

# 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.