund level, such as GRESB³, are indicators for measuring the progress of these efforts. Green building certification is commonly associated with new buildings in Japan, but in other countries, many existing buildings have obtained certification upon energy-efficiency retrofit, which has raised buildings' environmental performance and economic value at the same time. I would also add that institutional investors widely use benchmarks that assess real estate companies' ESG initiatives.

I hope that the Mitsubishi Estate Group plays a leading role in demonstrating via these certification systems and benchmarks that taking the environment and society into account does not result in extra costs, but rather improves corporate value and economic performance.

Expert viewpoint



Iwao Taka, Ph.D.
Professor, Faculty of Economics
and Business Administration,
Reitaku University
Professor, International School of
Economics and Business
Administration, C. Hiroike
Graduate School, Reitaku
University

Taka has been a professor in the International School of Economics and Business Administration at Reitaku University since 2002. In September 2008, he was awarded the International Compliance and Ethics Award by the Society of Corporate Compliance & Ethics. Taka was appointed as an outside statutory auditor of Mitsubishi Estate Co., Ltd. in June 2015.

Pursue cutting-edge urban development in the world's first super-aging society

The Mitsubishi Estate Group is a company that truly prizes the value of its brand, as demonstrated by its refusal to compromise on its good faith. I think this is one of the Group's strengths.

Going forward, the Group must figure out how to keep developing cities and communities as the population ages at a rate not yet experienced by another country. The experience of addressing this issue ahead of the rest of the world would be very significant in terms of Japan's leading role in the international community.

At the same time, I believe that constantly reviewing situations with a fresh eye and remaining aware of risk assessment and control is critical to enhancing and solidifying the Group's brand value in new fields and regions.

I expect that the Mitsubishi Estate Group, as an industry leader, will continue serving as a role model for other companies.

Comment from the director responsible for CSR

Holding fast to our "continuity is strength" stance to support further social progress

The Mitsubishi Estate Group has carried out its CSR activities with a conviction that continuity in this area would lead to business opportunities. One example is our business that recycles and markets responsible forest thinning as certified domestic-timber building materials for use in custom-built homes. Another of our initiatives, EGG JAPAN (Entrepreneur Group for Growing Japan), supports the business development of venture companies, and we expect that will also create new value, spurring sustainable development in Marunouchi and beyond.

Judging from what we are learning from stakeholder dialogues and questionnaire responses, there are many issues that the Group must address. We will stay focused on the ones we have to address at each moment to drive further growth for the Group.

Of course, it is vital that companies continue to generate profits. I believe only companies that are recognized as useful by society will remain profitable. Keeping this in mind, we will continue to work hard to win the public's understanding and move in a positive direction together with society.



Junichi Yoshida
Senior Executive Officer,
Mitsubishi Estate Co., Ltd.

1. CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a Japanese indicator that assesses the environmental performance of buildings. It is administered collaboratively by industry and academia with support from the Ministry of Land, Infrastructure and Transportation.
2. LEED (Leadership in Energy and Environmental Design) certification is an environmental certification system administered by the U.S. Green Building Council, which is awarded to new construction, existing buildings and other projects that qualify.
3. GRESB (Global Real Estate Sustainability Benchmark) was devised as an index to guide Europe's pension fund groups in making investments. It assesses the ESG policies and practices of real estate companies and others.

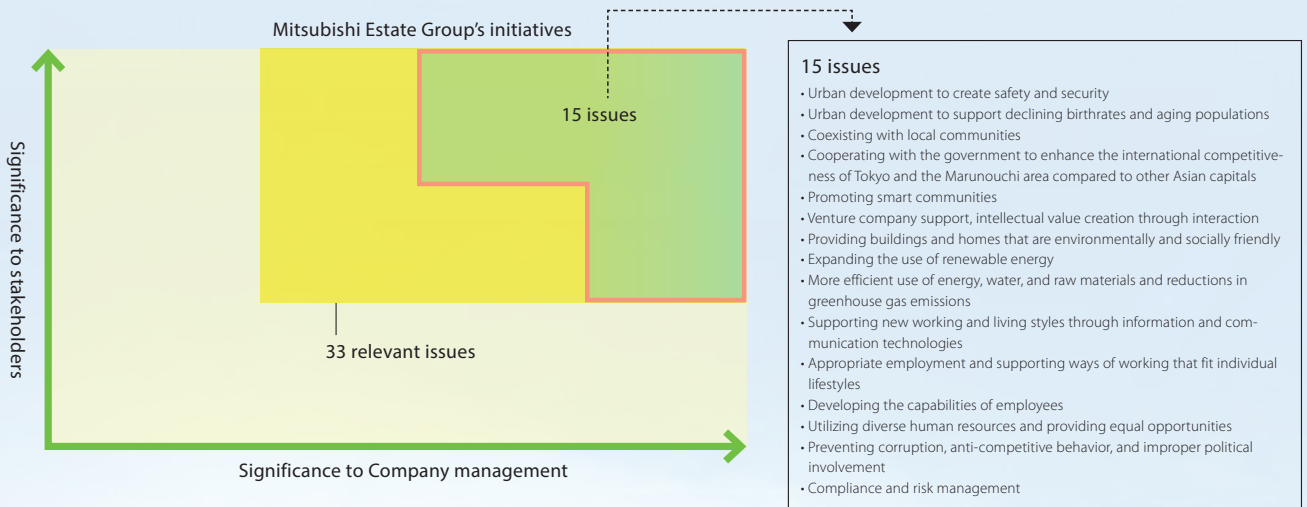
STEP 4

Decide on key CSR themes and performance indicators

In the first stage, we identified 33 relevant issues based on questionnaire results and stakeholder opinions. We classified these based on their degree of significance to stakeholders and to the Company's management, and then selected 15 of them deemed particularly important from both of these perspectives. These were consolidated to

formulate the Mitsubishi Estate Group's five key CSR themes.

Next, specific action plans were made and key performance indicators set for each of the five themes. Based on these indicators, initiatives will be developed further in the PDCA cycle.

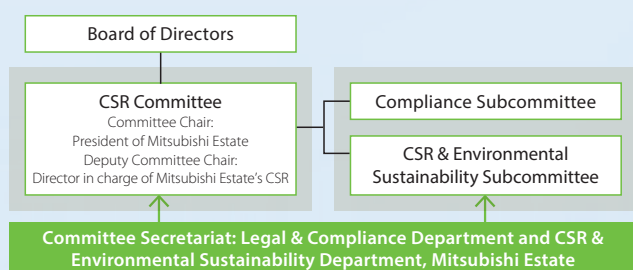


Mitsubishi Estate Group's key CSR themes, goals and performance indicators

Key CSR themes	Objectives
<p>Urban development together with society</p> <p>Safe and secure urban development through both physical and social infrastructure advancement together with the local community</p>	<ul style="list-style-type: none"> • We will strive to create communities in which people can live, work and relax in safety and security, with thoughtful consideration of disaster response and barrier-free systems. • We will work to develop communities conducive to raising children and in which the elderly can live comfortably. • We will communicate with the local communities involved in our main businesses, ascertain the impact of our business activities on human rights and the environment, and respond appropriately.
<p>Cutting-edge urban development</p> <p>Innovative urban development tailored to the era of globalism</p>	<ul style="list-style-type: none"> • We will provide offices, housing and commercial facilities suited to a new work style utilizing information and communications technology. • We will develop a forum for interaction and support venture companies and the creation of new intellectual property. • We will strengthen the appeal of Tokyo's Marunouchi area and enhance its competitive strengths compared to cities in Asia in cooperation with national and city governments.
<p>Environment</p> <p>Pursue cutting-edge environmental initiatives to realize a sustainable society through our business activities</p>	<ul style="list-style-type: none"> • We will efficiently utilize energy, water and raw materials and reduce greenhouses gases in our business activities. • We will strive to create a smart community with efficient transportation and distribution systems as well as electricity and water use. • We will expand the use of renewable energy in buildings and residences. • We will proactively provide buildings and residences certified as being environmentally and socially responsible.
<p>Human resource development</p> <p>Support for human resource development and active careers for the creation of communities of the future and support for work styles tailored to individual lifestyles</p>	<ul style="list-style-type: none"> • We will select and hire employees equitably, provide appropriate education and training opportunities for the employees responsible for future community development, and will support flexible work styles tailored to individual lifestyles. • We will offer equitable opportunities so that a diverse workforce can succeed in its jobs, regardless of gender, age and/or disability.
<p>Compliance</p> <p>Promotion of compliance meeting the expectations of clients and society</p>	<ul style="list-style-type: none"> • We will respond appropriately to prevent bribery, violation of the anti-monopoly law and inappropriate political donations. • In addition to complying with laws and regulations, we will strive to meet the expectations of clients and society, as well as understand and respond appropriately to various business risks.

Operational framework for CSR

Mitsubishi Estate takes an active, group-wide approach to CSR. Chaired by the company president, the Group's CSR Committee comprises executives in charge of respective business fields and the Corporate Group, as well as managers of the major Group companies, and it ensures group-wide implementation of CSR. The Compliance Subcommittee and the CSR & Environmental Sustainability Subcommittee serve as forums for detailed discussion to prepare for CSR Committee meetings.



Overview of CSR Committee meetings held in fiscal 2014

First meeting (July 2014, regular meeting)

- Progress of Mitsubishi Estate Group's CSR initiatives and guidelines for future initiatives
- Fiscal 2013 compliance activities and plan for fiscal 2014 compliance promotion activities, other

Second meeting (January 2015, regular meeting)

- Setting Mitsubishi Estate Group's priority CSR issues and goals and indicators
- Overview of results of fiscal 2014 compliance questionnaire survey

Mitsubishi Estate Group's relationships with stakeholders

The Mitsubishi Estate Group's business is built upon the foundation of its relationships with a wide variety of stakeholders, including customers, shareholders, local communities, government and local authorities, 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.

Two of the general principles of Japan's Corporate Governance Code, which the Tokyo Stock Exchange put into effect in June 2015, are "appropriate cooperation with stakeholders other than shareholders" and "dialogue with shareholders." The Group will take a range of initiatives to communicate with stakeholders in various forms and reflect their opinions in management.



* Refer to website for approach taken to define indicators

No.	Fiscal 2015 key performance indicators (KPI)	Fiscal 2014 results*	Boundary	Page
1	Deepen disaster prevention measures through a system for healthcare collaboration in the event of a disaster and use of neighborhood disaster prevention groups	Refer to text of report	Mitsubishi Estate Group	14
2	Number of buildings that are to take in stranded commuters or serve as tsunami evacuation sites under agreements with local government authorities	18 sites	Mitsubishi Estate Group	15
3	Number of buildings recognized as barrier-free under Barrier Free Law	8 buildings and projects	Mitsubishi Estate Group	17
4	Number of participants in seminars and events held by community development groups	6,217 people a year	Otemachi, Marunouchi and Yurakucho	16
5	Number of participants in "Experience Nature" Projects (single year/cumulative)	459 people/1,774 people	Mitsubishi Estate Group	18
6	Number of offices of foreign financial companies in Otemachi, Marunouchi and Yurakucho area	69 offices	Otemachi, Marunouchi and Yurakucho	23
7	Number of companies participating in EGG JAPAN (Entrepreneur Group for Growing JAPAN), of which the number in parentheses indicates foreign companies	42 (19) companies		
8	Number of buildings connected to optical fiber in Otemachi, Marunouchi and Yurakucho area	63 buildings		
9	Energy use/CO ₂ emissions	245,000kl/482,000t a year		
10	Waste generated/water used	43,637t/5,161,000 m ³ a year	Mitsubishi Estate Group	30
11	Number of projects recognized with CASBEE (new construction design)/Development Bank of Japan (DBJ) Green Building certifications	6/15 buildings and projects	Mitsubishi Estate Group	27
12	Solar power output	About 3,010kW/14 sites	Mitsubishi Estate Group	28
13	Area of green on roofs and walls	About 31,100 m ²	Mitsubishi Estate Group	27
14	Rate of annual adoption for energy conservation level 4	86%	Mitsubishi Jisho Residence Co., Ltd.	29
15	Rate of annual adoption for <i>so/eco</i> system	75%	Mitsubishi Jisho Residence Co., Ltd.	29
16	Rate of adoption for high-efficiency appliances (hot water heaters/LED equipment/ultra-water-conserving toilets)	100%/78%/78%	Mitsubishi Jisho Residence Co., Ltd.	29
17	Small- and medium-sized building renovations/condominium renovations	3 buildings/110 units	Mitsubishi Jisho Residence Co., Ltd.	31
18	Rate of use of Japan-grown timber	Over 50%	Mitsubishi Estate Home Co., Ltd.	31
19	Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours	23/0/32 people a year	Mitsubishi Estate Co. Ltd.	34
20	Number of hours of overtime on average per month	24 hours		35
21	Training time/cost per employee	19.5 hours/33,000 yen a year		32
22	Number of female managers	28 people		33
23	Employment rate for persons with disabilities	1.93%		34
24	Compliance training such as training by level and CSR lectures	Refer to text of report	Mitsubishi Estate Group	37-38
25	Compliance survey "Extent to which Code of Conduct is achieved"	87%		

Urban development together with society

Safe and secure urban development through both physical and social infrastructure advancement together with the local community

Objectives

- We will strive to create communities in which people can live, work and relax in safety and security, with thoughtful consideration of disaster response and barrier-free systems.
- We will work to develop communities conducive to raising children and in which the elderly can live comfortably.
- We will communicate with the local communities involved in our main businesses, ascertain the impact of our business activities on human rights and the environment, and respond appropriately.

Key performance indicators

- KPI 1** Deepen disaster prevention measures through a system for healthcare collaboration in the event of a disaster and use of neighborhood disaster prevention groups
- KPI 2** Number of buildings that are to take in stranded commuters or serve as tsunami evacuation sites under agreements with local government authorities
- KPI 3** Number of buildings recognized as barrier-free under Barrier Free Law
- KPI 4** Number of participants in seminars and events held by community development groups
- KPI 5** Number of participants in "Experience Nature" Projects (single year/cumulative)

Urban development enables to live, work and relax—securely

Holding disaster response drills in private-public collaboration

KPI 1

Mitsubishi Estate is carrying on its long history of disaster prevention measures, which started 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 90 years, Mitsubishi Estate has been holding comprehensive emergency drills every September with the participation of all of its

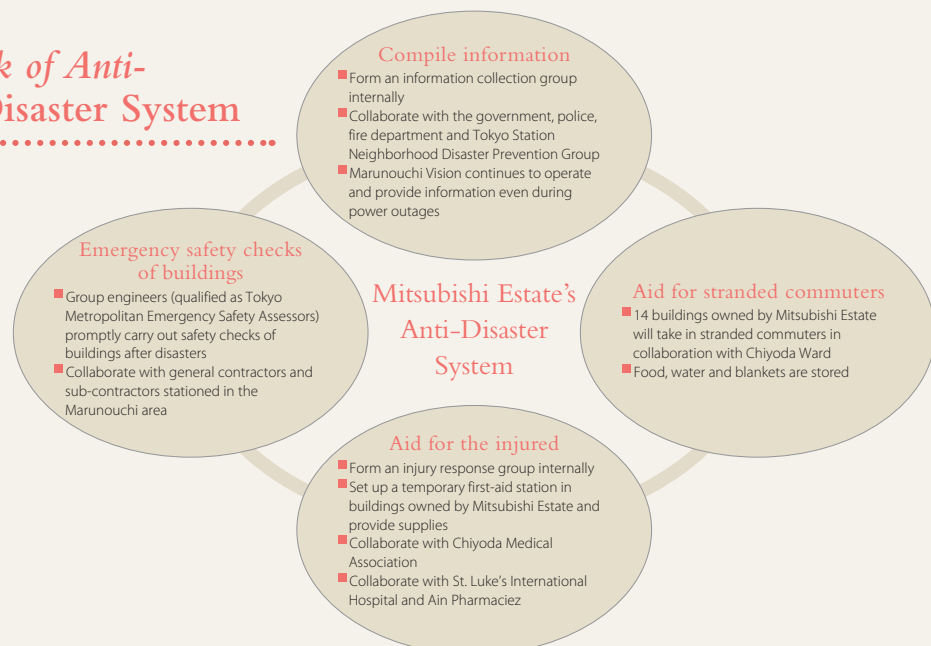


Implementing a drill on healthcare collaboration in event of a disaster

About 70 people took part in a drill on healthcare collaboration in the event of a disaster, held with the Chiyoda Medical Association and Tokyo Station Neighborhood Disaster Prevention Group. This included about 30 doctors and nurses from the Association. Doctors gave lectures, and participants learned a series of disaster-response methods such as how to carry injured people to the temporary first-aid center, triage and provide first-aid.

