

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



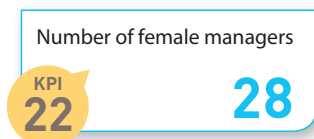
Koji Matsuda
Mitsubishi Jisho Sekkei Inc.

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

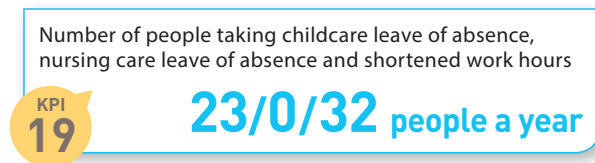
Programs to foster work-life balance

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.

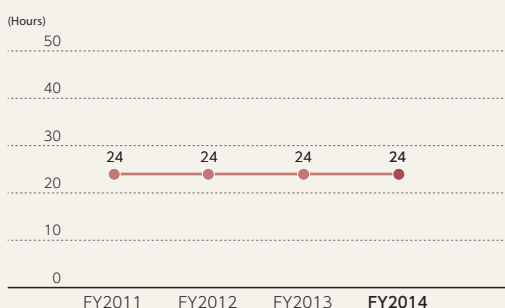
Mitsubishi Estate has made Wednesdays “no overtime days” to help prevent long work hours and overwork. Moreover, the company also observes “intensive no overtime days” on the third Wednesday of every month and every Wednesday in November. It has also introduced a work management system that is linked 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

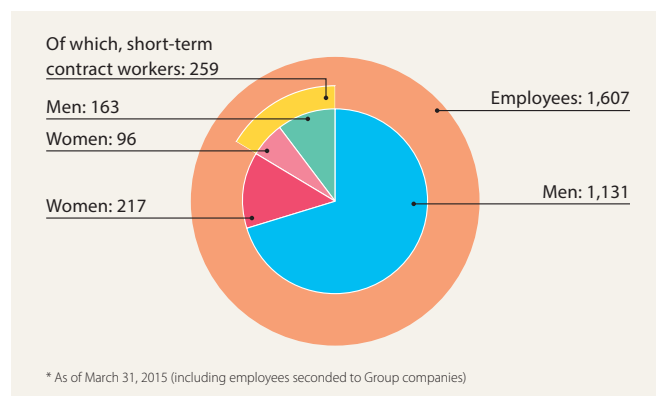
Number of new hires and people leaving the company (Mitsubishi Estate Group overall)

	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.