Mitsubishi Estate's Framework of Anti-Disaster Measures and Anti-Disaster System

Mitsubishi Estate prepared the *Framework of Anti-Disaster Measures* to ensure that necessary measures are taken to protect human life and infrastructure in the event of a natural disaster or other emergency and to take appropriate and prompt recovery measures. The manual covers a wide range of measures in a detailed manner, including standard precautionary measures, assignment of responsibilities, plans for drills, plans for emergency measures in the event of a disaster and recovery measures. The Anti-Disaster System is put into action when a large-scale disaster occurs or is expected to occur. All employees then become first-responders as disaster response staff, and then promptly (1) collect information, (2) confirm the safety of buildings, (3) help injured people and (4) respond to stranded commuters.



ling people safely and

Supporting condominium management associations' emergency drills

The need to prepare and reinforce disaster response has heightened since the Great East Japan Earthquake struck in March 2011. Mitsubishi Jisho Community Co., Ltd. and Mitsubishi Jisho Residence Co., Ltd. work together at the request of condominium management associations to hold comprehensive emergency drills premised on survival after a disaster. In practicing assembly of the manhole toilets stored in the disaster prevention warehouse, for example, the drill participants confirm the manhole that would actually be used. Residents even practice using coagulants on the assumption that drainage pipes won't be available. By carrying out training that covers a wide range of potential scenarios, the Group helps to enhance the residents' ability to withstand a disaster.



executives and employees and many others from Group companies and other parties. In March 2014, the Company collaborated with the Chiyoda Medical Association and Tokyo Station Neighborhood Disaster Prevention Group in training on healthcare collaboration in the event of a disaster, providing support to stranded commuters and setting up volunteer centers. In September, the Company worked with St. Luke's MediLocus, a clinic with which an agreement for healthcare collaboration has been formed, as well as Ain Pharmaciez to carry out drills on medical activities in the event of a disaster.

In addition, Mitsubishi Jisho Sekkei Inc. and other group companies work together with local committees and NPOs to create space and communities along Marunouchi Naka Dori Avenue, which cuts through the center of the Otemachi, Marunouchi and Yurakucho district. In this way, the entire Mitsubishi Estate Group will strive to create safe and secure communities in which people can live, work and relax in Marunouchi, the heart of business in Japan where more than 230,000 people work.



Implementing drills on supporting stranded commuters and setting up volunteer center

The Group collaborated with the Tokyo Station Neighborhood Disaster Prevention Group to implement drills on providing aid to stranded commuters and setting up a volunteer center. These practical drills were based on the Agreement to Receive Victims in the Event of a Large-Scale Disaster formed with Chiyoda Ward in August 2012.

Number of buildings that are to take in stranded commuters¹ or serve as tsunami evacuation sites² under agreements with local government authorities

KPI
2

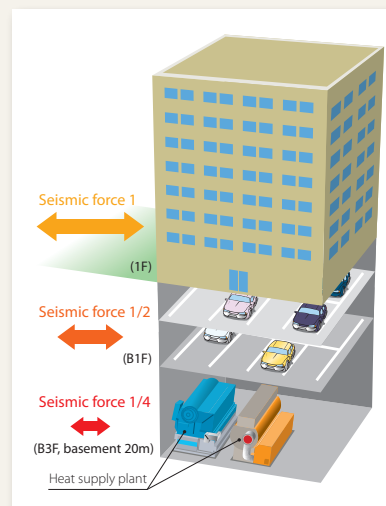
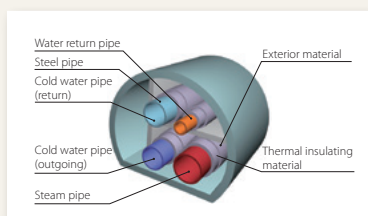
18 sites

1. 16 sites in Tokyo 2. 2 sites in Osaka

District heating and cooling system resilient in the face of disasters

Marunouchi Heat Supply Co., Ltd. has not suspended its heat supply due to its own failures for the 37 years since it began providing district heating and cooling in 1976. The district heating and cooling plants are all underground, and at 20 meters underground, the seismic force is less than one-fourth of the above-ground impact. Moreover, the district heating and cooling pipes are laid in and protected by highly anti-seismic concrete culverts, and use full-penetration welding matching the standard at electric power plants. They are designed so that they will not be damaged even in an earthquake with a seismic intensity of more than seven, in keeping with government agency standards.

In addition, various measures are taken to prepare for a disaster, such as ensuring a prompt response in the event of a disaster by stationing a specialist technician 24 hours a day, building a recovery system, maintaining stable power by multiplexing the plant's power sources, and taking steps to prevent water from inundating the culverts.





Working with partners on a wide range of community-building events

Mitsubishi Estate positions the Marunouchi area as a hub for community-building activities carried out together with other groups in the neighborhood, bringing together people from diverse backgrounds to participate in activities that provide opportunities for networking and learning.

Number of participants in seminars and events held by community development groups

KPI 4 **6,217** people a year

CSV business 3X3 Labo, a hub for interaction in the heart of Marunouchi

3x3 Labo, which opened in January 2014, holds dynamic events on consecutive days, serving as a hub for interaction and activities going beyond the boundaries of specific industries and sectors.



Interactive global museum

Café library

Food Education Marunouchi Project

Mitsubishi Estate has held the Food Education Marunouchi Project together with local restaurant chefs since 2008. Held in Tokyo's Marunouchi, home to more than 350 restaurants, this event is themed around new approaches to food in an urban community.



Marunouchi Gramme Marché sponsored by Marunouchi Gramme Marché Committee (Marunouchi Building, Tokyo)

Eco Kids Explorers and school visits, linking people to the community

This environmental education program for children has been run by three local community development groups that Mitsubishi Estate participates in since 2006. The hands-on program gives children a chance to learn by playing with tree-climbing events that get them out in nature, a mock marché event for kids, and fun scientific experiment classes.



Environmental Patrol around Tokyo Station (clean-up activities)



Uchimizu (Water Sprinkling) Project

Uchimizu (Water Sprinkling) Project in Otemachi, Marunouchi and Yurakucho

The Council for Area Development and Management of Otemachi, Marunouchi, and Yurakucho (OMY Council), which Mitsubishi Estate chairs, works with other groups to form an executive committee and sponsors the Uchimizu (Water Sprinkling) Project in Otemachi, Marunouchi and Yurakucho. This project aims to help alleviate the heat island phenomenon by sprinkling water, a traditional practice to lessen the summer heat.

Mitsubishi Estate serves as Secretariat of Otemachi-Marunouchi Town Council

Mitsubishi Estate has served as secretariat of the Otemachi-Marunouchi Town Council, formed by companies, organizations and stores in the Otemachi and Marunouchi area, since the Council was established in 1957. In addition to holding various social events designed to deepen ties between members, the Council plays a role in reflecting the members' collective wishes in government measures and in working with the government to maintain public peace, prevent disasters and enhance the environment. A subgroup of the Council, the Committee for Neighborhood Improvement in the Otemachi and Marunouchi Area, has carried out environmental patrols every month since 2002 to beautify the area around Tokyo Station.

Morning University of Marunouchi and Marunouchi Proficiency Exam

The Morning University of Marunouchi is a community university providing classes in the morning in the Otemachi, Marunouchi and Yurakucho area on the theme "enjoy our mornings." Since it opened in 2009, over 10,000 people have studied here. In addition, the Marunouchi Proficiency Exam was held for the seventh time in 2014. This test encourages people to learn about the history and many facets of Marunouchi, a global business town.



Morning University of Marunouchi



Urban development conducive to child-rearing and an aging population

Marunouchi Summer School

Children commute with parents, and parents go to their offices while children go to summer school

Mitsubishi Estate opened the Marunouchi Summer School in August 2014 together with Alpha Corporation Inc. as part of its support for working parents. Children commuted to Marunouchi together with their parents, and while parents went to their offices, they went to summer school to enjoy their summer vacation experiencing simple scientific experiments, making art and practicing English conversation. With the shortage of daycare opportunities for school children, working parents struggle to occupy their children during their summer break, and this summer school was an attempt to address this problem. Mitsubishi Estate aims to help foster working environments that not only support women, but also fathers and parents with children in elementary school.

In the summer school session, companies in the Otemachi, Marunouchi and Yurakucho area provided programs such as English classes and food education, and also helped children make robots and name plates for their free-choice homework assignments.



My own "break and make" PC robot



Practicing paper marbling and making name plates

Community project to support women's health

Marunouchi Infirmary opened

As part of its Food Education Marunouchi project, Mitsubishi Estate opened the "Marunouchi Infirmary" nine times in fiscal 2014. This program gave health measurements and nutritional guidance geared toward women to complement regular health checkups. Over 1,000 working women, primarily in their 30s, participated, and feedback was very favorable.



Seminar on nutrition and health knowledge for women



Food counseling with a nutritionist while checking a questionnaire on eating habits

Creating an "urban salon" in the middle of the business district to provide a pleasant space to socialize

The 1.2 kilometer Marunouchi Naka Dori Avenue extends right through the center of the Otemachi, Marunouchi and Yurakucho district, Japan's main business district, where about 230,000 people work. Since the 1990s, the public and private sectors have worked together to develop this area, in line with guidelines drawn up by the Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development, made up of the Tokyo Metropolitan Government, Chiyoda Ward, local councils and JR East Japan. Mitsubishi Estate has also worked to improve the landscape of Marunouchi Naka Dori, together with Mitsubishi Jisho Sekkei, and has implemented designs that make the roads and city streets better places for interaction. For example, sidewalks were widened. In addition, Mitsubishi Estate has made the area more accessible by eliminating differences in ground level at building entrances and exits and improving the slope of sidewalks as barrier-free measures. This initiative, which combines infrastructure improvements and area management activities, was recognized for its unified vision with the Good Design Award in fiscal 2014.



Number of buildings recognized as barrier-free under Barrier Free Law

KPI
3

8 buildings and projects

activities, was recognized for its unified vision with the Good Design Award in fiscal 2014.

Cooperating with local communities



“Experience Nature” Project brings together urban and rural communities

The Mitsubishi Estate Group established the Mitsubishi Estate Group Guidelines on Social Contribution Activities in April 2008. In that same period, members of Mitsubishi Estate’s CSR Department participated in a tour of villages facing the problem of aging and declining populations. These tours were held by the NPO Egao Tsunagete (which literally means “connecting smiles” in Japanese), established in 2001 with the aim of revitalizing rural communities through human networking. Empathizing with this NPO’s initiatives and activities, Mitsubishi Estate chose the village of Masutomi, Sutama-cho, located in Hokuto City in Yamanashi Prefecture, out of five potential locations, and this eventually led to the “Experience Nature” Project. Since then, the Company has

held a wide range of experience-based tours with the goal of making Japan a place where urban and rural communities recognize the problems they each face and help to revitalize on another. Mitsubishi Estate has also promoted events and programs that integrate local resources and the Group’s management resources to develop products such as homebuilding materials using timber grown in Yamanashi Prefecture forests and a *junmai-shu* sake named Marunouchi. In recent years, the Company has proactively undertaken projects tied to its business activities. Mitsubishi Estate will continue to support activities to foster ties between urban and rural communities and build a more sustainable society in collaboration with Egao Tsunagete’s programs that provide opportunities for city residents to interact with people in rural areas.



Use of wood grown in Yamanashi Prefecture forests

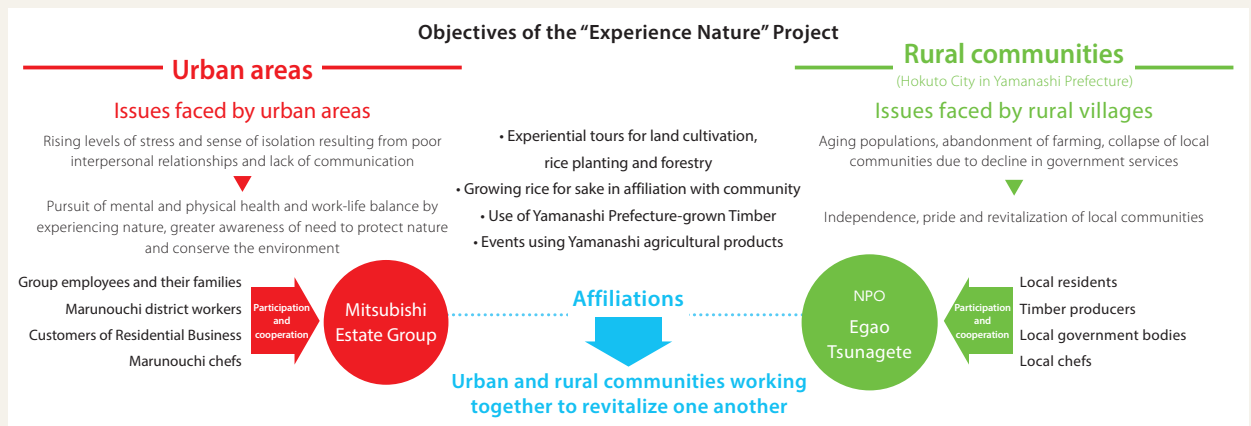


Marunouchi junmai-shu sake

KPI
5

Number of participants in “Experience Nature” Projects

Single year: **459**
Cumulative: **1,774**



NPO Egao Tsunagete offers a wide range of programs to link urban and rural areas

The NPO Egao Tsunagete, established in 2001, raises rice and vegetables on the Egao Farm, farmland cultivated by volunteers from urban areas. The NPO also runs programs fostering interaction between cities and rural areas such as its Green Tourism project, which primarily promotes exchanges between Yamanashi Prefecture and Tokyo. These programs have earned high marks, and in 2014 alone won three major awards: a special prize at the Ninth Ecotourism Awards, grand prize in the “food bridge” category in the 43rd Japan Agriculture Awards and grand prize in the Second Nikkei Social Initiative Awards.



Hisashi Sonehara, Director of NPO Egao Tsunagete



Nikkei Social Initiative Awards

Labeling correction for agricultural products grown by Egao Tsunagete

Agricultural crops grown by the NPO Egao Tsunagete had previously been labeled with the notice that no pesticides or chemical fertilizers were used during the growing period, but it was discovered that this labeling was inappropriate because the culture soil

used to grow the seedlings of rice and some vegetables included chemical fertilizers. Similarly, since the junmai-shu sake Marunouchi used this group’s rice for sake, its labeling was not accurate. We deeply regret any inconvenience this may have caused.

Initiatives to support reconstruction following the Great East Japan Earthquake

Supporting producers in the Tohoku area with Rebirth Tohoku Food Project



The Mitsubishi Estate Group has worked with the Marunouchi Chef's Club* since November 2011 to administer the Rebirth Tohoku Food Project. This project supports the food and food brands of the Tohoku area, which was severely damaged in the Great East Japan Earthquake, and aids the economic recovery of the area. The Group highlights the appeal of foods from the affected regions by developing new products and menus and

holding the Reconstruction Marche, and continues to disseminate information and cultivate networks to support the Tohoku area's recovery.

* The Marunouchi Chef's Club was formed in February 2009, coordinated by Mitsubishi Estate, as a project to make proposals and spread information about food with participation from 26 chefs working in the Marunouchi area with expertise in Japanese, French, Italian and Asian cuisines.

Eat Healthily Tohoku Project

One of these initiatives is the Eat Healthily Tohoku canned food series, original canned products developed jointly with Tohoku area chefs and local marine processing companies in Ishinomaki and Kesennuma. The two types of canned goods in the first series, launched in March 2014, earned high acclaim, winning the Fiscal 2014 Good Design Award and the Japan Management Association's KAIKA Project Special Award. In March 2015, the second series of original canned goods was launched. Events were held in the Maru Cube and in the Marunouchi Café Ease on the first floor of the Marunouchi Building.

The Mitsubishi Estate Group will continue to implement these initiatives linking Marunouchi and the regions affected by the earthquake.



Tasting event



Swordfish in Kesennuma, which boasts the largest catch in Japan



Second series of Eat Healthily Tohoku original canned food series

The second series of original canned goods developed for the Eat Healthily Tohoku project was launched in March 2015. Created with the cooperation of marine processors in Ishinomaki and Kesennuma, located along the coast of Miyagi Prefecture, these two products were a cream stewed coho salmon produced in Ishinomaki with yuzu flavor and a stew of Kesennuma swordfish prepared in a Mediterranean style. These products are prepared using simple Italian cooking methods that draw out the delicious flavors of the ingredients: the delicate flesh and reliable taste of Ishinomaki coho salmon and the lightness of Kesennuma swordfish, despite its fat. Satisfying menus were devised, such as adding short pasta to the canned goods to make a one-dish main course or simply pairing with toasted bread for the perfect combination.

Comments from producer

While coho salmon produced in Miyagi prefecture, which once boasted a 90% share of Japan's coho catch, is very popular as sashimi, when heated it gives off a particularly fishy flavor and hardens. For this reason, it is almost never used in canned goods, which must be heated for a long time to sterilize. This made us very nervous about whether we could actually succeed when we heard about the idea of creating a canned product with coho salmon, by removing the skin and bones so that it would be soft and less fishy. However, thanks to the enthusiasm of the chefs, as well as their guidance, we succeeded in creating an unprecedented product. Because of the earthquake, Japan-caught coho salmon lost market share to inexpensive imported salmon. My hope is that this project will not stop with the development of delicious canned goods, but contribute to the development of the entire coho salmon industry.



Michihito Matsutomo
Kinoya Ishinomaki Suisan Inc.

Communicating with clients

“Five Eyes” to create quality residences

Mitsubishi Jisho Residence Co., Ltd. strives to ensure the quality of its residences and provide prestigious condominiums that continue to give customers comfort and peace of mind with every passing year. The Company uses “Five Eyes,” a unique quality management standard used to ensure the quality of residences from various perspectives, to ensure that all customers continue to feel the same joy in their home, particularly as the purchase of a condominium is a satisfaction that should last a lifetime.

The Five Eyes are described below.



CHECK EYE'S

Check Eyes

Commitment to solid building quality

Mitsubishi Jisho Residence checks quality from the design stage until after the move-in date and discloses information to customers in order to give residents a secure and comfortable lifestyle.



ECO EYE'S

Eco Eyes

Commitment to supporting affordable, pleasant, environmentally responsible lifestyles

The company enhances environmental performance in condominiums with a range of approaches, such as offering features to raise the heat insulating effect, introducing eco-friendly appliances and making lifestyle proposals.



CUSTOM EYE'S

Custom Eyes

Commitment to providing homeowners with the pleasure of designing their own living space

The company provides a wide range of services for each property by offering total coordinating by experts and giving the customer color choices and options to make creating their own home even more enjoyable.



LIFE EYE'S

Life Eyes

Commitment to safety and security to protect customers' lifestyles

Mitsubishi Jisho Residence provides fire prevention and crime prevention measures based on the key words “protect,” “monitor,” and “prepare.”



COMMUNITY EYE'S

Community Eyes

Commitment to prosperous, refined lifestyles throughout the lifespan

Customers' lifestyles are supported through post-purchase services and management services in order to ensure that they can live in permanent security.

Five Eyes provides evidence of painstaking attention to detail, ensuring that The Parkhouse condominiums are residences for a lifetime. The Five Eyes standards are consistently followed in developing condominiums.

Putting hospitality into practice with the Mitsubishi Jisho Residence Lounge

The Mitsubishi Estate Group opened the Mitsubishi Jisho Residence Lounge on the first floor of the Shin-Yurakucho Building by the JR Yurakucho Station. This one-stop help desk provides a variety of information and services related to residences to customers, bringing together all the strengths of the Group's companies involved in the residential business. With the aim of familiarizing new customers with our services and enhancing our appeal to customers already in residence who already know about our services, the Residence Lounge offers a wealth of information and services for every phase of residence, including purchase, brokerage, custom homes, condominium management, renovations, rental operations and sales. The knowledgeable staff attentively provide detailed information to meet customer requests.

The Mitsubishi Estate Group pursues lifetime value for customers in its residential business, and to this end the entire Group works together to build a value chain and provide high added value that lasts a lifetime.



Mitsubishi Jisho Residence Lounge

Condominium Household Account Books

As part of the “Eco Eyes” initiative, Mitsubishi Jisho Residence Co., Ltd. and MEC eco LIFE Co., Ltd. have been distributing Condominium Household Account Books to potential The Parkhouse condominium buyers, a program that started in June 2013. These account books make it easy to ascertain the cost of condominium living after moving in.

The account book presents “home fuel consumption,” which shows the electricity charges for air conditioning and heating depending on use of condominium's energy-saving features; “lifestyle fuel costs” for electricity costs for electrical appliances such as lighting, water and sewage costs and gas rates and “other costs,” which covers maintenance costs for the condominium. This gives a full picture of the total costs of living in a condominium.

Household energy consumption is shown as lighting and heating costs (fuel costs), which makes it easier to understand practically. This helps customers considering a purchase to get a better idea of what costs will be after moving in. Before, this was hard to envision, but with the new account books, customers can make better-informed purchase decisions.



Our starting point was smiles over the dinner table

The Royal Park Hotel Co., Ltd. is engaged in a variety of volunteer activities, including annual dinner parties at Tokyo Seifuen, a special home for the elderly, which are held with the collaboration of the All Japan Chefs Association. In 2014, 58 residents and 5 staff members of the home, including Tokyo Seifuen's director, were entertained at the dinner. The Royal Park Hotel's professional chefs were able to tailor meals for the residents' likes and dislikes, calorie requirements, salt content and allergies, and even provided special meals for people who needed them in minced or liquid form. The residents were pleased to eat food different than their regular fare and enjoyed themselves immensely. Tokyo Seifuen's director later wrote: "On the day of the dinner party, a male resident who had been discharged from the hospital because he was near the end of his life was able to eat some of his meal, even if it was just a small amount. He applauded for you all and seemed so happy. He passed away peacefully just four days later, so the meal with you turned out to be his last big feast. It was bittersweet, but I'm so happy he was able to participate."

This activity enables our volunteer staff to remember their roots as chefs who desire to provide hospitality without seeking any recompense. We will continue to host dinner parties that bring out smiles throughout the hall.



Dinner party

Creating a commercial complex that wins long-term tenant loyalty

Mitsubishi Jisho Retail Property Management Co., Ltd. has created the SUNAMO Roundtable Discussion for store managers with the aim of making the Minami-Sunamachi Shopping Center SUNAMO in Koto Ward, Tokyo, a place that wins loyalty from everyone who works there so that they will want to stay for the long term.

At the first meeting, the managers held group discussions and made proposals for a year-long theme to be used for SUNAMO's sixth anniversary. The theme was then chosen on the basis of store staff vote. At the second meeting, some managers wanted to go more in-depth and discuss events run by the facility, so each team discussed plans for New Year's events. Bringing up views that only tenants with close interaction with customers can have and sharing clear sales targets raised motivation and the desire to get more involved in the facility's management. The tenants were also pleased with the meetings as they provided opportunities for communication with other stores that they do not usually have.



Participants discussing a theme for the year

Aiming to raise customer satisfaction with architectural design and engineering operations

Mitsubishi Jisho Sekkei Inc. strives to raise customer satisfaction as part of its ISO 9001 quality management system. The company has compiled a list of "don'ts" mainly in architectural design and engineering operations, and shared this information via intranet. In addition, review meetings are held for each project so that customer requests can be addressed across the company. Questionnaires are given to customers on the managers' manners and the design's quality and substance at each stage, from sales to completion, and this has raised customers' assessments.

Comments from staff

Dinner party at special home for the elderly takes us back to our roots as chefs

The wish to move people, please them and make them happy explains why we continue to work as chefs. These aspirations are what brought us into this profession. Hospitality is the desire to entertain without seeking any return. Our activities at Tokyo Seifuen refresh these feelings, which we tend to forget in the daily grind, reminding us of our roots.

We are also happy when residents choose our hotel for a dinner or lunch with their family on a special excursion day. When we see how they have put on makeup and their favorite clothes and are enjoying a little luxury in such high spirits, we are glad that we have continued with this activity.

We will continue to prepare meals with pride and self-confidence in our role as Royal Park Hotel chefs.



Royal Park Hotel volunteer members
Masaki Matsuyama, Head, Cooking Department
Masami Yasutomi, Yoshikazu Matsui, Ryuichiro Terahara, Chefs, Cooking Department
Makoto Morita, Cooking Department
Takayuki Mitsui, Teruaki Yone, Garage Management Section, Facility Management Department

Cutting-edge urban development

Innovative urban development tailored to the era of globalism

Objectives

- We will provide offices, housing and commercial facilities suited to a new work style utilizing information and communications technology.
- We will develop a forum for interaction and support venture companies and the creation of new intellectual property.
- We will strengthen the appeal of Tokyo's Marunouchi area and enhance its competitive strengths compared to cities in Asia in cooperation with national and city governments.

Key performance indicators

- KPI 6** Number of offices of foreign financial companies in Otemachi, Marunouchi and Yurakucho area
- KPI 7** Number of companies participating in EGG JAPAN (Entrepreneur Group for Growing JAPAN)
- KPI 8** Number of buildings connected to optical fiber in Otemachi, Marunouchi and Yurakucho area

The globalization of Mar

Bringing Marunouchi to the world and the world to Marunouchi—Creating future markets by providing business support

At Mitsubishi Estate, we believe that the key to international competitiveness in urban development is the value-generation capacity we can build into an area. That's why we work in so many different ways to ensure that the Marunouchi area's appeal can compete with any other top global city.



Urban development to foster sustainable development—EGG JAPAN (Entrepreneur Group for Growing Japan)

We are carrying out a wide range of initiatives to make Marunouchi an urban community with the world's most vibrant interaction, while ensuring that the new value created here contributes to Japan's sustainable development. One of the most illustrative of our initiatives is EGG JAPAN (Entrepreneur Group for Growing Japan), a business development platform which supports overseas companies looking to enter Japan as well as small- and medium-sized venture companies in Japan that are seeking to expand their business overseas.

EGG JAPAN, which is housed in the Shin-Marunouchi Building, is made up of the Business Development Office, which provides tenants with business development support tailored to their needs, and the Tokyo 21c Club, a members-only business club. The Business Development Office provides multifaceted support for business development ranging from new business start-up to expansion, all based on the tenant company's needs. In addition to advice on market development, the Office proactively gives tenants the necessary support with business creation and growth, including raising capital, corporate matching to find business partners and prospective customers and referrals to experts. The Tokyo 21c Club has about 560 diverse members, such as venture company managers, experts and investors—people who are involved in creating new businesses and who have wide-reaching networks that go beyond the bounds of the companies and groups they are affiliated with. EGG JAPAN is unique in that it naturally links the Business Development Office and Tokyo 21c Club to generate a global dynamism, and then leverages this to create new value that will contribute to sustainable development.



Marunouchi



THE PREMIER FLOOR

Providing space for expansion to growing companies— The Premier Floor Marunouchi

Mitsubishi Estate opened The Premier Floor Marunouchi in October 2014 to accelerate and build on measures to attract companies with potential for global growth. The top floor of the Marunouchi Building (the 34th floor) has been divided into small units, and we provide a luxurious reception area, conference rooms and a lounge, resulting in a small-scale office with high added value. This meets the needs of global companies and venture companies for world-class office space in upscale buildings. Four companies from EGG JAPAN have also moved into offices in this facility to increase their floor space. The Premier Floor Marunouchi thus plays a role in providing global companies seeing strong growth with the space they need for further expansion in Marunouchi.

In addition, the Foreign Company Support Center (tentative name) will be set up in the third phase of the Otemachi Chain Redevelopment Project, which is planned for completion in fiscal 2016. This is part of our efforts to give Marunouchi a solid position as an attractive business center sought out by global companies in order to create a top-ranked urban community that contributes to society.



Tenant's comment

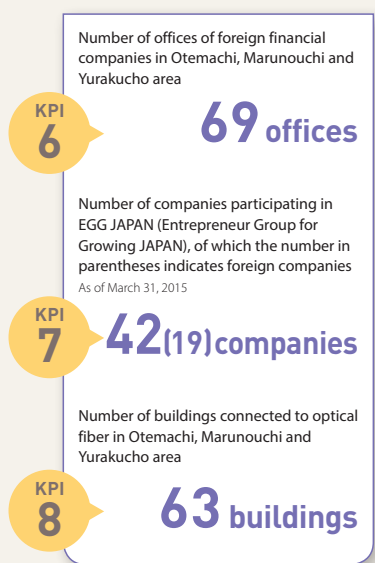


EGG JAPAN
日本経営者エンレッジ

Takahiro Kouke
Country Manager, Opower Japan K.K.

An office where new companies in Japan spur one another on toward greater growth

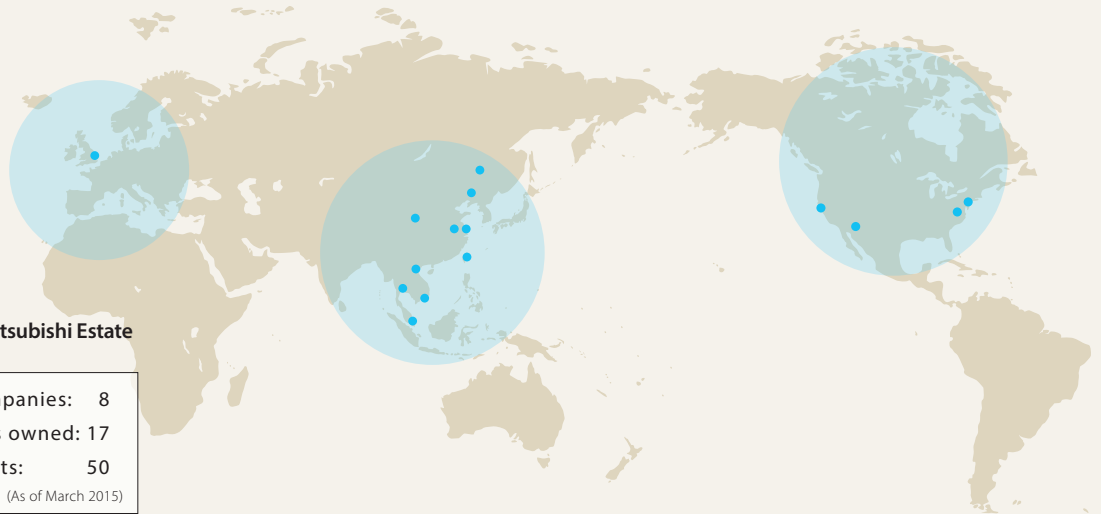
Our service builds a win-win relationship between energy suppliers and users, and thus the environment, by developing platforms that make energy consumption "visible." We came to Japan in 2013. As a company targeting electricity and gas companies in Japan as customers, the Shin-Marunouchi Building was the best base for us as it is directly across from Tokyo Station. EGG JAPAN not only has a great location, but also provides great opportunities to deepen ties among tenant companies through various study sessions and seminars. Given all the challenges involved in growing a business, being a tenant of EGG JAPAN means that we constantly engaging in positive ways with other companies while also taking up the challenge of new businesses with a social impact. This positive environment helps keep our motivation high.





Sharing Mitsubishi Estate Group's urban development with the world

The Mitsubishi Estate Group operates globally. Since Mitsubishi Estate New York was established in 1972, we have expanded our real estate development and rental business in the U.S, the UK and Asia, making the most of our track record and wide-ranging network. We are engaged in socially and environmentally conscious urban planning with people in these regions.



Europe

Acquiring environmental certification when developing new properties

In London, the Mitsubishi Estate Group has participated, through Mitsubishi Estate London Limited, in the Paternoster Square Redevelopment Project, the redevelopment of a complex in the financial center of the City of London, the Bow Bells House Redevelopment Project, a joint project with Mitsubishi Corporation, and the Central St. Giles Redevelopment Project, which consists of offices, commercial venues and residences in the West End. Currently, we own seven office buildings in London, UK, and one in Paris, France, and we continue to make aggressive investments. When developing new properties, we proactively seek BREEAM* certification.

* UK's Building Research Establishment's environmental assessment method for buildings

Projects earning certification



Central St. Giles, London

A joint redevelopment project with Legal & General, a major UK life insurance company, this complex covers a total floor area of 66,000m² and comprises offices, retail shops and residences. Construction was completed in April 2010. On application, this project earned an assessment of "Excellent," the highest ranking in the BREEAM certification program.



8 Finsbury Circus, London

This project is a redevelopment of an office building located in the city of London. It is expected to achieve a BREEAM "Excellent" rating and is slated for completion in spring 2016.

Working with the community

Christmas presents

Mitsubishi Estate London has operated from its base in the UK for 30 years. This year, it planned a different sort of Christmas party to give back to the community. Every year the company has mailed out printed Christmas cards to its clients, but this year it went to an ecard video message, which helped to cut costs significantly. The money saved was then used to make donations to a charity. These donations were used to buy toys as Christmas presents and bring smiles to children suffering from illnesses.

eCard message
<http://www.corporate-ecards.com/14/mitsubishi/>



Asia



Environmentally sound community planning in growing Asia

Mitsubishi Estate Asia was established in 2008. Currently, we operate office and housing development businesses in Singapore, Vietnam, Thailand and Malaysia. We work actively to acquire Green Mark certification* for our development projects.

We also established Mitsubishi Estate (Shanghai) Ltd. in 2013 and are involved in built-for-sale condominium projects in Shanghai, Suzhou and Chengdu and the development of an outlet mall, Shenyang Park Outlet. We strive to develop high-value communities that are environmentally sound.

* An environmental assessment program for buildings run by Singapore's Building and Construction Authority

Projects earning certification



CapitaGreen, Singapore

CapitaGreen is an office building developed jointly by Mitsubishi Estate Asia and CapitaLand. It was designed by Toyo Ito & Associates, Architects.



Sky Habitat, Singapore

Sky Habitat is a built-for-sale condominium complex jointly developed by Mitsubishi Estate Asia, CapitaLand Group and Shimizu Corporation.

Working with the community

Promoting cultural interaction between Japan and Singapore via the Japan Creative Centre

Mitsubishi Jisho Sekkei launched an initiative as part of its support for the Japan Creative Centre (JCC) in Singapore, which disseminates Japanese culture in Singapore, focusing on the architectural culture aspects. Working together with educational organizations and the Singapore Institute of Architects, the company launched a program to promote architectural and cultural interaction between Japan and Singapore, under which students studying architecture in Japan and Singapore visited each other's countries in 2014, studied Singapore's shophouses and Kyoto's *machiya* (traditional wooden houses), and examined the ways in which the lifestyles, culture and climate that form the backdrop affect residential design. This was a valuable opportunity to consider the importance of architecture rooted in one's own culture and customs. We hope that these activities go beyond cultural exchange and promote interaction between architects in Japan and Singapore to deepen understanding of their respective forms of residential architecture.



United States

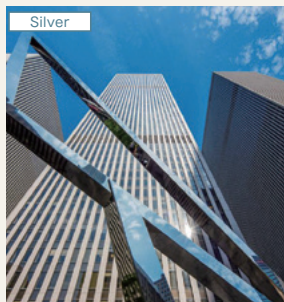
Enhancing the value of real estate through environmental performance

In the U.S., the Mitsubishi Estate Group carries out a wide range of projects, primarily through the Rockefeller Group. In addition to owning and running large-scale office buildings in areas such as Manhattan in New York, Mitsubishi Estate runs approximately 30 development projects in 10 states in the U.S., including offices, distribution facilities and residences. The Group aims to raise the value of real estate with a focus on environmental performance and therefore works to acquire LEED certification* on its new development buildings and existing buildings and to improve existing LEED scores.

* An environmental certification system administered by the U.S. Green Building Council



Projects earning certification



1221 Avenue of the Americas, New York

This building was completed in 1972 in Manhattan. Although it was LEED certified in 2009, it was awarded a Silver LEED rating in 2014 for improvements made to use water more efficiently.



Florham Park, New Jersey

This is a major development consisting of offices, hotels, commercial facilities and homes. The BASF headquarters building in Florham Park earned a Double Platinum LEED rating and was recognized as one of the most sustainable office projects in North America.

Investment management expanded with acquisition of TA Realty as subsidiary

Mitsubishi Estate acquired an equity stake in TA Realty, a major real estate fund management company in the U.S., in January 2015 through the Rockefeller Group International. TA Realty was established in 1982 and manages a wide range of real estate funds, including offices, distribution facilities, residences and commercial facilities, in 35 cities in the U.S. By making TA Realty a subsidiary, Mitsubishi Estate has strategically strengthened its investment management business.



Mirasol Walk, Palm Beach, Florida (commercial complex)



I-210 Logistics Center II, Rialto, California (distribution facility)



Westhaven at Vinings, Atlanta, Georgia (residences)



115 Sansome, San Francisco, California (offices)

Environment



Pursue cutting-edge environmental initiatives to realize a sustainable society through our business activities

Objectives

- We will efficiently utilize energy, water and raw materials and reduce greenhouses gases in our business activities.
- We will strive to create a smart community with efficient transportation and distribution systems as well as electricity and water use.
- We will expand the use of renewable energy in buildings and residences.
- We will proactively provide buildings and residences certified as being environmentally and socially responsible.

Key performance indicators

- KPI 9** Energy use/CO₂ emissions
- KPI 10** Waste generated/water used
- KPI 11** Number of projects recognized with CASBEE (new construction design)/Development Bank of Japan (DBJ) Green Building certifications
- KPI 12** Solar power output
- KPI 13** Area of green on roofs and walls
- KPI 14** Rate of annual adoption for energy conservation level 4
- KPI 15** Rate of annual adoption for *soleco* system
- KPI 16** Rate of adoption for high-efficiency appliances (hot water heaters/LED equipment/ultra-water-conserving toilets)
- KPI 17** Small- and medium-sized building renovations/condominium renovations
- KPI 18** Rate of use of Japan-grown timber

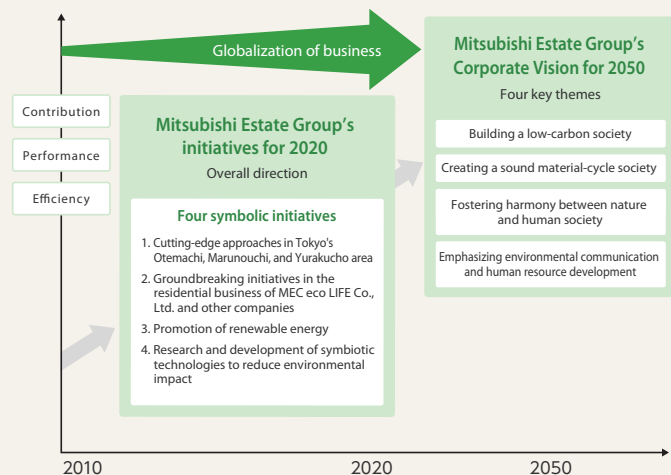
街の力を、
地球の力に。

The Mitsubishi Estate Group environmental logo features the slogan, "For Sustainable Cities, For the Sustainable Earth."

Long-Term Environment

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's Basic Policy on the Environment, to constructively address environmental issues going forward. This vision clearly lays out the Group's stance on actively contributing to society by reducing environmental impact.



Mitsubishi Estate Group Basic Environmental Policy

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Basic Environmental Policy, which is based on its corporate mission. The entire Group works together to implement sound environmental management.

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

al Vision and four symbolic initiatives

Four symbolic initiatives

Initiatives in Tokyo's Otemachi, Marunouchi and Yurakucho area



Contributing to redevelopment of a good urban environment with Otemachi Hotoria (Otemachi 1-1 Project)

Mitsubishi Estate is creating an environmentally friendly green space that is open to the community and adding other environmental features to reduce environmental impact in the Otemachi 1-1 Project, which aims to strengthen Otemachi's functions as a global business center.

The quality of the water in the Imperial Palace moat, which is adjacent to the project site on the west, has deteriorated significantly as a result of algae blooms attributable to a chronic lack of fresh water. Accordingly, in a joint project by the government and the private sector aimed at improving the water quality in the moat, a water purification facility for the moat¹ as well as some large-scale reservoirs² will be set up on the project site. Not only introducing facilities like this to lower environmental impact overall, this project has also been recognized with Platinum (Plan) 2013 status under the DBJ Green Building

certification program. Marunouchi Heat Supply Co., Ltd. will install a district cooling and heating sub-plant in the building, which will not only conserve energy in the district as whole, but also serve as a backup for other plants in the Otemachi area. The construction of an environmentally friendly community green space that takes biodiversity into account also earned certification from the Association for Business Innovation in harmony with Nature and Community (ABINC; urban development and SC category) and the Social and Environmental Green Evaluation System (SEGES).

We will continue to carry out initiatives that ensure the area harmonizes with nature.

1. Treatment capacity: About 500,000 m³/year
2. Capacity: About 3,000 m³



Number of projects recognized with CASBEE (new construction design)/Development Bank of Japan (DBJ) Green Building certifications

KPI 11 6/15 buildings and projects

Area of green on roofs and walls

KPI 13 About 31,100m²

Initiatives in the residential business

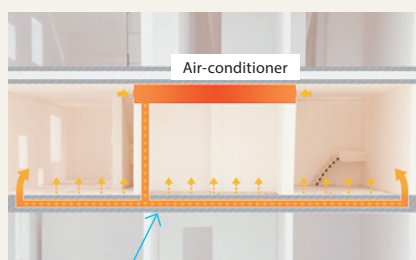
Floor chamber air conditioning validated at Setagaya House

In condominium units constructed with double flooring using the floor-first construction method,* the space between the double flooring is not divided by partitions but is instead an integrated space. Floor chamber air conditioning uses this space below the flooring to ventilate the entire unit with cooled or heated air.

Air that has been cooled or heated by the air conditioner blows out under the flooring and is sent to the individual rooms from a blowout grille installed in the floor of each room. Since the area under the

flooring is filled with cooled or heated air, the floors are never cold in winter since the area below the flooring extending under the entire unit is filled with warm air. This reduces vertical temperature differences in a room, with an effect similar to radiant heating. Moreover, floors in washrooms and bathrooms, where floor vents are not installed, do not get cold, and this could help to prevent health problems that come from sudden change in temperature.

In the Setagaya House, a condominium owned by Mitsubishi Estate, we have been conducting a test to verify the effectiveness of this method, looking at specifics such as lifestyle patterns and their relationship to system operation, methods of controlling temperature to address the differences in air conditioning load on the north side and south side, and the relationship with the ventilation system. In the remodeling work done to carry out the tests, Yamanashi-grown wood was used for the intermediate posts for partition walls and the plywood substrate for the double flooring.



Area below double flooring is used to blow out cooled or heated air

* Floor-first construction method: There are two methods of building double flooring in condominium units: (1) the walls-first method in which double flooring is laid after the partition walls are put up in the unit, and (2) the floor-first method in which the partition walls are put up on top of the double flooring once the double flooring has been laid out throughout the residence.



Promoting and popularizing renewable energy

Large-scale solar power generation facilities: Helping to build a recycling-oriented society with a lower carbon footprint

Mitsubishi Estate actively utilizes and introduces renewable energy to help build a recycling-oriented society with a lower carbon footprint. In February 2013, we started the construction of a large-scale solar power generation facility in Chiba Research Park, which extends over Sakura City and Chiba City in Chiba Prefecture. The first stage of this project covers an area of approximately 21,700 m², with a generating capacity of about 1 MW. The facility went on line in July. We are currently working on a plan to expand the facility to cover a site of about 67,000 m² with a total generating capacity of about 4 MW. We also began constructing another similar facility on a site

of about 15,300 m² in the Higashi Fuji Research Park located in Gotemba City and Oyama Town in Shizuoka Prefecture in May 2013. The facility, which has a generating capacity of about 1 MW, went on line in October 2013.

Solar power output

KPI **12** About **3,010kW/14 sites**



Chiba Research Park



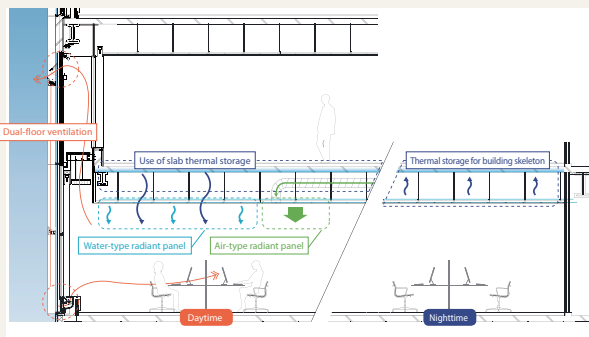
Higashi Fuji Research Park

Pursuing R&D into environmentally symbiotic technology

Kayabacho Green Building, a next-generation office building with cutting-edge technology

Located in Chuo Ward, Tokyo and completed in May 2013, the Kayabacho Green Building is a model next-generation office building—Mitsubishi Estate Group's answer to the question of how next-generation offices should function. It features cutting-edge technologies that ensure a balance between comfort and energy conservation, including the Group's own internally tested hybrid radiant air conditioning system, a smart lighting system that provides optimally individualized lighting for each person's work, and an innovative system that presents energy-use data in a visual format to keep office workers motivated to conserve energy.

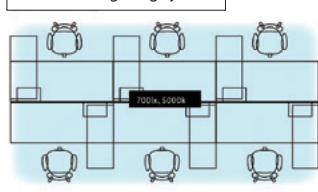
We are verifying the effectiveness of these technologies on-site with this project and will continue to carry out research and development on technology that can be fully deployed in other office buildings.



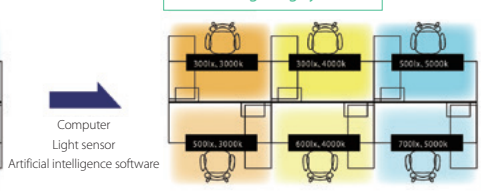
Space with smart lighting system



Traditional lighting system



Smart lighting system



Reducing environmental impact

Diverse initiatives to improve environmental performance of condominiums

Mitsubishi Jisho Residence Co., Ltd. employs the Five Eyes process to ensure the quality of its residences, and Eco Eyes is one of the five. The company is taking various approaches to improving environmental performance.

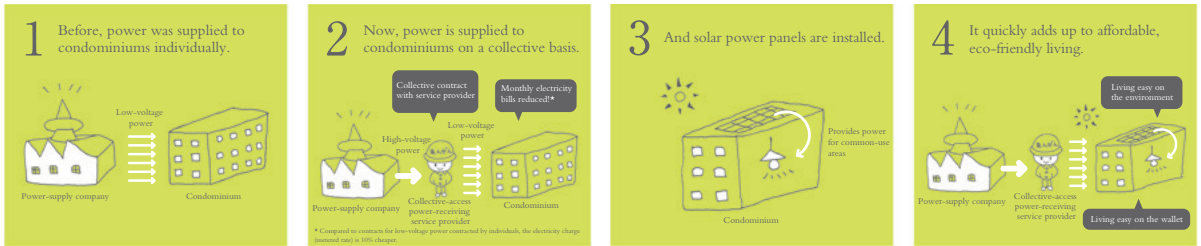
1. Soleco power systems save electricity and money

Soleco is an environmental system that balances environmental friendliness with affordability by reducing electricity costs for condominium units and shared areas. This is achieved by combining high-voltage collective power systems with solar power systems in condominiums.

Rate of annual adoption for soleco system

KPI 15

75%



2. Various techniques enhance insulation effectiveness

We have incorporated a range of techniques to enhance insulation effectiveness, such as applying external and internal insulation, taking measures to prevent dew condensation and using multi-layered glass. The result was a residence product worthy of energy conservation level 4 in the next-generation energy conservation standards established by the Japanese government in 1999.

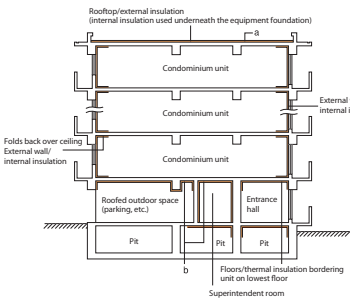
In line with the 2013 energy conservation standards for residences that went into full effect on April 1, 2015, we aim to earn insulation performance level 4 and primary energy consumption level 4 for all the residences we design.

Rate of annual adoption for energy conservation level 4

KPI 14

86%

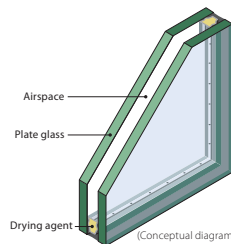
Application of thermal insulating material (conceptual diagram)



Countermeasure for dew condensation



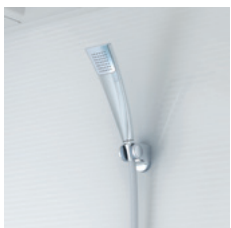
Multi-layered glass



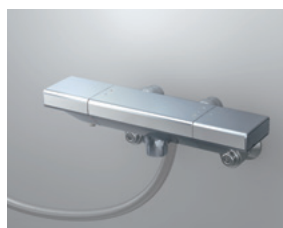
Energy conservation level 4

3. Highly efficient devices save energy

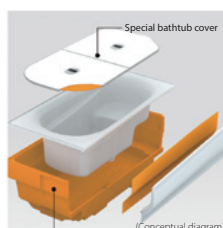
Shower head conserves hot water



Faucets conserve hot water



Bathtub retains heat



Special heat insulating material for heat-retaining bathtub

Toilet conserves water



Rate of adoption for high-efficiency appliances (hot water heaters/LED equipment/ultra-water-conserving toilets)

100%/78%/78%

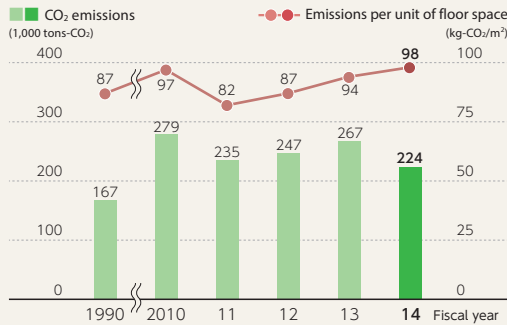
KPI 16

Building a society with a lower carbon footprint

Building management programs reduce CO₂ emissions

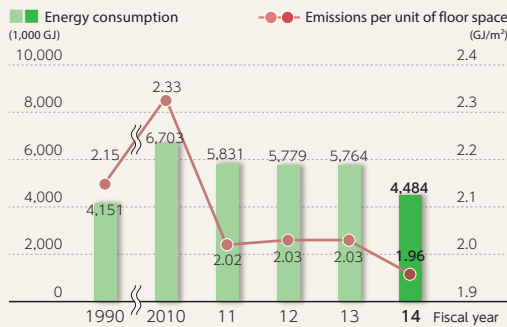
The energy consumption of Mitsubishi Estate's 23 ISO14001-certified buildings* in fiscal 2014 is shown in the graphs below. In fiscal 2015, Mitsubishi Estate continues to work to reduce energy consumption in each building, targeting the stricter of either a 1.0% reduction compared to fiscal 2014 or the reduction mandated by city regulations such as the Tokyo Metropolitan Ordinance on Environmental Preservation.

CO₂ emissions and CO₂ emissions per unit of floor space from Mitsubishi Estate's ISO14001-certified buildings



* CO₂ 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).

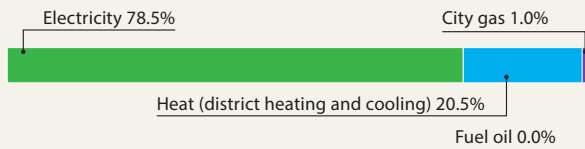
Energy consumption and energy consumption per unit of floor space in Mitsubishi Estate's ISO14001-certified buildings



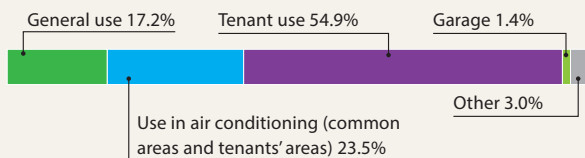
* The number of ISO-certified buildings changes each fiscal year due to renovations and sales/purchases.

Collaborating with tenants to conserve energy

Fiscal 2014 energy consumption by use (for 23 ISO14001-certified buildings)



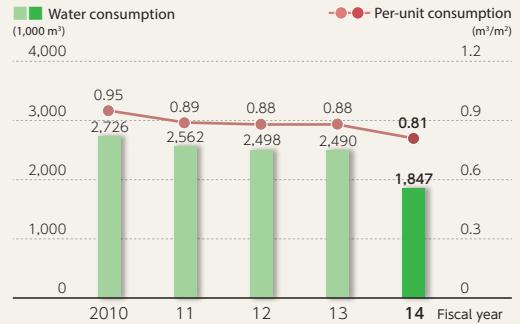
Fiscal 2014 energy consumption by application (for 23 ISO14001-certified buildings)



Helping society to recycle more

Effective consumption of water resources in buildings

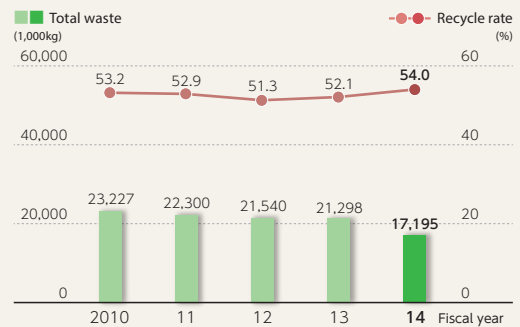
Water consumption and water consumption per unit of floor space in Mitsubishi Estate's ISO14001-certified buildings



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

Waste reduction and recycling initiatives in buildings

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.

Mitsubishi Estate Group's environmental data

Energy use and CO₂ emissions reported under Japan's Energy Conservation Law (fiscal 2014)

	Overall	Office buildings	Commercial facilities	Hotel	Other
Energy use (1,000 kl/year)	245	183	45	11	7
Unit consumption (kl/m ² per year)	0.038	0.037	0.059	0.067	0.011
CO ₂ emissions (1,000 t-CO ₂ /year)	482	359	87	21	14
Unit consumption (t/m ² per year)	0.074	0.072	0.116	0.129	0.024
Number of target facilities (buildings)	118	58	16	8	36
Floor area (1,000 m ²)	6,476	4,964	757	163	592

* Compiled for main buildings for which information on energy-saving measures is reported in compliance with the Energy Conservation Law (excluding some small buildings).
 * This table is prepared on the basis of the information submitted by Group companies in compliance with the Energy Conservation Law, with some additions, and may differ from the actual figures submitted.

Energy use/CO₂ emissions

KPI 9 **245,000kl/482,000t a year**

Waste generated/water used

KPI 10 **43,637t/5,161,000m³ a year**

* Compiled for the major buildings for which the Mitsubishi Estate Group reports information on energy-saving measures in compliance with the Energy Conservation Law.

Re-building Business rejuvenates older small- and mid-sized buildings

Mitsubishi Jisho Residence Co., Ltd. entered the re-building business in May 2014, renovating older small and medium-sized buildings and then sub-leasing the buildings. In this business, Mitsubishi Jisho Residence obtains master leases on older buildings with high vacancy rates, carries out anti-seismic work and renovations, and then subleases the buildings to new tenants. After a set period of time, the buildings are returned to their owners.

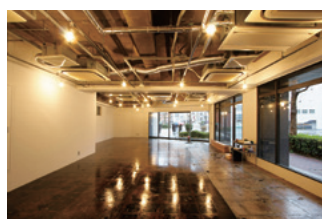
Such projects are intended to effectively use existing stock without resorting to the “scrap & build” approach, which has a heavy impact on the environment. Moreover, as Mitsubishi Jisho Residence covers the costs, it will facilitate anti-seismic retrofitting work in small- and mid-sized buildings which otherwise would not have sufficient financial resources for it. By supplying rental properties with value enhanced by anti-seismic work and renovations, the company also aims to help revitalize the neighborhoods around these properties.

In February 2015, renovation of the Park Rex Koamicho Building, the company’s third re-building project, was completed. Inspired by the concept of an office building with the comfort of a home, the building now offers three types of floors to lease—named “kitchen floor,” “living floor,” and “sun room floor”—each designed with different specifications.

Mitsubishi Estate hopes this business will meet social demand for effective utilization of existing infrastructure, and is aiming to renovate about 15 buildings in three years, and 30 within five years.



Before renovations (first floor)



After renovations (first floor)

Small- and medium-sized building renovations/condominium renovations

KPI 17 3 buildings/110 units

Fostering harmony between nature and human society

Expanding the use of Japan-grown timber: Project To Raise The Value Of Japan-Grown Timber

Mitsubishi Estate Home Co., Ltd. proactively uses forest thinnings and small-diameter trees for its 2x4 structural materials, aiming to expand the use of Japan-grown timber in wood-frame homes overall. The percentage of Japan-grown timber used in structural materials by the company now exceeds 50%, which is one of the highest among builders of 2x4 homes in Japan.

Mitsubishi Estate Home is also effectively utilizing and expanding its use of timber grown in Yamanashi Prefecture as part of the Project to Raise the Value of Japan-Grown Timber. The project works in affiliation with the “Experience Nature” Project, an activity that promotes

interaction between urban and rural residents in Hokuto City in Yamanashi Prefecture.

Mitsubishi Estate Housing Components Co., Ltd. promotes the use of Japan-grown timber in structural materials for single-family homes, and in August 2010 the company obtained FSC-CoC certification, an international standard for distinguishing sustainably-grown timber from other timber during the processing and distribution stages.

FSC® logo mark issued by the Forest Stewardship Council® certifies that the wood or fibers used in the product were produced from forests managed properly in terms of the environment, society and the economy. The mark provides a guarantee that the forest of origin was assessed by an independent third-party organization based on principles and standards stipulated by the FSC. FSC-N002014 <http://www.fsc.org>



Examples of use of Japan-grown timber

Rate of use of Japan-grown timber

KPI 18 Over 50%

Launch of the BIO NET INITIATIVE, an effort by The Parkhouse to protect biodiversity: “Business Innovation in Harmony with Nature and Community” certification acquired

Mitsubishi Jisho Residence earned certification from the Association for Business Innovation in Harmony with Nature and Community (ABINC) for The Parkhouse Nishi Shinjuku Tower 60 and three other condominiums. This certification program recognizes biodiversity initiatives in land use that are difficult to assess quantitatively and aims to promote land use that takes biodiversity into account.

The Parkhouse is Mitsubishi Jisho Residence’s flagship condominium brand. In these condominium development projects, the company plans the trees and plants for each property in a manner that will protect biodiversity, regardless of the property’s size and land area. Named BIO NET INITIATIVE, these plans are also carried out at The Parkhouse condominiums other than the buildings that were certified. This creates a green space that serves as a stopover for plants and animals by linking the surrounding green space with the street’s greenery. We expect these green condominium complexes to foster a community that supports diverse living creatures.

We will continue to create communities designed with environmental performance in mind with The Parkhouse condominiums.



Human resource development

Support for human resource development and active careers for the creation of communities of the future and support for work styles tailored to individual lifestyles

Objectives

- We will select and hire employees equitably, provide appropriate education and training opportunities for the employees responsible for future community development, and will support flexible work styles tailored to individual lifestyles.
- We will offer equitable opportunities so that a diverse workforce can succeed in its jobs, regardless of gender, age and/or disability.

Key performance indicators

- KPI 19** Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours
- KPI 20** Number of hours of overtime on average per month
- KPI 21** Training time/cost per employee
- KPI 22** Number of female managers
- KPI 23** Employment rate for persons with disabilities

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.

Consultations for career development

At Mitsubishi Estate, employees set their own work goals and skill development goals, and then review their achievements every six months via

management by objective (MOB) consultations, in which a supervisor evaluates their performance and provides feedback. The company also regularly holds human resource development consultations with every employee, with the exception of senior managers, aiming to provide a venue for them to express their views and requests as well as to promote skill development.

Equitable salary system

At Mitsubishi Estate, regular wage raises were discontinued in 2000, and a salary increase system based on skill development was adopted. A performance-based bonus system based on MBO and an objective performance evaluation and promotion system have also been adopted to raise employees' motivation to improve their work and skills. There are no salary discrepancies based on gender.

Initial salaries at Mitsubishi Estate Co., Ltd.

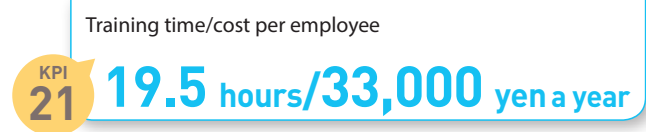
Initial salary (monthly salary)	Comparison to minimum wage
210,000 yen	53% higher

Offering a wide range of HR development and training programs

The Mitsubishi Estate Group has established a wide range of training programs to develop employees' capabilities and raise their awareness about compliance and human rights. Group joint training and training for new hires are also organized by MEC Human Resources, Inc., aiming to bring the entire Group to a higher level of proficiency. In addition, individual Group companies have their own training programs tailored to the needs and advanced fields of expertise of each company.

Mitsubishi Estate's total annual hours of human resource development training (fiscal 2014)

Total training hours per year	26,300 hours
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Creating a vibrant workplace

Mitsubishi Estate Group's Hito-Machi Award

The Group established the Hito-Machi Award (literally, "People and the City Award") in 2011 to recognize efforts by employees at group companies to enhance the corporate brand. This award is intended to encourage the shared sense throughout the Group that building a strong corporate brand is not a special activity, but rather an integral part of everyone's daily work. In its fourth year, the award attracted 155 entries in 2014. A total of 18 groups of winners were selected for the Sincerity and Trust Award, Customer-Oriented Award, Value Creation Award, and Challenge Award. Four 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.

Voice of a Hito-Machi Award winner



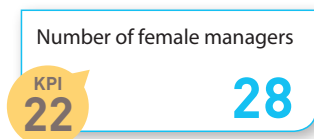
Koji Matsuda
Mitsubishi Jisho Sekkei Inc.

Providing a workplace environment conducive to a creative work style

We made our office move into an opportunity to create an office that would invigorate communication, so we formed a task force with members throughout the company. Based on the task force's recommendations, we set up a multi-purpose space that is also available to people from outside the company, expanded meeting space and got rid of fixed phone lines for individuals, thus facilitating a more flexible work style. By lowering the height of shelves, we created an open work space with an unobstructed view up to 100 meters ahead. This initiative helped to improve employee motivation and energize communication. We hope to continue our initiatives to enhance the workplace going forward.

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.



Ratio of female managers to all managers

March 2012	March 2013	March 2014	March 2015
2.9%	3.2%	3.4%	4.2%

Respecting human rights and employee diversity

Basic approach to human rights

The Mitsubishi Estate Group respects the basic human rights of all people, and believes that a workforce where people respect one another's diverse values and cultures is the cornerstone of corporate success. Respect for human rights is part of the Mitsubishi Estate Group Guidelines for Conduct, which all employees are expected to follow on a daily basis. Meanwhile, we offer training and other programs designed to foster employees' awareness of human rights.

Ongoing human rights programs

Mitsubishi Estate Group provides human rights training at individual companies and as joint group training. In addition to training tailored by level, such as training for new hires and for newly appointed managers, the Group also provides group training for all employees on a specific subject. Human rights lectures are also given every year to executives such as company presidents, directors and department managers, as well as group company presidents. In fiscal 2014, tied in with the sub-theme of the group training, which was "creating a dynamic workplace," the Group invited Eri Kawanabe, Executive Officer, Deputy General Manager of the Human Resources Group, and General Manager of the Human Resources Development Department at SCSK Corporation, to give a lecture on reducing overtime entitled "Reforming Work Styles to Enhance Quality of Work."

The Group provided new hire joint training to 248 new hires from 23 Group companies, and Mitsubishi Estate and some group companies also carried out training on the prevention of workplace harassment (power harassment) and on social integration. By raising participants' awareness of discrimination, this training sought to cultivate a greater sense of human rights.

Total hours of annual human rights training at Mitsubishi Estate (fiscal 2014)

Total training hours, per year	Training time, per person, per year
3,290 hours	2.1 hours

Mitsubishi Estate's human rights training (fiscal 2014)

Themes

- Power harassment
- Sexual harassment
- Social integration
- Issues faced by non-Japanese employees
- Issues faced by people with disabilities
- Work-life balance (reductions in overtime)

Total number of participants: 423 people

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, review that fiscal year's activity plan and share knowledge on recent human rights conditions.

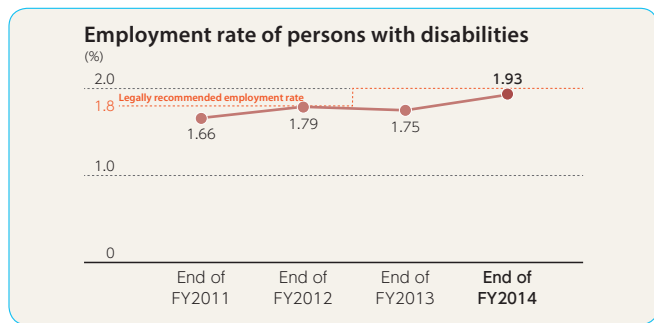
Helpline system

The Mitsubishi Estate Group has set up a helpline that Group employees, regardless of their employment status, and Group companies' business partners can use to discuss issues related to compliance. In addition, Mitsubishi Estate has a separate consultation line manned by the Human Resources Department internally. The aim is to consult with employees on a daily basis, and thus identify and prevent human rights violations, such as harassment, and cases of discrimination.

In 2014, the helpline and consultation line received 40 reports, of which four concerned human rights violations such as harassment. All reports are treated confidentially, and are dealt with appropriately after confirming and investigating all of the facts. Training is also reinforced to prevent a reoccurrence.

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 and the Mitsubishi Estate Group Guidelines for Conduct. As of the end of fiscal 2014, Mitsubishi Estate's employment of people with disabilities was 1.93%, just under 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 make the most of their unique skills.



Supportive workplaces for employees

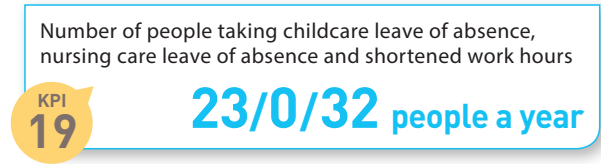
Programs to foster work-life balance

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 or flexible 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 or flexible 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 for childcare on its intranet.

In light of Japan's changing social structure, the company enables employees to take nursing care leave for three years, and they can now work flexible hours as well as shorter hours while providing nursing care to family members. Since January 2013, the company has established a new program to enable 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.

In fiscal 2014, 100% of employees returned to work after taking childcare leave, and the retention rate after the return to work was also 100%.



Number of people taking childcare leave of absence, nursing care leave of absence and shortened work hours for childcare

		Fiscal 2012	Fiscal 2013	Fiscal 2014
Childcare leave	Men	0	0	0
	Women	17	22	23
	Total	17	22	23
Nursing care leave	Men	0	0	0
	Women	0	0	0
	Total	0	0	0
Shortened work hours for childcare	Men	0	1	0
	Women	25	29	32
	Total	25	30	32

List of work-life balance programs and welfare programs

Name of program	Overview of program
Childcare leave of absence	Can be used until the end of the fiscal year in which the child turns three years old
Nursing care leave of absence	Can be used for a maximum of three years
Nursing care leave of absence for children	Can be used until the end of the March after the child enters the third grade in elementary school Can be used as a special paid leave of absence until the child enters elementary school
Nursing care leave of absence for family	Can be used as a special paid leave of absence
Shortened work hours for childcare	Can be used until the end of the March after the child enters the third grade in elementary school Daily work hours can be shortened by up to 2.5 hours in increments of 15 minutes
Shortened work hours for nursing care	Can be used for up to 93 days per family member Daily work hours can be shortened by up to 2.5 hours in increments of 15 minutes
Flextime program for pregnant woman, those caring for children and those nursing family members	Can be used until the end of the March after the child enters the third grade in elementary school
"Refresh" vacations	Special paid vacations are given every five years after five consecutive years of employment Company pays travel costs after 25 years of consecutive employment (upper limit imposed)
Accumulated vacation	Employees can accumulate up to 90 days of paid vacation that was not used. This can be used for the employee's or family member's illness, a spouse's childbirth, to participate in volunteer activities, childcare or nursing care for family members, among others.
Reemployment program	In the event that an employee retires due to a spouse's transfer, the former employee can be reemployed within five years of retirement.

Note: Each program has its own unique conditions, such as applicable job types.

Protecting the health and safety of employees

Mitsubishi Estate makes commitments to safety and hygiene in its labor agreements, and strives to protect employee health and safety through health checkups and safety education.

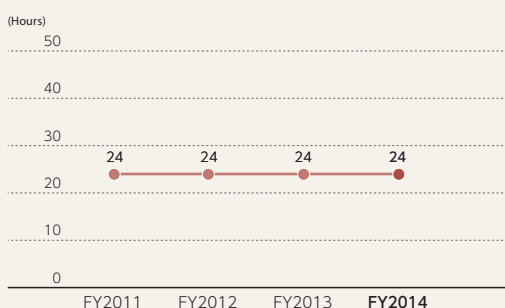
Mitsubishi Estate has made Wednesdays “no overtime days” to help prevent long work hours and overwork. Moreover, the company also observes “intensive no overtime days” on the third Wednesday of every month and every Wednesday in November. It has also introduced a work management system that is linked with computer log-on/off time so that supervisors can follow employees’ work conditions. 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. As

Number of hours of overtime on average per month

KPI
20

24 hours

Overtime hours worked, per month, per person



such, Mitsubishi Estate is dedicated to taking measures that help employees manage their health.

Support for employees’ life plans

Mitsubishi Estate has set a retirement age of 60, but has introduced a job matching program to reemploy employees that want to continue working after this retirement age.

This program enables employees of retirement age who meet certain conditions to continue working, which not only supports employees’ life plans, but also enables veteran employees to pass on the skills, expertise and personal connections built up over years of experience, thus helping to maintain service quality. Currently, these veterans are registered as advisors.

At the same time, expectations for this second phase of life are varied, and individuals make diverse choices. For this reason, the company provides life planning seminars, training on planning for life after retirement. In addition, the second life support program has been set up, enabling employees two years away from retirement to embark on a fulfilling “second life” with early retirement.

Retirement allowance program

The Mitsubishi Estate Group’s domestic companies have adopted a defined-benefit pension plan, and offer both savings-type and non-savings-type lump sum retirement grants, defined-benefit pension plans and defined-contribution pension plans.

Mitsubishi Estate has established a defined-benefit lump sum retirement grant program and a corporate pension program, and as of March 31, 2014, its corporate pension plan had total assets of 36.2 billion yen, while its liability reserve was 33.3 billion yen.

Data on human resources

Mitsubishi Estate Group’s employment conditions

Number of employees (Mitsubishi Estate Group overall)

	FY2012	FY2013	FY2014
Total number of employees	8,001	7,952	8,388
(Men)	-	-	6,012
(Women)	-	-	2,326

* Data covers consolidated subsidiaries in fiscal 2014 (the number of companies differs depending on the fiscal year).

* There were 185 consolidated companies in fiscal 2014 (48 in Japan and 137 overseas).

* Some companies do not provide data by gender.

Number of employees by region (Mitsubishi Estate Group overall)

	Japan	UK	US	China	Singapore
Total number of employees	7,852	9	519	-	8

* Data covers consolidated subsidiaries in fiscal 2014.

* Employees on loan are included in region in which the affiliated company is located.

Number of employees by business division and ratio of total (Mitsubishi Estate Group overall)

Segment	Number of employees	Percentage
Building Business	1,906	23%
Residential Business	2,915	35%
International Business	561	7%
Investment Management	101	1%
Architectural Design and Engineering	581	7%
Hotel Business	1,230	14%
Real Estate Services	695	8%
Other	163	2%
Corporate Group (Mitsubishi Estate)	236	3%
Total	8,388	100%

*As of March 31, 2014

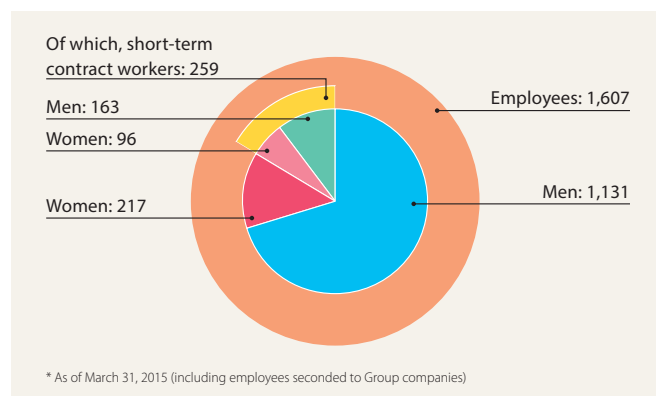
Number of new hires and people leaving the company (Mitsubishi Estate Group overall)

	FY2014
New employees	856
Number of employees leaving company (including those retiring at mandatory retirement age)	628

Employment at Mitsubishi Estate

Workforce breakdown

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



	FY2011	FY2012	FY2013	FY2014
Men	1,383	1,344	1,319	1,294
(Of which, regular employees)	1,177	1,159	1,150	1,131
(Of which, short-term contract workers)	206	185	169	163
Women	304	314	321	313
(Of which, regular employees)	201	206	212	217
(Of which, short-term contract workers)	103	108	109	96
Total	1,687	1,658	1,640	1,607

Workforce profile, by age bracket (fiscal 2014)

	20-29	30-39	40-49	50-59	60 and over
Men	164	188	423	386	133
Women	59	91	110	47	6
Total	223	279	533	433	139

Number of new hires and people leaving the company (Mitsubishi Estate, non-consolidated)

	FY2011	FY2012	FY2013	FY2014
New graduate hires	60	58	48	58
New employees	33	33	31	33
Mid-career hire	1	4	4	5
Rehired contract employee	26	21	13	20
Number of employees leaving company (including those retiring at mandatory retirement age)	58	50	38	49
Rate of employees leaving for personal reasons	0.6%	0.3%	0.5%	0.4%

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

	March 2012			March 2013			March 2014			March 2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Main career track N positions	1,181	1,088	93	1,185	1,085	100	1,195	1,087	108	1,205	1,089	116
Main career track A positions*	—	92.1%	7.9%	—	91.6%	8.4%	—	91.0%	9.0%	—	90.4%	9.6%
Of which, section/division managers	731	710	21	729	706	23	738	713	25	745	717	28
	—	97.1%	2.9%	—	96.8%	3.2%	—	96.6%	3.4%	—	96.2%	3.8%
Clerical workers	108	0	108	106	0	106	104	0	104	101	0	101

* 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.

Compliance



Promotion of compliance meeting the expectations of clients and society

Objectives

- We will respond appropriately to prevent bribery, violation of the anti-monopoly law and inappropriate political donations.
- In addition to complying with laws and regulations, we will strive to meet the expectations of clients and society, as well as understand and respond appropriately to various business risks.

Key performance indicators

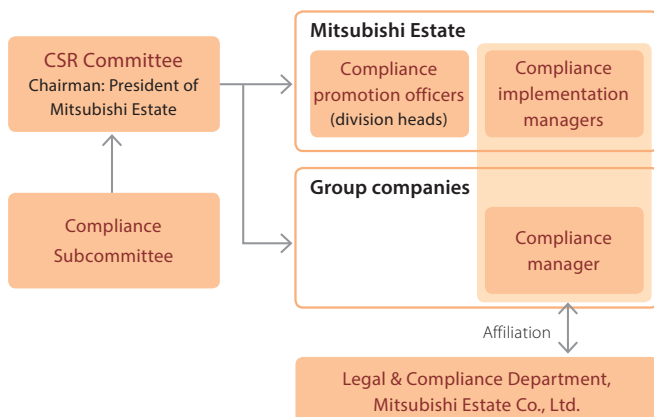
- KPI 24** Compliance training such as training by level and CSR lectures
- KPI 25** Compliance survey "Extent to which Code of Conduct is achieved"

The Mitsubishi Estate Group aspires to build trusting relationships with its stakeholders through a highly transparent management system and reinforced compliance.

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

Mitsubishi Estate Group's compliance system



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 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.

Moreover, given the increasingly widespread use of social media, the company established Social Media Use Guidelines in December 2012 to ensure appropriate use.

Holding CSR lectures

Mitsubishi Estate holds a CSR Lecture every year in October, which is CSR Promotion Month, for managers and executives, including those at Group companies.

The lecture topic is chosen from a wide range of CSR genres in light of social conditions in that particular year. In fiscal 2014, Tadashi Kunihiro, a lawyer at T. Kunihiro & Co. Attorneys-at-Law, spoke on the topic of risk management for executives and managers in November.

Providing compliance training

The Mitsubishi Estate Group uses opportunities such as training sessions for new hires and new managers to provide compliance training to raise compliance awareness among all executives and employees.

In particular, new hires from major Group companies participate in joint training together to learn about the Code of Conduct and basic compliance issues (168 participants from 16 companies in April 2014).

Beginning in fiscal 2014, compliance training was provided during

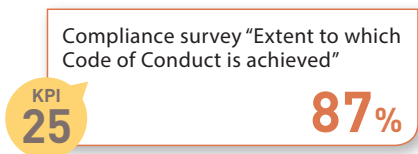
KPI 24 Compliance training such as training by level and CSR lectures

training for Mitsubishi Estate's newly appointed managers and deputy general managers.

Mitsubishi Estate also provides training to all employees through e-learning.

Compliance surveys

Mitsubishi Estate gives compliance surveys every two years to its approximately 12,000 executive officers and employees (including temporary employees) to ascertain the extent to which they are aware of compliance issues. The Group uses the results, after analyzing them to identify overall trends and characteristics of each company, to plan activities to improve compliance.



Reinforcing compliance at the Mitsubishi Estate Group

The Mitsubishi Estate Group not only offers compliance training tailored to each of its company's particular businesses, but also develops training menus and tools covering topics that all Group employees should learn, such as harassment and compliance fundamentals.

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 40 consultations and reports via the help line in fiscal 2014. Depending on the substance of the inquiries, they are studied and the situation is confirmed so that an appropriate response can be made.



Leaflet about the help line exclusively for business partners

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 (held four times a year), which oversees implementation of risk management for the Group, and the Risk Management Subcommittee (held four times a year), a working-level consultative body consisting of department managers including those from 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.

In fiscal 2014, the Group systematically carried out a risk management program focused on the following two activities.

(1) Individual risk management activities

Individual group companies and business groups identify risks of focus based on a risk analysis, and carry out activities throughout the year to reduce the risks identified.

(2) Group-wide priority risk management activities

The Group identifies priority risks that require new countermeasures from the entire Group, taking into account the risks of focus identified by individual group companies as described above and social trends, and carries out activities throughout the year to reduce these risks.

Preventing corruption

The Mitsubishi Estate Group has declared that it will carry out equitable, transparent corporate activities with a primary emphasis on earning trust. The Group's Code of Conduct forbids not just actions that could be construed as collusion with government officials or other actions considered illegal, but also entertainment and gift-giving to politicians and government employees that could be deemed ethically inappropriate for going beyond the bounds of social convention.

Moreover, when providing support related to the activities of political groups, the Group decides on the appropriate response in accordance with relevant laws and regulations such as the Political Funds Control Law and the Public Office Election Law, as well as internal regulations such as the Mitsubishi Estate Group's Code of Conduct.

In February 2013, the Group set up a corruption prevention system to address business expansion overseas and recent social trends. In addition, the Group ensures that all employees are well versed in corruption-related legislation and the Group's regulations and corruption prevention system, and that they comply with these laws and regulations.

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.

Corporate Governance

The Mitsubishi Estate Group aims to earn stakeholders' trust through highly transparent management.

Basic concept behind corporate governance

The Mitsubishi Estate Group has established a corporate governance system built to attain its fundamental mission of “contributing to the creation of a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment.” At Mitsubishi Estate, we believe we must achieve a high level of integration between corporate growth and benefit to diverse stakeholders.

Committed to highly transparent corporate governance

Mitsubishi Estate has developed a highly transparent corporate governance system, through such measures as introducing an executive officer system while maintaining a statutory auditor system to ensure a clear distinction between the oversight and business execution functions. In order to reinforce the management and oversight functions of the Board of Directors, four outside directors are selected with a term of one year and three outside auditors are selected with a term of four years. The Company has designated these seven officers as independent officers in line with the stipulations of the Tokyo Stock Exchange and various regulatory bodies, and has submitted notification to that effect.

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 2014, the committee met eight times.

The Group has set up the Executive Committee to deliberate on important matters pertaining to execution of business; it consists of the chairman of the board, 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 51 times in fiscal 2014. 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.

Policy for determining remuneration for directors and statutory auditors

Mitsubishi Estate has adopted a remuneration system that combines performance-linked remuneration and deferred remuneration stock options

Total remuneration, etc., paid to directors (Outside directors)	¥651 million (¥40 million)
Total remuneration, etc., paid to statutory auditors (Outside statutory auditors)	¥88 million (¥53 million)

Note: The figures above include compensation for one director and one statutory auditor who left their positions as of the 115th General Meeting of Shareholders held on June 27, 2014.

for its directors and statutory auditors. Since outside directors are independent of the execution of operations, they only receive fixed remuneration. Statutory auditors also only receive fixed remuneration in accordance with their roles as standing or non-standing statutory auditors as determined by discussion among the statutory auditors.

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, 2015 was submitted to the Kanto Local Finance Bureau of the Ministry of Finance on June 26. An internal control audit was performed by an independent auditing firm to ascertain 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

At Mitsubishi Estate, 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 ensures 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.

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.

Mitsubishi Estate Group's Order Action Guideline

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 and contracts are administered 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.

This Order Action Guideline is shared by the entire Group, and, based on it, order and contract processes are established and administered to suit the businesses of individual companies.

Compliance checks in the order and contract process

In the Mitsubishi Estate Group, when orders are placed with construction companies, the business organization and ordering organization are clearly separated. Appropriate orders and contracts are ensured by requiring that employees use a check sheet to self-verify compliance, after which Mitsubishi Estate's Legal & Compliance Department provides objective confirmation. The Orders Surveillance Committee, chaired by the president, meets when orders for large projects are placed (it met two times in fiscal 2014) and holds discussions to verify compliance in the order process.

■ Building Business

Social and environmental assessment of construction companies in the Building Business

Mitsubishi Estate has adopted an evaluation system for subcontractors that assesses from multiple perspectives the quality, safety and hygiene, and environmental initiatives of construction companies engaged in subcontracted work in its Building Business. The subcontractors are given feedback on the results of the assessment, and asked to make improvements if necessary.

Pursuing high-quality maintenance and management of buildings

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 Building Business Group outsources work such as facility operation and management, security and cleaning to its business partners, and as such, the Group shares its policies on quality of management and services with all their managers and on-site staff to ensure that the Group provides consistent services at all of its buildings.

In addition, Mitsubishi Estate partially revised its Subcontractor 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, launched in 2012, Mitsubishi Estate has presented an award to the company with the best practices.

■ Condominium Business

Social and environmental assessment of construction companies in the Condominium Business

Mitsubishi Jisho Residence Co., Ltd. utilizes a Contractor Interview Sheet when selecting new subcontractors with which to partner, and confirms the subcontractors' conditions, including the headquarter organization's on-site support system. In addition, in order to enhance the quality of construction and ensure safety and hygiene on-site, the company asks the subcontractors to submit work schedules and construction plans to ensure in advance and places orders with an appropriate construction schedule. The company also strives to make improvements by ensuring good communication with subcontractors, such as meeting with the head of the construction site before the start of work at each site and evaluating the contractor when the work is completed.

Moreover, self-check system interviews to confirm the status of the implementation of compliance training, the reporting system for errors, and the help line have gradually been put in place, starting in 2014. The company responds appropriately, for example requesting improvements based on the responses.

■ Custom-Built Housing Business

Fair evaluation of home construction companies

Mitsubishi Estate Home Co., Ltd. has established guidelines for its initiatives with business partners that take into account the unique characteristics of its business. The basic order unit price that will serve as the benchmark is set in agreement with the supplier as we strive to ensure equitability for the supplier.

Business partners in the architecture, facility and electronics industries are evaluated comprehensively and fairly on the basis of a questionnaire given to the employees who are their point of contact, and also taking into account the number of customer referrals, workmanship and credit conditions. The number of buildings with which they will be entrusted is decided based on this evaluation along with the fixed unit price.

In addition, clearly separating the manufacturer's product costs and the distribution costs until the product reaches the final delivery destination raises the transparency of product costs and distribution costs, enabling a fair evaluation of the material supplier and the manufacturer. When deciding on construction amounts, the costs of construction and operating expenses are accounted for separately, and efforts are made to prevent simple price competition.

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 Tokyo Stock Exchange's Security Listing Regulations mandates for timely release through TDnet (Timely Disclosure Network), a system operated by the 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 (about 500 such meetings held in fiscal 2014).

In fiscal 2011, the Group announced the BREAKTHROUGH 2020 long-term management strategies through fiscal 2020, and medium-term targets (for fiscal 2011–2013) based on these strategies. In fiscal 2014, the Group published a new medium-term management plan for fiscal 2014–2016. 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 Annual Report and Fact Book to improve communication with overseas investors.

External evaluation

In July 2015, Mitsubishi Estate was included in the FTSE4Good Global Index, an index of sustainable companies all over the world, for the 14th consecutive year. Moreover, in September 2014, the company was again selected for inclusion in the Dow Jones Sustainability Indexes (DJSI).

Socially responsible investing is an approach to investing in companies that takes into consideration their environmental and social initiatives and corporate governance as well as economic aspects. We will continue to integrate our business with CSR as we pursue sustainable corporate management.

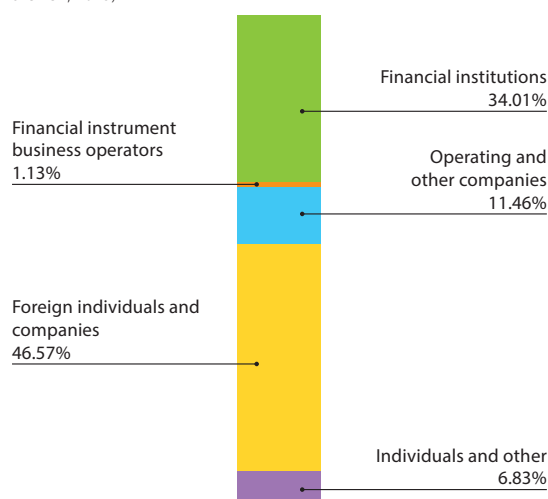


Stock details (as of March 31, 2015)

Number of authorized shares:	1,980,000,000 shares
Number of shares issued and outstanding: (Of which treasury stock)	1,390,397,097 (2,927,192)
Number of shareholders:	59,434

Stock composition (shareholding percentage)

(as of March 31, 2015)



IR Information for Mitsubishi Estate
 Japanese: <http://www.mec.co.jp/j/investor/index.html>
 English: <http://www.mec.co.jp/e/investor/index.html>

G4 Sustainability Reporting Guideline / ISO26000

This CSR Report has been prepared in accordance with the core option of the *G4 Sustainability Reporting Guidelines* from the Global Reporting Initiative (GRI). The reference table below provides the location on the Company's web site or page number in this report for each item presented in the Mitsubishi Estate Group CSR Report 2015 corresponding to these guidelines.

GRI Items	GRI Index	Location on the Company's Japanese-language web site	Page in the report	ISO 26000 core subjects and issues	
GENERAL STANDARD DISCLOSURES					
1. Strategy and Analysis					
G4-1	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.	Message from the President	4-7	4.7 6.2 7.4.2	Respect for international norms of behavior Organizational governance Setting the direction of an organization for social responsibility
G4-2	Description of key impacts, risks, and opportunities.	Message from the President Mitsubishi Estate Group's Value Chain ◆ Mitsubishi Estate Group Annual Report > Risk Management	4-7, 8-9		
2. Organizational Profile					
G4-3	Name of the organization.	◆ Corporate Information > Profile of Mitsubishi Estate	Back cover	6.3.10 6.4.1-6.4.2	Fundamental principles and rights at work Labour practices Employment and employment relationships Conditions of work and social protection Employment creation and skills development
G4-4	Primary brands, products, and/or services.	◆ Corporate Information > About Mitsubishi Estate	9	6.4.3 6.4.4 6.8.5	
G4-5	Location of organization's headquarters.	◆ Corporate Information > Profile of Mitsubishi Estate	Back cover		
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Feature: Sharing Mitsubishi Estate Group's urban development with the world ◆ Corporate Information > About Mitsubishi Estate > International Business	24-25		
G4-7	Nature of ownership and legal form.	◆ Corporate Information > Profile of Mitsubishi Estate	-		
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	◆ Corporate Information > About Mitsubishi Estate	-		
G4-9	Scale of the organization.	◆ Corporate Information > About Mitsubishi Estate	-		
G4-10	Total number of employees by employment contract and gender. Total number of permanent employees by employment type and gender. Total workforce by employees and supervised workers and by gender. Total workforce by region and gender. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Data on human resources	35-36		
G4-11	Percentage of total employees covered by collective bargaining agreements.	Supportive workplaces for employees > Dialogue with employees	-		
G4-12	Organization's supply chain.	Mitsubishi Estate Group's Value Chain	8-9		
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Not applicable	-		
COMMITMENTS TO EXTERNAL INITIATIVES					
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	Mitsubishi Estate Group Basic Environmental Policy and its operational framework Long-Term Environmental Vision	26	7.8	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	CSR-Driven Management at the Mitsubishi Estate Group > External initiatives supported by the Company	-		
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: ● Holds a position on the governance body ● Participates in projects or committees ● Provides substantive funding beyond routine membership dues ● Views membership as strategic	CSR-Driven Management at the Mitsubishi Estate Group > Affiliation with external groups	-		
3. Identified Material Aspects and Boundaries					
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	◆ Corporate Information > Profile of Mitsubishi Estate	-	5.2 7.3.2 7.3.3 7.3.4	Recognizing social responsibility Determining relevance and significance of core subjects and issues to an organization An organization's sphere of influence Establishing priorities for addressing issues
G4-18	Process for defining the report content and the Aspect Boundaries. How the organization has implemented the Reporting Principles for Defining Report Content.	Selecting key CSR themes	8-13		
G4-19	Material Aspects identified in the process for defining report content.	Selecting key CSR themes	12-13		
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Selecting key CSR themes	12-13		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Selecting key CSR themes	12-13		
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Not applicable	-		
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Building management programs reduce CO ₂ emissions	30		

4. Stakeholder Engagement

G4-24	Stakeholder groups engaged by the organization.	Mitsubishi Estate Group's Relationships with Stakeholders	13	5.3	Stakeholder identification and engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Mitsubishi Estate Group's Relationships with Stakeholders	13		
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Operational Framework for CSR Process of selecting key CSR themes Reflect public opinions Collaborating with tenants to conserve energy Feature: Urban development enabling people to live, work and relax—safely and securely Feature: Urban development conducive to child-rearing and an aging population Community building Feature: "Experience Nature" Project brings together urban and rural communities Feature: Initiatives to support reconstruction following the Great East Japan Earthquake	8, 10-11, 12, 13, 14-15, 16, 17, 18, 19		
G4-27	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. Report the stakeholder groups that raised each of the key topics and concerns.	Operational Framework for CSR Reflect public opinions Decide on key CSR themes and performance indicators Collaborating with tenants to conserve energy Feature: Urban development enabling people to live, work and relax—safely and securely Feature: Urban development conducive to child-rearing and an aging population Community building Feature: "Experience Nature" Project brings together urban and rural communities Feature: Initiatives to support reconstruction following the Great East Japan Earthquake	10-11, 12, 13, 14-15, 16, 17, 18, 19		

5. Report Profile

G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Editorial Policy for the CSR Website	3	5.3	Stakeholder identification and engagement
G4-29	Date of most recent previous report (if any).	Editorial Policy for the CSR Website	3		
G4-30	Reporting cycle (such as annual, biennial).	Editorial Policy for the CSR Website	3		
G4-31	Contact point for questions regarding the report or its contents.	Editorial Policy for the CSR Website	3		

GRI CONTENT INDEX

G4-32	"In accordance" option the organization has chosen. GRI Content Index for the chosen option. Reference to the External Assurance Report, if the report has been externally assured.	Core option Editorial Policy for the CSR Website GRI Content Index	3		
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ASSURANCE

G4-33	Organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, scope and basis of any external assurance provided. Relationship between the organization and the assurance providers. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Editorial Policy for the CSR Website	-		
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6. Governance

GOVERNANCE STRUCTURE AND COMPOSITION

G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance	39	6.2 7.4.3 7.7.5	Organizational governance Building social responsibility into an organization's governance, systems and procedures Improving performance
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Operational Framework for CSR	13		
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Operational Framework for CSR	13		
G4-37	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Serving Shareholders and Investors > Company executives give briefings for shareholders, investors and analysts	41		
G4-38	Composition of the highest governance body and its committees.	Corporate Governance ◆ Mitsubishi Estate Group Annual Report > Corporate Governance	39		
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	◆ Mitsubishi Estate Group Annual Report > Corporate Governance	-		
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Corporate Governance > Managerial decision-making process	39		
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: ● Cross-board membership ● Cross-shareholding with suppliers and other stakeholders ● Existence of controlling shareholder ● Related party disclosures	Corporate Governance > Managerial decision-making process ◆ Corporate Governance Report > Items Relating to Organization Structure and Operations, etc.	39		

HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION

G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	CSR-Driven Management at the Mitsubishi Estate Group	13		
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HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT

G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance > Risk Management ◆ Corporate Governance Report > Basic policy on and status of internal governance system	38		
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GRI Items	GRI Index	Location on the Company's Japanese-language web site	Page in the report	ISO 26000 core subjects and issues	
HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT					
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Compliance > Risk Management	38	6.2 7.4.3 7.7.5	Organizational governance Building social responsibility into an organization's governance, systems and procedures Improving performance
HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE					
G4-49	Process for communicating critical concerns to the highest governance body.	Serving Shareholders and Investors > Company executives give briefings for shareholders, investors and analysts			
REMUNERATION AND INCENTIVES					
G4-51	Remuneration policies for the highest governance body and senior executives for the below types of remuneration.	Corporate Governance	39		
G4-52	Process for determining remuneration.	Corporate Governance	-		

7. Ethics and Integrity

G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	CSR-Driven Management at the Mitsubishi Estate Group 2020 Long-Term Vision Mitsubishi Estate Group Long-Term Environmental Vision Mitsubishi Estate Group Basic Environmental Policy Guidelines on Social Contribution Activities	2, 4, 26	4.4 6.6.3	Ethical behavior Anti-corruption
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Compliance	38		
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Compliance	38		

SPECIFIC STANDARD DISCLOSURES

8. Generic Disclosures on Management Approach

G4-DMA	Why the Aspect is material. The themes the Company deems material are reported on in the Medium-Term Management Plan, Selecting Key CSR Themes, CSR-Driven Management at the Mitsubishi Estate Group, 2020 Long-Term Vision, Mitsubishi Estate Group Long-Term Environmental Vision, Mitsubishi Estate Group Basic Environmental Policy and Guidelines on Social Contribution Activities.	Medium-Term Management Plan Selecting Key CSR Themes CSR-Driven Management at the Mitsubishi Estate Group 2020 Long-Term Vision Mitsubishi Estate Group Long-Term Environmental Vision Mitsubishi Estate Group Basic Environmental Policy Guidelines on Social Contribution Activities	8-13	6 7.3.1 7.4.3 7.7.3 7.7.5	Guidance on social responsibility core subjects Due diligence Building social responsibility into an organization's governance, systems and procedures Reviewing an organization's progress and performance on social responsibility Improving performance
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CATEGORY: ECONOMIC

Aspect: Economic Performance

G4-EC1	Direct economic value generated and distributed.	Distribution of economic value to stakeholders	-	6.8.1-6.8.2	Discrimination and vulnerable groups Fundamental principles and rights at work Employment and employment relationships Conditions of work and social protection Community involvement and development
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	◆ Mitsubishi Estate Group Annual Report > Risk Management	-	6.8.3 6.8.7 6.8.9	
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Supportive workplaces for employees	-	6.5.5 6.9.7	

Aspect: Market Presence

G4-ECS	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Initiatives in human resource development	32	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1-6.8.2	
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Aspect: Indirect Economic Impacts

G4-EC7	Development and impact of infrastructure investments and services supported.	Feature: Urban development enabling people to live, work and relax—safely and securely Feature: Urban development conducive to child-rearing and an aging population Feature: Sharing Mitsubishi Estate Group's urban development with the world Examples of activities Building a society with a lower carbon footprint	14-15, 16, 17, 24-25	6.3.9 6.8.1-6.8.2 6.8.7 6.8.9	Economic, social and cultural rights Community involvement and development Wealth and income creation Social investment
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CATEGORY: ENVIRONMENTAL

Aspect: Materials

G4-EN1	Materials used by weight or volume.	Usage of major structural materials in fiscal 2014 by Mitsubishi Estate Home, which procures its own raw materials, totaled 12,339 m ³ .	-	6.5.4	Sustainable resource use
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Aspect: Energy

G4-EN3	Energy consumption within the organization.	Building a society with a lower carbon footprint	30	6.5.4	Sustainable resource use Climate change mitigation and adaptation
G4-EN4	Energy consumption outside of the organization.	Construction sub-contractors are outside the scope of this report.	-	6.5.5	
G4-EN5	Energy intensity.	Building a society with a lower carbon footprint	30		
G4-EN6	Reduction of energy consumption.	Building a society with a lower carbon footprint	30		

Aspect: Energy					
G4-EN7	Reductions in energy requirements of products and services.	Feature: Long-Term Environmental Vision and four symbolic initiatives Reducing environmental impact	27-28, 29	6.5.4 6.5.5	Sustainable resource use Climate change mitigation and adaptation
Aspect: Water					
G4-EN8	Total water withdrawal by source.	Helping society to recycle more	-	6.5.4	Sustainable resource use
G4-EN9	Water sources significantly affected by withdrawal of water.	Not applicable	-		
G4-EN10	Percentage and total volume of water recycled and reused.	Helping society to recycle more	-		
Aspect: Biodiversity					
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fostering harmony between nature and human society	-	6.5.4	Sustainable resource use
G4-EN12	Description on significant impacts on activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fostering harmony between nature and human society	-		
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable	-		
Aspect: Emissions					
G4-EN15	Direct greenhouse gas (GHG) emissions (SCOPE 1).	Building a society with a lower carbon footprint	30	6.5.5	Climate change mitigation and adaptation Prevention of pollution
G4-EN18	Greenhouse gas (GHG) emissions intensity.		30	6.5.3	
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Not applicable	-		
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Building a society with a lower carbon footprint	30		
G4-EN20	Emissions of ozone-depleting substances (ODS).	The Mitsubishi Estate Group strives to manage emissions appropriately in line with related legislation. The Group is carrying out a survey in order to disclose emissions in line with the revised Fluorocarbon Law, which went into effect in April 2015.	-		
G4-EN21	NOx, SOx, and other significant air emissions.	The Mitsubishi Estate Group manages emissions appropriately in line with the Air Pollution Control Act and other related legislation.	-		
Aspect: Effluents and Waste					
G4-EN22	Total water discharge by quality and destination.	Helping society to recycle more	30	6.5.3	Prevention of pollution Sustainable resource use
G4-EN23	Total weight of waste by type and disposal method.	Helping society to recycle more	-	6.5.4	
G4-EN24	Total number and volume of significant spills.	Not applicable	-		
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention2 Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable	-		
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Not applicable	-		
Aspect: Products and Services					
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Reducing environmental impact	29	6.5.3	Prevention of pollution Sustainable resource use Climate change mitigation and adaptation Sustainable consumption
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable	-	6.5.4 6.5.5 6.7.5	
Aspect: Compliance					
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not applicable	-		
Aspect: Overall					
G4-EN31	Total environmental protection expenditures and investments by type.	Environmental Accounting		6.5.1-6.5.2	The environment
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	Not applicable			
Aspect: Supplier Environmental Assessment					
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Cooperating with Business Partners	40	6.3.5	Avoidance of complicity Promoting social responsibility in the value chain Due diligence
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Cooperating with Business Partners	40	6.6.6 7.3.1	
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
Aspect: Employment					
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Data on human resources	-	6.4.3 6.4.4	Employment and employment relationships Conditions of work and social protection Health and income creation
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Supportive workplaces for employees	-	6.8.7	
G4-LA3	Return to work and retention rates after parental leave, by gender.	Supportive workplaces for employees	34		
Aspect: Occupational Health and Safety					
G4-LA5	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.	Not applicable		6.4.6 6.8.8	Health and safety at work Health
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	This is not disclosed as the workplaces, which are primarily offices, of Mitsubishi Estate Group employees expose them to little risk of occupational disease or injury, and there are very few workplace accidents.	-		
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Not applicable	-		
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Supportive workplaces for employees	-		

G4 Sustainability Reporting Guideline / ISO26000

GRI Items	GRI Index	Location on the Company's Japanese-language web site	Page in the report	ISO 26000 core subjects and issues
Aspect: Training and Education				
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Initiatives in human resource development	32	6.4.7
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Initiatives in human resource development Supportive workplaces for employees	-	6.8.5
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Initiatives in human resource development	-	
Aspect: Diversity and Equal Opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	◆ Mitsubishi Estate Group Annual Report > Corporate Governance Data on human resources	-	6.2.3 6.3.7 6.3.10 6.4.3
Aspect: Equal Remuneration for Women and Men				
G4-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.	Initiatives in human resource development	-	6.3.7 6.3.10 6.4.3 6.4.4
Aspect: Supplier Assessment for Labor Practices				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Refer to EN32-33.	40	6.3.5
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Refer to EN32-33.	40	6.4.3 6.6.6 7.3.1
SUB-CATEGORY: HUMAN RIGHTS				
Aspect: Investment				
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Respecting human rights and employee diversity	-	6.3.3 6.3.5 6.6.6
Aspect: Non-discrimination				
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Respecting human rights and employee diversity	-	6.3.6 6.3.7 6.3.10 6.4.3
Aspect: Child Labor				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable (Business involving development and construction is primarily carried out in Japan, where laws against child labor are thoroughly enforced and cases of it occurring are extremely rare, and as such there is nothing to specify as having significant risk for incidents of child labor or forced labor.)	-	
Aspect: Forced or Compulsory Labor				
G4-HR6	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.	Not applicable (Business involving development and construction is primarily carried out in Japan, where laws against child labor are thoroughly enforced and cases of it occurring are extremely rare, and as such there is nothing to specify as having significant risk for incidents of child labor or forced labor.)	-	
Aspect: Supplier Human Rights Assessment				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Refer to EN32-33.	-	6.3.3
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Refer to EN32-33.	-	6.3.4 6.3.5 6.6.6
SUB-CATEGORY: SOCIETY				
Aspect: Local Communities				
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Feature: Urban development enabling people to live, work and relax—safely and securely	16	6.3.9 6.5.1-6.5.2
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	In the event that transfers are requested as the result of rebuilding, development and other projects, appropriate steps are taken after discussion with all parties.	-	6.5.3 6.8

Aspect: Anti-corruption					
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Compliance	38	6.6.1-6.6.2 6.6.3 6.6.6	Fair operating practices Anti-corruption Promoting social responsibility in the value chain
G4-S04	Communication and training on anti-corruption policies and procedures.	Compliance	38		
G4-S05	Confirmed incidents of corruption and actions taken.	Not applicable	-		
Aspect: Public Policy					
G4-S06	Total value of political contributions by country and recipient/beneficiary.	Compliance	-	6.6.1-6.6.2 6.6.4	Fair operating practices Responsible political involvement
Aspect: Anti-competitive Behavior					
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable	-		
Aspect: Compliance					
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not applicable	-		
SUB-CATEGORY: PRODUCT RESPONSIBILITY					
Aspect: Customer Health and Safety					
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Initiatives to manage building safety	-	6.7.1-6.7.2 6.7.4	Consumer issues Protecting consumers' health and safety
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Not applicable	-	6.7.5 6.8.8	Sustainable consumption Health
Aspect: Product and Service Labeling					
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Responsible information provision Communicating with clients Fostering harmony between nature and human society	-		
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome.	Total number of incidents: 1 (related to menu display in hotel)	The incident over the menu display is reported in this table.	4.6 6.7.1-6.7.2 6.7.3 6.7.4 6.7.5 6.7.9	Respect for the rule of law Consumer issues Fair marketing, factual and unbiased information and fair contractual practices Protecting consumers' health and safety Sustainable consumption Education and awareness
G4-PR5	Results of surveys measuring customer satisfaction.	Communicating with clients	-	6.7.1-6.7.2 6.7.6	Consumer issues Consumer service, support, and complaint and dispute resolution
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	Feature: Sharing Mitsubishi Estate Group's urban development with the world Feature: Long-Term Environmental Vision and four symbolic initiatives Building a society with a lower carbon footprint	24-25, 27	6.7.1-6.7.2 6.7.7	Consumer issues Consumer data protection and privacy
Aspect: Marketing Communications					
G4-PR6	Sale of banned or disputed products.	Not applicable	-	4.6 6.7.1-6.7.2 6.7.3	Respect for the rule of law Consumer issues
G4-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.	Responsible information provision	-		Consumer service, support, and complaint and dispute resolution
Aspect: Customer Privacy					
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not applicable	-		
Aspect: Compliance					
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not applicable	-		



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 MITSUBISHI ESTATE CO., LTD.**

About the cover design

The back cover shows the award-winning works of art from the fiscal 2014 thirteenth Kira Kira Art Competition held by Mitsubishi Estate for children with disabilities.

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